



Open for Business

The Economics of Everyday Entrepreneurs
in Unconventional Education

Contents

2	Executive Summary
3	Background
3	Methodology
4	Setting the Stage
5	Learning happens everywhere
5	Programs are young and striving to grow
7	Key Learning 1: Entrepreneurs are building their programs from the ground up — with minimal external funding.
7	Grants are not a sizable source of funding
7	Everyday entrepreneurs in unconventional education are not seeking loans
8	Public funding plays a limited role in program funding
8	Some entrepreneurs use fundraising to fill gaps
9	Key Learning 2: Entrepreneurs are resourceful, getting most of their revenue from participants.
9	Participant-based tuition and fees drive revenue
12	Selling products and services augments revenue
13	Entrepreneurs are economical — spending and saving thoughtfully
17	Key Learning 3: Entrepreneurs are using business models designed for access and flexibility.
17	Programs are serving diverse learners and families
18	Programs are responsive, using bespoke models
19	Programs acknowledge financial need and provide support
19	Programs offer wide-ranging discounts
20	Programs accommodate learners and families with various scheduling options
20	Programs offer pay-by-learner and/or pay-by-family, based on financial circumstances
21	Programs barter and accept goods/services as currency
21	Programs utilize business models that are uncommon in education
22	Conclusion
23	Appendix
23	Programs serve a range of ages and grade levels
23	Programs provide a diversity of offerings
24	Program offerings vary in duration
24	Programs leverage various fees for various purposes
25	Programs enable payments at several frequencies
25	Programs support learners and families with external funding options

Executive Summary

VELA supports the largest community of everyday entrepreneurs in unconventional education in the United States, with more than 2,000 investments made and \$24 million disbursed since 2019. This support has served entrepreneurs reaching more than 6.5 million learners and families.

VELA's active and engaged community provides unique insights into the rapidly growing market of unconventional education. In order to gain a better understanding of the business practices and models used in this nascent landscape, VELA conducted a survey of its community in the fall of 2022. The findings are valuable for entrepreneurs, learners, families, funders, policymakers, and anyone interested in the future of education.

Unconventional education is for everyone — not just for white, affluent families. The overwhelming majority of grantees report building organizations that engage a diverse customer base. Ninety-three percent (93%) report serving learners/families who identify as low-income or historically underserved, and 38% report having a core focus of serving those populations.

Entrepreneurs are working to responsibly sustain and grow their relatively-young organizations. Most respondents are nonprofits (56%) or intend to incorporate a nonprofit (10%), and 28% operate for-profits (e.g., LLC, sole proprietorship, corporation). At the time of receiving their first VELA grant, 42% of programs had been operating for less than a year, 30% for 1–3 years, and 28% for more than 3 years. And in terms of expansion, 95% of grant recipients intend to grow — 66% want to grow a lot, 29% a little.

Resourceful and with minimal external funding, entrepreneurs are building their organizations from the ground up. Eighty-four percent (84%) report that they earn revenue from participants (e.g., tuition/fees from learners, selling products or services), and almost 70% report that tuition/participation fees are a primary source of revenue. Seventy-three percent (73%) of respondents said they hadn't received any grant dollars in 2022, outside of their VELA grant. Only 23% of respondents acquired funding through loans, and only 10% currently access public funding. In terms of expenses, respondents report spending more than half of their operating budgets on staffing and facilities. They keep costs low by utilizing volunteers (e.g., 23% of programs rely on volunteer educators) and contractors and by renting or sharing building space.

Entrepreneurs are using bespoke, community-responsive funding models. Because they are balancing the concerns of sustaining themselves, providing a flexible and high-quality learning environment, and ensuring access to those with minimal means, the ways they structure their programs vary widely. Respondents leverage diverse fee structures, making available a range of discounts, scholarships, and low-cost/free options. Many use sliding scales based on family income and honor systems, and they're willing to negotiate and barter for a lower price in exchange for goods/services as currency. Additionally, most offer differentiated learning schedules and business models (e.g., subscription, membership, etc.), which help keep their offerings accessible, flexible, and sustainable.

Background

To meet their evolving needs, a growing number of American families are seeking **unconventional education** models — from microschools and homeschools, to hybrid schools and learning pods. As more families seek learning opportunities aligned to their values and priorities, entrepreneurs are mobilizing to meet this increased demand, launching innovative, out-of-system learning environments and creating the resources and support to foster an ecosystem of innovation.

This rapidly-growing community has caught the attention of both the media — as school districts try to make sense of shifting enrollment numbers — and state leaders — some of whom are making it easier for families to access public funding for out-of-system learning.

Since 2019, VELA has contributed to the growth of the largest community of **everyday entrepreneurs** in unconventional education in the United States — including those who create and operate unconventional learning environments; those who offer content, platforms, and programming utilized in out-of-system learning environments; and those who provide resources and support to families or contribute to knowledge-sharing and collaboration among entrepreneurs in the out-of-system space. With more than 2,000 investments made and nearly \$24 million disbursed, VELA has supported entrepreneurs who have reached more than 6.5 million learners and families. VELA's active and engaged community provides a unique opportunity to better understand the rapidly growing unconventional education sector.

In response to its community's desire to learn from the business practices and models of other everyday entrepreneurs leading unconventional learning environments specifically, VELA conducted a survey of this segment of its community in the fall of 2022. This report shares valuable insights about how entrepreneurs are building sustainable programs that attract and serve a growing number of families. Consequently, the findings are valuable for entrepreneurs, learners, families, funders, policymakers, and anyone interested in the future of education.

KEY TERMS

unconventional education: innovative learning and education offerings that are separate from the conventional public, private, and charter systems of education

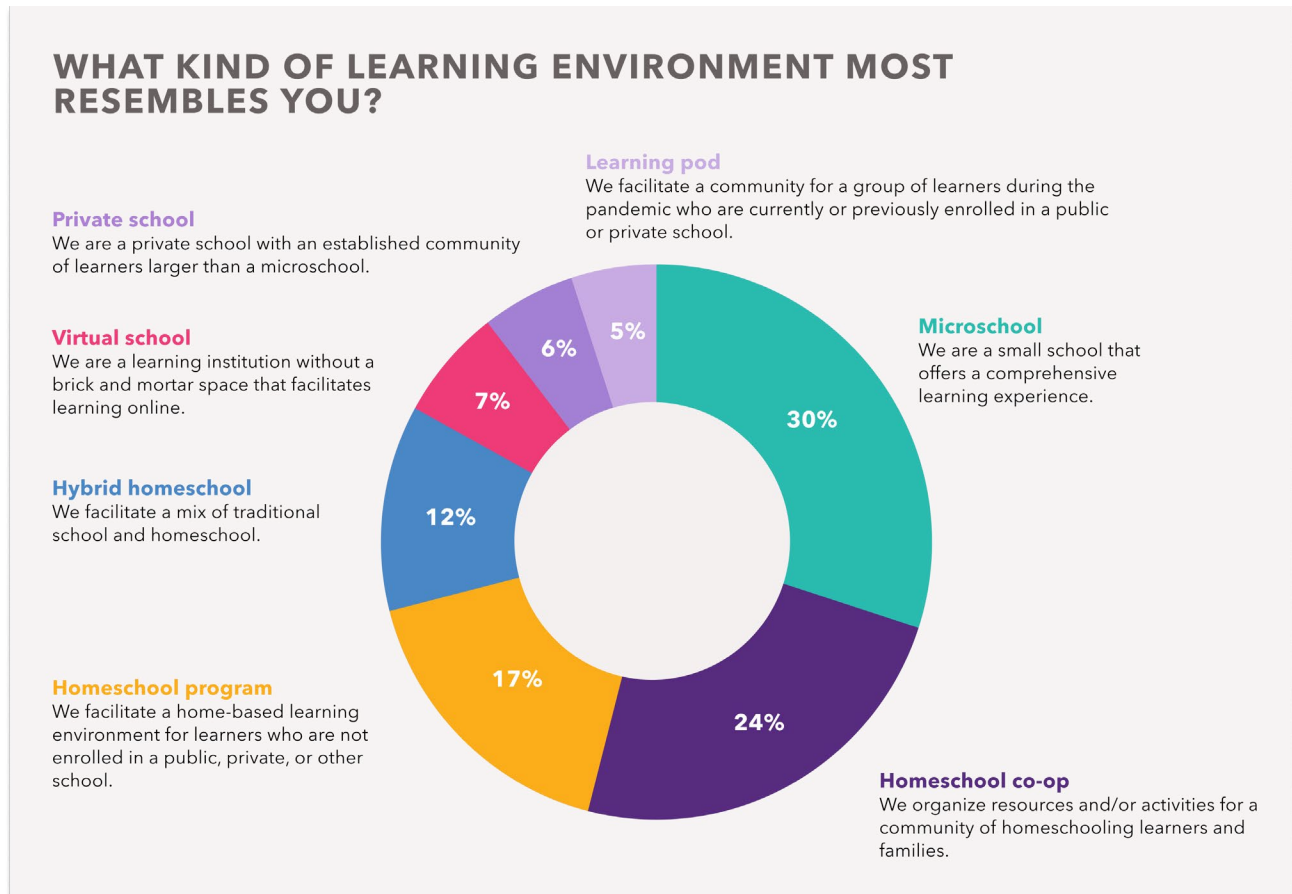
everyday entrepreneurs: the students, parents, educators, and community leaders who are transforming the future of education from the ground up

Methodology

In the fall of 2022, VELA conducted an online survey of 413 VELA grant recipients who provide an unconventional learning environment serving multiple families. The goal of this survey was to explore grant recipients' business models; for example, how they design key operations, their sources of revenue, and their primary expenses. Survey questions were designed with input from discovery interviews with grant recipients and polls in our online community forum. Identifying information has been redacted to preserve confidentiality.

