

UNIVERSITY



2022 Social Impact Report

Contents

“Education is the most powerful
weapon which you can use to
change the world.”

- Nelson Mandela

This report was authored by Dr. Rajika Bhandari, founder and principal of Rajika Bhandari Advisors, a data-driven international education strategy firm.

Designed by: One MG

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Foreword by MPOWER CEO and Co-Founder

Over the past eight years, the team at MPOWER Financing has worked tirelessly to create a world where **access to education is borderless**. Our no-cosigner and no-collateral loans, powered by previously unparalleled levels of global data, have allowed over 6,000 bright international, domestic, refugee, and Deferred Action for Childhood Arrivals (DACA) students to achieve their educational dreams in the U.S. and Canada.

In feedback from our students, the word that stands out is “dream.” Almost daily, our students tell us that MPOWER made their dreams come true by enabling their educational pursuits.

Internally, we’ve made great strides as well. We’ve worked hard to stay true to our core values, all the while growing to over 150 employees across our offices in Washington, D.C. and Bangalore, India. Our fast growth, employee diversity, continuous learning environment, and mission-driven culture have earned us significant external recognition, from being ranked the “Best Fintech to work for” by American Banker, to being named in Inc.’s 5000 Fastest-Growing Private Companies, to being recognized by the Washington Business Journal as one of the most diverse workplaces in the Washington, D.C. area.



These internal achievements have further expanded our capacity to finance the educational dreams of some of the world's most talented minds. As this report highlights, we serve one of the most socioeconomically and geographically diverse customer bases on the planet. Our graduates are citizens of the world. They are founding companies, running for office, and making scientific discoveries. You’ll see some of their stories in this report—a small glimpse into a few of the many incredible stories we are lucky enough to help facilitate.

While we take great pride in our impact so far, there’s much work ahead of us. Conflicts in Ukraine and Afghanistan have displaced over 15 million people to date, and we’re cognizant that access to a degree in the U.S. or Canada could play a vital role in helping some of these refugees rebuild a future for their families. Our refugee scholarships are our initial efforts to help tackle this important issue.

At an even more macro level, the past few years have reminded us that threats to mankind are increasingly global in nature, from pandemics to climate change. Now more than ever, it’s critical to equip the bright minds of tomorrow with cross-border expertise so they can best tackle these global challenges. MPOWER is excited to play its part in this effort.

For this second impact report, we are delighted to partner with Dr. Rajika Bhandari, an international higher education expert, former international student, and the author of *America Calling: A Foreign Student in a Country of Possibility*, which is both a deeply personal memoir of her journey from India

to the U.S. as a student and immigrant and a call-to-action for countries to keep their doors open to international students.

We hope you’re as inspired by reading the student testimonies in this report as we were compiling them.



Manu Smadja

CEO and Co-founder, MPOWER Financing

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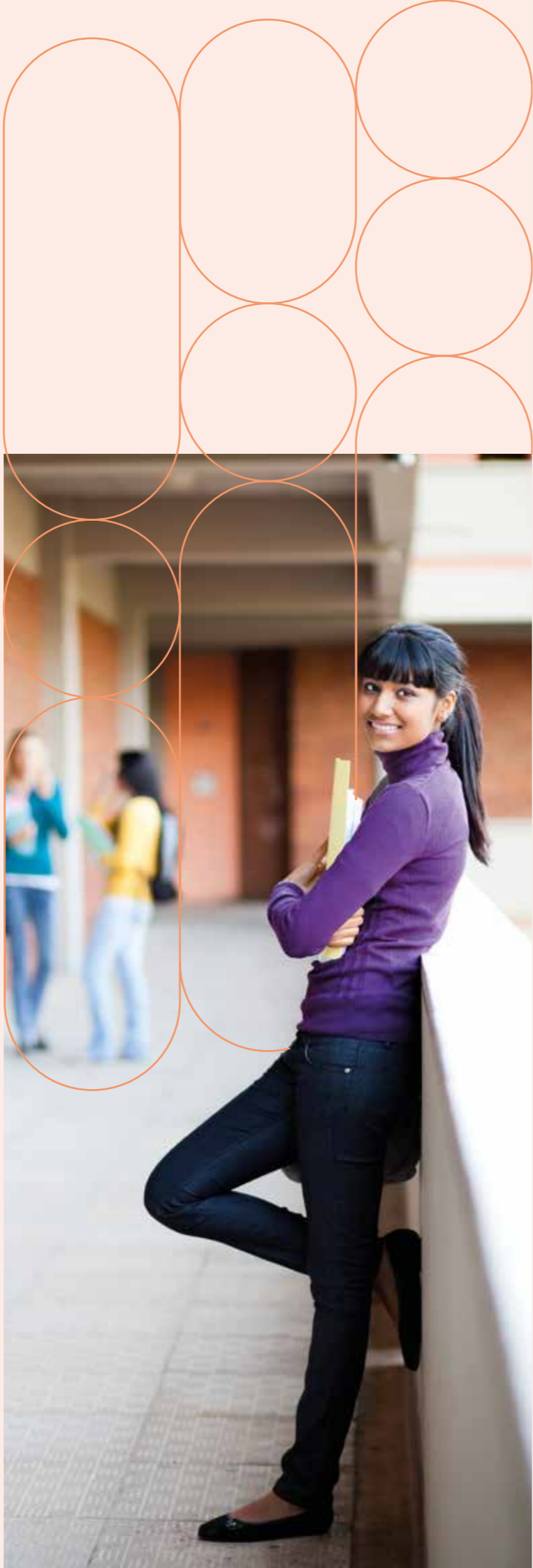
Executive Summary

MPOWER Financing was founded in 2014 to offer no-cosigner loans and scholarships for international and other immigrant student groups, such as DACA and refugee students, who are shut out of the traditional lending system. For many students around the world, affordability is an enduring barrier to an international education —particularly for those from lower income households in the Global South¹. When studying abroad, these students are prevented from accessing a range of funding options typically available to domestic students.

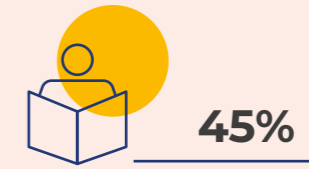
Based on information drawn from higher education institutions, organizational metrics, narratives, and a spring 2022 survey of MPOWER’s students, this social impact report adopts a data-driven lens to examine how loans structured specifically for international and immigrant-origin students - including DACA and refugee students - can have a multiplier and long-term impact on students, colleges and universities, and host countries and economies.

Footnote

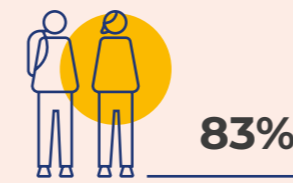
¹ Used throughout this report and first coined in 1969, the term “Global South” is the more current and widely accepted usage for terms such as developing countries, least-developed countries, underdeveloped countries, low-income economies, or the out-of-favor third world countries.



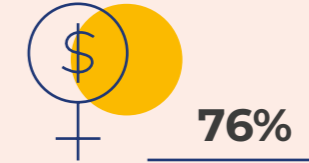
Impact on Students: Increasing Access and Enabling Potential



of MPOWER students are first-generation college students.



of MPOWER students report that cost is the most significant barrier to studying in the U.S. and Canada, as is figuring out how to fund their education abroad **(71%)**.



of MPOWER’s female students report they faced challenges when trying to finance their overseas studies. As a result, no-cosigner loans can be especially important for women, particularly those in STEM.²



of students indicate that the availability of an education loan through MPOWER has been instrumental to their ability to study abroad.



of MPOWER’s female students pursue STEM fields, versus **46%** for their male counterparts



MPOWER’s model has helped diversify the international student population, especially by opening the door for students from Africa. MPOWER students hail from 152 countries, with **79%** coming from 98 countries that are part of the Global South. India, Nigeria, China, Brazil, and Ghana are the top five countries of origin, accounting for half of all students.



