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**Opportunity International launches Microschools™ –
new frontier in breaking the chain of poverty**

*New research shows ‘schools for the poor’
outperform public schools in developing world*

‘Value-added’ microfinance innovation

Oak Brook, Ill. – July 31, 2007 – Opportunity International, a leading innovator in the microfinance industry, today announced the expansion of its microfinance school loans program to bring greater educational opportunity to poor children, especially girls. Microschools of Opportunity™ is a new initiative that provides loans to “edupreneurs” who open schools in poor neighborhoods where children cannot access public school for a variety of reasons.

Groundbreaking research by James Tooley, a leading academic expert on schools for the poor, has shown that these schools outperform their public school counterparts across Africa, India and China. Tooley’s research provided inspiration for the development of Opportunity International’s new microschools™ program.

“Microschools of Opportunity is the third leg of the stool to help the poor escape poverty and transform their lives once and for all,” said Christopher A. Crane, president and CEO of Opportunity International. “Our core business in microfinance is making small loans to entrepreneurs to help them work themselves out of poverty. But often, that isn’t enough.

“Transforming the precarious lives of the poor requires three elements: banks that provide loans and savings accounts that allow the poor to buy food and shelter, microinsurance so a death in the family or illness doesn’t throw them right back into poverty, and education – the element that has the most hope of eliminating the cycle of poverty with their children’s generation. This is truly value-added microfinance,” Crane said.

Microschools are now operating in 50 neighborhoods and towns in Ghana in a pilot program. The program incorporates what Opportunity International has learned from providing loans over many years to “edupreneurs” who have opened schools for the poor in Africa, Asia and Latin America.

School loans are higher than small business loans typical of microfinance institutions. School operators need more funds and longer repayment terms, usually to build or expand school facilities. Loans are of several thousand dollars and payment terms can last a year or longer. The average school size of a Microschool of Opportunity in Ghana is about 200 students.

“Our initial goal is to expand the pilot into several other countries in Africa and Asia. Schoolchildren will be able to attend good quality schools operated by ‘edupreneurs,’ many of whom are women and are experienced, qualified teachers,” Crane explained.

Better than public schools, leading expert shows

Tooley is president of The Education Fund for Orient Global that focuses on improving education in developing countries. In 2006, while a professor of education policy at the University of Newcastle upon Tyne, England, Tooley published a groundbreaking, award-winning research study on the impact of these schools in five developing countries – China, Ghana, India, Kenya and Nigeria. He found that, “Contrary to previously held beliefs, schools for the poor are superior to government schools, school teachers are more committed and education outcomes are better. All this is accomplished for a fraction of the per-pupil cost of government schools.”

Tooley’s extensive three-year study, which is ongoing, investigated education in all types of poor environments – from slums and shantytowns in metropolitan cities to remote rural villages in impoverished regions. More than 24,000 students were tested in key curriculum subjects and research was conducted with parents, teachers and school managers.

“An education revolution is taking place,” Tooley said. “In the poor urban areas surveyed, the vast majority of schoolchildren were found to be in ‘budget’ private schools. These schools charge very low fees, affordable to parents in poverty.”

The study found that concerns of lower quality education were misplaced when compared with public education in the countries studied. Tooley explained, “In every setting, teacher absenteeism was lower and teacher commitment – the proportion of teachers actually teaching when our researchers called unannounced – was higher in the schools for the poor than in government schools.

“The poor have found remarkably innovative ways of helping themselves, educationally, and in some of the most destitute places on Earth have managed to nurture a large and growing schools industry,” Tooley said.

“I am thrilled that Opportunity International is expanding schools for the poor. I have seen the benefit that these schools bring to an entire community – the parents, the families and especially the children who are getting a quality education from teachers who are dedicated and committed,” he added.

Microschools provide advantages to girls

A key component of Microschools of Opportunity is that it offers girls an equal opportunity for education, which in many countries has been lacking. “Microschools are usually located right in the neighborhoods where the poor are concentrated,” Crane said. “As a result, parents tell us they feel safer sending their daughters to these schools. This will help break the discriminatory cycle that has existed against girls in many poor countries.”

Indeed, girls make up two-thirds of those denied a basic education, according to the United Nations. As a result, 75 percent of the world’s illiterate adults today are women. Attendance in school has been linked to increased protection of children against exploitation, making them less vulnerable to the cruelties associated with child labor and sex trafficking.

Schools for the poor are often less expensive in total cost than public schools and they offer more flexible payment terms. Parents save on transportation costs, and they can usually set up options that include paying weekly or even daily, which enables them to keep their children in school during the challenging economic circumstances they face.

Ghana government embraces microschoools sector

In Ghana, basic public education is mandatory and free, but the government faces challenges opening enough public schools to meet a huge growing demand for education. The Ministry of Education has not only embraced the “budget” private education sector but also provides whatever material and institutional support that it can. The Government Education Services approves and registers the schools based on the quality of resources they offer.

In a recent Opportunity International study of pilot schools in Ghana, the class-student ratio was excellent – one teacher to 31 students. And test results in all Microschools of Opportunity were rated above average.

“Opportunity International is confident that these ‘edupreneurs’ will continue to impart quality education to their students, and we will do everything we can to provide them and thousands more like them with financial services and other support to build a better future for poor girls and boys in the developing world,” Crane said.

As the program grows, Opportunity International will explore potential partnerships with education-focused NGOs to assist Opportunity-supported school owners with training and teaching materials, including gender-sensitive curriculum aimed at stopping injustice toward girls.

About Opportunity International

Opportunity International is committed to solving global poverty. Serving over one million poor entrepreneurs in 28 developing countries, Opportunity International is a pioneer in offering small business loans, savings, insurance and training in basic business practices to women and men living in chronic poverty. Founded in 1971 as one of the first microcredit lenders, Opportunity International provides small loans – sometimes as little as \$50 – and other services that allow poor entrepreneurs to start or expand a business, develop a steady income, provide for their families and create jobs for their neighbors. Opportunity International is motivated by Jesus Christ’s call to serve the poor and maintains a network of offices across the globe, with U.S. offices in Oak Brook, Ill. and San Diego. For more information, visit www.opportunity.org.

About James Tooley, Ph.D.

At Orient Global, The Education Fund headed by Tooley is focused on managing a portfolio of investments and activities that promote sustainable and scalable solutions to improve the provision of education in developing countries. Tooley's research into private versus public education in poor countries won Gold Prize in the first International Finance Corporation/Financial Times Private Sector Development Competition in September 2006. Previously, he directed the global study of investment opportunities for private education in developing countries for the International Finance Corp., the private finance arm of the World Bank.

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