

ACEC Market Intelligence Brief

Educational (K-12, Higher Education & Other Educational)

Summer 2026

Market Scope

Educational design and construction spending reached a seasonally adjusted annual rate of \$140 billion in April 2026, up 2.1% from a year earlier and representing 11.2% of nonresidential spending. Educational spending totaled \$41.2 billion during the first four months of 2026, a 1.9% increase from the same period in 2025, making educational one of the nation's largest nonresidential markets behind manufacturing and power. Public spending continues to dominate at approximately \$114 billion, while private spending remains smaller at roughly \$26 billion but is growing faster at 6.1% year over year. The market spans preschool through higher education, along with related facilities such as dorms, libraries, student unions, recreation, infrastructure, and museums. Source: U.S. Census Bureau.

Key Partners

Public-private partnerships (P3s) remain a key tool for colleges and universities advancing housing, mixed-use, infrastructure, energy, and student-life projects while managing capital constraints. The higher-education P3 market continued to rebound in 2024, with 18 deals closing and an average deal size of \$134 million. These projects create teaming opportunities across sectors, and the categories below outline key partner types in today's higher-education P3 market. Sources: P3•EDU/Brailsford & Dunlavey, 2025 Higher Education P3 State of the Industry Report; P3•EDU 100 Directory.

▶ **Student Housing and Mixed-Use Development:** American Campus Communities, Greystar, RISE: A Real Estate Company, Gilbane Development Company, and Balfour Beatty Campus Solutions.

▶ **Nonprofit and Financing Partners:** Collegiate Housing Foundation, Provident Resources Group, university-affiliated foundations, 501(c)(3) nonprofit owners, and tax-exempt bond financing entities.

▶ **Energy, Utilities, and Campus Infrastructure:** Ameresco, ENGIE North America, Johnson Controls, NextEra Energy, and other private-sector partners supporting energy, utility, resilience, and non-academic infrastructure projects.

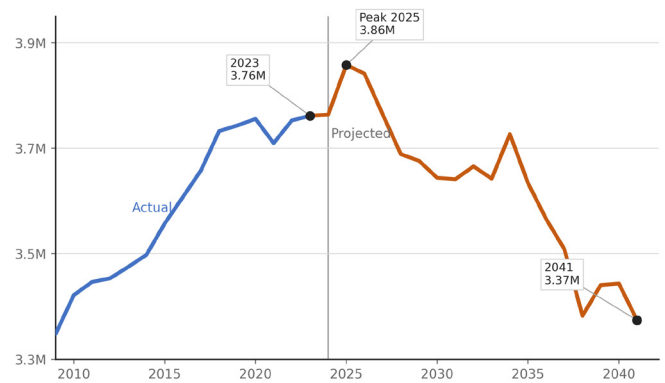
5 Current Market Trends

▶ 1. Enrollment Pressures Shift Campus Capital Plans:

The U.S. high school graduate population is projected to peak near 3.9 million in 2025 before trending downward through 2041, creating a smaller and more competitive pipeline of traditional college-age students. While post-secondary enrollment rose modestly in spring 2026 (up 1.0% year over year to 18.6 million), the longer-term demographic trend will push colleges to rethink space needs and investment priorities. The enrollment pipeline challenge is also a capital planning challenge: fewer high school graduates will intensify competition while forcing more disciplined decisions about campus space. Demand may shift away from broad expansion and toward renewal-focused work such as space planning, facility assessments, adaptive reuse, and right-sizing campus footprints. Gordian's facilities benchmark data puts higher education capital renewal needs at \$156 per gross square foot, roughly double the level reported less than two decades ago. Sources: WICHE; National Student Clearinghouse Research Center; Gordian, 13th Edition State of Facilities in Higher Education.

High School Graduates Actuals & Projections

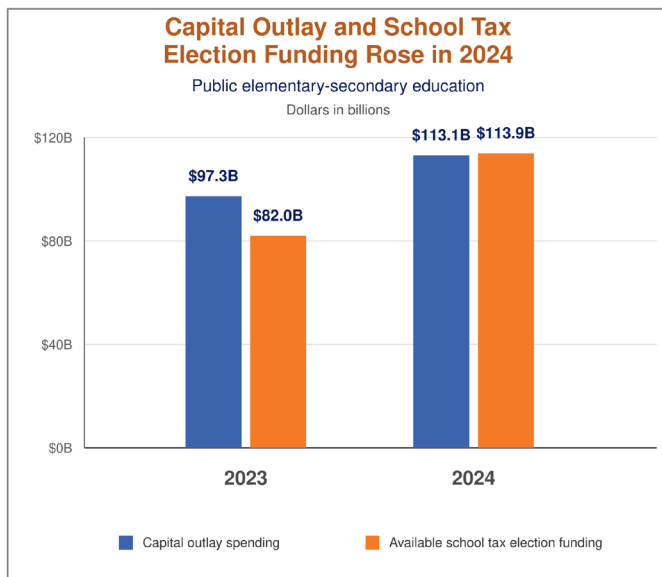
Historical values end in 2023; projections begin in 2024