Setting the Stage

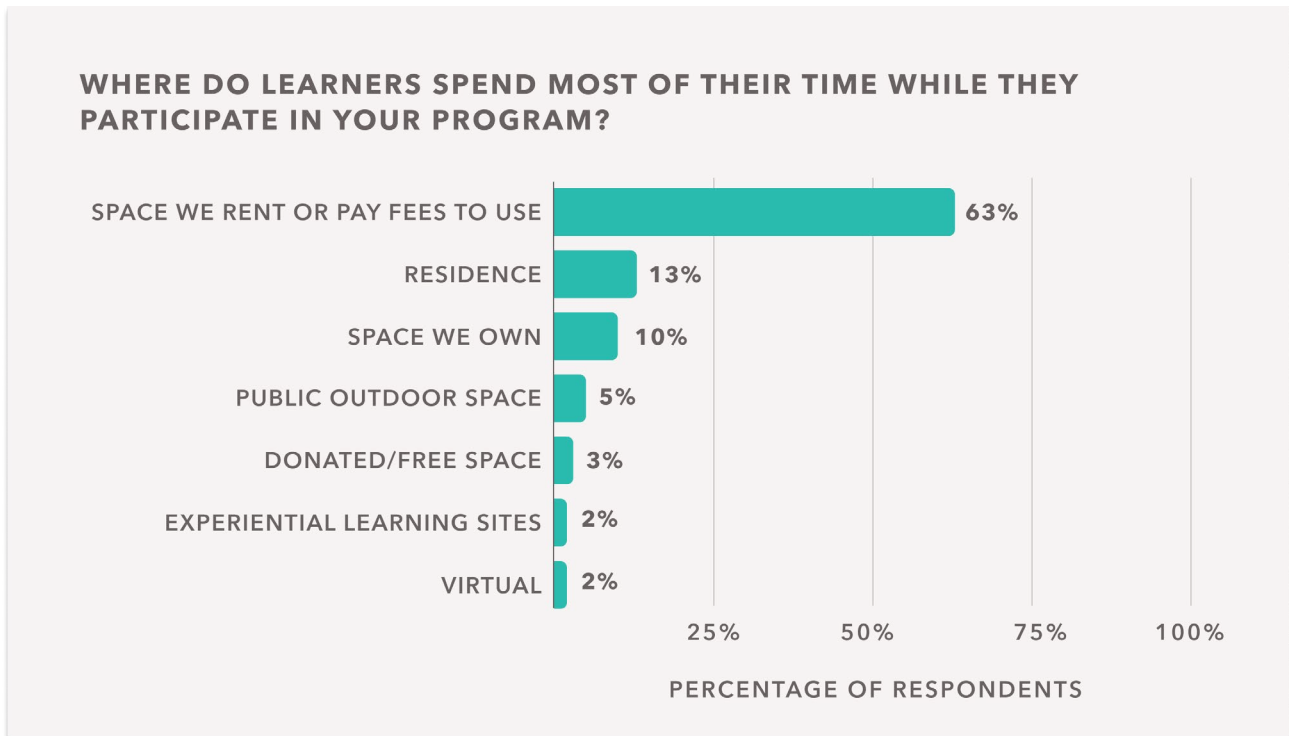
Unconventional learning environment models are varied. The plurality of survey respondents self-identify as microschools (small schools that offer a comprehensive learning experience), followed by homeschool co-ops (which organize resources or activities for a community of homeschooling learners and families). The survey responses are reflective of VELA's grant recipient pool as a whole. The majority of respondents (61%) offer the primary learning environment where learners spend the majority of their time.



Learning happens everywhere

When learners participate in unconventional environments, they spend their time in a range of spaces and facilities. Unlike traditional schools, few programs own their own facilities. The majority of programs (63%) pay rent or fees for their space. Of those, 45% rent from churches or other faith-affiliated spaces, 33% lease from an individual or company, and 20% pay fees to use spaces like libraries, community organizations, nonprofits, or schools.

Smaller numbers (13%) operate in homes (either the operator's home, or the learner's home for virtual learning), and 10% of programs own their space. The remainder operate primarily from public outdoor spaces, donated or free space, or experiential learning sites like museums, zoos, commercial or corporate sites, or homesteads. For those operating primarily at experiential learning sites (2%), most programs report that they always or sometimes pay for access to those sites.

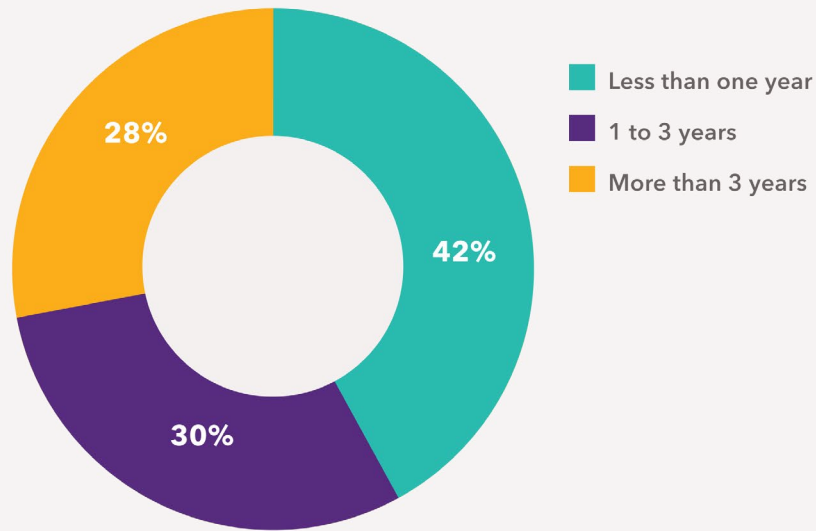


Sixteen percent (16%) of programs share space or have a cooperative space with another unconventional learning program. In 20% of programs, learners spend most of their time outdoors. Outdoor time is even more common in specific program types. For example, about one third of surveyed homeschool programs and private schools spend most of their time outdoors.

Programs are young and striving to grow

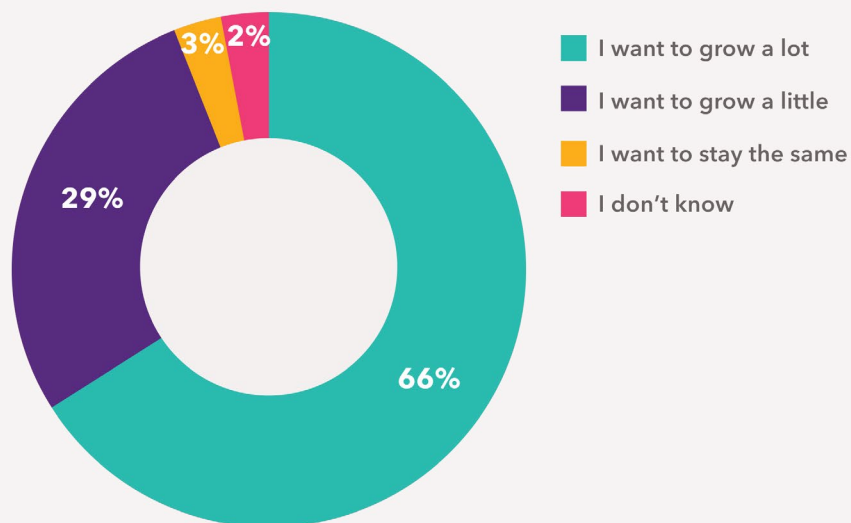
The programs VELA grantees operate are relatively young. At the time of receiving their first VELA grant, the plurality of programs (42%) had been operating for less than a year, 30% for one to three years, and 28% for more than three years.

AT THE TIME YOU GOT YOUR FIRST VELA GRANT, HOW LONG HAD YOU BEEN OPERATING?



In reflecting on their organizations' size, reach, and operations, nearly all (95%) respondents say that they want to grow — 66% want to grow a lot, and 29% a little. Clearly, these entrepreneurs are driven to serve even more learners and families than they already are.

WHAT ARE YOUR HOPES FOR YOUR ORGANIZATION'S SIZE, REACH, AND OPERATIONS?



The programs included in this report represent a wide range of learning environment types, from homeschools and microschools, to hybrid, virtual, and co-op learning environments. And most of these programs are young — having existed for three years or fewer. Consequently,

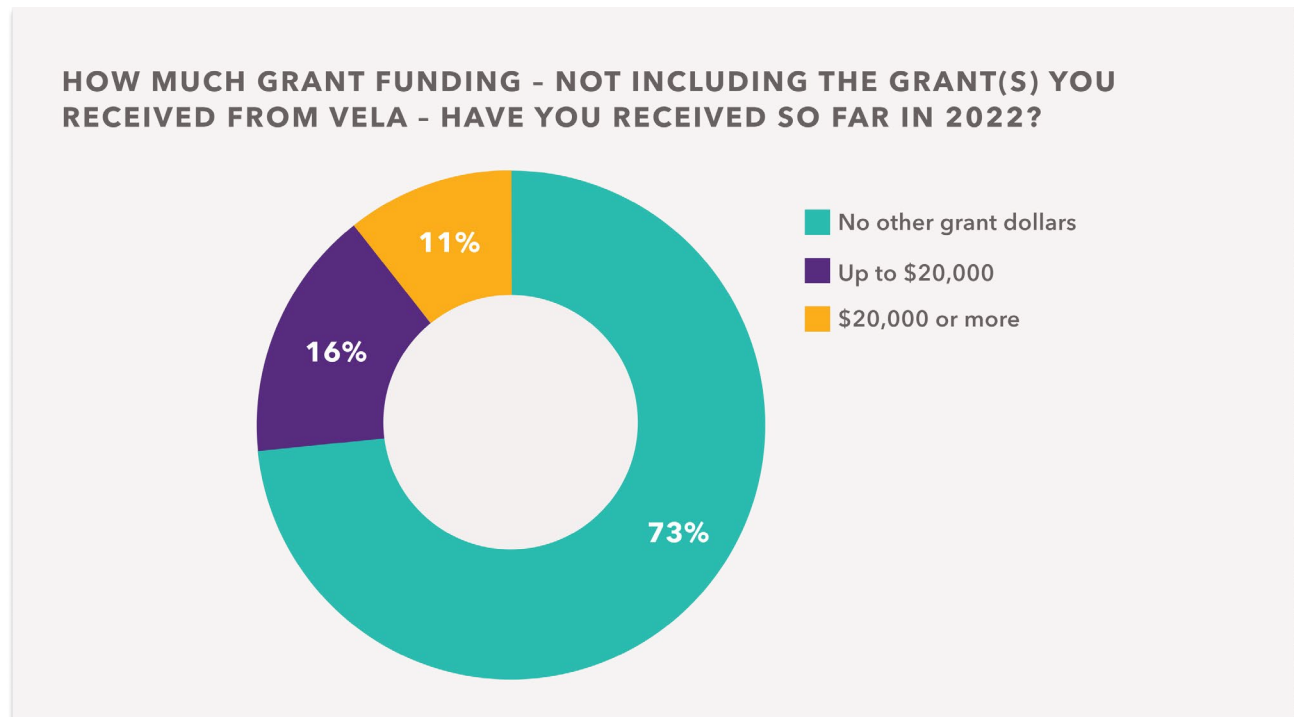
the perspectives captured in this research offer unique insights into the business of everyday entrepreneurship in unconventional education, and the following sections will illuminate three key learnings.

