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## A. Size of the Education & Training Market

The global education and training market is a \$2 trillion dollar industry, according to Think Equity Partners and Eduventures. The United States makes up approximately 37.5% of the entire market.

### Worldwide and US Education and Training Spending, 2001 (in billions)



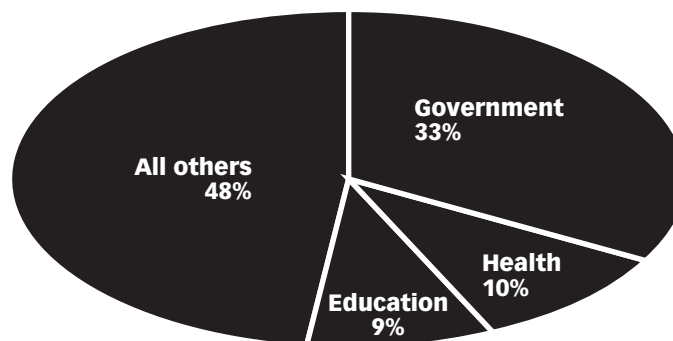
Source: ThinkEquity Partners, Eduventures, Inc., 2002

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Education accounts for 9%, of GDP in the US, second only to health, at 10% of GDP in 2002, according to data from Market Data Retrieval (MDR).

### The US Education Market as a Percent of GDP, 2002



Source: Market Data Retrieval (MDR), January 2003

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Brandon Hall, a leading research firm covering the education and training sector, breaks down the industry by segment estimating the K-12 sector makes up 43% of the \$913 billion industry in the US, and the postsecondary higher education sector, 29%. Spending on education and training in the corporate and government sectors totaled over \$100 billion in 2001.

**“The move toward blended solutions, cross marketing and integrated technologies is blurring the previous distinctions between the sectors. It is now plausible to speak of the greater “learning market,” which in the US is now worth over \$900 billion.”**

— Brandon Hall

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## A. Worldwide E-Learning

eMarketer has assembled a variety of comparative estimates for the worldwide corporate e-learning sector. IDC's latest estimate says the corporate e-learning market will reach \$23.7 billion in 2006, up from \$6.6 billion in 2002. Cortona Consulting estimates corporate e-learning in the US and Europe will reach \$50 billion by 2010, up from \$5 billion in 2001. Gartner Group's estimate, which is not as recent as the other two, and may account for its higher estimate, predicts the market will reach \$33.6 billion by 2005, up from \$2.1 billion in 2000.

### Comparative Estimates: Worldwide Corporate E-Learning Revenues, 2000-2010 (in billions)

	2000	2001	2002	2005	2006	2010
Cortona Consulting*, November 2002	-	\$5.0	-	-	-	\$50.0
Gartner, 2001	\$2.1	-	-	\$33.6	-	-
International Data Corporation (IDC), January 2003	-	-	\$6.6	-	\$23.7	-

Note: \*US and Europe only  
Source: various, as noted, 2001-2003

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**"We expect companies worldwide to divert a fifth of the present \$250 billion they spend on training to alternative methods, and global corporate markets for e-learning to reach \$50 billion by 2010. A large part of this expenditure will go on intranet development and consulting services that will not necessarily be categorized as learning."**

— Kieran Levis, Cortona Consulting, 2003

ThinkEquity Partners and Eduventures estimates that the corporate and government spending on e-learning totaled \$18 billion worldwide in 2001. E-learning accounted for only 6% of the total spending on training and education in this market, clearly indicating that there is considerable room for growth.

### Worldwide Corporate and Government Learning and E-Learning Spending, 2001 (in billions)

**E-Learning \$18**

**Learning \$300**

Source: ThinkEquity Partners, Eduventures, Inc., 2002

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eMarketer estimates that as of January 2003, 58 million people in the US have some form of Internet access at work, and 86% of these people (50.1 million) get online on a regularly. This equates to 37% of the entire US workforce and roughly one-quarter (24%) of all US adults age 18 or over, of which there are 209 million, according to the US Census. This represents a large at-work audience for e-learning.

### US Internet Users at Work, 2002 (in millions and as a % of the total workforce)

**Total US workforce\***

**135.1**

**Total with access to the Internet at work**

**58.0 (42.9%)**

**Total getting online at work on a regular, monthly basis**

**50.1 (37.0%)**

*Note: \*data is from the US Department of Labor Bureau of Labor Statistics and covers September 2001  
Source: eMarketer, January 2003*

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Among the employed participants who enrolled in work-related education, 87% received some sort of employer financial support, 82% received employer assistance for tuition and 74% received paid time off from work. Employer support for work-related education was more likely the larger the organization you were employed in, according to NCES.

Overall participation in adult education and personal interest courses was similar across all age groups, but for work-related courses, participation varied significantly by age. The data reveals that Baby Boomers (roughly 37 to 55 years of age in 2001) were far more likely to be undertaking work-related courses than any other age group.

### Percent of US Population Participating in Adult Education, by Age and Type of Activity, 2001

	<b>Overall participation</b>	<b>Work-related courses</b>	<b>Personal interest courses</b>
16-24	53.2%	22.3%	27.6%
25-34	56.4%	35.1%	20.7%
35-44	54.6%	40.9%	19.8%
45-54	54.0%	41.4%	22.5%
55-64	37.9%	23.1%	20.5%
65+	21.4%	4.2%	18.6%

*Source: National Center for Education Statistics - US, June 2003*

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