



## *Stories of Success in Education:* **Santo Tomás**

Founded in 1982 as a family-owned enterprise, the higher education consortium Santo Tomás is a unique combination: it includes a multi-campus Universidad (University), one Instituto Profesional (Professional Institute), and a Centro de Formación Técnica (Center for Technical Training), which offers technical and trade courses. Like many other private institutions in Chile, Santo Tomás underwent a profound transformation after Chile's national government announced a new Gratuidad policy in 2016.

The Gratuidad policy was meant to address Chile's nationwide skills shortage. It subsidizes tuition for students from the lower-income 60 percent of the country's population. This was the primary base of Santo Tomás' student body. From its inception, the higher education consortium had been dedicated to serving lower-income people seeking better lives.

The change involved several challenges. Santo Tomás, like all schools in Chile, had to meet new accreditation standards. There were other gaps to fill, including a need

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for more advanced digital technology, and relatively low graduation rates. The school also needed funds, guidance on employability, and more effective operations.

That's where IFC came in. Starting just before the COVID-19 pandemic, it has provided ongoing guidance on employability. In early 2023, IFC arranged a loan of CLF 1,265,000 (equivalent to US\$55 million) to help Santo Tomás accelerate its investment plans and meet the challenges of its new situation.

The transformation of Santo Tomás has raised opportunities for a broad cross-section of Chilean people. Students attend classes in 21 campuses in 19 cities throughout this 2,653-mile-long country, from Arica at the border with Peru to Punta Arenas, the southernmost city in the world. About 70 percent of the 90,000 students live outside the Santiago metropolitan area. Women comprise about 65 percent of its student body. Thirty percent of the students are parents.

In this story of success, we cover how a comprehensive tertiary school can make a remarkable transition in service of an aspirational goal and how a close working relationship with IFC has helped.

## RAISING RETENTION RATES

Santo Tomás, with its three integrated campuses, has provided a lifeline for many Chilean individuals, but it has not always been able to bring them all to graduate. Many of its students also work. About one-third of them are parents. Not everyone could afford to remain in school or put in the time to get a degree.

To improve retention, the school built on its strength in student engagement. "If you interview a student,"

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said rector Juan Pablo Guzmán Aldunate, "they will tell you: in this institution, I am not a number. I am a person." Students are encouraged to use the campus as a resource outside of classes and to call on teachers they trust for guidance.

A variety of other measures combine to further help students get their degrees. The school organizes programs around self-paced and flexible learning. It helps students find financing, including applications for *Gratuidad*. It provides psychological support groups, particularly important since the pandemic. Teachers are continually trained to improve their classroom teaching.

## A TRADITION OF INCLUSIVITY

*Santo Tomás is deliberately inclusive, starting with gender. About two-thirds of the students are women.*

The school provides health care and social services training, which attract female professionals. Because

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this has happened over a 20-year timeframe, Santo Tomás has experience in creating a safe, non-sexist environment for women. About 60 percent of the faculty are female, compared to 40 percent in other competitive schools.

Inclusivity also involves other groups. About 1% of the student population comes from indigenous backgrounds, and 4 percent has disabilities. Unlike other Chilean tertiary institutions, Santo Tomás draws its student body from every geographic part of the country. Its market share in Santiago is almost half of its presence in the region.

## FOCUS ON EMPLOYABILITY

In 2020, Santo Tomás engaged IFC's Vitae, a program that helps higher education institutions adopt strategies to better align themselves with employment needs and other market dynamics. Santo Tomás' students were often the first in their families to pursue an advanced education. They needed more than

academic help.

"Students with networks are more likely to know what to study and how to design a career," said Guzman. "We are aware that we can continue to strengthen this area in Santo Tomás."

The first Vitae phase, a project conducted during the pandemic, consisted of an assessment of Santo Tomás' employability challenges, benchmarked against other schools. The Vitae team recommended several measures, most of which Santo Tomás is implementing over time, some with IFC support. Leveraging this work, Santo Tomás was able to secure additional grant funding in Chile from the Ministry of Education to implement changes in its employability structure.

For example, the school is designing a strategy for developing and strengthening relationships with employers. This will allow students to check in regularly, learn more about the skills that employers are looking for, and inform employers about their own training offerings and student capabilities. Santo Tomás is also developing technology solutions to improve career services, strengthen internal processes, and build networks among students, graduates, and employers.

While there are currently professional guidance services that allow students and graduates to get in-person and virtual assistance for career assistance, Santo Tomás is considering creating a career development center to provide more holistic services.

## UPGRADING INFRASTRUCTURE

The issues with campus infrastructure led Santo Tomás to seek funding in the first place. Many campuses needed upgrades. Two new campuses were needed, one in Punta Arenas and one near Santiago. The school had to either purchase or exit from about 30 percent of its buildings, which were owned by private investors. Some of these buildings needed renovation.

