

Barclays Research Highlights: Sustainable & Thematic Investing

Education Technology: Out with the Old School

Global education is no longer fit for the 21st century. The key question today is how we can build an education system that best prepares the workers of tomorrow. We see a redefined role for education within society, with lifelong learning becoming the norm. The industry is ripe for disruption and EdTech will play a large role.



Education Technology: Out with the Old School

Sustainable & Thematic Investing

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The key question today is how we can build an education system that best prepares the workers of tomorrow. We believe the automation era will redefine how society views education. It will no longer just be about “knowing,” instead the emphasis will be on a broader set of skills that are continually developed through lifelong learning. The industry is ripe for disruption and we believe education technology — EdTech — will play a large role.

Global education is no longer fit for the 21st century. We need an urgent rethink of how education is provided if we are to keep up with the evolving needs of modern society.

EdTech

We define EdTech as the application of digital technology to deliver a new form of learning architecture; one that has the power to harness the social reach of the internet to create efficiency, enable new levels of standardisation and encourage democratised access. We believe EdTech will redefine how education is resourced and consumed, and will ultimately change the results it can yield for individuals and society as a whole. We urge readers to look beyond the digitalisation of traditional textbooks because EdTech, via gamification and immersion, has the potential to reconceptualise the learning experience to one that is adaptive and hyper-personalised. We see consumer-facing education apps proving popular in after-school and adult learning, as well as seeing value in virtual learning environments and online degrees.

EdTech in 2050 — then, now and in the future

To help conceptualise the extent to which we think EdTech will transform global education, we propose a two-stage timeline through to 2050.

Stage one

Monetization & Scale (2015–2030)

Our thematic view on EdTech and global education characterises the period until 2030 as enablement. That is, EdTEch will enable education systems and institutions to improve what they do without attempting to completely replace what they do. We expect it to be a long rising tide as public-private partnerships are formed, allowing the industry to deliver both scale and monetisation.

Stage two

Disrupting Incumbents (2030–2050)

As the sector matures, we characterise the period from 2030 onwards as a period of disruption where the traditional career path is likely to be challenged by alternative models as lifelong learning becomes essential within a multi-stage life cycle.



We are facing a global learning crisis...

6/10

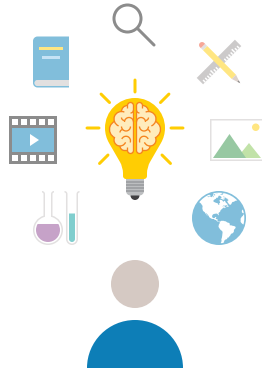
Schooling does not equal learning:

Globally, six out of ten children are not achieving minimum proficiency levels in reading and mathematics

...the rise of the modern learner

Impatient, distracted & overwhelmed:

Frustrated by traditional learning methods, yet hungry to learn and willing to pay for it



EdTech can help change the way we teach and learn...

Product innovation focused on making learning more accessible by leveraging:



Gamification



Experiential & Immersion



Personalisation & Adaptive Learning

...beyond the traditional school model



Learning will be a lifelong endeavour:

Solutions targeting corporate and direct-to-consumer will prove popular

EdTech to power the Fourth Industrial Revolution

New skills for new jobs:

STEAM Collaboration Critical thinking

Coding & technology Social-emotional learning



5 key industry drivers...



Digitalisation Globalisation Personalisation Privatisation Automation

Global Market Opportunity



Education is ripe for disruption

<3% of total global education expenditure is on digital



Global education expenditure

\$10tn by 2030
vs
\$6tn 2018/+4% CAGR



EdTech will play a large role

Expected to reach \$342bn by 2025
+12% CAGR
vs
\$152bn 2018



2018 was a record year for start-ups

\$8.2bn VC investment, led by Asia

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