MPOWER’s scholarships are creating opportunities for international, DACA, and refugee students by addressing the structural barriers faced by underprivileged students.



of MPOWER students belong to lower- to middle-income households.

Footnote

² This report adopts the National Science Foundation’s widely used definition of STEM to include engineering, mathematics, computer science, social and behavioral sciences, health fields, physical and life sciences, and information technology.

Impact on Higher Education Institutions: Diversity and Stability



79%

of MPOWER's students are from Global South countries. MPOWER students therefore help diversify the higher education institutions at which they study.



\$363 million

MPOWER students have contributed U.S.\$49 million to 27 Canadian institutions and U.S.\$314 million to 273 American institutions.



The revenue stream provided by international students is also crucial to sustaining domestic student enrollment³.

Footnote

³ <https://www.sciencedirect.com/science/article/abs/pii/S0047272717301676>

Organizational Impact: Diversity and Inclusion



MPOWER was co-founded by a former international student from France and a refugee from Iran.



5 out of MPOWER's 9

Board of Directors members and 7 of its 11 Advisory Board members are either immigrants and/or from racial minority groups.



19 out of MPOWER's 30

member U.S.-based staff are either immigrants and/or from racial minority groups, which has helped MPOWER gain recognition as one of the most diverse organizations in the U.S.



2 out of MPOWER's 5

member executive team are women. **38%** of MPOWER's employees are women, compared to a tech industry average of 27% in the U.S. and 34% in India. MPOWER will continue to strive toward gender parity — within its workplace and on its Board.



The MPOWER team mirrors the diversity of its students and celebrates the diversity through shared recognition of life events and experiences.



14 languages

MPOWER's U.S.-based staff collectively speak 14 languages (excluding English).

Impact on Countries and Society



21%

of MPOWER students and counting have graduated and are contributing significantly to both the economies and civil societies in the U.S. and Canada. Most graduates are employed in health care and health sciences, STEM fields, education and training, law, and finance — all sectors that are critical to rebuilding economies post-COVID-19.



Market-driven solutions like the MPOWER model can have a significant long-term impact on sustainable development, especially in the areas of providing access to a quality education, restoring a gender balance in postsecondary education (particularly in STEM fields), contributing to economic growth and innovation, and reducing disparities for underprivileged students.

Introduction

After the COVID-19 pandemic halted educational plans for many international students, an increasing number of students are seeking an overseas education. Enrollments are rebounding for the 2022-2023 academic year, and according to one projection, as many as 8 to 9 million students will study abroad by 2030.⁴ However, those who do get to study abroad represent just a fraction of the overall global demand, as many students struggle to reach this goal due to a range of barriers and challenges.

The affordability of an international education is one such enduring barrier. The cost of a degree from the U.S. or Canada, which has soared over the past few decades, can represent several years of salary for an emerging-market family. In the U.S. — the top destination for the world’s students — the cost of a degree increased by 180% between 1980 and 2020.⁵ Fees for international undergraduate students in Canada, another top (and rapidly growing) destination for international students, increased by 7% during the 2020-21 academic year, with international students now paying almost three times that of Canadian students.⁶

Students from certain regions may face higher financial need than others. Anecdotal reports from institutions of higher education in the U.S. and Canada suggest there is both high demand for an overseas education and a higher financial need among students from countries in Africa, especially compared to students from European countries who

might have a range of scholarships and other financing options available to them.

Historically, student loans have been a useful tool for broadening access to postsecondary education in the U.S., despite concerns about student debt⁷. But when it comes to financing their studies abroad, international students face a unique combination of challenges. International students and other immigrant groups, such as DACA students, are not typically eligible for U.S.-based student loans, private financing, or financial aid. Similarly, banks in students’ home countries often do not have lending options easily available for students wanting to go abroad. Where such loans are available, the collateral required can be onerous: One estimate indicates that one-third of the 300,000 Indian students going abroad in 2015 took out loans using family property as collateral.⁸

To increase access to education and to address this clear gap in financing, MPOWER Financing was founded to offer scholarships and no-cosigner, no-collateral loans for international and other immigrant student groups who are shut out of the traditional lending system. MPOWER’s goal was, and continues to be, to broaden access to education. As higher education institutions in the United

States and Canada seek to attract a larger number of international students and diversify their student bodies, loans structured for international students can be an important tool in a multi-pronged approach to broaden access to an international education. Loans are not a solution in and of themselves, but can be effectively deployed in coordination with approaches such as governmental and private sector scholarships, financial aid, and friendlier policies that enable international students to work while studying.

Footnote

- 4 <https://www.holoniq.com/notes/196b-international-education-market-set-to-reach-433b-by-2030>
- 5 National Center for Education Statistics, U.S. Department of Education
- 6 <https://www150.statcan.gc.ca/n1/daily-quotidien/210908/dq210908a-eng.htm?HPA=1>
- 7 <https://econofact.org/is-taking-on-more-student-debt-bad-for-students>
- 8 <https://economictimes.indiatimes.com/wealth/personal-finance-news/around-3-lakh-indian-students-go-abroad-annually-33-take-property-backed-loans/articleshow/48703656.cms?from=mdr>

Measuring MPOWER’s Social Impact

This social impact report by MPOWER Financing brings an evidence-based approach to understanding the impact that loans for international and immigrant-origin students can have on individuals, institutions, and society at large. Based upon multiple sources of quantitative and qualitative data at the student, institutional, and organizational level, the report draws upon demographic data from 4,943 students obtained from the organization’s CRM system; detailed data on the educational and career pathways of 346 current and former students gathered through a survey in spring 2022; and interviews with students, select higher education institutions in the U.S. and Canada, and other key informants. Taken together, these sources provide a comprehensive view of international and immigrant-origin students who procured MPOWER loans between 2015 and 2022.



The MPOWER Model



To meet its goals of enabling high-promise global citizens to further their academic and financial aspirations and to make socioeconomic mobility borderless, MPOWER’s social impact approach is grounded in a clear “theory of change” model that illustrates how investments made at each critical juncture in a student’s journey can lead to a multiplier impact and to significant outcomes for individuals, institutions, organizations, and societies.

In this novel approach, MPOWER’s credit decisions focus on students’ ability to repay loans as well as projected student outcomes, thus using a **forward-looking model centered on students’ potential rather than the traditional model** that requires an established U.S. credit

history, collateral, or a cosigner — all of which are barriers to financing faced by international students. Analyses by the Federal Reserve Bank of Philadelphia and the American Enterprise Institute have suggested that MPOWER’s forward-looking credit model may potentially be applicable to domestic U.S. student lending by the Department of Education as well.⁹

Amid a landscape of increasing concerns in the U.S. about traditional student loans and growing student debt, MPOWER offers a different and viable model for highly talented international

Footnote

⁹ <https://www.philadelphiafed.org/consumer-finance/education-finance/future-potential-versus-past-performance-mpower-financings-innovation-in-student-loan-underwriting> and <https://www.aei.org/research-products/report/looking-backward-or-looking-forward-exploring-the-private-student-loan-market/>

and immigrant-origin students: one that is forward-looking by lending only to students with a very high likelihood of graduating and of succeeding professionally after graduation, and placing strict caps on future-debt-to-income and total borrowing amounts so as to not overburden students with debt. Even though institutions are eager to offer lending options to their international freshmen and sophomores, MPOWER intentionally does not issue loans for a full four years of an undergraduate degree as this can result in an unsustainable total debt burden.

