In low- and middle-income countries, 82% of school fees are paid in cash, which can involve long wait times and incur hidden fees for parents and unpredictable revenue streams for schools due to late payments.

Collecting pay in cash often causes teachers to miss critical time in the classroom. For example, in the Solomon Islands, teachers often miss several days of work to collect wages due to lack of easily accessible financial services.

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The financial cost of education is a barrier for households in low-income countries. Education costs can take up to 1/3 of low-income household revenue, whereas in high-income countries it’s 1/5 of household revenue.

Digital finance can make education expenses more manageable for lower-income households and help schools and national education systems improve their financial management. This can free up resources for teachers, materials, and technologies that improve education outcomes.

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Flexible digital saving and loan products designed to help parents manage education expenses can keep children in school and learning.

Digital payment channels eliminate the need for teachers to take time out of teaching to collect their pay. Digital payments mean safer, faster, and more reliable wages for teachers.

Digital payments make it easier for households to save and pay for education costs, giving schools and governments better visibility and predictability of cash flows and more sustainable business models for providers.
“Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.”

KENYA  
An experiment providing access to a digital savings account to Kenyan households in 2015 boosted high school enrollment by 5%-6%, one-third higher than those without such access.¹

NEPAL  
Households headed by women increased education spending by 20% when given access to digital savings accounts.¹⁰

LIBERIA  
Digitizing teacher salary payments saved teachers 13.5 hours per paycheck on average, and cut the cost of collecting wages by 92%, from $25 per paycheck to $2. Less time collecting cash wages means more time that teachers can spend in classrooms.¹¹

UGANDA  
A flexible education loan using mobile wallets and a “pay-as-you-go” business model helped parents to start paying school fees at the beginning of term and keep their children in school. In households using this product, only 15% of students missed a day of school for nonpayment, compared to 24% for those not using the product.¹²

AFRICA  
Mobile payments enable pay-as-you-go e-learning, allowing vulnerable or remote populations to access educational content digitally and more affordably. Eneza Foundation’s mobile education platform has over 3 million unique users across Africa, 70% of which are from rural areas.¹³,¹⁴

* These represent only a few of the many important challenges and solutions. They should not be read as an exhaustive list.