KEY LEARNING 1: **Entrepreneurs are building their programs from the ground up — with minimal external funding.**

One of the challenges entrepreneurs face when working to bring their ideas to life is funding. This is true in the unconventional education sector, as well, where everyday entrepreneurs work to secure the revenues they need to survive and grow. For respondents, external (non-participant) sources — such as grants, loans, public funding, and fundraising — featured less prominently as part of their total revenue than one might have expected.

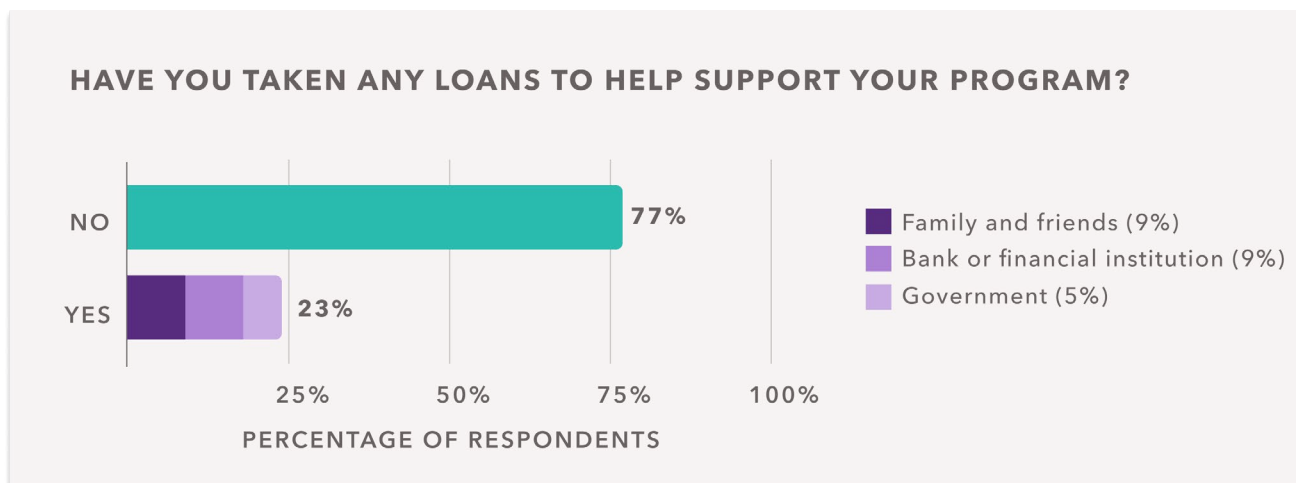
Grants are not a sizable source of funding

Grants — from foundations, individual donors, corporations, etc. — represent one way entrepreneurs can acquire the funds they need. For respondents, however, grants did not constitute a sizable portion of their funding. Seventy-three percent (73%) of respondents said that they had not received any grant dollars in 2022, outside of their VELA grants. Of the 27% who had received another grant in 2022, the median amount was \$11,500, and the range was \$100 to \$300,000.



Everyday entrepreneurs in unconventional education are not seeking loans

In addition to grants, loans are an option for entrepreneurs looking to launch and build their programs. Interestingly, the overwhelming majority of respondents did not attempt to get a loan (72%), and 5% tried but could not secure one. Only 23% of respondents reported that they had received a loan. Of those, most loans were from family and friends (39%) or a bank or financial institution (39%), with 22% of loan recipients receiving a loan from a government source.



Public funding plays a limited role in program funding

Another funding option for entrepreneurs looking to build their organizations is through public sources. Only 10% of respondents reported that public funding was a source of revenue, though this figure might be higher than typical due to the availability of pandemic-related funding. Of those who received public funding, the majority (68%) reported that funding was education-specific, for example, state scholarship and voucher programs. More than half (55%) reported that the public funding was related to COVID pandemic relief and recovery, for example, funds from the Paycheck Protection Program (PPP) or the CARES Act. A tenth (10%) reported that their public funding came from sources not focused on education (e.g., support related to foster care, family services, workforce development, or apprenticeships).

Some entrepreneurs use fundraising to fill gaps

Though it rarely represents a sizable proportion of overall program revenue, fundraising was reported by 41% of respondents. The majority (77%) reported that they focus their fundraising efforts on donations from individuals that they know well, but also seek donations from the general public (63%) through their websites or social media, or from community businesses and organizations (61%). About half of respondents organize specific campaigns for fundraising initiatives (50%); others host local fundraising events (48%).

How do you fundraise?

Donations from people	77%
Donations from general public	63%
Donations from community businesses or organizations	61%
Campaigns	50%
Local events	48%

One respondent shared:

*“Our dues are based on our costs, it’s a direct pass-through based on a program size of 40 kids. We currently have 30 kids so **the difference is made up from fundraising** and some of us paid our annual dues up front to help cover costs initially.”*

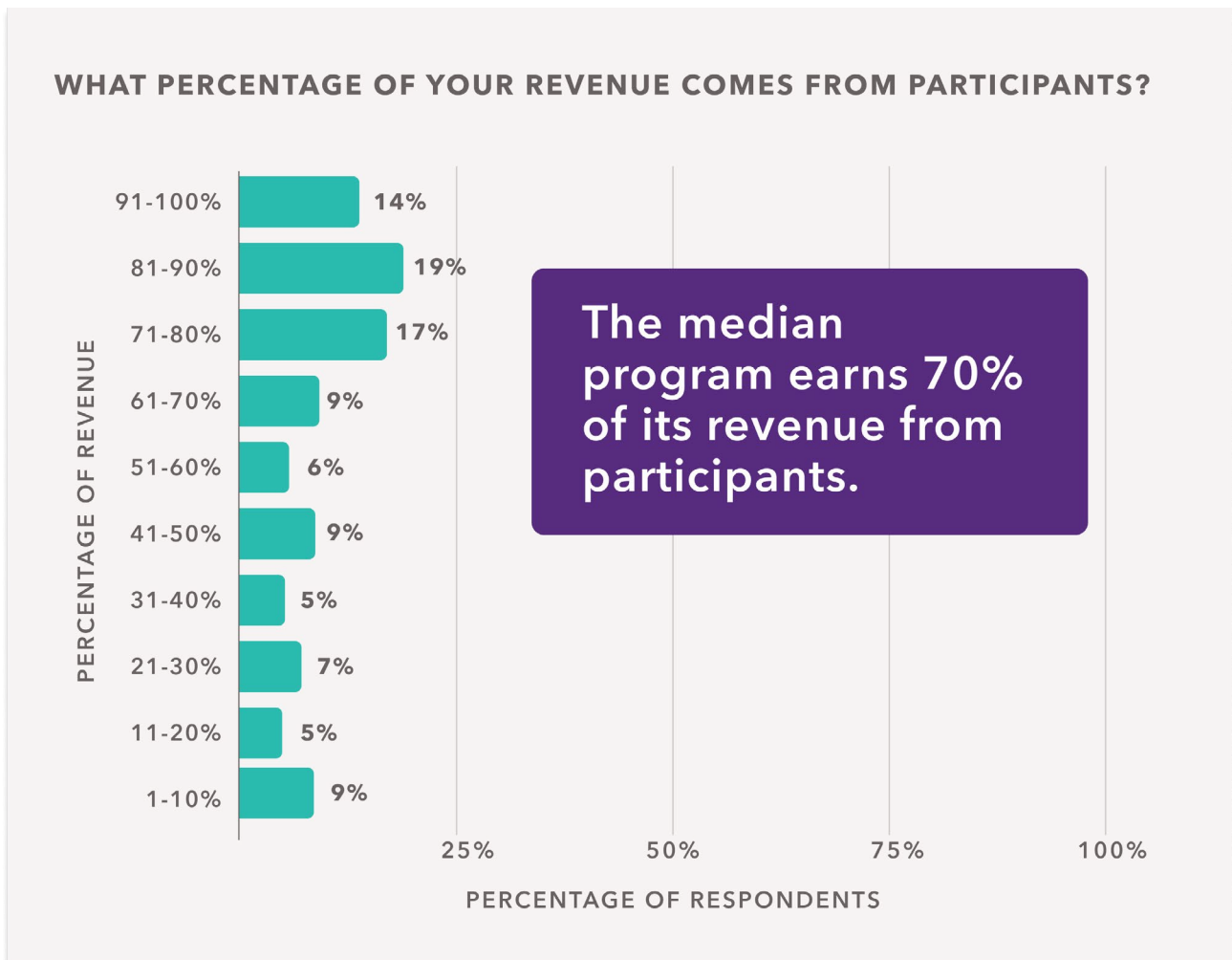
KEY LEARNING 2:

Entrepreneurs are resourceful, getting most of their revenue from participants.

Entrepreneurs, regardless of sector, often engage in bootstrapping their businesses. That is, they are not reliant on investors and large amounts of outside capital; instead, they rely on their own funding, funding from friends and family, and sales. To acquire the resources they need to survive and thrive, entrepreneurs in the unconventional education sector are contributing their own resources, charging tuition and fees, and selling products/services.

