THE NAIS DEMOGRAPHIC CENTER
Metropolitan Area Reports

CBSA[1]: Buffalo-Niagara Falls, NY[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

Decreasing School Age Population

1. During 2000-2007, the metropolitan area of Buffalo-Niagara Falls reported declining numbers of households with children of school age from 149,144 to 133,257 (10.65 percent decrease). However, this number is expected to grow by 0.94 percent during the next five years, totaling 134,510 in 2012.
2. In addition, all school population groups are expected to diminish during the next five years. After recording a decline of 2.65 percent during the period 2000-2007, the school population, age 0 to 17 years, is projected to continue this trend by 5.32 percent from 277,239 in 2007 to 262,488 in 2012.
3. By gender, the female school population is expected to drop by 6.17 percent by the year 2012, from 133,503 to 125,267; while the male school population is predicted to drop by 4.53 percent from 143,736 in 2007 to 137,221 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 74,655. However, this group recorded the highest decline during 2000-2007, and is expected to continue dropping by 11.31 percent by 2012. By that year, children between five and nine years old are forecasted to reach 66,210, the second largest group after children younger than five years old at 68,405.
5. By age and gender, the main fall is projected to be in the number of girls age five to nine years, from 35,706 in 2007 to 31,103 in 2012 (12.89 percent decline). Male students in the same age group are also expected to record drops during the same five-year period, from 38,949 in 2007 to 35,107 in 2012 (9.86 percent decrease).
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 8.71 in each case by the year 2012. Kindergarten population is expected to decrease from 16,262 in 2007

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[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: Erie, NY 36029; and Niagara, NY 36063.

to 14,846 in 2012, while students attending grades one to four are forecasted to diminish from 65,047 in 2007 to 59,382 in 2012.

7. When broken down by gender, the number of girls attending kindergarten and grades one to four are projected to drop by 10.34 percent in each case, reaching 6,974 and 27,895, respectively, by 2012.

Decreasing Enrollment in Private Schools

8. Population enrolled in private schools grew by more than 8.00 percent during the years 2000 to 2007; however, it is expected to diminish by 3.26 percent by the year 2012. This decrease will be mainly due to the anticipated drop of 4.11 percent of elementary and high school private enrollment, from 33,303 in 2007 to 31,934 in 2012.
9. By gender, male enrollment in private schools is anticipated to decrease from 22,637 in 2007 to 22,080 in 2012 (2.46 percent decrease), while female enrollment is expected to drop by 4.13 percent from 21,023 in 2007 to 20,155 in 2012. Furthermore, during the period 2007-2012, male preprimary enrollment is anticipated to grow barely by 0.32 percent, while female preprimary enrollment is expected to fall slightly by 1.46 percent. Similarly, the anticipated male and female enrollment rates for elementary and high school are negative 3.32 percent and negative 4.96 percent, respectively.

Declining Numbers of White Population

10. By race and ethnicity, the principal changes in the Buffalo-Niagara Falls area are the declining numbers of the white population, while Hispanics, Asians, and 'other[3] population' have increased substantially during the years 2000-2007 at 22.62 percent, 18.75 percent, and 14.48 percent, respectively.
11. While the white population is expected to continue its declining numbers from 949,951 in 2007 to 918,378 in 2012 (3.32 decrease), minority groups are predicted to continue increasing by 2012, especially the 'other' population that is forecasted to grow from 42,746 in 2007 to 49,067 in 2012 (14.79 percent). Even with the substantial increases projected for minority groups, white population still represents close to 83 percent in this region.

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 throughout 2012. In particular, families with children between 10 and 13 years old and income between $125,000 to $149,999 are expected to increase from 1,588 in 2007 to 2,684 in 2012 (69.02 percent), followed by families in the same income level and with children younger than five years old, who are expected to grow from 1,671 in 2007 to 2,800 in 2012 (67.56 percent). In absolute

[3] "Other race" includes all other responses not included in the "white", "black or African American", "American Indian and Alaska Native", "Asian", 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.

numbers, the largest group is expected to be families with children younger than five years old and income between $100,000 and $124,999 at 4,999 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 65.72 percent, from 671 in 2007 to 1,112 in 2012. A similar trend is expected for Asian households with income of at least $100,000 a year. The highest growth rate is projected for Asian households with an annual income between $125,000 and $149,000 at 148.03 percent from 127 in 2007 to 315 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 increase significantly by 2012, especially those households with income between $125,000 to $149,999 a year, who are expected to almost multiply their numbers by 10 from 27 in 2007 to 261 in 2012 (866.67 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 $125,000 to $149,999 are projected to soar from 86 in 2007 to 208 in 2012 (141.86 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 1,118.55 percent during this period. A positive trend is expected to continue through 2012, since people who buy a new house tend to move to a bigger and more valuable home. For instance, the number of owner households with homes valued between $300,000 and $399,999 is expected to increase from 6,606 in 2007 to 19,199 in 2012 (190.63 percent).

Slight Decline 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 5.17 percent, from 107,731 in 2000 to 113,296 in 2007. This number is foreseen to remain almost the same by 2012 (0.17 percent decrease). A similar pattern is observed for people older than 25 years old who hold a graduate degree. Their numbers increased from 74,200 in 2000 to 77,770 in 2007 (4.81 percent), but it is forecasted that their numbers will slightly drop by 0.33 percent by the year 2012.

Strategic Considerations for Schools

Given that all school population groups are projected to decline by 2012, independent schools in the Buffalo-Niagara Falls 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 Decreasing 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 they are 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 www.nais.org 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 would have the greatest impact on independent education. This report also suggests actions that schools should consider now to successfully manage these important trends.

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,

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[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.

[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.

- ✓ 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 (for NAIS members only, 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).
   - ✓ 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).
   - ✓ *Penny-Wise: Paying for Your Child's Independent School Education* (view a sample as a pdf or purchase copies from the online bookstore at http://transact.nais.org/Purchase/SearchCatalog.aspx).