Through its approach, MPOWER is expanding the higher education market to serve more of the world’s highest-potential students—regardless of income, family background, or gender. In the long term, this enables tomorrow’s doctors, lawyers, scientists, engineers, and business and government leaders to realize their full potential and to make powerful contributions to society. This impact is also grounded in the idea of contributing to four of the U.N. Sustainable Development Goals (SDGs):

Quality Education; Gender Equality; Industry, Innovation, and Infrastructure; and Reduced Inequalities.

Framed by MPOWER’s financing model and its theory of change for facilitating long-term impact, this report is organized by impact at multiple levels, from the individual to the societal, with a call-to-action for higher education institutions, policymakers, and the private sector.



Our Social Impact Philosophy and Approach

Social Impact isn't just a pillar of MPOWER Financing's business - It's the core of our business.

When designing our business model and operations, we took a social impact lens to each step in the process...



Customer-Friendly, Credit-Building Products



Credit Model Based on Potential, Not Wealth



Customer Service Tailored To Needs Of International Students



Compassionate Servicing

and then layered on special initiatives to future remove financial barriers and support students...



Scholarships



Outreach to Women



Path 2 Success



Increase the number and diversity of high-potential global citizens who can benefit from - and enrich - North America's top educational institutions, and support them during and after their degree so they can realize their full potential.

to drive continuous improvement in our social impact objectives...



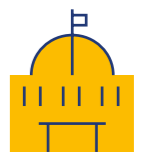
Removing Financial Barriers for Diverse, High-Potential International and DACA Students



Building Students' Credit and Enhancing Financial Inclusion and Financial Health



Enabling Tomorrow's Scientists, Entrepreneurs, Innovators, and Leaders to Realize Their Full Potential



Helping Universities Meet Their Diversity Goals and Strengthen Their Bottom Line

...

Who are MPOWER Students?

152 Countries

MPOWER students come from as many as 152 countries, but most **(79%)** are from 98 countries that comprise the Global South.



57% of MPOWER students are men; **43%** are women.

India, Nigeria, China, Brazil & Ghana

are the top five countries of origin and account for 50% of all MPOWER students.

46%

of MPOWER students belong to families with an annual household income of U.S.\$12,000 or below, placing them at or below the world median GDP per capita of U.S.\$12,609. In addition, **70%** belong to households with an income of U.S.\$30,000 or below.

45%

of MPOWER students are first-generation college students.

411 colleges and universities


MPOWER supports students attending 411 colleges and universities in the United States and Canada. Although the majority of MPOWER's students are in the U.S., Canada represents a growing market and now accounts for nearly 25% of all new MPOWER loan approvals.


94%


of MPOWER students are in their country of study on a student visa. An additional 2% are DACA students, who benefit from MPOWER loans for which they receive the same competitive rates as U.S. citizens and permanent residents. The remaining students are on other types of visas (Temporary Protected Status or TPS, refugees, etc.) or are citizens or permanent residents of either the U.S. or Canada.


81%


The majority of students seek a loan to obtain a master's degree (including an MBA), with a further 15% pursuing an undergraduate degree and 4% pursuing a doctoral degree.

 The top five fields of study are: business and management **(26%)**, engineering **(19%)**, social sciences **(10%)**, legal studies **(9%)**, and the health professions **(8%)**.

 **57%** of MPOWER survey respondents have received one or more academic honors, such as being on the dean's list or equivalent standings.

 **21%** of survey respondents have graduated from a higher education institution, and **79%** are current students.

 Interviews with MPOWER students reveal many are using loans to pursue advanced degrees, have already had significant work experience in their home countries, and are therefore likely to be on a path to educational and professional success.

 Many also see themselves as ambassadors both for MPOWER Financing—which made their global degree possible—and for the U.S. and Canada.



...

Impact on Students: Increasing Access and Enabling Potential



Students
Access & Potential

An overwhelming majority of respondents (91%) indicated that the availability of an educational loan through MPOWER has been instrumental to their ability to study abroad.

Access to student loans is critical for students who want to study in a foreign country and gain a global education. But the multitude of barriers they face are compounded by further economic and societal hurdles for various groups including women in general and especially those in STEM fields, underprivileged students from poorer countries or the Global South, first-

generation college students, and students whose legal or immigration status in the U.S. or Canada renders them ineligible for traditional funding and education loans.

Increasing Access to Education for Underprivileged Students

- ▶ Among MPOWER students who belong to lower income households (**families with an annual median income of US\$12,000 or below**), a significant majority reported that they would not have been able to study abroad without a loan or would have had to defer their admission. Many of these students would

have had to forfeit their aspirations to study abroad in the absence of self-financing options that also offer the option for future economic growth and social mobility for exactly such students.

- ▶ Most MPOWER students (79%) are from the 98 countries that comprise the Global South, or the developing world. **Among those from the Global South, 92.5% reported that an MPOWER loan was critical to their ability to study abroad.**

- ▶ Nearly half (**45%**) of MPOWER students are first-generation college students.

Taken together, these findings suggest that loans for international and immigrant-origin students can play a powerful role in increasing access for students whose families might not be able to afford a global education, yet who have the future potential to pursue rewarding education and careers.

Peter Uka, International Student From Nigeria

Peter Uka had an undergraduate degree from the University of Lagos in business and wanted to pursue a master's degree abroad in computer science. He had several offers of admission in the U.S. and UK, though the U.S. was his first choice because, according to him, "the U.S. is the home of technology." He eventually selected the University of Texas, Dallas.

"I applied for a loan because [studying abroad requires] an enormous amount of money, which most people—most middle-class people by Nigerian standards—don't have lying around. I've done the math, and it's something that—with my advanced degree and the increased pay and profile, and with the

financial support to study—I think it is very feasible to pay back [the loan] in a reasonable amount of time."

Reflecting on the value and perceived quality of a U.S. degree, Peter believed that a degree from the U.S. would enable him to return to Nigeria and command a salary four times that of what he was making earlier on. This would make the investment in his education pay off in the long run.

Returning students like Peter see themselves as ambassadors for the U.S.

"Nigeria has a lot of talent. And a lot of people. We have way more people and potential students than we have universities here."

Increasing Access to Education for Women

Educational loans can be especially important for female students aspiring to study abroad, particularly those from more patriarchal societies where families might not support the idea of an overseas higher education for women, and therefore refuse to invest in them. This lack of support can be especially prevalent in the science and engineering fields, which are traditionally seen as male dominated.¹⁰

No-cosigner loans can thus give women an independent option to pursue their educational goals, particularly for those who wish to pursue STEM fields but are unable to due to a lack of societal and financial support. MPOWER's loans have helped address this type of challenge: When reflecting on the barriers to studying abroad, **a large proportion of MPOWER's female students as compared with their male counterparts reported that it was difficult to finance their studies in the U.S. and Canada (76% vs. 67%).**

Between 2015 and 2022, **43% of MPOWER students were women**, a figure similar to the overall proportion of female international students in the U.S. (45%).¹¹

- ▶ **52% of MPOWER's female students are pursuing STEM fields, compared to 46% of MPOWER's male students.** This is

Footnote

¹⁰ <https://www.frontiersin.org/articles/10.3389/feduc.2019.00060/full>

¹¹ www.opendoorsdata.org

¹² <https://en.unesco.org/stemed>

¹³ <https://www.aauw.org/resources/research/the-stem-gap/>

¹⁴ <https://www.ice.gov/doclib/sevis/pdf/sevisBTN2021.pdf>



Dong Yixi, Former International Student From China

Dong Yixi first came to the U.S. in 2012 to study Psychology at Michigan State University, a degree for which her parents had supported her by selling their assets such as property and cars. She wanted to go back to get a Masters, but her parents could no longer afford to support her for a second degree.

