EDUFINANCE MARKET KNOWLEDGE:
Financing The Affordable Private School Sector In Liberia

Estimated market size for Liberia

- The estimated potential market for school improvement loans is: USD 12.5mn
- The estimated potential market for School Improvement Loans is: USD 16mn
- The estimated potential market for Payment Mobile Services is: USD 304k

Demand for School Improvement Loans

1. Is a School fee administration and payment service useful for your school?
2. Is a School Improvement Loan for expansion useful for your school?
3. Is a School Improvement Loan for spot improvements useful for your school?
4. How useful would school training along with school loans (in partnership with local education experts covering admin set-up, financial management, teaching best practices service be for your school?

Profile of schools interviewed

- USD 47–186 Annual school fees
- 200 (Min. students per school)
- >2 Years in operation

Monrovia

Demand for School Improvement Loans

- Construction needed: 92%
- Spot Improvements needed: 56%
- Fixed Assets needed: 65%

Mobile Payment Services

- 76% would find this useful

Estimated Potential Market

- Construction USD 11.3mn
- Spot Improvements USD 280k
- Fixed assets USD 373k
- Mobile Payment Services USD 304k

Demand for School Fee Loans

- Income: USD 11.3mn
- Spot Improvements: USD 280k
- Mobile Payment Services: USD 304k
- Fixed assets: USD 373k

Profile of families interviewed

- 40% located in Monrovia
- Each family has 4 children on average, 3 of which are in education (1 in nursery, 1 in primary and 1 in secondary)

Income

- The average monthly income in Monrovia is USD 103

Frequency of fee payment

- Instalments: 93%
- Once per term: 100%

Expressed an interest in receiving a school fee loan: 100%

Average loan size requested: USD 3.3k

Demand for other financial products

- More than 80% of parents interviewed said that the following features of school fee collection would be excellent:
  - Paying at the Microfinance Bank
  - Savings programme to help save for school fees
  - Open a bank account for paying the fees
  - Screening for capability of payment
  - The Microfinance Bank offers you a loan if payment is late

Summary – Monrovia

- The estimated potential market for school improvement loans is: USD 12mn
- The estimated potential market for School Fee Loans is: USD 304k
- The estimated potential market for Payment Mobile Services is: USD 304k
EDUFINANCE MARKET KNOWLEDGE:
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Estimated market size for Liberia

The estimated potential market for school improvement loans is:
USD 12.5mn

The estimated potential market for Payment Mobile Services is:
USD 404k

The estimated potential market for School Fee Loans is:
USD 24.7mn

Demand for School Improvement Loans

1. Is a School fee administration and payment service useful for your school?
2. Is a School Improvement Loan for expansion useful for your school?
3. Is a School Improvement Loan for spot improvements useful for your school?
4. How useful would school training along with school loans (in partnership with local education experts covering admin set-up, financial management, teaching best practices service be for your school?

Profile of schools interviewed

USD 47–186
Annual school fees

200
(Min. students per school)

>2
Years in operation

Buchanan

Demand for School Improvement Loans

- Construction: 91%
- Spot Improvements: 66%
- Fixed Assets: 62%

Mobile Payment Services

Would find this useful: 76%

Estimated Potential Market

- Construction
USD 137k
- Spot Improvements
USD 19k
- Fixed assets
USD 19k
- Mobile Payment Services
USD 50k

Demand for School Fee Loans

1. The microfinance bank directly pays the school the fees, you don’t have to receive the loan and go and pay the school
2. Interest is only paid on the outstanding loan amount, so the faster you pay the loan off, the less interest you pay
3. You only apply for school fee loan once, when approved you will automatically get the loan when the bank needs to pay the school fees, when you have paid off the loan you will automatically be entitled to a new loan when new school fees are due
4. You will receive SMS reminders how much loan you have and updates when you have made a payment

Profile of families interviewed

37% located in Buchanan
Each family has 4 children on average
3 of which are in education (1 in nursery, 1 in primary and 1 in secondary)

Income

The average monthly income in Buchanan is USD 355

Frequency of fee payment

- Instalments: 52%
- Once per term: 4%
- Once per month: 6%

Demand for other financial products

More than 80% of parents interviewed said that the following features of school fee collection would be excellent:

- Paying at the Microfinance Bank
- Savings programme to help save for school fees
- Open a bank account for paying the fees
- Screening for capability of payment
- The Microfinance Bank offers you a loan if payment is late

Demand for School Fee Loans

- Construction
USD 137k
- Spot Improvements
USD 19k
- Fixed assets
USD 19k
- Mobile Payment Services
USD 50k

USD 823
Average loan size requested

Summary – Buchanan

The estimated potential market for school improvement loans is:
USD 174k

The estimated potential market for Payment Mobile Services is:
USD 50k

The estimated potential market for School Fee Loans is:
USD 2mn
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Estimated market size for Liberia

The estimated potential market for school improvement loans is:
USD 12.5mn

The estimated potential market for Payment Mobile Services is:
USD 404k

The estimated potential market for School Fee Loans is:
USD 24.7mn

Demand for School Improvement Loans

1. Is a School fee administration and payment service useful for your school?
2. Is a School Improvement Loan for expansion useful for your school?
3. Is a School Improvement Loan for spot improvements useful for your school?
4. How useful would school training along with school loans (in partnership with local education experts covering admin set-up, financial management, teaching best practices service be for your school?

Profile of schools interviewed

USD 47–186
Annual school fees

200
(Min. students per school)

>2
Years in operation

Ganta

Demand for School Improvement Loans

<table>
<thead>
<tr>
<th>Construction</th>
<th>Spot Improvements</th>
<th>Fixed Assets</th>
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</thead>
<tbody>
<tr>
<td>90%</td>
<td>52%</td>
<td>58%</td>
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Mobile Payment Services

Would find this useful

76%

Estimated Potential Market

<table>
<thead>
<tr>
<th>Construction</th>
<th>Spot Improvements</th>
<th>Fixed assets</th>
<th>Mobile Payment Services</th>
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</thead>
<tbody>
<tr>
<td>USD 223k</td>
<td>USD 68k</td>
<td>USD 68k</td>
<td>USD 56k</td>
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Demand for School Fee Loans

1. The microfinance bank directly pays the school the fees, you don’t have to receive the loan and go and pay the school
2. Interest is only paid on the outstanding loan amount, so the faster you pay the loan off the less interest you pay
3. You only apply for school fee loan once, when approved you will automatically get the loan when the bank needs to pay the school fees, when you have paid off the loan you will automatically be entitled to a new loan when new school fees are due.
4. You will receive SMS reminders how much loan you have and updates when you have made a payment

Profile of families interviewed

23% located in Ganta
Each family has 4 children on average
3 of which are in education (1 in nursery, 1 in primary and 1 in secondary)

Income

The average monthly income in Ganta is USD 97

Frequency of fee payment

47% Instalments
80% Once per term

Demand for school fee loan

Yes
No

USD 458
Average loan size requested

Summary – Ganta

The estimated potential market for school improvement loans is:
USD 360k

The estimated potential market for Payment Mobile Services is:
USD 56k

The estimated potential market for School Fee Loans is:
USD 6.8mn

More than 80% of parents interviewed said that the following features of school fee collection would be excellent:

- Paying at the Microfinance Bank
- Savings programme to help save for school fees
- Open a bank account for paying the fees
- Screening for capability of payment
- The Microfinance Bank offers you a loan if payment is late