



Selling to Schools: Cost of Living Special

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Introduction

It's easy to let something like the cost of living crisis get you down. But we're here to guide you through the thoughts of educators as they navigate these difficult times. The news in 2023 has been dominated by school budgets being stretched, families struggling to feed and appropriately dress their children, teacher strike action that's taken place throughout the year, and much more besides.

We appreciate the knock-on effects this will have on businesses who sell to schools, but we're here to tell you to 'hold on, and keep going'. One key stat we've found is that only 38.3% of respondents said their schools have frozen budgets, so they're definitely still spending!

We've heard from over 1,300 educators in response to our 'Cost of Living' survey. This in-depth analysis provides an accurate picture of the effects on spending and budgets - and, crucially, asks teachers what support they need from you, the education suppliers.

Our survey asked key questions covering:

- The state of the cost of living crisis in schools.
- The impact it's had on purchasing decisions.
- The areas most protected and most affected.
- How priorities have shifted during this period.
- Strategies to manage with less money.
- Predictions and strategies for 2024.
- What schools need from education suppliers.

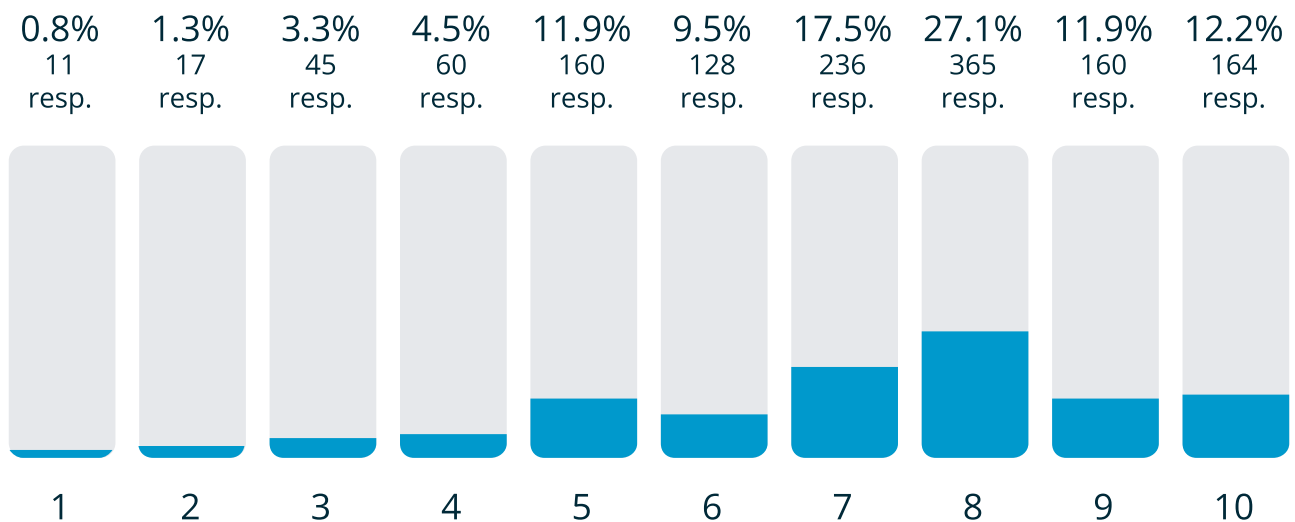
Our aim is to reduce the effects of the cost of living crisis in schools by shedding light on the extent of its impact, and providing actionable recommendations that can minimise this for staff and students.

To what extent has the cost of living crisis changed which education solutions and services your establishment considers?

This first question looks at the broader picture of the current climate, asking teachers to rate the impact the cost of living crisis has had on their purchasing considerations, on a scale of one to ten. On average, teachers rated the impact at 7.2, with 51.2% of teachers rating 8 or higher. 43.4% voted for a milder figure of between 4-7, though this is weighted towards the higher end, on average 7.2 (17.5% chose 7/10). Just 5.4% felt there had been little or no change.

What does this mean? With over half of all teachers scoring 8 or higher, it's clear that the majority of schools have changed their approach to spending over the course of the 2022-23 academic year.

1346 out of 1346 people answered this question



To what extent is the cost of living crisis having an impact on the areas in the table below?

