

## Key Insight: Schools with loans improve education quality faster

Data shows schools that have taken School Improvement Loans are improving their education quality self-assessment scores at a 19.5% faster rate than those who are not banking with a financial institution.

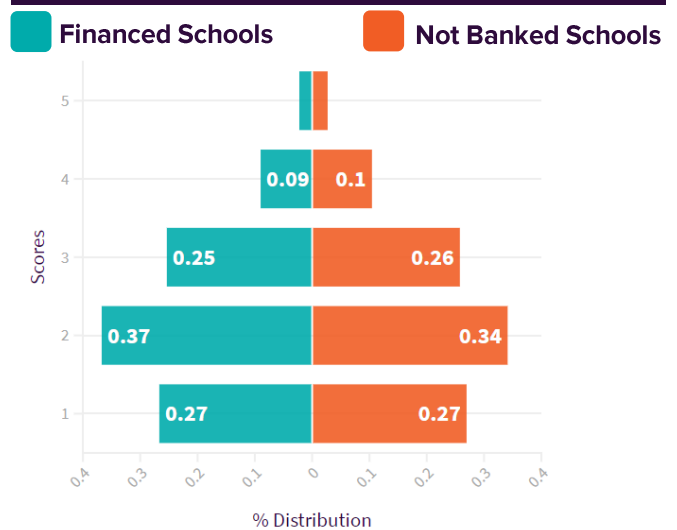
### Education Quality: *Pathways to Excellence*

EduQuality, a program of Opportunity EduFinance, equips school leaders to complete **annual self-assessments using the *Pathways to Excellence* tool**, scoring their school across 18 domains\* organized under 3 education quality areas on a scale from 1-4, where 4 represents excellence.

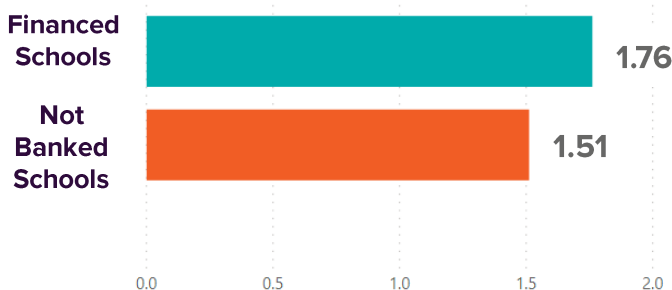
### Key Finding #1 – School Baseline Scores

There is no material difference between schools with loans ('financed') and without loans ('not banked') when they first join EduQuality, evidenced by little variance between schools' initial **self-assessment score's distributions**.

### Distribution of Self-Assessment scores by Finance Status



### Cumulative average number of domains with increased self-assessment scores by Finance Status



### Key finding #2 –

#### Pace of Score Improvement

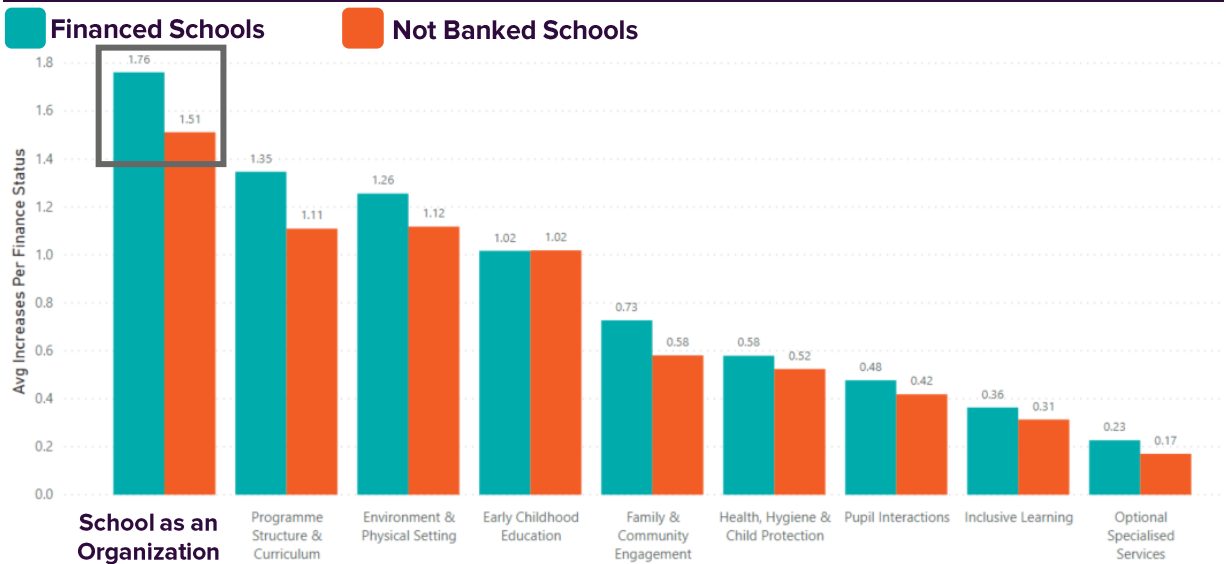
Schools with loans show **quicker improvement** on their self-assessment scores. Cumulatively, schools with financing have increase in **1.76 domains** on average, compared to schools with no bank account increasing in **1.51 domains** on average.