Source: WICHE, Knocking at the College Door, 11th Edition. Reported data through 2023; projections for 2024-2041

Current Market Trends, *continued*

▶ **2. Capital Outlays Climb, Opening Doors for Engineering Work:** Capital outlays reached \$113B in FY2024, up 16% from \$97 billion in FY2023, reflecting increased spending on construction, land, major alterations, equipment, and other long-term facility investments. School tax election funding also increased, reinforcing the link between capital needs and the voter-approved financing tools districts use to advance major projects. While this funding can include bond measures, it extends beyond issued debt and reflects broader voter-approved support for school facility investment. For engineering firms, higher capital outlays and stronger funding activity point to continued opportunities in areas such as MEP upgrades, site and civil work, and program management services. Sources: U.S. Census Bureau, 2024 Annual Survey of School System Finances; National Center for Education Statistics; SchoolBondFinder/The Amos Group, Year-End Bond Insights, 2025.



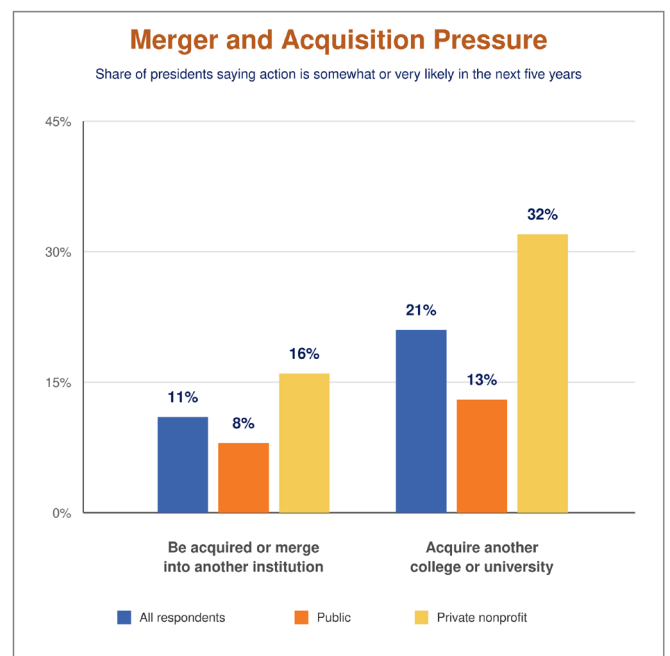
Sources: U.S. Census Bureau, Annual Survey of School System Finances; SchoolBondFinder / The Amos Group, Year-End Bond Insights.

▶ **3. Energy Efficiency Drives Facility Upgrades:** Energy efficiency is becoming a practical operational strategy across education markets. Higher education energy use per square foot is down 13% from 2007, reflecting continued investment in HVAC, controls, lighting, and other building systems. Federal programs are reinforcing this shift, with 53 colleges and universities participating in the Department of Energy's Better Buildings higher education initiative. In K-12, rising temperatures are adding pressure: nearly 13,700 schools will need air conditioning, representing more than \$40 billion in investment. For firms, the work is likely to concentrate in HVAC, controls, lighting, electrification, and energy audits. Sources: Gordian, 2026 State of Facilities in Higher Education;

U.S. Department of Energy, Better Buildings Higher Education; ASCE, 2025 Infrastructure Report Card.

▶ **4. Shift to Workforce-Aligned Education:** Higher education is moving toward more flexible, career-aligned models as cost and operating pressures rise. Presidents cite financial volatility and political interference as fastest-growing risks to their institutions, and 70% report looking to add or expand short-term credential programs over the next three years. Co-ops, apprenticeships, three-year bachelor's degrees, and employer-aligned credentials could reshape how institutions use space. This points to more demand for labs, flexible classrooms, simulation spaces, and phased renovations. Sources: Inside Higher Ed/Hanover Research, 2026 Survey of College and University Presidents.

