2026 ANNUAL REPORT

The State of the Educational Vendor Industry

A data-driven review of the companies behind K-12 & higher education — market size, the funding winter, procurement, EdTech, AI, cybersecurity, facilities, transportation, and the road to 2027.

K12 Academics — helping schools & suppliers Find Your Community! since 2004

$185B
Global EdTech market (2025)

$878B
US K-12 public spending

$2.4B
EdTech VC in 2024 — a decade low

35%
of EdTech VC going to K-12

EXECUTIVE SUMMARY

A growing market — with a very different mood

The education-vendor industry is bigger than ever and, at the same time, more sober than it has been in years. The market keeps expanding — EdTech alone is worth ~$185 billion — yet venture funding has fallen nearly 90% from its pandemic peak, federal relief dollars have expired, and buyers demand proof of value. This report maps the full supplier ecosystem — from software to school buses.

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↗ Biggest trends

- The market keeps growing while venture funding collapsed.
- AI is the dominant investment & product theme.
- The end of ESSER relief reset district buying.
- Cooperative purchasing drives most K-12 procurement.

✓ Key findings

- Global EdTech ~$185B in 2025 — K-12 the largest slice.
- EdTech VC fell ~89% from its 2021 peak to a decade low.
- Money is concentrating in AI & proven-ROI categories.
- K-12 is a top ransomware target — security spend rising.

! Major challenges

- The post-ESSER budget cliff squeezing demand.
- Consolidation & scarce growth capital.
- Long, complex procurement cycles.
- Proving measurable outcomes & ROI.

★ Opportunities

- AI-enabled products across every category.
- Electrification, safety & facilities modernization.
- Discoverability where districts search.
- Durable spending on core operations.

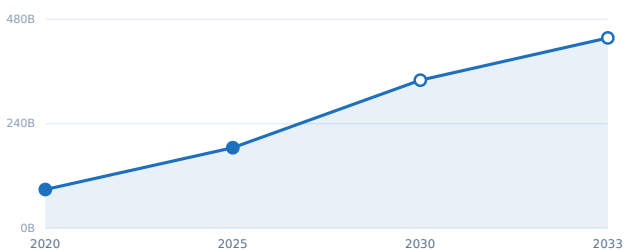
SECTION 01 — THE INDUSTRY OVERVIEW

A vast ecosystem behind every classroom

The education-supplier industry spans far more than software: curriculum, assessment, furniture, facilities, transportation, food service, safety, athletics, health, staffing, and dozens more — exactly the categories K12 Academics organizes into directories. EdTech is the fastest-growing slice, but the whole ecosystem rides on the ~$878 billion U.S. districts spend each year.

The EdTech market keeps expanding

Global EdTech market size (USD billions)



The market at a glance

Scale & structure

$185B — **global EdTech market** in 2025 — K-12 the largest sector.

$878B — **US K-12 public spending** (~$17,700/student).

N. America — holds ~**35-41% of global EdTech**.

Dozens — of **vendor categories** — the K12 Academics directory.

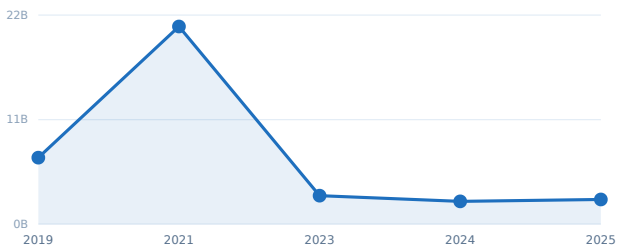
SECTION 02 — THE FUNDING WINTER

The market is up; the money is down

The defining story of the vendor economy is the split between a growing market and collapsing investment. Global EdTech venture capital fell from a $20.8 billion peak in 2021 to about $2.4 billion in 2024 — the lowest in a decade and nearly 90% off the top — with ~$2.6 billion in 2025. Deals are fewer but larger, M&A is consolidating the field, and capital is concentrating in AI and clear-ROI categories.

