

# THE GLOBAL PULSE

SPRING 2020

Insights for International  
Graduate Enrollment



**Prodigy**  
Finance



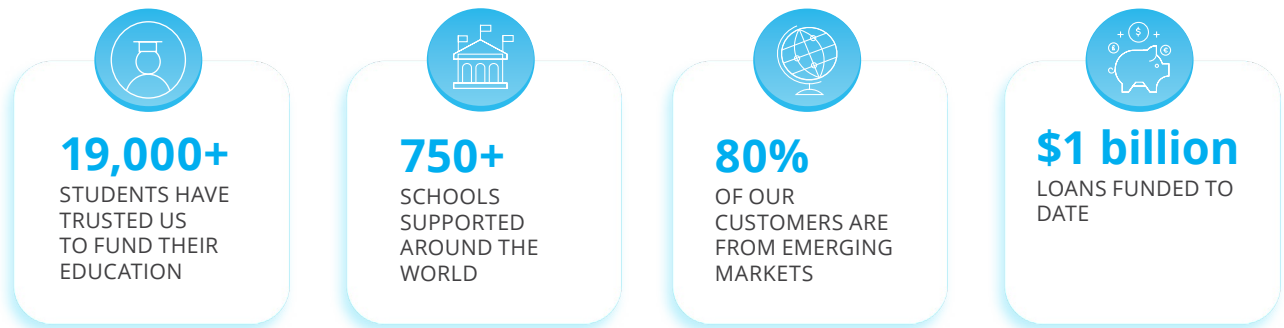
# BROADENING ACCESS TO A GLOBAL EDUCATION

Prodigy Finance strives to make quality education accessible to the world’s top students by providing the opportunity to fund their masters degrees with our student loans.

Since 2007, our loan model has eliminated the need for students to have a co-signer, local credit history, or collateral to enroll for their dream course. When your students lack access to savings, institutional funding or scholarships, our loans mean aspiring international students can fund their studies independently at your school.

We support masters students across business, engineering, science, law, healthcare and public policy. The number and types of programs we support are constantly growing as we gain access to new funding sources, as well as address the global demand for job growth in specific sectors.

## OVER A DECADE OF EXPERTISE



Date: March 2020

## NOTE FROM OUR COO

Over the last 13 years of supporting high-potential students at the world’s leading universities, we’ve been compiling data to keep abreast of trends that affect education funding. As we strive to continue expanding academic opportunities for students around the world, we’d like to share our insights, as they may be useful in enabling your institution to enrol the best global talent.

In our second edition of our trend report, The Global Pulse, we’ll share more insight on international students’ ability to pay for their masters degrees. We invite you to join us in the conversation by staying updated with our latest data, sharing your enrollment strategies, and connecting with us at upcoming conferences, higher education events or by emailing [universities@prodigyfinance.com](mailto:universities@prodigyfinance.com).

Enjoy,  
Sarah Harvey, Prodigy Finance



# EXPLAINING ROI VALUE TO PROSPECTIVE STUDENTS

International education can be transformative for a student’s life and career, but accessing a masters degree comes at a cost. How do we analyze that return on investment (ROI) in ways that students understand, and universities can market?

