

# How Outschool won the pandemic

Even in an era of Zoom fatigue, Outschool managed to hook a million kids on its unique classes, more than quadrupled its value, and recruited 10,000 teachers amid rampant teaching shortages. But can it keep up the momentum?



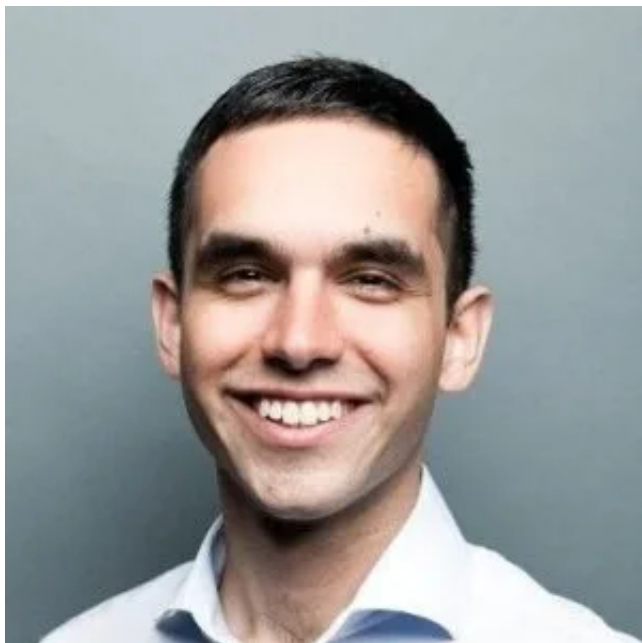
My kids were 6 and 9 in the spring of 2020. They showed up for Zoom classes after New York City public schools closed and went remote in mid-March, but they seemed only moderately engaged. The classes, somehow, felt both too short (for me) and too long (for them). And yet, the promise of summer was not something to anticipate with excitement. Playgrounds were chained, public pools were closed, summer camps shut down, and families weren't socializing, even outside.

I knew we'd need something to organize long summer days around, especially with two parents who were both (trying to) work. Our babysitter knew a family who homeschooled their kids and shared some of the online-learning resources they used; Outschool, an online learning platform for kids 3-18, seemed the most fun and varied.

In June, my son started with an introductory ukulele class. There was an "Old Town Road" hip-hop dance class, an hour spent learning to speak in a British accent from a real actress, three weeks of WWII history, and a week of learning ninja moves. By the end of the summer, my kids had completed more than 50 Outschool classes on everything from the raptors of North America to Scratch programming to geometry.

Turns out, I was far from alone in turning to Outschool for some help getting through that summer.

Amir Nathoo, the CEO of Outschool, remembers the exact day he anticipated parents like me might be showing up on his platform in droves: March 13, 2020.



It was the day Kentucky, Maryland, Ohio, Michigan, and New Mexico [announced](#) they would shut every K-12 school in the state because of the coronavirus. Soon, every other state would mandate or recommend closures; at their peak in the U.S., closures [would impact](#) more than 55 million school children, who'd be stuck at home for months or longer. It was also the same day the company

Amir Nathoo [Photo: courtesy of Outschool]

announced its [Outschool.org](https://www.outschool.org) initiative to provide financial assistance to parents and grants to organizations to pay for its classes.

"We'd always planned to launch a financial-assistance program, and then in late February it was like crap, we really need to do this now," Nathoo says. "We were scrambling to get it done by that Friday. It meant that we needed to pull things forward that we thought we had, you know, a couple years to do. We got it in there just in time. And then all of our metrics went through the roof."

In March 2020, Outschool had around a thousand teachers. By Sunday, March 15, classes on the platform were almost completely sold out for the foreseeable future, Nathoo says, and Outschool had another challenge on its hands: find another 5,000 teachers in two weeks.

*In March 2020, Outschool had around 1,000 teachers. Today, the platform has 10,000 teachers."*

Today, the platform has 10,000 teachers who educate and entertain children with classes in every conceivable academic topic, as well as a dizzying array of extracurricular-style offerings ranging from bridge design and molecular gastronomy to Korean or clarinet lessons and Hindustani classical singing. Classes typically cost around \$15. In 2019, the company sold \$7 million in classes; by 2021, that had grown to \$130 million. More than a million "learners," as it calls the kids who use its platform, have taken an Outschool class. In October 2021, Outschool announced a \$110 million Series D funding round, valuing the company at \$3 billion, only six months after a \$75 million series C raise.

