



Impact of Covid-19 on the English language teaching sector in the UK

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IMPACT OF COVID-19 ON THE ENGLISH LANGUAGE TEACHING SECTOR IN THE UK

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Prepared on behalf of:



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INTRODUCTION

English UK, the national association for English language teaching centres, represents over 400 accredited centres in the UK. As part of its continued response to the crisis caused by the Covid-19 pandemic, English UK has commissioned research into the impact of Covid-19 on this vital international education sector.

The pandemic hit the UK English language teaching (ELT) sector early, as international travel from key source markets China and Italy was disrupted in February. English UK recommended all its member centres cease face-to-face teaching from Friday 20 March 2020 to support the national effort to keep people safe.

Students remaining in the UK transferred to online learning or returned home. Most students due to arrive after Friday 20 March postponed or cancelled their courses.

With continued travel restrictions in place and with confidence in the UK as a study destination hit hard by poor Covid-19 metrics, the pandemic has hampered the growth which the UK was forecast to enjoy in 2020. In 2019, English UK member centres taught 508,614 English language students, a 1% increase over 2018 in a trend which has been continuing since a strong market rebound in 2017.

The UK is the most popular destination in the world for English language students, especially learners aged under 18, whose numbers have risen consistently over the last decade. In addition to the direct and indirect economic contribution it makes, UK ELT plays a vital role as a pipeline for students into Higher and Further Education.

This independent assessment describes the current state of the UK ELT sector and quantifies the impacts of the pandemic on the English UK membership. It aims to help navigate stakeholders through this crisis and pave the way for recovery.

The research was conducted by BONARD, English UK's insight partner and an independent market research provider specialising in international education. BONARD is a UNWTO Affiliate Member, with senior research officials also being members of ESOMAR World Research.

Methodology

The results are based on an online survey distributed among English UK member centres. A total of 145 centres provided their data, despite working under difficult circumstances with staff on furlough or released, the challenge of accessing internal data and attention focused on urgent needs relating to business survival. Participating centres represented 43% of all students and 41% of all student weeks spent at English UK member centres in 2019. Based on this market share, further assumptions and generalisations were made to extrapolate the findings over the entire English UK member base.

Data collection took place between June and July 2020. As a seasonal business, with usual peaks in the spring and summer, the UK ELT providers will have had a solid understanding of the Q1-Q3 2020 period they reported on at the time of this research.

The study was conducted in compliance with the ICC/ ESOMAR International Code on Market, Opinion and Social Research and Data Analytics. No individual data was shared with any third party, including English UK.

Acknowledgements

We would like to extend our gratitude to all English UK member centres who contributed to this initiative by submitting their data. This initiative would not have been possible without their timely support.

The BONARD Team

IMPACT ON STUDENT MOBILITY TO THE UK

The impact of Covid-19 on the UK ELT industry has been unprecedented, and the findings of this survey show a dramatic fall in business.

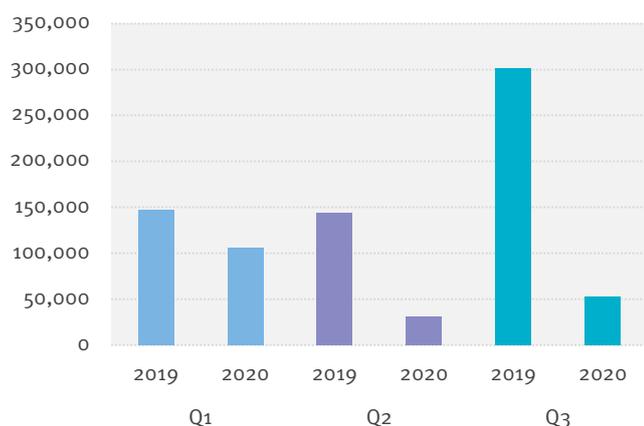
The 145 participating member centres catered to 43,094 international English language students in Q1-Q3 2020. On average, centres reported that they were facing an 82% fall

in student numbers in comparison with their Q1-Q3 2019 student intake.

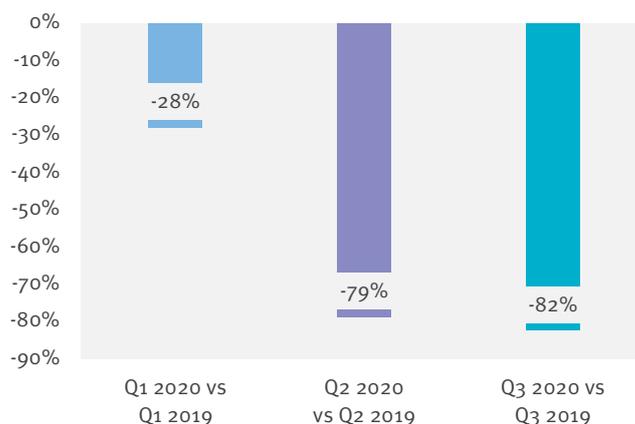
In order to better understand the impact of Covid-19 on the business in each quarter, data was also collected in student weeks (a student week is defined as one student taking 10 or more teacher-taught hours in one week).