\* The original version of Pathways to Excellence was divided into 42 domains using a 5-point scale. See the methodology section for details.

## Key Finding #3 – Financed School improvements by Domain

The schools that are investing with school improvement loans are showing the fastest score improvements in the area of “**School as an Organization,**” predominately in the *School Governance* and *Teacher Recruitment* domains. These domains are increasing, on average, **36% faster** than their unbanked peer schools.

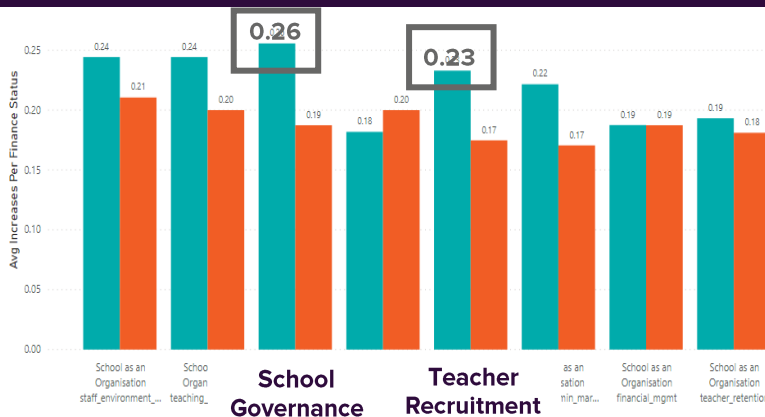
### Average Number of Domains Increased by Finance Status



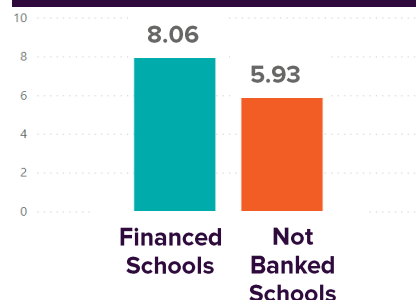
## Key Finding #4 – ICT Investment

Schools accessing financing are more likely to have more computers than unbanked schools.

### Average domains increase under ‘School as an Organization’ area by Finance Status



### Average Number of Computers by Finance Status



## Key Insight: Schools with loans improve education quality faster

Data also shows schools that have taken School Improvement Loans have **better school outcomes**, including lower dropout rates and higher tier national exam scores, than their unbanked peer schools.

