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EVOLUTION OF EDUCATION FINANCING ACROSS THE GLOBE

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Panel Discussion: "The Evolution of Education Financing“

Join us for an insightful panel discussion on the evolving landscape of education financing, featuring leading experts in the field: Scott Russian from Stride Funding, Bob Collins from Western Governors University (WGU), and Varun Chopra from Eduvanz/WiZR. As education costs continue to rise globally, innovative financing solutions are becoming more critical to ensuring access and affordability for students.

Historically, employer and workforce contributions to learner financing have been limited, leading to a significant misalignment between educational institutions, learners, and workforce needs. This misalignment has created challenges in adequately preparing students for the job market. However, new financing models are emerging to bridge this gap, leveraging the potential within the workforce to lower the cost of capital for funders and ultimately make education more affordable for students.

Our panelists will explore a range of topics, including the latest trends in education financing, such as income share agreements (ISAs), employer financing, alternative lending models, and the role of fintech in transforming how students and families fund education. We'll also delve into regional differences and the unique challenges faced in different markets, from the U.S. to India.

Learn how institutions and fintech companies are adapting to these changes and what the future holds for education financing. This session will provide valuable insights into how education financing is evolving to better align educational outcomes with workforce requirements, making education more accessible and equitable.

Don't miss this opportunity to hear from industry leaders and participate in a lively discussion on the future of funding education!

EVOLUTION OF EDUCATION FINANCING ACROSS GLOBE

Moderator Kanak Durga Kunapuli, Manager, WGU/Juvo Ventures
Panelist 1 Bob Collins (Senior Vice President & Advisor to the Office of President at WGU)
Panelist 2 Varun Chopra (CEO at Eduvanz)
Panelist 3 Scott Russian, CFA (Vice President of Finance at Stride Funding Inc.)

BENEFITS OF EDUCATION

- **Boosts economic growth and innovation:** Education increases productivity and drives innovation, leading to more and better job opportunities.
- **Improves employment and earnings:** Higher levels of education lead to better job prospects, job retention, and higher lifetime earnings.
- **Reduces educational costs through alternative learning paths:** Non-formal and vocational education provide practical skills and reduce the time and expense of formal education.
- **Provides economic benefits to governments:** Educated citizens contribute more in taxes and rely less on social welfare, providing positive public returns.
- **Promotes social equity and mobility:** Access to quality education helps individuals improve their social standing and creates more equitable societies.
- **Enhances civic participation and community safety:** Education leads to higher rates of civic engagement, such as voting and volunteering, which contribute to safer communities.
- **Improves health outcomes:** Educated individuals tend to live longer, healthier lives, reducing healthcare costs and increasing overall well-being.

Education fuels economic growth, boosts job prospects, promotes equity, and improves health and civic engagement for both individuals and society as a whole.

National Bureau of Economic Research (NBER)

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ACCESS AND EQUITY
EDUCATIONAL ATTAINMENT IN THE USA

38%

Of the **~226M US Population**, 25 years and over have a bachelor's degree or above in 2022

31%

Of the **~205M US Population**, 25 years and over have a bachelor's degree or above in 2012

38%

Of the **~176M US White Population**, 25 years and over have a bachelor's degree or above in 2022

21%

Of the **~37M US Hispanic Population**, 25 years and over have a bachelor's degree or above in 2022

28%

Of the **~29M US Black Population**, 25 years and over have a bachelor's degree or above in 2022

60%

Of the **~15M US Asian Population**, 25 years and over have a bachelor's degree or above in 2022

While progress has been made in educational attainment over past decade, there is still much work to be done in ensuring equitable access for all.

US Census Bureau Educational Attainment in the United States: 2022

AMERICANS' VIEWS ON THE VALUE OF DEGREES AND CREDENTIALS

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95%

Of surveyed adults viewed **Graduate Degree** valuable

96%

Of surveyed adults viewed **Industry Certifications** valuable

93%

Of surveyed adults viewed **Certifications** valuable

90%

Of surveyed adults viewed **Associate Degree** valuable

94%

Of surveyed adults viewed **Bachelor's Degree** valuable

More than nine in 10 adults say at least one credential is valuable emphasizing the importance of formal education.