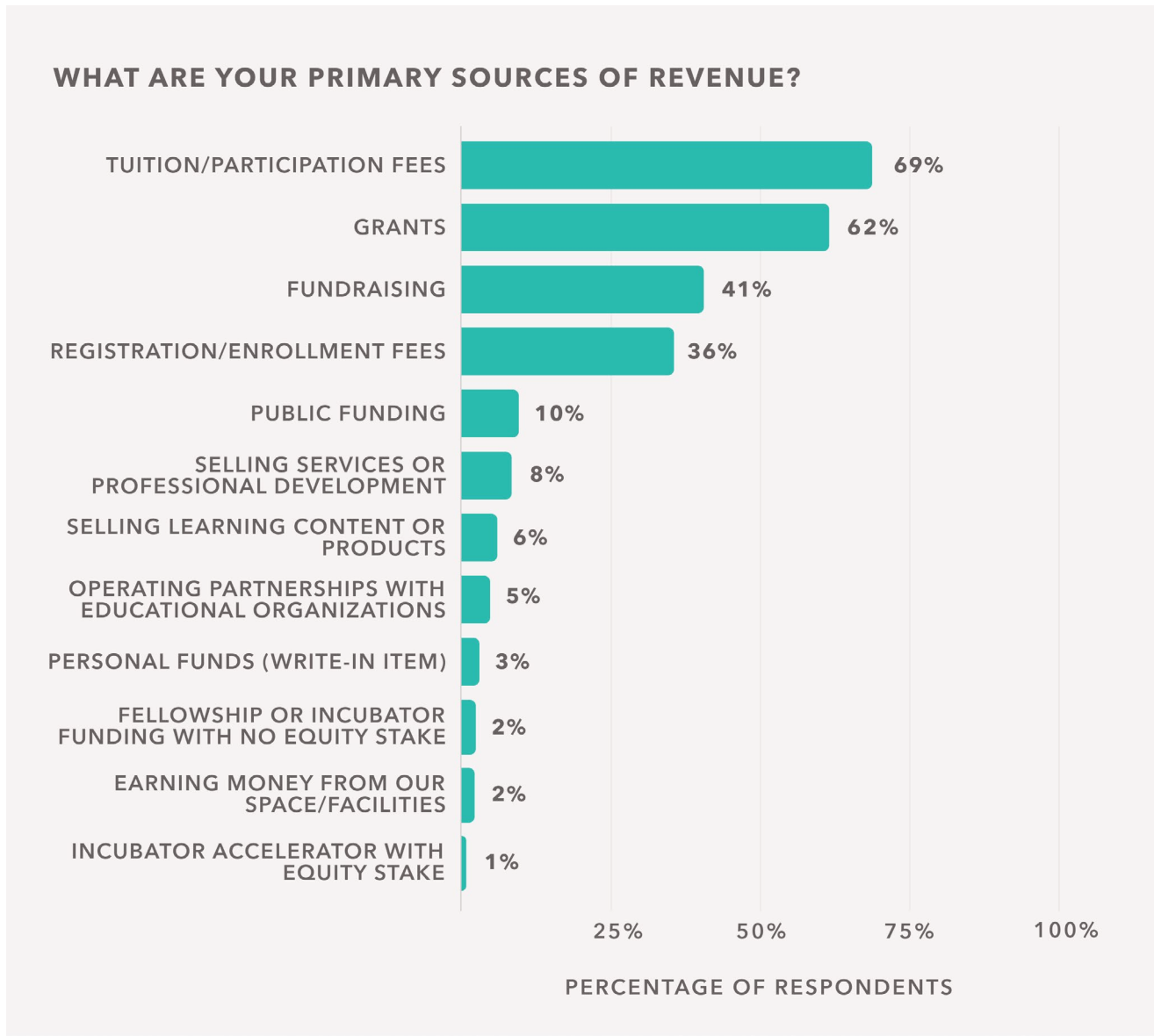
Participant-based tuition and fees drive revenue

An impressive 84% of respondents earn revenue from participants (e.g., tuition or programming fees from learners, families, or community participants), and half of those earn at least 70% of their revenue from participants. Of programs earning revenue from participants, one-third earn more than 80% of their revenue from participants. Clearly, participant revenue sources are sustaining these young, small organizations.



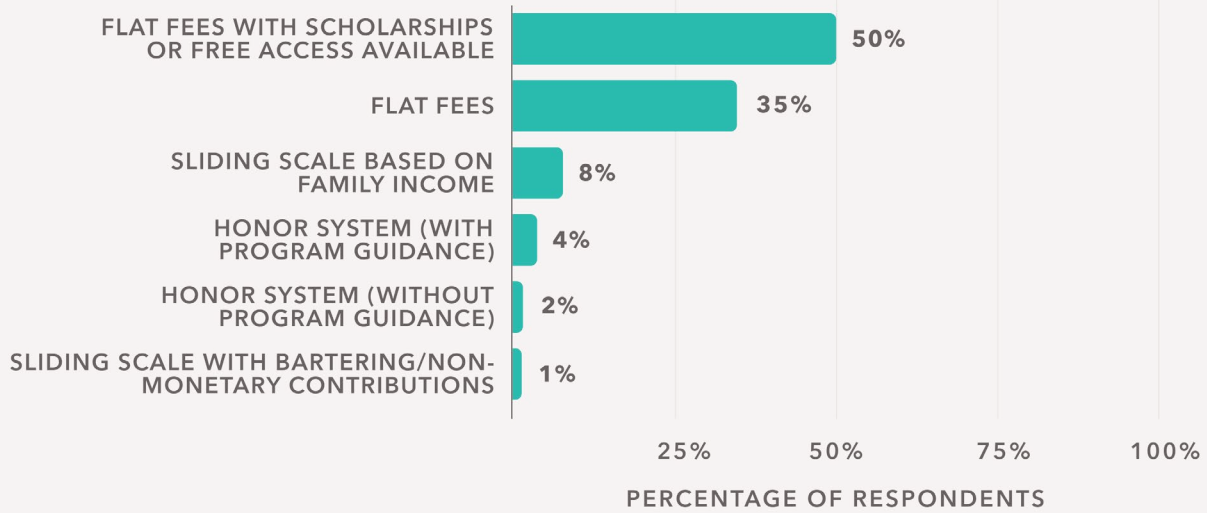
Sixty-nine percent (69%) report that tuition and participation fees are a primary source, as well as 36% of respondents who noted that registration and enrollment fees from participants are a

primary source. Programs also earn revenue by selling professional development services (8%) or learning content (6%) directly to customers.



Tuition was the most reported source of revenue; however, these programs structure their tuition and participation-fees models in various ways. Thirty-five percent (35%) of programs have a flat fee structure with no discounts, while the majority do offer reduced-price support. Half of programs (50%) offer full or reduced-price scholarships. Less than 10% report using sliding scale models based on family income or in-kind bartering (e.g., with services or materials). Six percent (6%) of programs have honor systems in which the family decides what to pay, and it is more common than not for the program to offer some guidance to families.

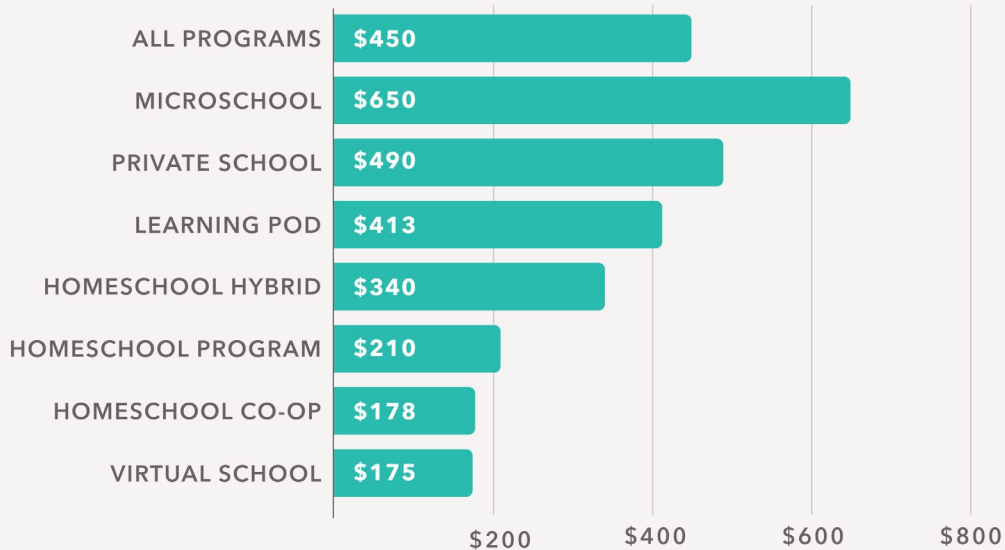
WHAT IS YOUR TUITION/FEE MODEL?



Programs structure the unit of payment and frequency in a number of ways. The most common is on a monthly basis (40%). Nearly a third of programs use some combination of frequencies: annual, semester, month, or payment by unit (e.g., participation hours). Fifteen percent (15%) of programs charge only on a participation (e.g., hours or pay as you go) basis. See the appendix for examples of payment frequencies.

Some programs, based on their reported tuition frequency or frequencies, provided a projected tuition. By asking for rough tuition figures, we aimed to explore pricing models in a rapidly changing market, while also recognizing that these are estimates. The median monthly tuition per learner is \$450, with some variation across program types.

MEDIAN MONTHLY TUITION PER LEARNER



Selling products and services augments revenue

In addition to tuition and participant fees, 14% of respondents also report selling products or services to generate revenue. Six percent (6%) of programs report earning revenue by selling learning content as a product, such as curriculum or learning kits. Many describe their individual offerings as curriculum, but they also sell custom content and/or student work.

Programs report that their purchasing customers are primarily homeschooling families (72%), homeschooling programs, co-ops, or hybrid programs (64%), the general public (64%), other unconventional education programs (52%), or schools or school systems (48%).

What content do you sell?

"We have an early elementary educational literacy program, developed for K-2 (Building a Sound Case for Emerging Readers) that is rooted in the Science of Reading (SoR). We developed this just ahead of COVID. We are now ready to launch this program. It has a 6-hour training component that is included in the cost of the kit for parents or educators who are concerned their child/children aren't reading."

"I create and sell a nature study curriculum that we utilize in our on-site nature school program."

"We design and sell custom educational puzzles and sell them as puzzle and book bundles. Graphic design and puzzling is a part of our learning design."