	Least Impact ←————→ Most Impact					No Impact
	1	2	3	4	5	
Classroom maintenance	5.3%	12.9%	29%	30.1%	18.1%	4.7%
Energy bills	5.8%	7.3%	14.2%	28.8%	42.6%	1.4%
Equipment	3.4%	9.9%	20.6%	37.1%	27.3%	1.7%
School budget	5.9%	6.5%	11.3%	27%	48.3%	0.9%
Staff pay	6.3%	8.3%	20.4%	27.6%	33%	4.3%
Staff health and wellbeing	4.6%	9.2%	19.9%	33.1%	31.3%	1.9%
Student attendance	9%	18.2%	29.3%	24.2%	14.4%	4.8%
Student behaviour	8.7%	18.6%	27.9%	24.4%	16%	4.3%
Student health and wellbeing	6.4%	13.7%	27.6%	29%	20.4%	3%
Subject choices	16.6%	16.3%	24.9%	19.1%	10.3%	12.8%
Teacher recruitment	7.6%	8.8%	18.4%	27.6%	33.1%	4.5%
Teaching resources	4.8%	9.8%	17.6%	32.3%	33.3%	2.2%
Teacher retention	6.6%	11.6%	16.8%	28.4%	32.2%	4.5%

The next question delves much deeper into what the numbers above mean for specific services and products. School staff were asked to give a score of 1-5 depending on the level that they felt each area has had an impact on their school.

There are practical considerations included, such as budgets, equipment, and energy bills. We've also taken into account the people affected by asking about the wellbeing of staff, as well as the wellbeing, attendance, and behaviour of students, as these are all areas that have been under strain throughout the cost of living crisis.



Looking at these practical areas first, it's unsurprising that school budgets and energy bills are the areas of greatest impact, with a respective 48.6% and 42.6% of teachers scoring these areas a '5'. The widely publicised energy price rises, particularly since the outbreak of the war in Ukraine in February 2022, have added greatly to school costs, despite government help.

Three other areas where '5' was the most popular score relate to the other 'big stories' in education in 2023: staff pay (33%), teacher recruitment (33.1%), and teacher retention (32.2%).

Teacher pay has been an issue for some time, leading to strike action in 2023. Teacher workload is also high on the list of issues teachers face coming out of the pandemic. The workload issue has been exacerbated by another issue: recruitment and retention. Schools are struggling to retain staff, with a record number of around 40,000 teachers leaving the profession last year. Meanwhile, graduates are seeking jobs that allow them to work flexibly, something quite difficult for schools to offer. The government has increased recruitment targets but is still predicted to fall short, especially in secondary schools where some subjects are expected to recruit less than half of the teachers required. The challenge for establishments is to make the job more appealing in order to improve recruitment, and retain teachers looking for a more manageable work/life balance. There are some creative solutions out there though, and education businesses can play a huge part in helping to reverse this with the right resources or advice for schools.

The final area where '5' was the most popular score is 'teaching resources'. It's been well-publicised that teachers have had to dip into their own pockets to ensure that their classrooms are fully stocked with the equipment they need to teach effectively. Equipment and classroom maintenance are related areas that have also been significantly impacted, with 64.4% and 48.2% of teachers respectively giving a score of 4 or higher.

Lastly, it is important to look at the people involved. We've discussed staff pay and concerns about recruitment, and retention, so it's no surprise that staff wellbeing has been moderate to strongly impacted, with 84.3% scoring 3 or higher. Student wellbeing is also being tested, with 77% scoring 3 or higher. Interestingly, the scores were a little lower for how the cost of living crisis has impacted student attendance and behaviour, although all of these issues are interrelated. The most popular score for both student attendance and behaviour was a moderate '3', with 29.3% and 27.9% of respondents respectively scoring it as such. There was also a general feeling that subject choices remain largely unaffected by the cost of living crisis, with 12.8% saying it has made no impact at all.

How have your priorities on different education solutions or services shifted during the cost of living crisis?