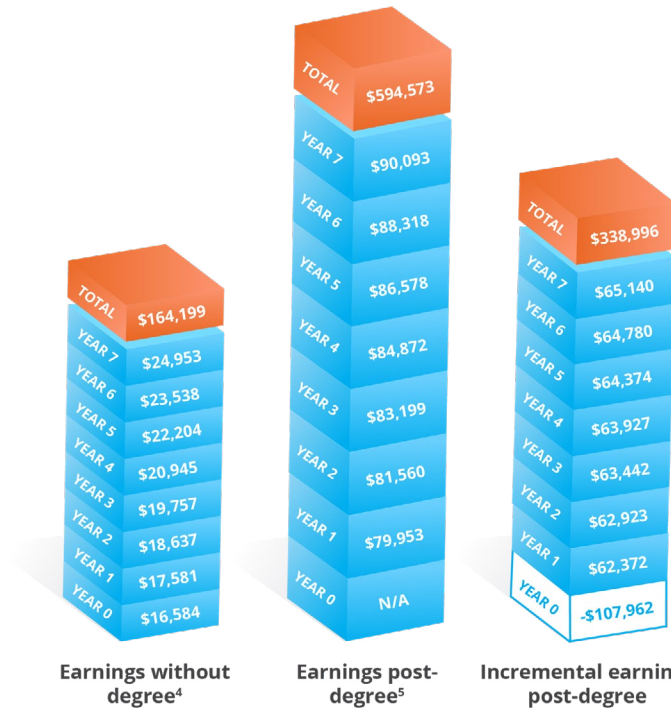
Prodigy Finance has examined its application data, as well as the figures on actual salary and cost of attendance for Computer Science, Computer Engineering, Electrical Engineering, Information Systems and Mechanical Engineering masters programs in the US.

With India being one of the biggest international markets for STEM in the US, the charts below are examples of the ROI across seven years of an average Indian student’s composite engineering masters degree. Not only is the financial difference between masters and non-masters salaries evident, but schools can also use this format to help students understand their ROI, making the costs of pursuing a masters in the US worthwhile.

## EDUCATION INVESTMENT

EDUCATION INVESTMENT (\$ USD)	
1 YEAR (PRE-MS) DEFERRED INCOME <sup>2</sup>	\$16,584
COST OF ATTENDANCE <sup>3</sup>	\$91,378
TOTAL EDUCATION INVESTMENT <sup>1</sup>	\$107,962
SALARY INCREASES	
Y/Y EARNING GROWTH WITHOUT DEGREE <sup>4</sup>	6%
Y/Y EARNINGS GROWTH POST-DEGREE <sup>5</sup>	2%
POST-STUDY SALARY	\$79,953
NPV OF INCREMENTAL EARNINGS <sup>1</sup>	\$298,878

## EARNINGS COMPARISON



## WEIGHING THE COSTS AND RETURN

AVERAGES BY COURSE (2019 ONLY)	PRE-STUDY SALARY (ANNUAL)	TOTAL COST OF ATTENDANCE	LOAN APPROVED	POST-STUDY SALARY (ANNUAL)	SALARY-TO-DEBT RATIO
AVERAGE ONE-YEAR MS IN ENGINEERING	USD \$16,584	USD \$91,378	USD \$36,311	USD \$79,953	2.2X

**TERMS**  
**Discount rate:** For this example, we’re using a discount rate of 2% to express what future cash flows are worthy today, reflecting inflation in particular.  
**NPV:** The Net Present Value of incremental earnings reflects the value in today’s dollars of increased future salary earnings - earnings above what an individual might earn without an MS in Engineering.

**LEGEND**  
<sup>1</sup> Calculations do not include interest payments  
<sup>2</sup> Based on Prodigy Finance 2019 loan application data  
<sup>3</sup> Based on Prodigy Finance 2019 loan application data - includes tuition and living expenses  
<sup>4</sup> Average inflation in India between 2012 - 2020 was 6.01%. Source: [www.statista.com](http://www.statista.com)  
<sup>5</sup> Average inflation in the US between 2015 - 2019 was 2.01%. Source: [www.bls.gov/cpi/](http://www.bls.gov/cpi/)

**ADDITIONAL ONLINE RESOURCES**  
Prodigy Finance Blog  
- [prodigyfinance.com/blog](http://prodigyfinance.com/blog):  
- *Understanding regional differences in study loans*  
- *How to compare loans for international students*  
- *Where to get a loan to study abroad in the US*

# MBA SCHOLARSHIP ALLOCATION AROUND THE WORLD

Covering the cost of an MBA is a hurdle for many international students who don't come from affluence. The majority of students we support fund their studies through a combination of personal or family savings, a Prodigy Finance loan, and university scholarships.

