Accelerating Change:

A Guide to the Adult Learning Ed-Tech Market

Authored by
Amber Laxton
Mike Berlin
Patti Constantakis, Ph.D.

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Digital Promise
Accelerating Innovation in Education

www.digitalpromise.org

About the Authors

Amber Laxton is a Consulting Team Leader at Entangled Solutions. She has over eight years of experience in continuing education. Prior to joining Entangled Solutions, Amber was the Senior Analyst of Continuing Education at Eduventures, the Director of Academic Services at the University of California Santa Cruz, Silicon Valley Extension, and the Enrollment Services Manager at DePaul University's Office of Continuing and Professional Education.

She has experience developing and managing non-credit and non-degree education programs and optimizing technology to improve operational efficiency and student services.

She has a B.A. in Political Science and an M.S. in Public Service Management from DePaul University in Chicago.

Mike Berlin added invaluable research and support to the project. Mike serves as a Principal Consultant at Entangled Solutions. He has a ten-year career investing in, acquiring, advising, and building startups in the Higher Education market. He currently acts as an advisor and mentor to several edtech startups.

Prior to joining Entangled Solutions, Mike led strategy and M&A at Macmillan New Ventures, global publisher Macmillan's education innovation division. Previously, Mike has worked as a consultant at L.E.K. Consulting.

He has a B.S. in Economics from the Wharton School at the University of Pennsylvania.

Patti Constantakis is the Director of Adult Learning Initiatives at Digital Promise. She has a long-held commitment to innovation, technology and education and has spent the bulk of her career in the educational technology field largely working with adult learners.

Prior to Digital Promise, Patti was the Director of Product, Content, and Curriculum at GreatSchools.org and was responsible for several large parent education initiatives that included developing digital media components, implementing on-the-ground workshops and events, and managing community-based media campaigns. Prior to GreatSchools, Patti worked with several start-ups, developing and implementing e-learning courseware, online educational games, and mobile apps for a variety of audiences, including English language learners, older returning community college students, parents and families, and teachers

Patti has a Masters and Ph.D. from the University of Texas at Austin in Communications.

About Entangled Solutions

Entangled Solutions, LLC is a top-tier education innovation agency with customers ranging from foundations and private companies to elite institutions and university consortiums. Its services include strategy consulting, research and content development, web development, program design, marketing strategy, business model development, and implementation planning. Entangled Solutions was founded in 2015 and is based in San Francisco.

About Digital Promise

Digital Promise is a nonprofit organization committed to accelerating innovation in education to improve opportunities to learn.

Digital Promise's vision is that all people at every stage of their lives should have access to learning experiences that help them acquire the knowledge and skills they need to thrive and continuously learn in an ever-changing world.

To advance this vision, Digital Promise is working to improve digital learning opportunities for underserved adults in the United States. We connect entrepreneurs, educators, and researchers to support and advance the development and use of educational technology that expands career pathways and improves the quality of life for these learners.

Special Thanks

We would like to thank the Joyce Foundation for supporting this work, and we are honored to support their mission to improve education, economic opportunity, and the social well-being of our communities.

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Introduction

"The best part of the adult learning market right now is a lack of a leading company. In K-12, there is just so much competition. You go to a conference, and there are 30 other products just like yours. In the adult market, it's just not like that. People are waiting for something. They're starved for some solutions. So, I think, there is more room for innovation and for small companies to do well and to be heard."

- Vinod Lobo, CEO of Learning Upgrade

Let's face it. We have been witnessing disruptive innovation in education for years. We are revolutionizing the classroom, personalizing the learning experience, opening educational resources, bridging the gaps between education and the workforce, and improving accessibility and flexibility.

Stories of opportunity and success, and even struggle and failure, rule the K-12 headlines, while the adult learner is frequently overlooked. This is not for a lack of need or opportunity, but rather because of a lack of awareness and familiarity.

Many previous reports demonstrate that there is a significant need to drive innovation in adult learning and that there can be advantages to entering the market. Research by Tyton Partners reveals that there are 36 million low-skilled adults in the U.S. who can benefit from new approaches to learning. The effects of low rates of literacy, numeracy, and basic skills are widespread. Underprepared adults often earn lower wages, face poorer health conditions, and are less likely to advance in their jobs.