	Lower priority	Same priority	Higher priority
Administration	28.2%	67.2%	4.6%
Charity fundraising	50.4%	39.7%	9.9%
Distance learning	51.9%	39%	9.1%
EdTech	41.2%	50.2%	8.5%
Food services	18.8%	64.4%	16.8%
Furniture	59.1%	37.9%	3%
Insurance	11.4%	81.5%	7.1%
Learning support	18.6%	60.1%	21.2%
Operations and maintenance	30.4%	61.7%	7.9%
Premises	35.2%	57.8%	7%
Safeguarding provision	3.5%	60.5%	36%
SEN provision	7.8%	62.2%	30%
Staff CPD	33.1%	56.4%	10.5%
Staff recruitment	26.3%	54.9%	18.8%
Supply teachers	48.7%	40.5%	10.8%
Teaching resources and equipment	40.3%	46.1%	13.5%
Trips	46.1%	46.3%	7.6%
Tutoring	47.6%	47.5%	4.9%

Having looked at how various aspects of school life have been affected by the cost of living crisis, it is important to look into how schools' priorities on different education solutions or services have shifted over this period.

This question relates to some extent to Chapter Six of our 'State of Selling to Schools 2023' report, in that the solutions and services that we have listed here align with much of what we asked schools about their spending for the 2022/23 school year.

The overriding sense from teachers is that schools are generally sticking to their main priorities. On average, 54.1% chose 'same priority' through the different options, with 33.3% saying an aspect has a 'lower priority', and 12.6% rating areas as a 'higher priority'.

Looking more specifically at the selection we provided, and in particular the practical considerations of running a school, the two areas in 'same priority' that stand out the most are insurance (81.5%) and administration (67.2%). These are quite obvious, with insurance being a legal requirement, and school administration being a vital cog in the machine. Food services (64.4%), operations and maintenance (61.7%), and premises (57.8%) are all areas in which respondents feel the priority remains the same. Furniture, on the other hand, sees the biggest reduction in priority, with 59.1% saying this is of a lower priority in the current climate.

Looking now at the classroom, a number of areas fall closely between being the same priority or lower in priority. Teaching resources and equipment is the

same priority for 46.1% of respondents, but lower for 40.1%. Whereas for EdTech, same priority is scored at 50.2% and lower is at 41.2% for respondents.

Trips (46.3% same, 46.1% lower) and tutoring (47.5% same, 47.6% lower) have an almost identical split, both newsworthy items in recent months. In the case of trips, many schools have had to pass on more of the costs to families, resulting in more of a challenge for schools to plan and run meaningful, memorable trips. The National Tutoring Programme has also been in the news, as schools try to catch up with the learning lost due to the pandemic. Although some have benefitted from this scheme, millions of pounds of funding have gone unspent as schools have struggled to implement schemes in line with the requirements that accompany the funding. Both aspects remain important in school life, but unfortunately, the costs are outweighing the gains, leaving schools experiencing a lack of confidence in their ability to fund these areas.

Charity fundraising remains not just a good way to build understanding of a cause, but also to teach young people the value of working hard to raise money. It has a lower priority, with over half (50.4%) choosing that option, largely due to the increased pressure on family finances, but it still plays an important role when aligned to relevant curriculum areas.

What does stand out is the increase in priority given to safeguarding provision (30.6%), SEN provision (30%), and learning support (21.2%). This relates back to the impact the cost of living crisis and the pandemic have had on student wellbeing, and the extra time educators are having to dedicate to this important area. With EHCPs and SEN referrals taking longer to be addressed than in previous years, it is falling to schools to ensure that students are being adequately provided for.

Lastly, looking at staff, schools are seeing CPD (54.9%) and recruitment (56.4%) as generally being the same priority. However, the teachers that believe staff recruitment to be of a lower priority (26.3%) or higher priority (18.8%), are more evenly distributed across each level of priority. Supply teachers are a lower priority for most (48.7%), with schools either ensuring lessons are covered by existing staff, or even combining classes to save on costs.

In which areas is your school reducing spending?