"I custom create interactive curriculum for learners of all ages and abilities. I include workbooks, reading books, interactive games, online links, and access to virtual tutoring with me."

"We sell published anthologies of our students' stories as well as copies of our curriculum-game."



The Black Apple

After spending years as an educator, Andrea Bazemore began to see the potential of alternative approaches to learning and curriculum that better meet students' needs. Throughout the COVID-19 pandemic, she offered a culturally responsive virtual learning program tailored to underrepresented and neurodivergent students. To meet demand, she began opening hybrid microschools in public libraries, and she now operates 4 microschools in the broader Dallas-Fort Worth area. Through her company — the Black Apple — she also began creating and selling her own curriculum, with curriculum income as a source of revenue for her school programs. She also offers scholarships and a sliding scale tuition model based on family engagement.

Eight percent (8%) of programs report earning revenue from selling professional development or services. Customers for their services are primarily educators or leaders in other nontraditional programs (70%), and 24% sell services directly to parents or families.

What services do you sell?

“Our services include leadership coaching through virtual, digital, and on-site platforms. The Socially Conscious Leadership Program provides training in community outreach, entrepreneurship, business operations, recruiting and hiring, sales, and business culture development. As a partner with other industry professionals, we are growing to expand our reach to high schools, community college, and university students seeking leadership training. I am also partnered with a local non-profit to reach the underprivileged community in my local area.”

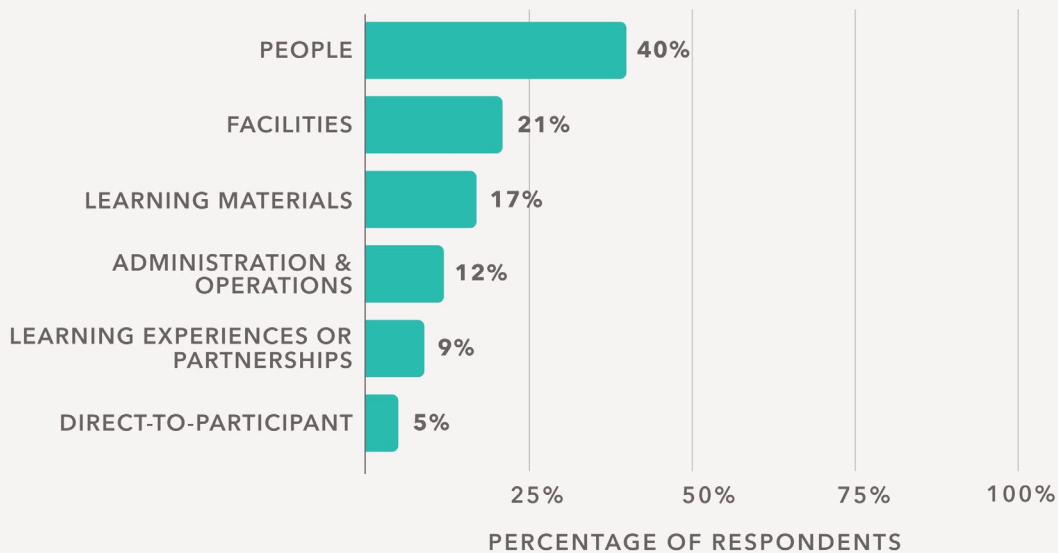
“We prepare educators in any educational setting to teach children who struggle to learn to read, write and spell, especially those children who are dyslexic (5-18) with research-based knowledge, instruction, and guided practice. We are also qualified to qualify Academic Language Therapists, nationally accredited, to teach children privately, who are dyslexic or who struggle to learn to read, write and spell.”

“We are a virtual agency providing post-secondary counseling and registrar services for micro/homeschool communities.”

Entrepreneurs are economical — spending and saving thoughtfully

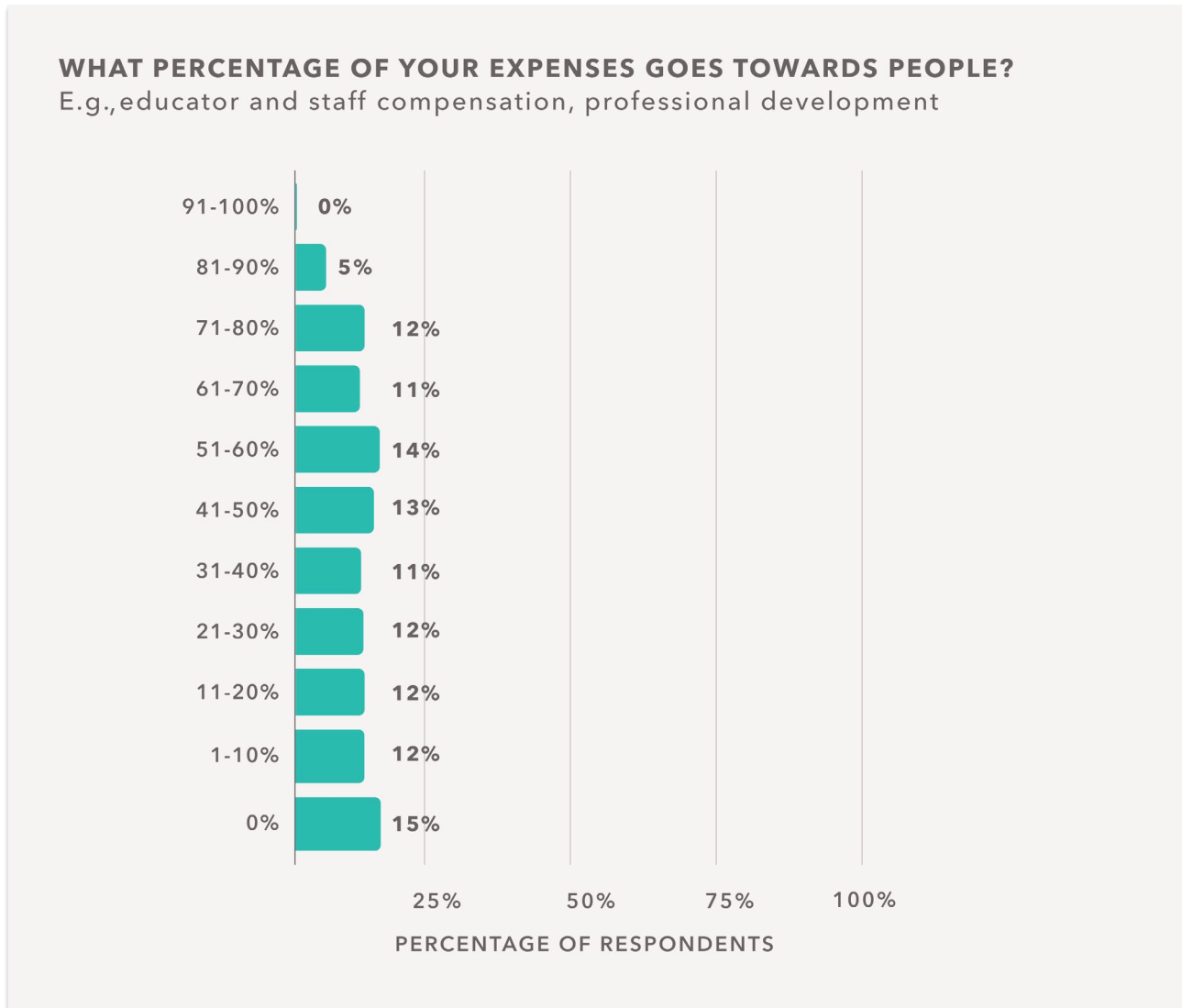
We asked respondents about how they spend money, across a range of categories. On average, people (i.e., staffing) was the expense category that consumed the greatest amount of respondent expenses (40%). Twenty-one percent (21%) of respondent expenses are spent on facilities, followed by learning materials (17%), administration and operations (12%), learning experiences or partnerships (9%), and direct-to-participant (i.e., learner stipends, participation prizes; 5%).

ON AVERAGE, WHAT PERCENTAGE OF YOUR EXPENSES EACH YEAR ARE IN EACH CATEGORY?



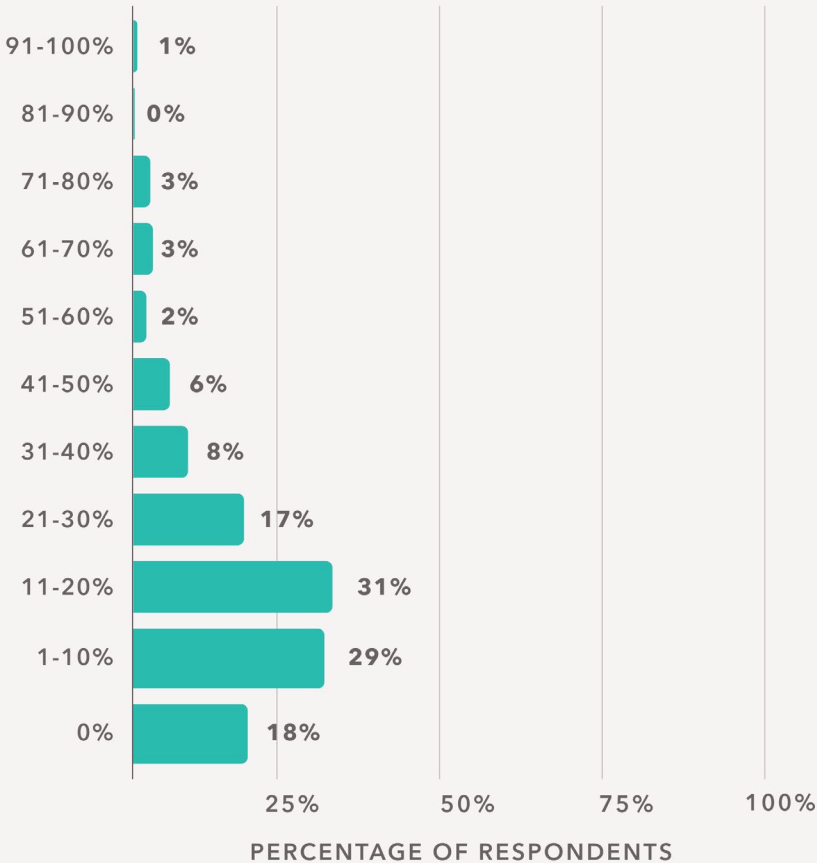
Data note: the data displayed is the average within each expense category, and therefore does not sum to 100%.