Unfortunately, awareness of these grim facts is low. While the general public is aware of the high dropout rates in this country, they are generally unaware of the magnitude of the low skills problem and unfamiliar with the details of how this population might access learning opportunities to gain advancement. Entrepreneurs and investors are equally unfamiliar with the needs of this population and the systems that serve these learners and will naturally invest in opportunities with which they have experience, such as K-12 and higher education.

Many entrepreneurs and investors are also hesitant to enter the space because there has been a lack of activity and few successful use cases. This becomes a self-perpetuating problem: without new investment, the lack of evidence remains.

These reasons combine to make the thought of entering the adult education market daunting when, in fact, the opportunity is prime. As a follow-up to *Accelerating Change: How education technology developers can jump-start a new adult education market*, this guide demystifies the adult learning landscape and addresses concerns of entrepreneurs and investors head-on.

Part of our research included interviews with 14 entrepreneurs, investors, and providers who shared their insights into the struggles and successes they have encountered in this market. Their advice is provided to encourage more investment in innovation to improve the learning opportunities for millions of adults.

The guide begins by reviewing previous adult learning market research and framing the market opportunity and landscape. **We then apply** three of the most important aspects of a successful business model—identifying the customer segments, understanding their needs, and defining value propositions. **The final section** provides a list of next steps—ten concrete action items to help entrepreneurs prepare to launch their ventures in the adult learning market.

New ventures into adult education will enjoy untapped market potential as well as the chance to make a real social impact. But first, let's review the market opportunity and regulatory landscape.

Market Overview

A series of reports, including the inaugural *Accelerating Change* report and research conducted by Tyton Partners, highlight the lack of educational technology entrepreneurship in adult learning despite a real need and opportunity. To review, 36 million American low-skilled adults can benefit from some form of education and training, including adult basic education, English as a Second Language (ESL), high school equivalency exam preparation, computer literacy, and other job-based skills. But only 11 percent of those adults are currently being served by the public and private educational system. Technology-based solutions have the potential to scale learning programs to the remaining 89 percent of adults, if we start to invest more actively in the adult learning market.

It is estimated that the U.S. spends $10 billion each year on adult learning services. Only $200 million of that is spent on digital materials[1]. On the other hand, $8 billion is spent on non-hardware educational technology in K-12. Based on the number of students served in each area, the U.S. conservatively spends approximately $145 per K-12 student versus $50 per adult learner on technology. If every low-skilled adult was enrolled in an adult education program, then technology spending would drop to $5 per learner.

Although this is not a simple apples-to-apples comparison, the point is that technology innovation in adult learning has been stagnant, while it has remained a priority in K-12. Today, there is a great need to serve the adult learning market, and there is also an opportunity to make a substantial impact on the lives of millions of Americans.

Policy Overview

Before entering this market, entrepreneurs and investors must understand and work within the policy environment in which adult education operates, particularly the Workforce Innovation and Opportunity Act (WIOA), the primary adult education law in the U.S.

> "Future entrepreneurs need to hack the regulated system."
>
> - Ira Sockowitz, CEO of Learning Games

The previous *Accelerating Change* report covered recent and promising changes to the former Workforce Investment Act and included a breakdown of the silos that existed between the Adult Education and Family Literacy Act (AEFLA) and workforce training programs. This major restructuring allows AEFLA programs to be integrated with workforce development programs, the larger of the two, enabling more flexible use of AEFLA funding.

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1   http://tytonpartners.com/tyton-wp/wp-content/uploads/2015/10/Learning-for-Life_Part-2_Supplier-Ecosystem.pdf

This is significant for two reasons. First, this policy change consolidates funding for adult education, benefiting all types of adult learners. Second, WIOA now also requires the integration of technology and digital skills into WIOA-funded programs with a goal to improve the quality and reach of educational programs.

Specifically, states are now required to create a Unified Plan, which includes technology integration, allowing them to more easily work with the private sector and key economic partners. Ultimately, states and local Workforce Investment Boards will be able to better leverage their purchasing power and improve the ways they organize and invest in the best technology-based solutions and services.

The redesigned WIOA legislation positions entrepreneurs to capitalize on the new federally-mandated focus on integrating technology into adult education. Entrepreneurs no longer have to go after AEFLA funds alone. Combined services mean combined funding. And with the requirement that state WIOA plans be made available publicly, understanding those plans can help entrepreneurs focus their products on the needs of those state programs.

Designing a Winning Business Model

Ventures with an innovative business model are more likely to have a competitive advantage in this market, and this does not mean replicating or retrofitting the business models of K-12 and higher education companies. Instead, like any market, entrepreneurs must structure their organization around the needs of the unique adult learning market and tailor solutions and services that specifically match these needs.

