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

The private education sector in Pakistan is expanding, driven by government incentives and growing awareness among families of the importance of their children’s education.

Opportunity International conducted market research to analyse the needs of affordable private schools in Sindh, Pakistan. 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 Umerkot, Shahdadpur and Sanghar in order to understand the problems that affect affordable private schools and to show financial solutions that are likely to best serve them.

Sindh
Profile of schools interviewed

US $20–50
Annual school fees
>3
Years in operation
150
(Min. students per school)
US $3k–7.5k
Business turnover

Demand for School Improvement Loans

1. Would mobile payment services be 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. Is a School Improvement Loan to purchase fixed assets useful for your school?
5. Is a School Improvement Loan to solve short term cash flow problems useful for your school?
6. How useful would you find training (eg. in admin set-up, financial management, teaching best practices) alongside school loans?

Demand for School Improvement Loans

Demands for School Improvement Loans

Construction
Spot improvements
Fixed assets

Don’t need a loan
Need a loan
Don’t know

Don’t need a loan
Need a loan
Don’t know

1. Construction
2. Spot improvements
3. Fixed assets

Don’t need a loan
Need a loan
Don’t know

Don’t need a loan
Need a loan
Don’t know

Demand for Mobile Payment Services

Mobile Services
40% of schools would find this service useful

Mobile Payment Service
15% of schools would be willing to pay <5% of school fees for this service

Average Budget

Construction
Spot improvements
Fixed assets

US $3,200
US $1,000
US $1,400

Construction
Spot improvements
Fixed assets

57% of schools want to build extra classrooms
53% want to paint and plaster
93% want to buy new computers

Where the money will go

Summary

The estimated additional potential market for school improvement loans in private schools is US $26.5m

For school fee administration and payment services in private schools the estimated potential market is US $915k