

Income Share Agreements: New Partnership

Outcome and JFI form an exclusive partnership to spearhead a new phase of growth for the income share agreement market and the students it serves

Press Release

New York, NY -- February 6, 2020 -- Outcome Group Inc (Outcome) and the Jain Family Institute (JFI) today announced a partnership to expand students' access to income share agreements (ISAs), an innovative higher education financing option that ties repayment to the realization of positive student outcomes. The partnership includes the licensing of JFI's Income Share Agreement (ISA) model, which aids in the structuring and evaluation of ISA programs around the country, to Outcome. JFI's model, for which Outcome now has exclusive use, is the most comprehensive ISA pricing and underwriting engine in existence—combining more than 20 public, private, and academic datasets to model a host of ISA structures, features, and terms.

With this model, JFI has been able to provide analytics that run the spectrum from academic research into the sociology of student debt to actual capital structuring. JFI began building the model in 2016 during the rollout of the first at-scale ISA pilot in the United States, at Purdue University. Since 2016, JFI has used the model for research and design for 12 programs led by educational institutions, college access organizations, and philanthropies; the students who have received ISAs with its terms number in the tens of thousands. The model, a research-based Monte Carlo microsimulation that can optimize ISA contract terms along many different dimensions, allows for the creation of more equitable pathways for students without imposing the threat of loans, which can be distressing and difficult to pay off.

Michael Stynes, Executive Director of JFI, said:

“We’re excited to work alongside Outcome, a partner that shares our vision for ISAs as a new way to support students and mitigate the increasing harms of student debt. We’re delighted that Outcome will be

building on the model that we've been developing since 2016 and are excited to have such rigorous and student-focused collaborators in this space.”

Jim Courtland, CEO of Outcome, added:

“We are thrilled to be partnering with JFI and to have the opportunity to leverage the knowledge and capabilities they have built through their years of work with ISAs. We believe that the development of a thoughtful, research-based ISA modeling capacity is critical to the long-term growth and efficacy of the ISA market and we look forward to advancing the progress JFI has made in this area.”

About Income Share Agreements (ISAs)

An ISA is a financial tool that protects students from the risks associated with student loans by financing students' education in return for a percentage of their future earnings above a minimum threshold, over a fixed period of time. When that period is over the student is free from the agreement, no matter how much or how little has been paid. In an ISA, the risks of higher education financing are shifted from the student, who has to bear the burden in a traditional loan, to the funder or school. ISAs thereby align the interests of students, schools, and funders.

About Outcome

Outcome designs and implements a new education financing model in the form of an Income Share Agreement (ISA). This solution aligns repayment with successful student outcomes, reducing the risks of educational investment for students while placing greater emphasis on student success. Outcome works with a wide range of post-secondary education and workforce training programs, providing a full-service platform for the creation of ISAs. Outcome's sustainable ISA programs are tailored to each institution, helping students who are underserved by the current financing options. Outcome takes a long-term approach to the challenges students face in pursuing their educational and career goals, creating financing

structures that will achieve the best outcomes for students, schools, and investors.

Outcome is a portfolio company of Hangar, a fund that builds and invests in companies addressing public sector challenges in areas including education, healthcare, and infrastructure.

About the Jain Family Institute

JFI is an applied research organization that works on designing more equitable social and economic policy in theory and practice. JFI was among the first players in the ISA market. They began working on ISA pilot programs in 2015, and have advised numerous higher education institutions and college consortia on building programs that focus on student success. Additionally, JFI incubated the nonprofit ISA provider Better Future Forward.

Founded in 2015 by Robert Jain, JFI focuses on building evidence around the most pressing social problems. In higher education finance, JFI develops pilots, studies, and research with the aim of gaining insight into the student debt crisis and finding the most high-impact interventions to alleviate debt and improve the higher education system. JFI primarily partners with policymakers, universities, college access organizations, foundations, and income share agreement providers.

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