State of Higher Education 2024 Report by Gallup and Lumina Foundation study includes responses from over 14,000 U.S. adults aged 18 to 59 who do not have a college degree and fall into currently enrolled students, stopped-out adults, and never-enrolled adults

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BARRIER TO EDUCATIONAL ATTAINMENT IN THE USA

56%

Of surveyed adults not enrolled in a certificate or degree program said the high cost is the main reason they aren't enrolled

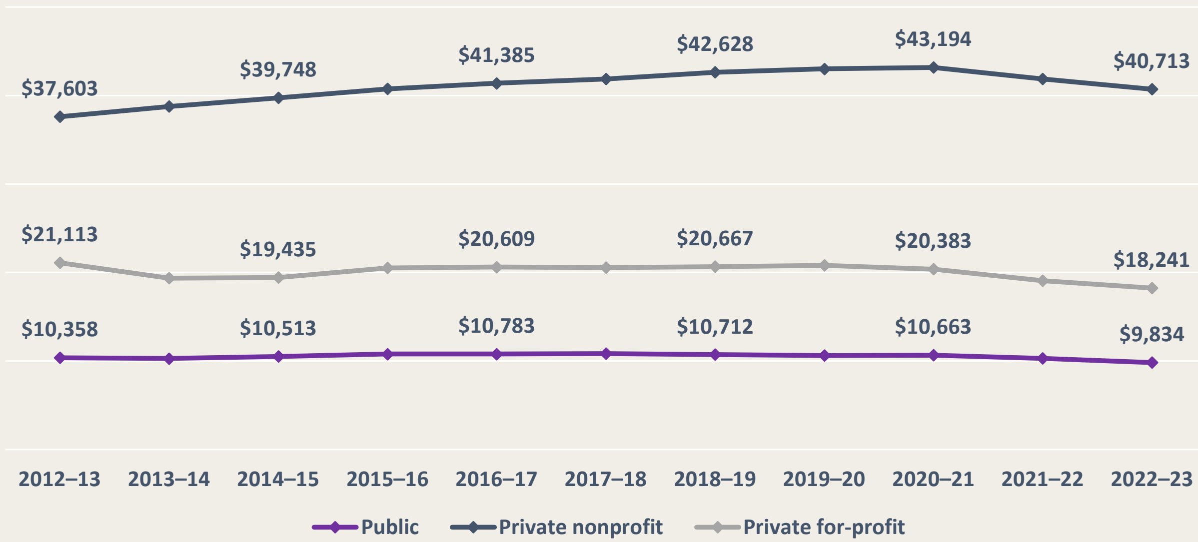
43%

Of surveyed adults who are not enrolled in a certificate or degree program said that inflexible course delivery, combined with work conflicts, is the second biggest reason they aren't enrolled

Affordability is the biggest barrier to educational attainment in the USA.

State of Higher Education 2024 Report by Gallup and Lumina Foundation study includes responses from over 14,000 U.S. adults aged 18 to 59 who do not have a college degree and fall into currently enrolled students, stopped-out adults, and never-enrolled adults