Recent IIE Open Doors\* data indicates that university funds only account for 34% of graduate student funding in the US, including doctoral students. Nevertheless, scholarships continue to be vital for international student mobility. While some students may be significantly or fully funded by scholarships, especially in European schools, the vast majority are not.

The map below is based on an analysis of more than 15,000 Prodigy Finance\*\* loan applications over a three-year period. It provides an overview of scholarship prevalence and average scholarship amounts by region for MBA students attending programs in the US, Europe, and to a lesser extent, Asia and Canada.

\*IIE Open Doors Report 2019

\*\*Based on Prodigy Finance 2017-2019 loan application data

Our data indicates that East African students receive the largest average scholarship (\$49k), while the smallest average scholarship goes to Caribbean students (\$25k). Students from West Africa (62.3%) are most likely to be allocated a scholarship, while Western Europe receives the lowest scholarships allocation (31.9%) in the world.

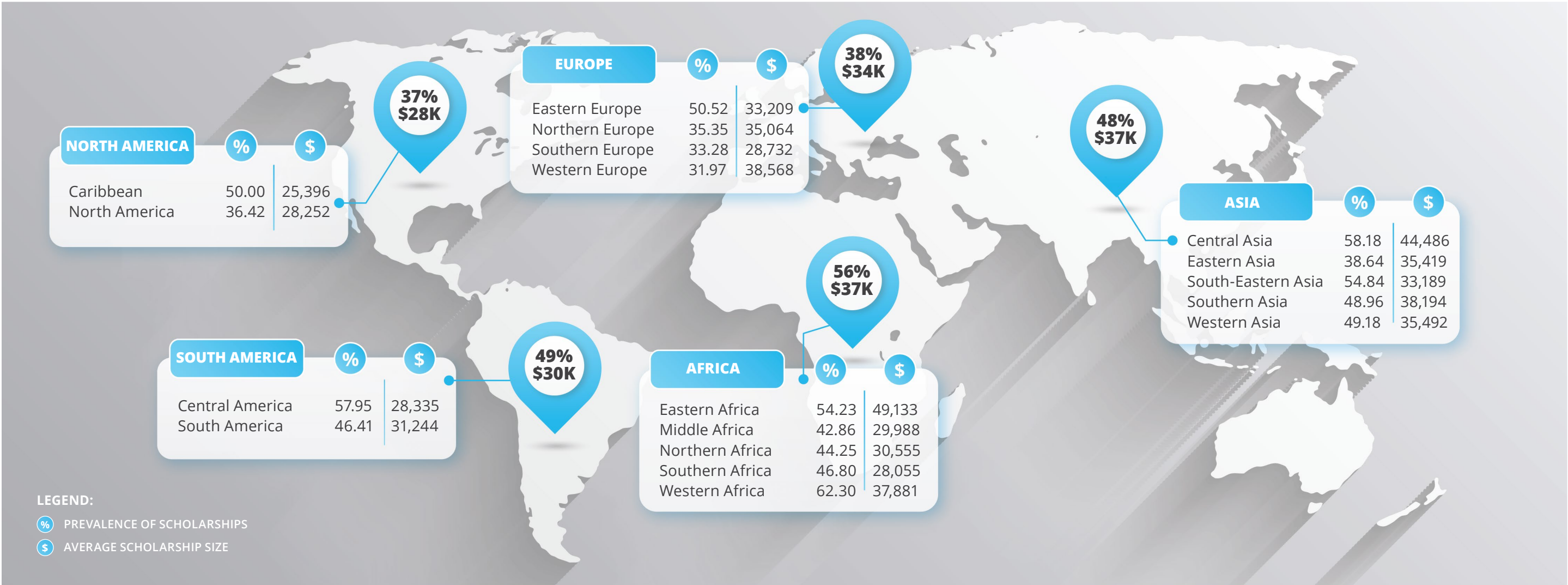
Not only does our data identify regions where additional funding may be required by students, it also indicates the regions where scholarships have enabled mobility for students to pursue the programs of their choice.