This section provides product developers and entrepreneurs a thorough look at the unique characteristics of each customer segment and recommendations for designing products and organizational strategies to attract customers in ways that could produce considerable advantages and market share.

Customer Segments

There are two major customer segments in the adult learning community. The primary segment is learning providers, that is the educational institutions and organizations that provide classes and services targeting low-skilled learners. This segment includes community colleges, K-12 school districts, community-based organizations, workforce development centers, libraries, and correctional institutions. The secondary segment is the independent learner. While the direct-to-learner model is yet unproven, there are clear indicators of potential in this segment.

Learning Providers

Existing adult education institutions are well-established and offer an effective way to reach adult learners. These organizations are already familiar with the needs of adult learners, have experience designing curricula and learning experiences for adults, and have the trust of their learners.

This experience and connection to the user is very important as the learner is more likely to try a technology-based solution based on the recommendation of their instructor. Institutional buyers lend credibility to new products and are an effective and efficient way for developers to reach the 4.1 million adults currently served through these existing channels.[2]

Community Colleges

Community colleges are one of the largest institutional segments delivering adult education programs. There are over 1,000 community colleges providing education programs to more than two million adults nationwide.[3] They provide remedial and developmental education for degree-seeking students and also technical/vocational training, adult basic education and literacy courses, ESL courses, and high school equivalency exam preparation.

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2   http://tytonpartners.com/tyton-wp/wp-content/uploads/2015/03/Learning-for-Life_The-Oppty-for-Tech-to-Transform-Adult-Education_March-20151.pdf

3   Ibid.

Community colleges receive the largest amount of funding among all of the learning providers—roughly $7.5 billion per year—and generally have a generous infrastructure of computer labs, smart boards, and tablet carts compared to other learning providers.

Almost half of the instructional solutions and resources used in adult education programs were developed for other markets—and this is especially true in the community college segment.[4] This is problematic as students may encounter issues of relevancy and efficacy. Savannah Technical College addressed the relevancy issue by integrating the basic education curriculum with more customized technology and industry-specific courses. Students have the opportunity to simultaneously earn their GED and a certification in a specific field, including healthcare, early childhood education, and welding.

As such, entrepreneurs with products that address basic skills, especially when integrated with job-related skills, would do well to consider working with community colleges.

K-12 Districts and Local Education Agencies

K-12 districts and local education agencies comprise the second largest institutional segment delivering adult education. They provide GED and High School Equivalency Test (HiSET) prep, ESL, basic education, and workforce readiness training for the adults in their communities. There are approximately 1,300 K-12 districts and local education agencies across the country serving more than 800,000 adult learners.[5] K-12 districts and local education agencies do buy and use technology for their adult education programs, spending nearly $1.3 billion annually.

Dual-generation or two-generation learning is an increasingly popular program that is changing how adults learn in the K-12 environment. The cornerstone of this approach is creating learning opportunities for adults and their children simultaneously. Not only can traditional providers, like schools, more easily reach adult learners, but they do so in a way that allows them to share resources, reduce costs, and improve retention by having parents learn with their children.

The Oakland Family Literacy program, for example, provides academic and literacy instruction to parents of students in the Oakland Unified School District. Parents in the program use the digital reading intervention system, myON, that their children use at school. Not only do they understand how their children are learning to read, but many parents' reading and writing skills improve as well. There are similar examples of English language programs and digital literacy skills efforts that use this approach as well.

With these new two-generation programs as well as other district programs, entrepreneurs who are currently working with K-12 school districts should consider expanding their focus to include adult learners as well.

Employers and Workforce Channels

Another major institutional segment serving the adult education market is employer training and education programs. Employers significantly invest—up to $70 billion per year by U.S. companies—in education and training program for their employees.[6] While employers have historically been less likely to invest in lower-level adult education (third-grade literacy and below), this is starting to change. They are increasingly incorporating a full set of skills, including basic skills, into their training and education programs.

