



# Financial Solutions for Sending and Keeping All Children in School

A Sustainable and Scalable  
Blueprint for Marginalized  
Communities



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## EXECUTIVE SUMMARY

Investment in education is one of the few decisive ways to loosen the grip of poverty. Education is, in fact, the single largest determinant of future economic status and self-reliance, and it is key to empowering communities and spurring economic growth. Studies show that increasing access to education can help boost earnings,<sup>1</sup> while reducing crime,<sup>2</sup> child marriage<sup>3</sup> and the incidence of HIV/AIDS.<sup>4</sup> Despite the high value of education, 67 million children worldwide are not in school.<sup>5</sup> In Africa, one in four primary school-age children works or stays at home rather than attending school.<sup>6</sup>

Education has an exponential effect on a child's potential. It is a proven path out of poverty. Opportunity International's ("Opportunity") goal is to pave this path and add additional lanes through our education finance initiative, which equips vulnerable families, students and private school proprietors with the financial tools to improve educational outcomes in low-income countries. Our goal is to positively impact the education of more than two million children in marginalized communities around the world by 2018. We will achieve this through addressing the five key challenges to education in poor regions:

- High Cost of Education
- Low Proximity of Schools to Students
- Low Quality of Education
- High Risk of Death or Disability of Parents
- Low Applicability of Education to Employability

1 Ewert (2009). "What it's worth: Field of training and economic status in 2009."

2 Lochner (2010). "Non-production benefits of education: Crime, health, and good citizenship," CIBC working paper 2010-7.