COST OF EDUCATION IN USA OVER THE YEARS

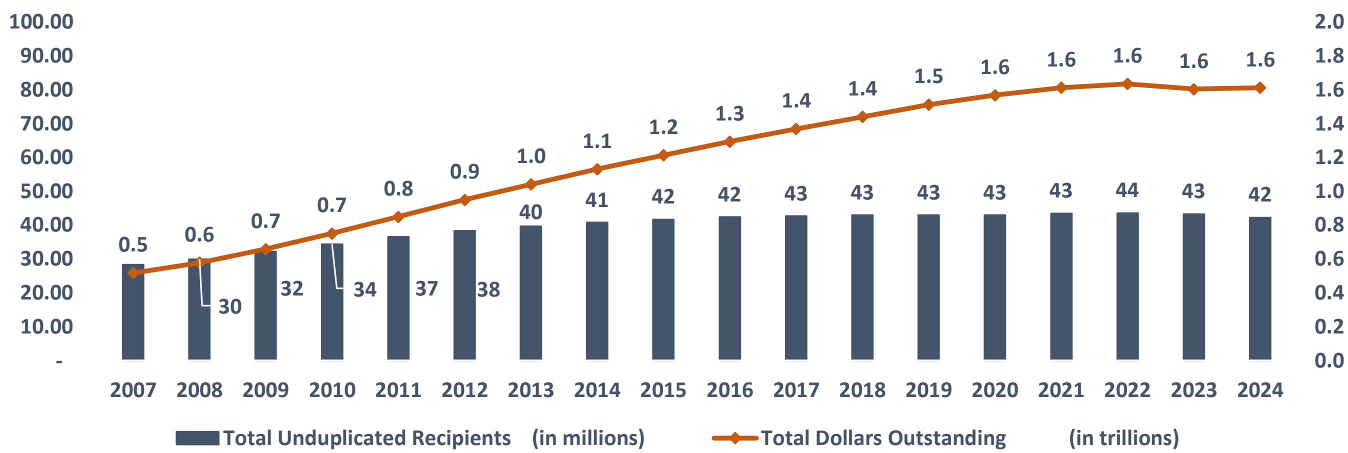


Average tuition and fees of degree-granting institutions for first-time, full-time degree/certificate-seeking undergraduate students, by level and control of institution: Academic years 2012–13 through 2022–23

The cost of undergraduate education has risen, but post-pandemic, tuition decreased due to the shift to online learning.

IES>NCES (National Center for Education Statistics

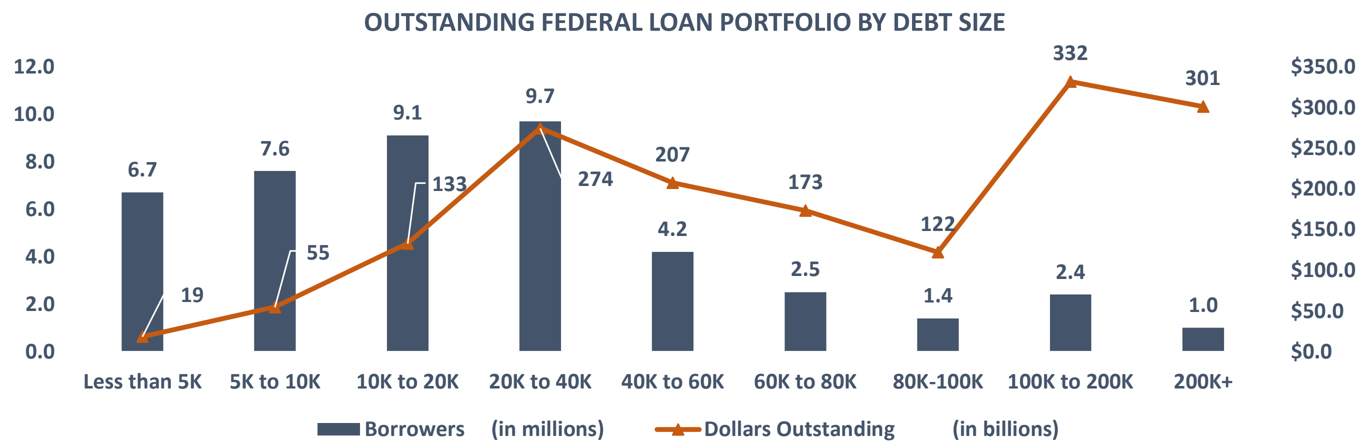
SIZE OF FEDERAL STUDENT LOAN PORTFOLIO



The federal loan portfolio reached $1.6 trillion in Q3 2024, with 42 million recipients having outstanding loan balances.

