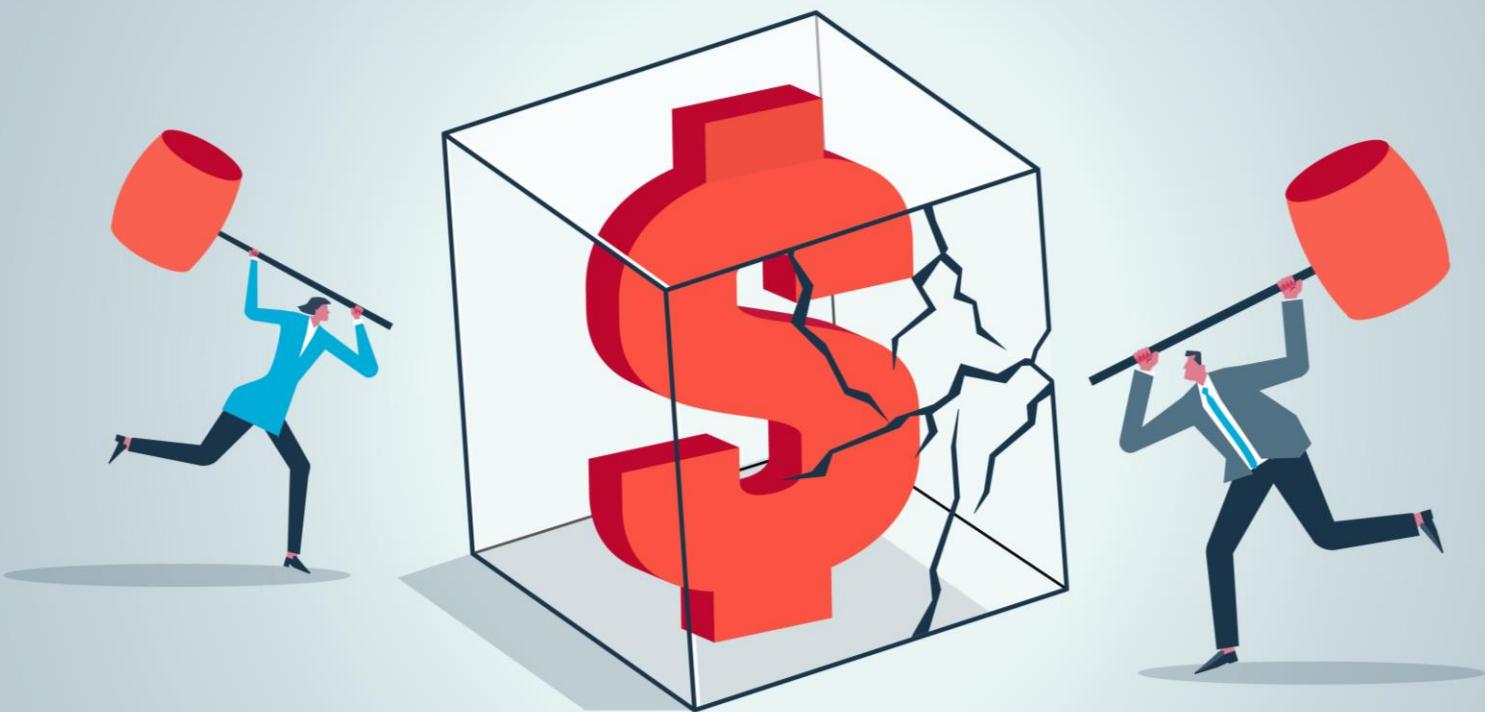


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Breaking Through Economic Barriers

State of the K-12 Industry — Survey Report | 2025



October 2025

EdWeek[®]
Market Brief[®]

State of the Industry 2025: Breaking Through Economic Barriers

About This Report

A new *EdWeek Market Brief* special report looks at the daunting financial challenges organizations across the K-12 space are facing amid difficult market conditions—and the strategies that are helping them position themselves for growth in the years ahead.

This special report, **State of the K-12 Industry: Breaking Through Economic Barriers**, is *EdWeek Market Brief*'s sixth annual analysis based on surveys of education company officials on their organizations' performance, the obstacles they face, and where they believe the market is headed next. The report draws from two nationally representative surveys run by the *EdWeek Research Center* in 2025, with a total of 611 K-12 business officials responding, including CEOs, senior executives, directors, and managers of both for-profit and nonprofit organizations in the K-12 space.

