NATIONAL ASSOCIATION OF INDEPENDENT SCHOOLS

THE NAIS DEMOGRAPHIC CENTER
Metropolitan Area Reports

CBSA[1]: Baltimore-Towson, MD[2]

Metropolitan Area Reports summarize key demographic changes for a specific geographic region, suggest strategic considerations for schools given these changes, and offer resources that can assist schools in dealing with an ever-changing marketplace. For specific demographic reports for your geographic region, please visit the NAIS Demographic Center at www.nais.org/go/demographics.

Key Findings

Stagnant School Age Population

1. During 2000–2007, the metropolitan area of Baltimore-Towson reported declining numbers of households with children of school age from 347,663 to 338,028 (2.77-percent decrease). However, this number is expected to grow by 5.89 percent during the next five years, totaling 357,925 in 2012.
2. In contrast, the school-age population is expected to remain almost the same through 2012. After recording a growth rate of 4.17 percent during the period 2000–2007, it is projected to slightly decline by 0.73 percent, from 672,953 in 2007 to 668,038, in 2012. This fall is expected to occur mainly due to the decrease of 5.59 percent in the school population aged five to nine years old in the next five years.
3. By gender, the female school population is expected to drop by 1.76 percent by the year 2012, from 325,012 to 319,282; while the male school population is predicted to barely rise by 0.23 percent from 347,941 in 2007 to 348,756 in 2012.

Declining Numbers of Younger Children

4. In absolute numbers, the largest group in 2007 was children between five and nine years old at 185,676; however, this was the only group that recorded a decline between 2000 and 2007. By 2012, this declining trend will continue and the population of children between five and nine years old is expected to drop to 175,288, becoming the second-largest group, behind children younger than five years old at 183,996.
5. By age and gender, three groups are predicted to register shrinking numbers: girls aged five to nine years, from 88,972 in 2007 to 82,201 in 2012 (7.61 percent decline); boys in the same age group, from 96,704 in 2007 to 93,087 in 2012 (3.74 percent

[1] CBSAs are Core Based Statistical Areas, a new census geographic area stemming from the results of the Census 2000. CBSAs combine both Metropolitan Areas (formerly MSAs) and new Micropolitan Areas.
[2] This CBSA are includes the following counties: Anne Arundel, MD 24003; Baltimore, MD 24005; Carroll, MD 24013; Harford, MD 24025; Howard, MD 24027; Queen Anne's, MD 24035; and Baltimore City, MD 24510.

decline); and teenaged girls between 14 and 17 years old, from 72,831 in 2007 to 72,681 in 2012 (0.21 percent decline).

6. Given the previous findings, the kindergarten population and the population in grades one to four are expected to be the most affected, with a decline of 2.79 percent in each case by the year 2012. When broken down by gender, the number of girls attending kindergarten and grades one to four are each projected to drop by 4.86 percent case during the period 2007–2012.
7. By contrast, school population attending grades five to eight and grades nine to 12 in Baltimore-Towson are forecasted to grow at 3.56 percent and 3.45 percent, respectively, during the years 2007 to 2012, after reporting growth rates of 12.75 percent and 13.85 percent during the period 2000–2007.

Minor Growth of Private School Enrollment

8. Population enrolled in private schools grew by more than 16.00 percent during the years 2000 to 2007; however, this growth rate is expected to diminish substantially in the next five years, reaching only 1.24 percent (from 117,805 in 2007 to 119,269 in 2012). Such a decreasing growth rate is expected due to the stagnant enrollment in private elementary and high schools by 2012 (0.11 percent). Likewise, while total public school enrollment grew during 2000–2007 by more than 9.00 percent (in spite of the fall of public preprimary by 6.57 percent), it is projected to remain almost the same by 2012 (up only 1.37 percent).
9. By gender, during the period 2007 to 2012, male preprimary enrollment in private schools is anticipated to increase by 5.60 percent, while the female preprimary enrollment is expected to slightly grow by 3.74 percent. While these populations do expect growth, their growth rates are noticeably down from those of 2000–2007, from 22.09 percent and 19.13 percent, respectively. In contrast, the anticipated rate of decline in female enrollments for elementary and high school is negative 0.98 percent, while the enrollment rate for their male counterparts is expected to increase only 1.13 percent for the period 2007–2012.

