

Education services

Longer Term Investments (LTI)

A growing emerging market (EM) middle class means that more people have more disposable income. These individuals are seeking educational opportunities for themselves and their children to improve their prospects. With economies worldwide increasingly based on services, in turn creating a need for investment in human capital, education and specialized training for their workforce.



Projections and opportunities

School enrollment

EM school enrollment has been rising and still has room to grow.



Source: UNESCO, UBS

EM education market

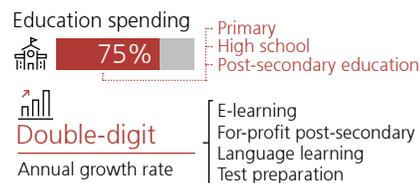
The EM higher education market is still under-penetrated.



Source: Government statistics, UBS

Education spending

K-12 (primary to high school) and college education accounts for three-quarters of total education spending. But other areas such as e-learning, for-profit post-secondary, language learning and test preparation/tutoring/counseling are expected to generate much higher growth, at a double-digit rate annually over the next few years. These areas are also where the private sector is playing a greater and important role.



Source: UBS, 2017

Resources for demand

The public sector has limited resources to meet growing demand for education.



Source: UNESCO, UBS

Education cost on the rise

The cost of education has been increasing at a faster rate than average consumer price inflation.



Source: U.S. Bureau of Labor Statistics

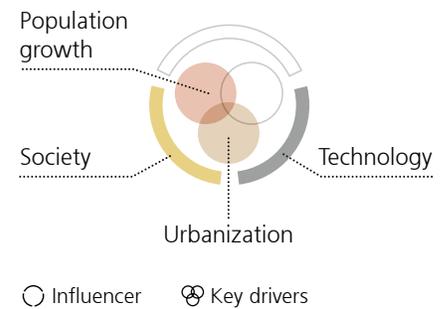
Children not in school

Over 265 million children are currently out of school and 22% of them are of primary school age. Education helps reduce income inequality and improve people's career prospects as economies worldwide are increasingly dependent on the services sector, requiring education and specialized training to produce knowledgeable workers.



Source: United Nations

Education services investment properties



Near-term drivers

- Growing EM middle class
- Increase gov't fiscal spending
- Removal of government regulation overhang

Sustainable investing impact

- Education service companies

Impact investing (UN SDGs)

- SDG 5: Gender equality
- SDG 10: Reduced inequalities

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