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4 http://tytonpartners.com/tyton-wp/wp-content/uploads/2015/10/Learning-for-Life_Part-2_Supplier-Ecosystem.pdf
5 http://tytonpartners.com/tyton-wp/wp-content/uploads/2015/03/Learning-for-Life_
       The-Oppty-for-Tech-to-Transform-Adult-Education_March-20151.pdf
6 https://trainingmag.com/sites/default/files/images/Training_Industry_Report_2016.pdf

There are many industries, including retail, manufacturing, healthcare, and hospitality, where literacy, digital literacy, and ESL are needed. As a leading example, Walmart and the Walmart Foundation launched the Opportunity Initiative in 2015 to create economic mobility for the U.S. retail workforce, one of the largest providers of jobs to U.S. workers.[7]

Walmart's efforts are helping communities, educational institutions, nonprofits, and Workforce Development Boards deliver training to frontline retail workers to help them gain foundational skills and move more quickly into middle-skill roles. Workers benefit from career readiness training, specialized skills training, and job placement assistance including resume writing and interviewing workshops. Walmart seeks to develop a new model of training and development that can be implemented in related industries with high numbers of low-skilled workers.

> Employers are increasingly incorporating a full set of skills, including basic skills, into their training and education programs.

Besides large corporate employers, there are others, such as nonprofit education centers, union training funds, and Workforce Investment Boards, providing educational services to employees. As an example, the California Long-Term Care Education Center (CLTCEC), a Los Angeles nonprofit education center, provides educational opportunities to long-term care workers. CLTCEC offers programs that are specific to in-home support services and long-term care support.

They also provide basic education training to help workers gain beginning computer skills related to their jobs. They are currently using a mobile ESL app, Cell-Ed, to help workers learn English outside of a classroom and are finding that the anywhere, anytime access is really helping student retention and motivation.

Union training funds also provide extensive educational opportunities to large numbers of union members, including GED and HiSET prep, ESL, job-specific training, and basic education training. The 32BJ Training Fund, for example, offers a range of online and in-person courses, often in partnership with the local community college, to members of the SIEU/32BJ union, the largest union of property services workers in the country. Membership in unions provide training and educational benefits, and these unions span many industries including administrative, healthcare and labor.

Lastly, nearly 70,000 adults receive basic skills training, especially job preparation, through workforce training programs[8]. Most of these programs are delivered by the more than 2,500 local American Job Centers that receive approximately $20 million in funding each year to provide services to workers and employers across the nation.

Entrepreneurs should pay attention to these distinct workforce channels because they are a direct pathway to adult learners and receive substantial funding to prepare adults for career growth. What is most critical to this institutional segment is contextualized content that ensures that employees are gaining skills directly related to their industry and professional goals and that employers will see a positive impact on their workforce.

7   http://news.walmart.com/2016/09/07/walmart-foundation-aims-to-increase-economic-mobility-in-growing-retail-industry-through-an-investment-that-strengthens-career-services-programs-nationwide

8   http://tytonpartners.com/tyton-wp/wp-content/uploads/2015/03/Learning-for-Life_The-Oppty-for-Tech-to-Transform-Adult-Education_March-20151.pdf

Public Libraries

Nearly 9,000 public library systems provide adult educational programs and individual support to more than 200,000 adult learners.[9] Over 41 percent of these libraries offer formal technology training courses and over one-third provide personalized one-on-one training.[10]

More and more libraries are finding that their patrons are coming to them for services related to technology and basic skills training. The Chicago Public Library (CPL) reports that many patrons need access to or support using technology as they struggle to adapt to a digital world. In response, CPL launched the Digital Skills Initiative to help adults in their communities gain basic digital literacy skills. Their CyberNavigator program trains mentors to work one-on-one with patrons to gain critical digital skills allowing them to search for and apply to jobs online, expand their learning opportunities, and better integrate technology in their daily lives.

Corrections

According to Stephen Steurer, Executive Director of the Correctional Education Association, "about half of the people that come to prison didn't finish high school."[11] As such, the prison system is not only a huge market opportunity, but it holds a population in need of innovative education opportunities.

Approximately 4,500 correctional institutions provide educational programs to incarcerated adults and receive nearly a billion dollars in funding. These programs provide inmates with the skills needed to reenter their communities and prepare for jobs. Studies have shown that, "on average, inmates who participated in correctional education

programs had 43 percent lower odds of returning to prison than inmates who did not."[12] Similarly, "those who participated in vocational training were 28 percent more likely to be employed after release from prison than those who did not receive such training."[13] The correctional system releases nearly 700,000 inmates each year, and almost half will be re-incarcerated in the next three years without educational intervention.

> Correctional facilities, along with public libraries, connect populations who are most in need with the education and resources necessary to be proficient in a digital world.

