
AI GOES TO SCHOOL

THE \$41B EDTECH REVOLUTION

From tutors to teachers — AI is
transforming how the world learns

\$41B
by 2030

AI in Education Market
Growing at 43% CAGR

From \$6.9B in 2025 → 6x in 5 years

THE SHIFT

Personalized Learning at Scale



60% of Teachers Using AI (2024)

Forbes Advisor survey: 55% say AI improved outcomes. 51% use educational games, 43% adaptive platforms, 41% AI grading/feedback.



67% of Students Use AI Regularly

Gen Z treats AI as study partner. Tutoring, essay help, test prep — AI is the new homework buddy. Resistance is futile.



25-60% Better Retention

Adaptive learning + microlearning crush traditional methods. Real-time adjustment to gaps = faster mastery. The data is clear.

Governments Mandate AI Literacy



China: 8 Hours AI for First-Graders

Compulsory AI curriculum anchors durable demand. The world's largest education system is going all-in on AI from day one.



Germany: \$6B DigitalPakt Schule

Massive investment in school digitization. Estonia's AI Leap: 20,000 students get AI apps starting Sept 2025.



Microsoft: \$4B+ AI Education Investment

July 2025: Focus on schools, colleges, nonprofits. Free Khanmigo for all US teachers. 14M trained in India via global skilling program.

MARKET DYNAMICS

Enterprise Training Explodes



Accenture Acquires Udacity for \$1B

LearnVantage: \$1B investment over 3 years. Enterprise hunger for AI credentials is insatiable. Workforce upskilling is the new engine.



Coursera + Udemy = \$2.5B Merger

Dec 2025: \$1.5B combined revenue. 270M learners. AI skills training is the driver. Online education consolidation accelerates.



93% Integrating Microlearning by 2025

Bite-sized AI lessons beat hour-long courses. 80% completion vs 20% traditional. IBM saved \$200M shifting to e-learning.



AI will be the great equalizer in education — every child deserves a world-class tutor.

— Sal Khan, Khan Academy Founder

Key Insight: EdTech funding collapsed 89% from 2021 peak to \$2.4B in 2024. But deals are bigger and concentrated: MagicSchool AI (\$45M), Leap Scholar (\$65M), Campus (\$46M). Investors want proof, not hype.

Would you trust an AI tutor for your child?

🎓 The \$4/month question...

KEY NUMBERS

\$1B+

Duolingo 2025 revenue — AI-first strategy wins

148

New courses Duolingo launched in 1 year using AI

500M+

Duolingo users worldwide — gamification works



Duolingo

AI LANGUAGE LEARNING LEADER

\$1B+

2025 REVENUE

130M

MAUS

10.9M

PAID SUBS

40%

DAU GROWTH

The gamification king. Streaks, badges, leaderboards + AI-powered personalization. Now expanding into Math, Music, Chess. AI-first strategy: 148 courses in 1 year vs 425 in prior 12 years.

🔥 **Duolingo Max:** GPT-4 powered Video Call lets you practice with AI character Lily. English learners engage 2x more. 7% Max penetration driving premium revenue. Chess course hit 1M DAUs fastest ever.



Khan Academy

AI TUTOR PIONEER (KHANMIGO)

\$4/mo

KHANMIGO PRICE

Free

FOR TEACHERS

65K+

STUDENTS PILOT

GPT-4

POWERED

Nonprofit on a mission. Khanmigo never gives answers — guides students to find them. Socratic method at AI scale. Microsoft partnership makes it free for all US K-12 teachers.

🔥 **State Deals:** New Hampshire: first statewide contract. 40K students, 5K educators. \$35/student/year for districts. Writing coach featured on 60 Minutes. The education AI that prioritizes learning over answers.



Coursera

HIGHER ED & ENTERPRISE PLATFORM

191M

LEARNERS

\$2.5B

+ UDEMY DEAL

3,000+

ENTERPRISE CLIENTS

6.5%

REV GROWTH '25

University partnerships (Yale, Stanford, Duke) + Google/Microsoft certificates. Coursera for Business growing fast. B2B SaaS model = sustainable recurring revenue.

🔥 **Dec 2025 Merger:** Acquiring Udemy creates \$1.5B revenue giant with 270M learners. \$115M cost synergies. Focus: AI skills training for enterprise workforce reskilling. Andrew Ng stays as Chairman.



