



## The Pearson Affordable Learning Fund: Myths + Facts

*There are 58 million children around the world not enrolled in primary school. Hundreds of millions of secondary school aged students are not enrolled in school, and many millions more are in school but not learning. In places like India, for example, the learning data are telling. ASER results show that 48% of class 5 primary school children enrolled in rural schools in India are at least one to two years behind in basic computation skills; meanwhile 53% of children enrolled in class 5 are unable to read a class 2 level text.*

*If this were health or hunger, rather than education, the world would be talking about an urgent humanitarian crisis. These challenges and realities demand intervention. At the Pearson Affordable Learning Fund (PALF) our vision is to help millions of children in the world access a quality education in a cost effective, profitable and scalable manner.*

*PALF represents Pearson's broader commitment to tackle the educational needs of the world's poorest regions and to partner with local entrepreneurs to innovate new approaches to learning. Essentially, there is a moral imperative to improve the quality of such options. After all, less than 2% of aid money flows to this part of the education sector. Pearson has elected to invest in such opportunities, and to hold itself accountable for the results achieved by children enrolled in PALF portfolio schools. It is one of the ways in which we will contribute to achieving our commitment to the UN Sustainable Development Goals.*

### **Myth: Pearson owns and operates for-profit private schools in developing countries.**

**Fact:** The Pearson Affordable Learning Fund is a venture fund in which Pearson makes minority investments in local edupreneurs in emerging markets; many of these entrepreneurs were raised in the communities in which they now serve. These investments include low-fee private schools in Nigeria, Ghana, the Philippines & South Africa. These schools are owned and operated by the founding groups; Pearson is a minority investor.

### **Myth: The Pearson Affordable Learning Fund represents a major investment strategy for Pearson.**

**Fact:** With an initial investment of \$15 million dollars, PALF makes minority investments in local edupreneurs - many of whom were raised in the communities that they now wish to serve. Through these investments, which represent less than 2% of Pearson's annual investment education globally, we aim to help millions of children in the developing world access a quality education through low-fee private schools and education technology in a financially sustainable manner.

### **Myth: Pearson wants to privatize public education.**

**Fact:** Pearson publicly and enthusiastically supports free public education led by well-qualified, well-trained teachers for every child around the world. In fact, Pearson often partners with governments to improve education systems across the world and intends to continue such efforts.

However, as John Fallon said at our Annual General Meeting last year, "we as a leading learning company have a responsibility to work with every part of society - government, local authorities, aid agencies, charities as well as local entrepreneurs and private companies as we can help give as many people as we can the chance of a better education and a better start in life."



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**Myth: Pearson experiments on children in developing countries by testing its curriculum etc. on such students.**

**Fact:** Pearson does not provide products or services to the schools in which it invests. Pearson invests in local edupreneurs who seek to provide a high quality education to students through qualified teachers, personalized learning experiences, and learning skills that lead to employability. Students also sit for local national government exams, as do students enrolled in government schools.

**Myth: There is no evidence that low-fee private schools offer enhanced student outcomes.**

**Fact:** The schools that the Pearson Affordable Learning Fund invests in have all been selected based on their potential to have a significant outcome on student learning. In addition, we work closely with local school leadership teams to ensure that they benefit from Pearson's expertise in efficacy and measuring learning outcomes. Finally, students sit for local national government exams which is one outcome measurement tool we use in evaluating student success. In 2015, over 70% of students enrolled at APEC, one of our investment schools in the Philippines, met or exceeded grade expectations in science, English & social sciences. At Spark, one of our investment schools in South Africa, for example, over 90% of students are on track to make 1.5 year growth of math in one academic year, and approximately 55% of students are on track to make 1.5 years of growth in literacy in one academic year, as measured by international standards.

**Myth: Pearson is trying to increase demand for private schools in developing countries.**

**Fact:** In the Indian Subcontinent and large parts of Africa upwards of 40% of children living in poverty are already enrolled in low-cost private schools. In larger cities the figure rises to 70%. Enrollment in low-fee private schools in developing countries has increased over the last 20 years because millions of parents understand the importance of education as a primary mechanism for defeating poverty and gaining skills that will lead to employment. We launched the Pearson Affordable Learning Fund in 2012 in response to the families who had already opted into such schools.