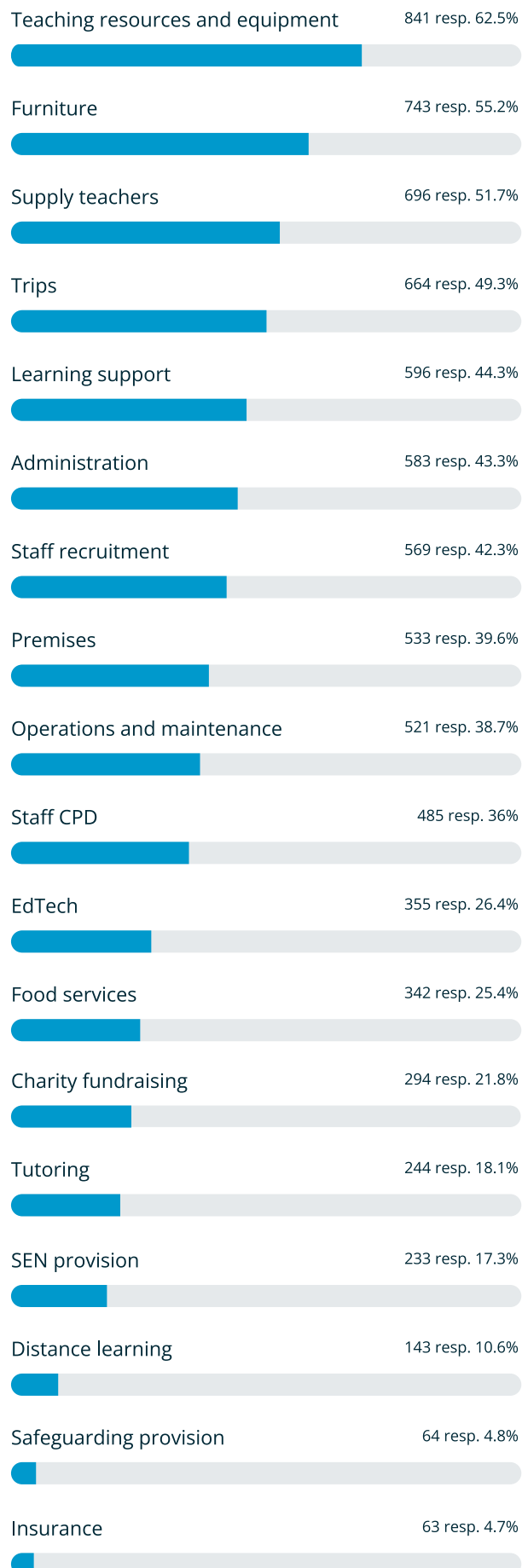
Reducing spending is one of the main impacts of the cost of living crisis. In answer to this question, we dive deeper in order to paint a clear picture of which specific areas are being hit the hardest.

Perhaps unsurprisingly, the range in responses is quite significant, with 62.5% of staff selecting resources and equipment, compared to only 4.7% selecting insurance. Once again, this reflects on schools' legal responsibilities, but also concludes that this problem is nationwide. Whilst teaching resources and equipment have been hit the hardest, demonstrating the impact of the crisis not only in the bursar's office but also in most classrooms, furniture (55.2%) and supply teachers (51.7%) were also selected by over half.

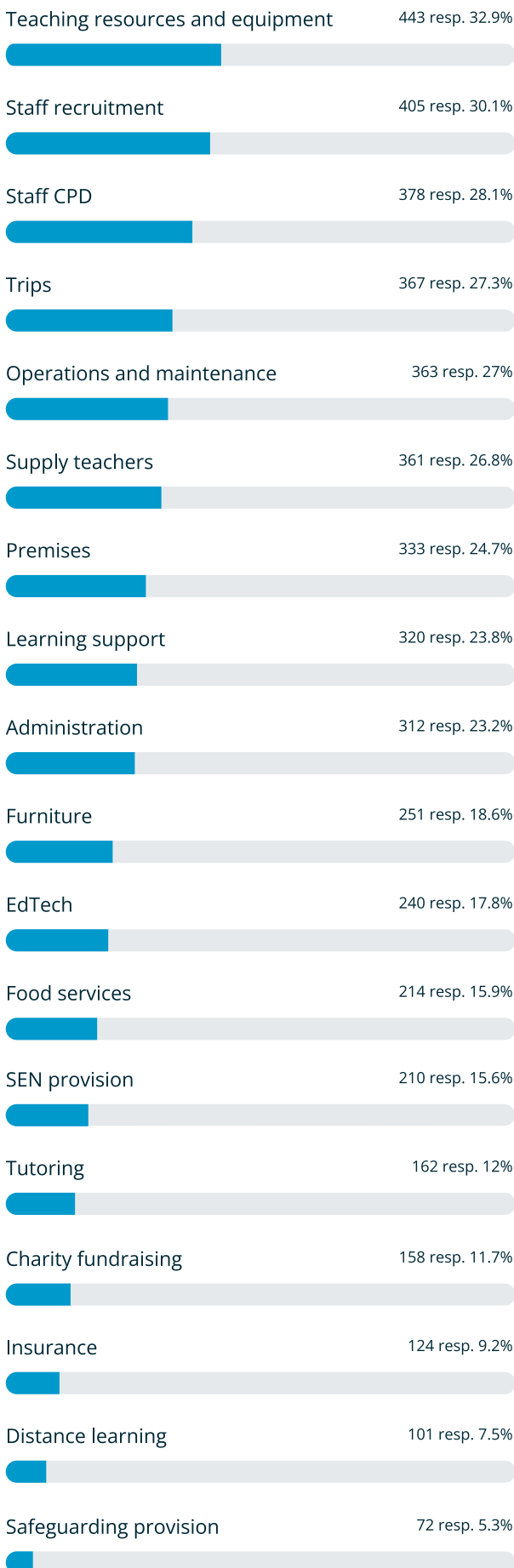
Staffing is a strong theme in the top six. Learning support (44.3%) and staff recruitment (42.3%) have seen significant spending cuts, confirming what we know about the recruitment challenges that schools face: they were struggling to get staff in to start with, but now investing in a solution is also being hit.