Quizlet

AI STUDY TOOLS & FLASHCARDS

60M+

MAUS

500M+

STUDY SETS

Q-Chat

AI TUTOR

15%

STUDY TIME ↑

User-generated flashcards at massive scale. Q-Chat (GPT-4 powered) launched 2023. Magic Notes auto-generates study materials from uploads. Freemium model: \$6.99/mo or \$31.99/yr.

🔥 **AI Arsenal:** Q-Chat for real-time tutoring, AI flashcard generation, adaptive practice modes. 15% improvement in study efficiency. Competing with Chegg, Brainly in homework help space.



MagicSchool AI

AI TOOLS FOR TEACHERS

\$65M

TOTAL RAISED

\$45M

SERIES A

18mo

LAUNCH TO \$65M

K-12

FOCUS

Fastest-growing EdTech AI startup. Solves teacher burnout with AI lesson planning, rubric generation, differentiated instruction. Teachers love it — and investors took notice.

🔥 **Hot Startup:** From launch to \$65M raised in 18 months. One of 3 companies that captured nearly half of all EdTech AI funding in Q1 2025. The teacher tool that actually saves time.



Carnegie Learning

AI MATH & LITERACY

MATHia

AI TUTOR

K-12

FOCUS

CMU

RESEARCH BASE

30+ yrs

EXPERIENCE

Founded on Carnegie Mellon cognitive science research. MATHia adaptive math tutor provides real-time feedback and adjusts to each student. Research-backed pedagogy meets AI.

🔥 **Research Foundation:** 30+ years of learning science. One of the original adaptive learning pioneers. Now integrating GenAI while keeping research rigor. Trusted by school districts nationwide.



Squirrel AI

CHINA'S ADAPTIVE LEARNING GIANT

\$1B

VALUATION

~\$200M

RAISED

24M+

STUDENTS

K-12

FOCUS

China's AI tutoring unicorn. Founded 2014. Personalized tutoring for K-12 in core subjects. Operates both online and through physical learning centers across China.

🔥 **Scale:** 24M+ registered students. AI tunes lessons to each student's pace and needs in real-time. Instant feedback and customized learning paths. The Asian adaptive learning powerhouse.



Riiid (Santa)

AI TEST PREP (KOREA)

\$250M+
TOTAL RAISED

1M+
USERS

TOEIC
FOCUS

Korea/JP
MARKETS

South Korean AI EdTech founded 2014. Santa AI virtual tutor for English proficiency tests. ML analyzes student knowledge and adjusts learning in real-time. Strong in Korea and Japan.

🔥 **Test Prep AI:** Santa predicts your TOEIC score and creates personalized study path. Millions of downloads. Working on new AI projects beyond language testing. The Asian test prep specialist.



Google for Education

GEMINI + CLASSROOM INTEGRATION

Free

AI PRO FOR STUDENTS

Gemini

2.5 PRO

5

COUNTRIES LAUNCH

12mo

FREE ACCESS

Aug 2025: Free 12-month Google AI Pro for college students in US, Japan, Indonesia, Korea, Brazil. Includes Gemini 2.5 Pro, NotebookLM, and Guided Learning features.

🔥 **Guided Learning:** Intelligent tutoring inside Gemini. Helps students grasp concepts deeply instead of just providing answers. Google Classroom integration. Positioning against ChatGPT in education.



PhysicsWallah

INDIA'S TEST PREP UNICORN

\$210M

SERIES E (2024)

Largest

EDTECH AI ROUND

India

MARKET

AI

CONTENT CREATION

YouTube teacher turned unicorn. Affordable test prep for Indian students (NEET, JEE). AI-driven content creation at scale. Dominating India's massive education market.

🔥 **Sept 2024:** \$210M Series E — largest EdTech AI funding of 2024. Focus on online test prep with AI-powered personalization. India's massive student population = huge TAM.

FINAL THOUGHTS

The AI Education Future



Every Student Gets a Tutor

AI makes 1:1 instruction possible at scale. No more one-size-fits-all education. Personalized paths adapt in real-time to each learner.



Teachers Amplified, Not Replaced

AI handles grading, lesson planning, differentiation. Teachers focus on what matters: mentorship, inspiration, human connection.



Global Reskilling Imperative

85% of leaders say AI skills gap is critical. Enterprise training = fastest growing segment. Coursera-Udemy merger signals consolidation ahead.

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