To pursue her graduate degree, Dong Yixi obtained an MPOWER loan in 2019 to study nursing and become a nurse-practitioner. She completed her studies in 2021 and is now practicing in Boston.

Obtaining an MPOWER loan was appealing to her because it did not require a co-signor. If an MPOWER loan had not been available to her, she would have had to work more to save money for school or would have had to reassess her choice of institution.

significantly higher than the proportion of women globally and in the U.S. that pursue STEM (35% and 36% respectively).¹²

- ▶ However, within the broad category of STEM, a significant gender gap remains within **computer science and engineering, both of which continue to attract twice the number of male MPOWER students than female.** Conversely, the social sciences (such as economics, psychology, sociology, among

other fields) attract significantly more women. This finding aligns with national-level statistics for the U.S., where only 21% of engineering majors and 19% of computer science majors are women.¹³



Pari Lennartz, VP Of Engineering And Data Analytics, MPOWER Financing

On the pervasive gender gap in STEM careers...

"In the U.S., women comprise half the workforce but only about a quarter of workers in STEM fields. We see an even greater gap in other countries. For example, in India, women represent nearly 43% of all STEM degree graduates (among the world's highest share) but represent a far lower share of workers in their field."

Despite these overall positive findings, more needs to be done to increase study abroad options for women, particularly those from certain countries. Although 43% of MPOWER students are women, their proportion is much lower for three of the top countries that MPOWER students come from: Ghana, India, and Nigeria (32%, 38%, and 37%, respectively).

China: An Interesting Case Study in Global Education

In contrast to major sending countries like Ghana, India, and Nigeria, half (50%)

of MPOWER's students from China are female, which aligns with the overall gender breakdown and trend of Chinese students in the U.S.¹⁴ A combination of factors have recently spurred a larger number of young Chinese women to seek an education abroad. These include an increasing focus on women and STEM careers within China, with women seeing a foreign credential as an entry point to these careers, to an overall emancipation of women in recent Chinese society, where women are challenging traditional gender norms that might have previously impeded their educational and professional progress.



Silver Yang, MPOWER Employee And Former International Student From China

"Women in countries like China and India are awakened to possibilities for themselves...and if they can make their own decisions, then they also want to further their studies. I think it's no surprise to see more women actually use their own money to come study abroad, which is also considered a better education especially if it is from a highly ranked university."



Bridging the Education-to-Career Gap

International and DACA students face disproportionate barriers to education. As graduation approaches, those planning on remaining in the U.S. or Canada often find that they face work authorization hurdles, or that they lack the skills and confidence to navigate a job market with very different norms and expectations from the job market in their home country. Those wishing to return to their home country often find that their university's career services office is not equipped to support international job seekers. MPOWER's Path2Success approach takes into consideration these barriers by equipping students with professional and career-related resources that will position them for success after the completion of their studies.

The Path2Success Initiative:

The Path2Success program seeks to remove these obstacles by positioning graduating students for the job market. MPOWER's Path2Success program offers

- ▶ Free résumé reviews
- ▶ Free immigration webinars and free 30-minute consultations with an immigration attorney
- ▶ Free career coaching webinars with a professional career coach
- ▶ Webinars to help students identify scholarships for international and DACA students

- ▶ A monthly student newsletter and frequent blog posts with tips to help students adapt to life in the U.S. and Canada
- ▶ A LinkedIn group exclusively for students, with internship opportunities for international students



Increasing Access through Scholarships

Access to financing is just one solution for enabling a larger and more diverse group of students to study abroad. Globally, scholarships and fellowships offered by governments, higher education institutions,

and the private sector are an enduring vehicle for increasing access to international education. Since 2020, **MPOWER has offered scholarships to international, DACA, and refugee students, as well as those on TPS.** Over the past two years, almost 65 students have received scholarships totaling U.S.\$145,000.¹⁵

Scholarship recipients have come from countries as wide ranging as



As with MPOWER students overall, **scholarship awardees are also primarily from Global South countries.**

- ▶ Women have consistently been awarded more than half of all MPOWER scholarships each year. Of the 21 **scholarships disbursed in 2022 thus far, over 70% have gone to women.**
- ▶ **MPOWER scholarships have also benefited DACA students,** a sizeable group of students who have limited opportunities and access in the U.S. because of their undocumented immigration status. DACA students face significant hurdles, as they can't access federally subsidized loans and their parents typically have limited access to banking services. In addition to

assisting DACA students pursue a higher education, MPOWER has partnered with the La Unidad Latina Foundation to launch two jointly funded programs: one exclusively for DACA students, and the other for students from Latin America and the Caribbean.

Footnote

¹⁵ MPOWER's scholarships are administered through the Global Citizens Fund, a 501(c)3 organization that serves as the nonprofit arm of MPOWER Financing and whose mission is to expand the reach and impact of scholarships, grants, and other activities that support international students in the U.S. a generous donation from Tytus Michalski, Managing Partner at Fresco Capital, who was once a refugee himself and is now an active student mentor.

MPOWER recently announced a commitment of U.S.\$500,000 worth of scholarships to promising refugee and international students, some of which are issued through a partnership with Arizona State University. The MPOWER Refugee Scholarship, which supports students who are fleeing harsh conditions from around the world and coming to the U.S. or Canada for a better future, is made possible by a generous donation from Tytus Michalski, Managing Partner at Fresco Capital, who was once a refugee himself and is now an active student mentor.

