

A photograph of students in a classroom, with a green-to-blue gradient overlay. The main focus is a young woman in the foreground, wearing a patterned top, sitting at a desk and writing. Other students are visible in the background, also working at their desks.

Students of Tomorrow

Global Trends Driving Demand for Education

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INTRODUCTION



With populations ageing, the pool of potential students is dwindling. Despite this, enrolment in tertiary education is rising, a trend regarded by many as crucial for a competitive global jobs market. Rising parental incomes, growth in demand for overseas courses and an increase in adult learning are all helping to drive global demand.

This report extract examines some key trends in student demographics and behaviour, helping education providers and marketers target this growing population and find new opportunities for their products and services.

KEY FINDINGS



Youth population stagnates but enrolment continues to rise

Declining fertility rates and ageing demographics mean the global population base for young people of tertiary student age has remained broadly stable in recent years. Despite this, global enrolment rates in the tertiary sector have increased rapidly, from 35% in 2011 to 41% in 2016.

The balance tips in favour of females

The number of female students going into higher education has been rising steadily for a number of years and almost 52% of students were women in 2016. The change is due to the growing array of university courses on offer, and changing cultural attitudes in emerging markets.

Students take greater financial responsibility

Consumer expenditure on education continues to rise, fuelled by increasing tuition fees and higher demand in emerging markets. Governments are shifting more of the cost of tertiary education onto parents and students.

Student mobility is surging

Student mobility will continue to rise, with many seeking quality tertiary education either in traditional overseas destinations or in the newer destinations of Asia Pacific.

Students prioritise technology and convenience items

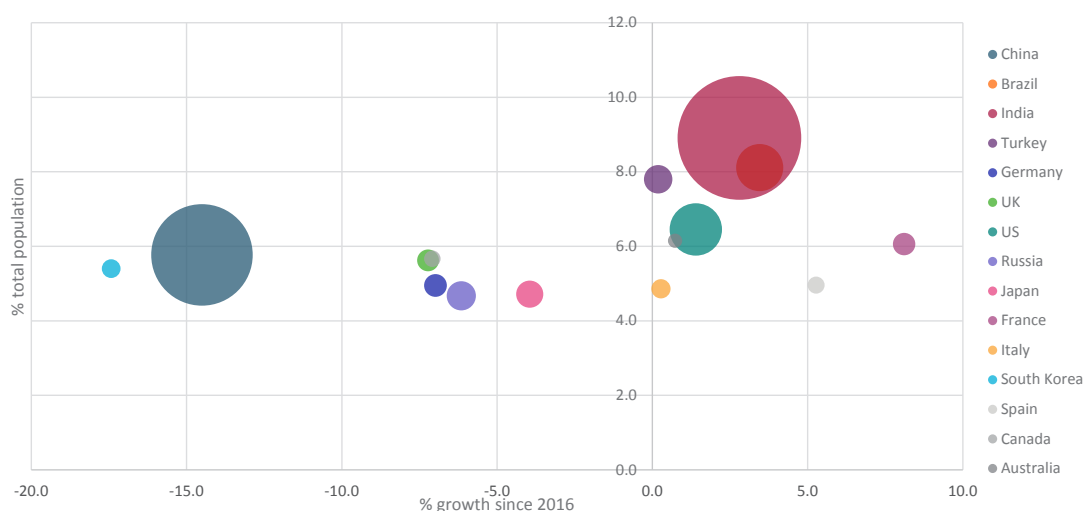
Students tend to be on a tight budget, with low disposable income. However, they like to spend and prioritise things such as technology, convenience and experiences.

CHINA AND INDIA ARE AMONG THE FASTEST GROWTH MARKETS FOR TERTIARY EDUCATION

Declining fertility rates and ageing populations mean the base of young people of tertiary student age (18–22 years) has remained broadly stable in recent years, and is expected to rise only marginally in the five years to 2021.

India will have the largest pool of potential students in 2021, as its 18–22 year old demographic is forecast to grow by 3% to over 121.5 million. Moreover, given its relatively young population, this age group will account for almost 9% of the total population by 2021, compared with less than 5% in Italy, Russia, Japan and Germany.

Population Aged 18–22 in 2021 Growth 2016 / 2017



Source: Euromonitor International from national statistics

Note: Size of bubble = size of 18–22 population

Despite adverse demographic trends, enrolment rates in the tertiary sector have increased rapidly in recent years. Globally, the gross enrolment ratio leapt from 35% in 2011 to 41% in 2016, and was forecast to rise to 42% in 2017.

China and India account for a significant proportion of the world's higher education students, and are also among the fastest growth markets. In China, the number of students leapt by 40% from 2011 to 2016, and there is every expectation that this trend will continue. In the other BRIC markets of India and Brazil, growth reached 23% over the same period.