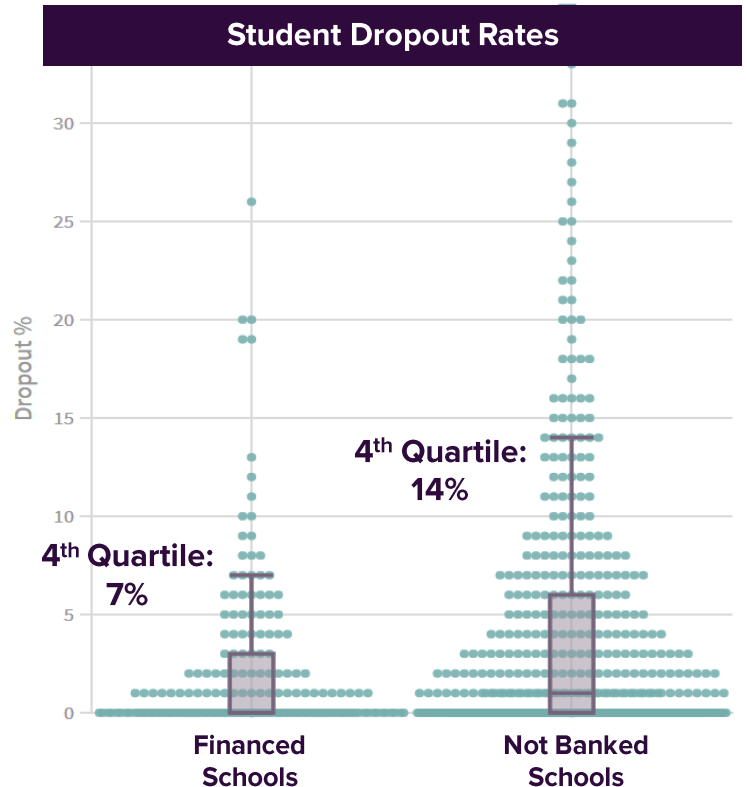
### Key Finding #5 –

#### Dropout Rates

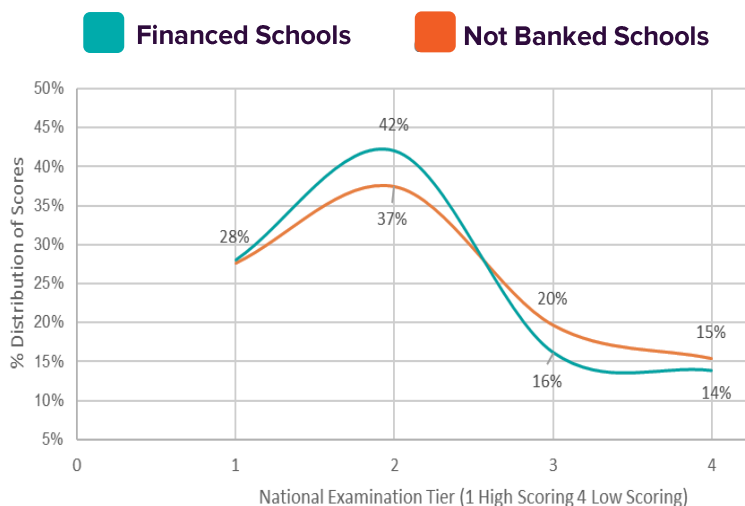
Schools with financing tend to have **lower dropout rates** compared to their peers.

On average, **unbanked schools are likely to have twice as many dropouts** as financed schools (2.51% vs 4.99%).

For more on school improvement loan impact on national exam scores in Uganda, see the research brief published by University of Chicago’s Center for RISC on the EduFinance Research & Learning page: <https://edufinance.org/publications/research-and-learning/>



### National Exam Score Distribution



### Key Finding #6 –

#### National Exam Scores

Schools with financing tend to have **better results at national examinations** according to data from Rwanda, Ghana and Uganda.

Financed schools have a larger proportion of students in **higher tiers** (1 & 2) and conversely have a lower proportion of students in lower scoring tiers, as compared to their unbanked peer schools.

## METHODOLOGY & NOTES

### Study Sample

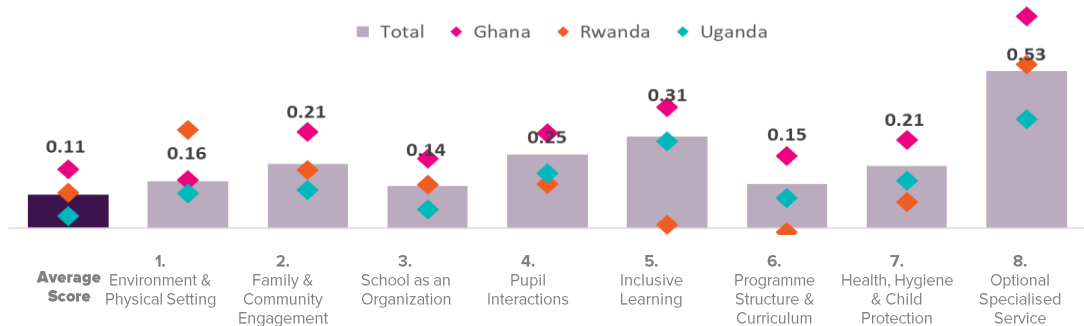
This study includes a sample of **1,063 schools** from Uganda, Rwanda, Ghana, Tanzania and Kenya. It utilizes data from between 2017-2020. All schools are participants in EduQuality, a program of Opportunity EduFinance. Opportunity EduFinance collects data via surveys on schools that participate in the EduQuality, as well as self-reported data which is submitted directly by school leaders.

### Pathways to Excellence

Data analysis for this study was conducted on the original *Pathways to Excellence* version, as this is the current majority of our data sets.

In the original version, schools rated their quality on a 1-5 scale across 42 key areas, organized under 8 education quality areas. The below graph shows year-over-year change in average scores across the 8 education quality areas.

**Average point change in Self-Assessment scores across 8 Education Quality Areas**



### Calculation of National Exam Scores

National exams were standardized across primary & lower-secondary schools for Ghana, Rwanda & Uganda. In total, the sample includes **426 schools & 11,320 students**. Details on how assessments levels were standardized are in the table below.

Standardized Tier	Country - National Examination Ranking - Exam Type	
Tier 1	Rwanda Division 1, Lower Secondary	Uganda Division 1, Primary
	Uganda Division 1, Lower Secondary	Ghana Division 1 Stage 1 Lower Secondary
	Rwanda Division 1, Primary	Ghana Division 1 Stage 2 Lower Secondary
Tier 2	Rwanda Division 2, Lower Secondary	Uganda Division 2, Primary
	Uganda Division 2, Lower Secondary	Ghana Division 1 Stage 3 Lower Secondary
	Rwanda Division 2, Primary	Ghana Division 1 Stage 4 Lower Secondary
Tier 3	Rwanda Division 3, Lower Secondary	Uganda Division 3, Primary
	Uganda Division 3, Lower Secondary	Ghana Division 2 Stage 1 Lower Secondary
	Rwanda Division 3, Primary	Ghana Division 2 Stage 2 Lower Secondary
Tier 4	Rwanda Division 4, Lower Secondary	Uganda Division 4, Primary
	Uganda Division 4, Lower Secondary	Ghana Division 2 Stage 3 Lower Secondary
	Rwanda Division 4, Primary	Ghana Division 2 Stage 4 Lower Secondary