

# Cartier

## WOMEN'S INITIATIVE



2019 FINALIST FOR SOUTH ASIA & OCEANIA

## CARMINA BAYOMBONG

### InvestEd - PHILIPPINES

[www.invested.ph](http://www.invested.ph)

**“I want to see a world where every young person has the opportunity to fulfil their dreams and then help others do the same.”**

When Carmina Bayombong was studying industrial engineering, she saw dozens of fellow university students struggling due to financial concerns. “They were taking on extra jobs and failing to meet their academic potential,” Carmina explains. “Some even dropped out.” This at a state university, where tuition costs less than private institutions. “The issue was mostly transport and food costs,” Carmina adds, “which average at \$1350 a year.”

#### ACCESS TO HIGHER EDUCATION

Figures from the Philippines Commission of Higher Education show that only 12% of higher education institutions are state-run. Add private tuition fees to the burden, and many students are financially overstretched. When you know that the average low-income household in the Philippines lives on no more than \$1,900 a year, according to data from the Philippine Statistics Authority, the scope of the problem is clear. Frustrated with the money politics in the country and wanting to offer every young person the opportunity to fulfil their dreams of higher education, Carmina and her cofounder, Melissa Dee, decided to launch InvestEd.

#### LOANS FOR THE UNBANKED

InvestEd is a student loan service which prioritises poor and low-income students. With no credit scoring, they are shut out of traditional bank loans. Even government loans are little help, since they require proof of income for the parents. “Most marginalised and unbanked students’ parents have informal jobs, they cannot prove their household income.”

To overcome this problem, InvestEd has developed a three-tier platform to select likely candidates, draw investors and ensure repayment. Its proprietary credit-scoring algorithm measures the probability of timely graduation, career success, and non-payment risk, and is reiterated at regular intervals to constantly improve the model. “By 2020 we plan to licence it to banks and schools to develop more effective loan programmes,” says Carmina. Its investment platform targets institutional lenders, to whom it repays an average 7-12% per annum.

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### LENDING ITSELF TO SUCCESS

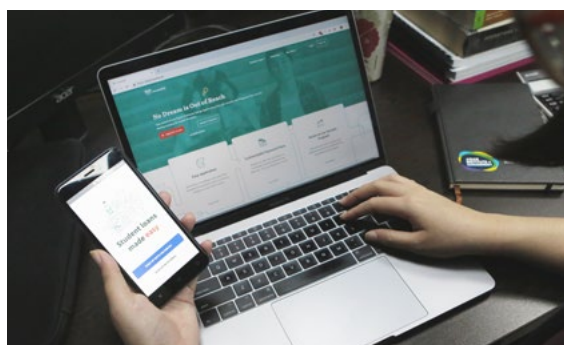
One of Carmina’s previous jobs was in mentoring and training for young entrepreneurs. On the strength of her experience, InvestEd has also developed the Borrower Success platform, a training and coaching programme focusing on employment and financial literacy to ensure borrowers get their job and can ensure repayment. Thanks to its input, the average time between graduation and employment for InvestEd’s borrowers is just 27 days, well below the national average.

Currently open to students in the last two years of university, to date InvestEd has loaned a total \$200,000 to 276 students and enjoys a 100% repayment rate, of which 82% is repaid on time. Having left its initial peer-to-peer lending model and taken on liability for its students’ loans, it is now drawing even more investors and is setting its sights on 2,000 students for its loans.

### ENTREPRENEURIAL BACKGROUND

Carmina’s father is an entrepreneur and her parents are a true inspiration. “They came from great poverty and worked hard to succeed,” she says. “When I was young they founded a cooperative in our village that has now grown into a small bank. They taught me from a young age how to save and use money wisely!” Clearly that education has paid off. Having initially trained as an industrial engineer, Carmina says she “wanted to be a person fixing systems and processes.” With InvestEd she seems to be doing just that.

**“People are the most powerful resources. We have been able to do the impossible with the help of communities and people who have offered their support.”**



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