Edovo brings education and rehabilitation solutions to correctional facilities. As of March 2016, counties in three states provided Edovo to over 4,000 inmates. They can check out tablets and access a range of services including GED preparation and auto mechanic training.[14] Correctional facilities often use county funds to pay for the tablets, and early results are promising, as those that have adopted the technology have seen decreased incidents of violence.

Correctional facilities, along with public libraries, connect populations who are most in need with the education and resources necessary to be proficient in a

9 http://tytonpartners.com/tyton-wp/wp-content/uploads/2015/10/Learning-for-Life_Part-2_Supplier-Ecosystem.pdf

10 http://www.ala.org/research/sites/ala.org.research/files/content/initiatives/plftas/2011_2012/plftas12_technology%20landscape.pdf

11 http://www.npr.org/2013/10/30/241910094/adding-up-the-cost-of-low-literacy-among-adults

12 https://www.justice.gov/opa/pr/justice-and-education-departments-announce-new-research-showing-prison-education-reduces

13 Ibid.

14 http://www.forbes.com/sites/annefield/2016/03/12/edovo-maker-of-tablet-based-education-for-inmates-aims-to-reduce-recidivism-and-continues-to-grow/#71bead4b7a90

digital world. Additionally, serving these learners will have a substantial social impact by helping adults get out of cycles of poverty and crime and find employment.

Consortia

Lastly, bringing together individual organizations and institutions to cooperatively plan for and buy technology-based solutions is vital to the future of adult education. Some learning providers have created consortia, like the Florida Adult and Technical Distance Education Consortium (FATDEC), to make licensing and experimenting with technology-based solutions easier, more affordable, and less risky. The collective buying power of these groups allows providers with small budgets and resource constraints to access tools they otherwise would not be able to and to take risks on emerging technologies. Kim Gates, Consortium Coordinator of FATDEC, has calculated that an individual organization would pay almost double what FATDEC pays to its vendors for many of its technology-based solutions.

When possible, entrepreneurs should sell to groups of organizations and encourage institutions to work together. They should offer flexible licensing agreements so providers of all sizes can benefit from new innovations. As a result, entrepreneurs can gain from more efficiency with sales and marketing to a larger customer, and everyone gains by enabling innovation for meeting the needs of the adult learning population.

> When possible, entrepreneurs should sell to groups of organizations and encourage institutions to work together.

Many adult education consortia exist across the country by state and region. While not all were established for the purposes of purchasing, they serve as a community of practice and are excellent entry points for new ventures. For example, there are 71 Adult Education Regional Consortia in California in which all 72 community colleges and nearly 300 school districts participate. The Outreach and Technical Assistant Network for Adult Educators (OTAN) leads California adult education providers in the integration of technology into education through electronic collaboration, information sharing, and support for instructional technology and distance learning.

Similarly, the National Council of State Directors of Adult Education (NCSDAE)/ National Adult Education Professional Development Consortium (NAEPDC) are partnership organizations that represent the state directors of adult education across the nation. NCSDAE focuses on policy and works with legislative officials on issues involving adult education, and NAEPDC provides professional development services to its members.

Entrepreneurs would benefit from engaging with these organizations to help influence relevant legislation, contribute to professional development and best practices, and connect with state leaders who make statewide buying decisions. They should also encourage the development of more consortia and work with them to streamline buying, implementation, and training.

Independent Learners

The secondary customer segment is independent learners. Tyton Partners estimates that 32 million adults are not being served by existing providers. This sheer number of low-skilled adults is enough to suggest there is a potential consumer market. But it is a yet-untapped market with

key challenges, and not enough research exists to know for certain what approaches would work with which learners.

Questions abound, such as: How do we reach the adult learner directly? How might we ensure supports are nearby and available when necessary? How should resources and interactions be designed to improve chances of sustained engagement? Can organizations rely on more traditional marketing and sales strategies that have been successful in other direct-to-consumer models? What adjustments should be made to focus on low-income audiences? What can we learn from other markets outside of education? Could entrepreneurs consider establishing partnerships with media outlets and other businesses that serve low-income populations, like wireless providers or healthcare facilities, to help reach the intended population?

Answers to these questions and more can get entrepreneurs closer to potential viable solutions. What we do know is it is important to meet independent learners where they are. According to Shlomy Kattan, Senior Director of the Barbara Bush Foundation Adult Literacy XPRIZE, "App discovery in education is almost entirely word-of-mouth." This means it is highly unlikely that an adult learner will take the steps to search for a learning solution.