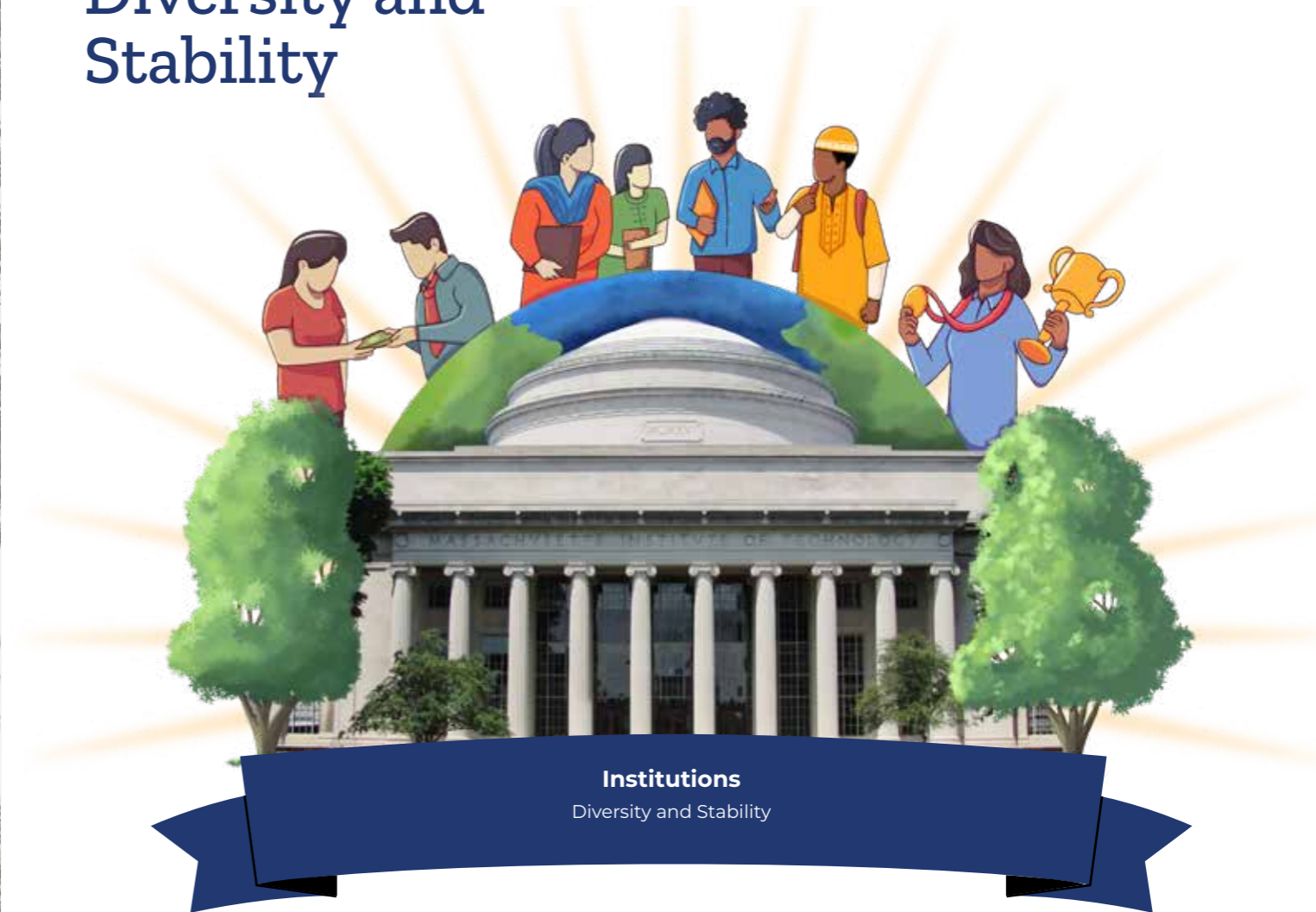
Paying It Forward

“Students can only benefit from education if they have the necessary access and resources. I was one of those fortunate enough to experience this transformation in access and support after moving to Canada from Poland during the early 1980s. Helping vulnerable students overcome challenges is also helping ourselves because we all benefit from their future success.”

**Tytus Michalski, Managing Partner,
Fresco Capital**



... Impact on Higher Education Institutions: Diversity and Stability



The American and Canadian higher education institutions that host MPOWER students benefit both directly and indirectly from the no-cosigner loan model that enables a larger number and diversity of aspiring students to study abroad, while also allowing universities to prosper and internationalize.

Diversity on Campus

Over the course of the last several years, American and Canadian higher education institutions have begun placing an increasing emphasis on growing the diversity of their student body, including attracting international students from a wider range of countries and socioeconomic backgrounds.

MPOWER loans have enabled these institutions to diversify their international student body and to meet their diversity, equity, and inclusion goals.

- ▶ MPOWER students come from 152 countries. Overall, about 79% of MPOWER students are from the Global South or developing countries, with India, Nigeria, China, Brazil, and Ghana being the top five places of origin and accounting for 50% of all students. In contrast, according to the latest Open Doors report, most international students in the U.S. are from China, India, South Korea, Canada, and Saudi Arabia.
- ▶ On average, only about 10% of international students in the U.S. are from Africa, including the Middle East and North Africa (MENA) region. In contrast, almost one-third of MPOWER students (31%) are from this region.
- ▶ Among MPOWER students from the Global South, an overwhelming majority (92.5%) would not have been able to study at their host institution without an MPOWER loan.



Chris Jones, Rotman School of Management, University of Toronto

“If it weren’t for MPOWER, we would not have the number of African students that we do, which would have effectively reduced the diversity of our international student population.”

Internationalizing the Campus

International students contribute in immeasurable ways to the internationalization and global appeal of American and Canadian campuses. Their presence and perspectives are especially valuable to those domestic students who might not have the opportunity to study or travel abroad, and for whom international students offer a window into other worlds and cultures.

Increasing access to international students who want to study in the U.S. or Canada is therefore beneficial to both those students and their domestic peers.

Economic Impact and Stability

American and Canadian institutions rely heavily on the significant revenue that international students bring in through their tuition, fees, and other expenditures. As both countries look to recover from the impact of the pandemic on the higher education sector and international education industry, there will be an increased focus on restoring and growing international enrollments.

- ▶ The annual financial impact of international students in the U.S. is U.S.\$28.4 billion and in Canada is CA\$22 billion.

Footnote

¹⁶ <https://www.sciencedirect.com/science/article/abs/pii/S0047272717301676>

- ▶ MPOWER contributes significantly to the overall financial impact of international students. Since its founding, MPOWER students have contributed U.S.\$49 million to 27 Canadian institutions, and U.S.\$314 million to 273 institutions.

- ▶ The revenue stream provided by international students is also crucial to sustaining domestic student enrollment.¹⁶

An Institutional Perspective: Arizona State University

On MPOWER’s loans for international students: It provided another great support option for our international students in their goal of pursuing higher education in the U.S. The company, started by a former international student, has the knowledge to work with students directly and understands their situation and circumstances. It helps to relieve some of the pressure in the conversation.

On cost as a significant barrier for international students: Students can run into a variety of unexpected circumstances which can impact their ability to pay for their education. Examples include parents losing employment, emergency/crisis

situations in their home country, and other unforeseen circumstances.

How the availability of loans can help international students: It provides them with an avenue to complete their goals. It also provides them with information about how loans work, how to repay, as well as provides resources on job search so that they can utilize their degree and knowledge post-graduation.

ASU international students on educational loans: Most international students who seek a loan through MPOWER are those who are facing a change in their family’s circumstances/ability to pay. They are looking for an avenue to continue and/or complete the work they started at ASU. They do not want to give up on their dreams and goals.



Organizational Impact: Diversity and Inclusion



Companies and organizations are increasingly being called upon to model internally the values that they promote externally through their work. One of MPOWER’s core values is inclusion, which is defined broadly to include seeking out and embracing diverse viewpoints as well as supporting and celebrating diversity—in terms of race, gender, age, socioeconomic status, religion, national origin, physical ability, and sexual orientation—across employees, students, investors, advisors, board members, and partners. Further, as a

global company with outreach to students across different countries, MPOWER taps into a global talent pool that is able to effectively communicate with, and serve, students around the world.

Diversity Among Employees and Stakeholders

Co-founded by a former international student from France and a refugee from Iran, MPOWER embodies diversity in all its people, from its employees to its

senior-most leadership. Many are former international students; refugees; first- and second-generation immigrants; and DACA recipients—sharing lived experiences with the students they serve.

- ▶ **Four out of MPOWER’s five executive team members are either immigrants and/or from racial minority groups.** The multi-racial and multi-ethnic leadership team also includes those who are Hispanic and non-White.
- ▶ **Nine out of MPOWER’s fifteen-member senior leadership team are either immigrants and/or from racial minority groups.**
- ▶ **Five of MPOWER’s nine Board of Directors members and seven of its 11 Advisory Board members are either immigrants and/or from racial minority groups.**
- ▶ **Among its 30 U.S. based employees, 19 are either immigrants and/or from racial minority groups.** With three quarters of its workforce based in India, MPOWER’s overall employee pool is largely non-white. However, what constitutes racial and ethnic diversity varies across countries and contexts, and MPOWER plans to refine and improve how it captures diversity data for its Indian staff.
- ▶ MPOWER’s 30 U.S. based employees collectively speak 14 languages (in addition to English)
 - o Bahasa (Indonesia + Malaysia)
 - o French
 - o German
 - o Gujarati

- o Hindi
- o Japanese
- o Luganda
- o Lugisu
- o Mandarin
- o Russian
- o Shanghainese
- o Spanish
- o Telugu
- o Turkish

- ▶ The MPOWER team mirrors the diversity of its students and celebrates the diversity through shared recognition of life events and experiences.