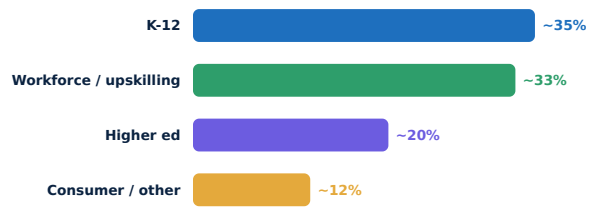
EdTech venture funding has collapsed

Global EdTech VC by year (USD billions)



Where the remaining capital goes

Share of EdTech VC by segment (2024)



From froth to fundamentals

The new investment reality

−89% — EdTech VC is **down ~89%** from the 2021 peak.

$28B — **M&A** across ~342 deals in 2024.

AI — capital **concentrating in AI** & proven-ROI models.

What it means for vendors

A tougher, leaner market

Profit — investors now prize **profitability over growth**.

Scale — **segment leaders** are acquiring smaller players.

Resilient — **essential, sticky** categories fare best.

The tide that lifted the market went out

Much of the pandemic-era vendor boom was fueled by federal relief. Roughly $190 billion in ESSER funds flowed into districts and out to suppliers — devices, software, tutoring, curriculum — before expiring in 2024. Its end removed a major demand tailwind at the same moment venture money dried up, pressuring vendors whose growth was built on temporary dollars.

The ESSER effect

A demand cliff for suppliers

$190B — **federal relief** flowed to schools — much of it to vendors.

Expired — ESSER **ended in 2024**, removing a demand tailwind.

Renew — districts are **cutting or not renewing** add-on tools.

Prove — survivors show **measurable outcomes & core value**.

Two shocks at once

Why 2024-26 is a reset

The **funding winter** hit vendors' balance sheets while the **ESSER cliff** hit their customers' budgets — a rare double squeeze.

The result: **consolidation, discipline, and a flight to essential, provable products**.

How schools actually buy

Selling to schools means understanding a slow, rule-bound buying process — budget cycles, RFPs, board approvals, and compliance. Increasingly, districts buy through cooperative purchasing organizations (OMNIA, Sourcewell, TIPS, BuyBoard, Florida Sheriffs) that let them buy off publicly bid contracts without running a full RFP — compressing timelines and reshaping how vendors win business.

The procurement reality

Cycles, rules & co-ops

Cycles buying follows **budget & academic calendars**.

Co-ops **cooperative contracts** now drive much K-12 buying.

RFP **RFPs, bids & board approval** govern larger purchases.

Comply federal thresholds & **procurement rules** shape every deal.

How vendors get found

Discovery & shortlisting

- **Cooperative contracts**
- **RFP responses**
- **State contracts**
- **Directories & search**
- **Trade shows**
- **Referrals**
- **Pilots**

Before an RFP is written, buyers **research & shortlist** — where the **K12 Academics vendor directory** connects schools to suppliers.

The software districts run on

At the center of the market sits the core EdTech stack: learning-management and student-information systems, assessment and curriculum software, communication platforms, analytics, cloud, and the connective tissue between them. It is the most mature and most consolidated part of the industry — and the layer AI is now transforming fastest.

The core stack

What every district buys

- **LMS**
- **Student Information Systems**
- **Assessment**
- **Curriculum software**
- **Parent communication**
- **Analytics**
- **Cloud**
- **Cybersecurity**

These systems are **sticky & essential** — the most defensible revenue in the industry.

Core-stack dynamics

Mature & consolidating

Sticky — **SIS & LMS** switching is costly — revenue is durable.

AI — **AI features** are being added across the stack.

Consolidate — **platform players** are absorbing point solutions.

Data — **interoperability & privacy** are rising priorities.

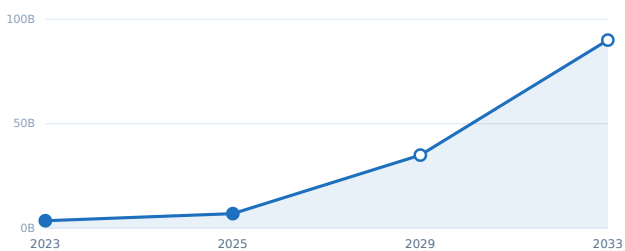
SECTION 06 — AI VENDORS

The one category everyone is chasing

Artificial intelligence is the industry's center of gravity. The AI-in-education market — tutoring, lesson planning, grading, communications, accessibility, and analytics — is small today but growing faster than any other segment, and it is where scarce investment capital is concentrating. Governance, privacy, and academic integrity are racing to keep up.