Increasing Numbers of Minority Population

10. By race and ethnicity, the principal changes in the Baltimore-Towson area are the declining numbers of the white population, while Hispanics, 'Other[3] population,' and Asian-American s have increased substantially during the years 2000–2007, at 42.93 percent, 31.69 percent, and 28.86 percent, respectively.
11. While the white population is expected to continue its declining numbers from 1,765,361 in 2007 to 1,757,666 in 2012 (0.44 decrease), minority groups are predicted to continue increasing by 2012, especially the 'Other' population, which is forecasted to grow from 84,039 in 2007 to 104,488 in 2012 (24.33 percent).

[3] "Other race" includes all other responses not included in the "white", "black or African American", "American Indian and Alaska Native", "Asian-American " and "Native Hawaiian and Other Pacific Islander" race categories. Respondents providing write-in entries such as multiracial, mixed, interracial, or a Hispanic/Latino group (for example, Mexican, Puerto Rican, or Cuban) are included here.

Considerable Growth of Affluent Families

12. The number of families with school-age children and income of at least $100,000 a year is predicted to increase through 2012. In particular, families with children younger than five years old and income of $200,000+ are expected to increase from 5,200 in 2007 to 8,488 in 2012 (63.23 percent), followed by families with children between ten and 13 years old and income of $200,000+, who are expected to grow from 4,532 in 2007 to 7,284 in 2012 (60.72 percent). In absolute numbers, the largest group is expected to be families with children younger than five years old and income between $100,000 and $199,999 at 34,347 by 2012.
13. The number of African-American households with income of at least $100,000 a year is projected to continue growing through 2012. In particular, households with an annual income between $125,000 and $149,999 are projected to record an increase of 89.77 percent, from 8,117 in 2007 to 15,404 in 2012. A similar trend is expected for Asian-American households with an income of at least $100,000 a year. The highest growth rate is projected for Asian-American households with an annual income between $125,000 and $149,000, at 152.85 percent, from 1,230 in 2007 to 3,110 in 2012.
14. Although their numbers are not that large, ‘Other households’ with annual incomes of at least $100,000 a year are also predicted to more than double their numbers by 2012 — especially those households with income of $200,000+ a year, who are expected to more than triple their numbers from 196 in 2007 to 624 in 2012 (218.37 percent).
15. Likewise, Hispanic households with annual incomes of at least $100,000 are forecasted to expand. For example, Hispanic families with annual income of $200,000+ are projected to rise from 396 in 2007 to 850 in 2012 (114.65 percent).
16. In general, the number of households with home values of $500,000+ reported record growth numbers during the period 2000–2007. In particular, the number of households with homes valued between $750,000 and $999,999 increased by 854.82 percent during this period. This positive trend is projected to continue through 2012. For instance, the number of owner households with homes valued between $500,000 and $749,999 is expected to increase from 24,934 in 2007 to 68,625 in 2012 (175.23 percent).

Slight Increase of Population with Higher Education

17. The number of people older than 25 years of age who hold a college degree in this area increased by 12.72 percent — from 292,130 in 2000 to 329,294 in 2007. This number is foreseen to increase at a lower rate by 2012 (a 4.96 percent increase). A similar pattern is observed for people older than 25 years old who hold a graduate degree. Their numbers increased from 200,646 in 2000 to 223,113 in 2007 (11.20 percent), and it is forecasted that their numbers will slightly rise by 3.95 percent by the year 2012.

Strategic Considerations for Schools

Given the findings of this report, independent schools in the Baltimore-Towson metropolitan area need to consider what strategies they will implement now to ensure full classrooms in the years ahead. For example, this may mean further diversifying their enrollment in terms of gender, ethnicity, and income. Some of the questions that schools should consider are:

General Considerations

- Considering these demographic changes, on which areas does our school most need to focus?
- Have we benchmarked our school's admission statistics? How do they look in comparison to other schools in our community? Do we understand the strengths and weaknesses of our own numbers?
- How well do we know our market? Do we know who our competitors are (other independent schools, magnet schools, charter schools, Catholic schools, home schoolers, etc.)? How familiar are people in our community with our school mission and value proposition?
- If we have feeder schools, are we watching their enrollment changes to understand how our school could be impacted?

Responding to Stagnant School Age Population

- Does our school have a waiting list? Is the school working at maximum enrollment capacity already? What do our admission statistics look like (inquiries, applications, acceptances, enrollees)? Are there changes that need our attention?
- What are the demographic changes in the geographic areas from which we recruit students? Are the statistics more favorable in surrounding areas from which we have not traditionally recruited students? What would it take to attract this population?
- What percentage of all children would we need to attract to survive? Is that doable?
- Have we considered merging with another school? Should we consider going coed (for single-sex schools)? How will this affect our mission?
- How many students attending public schools can afford our school? Can we lure them away from the public system? How would we make our case?
- What is the typical profile of families in our school? Do we know why are they enrolling their children in our school?
- Can we work with the local businesses and the chamber of commerce to attract new families to the area?

