

# **Student Funding Gap in SA** "The Missing Middle"

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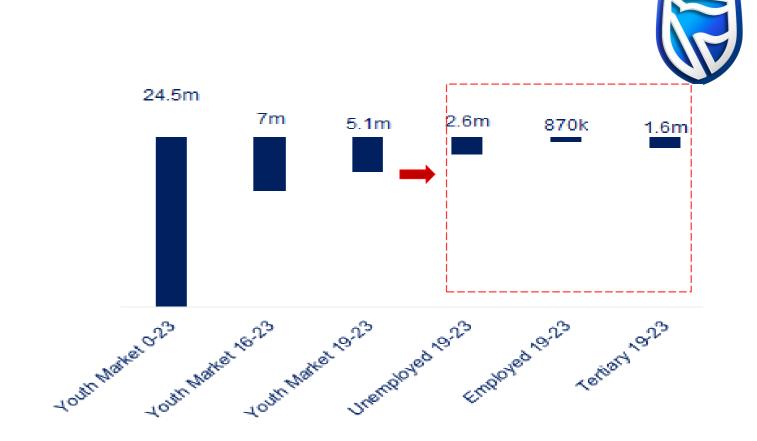
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#### **Youth Outlook**



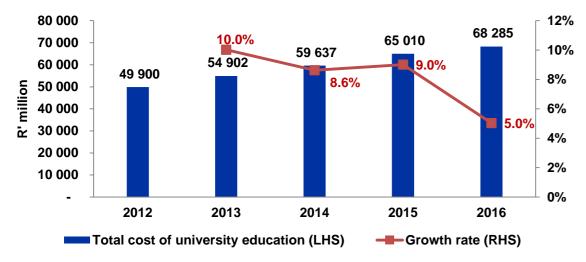
- Half the population in SA is under the age of 23 years
- Over 60% of SA youth are unemployed
- Total of 1.6mil students in Tertiary institution (1mil at universities)



### #ResolveToday4Tomorrow

#### **Decoding the Missing Middle**





Revenue component	Value (R' mil) 2016	Proportion (%)
Government grants	R27 965	41%
Tuition fees	R20 258	30%
Third stream	R20 062	29%
Total	R68 285	100%

Source of funding for tuition fees	Value (R' mil) 2016
Paid by students' own funding, bursaries, bank loans etc.	R6 162
Made available by NSFAS	R12 039
Missing middle	R2 057
Total	R20 258

- The cost of university education at a national level has increase from approximately R 49.9bn in 2012 to an estimated R 68.3bn in 2016.
- 2016 growth is at 5% due to 0% increase in fees
- Large portion of the universities Revenue comes from the Government (41%) followed by tuition fees paid by students (Cash, NSFAS, Bursaries, Bank Loans etc)
- Estimated tuition fees outstanding by 2015 Dec is R4bn
  - NSFAS funding gap Partially funded students
  - Missing Middle Too rich for NSFAS too Poor for a Student Loan
- 2016 NSFAS allocation was ~R14.6bn
  - R2.5bn is allocated to pay for 2013, 2014 and 2015 debt due to NSFAS funding gap
- Missing Middle carried forward to 2016 is R1.5bn
- 2016 Student debt is estimated at R600mil, therefore total
  Missing Middle for 2016 is estimated at ~R2.1bn

Ensure inclusivity of those currently excluded by existing funding structures

#### **Our response**

Strategic Imperative:

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#### The 4 key pillars integral to our strategy:

1 RESPONSIVE

2 COLLABORATIVE

3 INNOVATIVE

4 CORPORATE CITIZENSHIP

Continued provision of personal loans for study purposes with key enhancements on the criteria and process



Constantly aiming to partner with various institutions and other financial service providers to improve access to finance for education.

Actively involved in the development of new funding models to provide access to education to ensure sustainability:

- Student loan funding model Pilot Initiative
- Better leveraging funding within the Institutions as well as the Private sector
- · Feenix crowdfunding

Our CSI department provides bursaries to various learners across the country



Ensure that Standard Bank shows up at every opportunity in the education lifecycle by providing real value and relevant solutions to customers (students), government, education industry stakeholders and society at larger

n in South Africa/ p





## Thank You

Standard Bank Moving Forward™