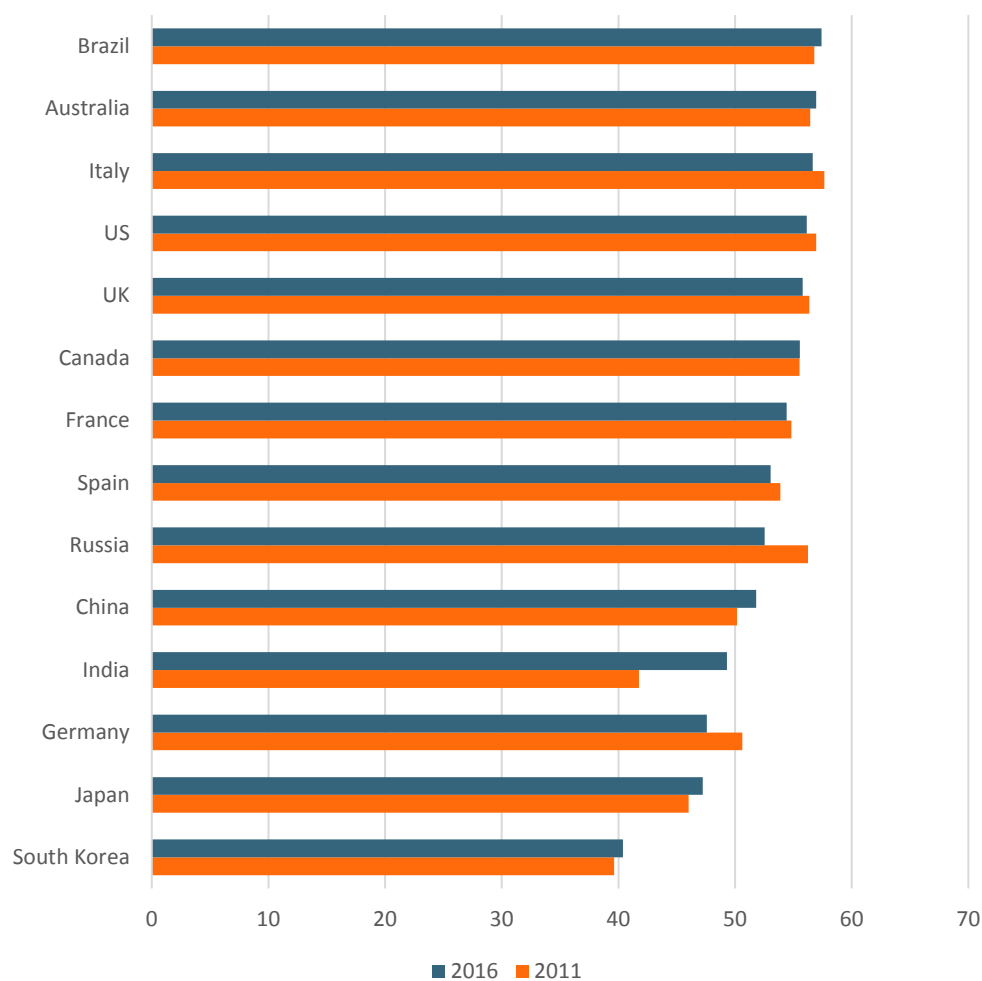


WOMEN ACCOUNT FOR THE MAJORITY OF TERTIARY EDUCATION STUDENTS WORLDWIDE



The number of female students going into higher education has been rising steadily for a number of years, due partly to the growing array of university courses offered and partly to changing cultural attitudes in emerging markets.

% Share of Female Higher Education Students 2016 / 2017



Source: Euromonitor International from national statistics



Women now account for the majority of tertiary education students worldwide: almost 52% of students were women in 2016, up from just under 51% in 2011. The percentage was especially high in Brazil, Australia and Italy (all 57%), but relatively low in South Korea and Japan (40% and 47%, respectively).

Although women have increasingly attained higher education enrolment and degrees, employment opportunities have not necessarily followed suit. For example, even in countries where female participation in higher education has been increasing significantly, the female employed population has not grown.

