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+973 1755 1662 info@D3consultants.net d3consultants.net

Education Organizations Expect to Take Economic Hit From COVID-19. But Ed Tech May Catch a Break

Education Organizations face a big financial hit

Education organizations worldwide expect to take a big financial hit — especially in the short term — as the coronavirus creates havoc with schools and society, a new survey reveals.

The results paint a grim picture — though there are hints that technology-based firms see themselves as being relatively insulated from the economic blast caused by the global health crisis.

The survey was conducted by HolonIQ of executives from not just education companies in K-12, pre-K, higher education, and adult learning, but also leaders of colleges, as well as investors and government officials.

The 700 respondents represent perspectives from 50 countries, with a heavy weighting from Europe, Latin America, and North America. HolonIQ is a global research and intelligence firm based in Australia.

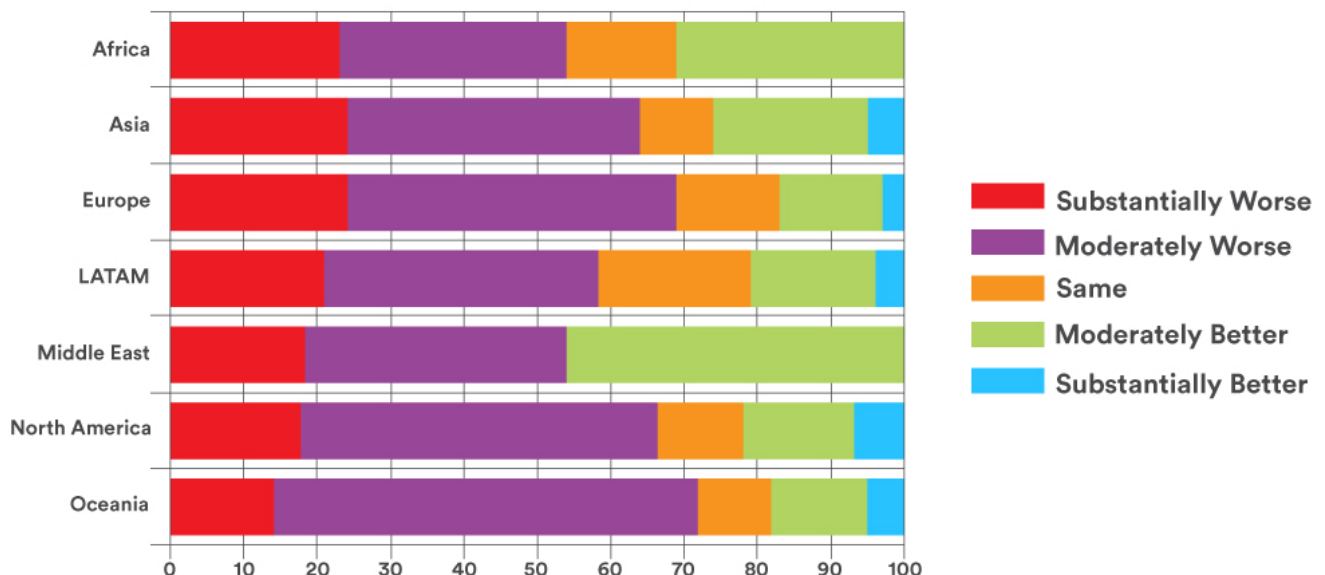
In North America, 48.5 % of those surveyed say they expect their education organizations to be moderately worse off in the short term, and nearly 18 % predict they will be substantially worse off. Just 15 % said they'll be better, and 6 % said they'll be substantially better.

The organizations responding from Asia were similarly pessimistic, with 64 % saying they expect to be substantially or moderately in tougher shape because of COVID-19. In Europe, the number was 69 %.

When asked about the long-term outlook, education organizations were more optimistic.

Thirty percent of those surveyed from North America predict their organizations will be moderately or substantially better off, while the numbers were comparable in Asia (36 %) and Europe (32 %). In Africa, it was 38 %.

Short term impact of covid-19 on Education Organizations



Ed-Tech Leaders Not as Shaken

When the results were broken out by types of organizations, 91 % of executives from educational institutions believe they will be in worse conditions in the short term, and 82 % of investors foresee the same.

But ed-tech organizations were markedly more hopeful about the future in the coronavirus era.

Just 40 % of ed-tech organizations say they expect to suffer substantially or moderately in the short term.

Of those pessimists, only 18 % of ed-tech groups say they expect to be worse off in the long term.

And in the long term, ed-tech executives see the picture brightening even more. 58% of them predict they will be better off in the long term, as the coronavirus' impact lessens.

The outlook seems much grimmer for other education organizations. Just 13 % of executives from educational institutions expect to be better off in the long term, and 18 % of investors feel the same.

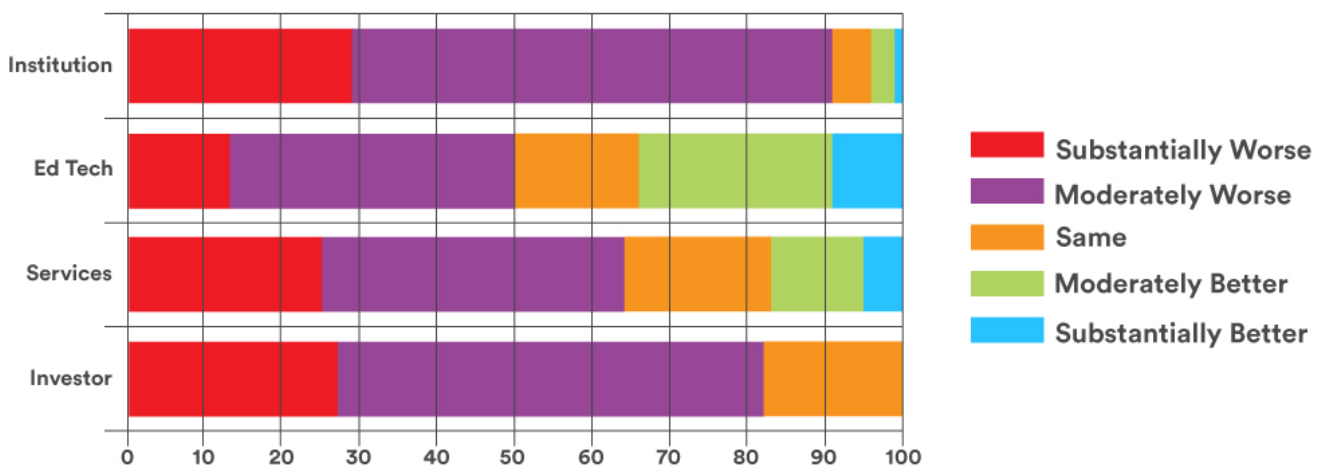
Patrick Brothers, HolonIQ's co-CEO and co-founder, said the relative optimism in the ed-tech community probably reflects the extent to which the coronavirus has fed a surge of interest in online learning.

Many school districts in the United States, for instance, are scrambling to explore virtual education options to meet the needs of homebound students, families, and teachers.

Those products that don't help parents and schools will be "judged harshly by the consumer," he added.

"What many see as a 'golden era for ed tech' may turn out to accelerate judgment that it is truly inferior to and not a substitute for place-based learning."

Short term impact of covid-19 by Organization Type



Source: <https://marketbrief.edweek.org/?intc=mktbf-topnav>