AI is the fastest-growing segment

AI-in-education market (USD billions)



The AI vendor wave

Products & guardrails

Fastest — **AI-in-education** is the quickest-growing segment.

Everywhere — **tutoring, planning, grading & comms** tools proliferate.

Capital — AI is where **scarce VC is concentrating**.

Govern — **privacy, integrity & governance** are catching up.

The fastest-rising line item

As schools digitized, they became targets. K-12 is now one of the most-attacked sectors for ransomware, with well over a thousand publicly disclosed incidents since 2016 — making cybersecurity, data protection, and identity one of the fastest-growing categories of district spending and a priority in every technology purchase.

The security imperative

Threats & spend

Target — K-12 is a **top ransomware target**.

1,300+ — **disclosed incidents** since 2016 — and rising.

Spend — **security & data protection** among fastest-growing budgets.

Every deal — **privacy & security** now shape every tech purchase.

What districts are buying

Security categories

- **Endpoint & network**
- **Identity & access**
- **Phishing defense**
- **Backup & recovery**
- **Monitoring / SOC**
- **Staff training**
- **Student data privacy**

Security has moved from an **IT afterthought** to a **board-level priority**.

The instructional core

Beneath the technology sits the instructional market: curriculum publishers and supplemental programs, literacy and STEM and SEL and CTE resources, the full assessment ecosystem, and a large, essential special-education market — assistive technology, AAC devices, therapy providers, and accessibility tools serving the 15% of students under IDEA.

Curriculum & assessment

The instructional market

Publishers **core & supplemental curriculum** — print & digital.

Literacy **science-of-reading** programs are a growth area.

Assess **benchmark, formative & state testing** ecosystem.

STEM/SEL **STEM, SEL & CTE** resources expanding.

Special education

Essential & growing

15% of students are served under **IDEA** — a large market.

Assistive **assistive tech & AAC devices** in steady demand.

Therapy **therapy & teletherapy** filling staffing gaps.

Access **accessibility & inclusive** products a priority.

The biggest dollars are often the least digital

Some of the largest vendor spending has nothing to do with software. Construction, HVAC, energy, and maintenance address a roughly $46-billion-a-year facilities gap; furniture is being reimagined for flexible and maker learning; and school safety — access control, cameras, visitor management, and emergency notification — has become one of the most active procurement categories.

Facilities & furniture

Buildings & spaces

$46B estimated **annual facilities maintenance gap**.

Modern **HVAC, energy & smart-building** upgrades in demand.

Flexible **flexible seating & makerspaces** reshaping furniture.

Green **sustainability & healthy buildings** rising.

School safety & security

A fast-growing category

- **Access control**
- **Visitor management**
- **Security cameras**
- **Emergency notification**
- **Weapons detection**
- **Crisis management**

Physical safety is among the **most active procurement categories** in K-12 today.

Buses, meals, and the electrification wave

Two enormous operational markets round out the picture. Student transportation — fleets, routing software, and safety tech — is electrifying: districts have committed to more than 8,600 electric buses, though at ~$352,000 each they cost about three-and-a-half times a diesel bus. School nutrition feeds tens of millions of students daily and is a major equipment, software, and food-supply market.

Electric buses cost far more — for now

Average contracted price per bus



Transportation & nutrition

Two big operational markets

8,600+ **electric school buses** committed — mostly since 2021.

3.5× an **electric bus** costs ~3.5× a diesel one.

Route **routing, GPS & fleet software** a growing segment.

Nutrition **meals, equipment & software** feed tens of millions daily.

The back office is a big market too

Running a school system takes a deep bench of suppliers: ERP, HR, payroll, and finance systems; enrollment, admissions, and tuition platforms; marketing, CRM, and website providers; fundraising and advancement tools; professional development and staffing services; and student-health and telehealth vendors. Unglamorous, essential, and sticky — the definition of durable revenue.

The operations stack

Running the enterprise

- ERP & finance
- HR & payroll
- Enrollment
- Tuition & billing
- Marketing & CRM
- Websites
- Fundraising
- PD & staffing
- Student health

These systems are **mission-critical & hard to switch** — among the most defensible vendor niches.

Why it matters

People & operations

Sticky — **ERP, SIS & payroll** are deeply embedded.

Enroll — **enrollment & marketing** tools grow with competition.