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Prodigy Finance has opened up doors to many of our students here at Stevens Institute of Technology. The process of applying for graduate loans is easy, secure and in great demand. Prodigy Finance has facilitated access to graduate education for students from around the world and from different socio-economic classes that are looking to make a break in the STEM fields.

Dina Iskaros, Director of Graduate Admissions, Stevens Institute of Technology







# PROGRAM SPOTLIGHT: LLM

Students from 132 countries have started or submitted Prodigy Finance loan applications for an LLM program, highlighting strong international demand for this degree program!



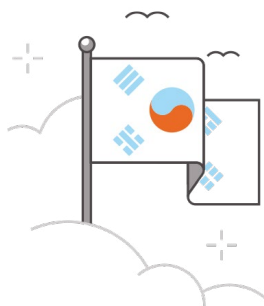
## TOP COUNTRIES OF ORIGIN

1. BRAZIL
2. MEXICO
3. INDIA
4. NIGERIA
5. COLOMBIA

32 US LAW SCHOOLS REPRESENTED

Based on Prodigy Finance 2016 - 2019 loan application data

# COUNTRY SPOTLIGHT: SOUTH KOREA



## TOP PROGRAMS\*\*

MBA | JD/LLM

## GENDER\*\*:

58% MALE | 42% FEMALE

## TOP GLOBAL DESTINATIONS\*\*

1. INSEAD
2. COLUMBIA UNIVERSITY
3. LONDON BUSINESS SCHOOL
4. HARVARD UNIVERSITY
5. UNIVERSITY OF CHICAGO
6. UNIVERSITY OF MICHIGAN
7. UNIVERSITY OF PENNSYLVANIA
8. HEC PARIS

# THE GREAT UNKNOWN: HOW MUCH ARE INTERNATIONAL STUDENTS BORROWING TO STUDY IN THE US?

IIE\* reports that nearly **58%** of international graduate student funding came from personal and family funds. Doctoral programs provide significant or full funding, so masters students must therefore account for the bulk of personal funds. IIE does not specify, but loans are an unknown element. Loan options for international students include:

- Local banks in their home country (if funds are exportable)
- US banks (often requiring co-signers)
- International lenders (like Prodigy Finance)

Prodigy Finance has a unique and rapidly growing view into this 'great unknown' as a result of over five years of disbursing education loans directly to US universities. The majority of our US-bound borrowers did not receive *any* scholarship funding. Those who did, on average borrowed more than they saved and received from their institution combined.



Overall, our customers borrow **\$43,500** on average\*\*, which represents more than half of the average total cost of attendance (tuition and living expenses). How much, and how often, are your international students borrowing to fund your degrees?

The demand for our loans - over **\$700M** disbursed in the US alone since 2015\*\* - proves that international students are willing to borrow significantly to attend their top-choice program. This can be impactful on international enrollment management strategies: consider the need for growth while also diversifying markets, and the rising number of "middle class" students with limited personal and family wealth.



Are we all doing enough to ensure that international students, like domestic students, are supported with information and access to all funding options to make the best decisions?

Over the coming year, Prodigy Finance will explore this through virtual roundtables, conference presentations, and our on-going reporting in *The Global Pulse*.

Join the discussion!  
universities@prodigyfinance.com

\*IIE Open Doors Report 2019

\*\*Based on Prodigy Finance Dec 2013 - Jan 2020 loan application data

\*IIE Open Doors Report 2019

\*\*Based on 3,366 Prodigy Finance loans disbursed between August 2018 - July 2019

# Expanding funding to over 750 schools worldwide and growing!



**ENGINEERING**



**BUSINESS**



**SCIENCES**



**LAW**



**PUBLIC POLICY**



**HEALTHCARE**



Don't see your school listed on our  
platform? Reach out to us at  
[universities@prodigyfinance.com](mailto:universities@prodigyfinance.com)

To find out more,  
visit us at  
[prodigyfinance.com](https://prodigyfinance.com)