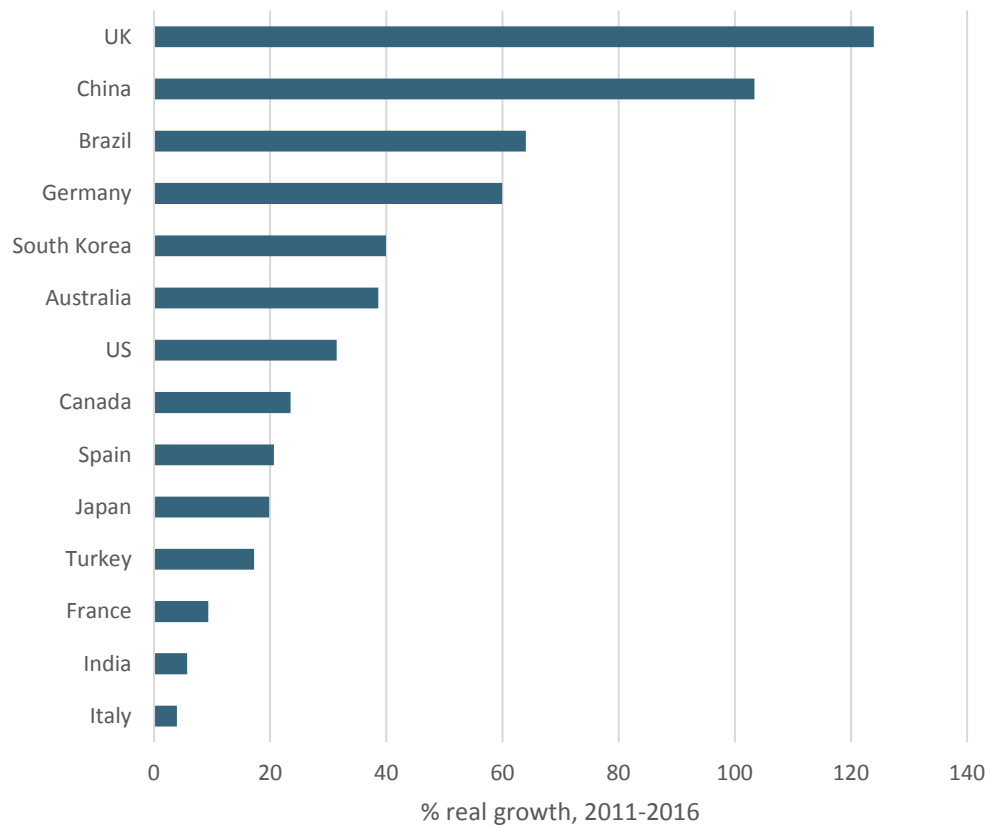
STUDENT LENDING IS ON THE INCREASE

In line with higher tertiary enrolment rates, consumer expenditure on education has grown rapidly. Globally, spending increased by 20% in real terms from 2011 to 2016, and is forecast to increase by a further 21% to 2021. This was fuelled partly by rising tuition fees and partly by higher demand for tertiary education in emerging markets.

Governments are increasingly shifting the cost of tertiary education to students and families, but there are considerable variations in tuition fees from country to country. There are still no fees in around 40 countries, including Brazil, Sweden, Finland and Germany. In others, such as Belgium, Colombia and France, fees are relatively low. However, fees in the US, the UK and Japan amount to thousands of dollars. Indeed, the average student loan debt in the US was USD 37,000 in 2016—up 6% on the previous year.

Globally, the outstanding balance on education lending amounted to an enormous USD 1.94 trillion in 2016, having soared by 34% in real terms since 2011. By 2021, education lending is forecast to grow by a further 17%. Lending was highest in the US, Japan and the UK, while period growth was strongest in the UK, China and Mexico.



Growth in Education Lending in Key Markets 2011 / 2016

Source: Euromonitor International from national statistics

ASIA PACIFIC IS AN ATTRACTIVE DESTINATION FOR STUDENTS

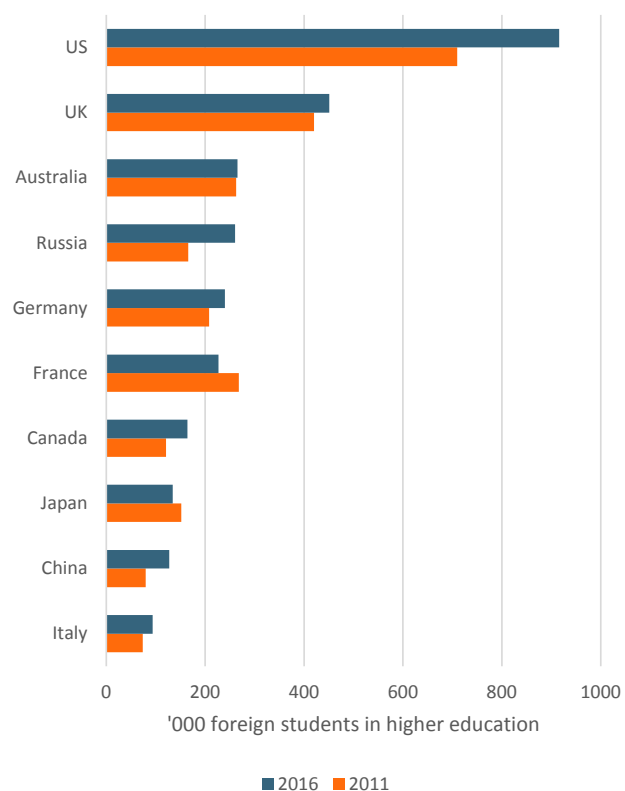


Student mobility has increased significantly in recent decades, largely as a result of globalisation. In 2017, around 5.0 million students were studying abroad, which was more than twice the level in 2000, and more than triple the level in 1990.