Responding to Racial/Ethnic Changes

- Given the demographic changes, what percentage of students of color should the school aim for? How do our diversity numbers compare to those of this geographic region?
- What are the key characteristics that parents of color are looking for in a school? Does the school highlight these characteristics in its messages?

- What communication channels should the school use to reach out to the people of color in its community? Should the school include other languages in its communications with parents?
- Do we know why families of color who can afford our tuitions are not enrolling their children in our schools? Do we know where these families are located?

Responding to Household Income Changes

- Can we adjust pricing to attract more middle-class families? Can we increase financial aid or structure it to increase enrollment?
- Are middle-class families aware of all the options offered to pursue an education in our school (need-based financial aid, merit awards, tuition payment plans, and tuition loan programs)?
- Are our students' grandparents nearby? What percentage of students have their tuitions paid for by their grandparents? How can we involve grandparents in the life of the school?

Financial Considerations

- What financial planning do we need to do to help us weather the downturn?
- What are the best/most profitable fund-raising activities? Are there other opportunities for revenue enhancement (non-tuition options)?[4]
- Who are our best donors? What is their profile? Since we are dealing with different generations, do we understand how to attract them? Are they more responsive to mail or online solicitations?
- What types of causes are our donors more inclined to support? How should the school keep them informed about the use of charitable funds?

NAIS Resources That Can Help

1. **Trends** — To stay abreast of changing trends, in addition to the NAIS Demographic Center, school administrators can check the following websites: www.trendletter.com and/or www.hermangroup.com. Also, the *NAIS Opinion Leaders' Survey* (free to browse at http://www.nais.org/files/PDFs/OpinionLeadersSurveyJune05.pdf or buy in bulk to share) identifies what demographic, social, economic, political, scientific, and technological trends opinion leaders in education, business, and the media believe will have the greatest impact on independent education. This report also suggests actions that schools should consider now to successfully manage these important trends.

[4] The 2006 NAIS Non-Tuition Survey presents alternative sources of revenue different from tuitions, annual/capital giving, and investments that many schools have in place to achieve the balance between operating expenses and affordability. http://www.nais.org/resources/seriesdoc.cfm?ItemNumber=148270.

2. **Benchmarking** — To gather data and conduct benchmark analysis, schools can participate in the StatsOnline[5] annual survey (www.nais.org) that collects data on admissions, annual giving, financial aid, financial operations, salaries, schools, students, staff, and tuition. Available tools include:
    - ✓ Benchmarking tools to create custom groups and reports based upon any of the survey variables.
    - ✓ Financing Schools Calculator to project budgets based on various preferred and possible scenarios to see the impact on the "bottom line" of changes in some of the variables.
    - ✓ Executive Compensation Reports that you can provide to your board or compensation committee so they can either authorize or perform a comparative compensation study (of salary, other forms of compensation, and benefits) and create a documented "rebuttable presumption" of the reasonableness of the compensation (available only to heads and business managers).

3. **Market Research** — The report, *Marketing Independent Schools to Generation X and Minority Parents* (free to download at www.nais.org/go/advocacy), provides information on the factors that are relevant to families of color and Generation X parents when selecting schools for their children. It also gives specific advice on which messages to consider when reaching out to particular groups of families. In addition, the *NAIS Public Opinion Poll* (free to download at www.nais.org/go/advocacy) provides information on characteristics the American public associates with a quality education and their perceptions of independent schools. It also includes implications and recommendations for ways schools can communicate with constituents about the value of independent education.

4. **Advocacy and Marketing** — NAIS has created several resources to help you in communicating with important constituents like prospective students and families, prospective teachers, the media, and policymakers. They can help you explain the value of independent education and of your school:
    - ✓ *Values Added: The Lifelong Returns of an Independent School Education* (free to download at www.nais.org/go/advocacy or order in bulk for distribution).
    - ✓ Admission and Marketing Tools (brochures, ad templates, video clips, etc. at www.nais.org/advocacy).
    - ✓ Communications Handbook (free to download at www.nais.org/go/advocacy)
    - ✓ Parent Admission Brochure (view a sample as a pdf or purchase copies from the online bookstore at http://transact.nais.org/Purchase/SearchCatalog.aspx).

[5] StatsOnline is available to the five key administrators at each participating school who are responsible for providing the statistical data each year. The five administrators include: head, business manager, director of admission, director of development, and director of financial aid.