The report offers not only original data on K-12 organizations' financial and operational activity over the past year and outlook for the year ahead—it also includes insights from *EdWeek Market Brief*'s editorial team on how to interpret the findings and put the research into the context of past, current, and future market trends.

Among the report's key findings:

- Actual revenues for K-12 organizations decreased again this year, as school districts feel the combined effect of ESSER ending, shifts in federal funding, enrollment declines, and local economic challenges. Many districts are facing budget deficits and looking to cut or renegotiate contracts with vendors.
- The Trump administration's policies eliminating or reducing federal K-12 grants, implementing tariffs, and banning initiatives related to diversity, equity, and inclusion are likely to cause a decrease in revenue at most K-12 organizations, survey results show. More respondents were optimistic about the administration's work on school choice, however, with some believing it will positively affect their toplines.
- Education companies' employees are upskilling quickly to understand how to use AI tools, with most officials surveyed saying their teams are at least at the intermediate level when it comes to using AI. The results show just how rapid the reaction has been among many in the space to adapt to the advances AI is making in K-12.

Readers of the report will come away with research taken from nationally representative surveys of K-12 business officials on the following:

- What declines K-12 companies are seeing in actual revenue over the past year, how those **declines compare to recent years' survey findings**, and which sector is feeling the biggest hit to the topline.
- How many business officials expect their organizations' revenue to decrease over the next year and **how much it's expected to decline**.
- The spending areas K-12 companies **are expecting to invest in most in the next 12 months**, as well as the areas they're looking to pull back on as they adjust to economic realities.
- Not only the sales outlook for 2026 sales signed in the summer and fall, but **2027 sales expectations as well**—and how much they're anticipated to grow year-over-year.
- Which **Trump administration policies are likely to have the largest impact on companies' financial outlook**, as well as the strategies companies are turning to in order to help them prepare for shifts in federal spending and regulations.

- The percentage of **K-12 organizations that expect to restructure or reorganize staff** over the next year in reaction to changing market conditions.
- How education companies are working to land new K-12 customers despite difficult market conditions, **including the sales strategies and approaches that have been most effective in speeding up slow sales cycles**.
- The steps sales leaders and executives are taking to **retain customers who are considering canceling a contract**—and **which have proven to be the most successful** so far.
- How many K-12 organizations are being asked to renegotiate their contracts with district and school customers and **how much contract values are being reduced** by afterward.
- The level of **venture capital fundraising and M&A activity** companies have experienced over the past year.
- The way perceptions of organizations' **approach to diversity, equity, and inclusion are affecting their ability to sign contracts**, participate in state adoptions, and respond to RFPs.
- The skill level K-12 companies' employees currently have with artificial intelligence technologies, and where **they're seeing the biggest return on their investment in AI**.

The data and insights in the report offer critical context and intel K-12 organizations need to adjust to the new economic environment, shifts in federal education policies, and changing demands from district customers—and emerge in a stronger place.

For information on how to access the full special report, go [here](#).

See the next two pages for a snapshot of some of the findings from the nearly 50-page report.

About EdWeek Market Brief

EdWeek Market Brief is a membership service that provides essential intelligence on the needs and priorities of school districts to companies and other organizations focused on the K-12 market. Its members include some of the most prominent organizations in the industry, located in the U.S. and internationally, as well as medium-sized companies and startups, nonprofit and research organizations, consulting firms, and higher education institutions.

Week after week, our service provides enterprise members with in-depth journalism, original data from surveys of district officials, interviews with K-12 decisionmakers and industry insiders, and news of lucrative bidding opportunities. EdWeek Market Brief enterprise members also have unlimited access to an extensive library of on-demand webinars, on topics such as the state of K-12 budgets; effective sales

strategies and mistakes to avoid; keys to working successfully in foreign education markets; district demands for social-emotional learning products; and shifts in school buyers' needs.