In more positive news, SEN provision (17.3%) and safeguarding (4.8%) are less likely to be impacted. This is partly down to legal requirements, but the demand for SEN provision has also increased, which is something that has been widely reported on since the end of the pandemic.

1346 out of 1346 people answered this question
(with multiple choice)



1346 out of 1346 people answered this question
(with multiple choice)



If the cost of living crisis were to last into 2024, what would be the next round of services that would have to be reviewed?

In August 2023, there have finally been some positive signs that inflation is beginning to ease. Should this continue into 2024, the impacts on school budgets will be reduced. However, there is a possibility that high inflation stays with us for a while yet. Combined with external pressures on prices, the cost of living challenges may extend into next year.

When we posed this scenario to teachers, responses reduced in volume, with an average response level of 19.86% per option. As is expected, teachers were less certain about the future, but they were still able to give us a general indication.

Teaching resources and equipment still came out as the top area for budget cuts, although just 32.9% selected it, which is almost half the number of respondents compared to when we asked about spending reductions for 2023 (62.4%). Having already predicted significant cuts to resources in 2023, teachers are determined further cuts in 2024 will not be necessary.

Staff recruitment and staff CPD complete the top three for predicted spending reductions. Both saw an overall percentage decrease in their level of selection from 2023 reductions, with recruitment falling from 42.3% to 30.1% and CPD from 36% to 28.1%. This tells us that despite respondents being less sure about what is coming next year, teachers feel that recruitment challenges are unlikely to be

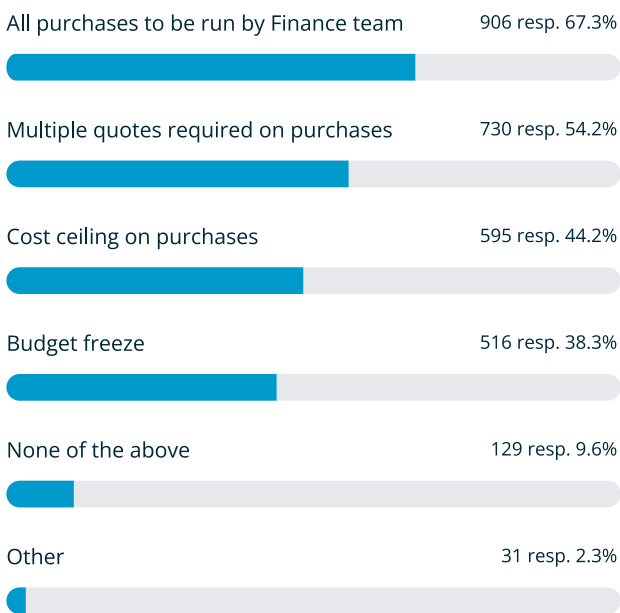


resolved and that training in almost a third of schools is less likely to be an area of investment. A clear reason for teacher retention being hit is illustrated: if a high number of teachers feel that their professional development is being overlooked, they will be more inclined to take their careers elsewhere. Schools that make cuts to their investment in training are likely to see a greater impact on their staffing numbers.