Outschool's near-perfect positioning to benefit from a global calamity that left millions of schoolchildren sitting at home with parents desperate to entertain or educate them made it a pandemic darling, along with companies like Peloton and Netflix—both of which have recently experienced massive corrections in demand and stock price. But despite the fact that kids are now back in school, vaccines are available for all school-aged kids, and there's a certain disillusion with "Zoom school," Nathoo says Outschool is not about to suffer the same fate.

## **More than reading, writing, and arithmetic**

Nathoo—who cofounded the company in 2015 with alums from Airbnb and Google—says in 2022, Outschool is returning to "more normal" levels of growth. But it's still growth. And the thesis that drove him to start the company was not altered by the pandemic (or its eventual end); if anything, he says, it made the need for the platform more obvious.

"There's still this fundamental underlying challenge, which existed before the pandemic and is worse now, which is, do I believe that my kid is getting what they need in their education to lead a happy and successful life? More and more parents feel that they need something else," he says. "That's driven by the challenges in the existing education system, and also challenges in the world driven by globalization."

Outschool, he says, is an "incredibly cost effective way to get supplemental education that provides additional access to subjects and teachers that you couldn't possibly get locally."



[Photo: Caitlin Rose, courtesy of Outschool]

Kim Parker, director of the [Crimson Summer Academy](#) at Harvard University, who taught public school in Boston for 20 years, has been using Outschool classes for her second grader for several years, for everything from Lego-building workshops to coding and a variety of STEAM topics. Her son is in Boston public schools, and Parker says that because of the way budgets and performance standards for schools work, there aren't many resources left over for extracurriculars or after-school options.

For her, a big draw of Outschool is the diversity of topics and teachers on the platform, and the ability to customize classes to her son's specific interests.

"A lot of the appeal for me is the growing number of Black teachers teaching culturally affirming, relevant, excellent stuff," she says. "I want him to see Black people doing the things he envisions. He's not necessarily going to have that every day in his regular school-based experience."

Through Outschool, he's taken classes about superheroes and Afro-

futurism, another about decolonizing Black history, and many about Lego building.

“He’s really into Japanese, and there’s a Black teacher teaching Japanese,” Parker says. “It’s incredible.”

## How teachers fare

As much as she loves the platform, Parker is concerned about fair compensation for teachers, and that a privately funded tech company is growing and raising funding based on the creativity and intellectual property of a group of people who are notoriously underpaid.

Outschool takes 30% of class fees, and the rest goes to teachers. For a one-hour class with five kids at \$15, that’s \$75 total—with \$22.50 going to Outschool and \$52.50 going to the teacher. Outschool teachers are not employees, but independent contractors [paid via PayPal](#).

Nathoo says Outschool has a team focused on the teacher community to solicit feedback, build relationships with high-volume teachers, and train and support the community, and that the money it takes off the top is invested in the platform and its users.

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“It’s important for us in a way that it didn’t prove important for Uber, for example, to treat its drivers well—and they had terrible retention,” Nathoo says. “But there’s a limited number of teachers who can provide really great experience; it’s a calling and not everyone can do it. If a teacher walks into a class super pumped and puts a lot of craft into designing the class, a kid’s

going to have a great experience. We regard it as a strategic imperative to treat teachers like creative and entrepreneurial professionals." Outschool reports a 90% month-over-month retention rate across all teachers and 99% month-over-month retention for top-performing teachers.

Melanie Pauli of Brighton, Michigan, is one of those teachers. A mother of five boys ages 11-20, Pauli, who has a degree in music from Cal State Long Beach, was a stay-at home-mother who homeschooled her children and taught piano lessons for her friends' kids, but never made it a profession. That changed in 2020.

Pauli's husband was a retail manager working long and overnight hours; during the pandemic, they decided it was no longer a safe environment. He was also a real-estate agent but had never been able to make the transition because it was too big of a financial gamble.

So in April 2020, when Pauli saw Outschool's call for teachers, she applied to become one by creating a one-time sample class called "Ten notes, ten fingers, three songs." After a background check and having her class vetted by the company, she was teaching paid classes in less than a week.

Teaching for Outschool is different from teaching in a traditional school setting. There are no formal credentials required, and while Outschool offers optional workshops to help teachers craft classes, teachers have creative control over their classes from class size to content and format.

Today, Pauli makes around \$5,000 a month on Outschool teaching piano lessons, and has had students from across the U.S. and countries including Japan, Brazil, the Netherlands, Germany, India, and Canada. Because of the small class size, Pauli says she is able to get to know the children and give them individualized instruction. "I definitely do make a connection," she says. "Each student is really cool and unique, and they bring something really

special to the class.”

