

**Education Investor Global Summit 2017**

**Wednesday, 3rd May 2017 - Millennium Hotel, Mayfair**

**'The rise of private tuition'**

**Introduction**

Good afternoon everyone. I'm Adam Muckle, President of the Tutors' Association. The Association was founded in 2013 and now has a combination of individual members and 150 corporate members – who are mostly tutor agencies – that represent between them some 20,000 tutors in the UK.

I myself after pursuing a legal career, have been tutoring for eight years and I'd like to thank you for your invitation to address you today.

I have been asked to talk about three things in particular:

- Export opportunities for tuition companies
- Tuition as an answer to teacher shortages
- Is private tuition still a golden goose?

**Let's look first at export opportunities for tuition companies**

There can be no doubt that British education is widely seen as the Gold Standard in many parts of the world. British schools are widely accepted by families in the Middle East and Asia as providing the best access to the top Universities in both the UK itself and the USA.

This paradigm has been further aided by the growth of the International Schools over the past fifteen years or so; you will all doubtless be familiar with the figure that says that the number of such schools has trebled to 8,600 since the year 2000.

To put some sort of a scale on it, the most recent ExEdUk figures said that:

*'International students are contributing upwards of £14 billion to the economy and providing 30% of the higher education industries funding'*

According to the Higher Education Statistics Agency, there were over 124,000 EU students and 312,000 non-EU students studying at UK institutions in the 2014/15 academic year. This is backed up by the Independent Schools Council which in their 2015 census showed that there are over 17,000 international students studying at schools in the UK.

The Cambridge IGCSE for 14 to 16 year olds is taken in over 145 countries in 70 subjects in over 30 languages and in more than 6,100 schools around the world; there were 990,000 exam entries made by schools worldwide in 2015/16 and is growing strongly. The corresponding International AS and A Levels are taken in more than 130 countries with more than 495,000 entries each year. Exactly how many of these are in the UK and global distribution is not clear. However, we know from our

members that this provides a useful contribution to the tutoring that they do for students both in this country and overseas.

Then there is technology. The growth of online tuition has been fuelled by advances in technology both in communications tools such as Skype and teaching aids such as interactive whiteboards that make the location of tutors increasingly independent of their tutees. Continuing advances in the future will likely create more possibilities for this area, through more digital content such as we see now with mobile apps, games and videos that facilitate learning.

Online tutoring company Mytutor, for example, now derives more than 20% of its income from tutoring overseas students and in our own member survey conducted last year, some 30% of our members indicated that online tuition now accounted for at least 20% of their tutoring hours.

And there are, or doubtless will be, export opportunities for British education from Study Centre type tutoring organisations, such as Explore Learning, using online classrooms and other technology-led answers.

On the downside, some schools, universities and education groups such as Alpha Plus are concerned about how immigration concerns are having an impact on the UK's ability to promote itself as an exporter of education, and the Indian government has made it clear that a free trade deal with the UK would need to feature a loosening of constraints on student visas.

In summary, then, both the demand for, and the channels to provide, access to British education seem to be both healthy and growing, but there are political shadows that that are also at play in the opposite direction.

### **If I may now turn to the second topic, is tuition the answer to teacher shortages?**

Statistics suggest that teachers are leaving the profession at an unprecedented rate. Among the reasons cited are the stress of the classroom environment, the seemingly continual tinkering with the syllabus and the pressure of getting children through exams, the results of which affect both a school's rating and the level of financial support it receives from the Government.

Those statistics also suggest that a number, and perhaps a significant number, are leaving the teaching profession to become private tutors. They are not leaving the world of education, just the world of classroom education.

At The Tutors' Association, we have never regarded tuition as a replacement for classroom education. What private tuition can do is complement the classroom environment with 1-to-1 tutoring. Even the schools with the finest academic records and the smallest class sizes acknowledge that there are things that can be achieved at a 1-to-1 level that cannot be achieved in class.

