**Key Insight: School Fee Loans decrease absenteeism**

Households borrowing school fee loans (SFL) report lower student absenteeism rates than households that did not borrow.

**Key Finding #1 - Absenteeism**

Households borrowing school fee loans reported a lower rate of student absenteeism (22%) over the last term than non-borrowing households (33%).

![Percentage of Children Absent from School](chart)

**Key Finding #2 – Cause of Absenteeism**

The inability to pay school fees on time was the key differentiating factor in reported causes of absenteeism. 70% of households not borrowing SFL reported that lack of school fees was a cause of absenteeism, compared to only 33% of SFL households reporting this as a cause.

![Causes of Absenteeism](chart)

**STUDY: Understanding School Fee Loans Study - Nairobi, Kenya**

Opportunity EduFinance and Kantar Market Research conducted a study in Kenya to understand the key characteristics of Musoni Microfinance’s SFL clients. The research team conducted 176 interviews around Nairobi, Kenya in late 2019, interviewing Musoni clients as well as non-client households, aiming to capture an in-depth and holistic picture of the impact of school fee loans.
Key Finding #3 – Household Size
Households borrowing school fee loans are likely to have larger families (5.2 people) with more school going children (2.3) than non-school fee loan borrowing households.

Key Finding #4 – Living in Poverty
On average, households with school fee loans report higher household income compared to non-school fee loan households. However, since this income is spread over a larger family size, SFL households are marginally more likely to be living in poverty (18.0%) than non-SFL households (16.4%). These findings indicate the school fee loan is reaching households that require this support to keep children in school.

Using the Progression out of Poverty Index (PPI), average PPI scores were calculated for SFL and non-SFL households to determine the likelihood households are living in poverty.

% likelihood Household is living on $2.50/day

<table>
<thead>
<tr>
<th>% likelihood household is living in poverty</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Poverty Line</td>
<td>18%</td>
</tr>
<tr>
<td>150% of Poverty Line</td>
<td>48%</td>
</tr>
<tr>
<td>$2.50/ day Poverty Line</td>
<td>65.60%</td>
</tr>
<tr>
<td>200% of Poverty Line</td>
<td>70.20%</td>
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</tbody>
</table>

NOTE: The Kenya National Bureau of Statistics (KNBS) established the national poverty line for urban households at 5,995 Kenya shillings per month per person and includes minimum provisions for both food and non-food expenditures, equivalent to US$1.86/day as of June 2020. https://bit.ly/2YarLLL