Chart 1: Number of student weeks delivered by responding English UK member centres and year-on-year change

STUDENT WEEKS PER QUARTER



YEAR-ON-YEAR CHANGE PER QUARTER



Note: Q3 2020 represents a forecast

Source: BONARD survey of English UK member centres, n=145

As the ramifications of the Covid-19 crisis only became clear in February 2020, the first quarter of the year was the least affected.

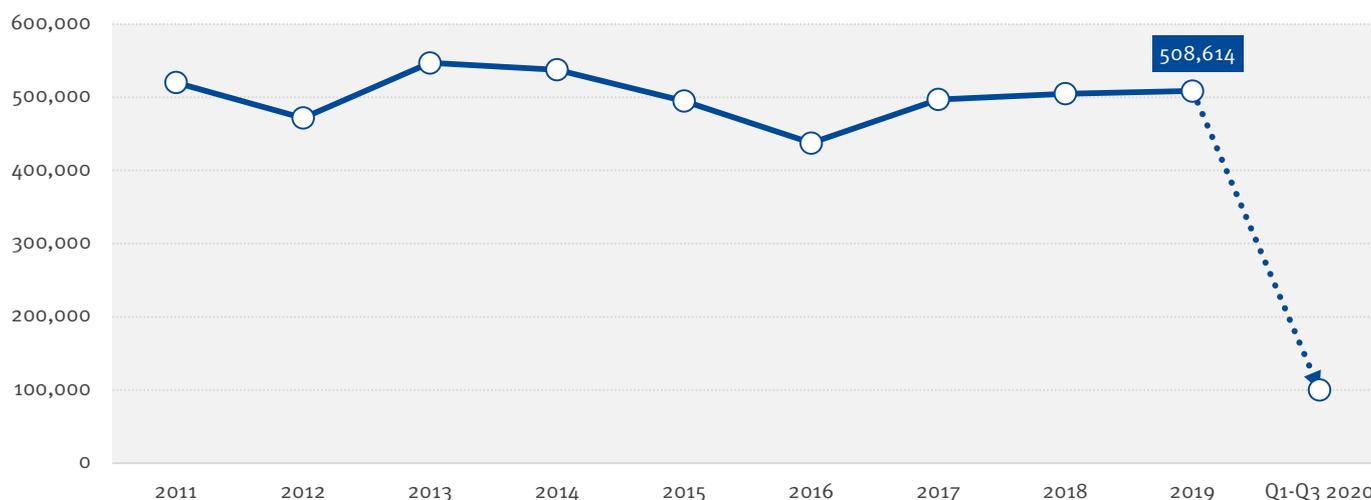
That said, UK ELT providers still saw a cumulative decline of 28% in student weeks, highlighting the early impact of Covid-19 on the sector. In 2020 the decrease was up to 79% according to providers' student intake data.

For Q3 2020, English UK member centres forecast a steeper slump, indicating an 82% decrease in student weeks.

In terms of absolute number of student weeks delivered, the Q3 2020 loss will be even greater, as it represents the biggest share of business for UK ELT providers. Compared with Q3 2019, the 145 responding centres expected to see 250,000 fewer student weeks (while 301,631 weeks were delivered in Q3 2019, centres anticipated generating 53,091 weeks in Q3 2020).

Over the entire English UK membership, the total loss for Q3 2020 alone is estimated to exceed half a million student weeks.

Chart 2: Number of English language students at English UK member centres



Source: BONARD survey of English UK members centres, n=145; English UK Student Statistics Reports 2011-2019

Prior to the Covid-19 outbreak, the UK ELT sector was relatively well positioned for further growth – the 2019 Student Statistics Report showed that the market had increased by 1% on 2018 in terms of student numbers – a third consecutive increase since 2017.

The estimate for Q1-Q3 2020 is based on data from centres representing almost half of the English UK membership. While this constitutes a strong basis for the calculation, missing input from providers who did not submit their data may pose a limiting factor (it is likely that their data is less optimistic).

