

## Brazil Education

## EDU Morning Radar: Financial support for high school students; FIES 2024 schedule

Industry Overview

**Low-income students will receive a monthly payment**

President Lula approved yesterday (16) the bill that creates a permanent financial support for low-income high school students. According to the Minister of Education, Mr. Camilo Santana, low-income students enrolled in public schools will be eligible. The monthly amount has still not been disclosed but will be paid only if the student keeps good grades and attendance rates to classes. Previously, the Ministry planned a monthly deposit of R\$200 and an annual bonus of R\$1k if the student is approved.

**Our Take: It could be marginally positive for demand**

In our view, the new bill could marginally help to increase demand for higher education, as students will have some income upon completing high school. However, the policy targets very low-income students and the amount paid is limited. Thus, we do not expect a major impact on demand, but believe it could create some momentum for the sector.

**FIES 2024 schedule will be delayed**

The Minister of Education affirmed that the announcement of the schedule for FIES 2024 will be delayed to incorporate the new format. The program is undergoing some changes but still lacking approval of government's finance team. Subscription for FIES usually take place in the month of March and may be delayed this year.

**Our Take: Limited expansion ahead**

We expect the changes in the program to be announced soon and according to recent talks with authorities it should include i) return of 100% financing, ii) focus on education related courses. However, in terms of students, we expect a limited expansion to 100-120k students vs. 70k currently. This is significantly less than initial expectations which was around 300k students when talks about the return of FIES begun in 2023.

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FIES – Government's higher education financing program

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