EDUFINANCE MARKET KNOWLEDGE:



Financing the Affordable Private School Sector in Honduras

Opportunity EduFinance conducted market research to analyse the needs of affordable private schools in Honduras. The intention of the research was to gain insight into the size and nature of the private education market in low- and middle-income areas in different regions, in order to understand the problems that affect affordable private schools and show financial solutions that are likely to best serve them.

Regions part of the study: Choluteca, San Marcos de Colon, Comayagua, Danli, Santa Rosa de Copan, Gracias.

School Improvement Loans (SIL)

Profile



17 Schools interviewed







Demand for School Improvement Loans



of schools interested in construction



of schools interested in fixed assets



of schools interested in the professional development of teachers

Average Budget Required



Construction



Fixed Assets

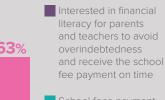


Professional Development

Other Financial Services







School fees payment through the FI

Salary collection

Estimated market size



The estimated market size for School Improvement Loans is:

HNL 146mn (USD \$6mn)

School Fee Loans (SFL)

Profile



Parents interviewed







HNL 6-9k (USD \$250-370) annual payment plus 3k (US\$ 125) monthly

Demand for School Fee Loans



interested in a loan for education





Loan tenure 18 months



>70% would provide personal guarantors



interested in receiving financial literacy

Estimated market size





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Teacher Loans

85 teachers interviewed

Demand for Teacher Loans



Interested in a loan



Average loan tenure **36** months

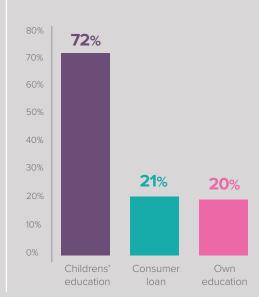


Average loan size



77% would offer personal guarantee

Uses of Teacher Loans



Estimated market size



The estimated market size for Teacher Loans is:

HNL 13mn (USD \$500k)

EduSave

Parents



Reasons for loan 80%

To support higher education

40%

Saving for secondary



Interested in saving products for education for min 2 years



Monthly saving HNL 600 (USD \$25)



>75% would prefer an automatic transfer from the bank account to the saving account

Schools





Monthly saving HNL 4.5k (USD \$190)



Average saving goal HNL 150k (US\$ 6k)

Estimated market size -



The estimated market size for EduSave is:

HNL 395mn (USD \$16m)

Teachers





Interested in saving for 2 years



Saving goal HNL 30k–100k (US\$ 1.2-4k) yearly



Mainly to support the higher education studies of their children



Monthly saving HNL 200–1k (US\$ 8-40)