

# Excitement about Adult Learning: A Lasting Impression from SXSWedu

March 16, 2017

Last week I was in Austin, Texas attending one of the largest gatherings of education innovators in the world, the [SXSWedu Conference and Festival](#). After some time thinking about all of the great discussions I had, I want to reflect a bit on one key recurring question:

## **What segment of the edtech market are investors most excited about in 2017 and why?**

Many edtech companies and investors have been frustrated by the market challenges – regulatory barriers, fragmentation, long sales cycles – of the K-12 and traditional higher education markets. Because of these challenges (and possibly some irrational exuberance in the earlier years) some think investors are cooling on edtech. But, at least in Austin, there seems to be as much excitement about the future as ever, albeit refocused and tempered by experience.

One area primed for significant growth is the adult learning market, which covers a lot of areas: corporate-sponsored employee training, workforce development, and, most interesting, alternatives to traditional postsecondary providers.

Listening to speakers and in many corridor conversations, it is clear that the focus of adult learning is on creating the tools and incentives for adults to be what we now call “lifelong learners.” There is recognition that, as technology advances and some jobs simply vanish, even more will require different skills. And this is not just an issue for blue collar jobs; increasingly, white collar professionals are subject to the same pressures. Therefore, both investors and entrepreneurs see retraining (whether provided by companies for their employees or sought by individuals to remain employable) will be a necessary and constant service for many professionals in the future.

I was surprised by the general consensus at SXSWedu that traditional higher education – regardless of its success in achieving other outcomes – cannot effectively meet this demand. Adults need targeted, flexible, fast, and affordable education. It is clear that the boom in alternative providers such as “coding academies” is in response to this unmet demand. And it is very clear that today’s alternative providers are on the radar of an increasing number of investors.

An interesting sidelight that came up in several conversations is the fluidity of the market: who will retrain the coder of today when AI takes over most basic coding skills? In other words, what is the next coding bootcamp?

But there is more to this. What seemed to be exciting many at SXSWedu were the new companies and innovations focusing on higher-order 21st century skills and seeking to change the consumer mindset about education. There seems to be an emerging consensus that in the future workers will need digital literacy, critical thinking, and analytical skills and adaptability, as well as job-specific skills. Companies that provide a suite of capabilities in a targeted, flexible, fast, and affordable manner are seen as having an attractive, sustainable market opening.

An interesting aspect of this market is that it exists at the periphery of regulation. On the one hand, coding academies are finding themselves subject to unanticipated regulation. But, at least for now, much of this innovation remains outside of the support available to students enrolled in “traditional” institutions. There is therefore great interest in what the new Administration and the Congress will do to support learners seeking “faster, better and cheaper” education and training.

So, distilling scores of conversations packed into a few intense days (with time off for some excellent barbeque) into one lasting impression, it is this: companies focused on teaching 21st century skills to adult learners have the potential to thrive in the upcoming years, and edtech companies that support those services will likewise prosper. The companies that succeed will be strategic, focused, and will need to know both the market and the complex environment within which they must function.

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