3 Nguyen and Wodon (2012). *Child marriage and education: A major challenge.*

4 Beasley, Valerio and Bundy (2008). *Education and HIV/AIDS: A sourcebook of HIV/AIDS prevention programs vol. 2.*

5 UNESCO Institute for statistics database (2011).

6 UNESCO (2010). "Education for all global monitoring report."



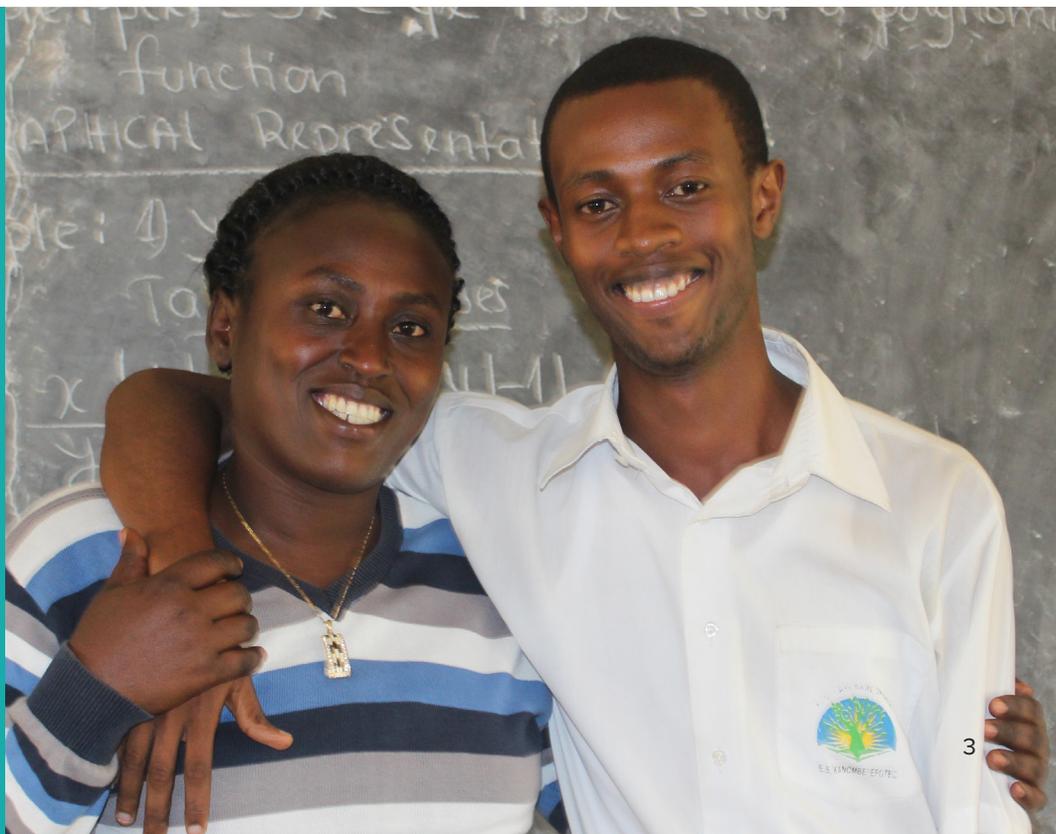
## STRATEGY

Opportunity’s innovative education finance initiative brings targeted financial services into the field of education. It helps private-school proprietors create better schools. It equips low-income households to provide their children with better educational opportunities. Each service we provide through the education finance initiative helps break down the main obstacles to education in poor communities.

### Education Finance Services Address Top Challenges to Education

Opportunity Products	High Cost of Education	Low Proximity of Schools to Students	Low Quality of Education	High Risk of Death or Disability of Parents	Low Applicability of Education to Employability
School Improvement Loans					
School Proprietor Training					
Primary & Secondary School Fee Loans					
Tertiary School Fee Loans					
EduSave Insurance					
Youth Financial Education & Savings Accounts					

Serge Mugenzi is an ambitious student who aspires to become a doctor. However, school fees were a barrier between Serge and his education. His mother, Marie Jeanne de Chantal, was thrilled to hear about Opportunity’s school fee loans, which could help her finance Serge’s education without endangering her growing retail shop. “It is hard to express my feelings when I send my son off to school knowing he will not be sent home because his tuition payment was late,” she said. “He can attend classes with peace in his heart. This fills my own heart with joy.”



## Opportunity's Key Education Finance Services

### School Improvement Loans.

Opportunity delivers loans to schools dedicated to providing education to poor children in communities with low-quality public schools or no public schools at all. School improvement loans allow school proprietors to improve and grow schools in areas where there is a demand for education, helping provide high-quality education to families who otherwise would have seen the distance and cost of schooling as insurmountable barriers to their children's futures.

### School Proprietor Training.

Opportunity provides training to school proprietors in school financial management, marketing, teacher management and teaching best practices to facilitate improvements in school quality.

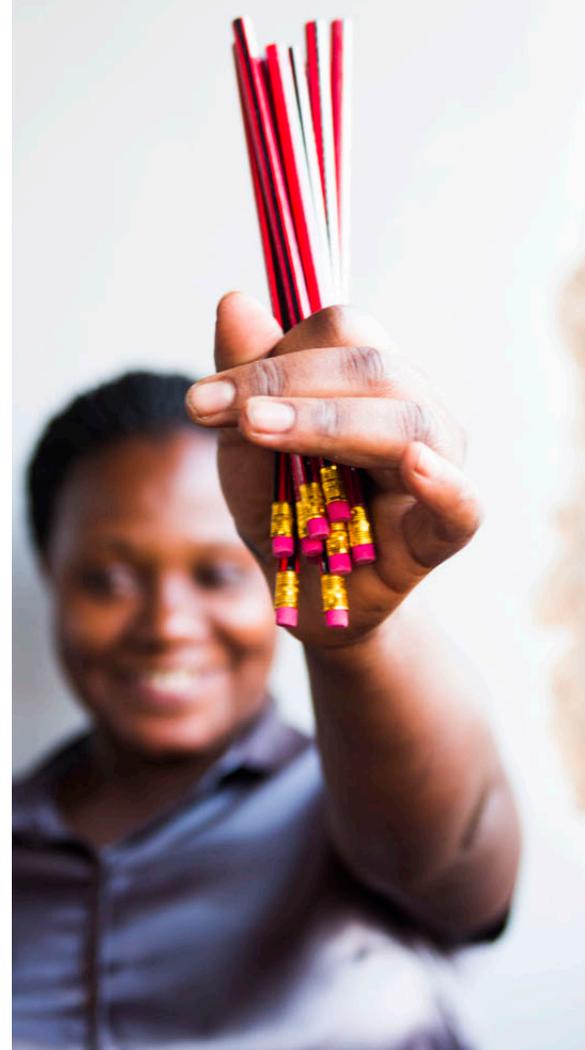
**Primary & Secondary School Fee Loans.** This financing helps parents to afford private education for their children. Our financial institutions target families that are committed to providing quality private education to their children but struggle to pay lump-sum school fees.