Even though tutoring predates formal schooling by two millennia, to attempt to replace classroom education with private tuition is to throw away the benefits that children get from working alongside their peers and in groups, quite apart from the practicalities of tutor supply and, of course, cost. So we believe that private tuition enriches the educational landscape alongside formal school-teaching.

Teachers and tutors can, and should, co-exist alongside one another for the benefit of those doing the learning.

In practical terms, however, there are significant barriers to this as an option as well. Despite the significant number of tutors in the UK – estimated at anywhere between 250,000 and 500,000 depending on who you include – there is still a shortage of tutors in certain subjects, some location and at some levels of study. If you ask any of our Corporate members – mostly tuition agencies – they will tell you that one of their biggest current challenges is finding sufficient, and sufficiently good, tutors.

We, and I would suggest parents as well, should also be concerned that, currently, anyone can set themselves up as a tutor without having been DBS checked or having any practical experience of, or training in, teaching or tutoring (although not if you are an Association member). This has implications both for child safety and quality, and the current imbalance between demand and supply risks exacerbating this situation. It is not a context in which we should embrace the idea of tutors replacing teachers on a widespread scale.

However, there are some interesting developments in the market that are by way of being short-term, or specific fixes that involve collaboration between schools and tuition companies. One of our members, Keystone, has experience of providing just such services both in face-to-face and in online environments both in the UK and overseas. These cover both short-term teacher replacement assignments and specific complementary additional teaching. The key point to note is that these are invariably collaborative exercises initiated by the school, and the tutors work alongside the existing school staff. They are also cost-effective for the school, as the tutors are paid only for the time that they are actually delivering material.

So as a discrete fix, replacing teachers with tutors has some value in some subjects in some areas for some children. But I do not believe that it is a long-term solution to the teacher shortage. The fact that so many teachers are leaving the profession and insufficient numbers training to join it should worry all of us.

We do not believe that tutors are in competition with teachers. Nor, indeed, do many teachers; the Sutton Trust report published last year suggested that at least 4 in 10 of state school teachers undertake private tuition. The truth is that we are both part of the educational landscape – and anything that damages any part of that landscape is bad news for all of us – and particularly the children whose education is at stake.

**Finally, I'd like to consider the question of whether private tuitions is still a 'golden goose':**

In 2013, then President of the Association Tom Maher wrote that private tutoring appeared to be growing in many countries, both in absolute terms and relative to the formal education sector. That it is now an important phenomenon in many countries of different size, level of economic development, political institutions or geographical location. In some cases, such as in South Korea, spending on private tutoring is as much as the level of spending on the formal education system.

Similar exists in Turkey. The transition to a market economy in former Soviet bloc and Communist countries has substantially increased the amounts of private tutoring where it did not exist before. Cultural values also play a large part in determining the demand for tuition. As British cities become more cosmopolitan, the need for out-of-school support simply to adjust to the British education system is an important source of demand. Since Tom made these remarks, private tutoring has continued to be a very dynamic sector right now.

I can attest from my own experience that in the past five years I have tutored families from France, Italy, Spain, Nigeria, India, Pakistan, China, Malaysia, South Korea, Singapore, Japan and the US. They all have a keen interest in understanding the British standard of education, what the competition in the school system may be and are looking for support on the educational journey of their children.

The growth in online tuition continues apace. More than a third of our Association members now spend at least 20% of their time in online tuition, although very few teach exclusively online; this is very much in line with The Tutor Pages research conducted in 2015.

From a personal point of view, over the past two years I have found online tutoring far more accessible and far more readily accepted by families than when I started. This is not least because of better broadband speed but also because children of all ages are much more accustomed to being online with their electronic devices than ever before. This differs substantially from what I said in a Telegraph article in 2014; at that time I said that it was principally older children of A-level age who were best suited to online learning, but I believe that that is no longer the case.