Staff — **recruitment & substitute** platforms meet the shortage.

Health — **telehealth & mental-health** vendors expanding fast.

Where the industry is heading

North America dominates the global EdTech market, but growth is fastest in Asia and other emerging regions. Across geographies the same forces apply: consolidation among leaders, disciplined capital, AI as the differentiator, and buyers demanding outcomes. The winners pair genuine innovation with the patience to navigate public-sector procurement.

The competitive landscape

Consolidation & capital

N. America holds ~**35-41%** of the global EdTech market.

Asia the **fastest-growing** region for EdTech.

Consolidate **M&A & private equity** reshaping the field.

AI **AI capability** is the new competitive line.

What separates winners

In a leaner market

- **Proven outcomes**
- **Clear ROI**
- **Security & compliance**
- **Ease of procurement**
- **AI-enabled**
- **Strong support**

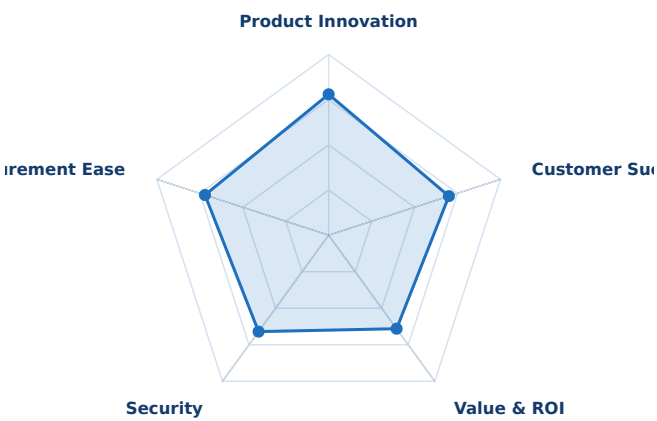
In a disciplined market, **evidence & ease of buying** beat hype every time.

A K12 Academics framework for evaluating suppliers

Districts do not just need to know a vendor exists — they need to know whether it is worth buying. The Index profiles a supplier across five weighted pillars that mirror how schools actually decide, so buyers can compare vendors on what matters beyond the sales pitch.

Five-pillar profile

Illustrative — weights sum to 100



Product Innovation 25%
Capability, AI & roadmap.

Customer Success & Support 20%
Onboarding, service & retention.

Value & ROI 20%
Measurable outcomes vs. cost.

Security & Compliance 15%
Data privacy & standards.

Ease of Procurement 20%
Contracts, co-ops & onboarding.

SECTION 14 — THE 2027 OUTLOOK

Two forces, and a to-do list

Toward 2027, the vendor industry keeps growing but on new terms: AI everywhere, disciplined capital, ongoing consolidation, and buyers who demand evidence. Physical markets — electrification, safety, facilities — stay strong, while software competes on outcomes. The suppliers that thrive will be discoverable, provable, secure, and easy to buy.

↗ Tailwinds

AI creating new products across every category.

Electrification & safety driving physical spend.

Essential, sticky categories with durable demand.

Discoverability for vendors who show up where buyers search.

↓ Headwinds

The post-ESSER budget cliff squeezing demand.

Scarce venture capital & consolidation.

Long, complex procurement cycles.

A higher bar for proof of outcomes.

For vendors

- Prove outcomes & ROI
- Be easy to find & to buy
- Lead with security & support

For districts

- Use co-ops to save time
- Demand evidence, not hype
- Prioritize security & interoperability

For investors

- Back provable, sticky models
- Value profitability & retention
- Watch AI & essential operations

Methodology & sources

This report synthesizes the most recent publicly available data from market-intelligence firms, government sources, and industry associations, current as of publication in 2026 — a data-driven industry analysis.

Data sources

- HolonIQ — venture funding, M&A & market data
- Grand View, Precedence & market.us — market sizing
- Education Data Initiative & NCES — school spending
- K-12 Security Information eXchange — cyber incidents
- EPA / DOE — electric school buses
- Cooperative-purchasing organizations — procurement
- K12 Academics vendor directory — category structure

A data-driven industry analysis. Market-size estimates vary by definition and source; figures reflect the most recent data available at publication in 2026; venture & market data are reported on different timelines; percentages rounded.

Contact K12 Academics

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