### Tertiary School Fee Loans.

Young people use tertiary loans to afford university and vocational schools, where they will build technical expertise and increase their chances of finding meaningful employment.

**EduSave Insurance.** EduSave provides free school fees insurance to clients who maintain moderate savings account balances. This innovative education savings program will keep children in school in the event of a parent or guardian's death or permanent disability.

**Youth Financial Education & Savings Accounts.** In collaboration with educational organization Aflatoun, Opportunity provides youth with training in financial literacy and employment skills along with access to interest-bearing savings accounts. The goal of these efforts is to empower children to stay in school and see the direct link between education and their future livelihood.





Like most parents, it was impossible for Evans Ssenabuya of Uganda to ignore the importance of investing in education as he watched his three girls grow up. He also noticed how many children in the community, mostly girls, were missing out on attending school. In 2007, Evans started a school of 100 students in a wooden structure on a rented plot of land. Now, he owns the land and has grown the Ridgeway School into a day and boarding program serving over 915 marginalized students. His next goal: build a daycare facility and introduce computer classes to prepare students for secondary school.



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## COMMUNITY VALUE PROPOSITION

Private schools supported through the education finance initiative help their communities thrive by catalyzing job creation and new growth opportunities. School improvement loans bolster infrastructure by equipping school proprietors to add classrooms, pave floors and build new facilities such as classrooms or bathrooms. As a result, more children can attend school. As a school's attendance increases, so does its income, helping create new jobs for local teachers, cooks, security guards, administrators, maintenance workers and construction workers. Meanwhile, satellite businesses emerge in the community, offering uniforms, transportation, food, books and school supplies. In short, the school – along with the financial products and services that help grow and sustain it – becomes the engine for economic, social and educational growth within a community.

## SUSTAINABILITY

Sustainability is central to our approach. Many education-focused development organizations construct new schools or fund costly external interventions. Opportunity is different. We focus on growing and strengthening existing schools, ones already established by committed individuals with connections to their communities. In addition, through our sustainable approach, the process continues after the loan is granted. School improvement loans and school fee loans are continually leveraged and recycled as they are repaid. We call this the multiplier effect; it means that when one school succeeds, other schools will have an opportunity to benefit from Opportunity's financial products. Within an estimated three to five years, Opportunity's education finance initiative achieves sustainability in a given country, with ongoing project costs being underwritten by income earned locally from the loan repayment process.

### Education Finance: Key Milestones Since 2009

#### 2,000 SCHOOL IMPROVEMENT LOANS

to private school proprietors, serving approximately 500,000 students.

#### 25,000 SCHOOL FEE LOANS

to parents, serving approximately 71,000 students.

#### 3,200 TERTIARY LOANS

to university and technical school students, helping them afford post-secondary education costs.

#### 90,000 EDUSAVE ACCOUNTS

to parents, protecting the educational livelihoods of approximately 200,000 students.

#### 18,000 YOUTH SAVINGS ACCOUNTS

to students and their families, helping children learn financial management while equipping families to save for school fees.



Mercy Senyegah operates Divine Knowledge School in Ashaiman, Ghana. Abandoned by her husband, she had to find a way to support her children and ensure they received the best possible education. To meet these challenges, Mercy and a close friend combined their savings to lease a small plot of land and build a modest school. Mercy received her first loan from Opportunity in 2009 to add a classroom and cement the floors. Now on her third loan cycle valued at \$1,300, Mercy is investing in desks, new curriculum and supplies; she already has a vision for the library and computers she will add with future loans.