Achieving Gender Parity

MPOWER’s commitment to gender parity is both external, through enabling more women to study abroad, especially in the STEM fields, and internal, through increasing gender balance within the company and its leadership. This is no easy feat for a technology company, given the large gender gap in the tech sector where far fewer women enter and persist in tech careers, especially at higher levels.

- ▶ **Women make up 38% of MPOWER’s team overall; two of the five executive team members are women.** By comparison, in 2021, women performed only 27% of tech jobs in the U.S.
- ▶ **MPOWER recognizes that there is an opportunity and need to appoint women to its Board of Directors and Board of Advisors.** Currently, only one of the nine-member Board of Directors is female, and two of the 11-member Board of Advisors are women.



Lana Lodge, EVP of Business Operations and Corporate Secretary

“Amid the challenges of the post-pandemic labor market, thoughtful organizations are still able to recruit and retain great talent. To be competitive – and to remain an employer of choice – companies should focus on creating the type of work environment that showcases compassion, inspires impact and encourages curiosity and growth. Focusing on opportunities in professional development, creating space for inclusion and emphasizing criticality of diversity, and embracing new, hybrid work environments are all ways to live company values authentically. MPOWER has been intentional about living our mission and values from day one, and ensures that our team, through our recruiting approach, adds to the strong positive culture we set out to build early on.”

At MPOWER, we are committed to:

Understanding evolving workplace needs:

The pandemic has sparked shock waves of change in everyone’s day-to-day, including employees’ personal lives. With these changes in behavior and values have come new needs, priorities, and expectations from employees, and employers need to keep up as circumstances and sentiments shift. As an example, MPOWER sends out a monthly pulse survey to gauge how employees are doing, their workload, their mindset, and how we can better support them. We



ask the same questions with each survey so we can track sentiment over time. Our survey strategy, a critical tool for employee engagement, helps us stay current and relevant in our operations, benefits, and culture.

Communicating more frequently and effectively: Monthly employee newsletters and quarterly virtual town hall-style meetings are becoming supplements to new, more timely tools for sharing information with teams. Information needs to flow in real time, and through more relevant means. Using technology tools such as Slack helps us democratize information and spread critical news quickly. Employees rightly expect their companies and leaders to be truthful and transparent, but now more than ever, communication needs to be timely as well.

Celebrating achievements – both big and small: At MPOWER, we know that recognition plays a defining role in employee satisfaction. Celebrating personal events and company wins can improve morale, bolster teamwork, and make the workplace more enjoyable and rewarding. Achievements can be celebrated publicly, such as through a newsletter or during town halls, but encouragement from a manager directly goes a long way too. MPOWER leaders write thank-you notes or give small gift cards as tokens of appreciation, and also celebrate those who live our company values through quarterly value awards – which come with a fun certificate and a cash prize.

Addressing employee burnout: Amid widespread tragedy and loss, people have also faced unprecedented disruptions to their daily lives throughout the COVID-19 pandemic. Perhaps unsurprisingly, burnout is

at an all-time high across professions, as per a recently released report from the American Psychological Association. This is not good news for anyone – not for employees, and not for employers. Having available resources to support mental and physical health, and encouraging taking time off are good ways to start to address burnout. At MPOWER, we’ve also learned that taking time off and actually unplugging must be modeled from the top down.

Prioritizing pay equity: Various social movements have emerged throughout the pandemic, especially as inequity and inequality come into greater focus. Now is the time for organizations to review performance and compensation, scrutinizing it heavily and seeing where gaps exist. Payroll is the largest expense in the budget – and this is for good reason. After all, pay not only drives financial performance and productivity but it also helps us engage top talent. We are committed to continuously reviewing our compensation practices, ensuring they reflect our organizational values of inclusion, belonging, and equity. In the long term, we know pay equity is a powerful vehicle for us to drive our integrity forward and be a force for good in the world.

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Impact on Countries and Society



International students with access and opportunities have an impact on their country of study by developing the workforce, building knowledge economies, and fostering innovation in their communities. This influence on their local region is especially important, **as an overwhelming majority 91% of MPOWER students project that they would like to live in the U.S. or Canada in the future.**

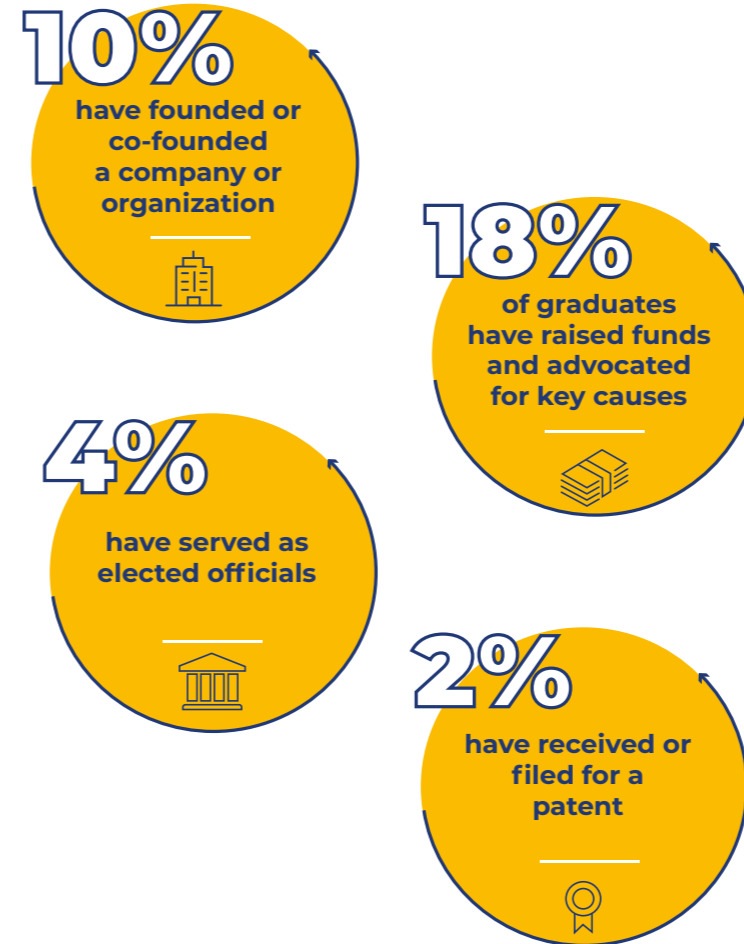
Preparing Tomorrow's Talent

MPOWER students are selected for their future potential and likelihood of academic and professional success. While most students were still studying at the time of the survey, 21% had graduated. Of these, the majority were still in the U.S. or Canada and about 80% were either employed full time or were seeking full-time employment; 14% were pursuing further education; and the remaining were launching a business or new enterprise.