As well as being a major exporter of overseas students, Asia Pacific is also increasing its own intake of foreign students. Among the most appealing markets in the region are Japan, Hong Kong and Singapore. Foreign students made up a massive 45% of Singapore's student population in 2016, although the number was relatively small in absolute terms.

China has built up a significant market for international students within a short space of time, largely thanks to the growing number of foreign universities based in the country. The number of international students in China soared from 80,000 in 2011 to 127,000 in 2017, with South Korea its main source country.

Top 10 Markets for Foreign Students 2011 / 2016



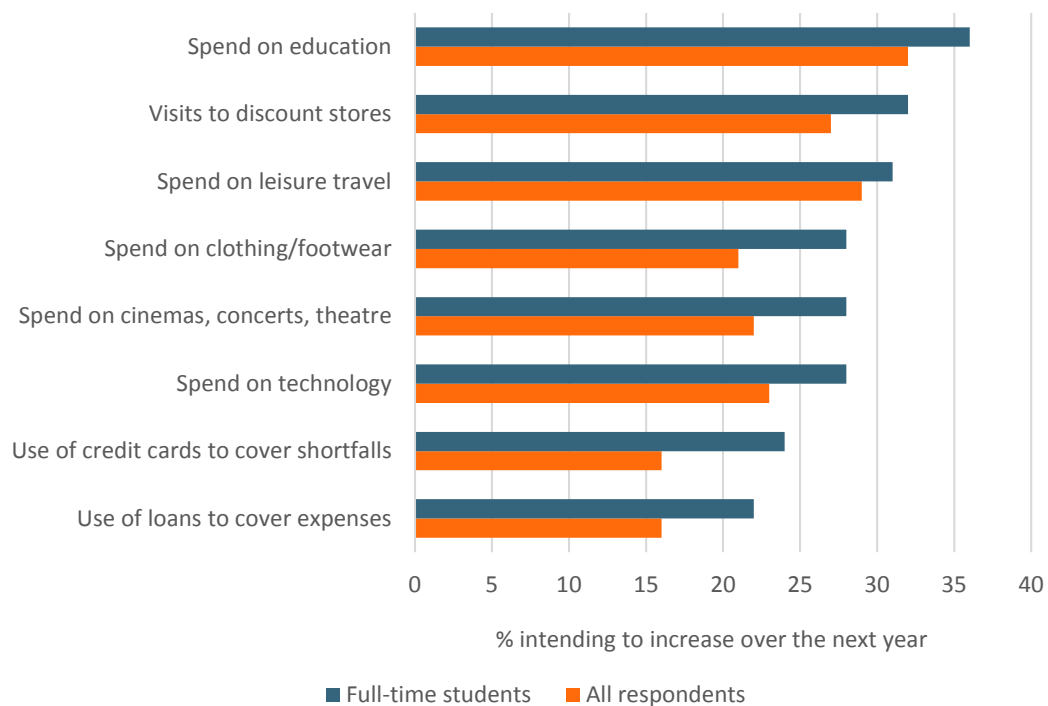
Source: Euromonitor International from national statistics

THE SPENDING PRIORITIES OF STUDENTS



Euromonitor International's Global Consumer Trends (GCT) Survey of 2017 revealed that while students are generally on very tight budgets they like to spend, prioritising things such as technology, convenience and experiences. 36% of those in full-time education enjoy spending money rather than saving it, compared with 31% of all respondents.

Future Spending Habits 2017



Source: Euromonitor International's GCT Survey of 2017



The survey found that a full 44% of those in full-time education regularly buy prepared food or meals for takeaway or delivery, versus 42% of all respondents. Students are frequent users of Uber and ride-sharing services such as BlaBlaCar. With their “live for the moment” mentality, which prioritises quality of life, socialising and creating memories over money, students are keen consumers of entertainment, including travel and festivals.

Due to their propensity to take out student loans and bank overdrafts, an enormous 24% of full-time students said they would use credit cards to cover shortfalls over the next year, compared with just 16% of all consumers.

CONCLUSION



The competitive job market and a greater need for technical skills will ensure that demand for higher education continues to grow. Key drivers in emerging markets are higher incomes and the rise of the middle classes. On the downside, the slowdown of middle-class expansion and rising tuition fees in developed markets will affect the ability to pay, and may deter students from tertiary education in the future.

To learn more about the growth opportunities for high education providers in developed and developing markets please [click here](#) to read the report in full.

[Students of Tomorrow: Trends Driving Global Demand for Learning](#)