▶ **5. Financial Strain Drives Consolidation Pressure:** Financial strain, demographic pressure, operating costs, and infrastructure challenges are pushing some institutions toward consolidation. One in five college presidents report internal merger discussions, with financial stability cited as a key driver. Over the next five years, 11% expect their institution to merge into or be acquired by another, while 21% expect to acquire another college or university. The market may bifurcate: distressed campuses could defer capital investment, while stronger institutions may need support with due diligence, portfolio assessment, asset integration, and reuse planning. Sources: Inside Higher Ed/Hanover Research, 2026 Survey of College and University Presidents.



Sources: Inside Higher Ed / Hanover Research, 2026 Survey of College and University Presidents

Government Affairs Action

Federal policymakers continue to advance legislation and initiatives with potential implications for higher education institutions. Recent developments in transportation funding, federal legislation, and workforce development warrant attention as colleges and universities assess impacts on research, operations, enrollment, and long-term planning.

► **Surface Transportation Reauthorization – University Transportation Centers (UTCs):** The surface transportation reauthorization legislation under consideration in Congress includes more than \$435 million over five years for the UTC program. Administered by the U.S. Department of Transportation, the program provides grants to 35 consortia of colleges and universities to support transportation-related research, education, workforce development, and technology transfer. Annual grants range from \$1 million to \$4 million per consortium and often leverage P3s, including collaborations with engineering firms.

► **Federal Reconciliation Law – Institutional Impacts:** According to the 2026 Survey of College and University Presidents conducted by Inside Higher Ed and Hanover Research, many higher education leaders expect recent federal policy changes, including the 2025 reconciliation law commonly referred to as the “One Big Beautiful Bill,” to affect financial aid, compliance requirements, and institutional operations. The survey also found that a significant share of institutions are experiencing declines in international student enrollment, particularly among graduate students, which leaders attribute in part to changes in U.S. immigration policy.

► **Workforce Development – ACEC Pipeline Project:** ACEC has launched the Pipeline Project, a two-year workforce development initiative in partnership with the ACE Mentor Program of America aimed at strengthening the future engineering talent pipeline. The effort focuses on connecting K-12 students, particularly those from underrepresented communities, with practicing engineering professionals through mentorship, career exposure, scholarships, and volunteer opportunities. ACEC member firms can participate in a variety of ways, including serving as mentors, supporting local ACE Mentor affiliates, helping establish state chapters, and contributing resources to workforce development efforts.

Market Insight

Beyond Schools and Campuses: Libraries & Museums Signal Demand

Business development opportunities in the education sector extend well beyond traditional schools and campuses. This column examines the U.S. Census Bureau’s ‘Other Educational’ subsector, which encompasses civic learning environments such as galleries, museums, libraries, and archival facilities.

Similar to the broader market, public libraries and museums are facing widespread deferred maintenance, limited funding, and rising construction-cost pressures. The U.S. Government Accountability Office (GAO) estimates that 70% of public libraries and 85% of museums have deferred maintenance and repair backlogs. These facilities also face health, safety, accessibility, HVAC, and collection-preservation challenges.

The business development opening is practical: help libraries, archives, and museums turn facility risk into scoped, fundable capital projects. That includes condition assessments, MEP upgrades, resilience improvements, accessibility planning, cost estimating, grant and bond support, and phased renovation strategies that help owners prioritize limited capital dollars.

BD+C Giants 400 rankings indicate a visible AEC market, with separate cultural-facility rankings for museums/galleries and public libraries. For firms looking beyond traditional education pipelines, the “Other educational” market offers a specialized opportunity centered on modernization, preservation, and long-term asset planning.

