56% of parents use income from their business, and 37% use income from their salary, to pay for their children’s school fees. When asked about the challenges they faced paying their children’s school fees, 57% said their household spending suffers and another 39% said their business suffers. Both of these factors lead to the third highest response: 38% said because of the challenges of paying school fees, they have to borrow money. 17% of respondents indicated that not all of their children go to school all the time because of these challenges.

The amount spent on school fees per year is, on average, 61.5% of parent annual income. 72% of the parents surveyed across all three regions said that January, the month school fees are due, is typically the month when they have the lowest income.

The desire for school fee loans across all three regions is extremely high at 97.2% total.

The size of the market is considered to be significant. Demand is especially high from parents that have already taken out a loan in the past as the survey confirmed that many are diverting their loan to pay for school fees.
EDUFINANCE MARKET KNOWLEDGE
EDUCATION LENDING OPPORTUNITIES IN TANZANIA

FINANCING THE AFFORDABLE PRIVATE SCHOOL SECTOR:
SCHOOL IMPROVEMENT LOANS

LEVEL OF EDUCATION PROVIDED BY SURVEYED SCHOOLS

- Pre-school: 81%
- Primary: 70%
- Lower Secondary: 23%
- Upper Secondary: 8%
- Other: 2%

INTEREST IN SCHOOL IMPROVEMENT LOAN

- Yes: 84%
- No: 16%

The demand for school improvement loans is high. Of the schools that did not currently have a loan, 84% said they would be willing to take a loan for school improvements.

56% of schools want to build new classrooms
33% need equipment such as books and desks
56% need working capital
33% of schools want to renovate existing buildings
38% want to purchase school transportation
24% want capital to train their teachers better

Schools expressed interest in teacher training workshops. We asked schools to mark all the trainings that they would be interested in attending. School Marketing, Financial & Accounts Management, and Teacher Training were the three most popular choices. Nearly 50% of the schools surveyed were interested in each of these three trainings.