Furniture suppliers may take the most reassurance, as they drop from being second in 2023 (55.2%) to tenth in 2024 (18.6%). This is a positive sign that more immediate reductions in spending are not expected to continue.

Which procurement measures or restrictions has your school introduced in light of the cost of living crisis?

1346 out of 1346 people answered this question (with multiple choice)



The last two questions addressed spending reductions. Next, we asked about the specific procurement measures schools are adopting to implement spending restrictions.

Starting on a positive note, budget freezes were low on the list, with only 38.3% of schools introducing them. This implies that some budget flexibility remains for a significant number of schools.

Over two-thirds (67.3%) said that their school has introduced a policy where all purchases must be approved by the finance team. With schools tightening their belts, it's expected that extra scrutiny would be in place when spending requests are made. But worry not - if you can clearly demonstrate the short- or long-term cost savings your product or service can provide, you'll make it easier for teachers to get approval from their finance teams.

Over half of education staff (54.2%) told us that multiple quotes are required before they can commit to one service or provider. Know how you're priced compared to your competitors, and if your prices are higher, ensure that you communicate the added extras or higher quality you're offering to schools and how they will benefit.

Considering the above changes may help you fit your product into the cost ceiling on purchases that 44.2% of respondents said are now in place. Keep in mind that free resources, discounts, payment plans, and extra months on their subscription go a long way in schools year-round, but will be especially well-received right now.



We also provided an open-ended 'other' option for this question, which 2.3% selected. Frequent comments included budget reductions, particularly mentioned in connection with departments, with just under half of all comments mentioning some form of budget reduction. Staffing was a theme too, with increases in teaching time, staff reductions, restructuring of jobs, and voluntary redundancies coming up.

Whilst we have focused on restrictions and barriers in this section, there are positive and actionable steps that can help your edu-business in our final section.



In which areas is your school protecting spending?

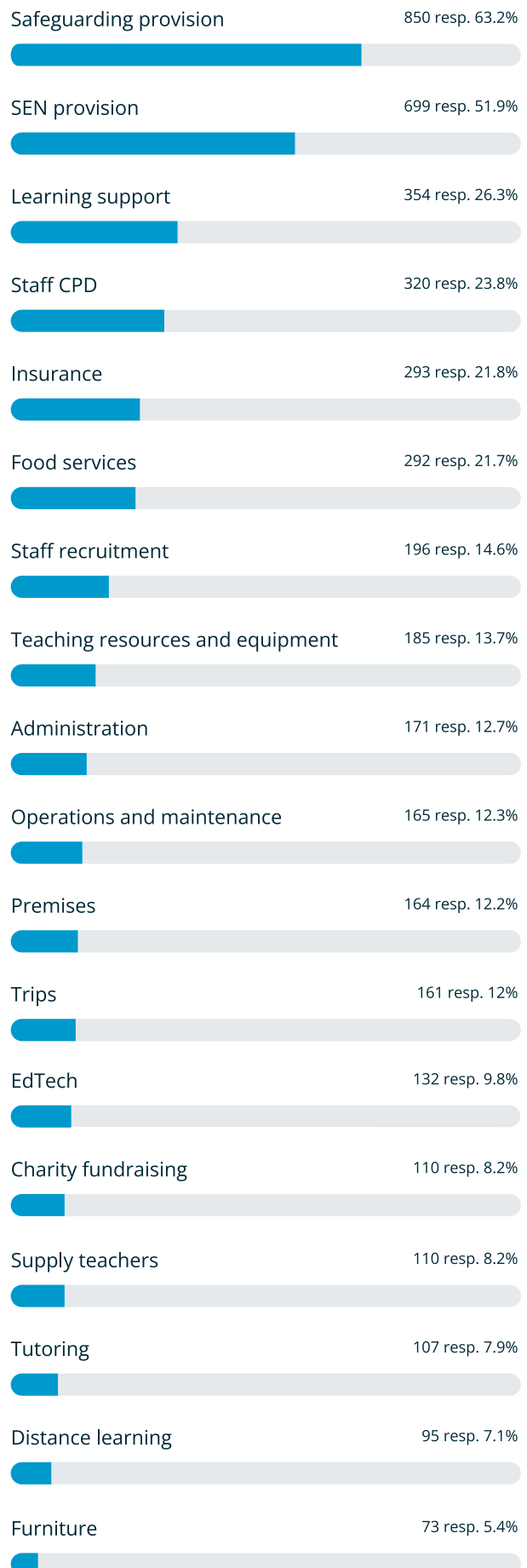
Certain areas of schools are fundamental to its efficient operation. This section looks at which aspects are likely to be protected, showing how important they are to a school's day-to-day running.