Top Engineering Firms in Cultural/Educational Facilities

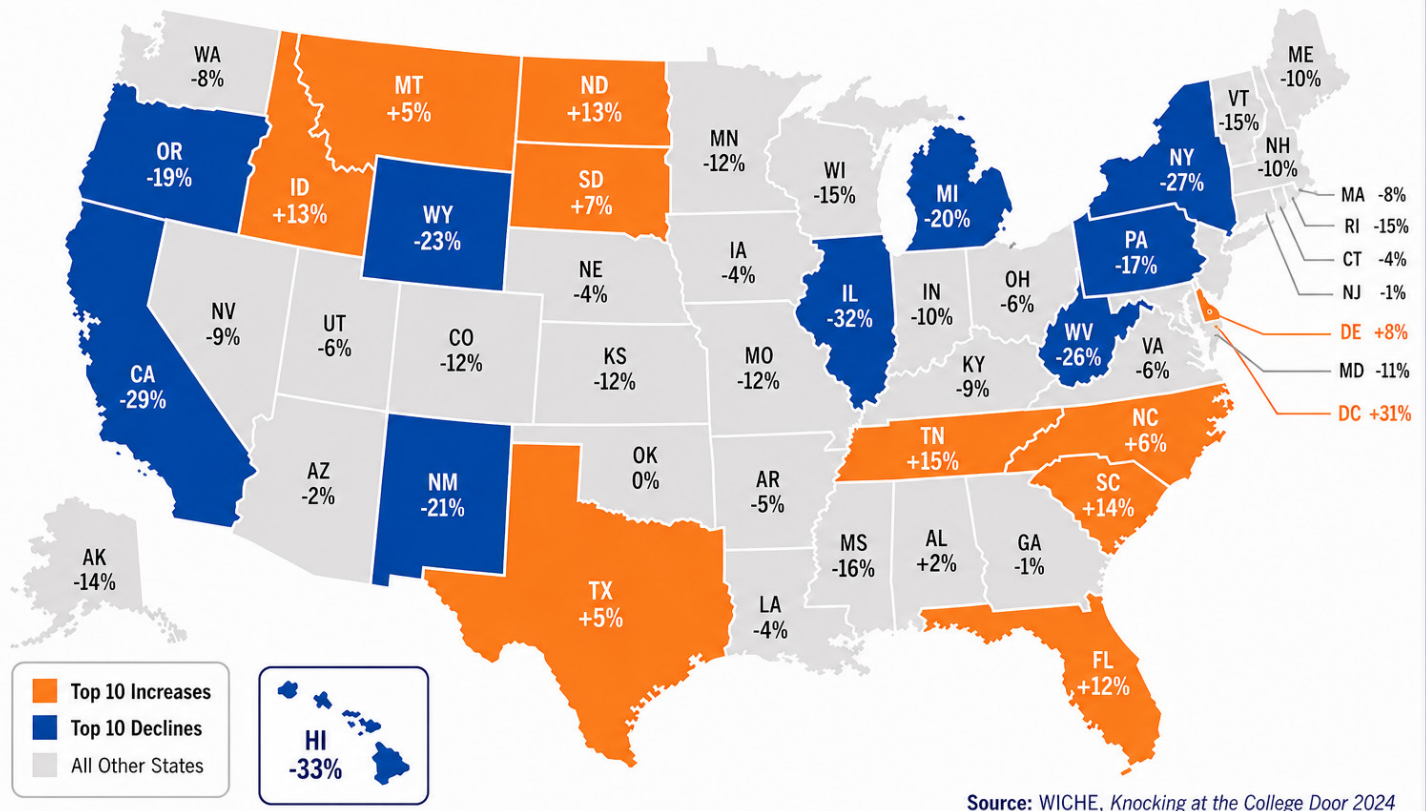
2025 BD+C Giants 400 Report — based on 2024 design revenue

Public Libraries			Museums/Galleries		
Rank	Firm	Revenue	Rank	Firm	Revenue
1	KPFF Consulting Engineers*	\$8,388,711	1	Woolpert *	\$16,500,000
2	IMEG *	\$2,235,000	2	KPFF Consulting Engineers*	\$8,388,711
3	WSP *	\$1,770,000	3	Thornton Tomasetti *	\$7,006,864
4	CMTA	\$1,419,693	4	Kohler Ronan	\$6,073,309
5	Thornton Tomasetti *	\$1,359,376	5	Arup US *	\$5,979,396
6	CHA Consulting	\$1,110,438	6	Walter P Moore *	\$5,276,580
7	Jensen Hughes *	\$1,110,432	7	WSP *	\$5,267,065
8	LANGAN *	\$1,000,000	8	CMTA	\$4,603,941
9	Dewberry *	\$925,945	9	Clark Nexsen *	\$3,743,337
10	Core States Group	\$778,096	10	Newcomb & Boyd	\$2,703,588

* ACEC member | Source: BD+C Giants 400, 2025 Report.

Projected Change in High School Graduates, 2023–2041

Demographic trends may influence future enrollment demand and long-term campus infrastructure needs.



Source: WICHE, *Knocking at the College Door 2024*

Featured ACEC Education Program

Strategic Communications for Mission Critical & Public Facing Projects

As data centers, advanced manufacturing facilities, and other mission-critical projects face growing public scrutiny, engineering firms are increasingly expected to help clients navigate community concerns, public meetings, media attention, and stakeholder engagement.

This new two-part program provides practical strategies for supporting clients on high-visibility projects, with insights from communications leaders at **GHD, DLR Group, and HDR**, along with specialized training on data center communications and public relations.

Included Sessions:

- ▶ **How A/E Firms Support Public Engagement on High Visibility Projects**
August 20, 2026 | 1 PDH
- ▶ **How to Navigate Media & Community Response to Data Centers**
August 21, 2026 | 1.5 PDHs

Explore both classes and register [here](#).



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