On the whole, people are the largest expense for a plurality of organizations. This is also the most variable of the expenses reported. Among organizations that spent between 0% and 80% of their expenses on people, approximately equal numbers of organizations spent, for example, 15%, 25%, and 75% of their budget on people, producing a relatively uniform distribution overall. By contrast, other expense categories have considerably less variation (e.g., facilities), reflecting the consistency with which programs spent money in these categories.

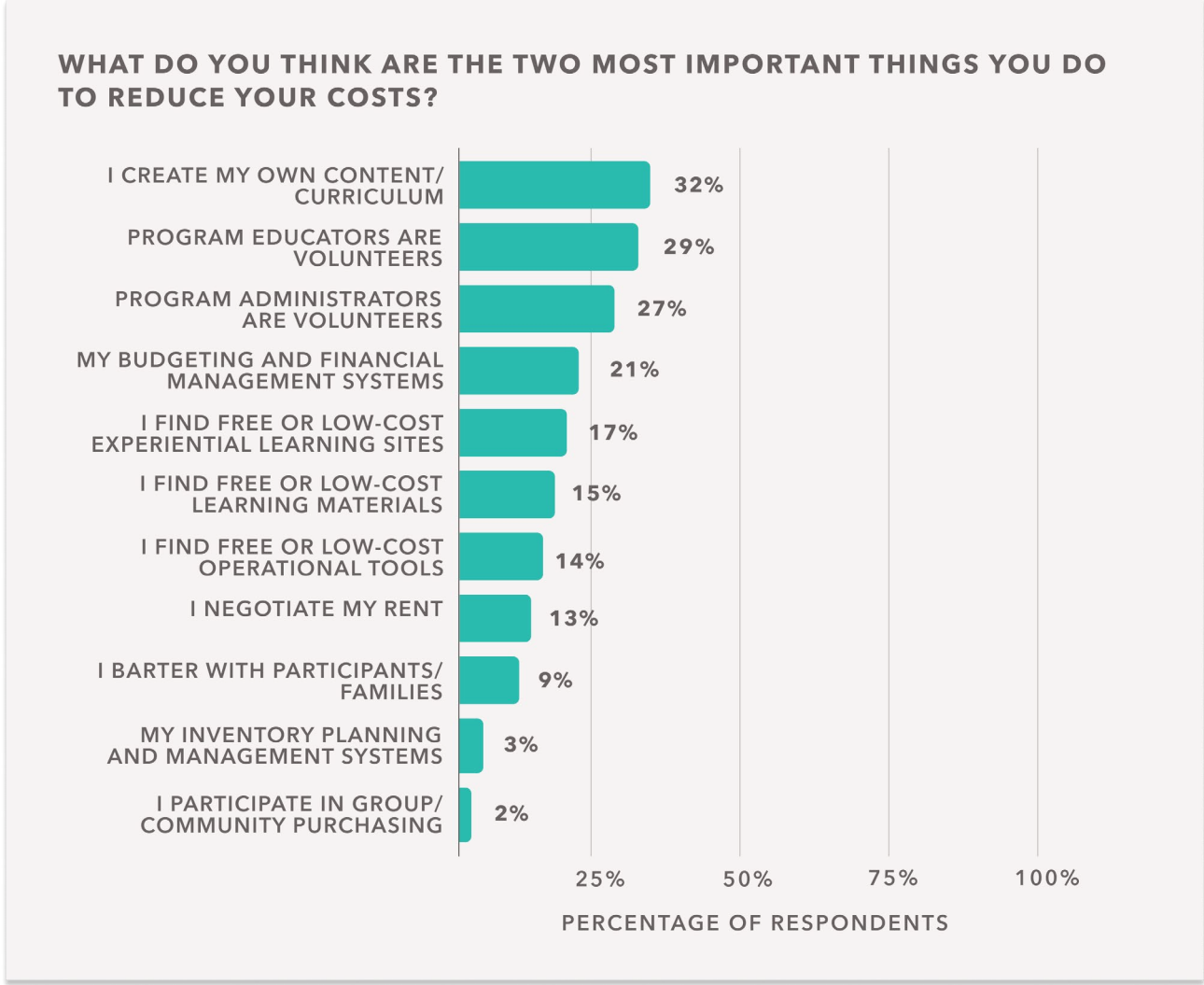


After people, the second largest expense across categories is facilities, which includes items like rent and utilities. On average, 21% of expenses are spent on facilities.

WHAT IS THE PERCENTAGE OF YOUR EXPENSES SPENT ON FACILITIES? E.g., rent, utilities



Entrepreneurs are cost-conscious operators who want to efficiently deliver valued services for their customers. When programs were asked about the two most important things they do to reduce costs, the top responses were creating their own content and/or curriculum (32%), relying on volunteers as program educators (29%), and relying on volunteers as program administrators (27%). These strategies free-up key resources to be used elsewhere throughout the program, stretching their dollars to better-serve learners and families.

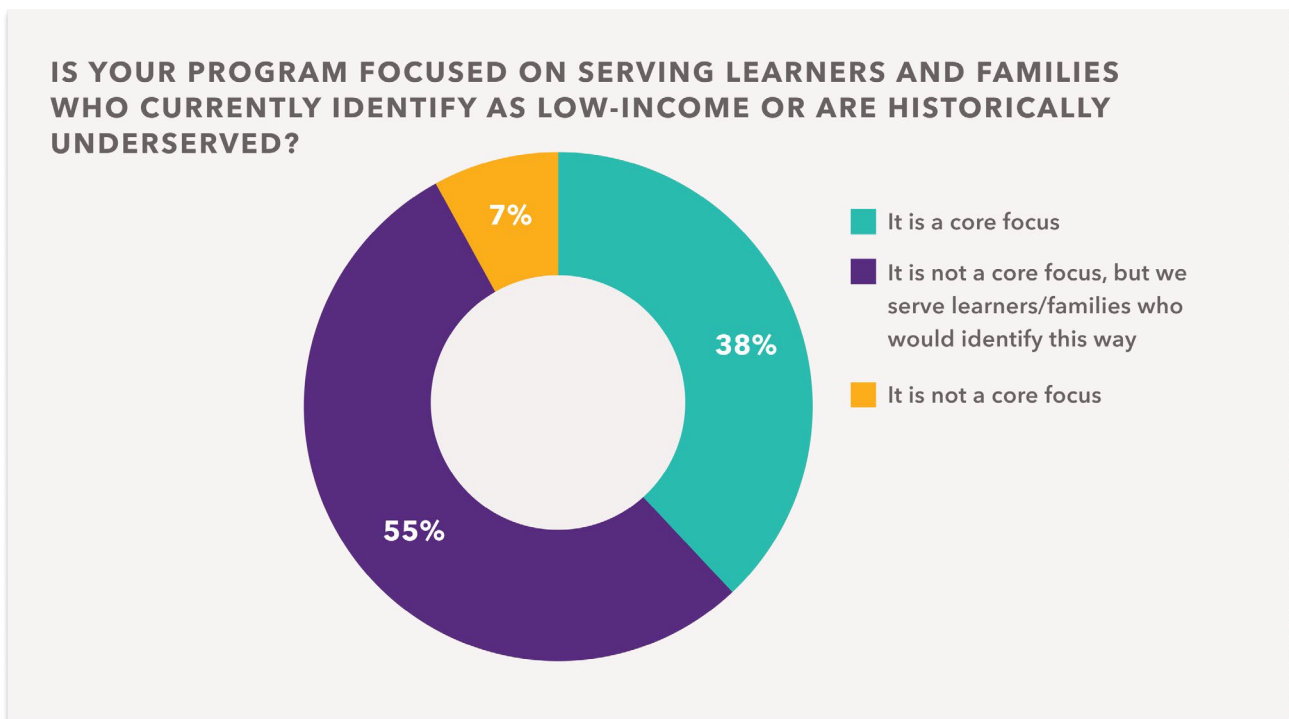


KEY LEARNING 3: Entrepreneurs are using business models designed for access and flexibility.

All entrepreneurs need to be creative in order to survive. They need to design their products, services, and business models to connect with their users and customers. For everyday entrepreneurs in unconventional education, the same is true: they need to understand the needs of their participants and deliver a satisfactory experience in a sustainable way. Respondents are creatively doing this, embracing the myriad ways families can contribute to “pay” for programs — including teaching, maintaining facilities, providing goods/materials, and more — which makes these programs more accessible for everyone. Money is not the only way to pay to participate, and entrepreneurs are demonstrating how this kind of exchange happens in unconventional education — expanding and enabling access for learners and families, regardless of their means.