Data from US Department of Education, Federal Financial Aid Office

SIZE OF FEDERAL STUDENT LOAN PORTFOLIO



The federal loan portfolio highlights a growing student debt burden, underscoring the misalignment between the high cost of certain education programs and their ability to translate into workforce opportunities.

Data from US Department of Education, Federal Financial Aid Office

SIZE OF PRIVATE LOAN PORTFOLIO

$130 Billion

Is owed by Americans to private student lenders as of Q3 2023, representing around **7.5%** of the total outstanding federal and private student loan debt.

Data from Lending Tree

SIZE OF EMPLOYER TUITION REIMBURSEMENT

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$28 Billion

is spent annually by U.S. corporations on employee tuition reimbursement

Data from The Georgetown University Center on Education and the Workforce Report

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EDUCATION FOCUSED CONSUMER FINANCING COMPANIES (FINTECH)

United States — Total Raised: $10.3B

SoFi, NAVIENT, upgrade, unlock, Nelnet, Blair, climb, meritize, Fynn, Stride, FRANK., Leif, SIXUP, Ascent, VIVA FINANCE, forte, FUTR, MentorWorks, FIG LOANS, Mutual of Omaha, Education Investments, yelo, Button Finance, AWSM, GradFin, Lorien Finance

India — Total Raised: $1.0B

Five Star Business Finance Limited, KreditBee, LeapFinance, eduvAnz, Credenc, kuhoo, grayQuest, Quiklo, LC, flyhi Finance, Digilend, Brainybatch, Campusdunia, difin, dili

Australia — Total Raised: $107.0M

ZeeFi, Salt& Lime.

United Kingdom — Total Raised: $2.3B

Prodigy Finance, Knoma, StudentFinance, stepex, Edbridg, Coursebud

Colombia — Total Raised: $1.6M

AVANZO, flevo

Philippines — Total Raised: $2.5M

InvestEd, EasyLend

Myanmar — Total Raised: $8.0M

Alliance

Canada — Total Raised: $5.9M

GP Financial, Brighter Investment, CreditGenie, elective

Mexico — Total Raised: $3.5M

CREDIKO, Crecy, Prestaris

Brazil — Total Raised: $27.1M

alt.bank, Raiô, Edudream

Nigeria — Total Raised: $0.1M

zoropay, PENAID

Germany — Total Raised: $11.6M

Lendorse.

Over 100 education-focused consumer financial technology firms are listed in Pitchbook worldwide.

Data from Pitchbook

STATUS OF EMPLOYER EDUCATION FINANCING

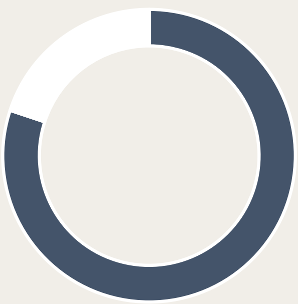
47% of employers offered tuition reimbursement to their employees according to SHRM

Organizations use different techniques for reimbursing student employees. The majority **(87%)** reimburse after the end of study

Current employer tuition assistance programs are not achieving the intended goal

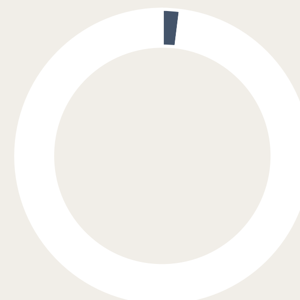
Source: InStride surveyed employees at Fortune 500 companies to better understand what they really think about employer-sponsored education programs in 2024.
https://www.instride.com/insights/tuition-reimbursement-statistics/

STATUS OF EMPLOYER EDUCATION FINANCING



80% Of the employees surveyed were interested in going to school while working

40% Of the employees surveyed knew their employer offered a tuition assistance program



2% Of the employees participated in the tuition reimbursement program

Current employer tuition assistance programs are not achieving the intended goal

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