



# Informing international investment

Later this month, ISC Research, the organisation that has been tracking the world's international schools market for 25 years, will be issuing its 2019 global reports on the international schools market. Current data is crucial for investors, education suppliers and those wishing to gain an international presence. In addition, knowing how this market has evolved historically helps those considering the market to understand why demand is increasing as it is

## The emerging market

The world's English-medium international schools market has experienced significant and sustained growth since the turn of the century. In 2000, there were 2,584 international schools worldwide teaching 988,600 students and employing 90,000 full-time teaching staff. The countries dominating the market at that time were Spain (with a total of 99 international schools), the United Arab Emirates (97 international schools), Hong Kong (70 international schools) and Thailand (55 international schools), but there was little evidence of any regional domination. Although still predominantly a provision for expatriates, by the year 2000 school places were also being sought by wealthier local families seeking an alternative to national education or international boarding.

Six years on, Asia was beginning to dominate, and by 2008 the region had captured 49% of the total market (2,361 international schools). The countries fuelling the growth were the UAE, China and Japan. Europe stood out as another strong region with 1,205 international schools, equating to 25% of the market, as a result of growing numbers in Spain, Germany and the Netherlands.

Today, Asia, including Western Asia (the Middle East), continues to dominate the international schools market with the most notable growth now occurring in China and Southeast Asia.

## Demand demographics

The most significant change over the past 25 years, other than the overall growth, is the demographic breakdown of the student population. While today's market still caters to expatriate families – with the number of expatriate students continuing to grow year-on-year, albeit from a much broader range of originating countries – demand for places is primarily fuelled by local families.

By the year 2000, as more international schools opened, local parents became increasingly aware that their country's state education, local private education, or a foreign boarding school hundreds of miles away from home were not the only options available to their child during the years of compulsory education. The experience of overseas boarding for a child at a young age, speaking another language and being part of a culture very different from their own, became recognised as very challenging.

Personal experiences of this, in addition to negative stories in the press (and more recently social media), raised awareness of these challenges among parents who then looked for alternative solutions for international education. As a result, international school admissions in many countries (where government legislation allowed) became increasingly dominated by the richest 5% of non-English-speaking parents. These parents were seeking a very specific need: a place at a school in their own city or

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country, where their child could learn in English and sit globally recognised exams as a route to English-medium higher education and, in so doing, optimising their career potential.

This education movement gained momentum as many economies improved – and now, an English-medium international school education is high on the list of priorities for many families who can afford it. The result of this is that today, local children dominate international school enrolment.

### The impact of demand

According to ISC Research data, as a result of this continuing demand, today's international schools market is a profitable one, currently generating \$51 billion from annual fee income.

The number of international schools globally has experienced a compound annual growth rate in the past five years of 5.6% to more than 10,400 schools (March 2019). And student enrolment has increased at an even higher rate: a compound annual growth rate over the past five years of 6.7% to more than 5.8 million children.

Dramatic growth comes at a cost, though. The recruitment and retention of suitably qualified staff is challenging for many schools and is likely to become more so. In 2000, ISC Research recorded just 90,000 staff employed by international schools around the world. That number has since increased to 540,000 (March 2019), the majority of whom are qualified, experienced, English-speaking expatriate teachers. Within 10 years, an additional 450,000 teachers will be required to meet the projected demands of the market.

The challenge that ISC Research is hearing from recruiters and school leaders everywhere is that internationally experienced, highly-qualified teachers and leaders are in extremely high demand, but the talent pool is not expanding quickly enough. Although more teachers are seeking out the opportunities of working internationally, the number of suitable candidates is barely keeping pace with demand. Meeting the need for skilled, experienced teachers who are trained in the teaching and learning approaches that international schools require is the biggest challenge for the future of the international schools market.

### Addressing the challenge

However, solutions are emerging. School groups, associations and some individual schools are introducing new initiatives to grow and develop a wider pool of appropriately skilled and qualified teachers. For example, some British schools overseas are supporting teaching assistants on-site to become fully-qualified teachers through the UK government's Straight to Teaching route. Other international schools are supporting their locally hired teachers through an international postgraduate certificate

in education qualification; and COBIS (the Council of British International Schools) is supporting its membership through a range of workforce training solutions including options to become training schools, to offer QTS (qualified teacher status) provision, and ITT (initial teacher training) programmes.

China is one country where the growth of international education could result in significant skilled staffing challenges. Here, the upskilling of Chinese teachers will be an important channel to the successful expansion of the market, particularly in the bilingual schools sector.

One notable example of responding to this challenge is Wellington College China, Institute of Learning in Shanghai. In addition to delivering professional development for teachers working within the country's international and bilingual schools, it has established strategic partnerships with universities in China and the UK enabling the Institute to offer a postgraduate certificate in education (PGCE) in an international or bilingual context to Chinese graduates. The qualification focuses on the demands of being an excellent teacher in an international or bilingual school, developing teachers with the unique skills required within this specific market sector.

Another example is Eurus Recruitment, which was recently established as a strategic cooperation between Edvectus in the UK and Forte Education in China, to provide a dedicated supply of qualified Chinese teachers to the international and bilingual schools in China. The same

Chinese owner is behind the upcoming IPGCE programme with the University of Buckingham and Hualan Education Group which will also provide teacher training in China to support Chinese nationals on their routes to achieve the skills and qualifications to teach in China's bilingual school market.

More solutions like these are needed in China and elsewhere to respond to the future needs of the expanding international schools sector.

### Market potential

Understanding challenges, identifying opportunities, and addressing demands of the market are possible with the data, trends and intelligence that inform new development projects. ISC Research meets these needs through a range of reports, data solutions and services for all types of investors into the international schools sector. More information about how ISC Research can support your international aspirations are available at: [www.iscresearch.com](http://www.iscresearch.com) ■

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