

PRESS-RELEASE

CHANCEN eG celebrates its fifth anniversary and nearly 1,000 sponsored students

The Educational Cooperative was founded five years ago. With a number of roughly 1,000 financed students, almost 35 educational partners and a balance sheet total of around €20 million, this foundation has been a real success story.

Berlin, February 4, 2021 – Exactly five years ago on Saturday, on February 6, 2016, 36 men and women, mostly of a younger age, met in a café in Witten in North Rhine-Westphalia. These people were intent on ensuring equal opportunities in education and establishing a completely new project: They founded a Cooperative with the vision that everyone should be able to receive the best education possible, regardless of their financial means.

And this meeting had a really lasting effect: Thanks to CHANCEN eG, since then there is the national offer of tuition fee financing in which the students can participate. To date, nearly 1,000 students from a wide range of disciplines have received funding with a contract volume of around € 22 million. The Cooperative has been managed since 2016 by the two co-founders Florian Kollewijn and Olaf Lampson, who at that time were still students themselves.

Today, roughly 35 educational institutions work together with CHANCEN eG. Even studying abroad within the EU is now possible: for the Lithuanian university of LSMU, the Educational Cooperative offers to finance the fees for a medical degree.

The Idea behind it: The Income Share Agreement (ISA)

The financing of study costs is made possible by a clever concept called the “Income Share Agreement” (ISA). Tuition fees – or in the future also cost of living expenses for students – are initially covered by the Cooperative. The students do not pay back until they have completed their studies and when they are earning enough money in their profession. What initially sounds like a normal student loan, however, has two decisive advantages:

- The repayment is based only on the level of income, i.e. as a fixed percentage share of the individual's future income – as a rule over eight years.



- If the former student later earns less than €27,000 gross per year - due to family leave, unemployment or for other reasons - the repayment is completely suspended in this year and is added on at the end within a total period of 25 years.

This means that, unlike the situation with a loan, the student does not run the risk of over-indebtedness: The share of the repayment in his or her income will – even at a later time – never be too high.

The Cooperative has also been offering the same model through a subsidiary in Rwanda in East Africa since 2018. There, education is much more unaffordable for many young people, which is why the subsidiary [CHANCEN International gGmbH](#) already signed an ISA contract with over 1,300 students.

CHANCEN eG putting its faith in Student Participation

Students at the University of Witten/Herdecke came up with the concept of the ISA in 1995. They founded an association ([link](#)) that has supported around 3,000 students at this university to date. Since then, the ISA has been offered by a handful of providers here.

Admittedly, CHANCEN eG is the only company that offers the ISA as a Cooperative – with all students as members. This is intended to ensure that the costs of an ISA contract are as fair as possible for a student him/herself, taking into account all possible case scenarios (such as a change of study subject or discontinuation of the studies). For this reason, the Educational Cooperative is recognised by the UN Sustainable Development Goals (SDG's) as pursuing three of these goals in addition to Goal no. 4 – Sustainable Education.

Refinancing

In order to cover tuition fees – or cost-of-living expenses in the future – the Educational Cooperative requires its own funds for refinancing. This is made possible by impact investors, who want to feel sure that their money is not only safe and earning interest, but also has a social impact.

So far, the Educational Cooperative has been able to win over a good 100 of such investors, in addition to private individuals, foundations, banks, pension funds or so-called family offices. In addition to the shares in the Educational Cooperative, qualified subordinated loans and, in particular, the BildungsCHANCEN bond (ISIN: DE000A2TSCT2) play a role as investment instruments. And since CHANCEN eG

would like to finance the education of their choice for another 2,000 students by 2023, further bonds are planned, says CFO Lampson.

Repayment

“Especially with investors, the start was difficult”, says CEO Kollewijn. “As a start-up with a little-known legal form and a long time horizon, we met with a lot of scepticism. What helped us: Our sustainable business model. Moreover, we can now show that an ISA that is truly fair is also economically sustainable: For three years now, former students have been paying back (see table). The ISA is like a big wheel that first has to gather momentum. Once this has been achieved, it is almost impossible to stop it. This brings equal opportunities to the field of education.”

CHANCEN eG since its Launch in Figures

KPI/ Year (all values on 31.Dec.)	2016	2017	2018	2019	2020*
Students	80	198	346	614	941
Contract volume (€ million)	2.3	5.3	9.1	14.7	21.7
Repayments (k €)	0	0	6	32	116
Educational partners	4	10	14	28	33
Members	140	267	435	714	1,053

* some still preliminary

More info: <https://chancen-eg.de/en/homepage>

Contact for the Media: Annette Littmann, littmann@chancen-eg.de; +49 1520 326 81 47

Since its founding in 2016, the CHANCEN eG has made it its mission to allow young people to study what they want at non-public universities, independent of their financial means. The basis is the Income Share Agreement (ISA), which was invented 1995 by students of the University of Witten/Herdecke, GER.

Additionally, the [CHANCEN International gGmbH](#) offers the same model in Africa since 2018: In Rwanda finances the subsidiary of CHANCEN eG 1,300 young people in 6 studies at 2 educational institutions.