ECONOMIC IMPACT

£257 MILLION

DIRECT LOSS IN REVENUE (RESPONDING CENTRES)

According to members surveyed, the drop in numbers will translate into a direct loss in revenue of £257 million. The figure represents the estimated total loss in their revenue for the Q1-Q3 2020 period as a direct result of the impact of Covid-19.

Taking into account that responding centres represented 41% of all student weeks generated, it can be estimated that the economic loss for all English UK members will exceed £510 million for the first three quarters of 2020.

£510+ MILLION

DIRECT LOSS IN REVENUE (ENTIRE ENGLISH UK MEMBERSHIP)

Note: These figures represent the direct economic impact. The total economic impact of the UK ELT sector on the UK economy includes students’ out-of-school spending as well as indirect (knock-on) economic benefits such as taxes and supporting jobs (local suppliers such as grocery shops, transportation, etc.). Comprehensive research completed in 2016 established that the sector was worth £1.4 billion, taking into consideration both direct and indirect economic impact.

IMPACT ON JOBS

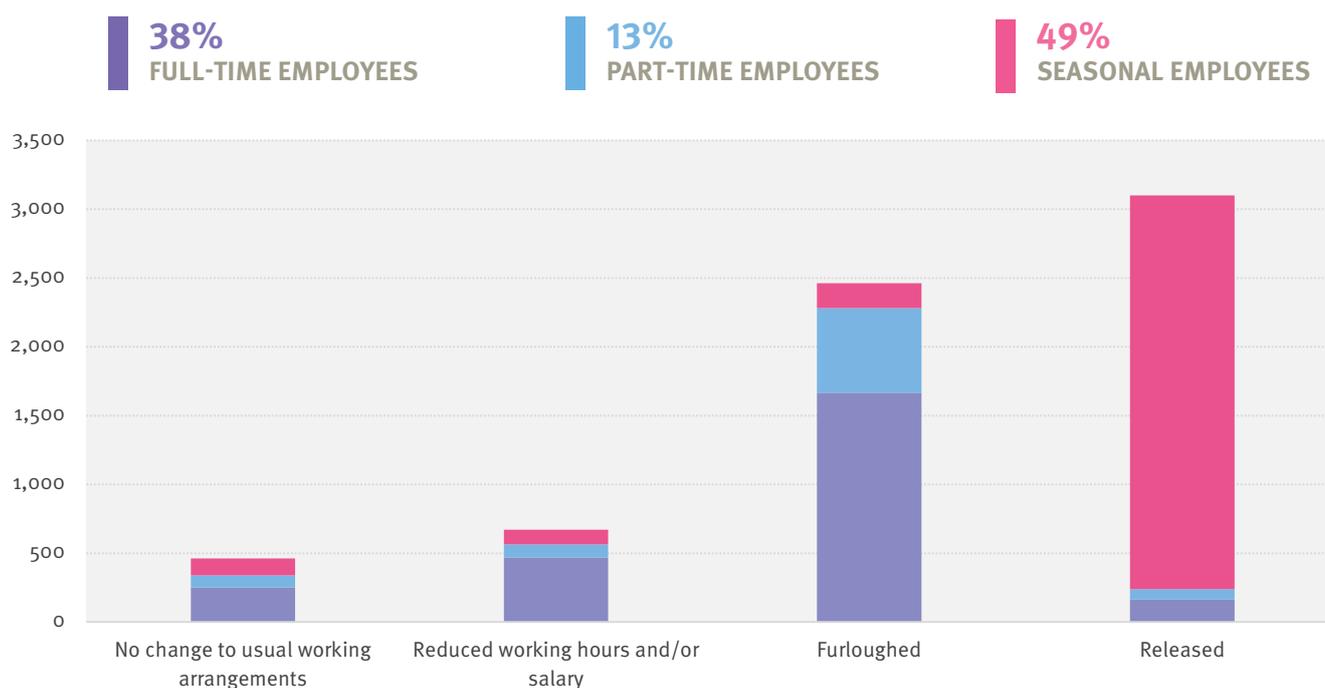
Based on the survey results, centres employed a cumulative figure of 6,695 staff. Overall, it is estimated that the ELT sector in the UK supports more than 12,000 jobs. Of these, 93% were impacted by the Covid-19 outbreak.

Extrapolating the results of this research over the entire English UK membership, full-time positions accounted for 38% of the workforce. Part-time workers employed by the

UK ELT sector represented 13%, while seasonal jobs were taken by the biggest share of employees (49%).

This breakdown reflects the seasonal nature of the sector, with the third quarter (July to September) representing the peak season – which requires additional teaching and support staff capacity.