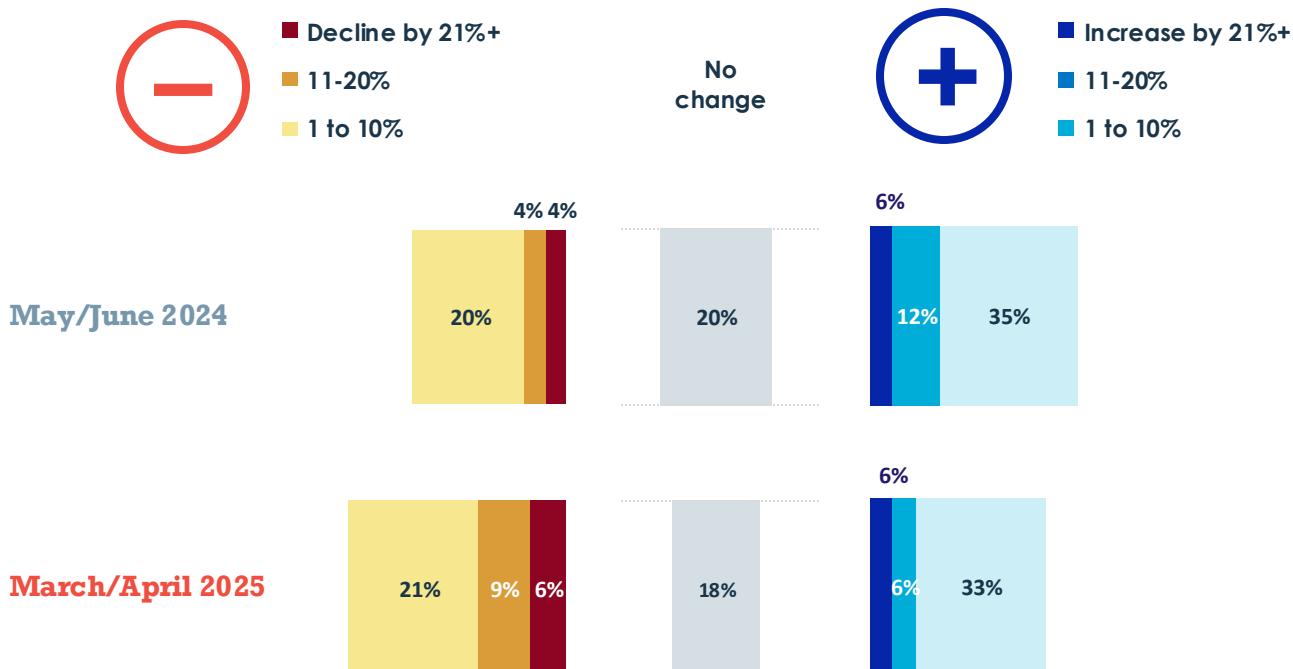
In addition, enterprise members have exclusive access to in-depth research reports on the K-12 market as well as quarterly briefings on key trends in district purchasing, budgets, and challenges facing vendors.

For more information on EdWeek Market Brief content, please get in touch with Managing Editor Scott Elliott at SElliott@educationweek.org.

For information on becoming an EdWeek Market Brief member, please contact David DePasquale at DDePasquale@educationweek.org.

FINANCIAL OUTLOOK

More Companies See Revenue Declines



Totals may not add up to 100% due to rounding.

INSIGHT:

Actual revenues for K-12 organizations decreased again this year, as school districts feel the combined effect of ESSER ending, shifts in federal funding, enrollment declines, and local economic challenges. Many districts are facing budget deficits and looking to cut or renegotiate contracts with vendors. (See pages 31, 36 for more data on contract negotiations.)

36%

of K-12 business officials said their actual revenues fell over the past year, compared to **28% in 2024** and just **18% in 2023**.

Survey Question:

What was your organization's ACTUAL revenue growth/decline over the last 12 months?