The IFC project consolidated all of these efforts into one "very ambitious infrastructure plan," as Guzman put it. This also included investments in digital transformation that helped the school replace more than 30 old-fashioned legacy IT systems with a single cloud-based digital backbone. For example, the school has implemented an open-source learning management system platform called Moodle and a student information system called Banner. The school is now introducing Generative AI resources for use by students, faculty, or the school administration.

## THE PANDEMIC AND REMOTE LEARNING

COVID-19 represented a "huge test for us," said Guzman. "We offer practical trade classes. Our students have to touch things. Now they were confined to their houses, and many didn't have a computer." They responded by focusing "on the one thing that would characterize us. Give support to students. Find a way to be near them." The first step was to establish access to the technology.

Santo Tomás set up cellular plans for some students and lent computers to others. Counseling and psychological help, while available in person on every campus, could

also be accessed online.

This experience and IFC's support laid the groundwork for establishing an e-learning capability, with 1,000 students taking classes fully online during its first school year, 2022-2023.

By adopting remote learning, Santo Tomás was also helping its students thrive in the forthcoming job environment. The school now keeps track of where many students live after graduation. Almost 90 percent stayed in their original region, often because the quality of life is higher than in larger cities like Santiago. Remote work provides a major opportunity for them and employers. Santo Tomás is now at the forefront of that transition.

## THE FUTURE OF THE IFC-SANTO TOMÁS PARTNERSHIP

With the infrastructure and digitization projects underway, Santo Tomás and IFC are also looking ahead in several other ways. One project seeks to improve the levels of accreditation granted by the government's Comisión Nacional de Acreditación (CNA), an autonomous group within the Ministry of Education responsible for monitoring the quality of higher education institutions and programs.

IFC and Vitae also participate in measuring progress. Vitae monitors these key metrics for all its clients: increases in enrollment, share of the enrollment of students from low-income backgrounds, employment rates within six months of graduation, availability of career services, and student satisfaction with Santo Tomás' support for job searches. Although it is still very

early in the Santo Tomás transition, all these measures seem to be on track.

Santo Tomás is also exploring another IFC service: EDGE, a green building certification program. The changes in real estate allow the school to lower its carbon footprint and potentially train students in careers related to sustainability. Finally, based on the digital transformation mentioned before, Santo Tomás is interested in developing AI and data analytics capabilities to streamline internal processes and strengthen student experience and success.

The Santo Tomás case shows how concerted investment, with an energetic team devoted to improvement, can help an educational institution influence society in unexpected ways. "In a sense, this started years ago," Juan Pablo Guzman reminded us, "with the Chilean goals of increasing access to higher education and a better life. The founders of Santo Tomás created a system to provide that access. Now, we are no longer thinking about access. Now, we think about efficiency, quality, and a better price-to-value alternative for the students. The more positive impact you have, the more you need to keep improving."



#### REACH

# 70%

of students live outside Santiago

#### INCLUSION

# 65%

female student body

#### OPPORTUNITY

# 30%

of students are parents

#### ACCESSIBILITY

# 1,000

students taking classes fully online

# *The IFC Connection*

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## WHY SANTO TOMÁS PARTNERED WITH IFC

Santo Tomás was looking for a strategic partner to provide comprehensive support throughout the transformation process. IFC is a one-stop shop that offers financial support along with value-adding advisory services on employability, digitalization, and sustainable buildings.

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## WHY IFC INVESTED IN SANTO TOMÁS

Santo Tomás meets IFC's highest-level criteria for development impact. The school has longstanding credibility in serving lower-income students, including many women. Its academic model is student-centric and focused on practical competencies. It has a strong financial track record and an important role in serving Chile's remote regions. The loan would greatly improve access to high-quality, affordable tertiary education in Chile, reaching many people who might otherwise be unemployed.

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## HOW THIS INVESTMENT IS HELPING YOUNG PEOPLE SUCCEED AND THE COUNTRY'S ECONOMY GROW

The IFC loan allowed Santo Tomás to accelerate its capital expenditure investment and overall improvement plan. This made an enormous difference, especially for a school with a large geographic range. It also made distance learning viable as a way to expand its value for students.

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## WHAT IFC LOOKS FOR WHEN PARTNERING WITH A PRIVATE PLAYER

In fostering development impact, IFC looks for organizations with a track record of success in placing students, raising the quality of higher education, and contributing to overall economic growth. Private tertiary institutions should demonstrate strong economic fundamentals and potential for expansion and improvement. One of the most important factors is executive engagement. The Santo Tomás leaders, as Pablo Harriague put it, are "super collaborative, always available, and very good to work with. They provided us with high-quality information about the school, they are experienced, and they continue to be interested in improving their business."





## Development Impacts

- Higher education availability throughout the country, including in smaller cities
- Opportunities for women, people from low-income backgrounds, working parents
- Increases in employability and graduation rates

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The people interviewed for this case study include:

- Juan Pablo Guzmán Aldunate, Rector of Santo Tomás' Professional Institute and Technical Training Center
- Daniela Sepúlveda León, Communications Director at Santo Tomás
- Pablo Harriague, IFC Investment Officer and relationship manager with Santo Tomás

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