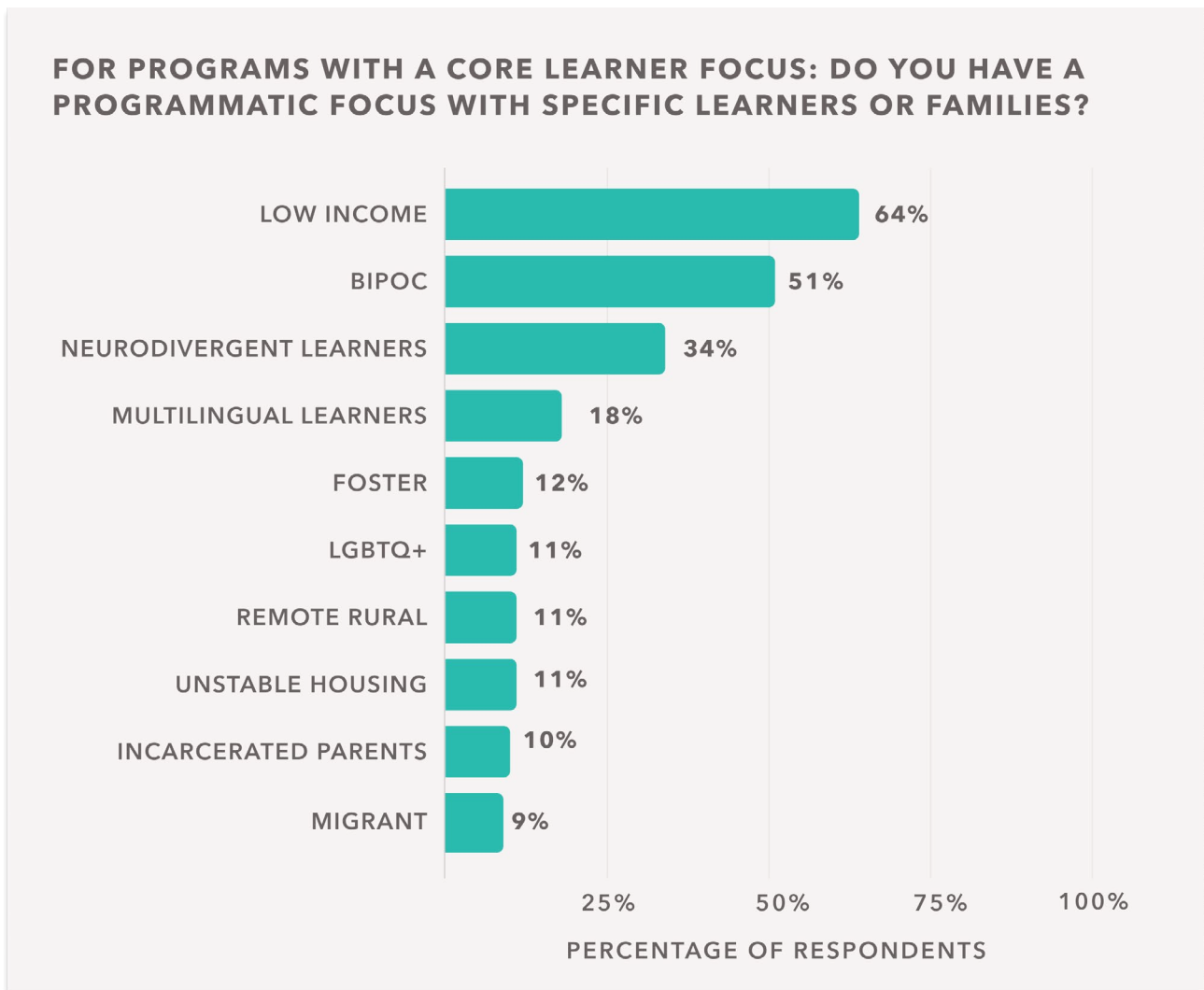
Programs are serving diverse learners and families

Entrepreneurs are deeply connected to the communities they serve, attracting a diverse population of learners and families. More than 93% of programs currently serve learners or families who are low-income or are historically underserved. More specifically, 38% of programs report having a core programmatic focus on serving learners and families who identify as low-income or are historically underserved. This focus on underserved populations was even higher for virtual schools (70%), learning pods (65%), and homeschool programs (43%).



Among these programs with a **core** focus on serving low-income or historically underserved students, many focus specifically on programming for low-income learners (64%), BIPOC learners (50%), neurodivergent learners (34%), and multilingual learners (18%). Programs that focus on serving learners from migrant families, learners in foster care, LGBTQ+ learners, remote rural

learners, learners with incarcerated parents/guardians, and learners without homes or with unstable housing each account for approximately 10% of the total. Additionally, individual programs noted their specific focus on girls, gifted learners, single parent homes, learners with physical special needs or medical disabilities, and survivors of domestic violence.



Programs are responsive, using bespoke models

To meet the needs of learners and families across a range of demographic and socioeconomic circumstances, entrepreneurs are designing and using models that expand access. The following selected elements emerged from an open response survey question that asked respondents to elaborate on their model, in their own words. Additional elements are included in the appendix.

Programs acknowledge financial need and provide support

Most programs offer some kind of financial support or tuition assistance, ranging from minimal financial aid to full tuition. The support systems that programs had in place were often trust-based, based on an honor system or a pay-what-you-can approach. One program described a “free will donation,” based on what the family could afford. Other respondents described financial applications, formula-driven rate calculators, the need to income-qualify for aid, and other fee reduction processes.

"We work on a **sliding scale** based on the families needs, there is no enrollment or registration fee and no contract or commitment. **Families pay what they can when they can as often as they can**, we accept any form of donation from food to classroom materials in lieu of financial payment. The **maximum any family pays is \$30** per day which includes all materials and transportation several times per week."

"We offer a **scholarship program that offers discounted or free tuition** to those interested in our program that cannot afford our tuition rates. **Families looking for scholarships must income qualify.**"

Many described their flexibility, sharing about sliding scales, scholarships, and using approaches such as prorating costs or enabling families to pay less initially, then increase over time. To help with costs, programs have encouraged families who could pay in full to do so; have used family minimum and maximum cost structures; and have described helping families financially by having administrators take lower salaries.

"We offer **need-based partial scholarships to low-income families** (ranging from 20-50% off tuition) but believe it's important **everyone pays something**, so no one is 100% free."

"We offer **need-based assistance model** in which **caregivers who cannot pay full price identify what they can pay each month**, and we determine the extent to which we can meet the need - to date we have fully met all needs thanks to **administrators accepting salaries of only 10% full-time equivalency** (which we accounted for in our budget projections)."

Programs offer wide-ranging discounts

To reduce costs for learners and families, many programs provide discounts. Respondents mentioned discounts such as sibling, large family, referral, returning student, and particular professions (e.g., first responders, teachers, pastors). Others described discounts for learners and families paying in full, paying early, and paying with cash or check. And still other respondents noted discount codes, point systems, and consumption discounts.

"\$1000 monthly, with **10% sibling discount for 2nd and subsequent siblings**, paid for 11 months of programming. **Option to pay annual total with additional 10% discount to total.**"

"**Discounts are given for first time responders, educators, and pastors.**"

"**We offer 'big family' and '10 classes for 10% off' discounts** as well as scholarships based on financial need."

"There are **discounts available for siblings and if paying by cash/check** so I don't have to pay credit card fees."



Acton Academy at Serenbe

When the Children's House at Serenbe began experiencing significant growth, it knew its unique learner-centered model was something families wanted. The Montessori-inspired program expanded to serve learners ages 2 months through 18 years, and it ultimately affiliated with the Acton Academy model. The school is now in the process of opening a first of its kind, environmentally-friendly campus to meet demand. The school by-laws explicitly state that at least 25% of students will receive need-based scholarships. The primary way they do this is through the Apogee Georgia School Choice Fund, a qualified education expense credit program that supports student scholarships via Georgia tax payers who wish to support alternative educational opportunities.

Programs accommodate learners and families with various scheduling options

Unlike conventional education, which relies on compulsory six-to-seven hours per day, five days per week, unconventional education programs offer learning experiences at varying times, on different days, throughout the week and month. Respondents noted that cost varies by schedule, with programs offering half-day and full-day options; full-time and part-time options; hybrid options; full-use, medium-use, and limited-use options; and a range of options from one to five days per week.

*"Learners enroll for **2-3 sessions per week at 2-3 hours per session for 9-10 months.** The program fee ranges from \$120-\$220/month per child or family based on income and need."*

*"**Full Time** is \$800 per month, **3 days a week** \$600 per month, **2 days a week** \$400 per month, **1 day a month** \$200 per month. **Part-time days (1 day)** are \$90 per month."*

*"Monthly payments-tuition based. Parents also pay for curriculum fee at the beginning of the year. **5 days a week. Full Time 35 hours \$50 a day. Part time 14 hours.**"*

Programs offer pay-by-learner and/or pay-by-family, based on financial circumstances

Some unconventional education programs make it possible to pay by learner and/or by family. Based on the offering, the number of learners registered, and/or the needs of families and learners, programs offer several different models.

*"I either negotiate a **flat rate divided by the amount of learners, a maximum group number with an already set amount per learner, or a price per family** depending on the situation."*

*"Our tuition is \$350/Month but for families that qualify it is \$150/month. If families still struggle with this we have a modified program completed from home that is \$75/month or \$50/month (**Our lowest income families pay \$50/Family/Month instead of by child.**)"*

"Parents choose between three tiers: \$350, \$250, or \$60 per month. The \$60 per month

tier parents volunteer to teach. The \$60 and \$250 tier parents pay for materials. The highest tier does not and **each price is per family, not per child.**"

Programs barter and accept goods/services as currency

Some unconventional education programs make it possible for learners and families to reduce their tuition bill through exchange. For some programs, learners and families can barter goods (e.g., food, hay) or services (e.g., plumbing, carpentry) to reduce their costs. Other programs provide tuition discounts for family members who teach, volunteer, or plan trips.

"Parents are given the opportunity to teach or be involved in some way to cover or offset their costs. I also had 5 students have free tuition this year."

"\$350 per student with a \$1000.00 family limit for the entire year's worth of curriculum. Plus, **tuition credit for moms who teach."**

"I barter \$\$ with families for guiding hours (teaching), services (plumbing, electrician, carpentry work), and goods (food, hay/straw for animals, animals and upgrades to the property)."

"They can pay monthly, trimesterly, or annually. **There is a tuition break for parents who are educators or passionate professionals who would like to be more involved."**

"We have a flat fee for families who can afford our monthly membership fees, but then other families are "pay what you can" or **barter services for monthly membership like cleaning the office, volunteering to do office work, or work at events, etc."**



Bramblewood Academy

Bramblewood Academy is a hybrid co-op located on a farm in Hilltown, Pennsylvania. They offer a mix of project-based learning, Socratic discussions, and real-world activities. In order to maintain flexibility and meet the financial needs of families, they offer a 2-day/week program with a volunteer-based tuition structure. Parents are not expected to be teachers, but they are encouraged to volunteer in other capacities. Parents who volunteer one day/week receive an almost 50% discount, and those who volunteer for a half-day/week receive a sizable tuition discount. Not only does volunteering reduce total cost for families, but also parents benefit from the increased buy-in and sense of community. The program tuition is capped at \$230/month, and they also offer additional discount rates for siblings.

Programs utilize business models that are uncommon in education

Unconventional education programs are adopting business models not typically associated with conventional education. For example, programs are using memberships, subscriptions, tiered tuition, and co-op dues, empowering learners and families to select the option that works best for them.