Footnote

¹⁷ <https://www.mckinsey.com/featured-insights/future-of-work/the-future-of-work-after-covid-19>

MPOWER graduates are contributing significantly to the economy and civil society in the U.S. and Canada:



- Upon graduation, MPOWER graduates contribute to key industry sectors in their host country's economy. Though they work in numerous fields, the top five sectors that employ MPOWER graduates are **healthcare and health sciences, STEM, education and training careers, law, and finance.** According to an analysis by McKinsey & Company, these have emerged as sectors that are critical in preparing the U.S. for a post-COVID-19 world.¹⁷

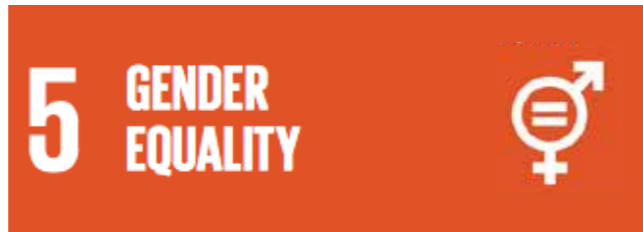


How MPOWER Students Contribute To The U.S. And Canada After Graduation

- ▶ Working in the field of education and maternal health to improve child outcomes
- ▶ Scientific research on the causal inference of COVID-19 impact
- ▶ Advocacy and public diplomacy against genocide
- ▶ Award-winning clinical research
- ▶ Behavioral science research to find innovative ways to treat cancer
- ▶ Working at an ed-tech start-up
- ▶ Publishing their research
- ▶ Becoming a resident chaplain at a university
- ▶ Developing a project on urban issues
- ▶ Consulting for an international development agency
- ▶ Co-leading a first-ever global survey of city mayors
- ▶ Working with the World Health Organization

Meeting the U.N.'s Sustainable Development Goals

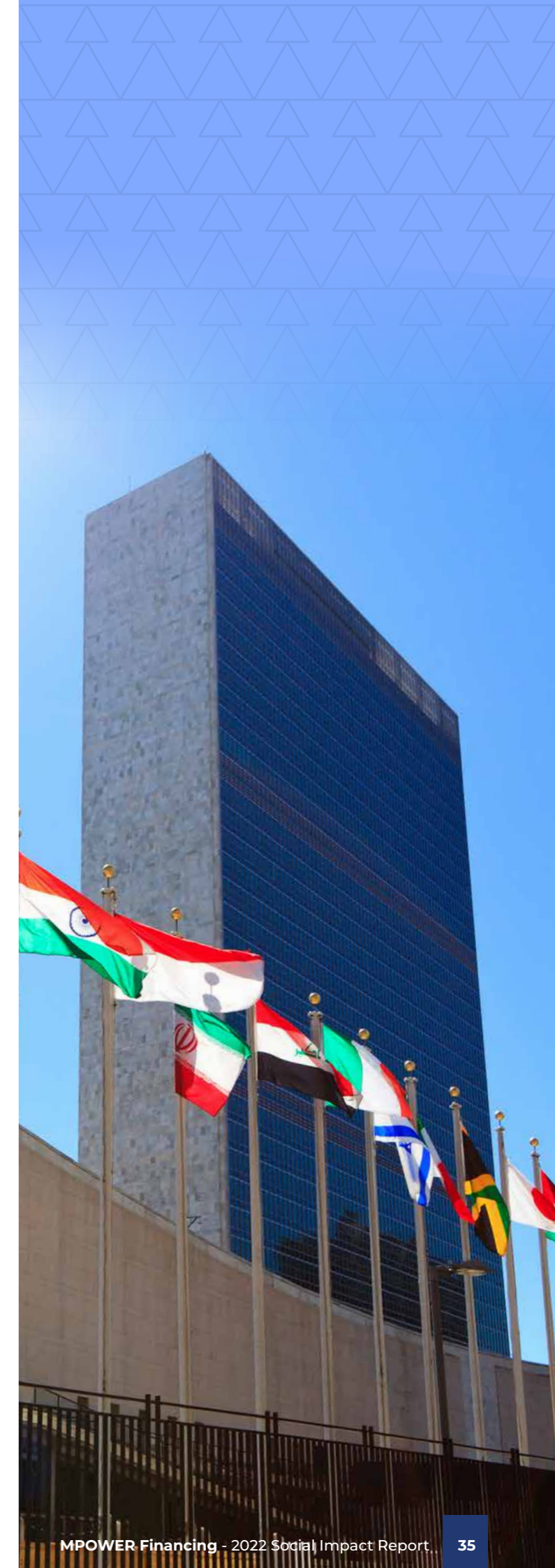
Our impact work supports the following U.N. Social and Development Goals



In the long term, MPOWER's multi-layered and multiplier impact on students, higher education institutions, organizations and societies, and economies also helps meet at least four of the UN's 17 SDGs:

- ▶ **Goal 4, Quality Education:** MPOWER's no-cosigner loans have enabled a large number and diverse group of students to access high-quality international education at top-ranked colleges and universities in the U.S. and Canada. The majority of MPOWER students are pursuing advanced degrees and are on the path to joining a highly educated and trained workforce.

- ▶ **Goal 5, Gender Equality:** Attaining gender parity is built into all of MPOWER's activities and services, whether as a lender or as an employer. MPOWER's loans have reduced traditional societal barriers for women and enabled them to pursue a global education, especially in STEM. The organization's intentional recruitment, retention, and employer practices have allowed it to have a larger female workforce compared to other tech companies.
- ▶ **Goal 9, Industry, Innovation, and Infrastructure:** With its focus on attracting students in the STEM fields and supporting them through its Path2Success initiative, MPOWER is contributing significantly to workforce development, the science and technology sectors, and innovation in key countries like the U.S. and Canada, as well as in students' home countries.
- ▶ **Goal 10, Reduced Inequalities:** Providing loans to populations that are usually ignored is helping level the playing field for students who might be marginalized or disadvantaged otherwise—and for whom a global education is typically out of reach. These include students from the Global South and from lower-income families, as well as those who are the first in their family to attend college. MPOWER's lending model is also reducing barriers for certain immigrant-origin students, such as DACA students or those on TPS in the U.S., as well as newly arrived displaced students such as refugees.



A Call to Action

Through evidence drawn from multiple sources, this social impact report demonstrates the importance of enabling students with otherwise-limited resources access to an international education. MPOWER’s no-cosigner financing can be a powerful lever to accomplish the dual goals of increasing access to global education and opening doors for students facing barriers, such as those from lower income families, those who are first-generation students, and those who come from the Global South. These findings also have larger implications for ensuring access and equity in education at a global level; for educating and preparing future global talent; and for building and sustaining knowledge economies and talent pools. **Here is how colleges and universities, policymakers, and the private sector can take action:**

For Higher Education Institutions

- ▶ With American and Canadian institutions seeking to attract larger numbers and a more diverse population of international students while also needing to serve their growing immigrant-origin student populations such as DACA and refugee students, a full suite of public and private financial solutions needs to be considered that would enable prospective students to study at their institution. This multi-pronged approach includes more scholarships from governmental and non-governmental sources, more institutional-level financial aid, and the availability of global student loans.

- ▶ Services for international students need to adopt a holistic approach to enabling students to attain their potential. MPOWER’s Path2Success approach has shown that while financial solutions such as scholarships and loans can open the door for students who might otherwise not be able to access a study abroad experience, such offerings need to be combined with academic, career, and immigration-related support and guidance to help students successfully navigate the full journey of international education.

For Policymakers

- ▶ Students from certain backgrounds—including those from Global South countries, lower-income households, and those who are displaced or have a vulnerable immigration status—face high barriers to accessing a global education despite having the aspiration and talent to succeed. At the same time, the global demand for international education is expected to rise significantly in coming years, especially due to the burgeoning youth population in emerging economies in Africa and South Asia. Governments of both sending and receiving countries will need to consider how and where this global talent will be educated since many students’ home countries still lack the capacity to provide a high-quality postsecondary education.
- ▶ Globally, women continue to suffer from a “leaky pipeline” that often begins with social and cultural factors that remove girls and women from education at every step. MPOWER’s loan model is one solution: by receiving loans that are

not tied to a family’s collateral and that do not require the approval and co-signatures of family members, women from cultures where key decisions are often made by male family members can feel financially empowered. At the same time, governmental initiatives designed to increase the participation

and retention of women along the educational pathway, especially in STEM fields, are needed to prioritize girls’ and women’s education and to address broader societal attitudes that pose hurdles for women.