63.2% of teachers were adamant that safeguarding would be protected, with the only other category coming close being SEN provision (51.9%). Legal requirements once again influence both of these categories, but these results also speak to the basic need to support the welfare of students, and provide accessible learning to all. Relating to this, 26.3% of teachers noted learning support, putting this in third place.

Covering the more practical considerations, insurance (21.8%) and food services (21.7%) are two other areas a number of schools are protecting. Some schools have been forced to pass the increased cost of lunches onto families to manage their budget, but with families just as impacted by the cost of living crisis, schools will want to be able to provide as much as possible for the children in their care.

Almost a quarter of staff (23.8%) said that staff CPD would be protected, something we know would be popular with educators, as our State of Selling to Schools report 2023 told us about the hunger many staff have for training. Many schools see this as a high-priority area to protect, as regular skills investment will help ease the retention and recruitment crisis.

1346 out of 1346 people answered this question
(with multiple choice)



Areas protected to a lesser extent, with below 10% selecting them, include EdTech (9.8%), charity fundraising (8.25%), and tutoring (7.9%). These three categories represent the different approaches that schools are taking to cope with the cost of living crisis. Some schools favour the benefits of EdTech in helping with squeezes elsewhere, whilst others will continue to invest in tutoring to support student learning. However, the government has reported figures that show many schools have not made use of the National Tutoring Programme Funds to enable wider use of tutoring. It's harder to continue school fundraising when families are struggling themselves, but schools receiving contributions from their communities will still do what they can.

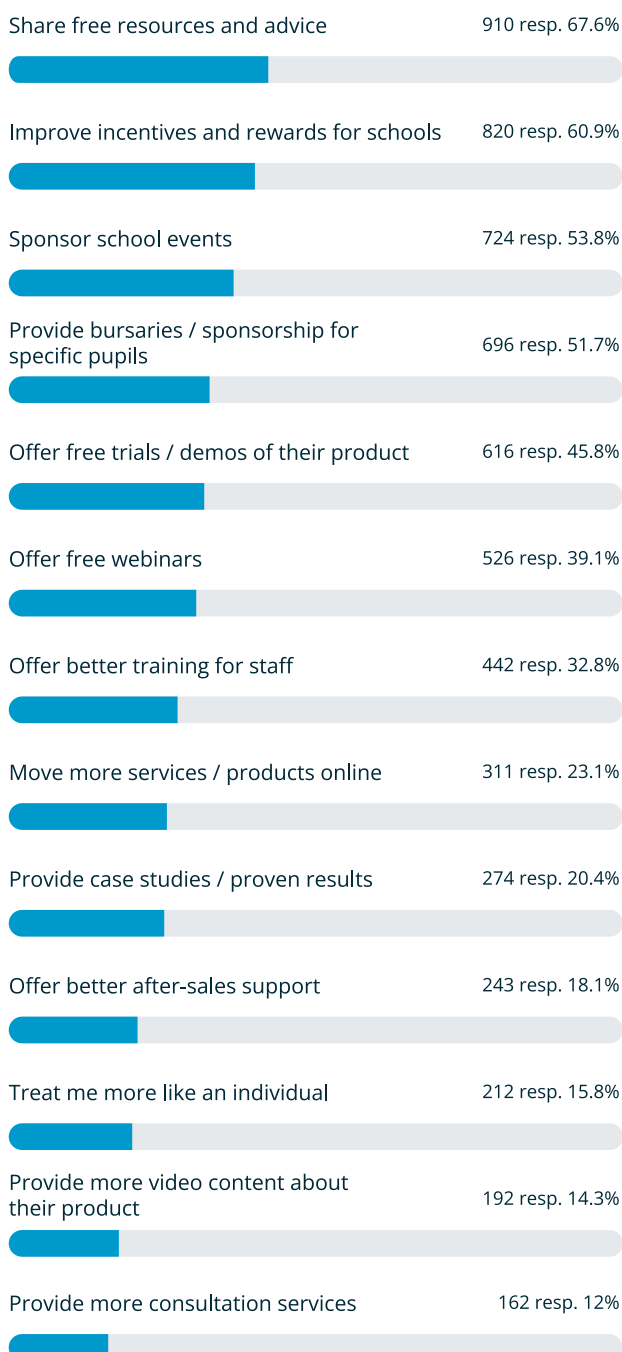
Just 5.4% of staff said that they'd protect their furniture spending, which ranks below premises and maintenance spending, perhaps unsurprisingly. Areas such as roofing or heating pose greater health and safety hazards, so while schools will need to ensure their classroom furniture is also safe and fit for purpose, many will likely avoid more expensive pieces, and focus on practicality and safety.