"I charge only \$65 a month for a chosen day of activity each week. Or **I offer a monthly**

subscription of 4 days a week at 2.5-3.00 hour increments for only \$150 a month. I also offer Forest Fridays every Friday 8:30-6:00 for only \$180 a month."

*"We offer a sliding scale that starts at \$1,200/year/learner up to \$12,000/year/learner (with 10 total tiers between those). It is trust-based where **each family chooses their tuition tier**, with some basic guidelines/suggestions that we put forth based on income."*

*"**Families choose two, three, or five day a week memberships**, and pay monthly according to how many days per week their children attend."*

Conclusion

The unconventional education sector is an emerging, dynamic ecosystem. Entrepreneurs in this space are not building programs that are *solutions-looking-for-problems*. Instead, these entrepreneurs know what problem they are trying to solve; they know who they want to serve; and they know they need to create sustainable programs that address the priorities of those learners and families. The current research corroborates this.

The learners and families choosing unconventional education offerings are not monolithic. They are diverse — racially, demographically, socio-economically. Such participant diversity demonstrates that unconventional education is not exclusive in its appeal; instead, it is attractive and compelling for various reasons to various individuals, and future support and engagement of out-of-system learning options should continue to expand and enable access everywhere. There is no one right approach, pedagogy, or program for everyone, and the educational landscape should reflect that.

The entrepreneurs building these nontraditional programs are not deeply reliant on external funding sources, such as grants and loans. Though non-participant sources of revenue are valuable, entrepreneurs are incredibly resourceful (e.g., leveraging volunteer educators and donated space) and creative (e.g., designing business models that prioritize accessibility and flexibility), in the ways they make their programs work. Moving forward, entrepreneurs in the unconventional education space would benefit from ongoing community and support, which strengthens feelings of confidence and belonging and accelerates learning.

The current research merely scratches the surface of what it means, what it's like, and what it takes to create and run a program in the out-of-system space. But there is much more to explore. Future research, for instance, may aim to better understand who everyday entrepreneurs are as program builders and operators, to investigate the "why" behind the business decisions everyday entrepreneurs make, and to examine the barriers and challenges programs face. In the months ahead, VELA is excited to dive deeper into the business of unconventional education.

Appendix

The following business model elements emerged from entrepreneurs' responses to an open response survey question about their business models. Quotes are taken verbatim from those responses, to illustrate the depth and breadth of the models being used. To preserve anonymity, identifying information has been redacted.

Programs serve a range of ages and grade levels

Like conventional education, unconventional programs serve ages from 18 months to 18 years. Some programs serve ages across typical grade levels (PK–12). Others serve a narrower band (e.g., 1st–8th, ages 3–6). Some programs support students in more conventional age-banded grades, and some serve mixed-age groupings. Though some programs do not differentiate their costs, many other programs do, based on the age or grade of their learners.

"Annual Fees (which can be prorated): Registration/Member fees = \$55; CORE learners (ages 18 mo–8 yrs) = \$150; Love of Learning (LOL) Learners (ages 9–12 yrs) = \$200; Scholar Learners - (ages 13 yrs & above) = \$300"

"\$600/ student K-4th with 40 students (28 week program/one day per week). \$700/ student 4th-6th with 30 students (28 week program/one day per week). \$800 /student 7th and 8th with 16 students (28 week program/one day per week). \$250-350 per high school class (28 week program/one day per week). All classes meet one day per week plus \$37 per student annual facility fee"

Programs provide a diversity of offerings

Offerings of unconventional education programs vary widely. Some provide diverse enrichment programming options, including tutoring, sports programs, and field trips, as well as celebratory events like graduation. Other programs have offerings based on time of day (e.g., before and after care), day of the week (e.g., Saturday option), or season of the year (e.g., summer programming). And still others offer child-care or drop-off services, to support families.

*"Families pay a \$100 membership fee (good for a life-time), \$50 enrollment fee and may choose from the following services that best suit their family: **class or classes** for \$10/class, \$5/social club session, **preschool program** is \$90 or \$120/week, **tutoring** is \$50/hour and **before and after care** is \$15/hour and the supply fee for the classes is \$15/month."*

*"We desire to keep cost low for low-income families or families with multiple children. We do offer Monday Fun-day **child-care** for our students with families who need it."*

*"We have a \$60 annual membership fee per family to gain participation privileges for as many or as few activities as they want. **Enrichment classes** are 10 Tuesdays a semester, 4 hours offered, pick up to three, with class fees to cover materials only, ranging from \$5 to \$100. **Sports programs** vary by season, but only require uniform purchase financially. Both of these major activity areas are volunteer lead and require parent participation to be involved. Other varying 'one hit' activities may or may not have a fee associated (**field trips**, prom, **graduation**)."*

Program offerings vary in duration

Unconventional education programs offer courses and sessions at various durations, which allows learners and families to select what works best for them. Some programs offer distinct units or sessions that run anywhere from four weeks per unit to 28-week sessions. Other programs are structured in terms of months (e.g., six, nine, ten, twelve).

*"We have **4-week units**. Each unit cost \$330 total which can be paid biweekly. We offer a 25% sibling discount. This tuition includes 4 classes a week, learning kit, and student accounts for IXL, KidsAZ, and Scholastic."*

*"Our classes range from 50 to 80 minutes per week (a few meet twice a week) and cost from \$172 to \$212 per course per semester. We have 2 semesters that average **14 weeks each**."*

*"At this point we offer a **9-month school option** broken down in **6 - 3-5 week sessions**. The tuition for the year is \$5,000/year/learner or \$556/month/learner for 9 months."*

Programs leverage various fees for various purposes

Programs utilize a variety of fees that learners and families pay to participate. Programs package and arrange these fees in a range of ways, from universal fees all learners pay, to fees bundled together, to separate and specific fees for particular purposes. Some of the more common fees entrepreneurs mentioned were enrollment, registration, curriculum, and materials/supply fees. Other fees were mentioned less often, such as lab fees, oversight fees, nursery fees, placement test fees, and insurance fees.

*"Fees are not based on hours. **Enrollment \$60. Oversight \$140. Membership \$65. Participation \$95. Class fee (select classes)**."*

*"We charge \$45/month/class, or a full day of participation for ~\$130. We charge **lab fees and a registration fee**. Low-income families are provided with "work scholarships" where they may be tasked with classroom setup/teardown, etc."*

*"**Flat fee for family registration and then tuition and supply fees** per student depending on program enrolled in."*

*"Families pay an annual tuition of \$2000/student. Students receive two 6-hour on campus instructional days per week, for 32 weeks. Families also pay additional **fees for rent, insurance, and classroom materials**, totaling approximately \$300."*

*"Families pay a **registration and facilities fee** of \$300/family/year (+\$50 **late fee** after June 15) and select one or more classes a la carte. Base tuition for individual classes ranges in price from \$0 to \$85/month (paid over 10 months), **and a "lite fee"** of 30% is added to classes with low enrollment (under 8 students/class) after the first 2 months."*

Fee Types (compiled from entrepreneur responses)

Activity	Insurance	Operating
Application	Lab	Oversight
Class	Late	Participation
Curriculum	Low-enrolled course	Placement test
Enrollment	Location	Registration
Facility	Material / supply	Semester
Family	Membership	Staff pay
Field trip	Middle school	Standardized test
Flat	Nursery	Tuition
High school	Online community	

Programs enable payments at several frequencies

Most programs provide options for payment frequency. For example, programs enable learners and families to pay annually, quarterly, by semester, monthly, or still other options. In addition to accommodating learners and families who may need support paying, programs offer learning experiences in various formats (e.g., online, in-person, hybrid), which also contributes to the diversity of payment frequencies.

*"We have a 33-week school year that costs \$2,500 per student including the enrollment fee. **Families can pay monthly, annually, or bi-annually** and we currently have no financial aid."*

*"Our base yearly tuition is 12,000, although we offer sibling discounts and discounts for advance payments (**trimester, semester, yearly**)."*

*"The annual cost of tuition is \$12,750, which can be spread out over 10-months, and can be paid **monthly or bi-monthly**. We have a few payment options for families who would like to pay tuition up front: If they pay the **entire tuition up front**, they will receive a 15% discount, bringing their cost down to \$10,834.50. If they pay for **each semester up front**, they will receive a 10% discount, which would bring their cost down to \$5,737.50 per semester."*

*"Typically students enroll for the school year. For the **online program**, they pay \$275 (\$250 for returning students) to cover the online curriculum and fees, then \$55 per month for tuition. For those that choose the **book curriculum**, the enrollment fee varies based on the book curriculum that they choose, then \$30 per month for tuition."*

Programs support learners and families with external funding options

To participate in programs, some learners and families secure funding from external sources. Respondents noted several options, from partners or parent organizations, to grants, state funds, fundraising, and more.

*"We have a flat rate tuition and adjust it based on need. The higher tuition for those who can afford it helps offset the lower tuition provided to our low and middle income families. We additionally **partner with the [city office of early childhood]** to provide spots to low income families. **They pay most of the tuition cost** and the parents pay a co-pay based on their income. Anywhere between \$30 - \$330 per month."*

*"We have an annual tuition/fee schedule that is customized 'a la carte' for our students depending on their medical needs, varying exceptionalities and family income/scholarship award funds. If they are awarded on the less end, we apply for **grants to subsidize the difference and for those without any scholarship funding** to sponsor the school year."*

*"[state name] **State Scholarships** cover over half of the tuition, **VELA grant**, and other fundraising efforts afford a portion of the gap and the rest is cash pay. **Some families are able to donate for other families to be able to afford tuition.**"*



The photos featured in this report are from Humboldt Park Montessori in Illinois.

About VELA Education Fund

VELA is a national nonprofit fund that was established in 2019. Using a trust-based approach to philanthropy, VELA catalyzes innovation by investing in everyday entrepreneurs — students, parents, educators, and community leaders — who are transforming the future of education through permissionless innovation. To date, VELA has awarded more than 2,000 grants, totaling nearly \$24 million to support non-traditional education models. Grant recipients reside in all 50 states and three U.S. territories. To learn more, visit www.velaedfund.org.