- ▶ Despite the role that loans can potentially play in empowering women and the overall gains in increasing women's access to a global education, especially in STEM, there is considerable room for improvement. A gender gap still exists in the proportion of women vs. men who study abroad in the first place. This is especially true for many of the top countries that send large numbers of students to the U.S., as well as for the countries from which most MPOWER students originate. In terms of STEM, more needs to be done by both MPOWER and the broader field to encourage a larger number of international female students to pursue computer science and engineering, the two STEM fields where women still lag behind men.
- ▶ Immigration policies play a key role in attracting international students and future skilled immigrants, thus enabling the U.S. and Canada to build talent pipelines and stay ahead of other countries when it comes to knowledge, innovation, and advanced technologies. Canada's relatively friendlier immigration policies are designed to attract global talent, including allowing international students to work off-campus while in-school; providing three years of post-graduation work authorization; and offering a clear path to permanent residency. In contrast, U.S. policies have not kept pace: In-school employment is restricted (which poses a financial barrier for international students); the ability of students to stay after an education remains uncertain; and the pathway to residency is painfully slow, even for

top global talent. In keeping with other global student surveys, as many as 40% of MPOWER students report that immigration- and visa-related issues are a top hindrance, with students from the Global South—especially African countries—more likely to report this as a continuing barrier. Immigration reform is urgently needed in the U.S. to establish a clear pathway between higher education and skilled immigration.

- ▶ Market-driven solutions like the MPOWER model can have a significant long-term impact on sustainable development, especially in the areas of providing access to a quality education, restoring a gender balance in postsecondary education in the STEM fields, contributing to economic growth and innovation, and reducing disparities for underprivileged students. As shared earlier in this report, MPOWER's forward-looking model centered on students' potential rather than the traditional model that requires an established U.S. credit history, collateral or a cosigner could potentially be applicable to domestic U.S. student lending by the Department of Education as well.

For the Private Sector

- ▶ Investing in student potential and enabling deserving students to access a global education helps build the global talent pool, grow and diversify industries



and the workforce, and spur innovation and entrepreneurship. This is critical, as both the U.S. and Canada face a demographic decline and a shrinking domestic workforce that will increasingly rely on global talent. According to one estimate, by 2030 there will be a global human talent shortage of more than 85 million people that could result in U.S.\$8.5 trillion in unrealized annual revenues¹⁸. **This calls for a bold solution:** Investors should consider the asset class of international student loans as a way to get healthy returns while making a social impact by meeting their environmental, social, and governance criteria; and diversifying their portfolio by issuing loans to students from 150+ countries.

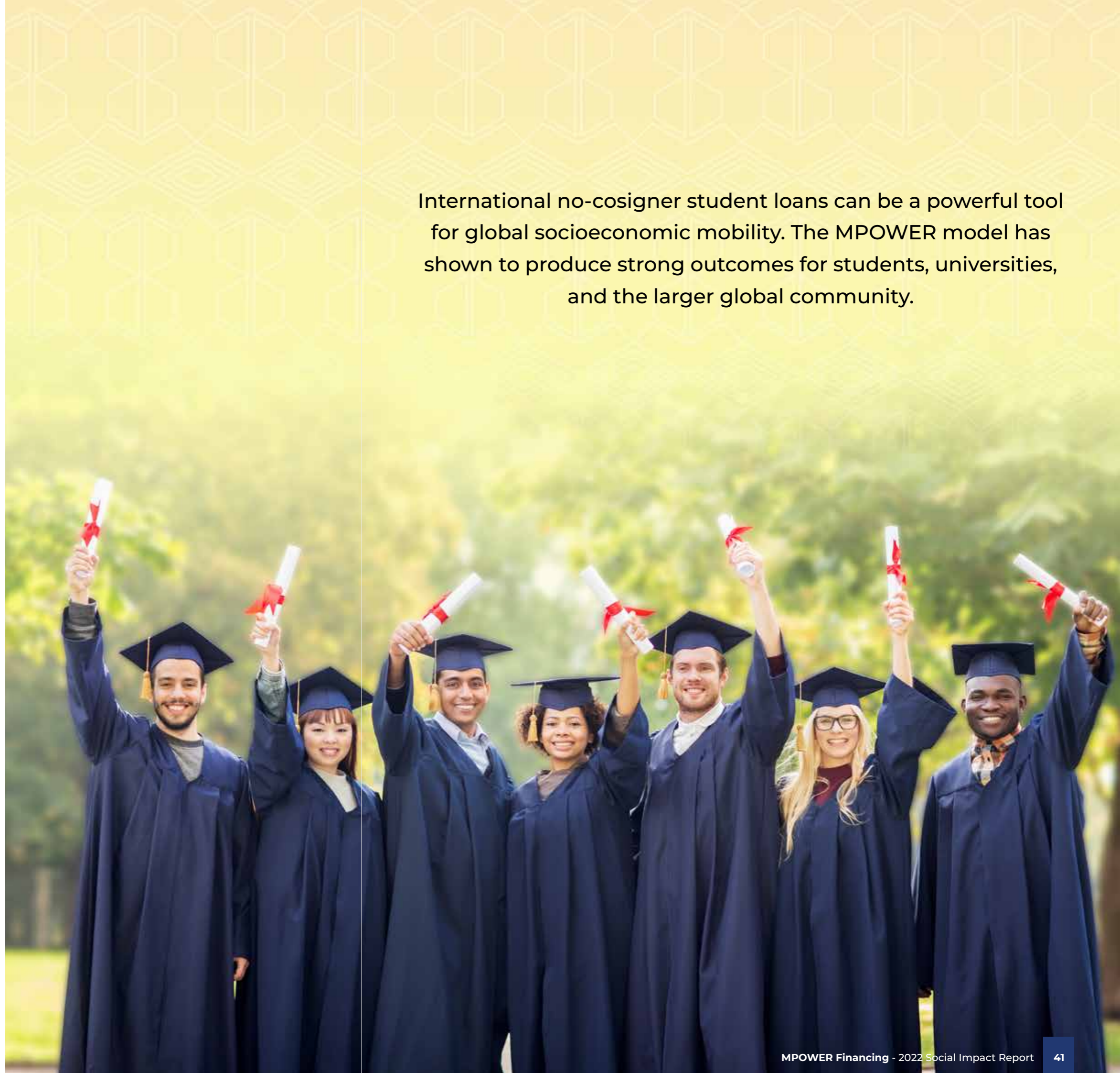
- ▶ More scholarships and private philanthropic efforts focused on different groups of underprivileged students are needed to increase educational access and prevent “brain waste” or the loss of human capital. Displaced and refugee college students are particularly vulnerable: Only 5% can access a post-secondary education¹⁹.
- ▶ Companies that have a global client base need to also reflect the values of diversity and inclusion internally. More needs to be done to increase the representation of women in the STEM sector, especially at the senior-most levels of leadership and board representation.

Footnote

¹⁸ <https://www.kornferry.com/insights/this-week-in-leadership/talent-crunch-future-of-work>

¹⁹ <https://www.unhcr.org/en-us/tertiary-education.html>

International no-cosigner student loans can be a powerful tool for global socioeconomic mobility. The MPOWER model has shown to produce strong outcomes for students, universities, and the larger global community.



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Acknowledgements

This report was written by Dr. Rajika Bhandari, an international higher education expert, former international student, and the author of *America Calling: A Foreign Student in a Country of Possibility*, which is both a deeply personal memoir of her journey from India to the U.S. as a student and immigrant and a call-to-action for countries to keep their doors open to international students.

The foreword was written by Manu Smadja, CEO and Co-Founder of MPOWER Financing.

Other contributors include:

- ▶ Sasha Ramani
- ▶ Bryanna Davis
- ▶ Geoffrey Kreller

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For more information about MPOWER Financing, Global Citizens Fund, or how you can be a part of our impact story, please email impact@mpowerfinancing.com.





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