To reach this segment, Kattan envisions a type of community organizing activity—get out there in the community and present people with the opportunity to learn. Create a grassroots effort with people at churches, grocery stores, public transportation stops, medical facilities, libraries, and other community places. Entrepreneurs need to talk to potential adult learners in places they go every day and show them how the product can help them gain the skills and confidence to move ahead in their lives.

The next logical question is: Will individual learners who are low income actually be able to pay for products? Indicators are yes.

> "There is a massive market waiting." We just have yet to create that invaluable product or service that "actually gets the job done in a fraction of the time and authentically gets at the [main] pain point."
>
> *- Jessica Rothenbery Aslami, CEO of Cell-Ed*

More than a decade ago, Lexicon Marketing introduced *Ingles Sin Barreras*, a home-study English-language course for recent immigrants.[15] Through direct marketing campaigns, especially heavy branding on U.S. Spanish-language television, the company reached low-income Hispanic immigrants, a group typically difficult to reach. Learners were enthusiastic about the chance to learn English on their own time and in their own home, and more importantly, they heard it worked. This group of consumers was more than willing to pay a fairly steep price (approximately $1,500 at the time) for a voluntary educational tool that had a proven positive impact on others' live. In 2001, the company sold approximately 30,000 sets of videos, earning approximately $60 million in revenue.[16]

Similarly, Byju, an Indian education startup that the Chan Zuckerberg Initiative has invested in, teaches kids subjects such as math and science with a mobile app at a cost of approximately $10 per month. Lobo notes that "a lot of fairly low-income people are buying this because they want their kids to have a

15 http://adage.com/article/hispanic-marketing/english-barriers-expanded-products/40322/
16 http://www.wsj.com/articles/SB101356521013455160

leg up. I think this is a viable model because the adults I have met really want to learn to read and write and really want to get ahead."

To summarize, there is a real and untapped opportunity for entrepreneurs and investors to make their mark in the adult learning community. Whether done through existing channels, nontraditional channels, or a direct-to-consumer play, the field is rife with possibilities.

Customer Objectives

Now that the customer segments and channels have been identified, what do these customers value the most? What are their hopes and aspirations? What are their most critical pain points? And what do the various market segments need to do to advance this work?

While the overall objective for the different learning providers and independent learners is the same—improve adult learning—the task or desired outcome of an technology product varies for each customer segment.

The table below provides a high-level look at the objectives of each major customer segment and the most critical pain points they face in buying ed-tech products. This chart will inform the next section on developing and marketing your business's value proposition.

Customer Segments	Objectives	Pain Points
Learning providers	• Provide high-quality learning experiences • Reach learners wherever they are • Increase retention and completion rates • Increase funding/revenue	• Difficulty providing high-quality learning for nontraditional learners • Limited quality, tech-based content for adults • Lack of skills to implement new technology • Limited funding and resource constraints
Employers and workforce channels	• Provide workers with needed job skills • Build career pathways for employees • Provide skilled talent pool for employers • Reduce attrition rates	• Limited quality, tech-based content relevant to industry • Difficulty recruiting students • Lack skills to implement new technology
Correctional system	• Provide inmates with needed literacy, math, and job skills • Reduce recidivism rates • Increase employment rates for released individuals	• Limited quality, tech-based content relevant to transitioning inmates • Implementation constraints because of security issues • Lack of public support for education programs for inmates • Lack skills to implement new technology
Independent learners	• Find or advance in a job • Improve personal well-being • Be a role model for children • Become more active in child's education	• Time constraints • Access constraints • Financial constraints • Lack of confidence in learning ability • Varied levels of educational background

Learning Providers

Traditional learning providers look to technology-based solutions to provide high-quality learning experiences, improve student outcomes, and increase revenue and funding streams. They will look for solutions that can overcome limited financial barriers through innovative licensing models and will value technical support and professional development for administrators and instructors. Most importantly, most learning providers will be attracted to solutions that offer high-quality content that is relevant to adult learners' lives and designed for traditional and blended learning.

> ... learning providers will be attracted to solutions that offer high-quality content that is relevant to adult learners' lives and designed for traditional and blended learning.

Michelle Frisque, Chief of Technology, Content, and Innovation at Chicago Public Library, for example, recalls that one of their online courses required users to download a new piece of technology for each homework assignment. Consequently, the act of finding, downloading, configuring, and learning a new tool, for students and instructors alike, did more to detract from the learning experience than it did to enhance it.