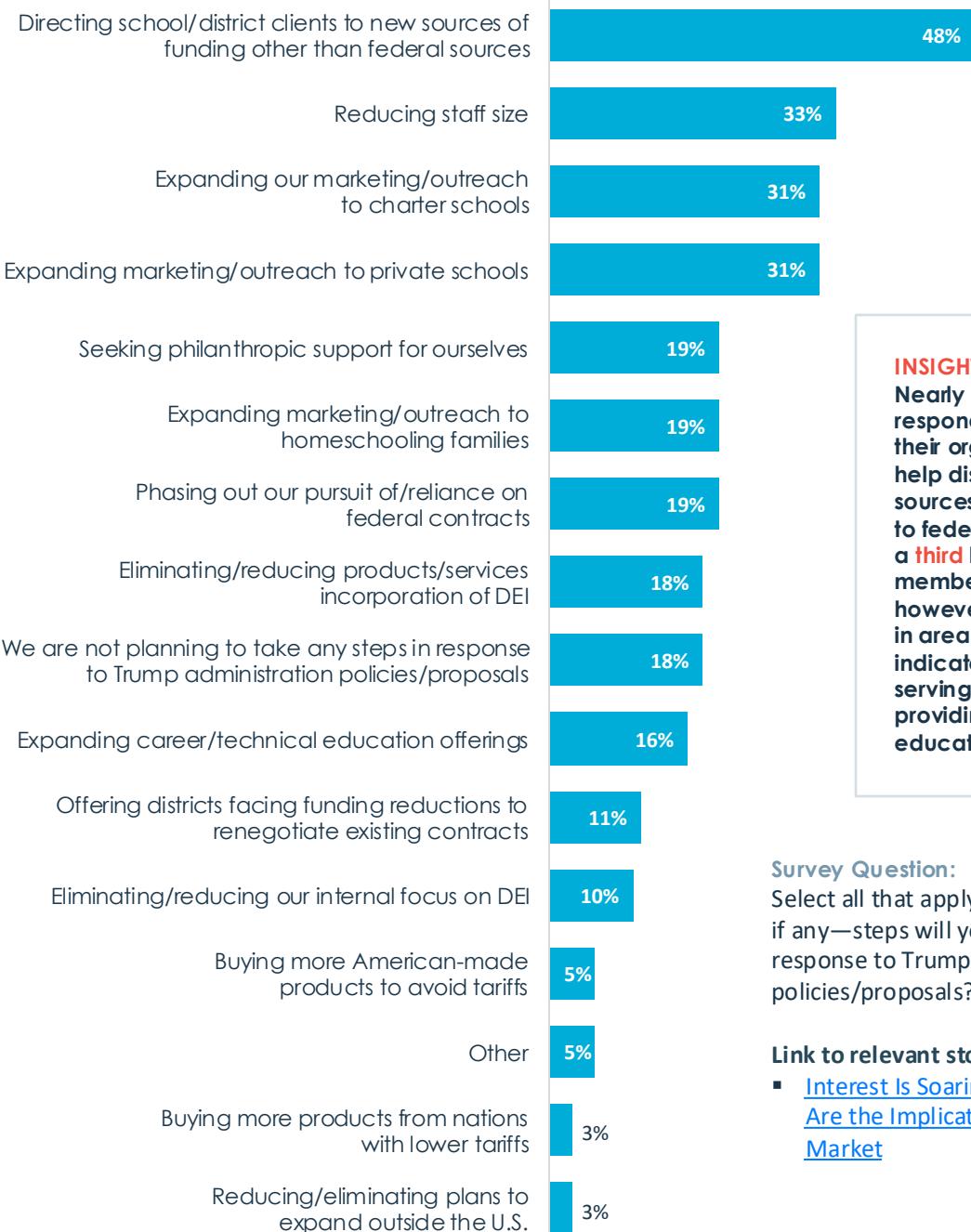
Link to relevant story:

- [School Districts Poised to Pull Back on Spending, Report Finds](#)

DATA SOURCES: EdWeek Research Center May/June 2024 survey of 339 K-12 business officials and March/April 2025 survey of 400 K-12 business officials.

FEDERAL IMPACT ON K-12 POLICIES, FUNDING

One-Third of Education Companies to Lay Off Staff Due to Shift in Federal Policy

**INSIGHT:**

Nearly half of respondents said their organizations are trying to help districts find new funding sources in the wake of changes to federal funding policies, while a **third** have had to lay off staff members as a result. Others, however, are looking to expand in areas the administration has indicated it supports, including serving charter schools and providing career and technical education programs.

Survey Question:

Select all that apply. In the next year, what—if any—steps will your organization take in response to Trump administration policies/proposals?

Link to relevant story:

- [Interest Is Soaring in Career Pathways. Here Are the Implications for the Education Market](#)

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About EdWeek Market Brief

This is the sixth consecutive year *EdWeek Market Brief* has published its State of the K-12 Industry report. Each of the reports is based on surveys of education company officials, and each provides an overview of key indicators of business performance, expectations for the next year, and important trends to watch in the education sector.

YOU CAN VIEW PREVIOUS REPORTS HERE:

- 2024 | [Strategies for a Post-ESSER Landscape](#)
- 2023 | [New Directions in AI, Remote Work, & Workplace Diversity](#)
- 2022 | [The Impact of Culture Wars, and Job Satisfaction in the Workforce](#)
- 2021 | [How Education Organizations Rebounded From COVID-19](#)
- 2020 | [Weathering the Storm: Education Company Strategy During the Pandemic](#)