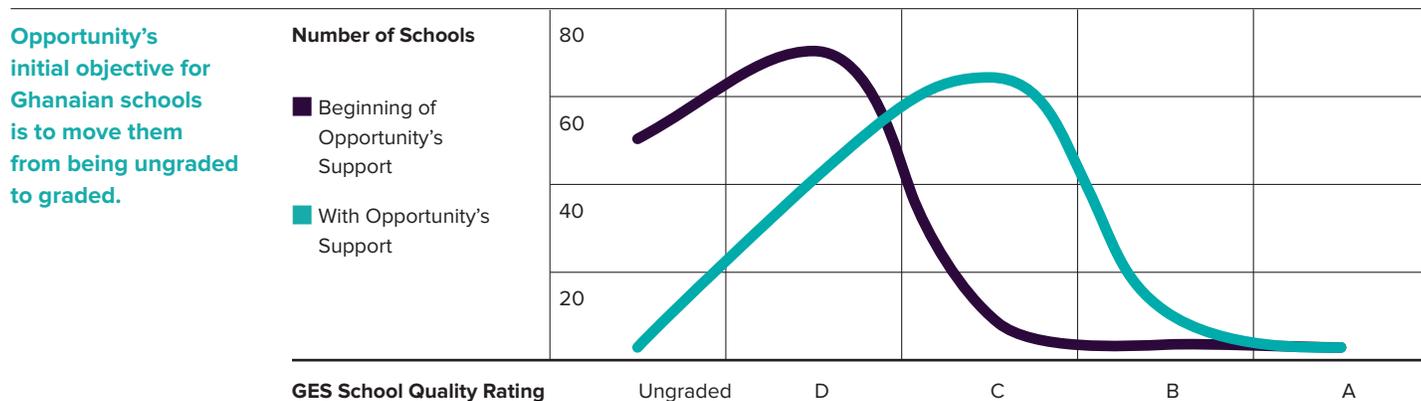
## ACHIEVEMENTS

Opportunity’s education finance initiative is active in the Dominican Republic, Ghana, Kenya, India, Malawi, Rwanda, Tanzania, Uganda and the Philippines. Looking forward, we will build on the education portfolio’s success to include other countries.

Our data shows that the education finance initiative helps low-cost community schools to reach more vulnerable children and youth, offer a higher quality education and become sustainable. In Uganda alone, school proprietors who have borrowed from Opportunity for at least three years have achieved, on average, 24 percent enrollment growth and 36 percent more teaching staff.

Similarly, a recent review in Ghana demonstrated that private schools that received loans from Opportunity experienced, on average, 19 percent enrollment growth and 20 percent more teachers. They also achieved higher marks on the government-advised Ghana Education System (GES) quality indicators, meaning the schools are providing students with a better quality education after receiving financing from Opportunity. The average school rating increased 1.15 GES levels out of 5 possible levels (Ungraded to A). Additionally, 50 schools (96 percent of those surveyed) advanced from the lowest possible rating in the system, known as ungraded, to becoming graded, demonstrating that they are making significant improvements.

### Impact of Education Finance Program in Ghana





## Vision

Our vision is a world in which all people have the opportunity to achieve a life free from poverty, with dignity and purpose.

## Mission

By providing financial solutions and training, we empower people living in poverty to transform their lives, their children's futures and their communities.

## Values

**Commitment** to our clients and their transformation.

**Humility** a spirit of serving in all that we do.

**Respect** 360 degrees of consideration and teamwork.

**Integrity** living our values with transparency and consistency.

**Stewardship** accountability, innovation, and urgency.

**Transformation** our ultimate goal in ourselves and others.

## Method

We support local microfinance organizations that provide innovative financial solutions to empower people, create jobs and build vibrant communities.

- We create innovative partnerships to provide complementary services to our clients.
- We seek to impact the lives of our clients, staff and supporters.
- Our products, services and training enable clients to develop businesses, to save and to insure against an uncertain future.
- We strengthen and influence value chains to benefit our clients, connect them to viable markets and drive economic progress.

## Discover more at [opportunity.org](http://opportunity.org)

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Opportunity International provides access to savings, small business loans, insurance and training to more than 5 million people working their way out of poverty in the developing world. Clients in more than 22 countries use these financial services to start or expand a business, provide for their families, create jobs for their neighbors and build a safety net for the future.

Opportunity International is committed to using your donation in the most effective way possible. When combined with gifts from others, your donation is multiplied throughout the developing world, providing the greatest number of opportunities for people living in poverty to transform their lives.