There is a lot to be positive about as most products will support wellbeing, attainment gaps, and staff satisfaction, and making this clear in your communications will increase the likelihood of sales. It's clear that school purchasing is continuing in all areas - it simply comes down to targeting the appropriate needs in the right schools.



What support could education businesses provide to reduce the impact of the cost of living crisis beyond lowering prices, offering discounts, or payment plans?

1346 out of 1346 people answered this question (with multiple choice)



Our final question gets into the actionable support you could provide to schools: the ways you can make connections, nurture relationships, and even make consistent sales during a difficult period.

Educators were keen to let you know their thoughts, with 67.6% understandably asking you to share free resources and advice, which is even more than the 62.5% who said teaching resources and equipment spending was being reduced earlier on. So it's no surprise that teachers are asking for help in this area!

In second place, 60.9% of teachers want you to improve incentives and rewards for schools. Note the term 'improve' in this response: educators will be aware of previous offers and giveaways, so if you can increase a discount, restructure your referral scheme, or offer further incentives to new customers or those renewing contracts, this can be just as effective as coming up with a brand new offer.

Over half of respondents have asked you to sponsor school events (53.8%) and provide bursaries/ sponsorship for specific pupils (51.7%). During challenging times, this could well be an example of a win-win scenario: it's a hugely positive way for your business to support schools and students that not everyone will take up, immediately establishing yourselves as a recognised, trustworthy thought-leader within the education community.



Also popular was the request to offer free trials/demos of [your] product (45.8%) and offer free webinars (39.1%). This lets teachers experience what you provide for themselves, getting hands-on with your product, and in turn, doing you a favour by opening the door to that all-important personal connection. You may recall that in our question about which measures are being put in place, teachers told us that school finance teams are far more likely to be required to sign off on purchases. One way to help them justify purchases to the finance team would be by letting them actually use it, and even show it to the finance team there and then, making the investment less risky and certainly more justifiable. Of course, sharing your proven success through customer reviews will also build a level of trust.

At the other end of the scale, fewer teachers asked you to provide more video content about [your] product (14.3%) or to provide more consultation services (12%), but these requests still have their place. For time-poor teachers, videos can cover a lot of ground in an efficient manner - not to mention how they stand out in busy inboxes. Consultations and other in-person meetings can prove effective in your marketing strategy if there's something in it for the school to offset the admin of arranging in-person or virtual meetings - perhaps free support implementing new statutory guidance, or free bespoke strategies to meet a particular school target. Department for Education reports on Climate Strategy, SEND Improvement Plans, and even the Statutory Uniform Guidelines are some of the current areas schools need support with implementing. The opportunities are endless, so think about what you have to offer.



What next?

The cost of living crisis has cast a cloud over decision-makers across the country, school budget holders included. But schools' needs are evident, and there are many vital opportunities you can grab with both hands to cement yourself as a trustworthy source of support, and turn those leads into sales.

Now, it's time to focus on adapting your edu-marketing strategy and tailoring your communications with schools.

To get your next campaign up and running, or simply to discuss how we can help you to extend your reach to schools, [get in touch](#) with us on 01684 297374.

We can manage every aspect of your next email campaign, share our secrets about combining email and postal to great effect, and let you know all about how we've revolutionised education marketing.

But what if you want to manage your own campaign?

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Sprint Education

T. 01684 297374
E. info@sprint-education.co.uk
W. www.sprint-education.co.uk