Adult learning providers are searching for tools that enhance, not disrupt, the learning experience. However, they are simply struggling to find these solutions. There is widespread consensus that technology products for adult learners should be mobile-first, simple to use, and contain high-quality, modular, and relevant content.

Employers and Workforce Channels

Contextualized instruction is important to this segment in order to build skills for career advancements. Integrating reading, math, and digital literacy into industry-specific training is proving to be quite effective. Savannah Technical College, for example, offers training courses for airline mechanics that integrate literacy and math skills where those skills are relevant for to solve real problems on the job. Similarly, home healthcare union workers in Los Angeles are taking mobile ESL classes to gain the English skills they need to interact with doctors as they care for their patients.

Corrections

The correctional system is looking for solutions that can improve the employability of inmates post-release and reduce the likelihood of recidivism. Correctional facilities face a number of pain points unique to this segment, especially security. They seek solutions that ensure users cannot access unauthorized content or misuse the content.

For example, Edovo's solution was built with security first. Their tablets connect over a closed network that restricts access to the internet or other forms of external communication. The hardware is designed with bullet-proof casing and shatter-resistant screens to protect against misuse. Lastly, Edovo allows for tracking usage, including keystrokes and content accessed by every user. Edovo recognized the unique needs of this customer segment and designed their product with this in mind.

Independent Learners

Each adult learner has their own reasons for going to school. Some are motivated to

advance professionally, while others want to keep up with or be better role models for their children. Tonya Crum, Senior Director of Education at Kentucky Educational Television, says it is imperative to take the time to understand learners' internal motivations to move forward. She suggests talking to students to get to know their unique circumstances.

Some learners are motivated to earn their GED, while others are trying to get their first jobs. Still others are trying to set a good example for their children and grandchildren. Whatever the case, it is imperative to understand learners' unique motivations, pressures, and stresses and convince them that your tool can help them achieve their desired goals.

Chuck Diemert, Literacy Zone Coordinator at Orleans/Niagara BOCES, notes the importance of understanding the major pain points of learners. One of their target learners, migrant workers, faces the difficulty of physically going to an educational facility. So they decided to go into the fields and deliver ESL training on-the-spot. "It really just came from the need to teach these folks how to acclimate, at least to the extent that they can interact at the bank and the grocery store."

Reaching students where they are working or living is often a crucial opportunity that technology solutions can create for many adult learners.

Value Propositions

Customers look for solutions that will improve their situation and relieve one or more of their most critical pain points. Entrepreneurs should sell to these customer segments by showing how their products and services can provide such solutions and relief.

Based on our interviews, entrepreneurs can demonstrate the most value to potential customers in three areas: by developing relevant product features, adopting flexible pricing and licensing models, and designing for social impact.

Developing Relevant Product Features for Adult Learners

1 Design products that take into account the unique needs of low-skilled learners. Keep lessons short, use visualizations, provide plentiful resources, increase learner-instructor connections, and help learners engage with their peers.

> "Technology needs to be impossibly easy to use. If it adds time to the students' or teachers' days, it will never be used."
>
> *– Chuck Diemert, Literacy Zone Coordinator at Orleans/Niagara BOCES*

2 Support anytime, anywhere learning. Simple, mobile-first solutions will increase the reach of learning providers and help students take control of their learning.

> "A lot of learning happens in an informal setting. So we need a product built without the assumption that the resources of a teacher and a classroom will be available."
>
> *– Jennifer Kobrin, Mayor's Commission on Literacy, City of Philadelphia*

3 Create contextualized, integrated content and apps. Every segment needs solutions that integrate soft skills, job skills, and language skills with basic skills.

> "Make sure the kind of work that the learners are engaged in is contextualized to a work environment or their daily lives."
>
> *– Diane Inverso, Executive Director, Office of Adult Education, City of Philadelphia*

Digital Promise has written two design briefs that guide entrepreneurs through the design and development of technology for the adult learning market. The first one identifies five design principles based on adult learning theory that will help entrepreneurs create effective digital learning experiences. The second brief offers entrepreneurs five key instructional strategies to consider when designing technology-based solutions for adult learners. Entrepreneurs should keep these top features win mind as they design their product.

Adopting Flexible Pricing and Licensing Models

Hassle-free, flexible purchasing and licensing models are a huge selling point to learning

providers. Entrepreneurs in the education sector face a lengthy sales cycle even in adult learning. Finding ways to streamline this process and make licensing agreements clear, affordable, and attractive to providers is an important value proposition. Specifically, there are three areas on which entrepreneurs should focus their pricing models.