Chart 3: Number of staff that have been or are in the following circumstances as a result of the impact of Covid-19



Source: BONARD survey of English UK member centres, n=145

UK ELT providers were able to maintain work-as-usual conditions for 7% of their workforce. Approximately 10% of the sector staff were working under an adjusted arrangement that featured a reduced number of working hours and/or salary.

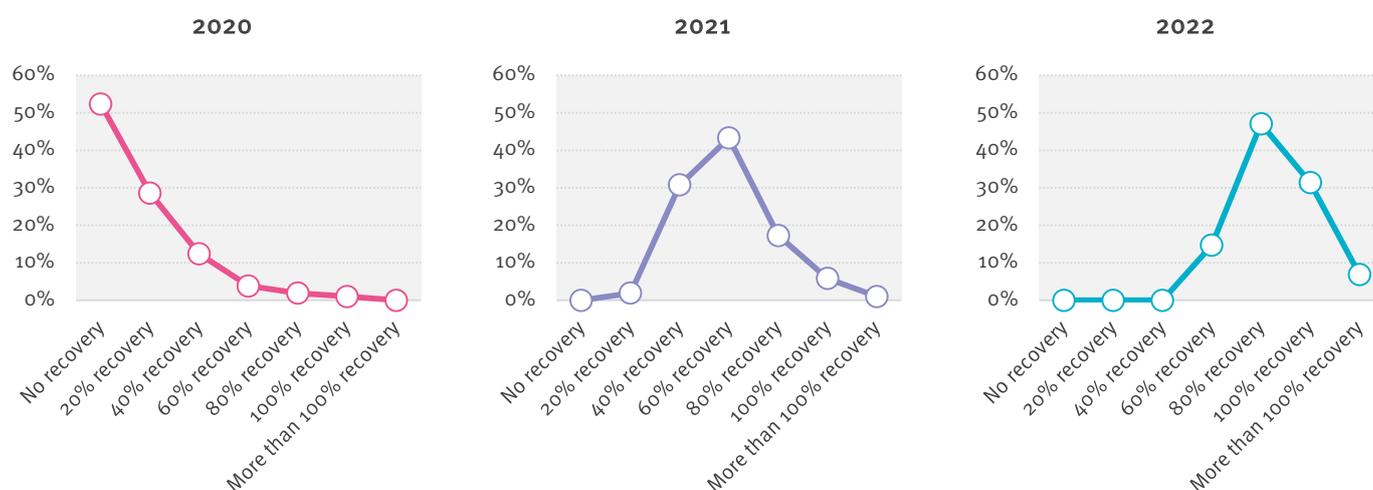
An additional 37% of employees benefited from the UK's

government furlough scheme. As many as 65% of full-time and 70% of part-time staff were furloughed over the period measured.

Despite the efforts made to preserve jobs, 46% of employees have been released, most of whom were seasonal workers (92%).

MARKET RECOVERY SCENARIOS

Chart 4: Percentage of respondents anticipating the following market recovery trajectory



Note: 100% recovery = business back to pre-Covid-19 levels
Source: BONARD survey of English UK member centres, n=145

Respondents were also asked to share their viewpoints on possible recovery scenarios, with the aim of aggregating individual knowledge into an informed overall assessment of the future outlook. Very few language centres believed that much market recovery would be seen in 2020, with as many as 52% of centres expecting no recovery at all this year.

2021 is perceived more optimistically, with all UK ELT providers believing there will be some recovery. Most respondents (43%) anticipate that the market will regain 60% of the volume of business prior to the outbreak and 31% of respondents think it will regain 40% of pre-Covid-19 levels. Only 6% of respondents expect a full recovery by 2021.

Going into 2022, the UK ELT sector is expected to reach a minimum 60% of recovery as the base line. Just below half of the surveyed providers (47%) estimate that the market will achieve an 80% recovery, whilst 31% of language centres expect to reach pre-Covid-19 levels.

These findings suggest that it might take years for the sector to fully recover, depending on the Covid-19 metrics in the UK

and source countries, the availability of travel connections and the confidence of parents and students in the measures taken by the sector to keep them safe. The under-18 segment, which comprises 54% of all international English language learners in the UK, is more prone to these external factors and thus expected to recover later than the adult segment.

This report shows the devastation that the Covid-19 crisis has visited on the UK ELT industry, and suggests that recovery will be slow. Government support will be critical, as will the implementation of policies by individual centres.

Close coordination and information sharing among all stakeholders – the government, English UK and individual ELT providers – is recommended. This will help provide a road-map for recovery and help to restore market confidence in the UK as an ELT destination.



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