In December, Pauli received a surprise \$2,000 payment from Outschool, part of a [\\$3 million bonus pool](#) the company set aside for active teachers based on the amount of classes sold. For Pauli, the 30% cut Outschool takes is worth it. She once tried to teach through a local music studio, but it didn't bring in any students; by contrast, she says Outschool connects her with a huge pool of students, and markets the platform to keep expanding that pool.

“A bonus was unheard of in my husband's career,” Pauli says. “I already feel so lucky to have international students on a safe platform that allows me to support my own kids.”

Some parents have [raised privacy concerns](#) about the platform, which uses Zoom and records classes for parent or corporate review; any parent whose child participated in the class can log on later and watch a video of the class.

In her experience, Pauli said the safety team is responsive when things go wrong, like when the sibling of a student streaked through the frame at the end of class in his underwear. Outschool swiftly deleted the video from the page when she contacted them, she says. Outschool says it password-protects its Zoom meetings, and teachers control who can enter the classroom, as well as screen sharing and audio and video; teachers are trained about troubleshooting and safety procedures.





[Photo: Caitlin Rose, courtesy of Outschool]

The efficacy of online learning is being tracked and assessed post-pandemic. [Test scores dropped](#) nationally in math and reading as schools closed and moved to online classes. "Learning loss" became a buzzword and teachers in the U.S. surveyed ranked virtual learning [barely above skipping school](#) in terms of effectiveness. A World Bank study showed that in low- and middle-income countries, children living in "learning poverty" [rose to 70%](#) because of "long school closures and the ineffectiveness of remote learning to ensure full learning continuity during school closures."

But Outschool isn't necessarily intended to be used as a replacement for traditional classroom learning. Many parents, like me, turn to Outschool as a way to keep their kids busy and engaged in a more constructive use of screentime. One mom I spoke with views Outschool classes as a higher-

quality, more engaging alternative to watching an instructional video on YouTube, and liked the way, for instance, her kids learned new and creative ways to play with their Legos while getting encouragement and positive feedback from a Lego master-style instructor.

For Nathoo, tracking learning and knowledge based only on standardized testing falls short; they cover a narrow range of subjects and can “train” kids to learn to the test. Outschool is currently creating a proprietary “love of learning” metric, which measures things like attendance and, through surveys, whether the learner pursued more classes or information about a particular topic after taking a class, like checking on a book on Korean culture after taking Korean language class.

“Some of those interests are going to turn into really, really valuable skills,” he says.

## **1 million down, a billion to go**

On a single day in August 2020, as working parents across the country realized school disruptions would continue, Outschool got more than 50 unsolicited inquiries from companies asking about corporate programs that would allow them to provide Outschool as a benefit for their employees.

“We were anticipating this would be a need, but we didn’t know how big,” says Amy Jenkins, Outschool’s Head of Schools and Businesses. “If I look at the fall of 2020, companies were thinking, ‘What do I do because all these kids are home?’ By spring 2021, it was less about the kids being home and shifted to, how do I keep people, because parents—especially moms—are leaving.” Around 100 companies now offer free Outschool classes as an employee benefit.

Meanwhile, through Outschool.org, its nonprofit arm, the company has

donated \$3 million to schools, after-school programs, and families who need financial assistance.

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[The Oakland Rach](#), which received a \$100,000 grant from Outschool, is a parent-led nonprofit that advocates for quality public schooling in Oakland, Calif. Michael De Sousa, chief program coordinator, said the 1,000 families the organization serves use Outschool to supplement public school academics so their children don't fall behind. While only around 20 families regularly use the platform, those families are using it as a real supplement for

core academics, not just for a better-than-YouTube way to learn some new dance moves.

“Our families are very concerned our schools are not giving them enough academic instruction; of the lowest-performing 25 schools in the entire state, ten of them are in Oakland,” says De Sousa, who says his organization helps connect families with the platform and learn to navigate it, noting that the vastness of the offerings can feel overwhelming, especially for families where English is a second language. “Overwhelmingly our families want their babies to be on grade level, to go to college.”

As it looks to its next, post-pandemic chapter, Jenkins says the company expects half of classes will not be paid for by parents, but through philanthropy, employers, or schools.



While Outschool has seen explosive growth from the pandemic, Nathoo sees

opportunity to reach even more. "We've served a million kids total, but there's 1.3 billion kids in K-12 internationally," he says. Still, even the CEO of an online learning platform doesn't think it's a replacement for in-classroom learning.

"I don't see the future of education as being online. I see it as being hybrid," he says. "There should always be in-person learning, but we have this window into the rest of the world that we can use now. It would be a tragedy not to use that."