What is beyond question is that it undoubtedly extends the reach of UK-based tutors. This, alongside the factors I mentioned earlier with regard to the exportability of tutoring, bode well for the future and suggest that the market will continue to grow for a healthy mixture of reasons.

I have already referred to the apparently insatiable hunger that seems to exist around the world for British education and as long as demand for it is robust, so will the market for UK tutors be, as those families seek to get their children up to speed with the UK curriculum and examination requirements.

The overall market itself clearly remains in rude health. In a report based on new research and published last year, The Sutton Trust said that:

*'the private tuition industry is booming, with the proportion of pupils paying for a tutor to help with school work or grammar school entrance exams up by a third – a proportion that looks set to rise as the government considers plans to extend selective education.'*

The Sutton Trust gives a figure for the overall value of the UK tutoring marketplace as £2bn – and they are also keen, as is the Association, to see tutoring extended to pupils from disadvantaged families. How this can be done is the subject of a significant amount of thinking at present. The Government's Pupil Premium is one way in which the Trust thinks that this may be achieved, but they are also actively championing sponsored and not-for-profit approaches as well.

It is also important to remember that a substantial part – probably at least half - of the tutoring marketplace comprises adults rather than children. Their motivations for tuition are rarely exam-

related and often reflect a desire to learn a new skill – things as diverse as learning a new language, computer literacy and coding, or creative writing to name but a few.

However, the market remains highly fragmented – and, if anything, it is getting more so as more people opt for self-employment and the internet allows them to market themselves effectively – which, incidentally, is perhaps not unrelated to the difficulty agencies are encountering with attracting tutors to their fold.

Many tutors and most agencies are making a decent living out of tutoring – but few if any are getting super-rich on it. Indeed, when preparing for this talk, I was struck by something one of our members said. ‘Still a golden goose?’ he said, ‘I’m not sure it has ever been one.’ When pressed, he elaborated.

‘The market may be worth 2bn, or 6bn or any other figure anyone cares to mention, but the fact is that the market is incredibly fragmented. Even the biggest players only account for a tiny fraction of one percent of the whole. We are a substantial agency and we make a decent living out of it but I don’t think we’d be an attractive investment. Not because we are not well run or not successful because we are both of those things. But where and how would an investor see a good return? I see no appetite for merger and acquisition in our sector.’

That’s one member’s view. And of course, things may change in the future. One of the things that The Tutors' Association does is encourage tutors to talk to one another. And when people talk sometimes new initiatives, collaborations and ventures appear.

But the bigger question, perhaps, is what sort of tuition might provide a model that is both sizeable and scalable, as well as profitable.

I reckon it to be the Study-Centre model. Here, although the individual cost per student tends to be modest, one tutor can reach many students; the numbers involved are potentially highly significant if one takes a global perspective, and the model is definitely scalable.

In this context, the UK market for this model is significantly less well developed than the 1-to-1 model. It also lags a long way behind other countries where the study centre model is significantly more prevalent.

This is largely down to cultural differences in my view; ‘mass tuition’, if I may call it that, is the norm in many Asian countries in a way that is not true here – or at least, not yet.

Some overseas-based organisations already see this as an opportunity. Kumon from Japan, Numberworks and Words from New Zealand, and Kip McGrath from Australia (to name but three) are all looking to expand their UK presence. This is not to say that that means there are not opportunities for this model for home-grown operators (such as Explore Learning) as well.

And in addition to the Study Centre model, the online tutoring market may prove to be a potentially interesting area for investment as it too shares the characteristics of being both sizeable and scalable - and an area that at least some of you are likely watching closely.

In conclusion, The Tutors' Association ethos is to build bridges with every part of the educational landscape. Not just tutors, but schools, suppliers, government – and, of course, investors.

The market is worth a substantial amount. It is growing. The UK product is valued highly world-wide and yet there are no players that can claim any semblance of dominance. Maybe one of you can change all that.

**Adam Muckle**  
**President**