Name Student Finance
Website studentfinance.com
Year Launched 2019
Area Education

Description

StudentFinance is a platform that analyses real-time job market data and partners with education providers of 'in-demand' skills, to finance students short-term up-/re-skilling through Income Share Agreements (ISA).

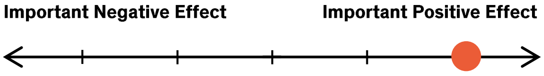
An ISA aligns incentives between education providers and students, as these only start paying back once they have integrated the job market and earn income above a predefined threshold.

SDG Analysis

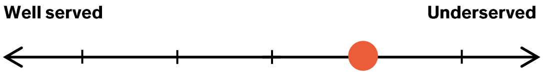
Student Finance focuses on sub-goal 4.3, to ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. ISAs improve access to quality education, that otherwise might have not been affordable. The company also targets SDG 8.10 which focuses on strengthening the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all.

Impact Management Project assessment

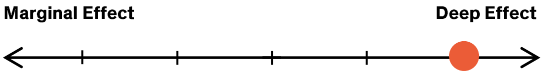
What: By providing ISAs aimed at up-/re-skilling students in order to employ them in high-salaried jobs as quickly as possible, StudentFinance is contributing to important positive outcomes related with employability and better wages.



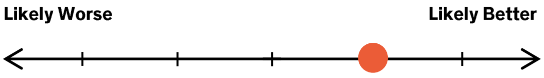
Who: StudentFinance targets students on the lower-end of the socio-economic curve, who are underserved by traditional financing options. The frequency of student default is correlated with the amount borrowed, with more than 33% of loans less than $5k in default, which is in contrast to the less than 15% of defaulted loans in excess of $35k.



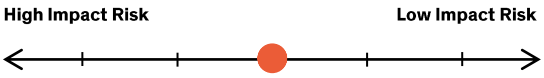
How much: Within the next three years, StudentFinance plans to integrate up-/reskilled students in the job market. In addition, it aims at enabling a salary increase after completing the boot-camps, demonstrating a deep effect in the beneficiaries' financial situation.



Contribution: The relationship between each ISA and each job integration, allows for a strong outcome contribution of StudentFinance, i.e., the outcome happens because of StudentFinance. In addition, given the limited availability of outcome-based financing for students, we consider the contribution of StudentFinance towards the outcome to be significant.



Impact Risk: External risk might occur as the regulation for ISAs can become stricter due to abusive practices from other ISA providers. There could be an unexpected impact risk if students who benefit from ISAs are employed by high-polluting companies, which is unlikely but possible and outside of StudentFinance's control.



Conclusion

According to the IMP framework, the impact classification of StudentFinance is a C (Contributing to solutions) given the potential for depth and scale of the solution, and given its potential to drive long-term impact by helping the beneficiaries access and learn new skills towards employability.