First, flexibility is key. The adult learner market is constantly in flux. As such, learning providers look for arrangements that allow reuse and transfer of seats among students, concurrent use software, or pay-by-usage, especially during times of low enrollment. Learning providers also seek flexibility in how and where the tool can be used. Learners should be able to access tools from their own devices wherever they are.

While every tool should be designed to be easy to use without training, professional development and ongoing support is necessary. In many cases, administrators and instructors require training on how to integrate new technology into their programs and lessons. According to a Digital Promise report on integrating digital tools into adult learning, training and support is key to successful implementations of technology.

Entrepreneurs should call for adult learning providers to join or establish consortia to ease the process of buying and implementing technology. Then they should offer group discounts and rates for consortia members to leverage their buying power and impact.

Designing for Social Impact

Above all, what problem does your product solve? Does it:

- increase the employability of inmates and reduce recidivism rates?
- improve basic reading and/or math skills?
- help recent immigrants learn the language skills they need in their daily lives?

- help low-wage workers advance in their careers?
- increase the number of adults with a postsecondary education?
- support more adults connecting to the internet?

"There is a lot of opportunity for impact."

- Rusty Greiff, Managing Director of 1776 Ventures

Greiff advises entrepreneurs to do their homework and really understand the social impact of their solution. "Understanding the dynamics in play around adult learning is critical."

He recommends all developers consider these questions:

- What are you building?
- Why are you building it?
- Why does it matter?
- Is it going to create a sustainable impact?

Educational technology companies that are mission-motivated and align their products with real-world problems are more likely to appeal to learning providers and learners and gain financial support from investors and philanthropists.

"Don't venture into adult education just to create another revenue stream. Be mission-motivated and have long-range goals."

- Rusty Greiff, Managing Director of 1776 Ventures

Getting Started

With advice aggregated from more than a dozen innovation leaders in adult education, this guide was designed to clarify the landscape, uncover the major entry points to the market, identify the needs of adult learners, and present strategies for developing value propositions that are most desired by learning providers and adult learners.

How can you get started? What can you do in the next 30 days to kick start your groundbreaking innovation to support adult learners? Here are ten tips.

1. Establish your mission.

Commit to solving a real problem in adult education through a technology-based solution. Entrepreneurs and investors should realize there are real needs to be served in this market. Take the time to learn about adult learners, their struggles and motivations to learn, and how even the smallest learning gains can have lasting social impact.

2. Study the market.

Understand the market dynamics of adult learning and identify the primary customer segments, distribution channels, and value propositions for your business. Talk to adult learners to learn about what distinguishes and motivates them and identify the best channels to reach them.

3. Develop a high-quality product that meets the needs of adult learners

Learning providers and adult learners are clamoring for good technology solutions with relevant and contextualized content that will prepare adult learners for today's job market. Review these Digital Promise design briefs for best practices in product development for the adult learning market.

4. Understand the regulatory and funding environment.

Learn about WIOA, the regulatory environment, and government funding initiatives and be aware of major policy changes and how they affect your work.

5. Create hassle-free purchasing models

Understand the transient nature of the adult learning market where the number and nature of adult learners is always in flux. Providers seek payment models that allow them to easily transfer seats and to pay by usage in cases where enrollment might be low, as well as include easy software upgrades, support, and professional development for instructors.

6. Define and market your value propositions.

Use your knowledge of the market and your well-defined product to sell your product's value for adult learners to learning providers and independent learners.

7. Obtain proof of impact.

Proof of efficacy is critical in education technology. To sustain funding, entrepreneurs need to eventually prove that their solution results in substantive learning gains. Establish partnerships with instructors and learning providers to pilot tools and collect data on learners' progress.

8. Attend state and national conferences.

Prepare a presentation and sell to administrators as well as instructors. Here are a few events to get started:

- California Council for Adult Education State Conference

- Close It Summit

- Commission on Adult Basic Education

- Connecticut Association for Adult & Continuing Education

- IACEA Statewide Conference

- National Skills Coalition Skills Summit

- Nevada Adult Educators Conference

9. Take an adult education course.

Go through the system and experience it firsthand. Find out what exactly is happening in the classroom.

10. Join the Digital Promise community.

Sign up for updates from Digital Promise and gain access to existing research, communities of practice, and information on new market entrants.

Acknowledgements

Contributors