THE NAIS DEMOGRAPHIC CENTER
Metropolitan Area Reports

CBSA[1]: Chicago-Naperville-Joliet, IL-IN-WI[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 Numbers of School Age Population

1. During 2000-2007, the metropolitan area of Chicago-Naperville-Joliet reported declining numbers of households with children of school age from 1,223,522 to 1,189,625 (2.77 percent decrease). However, this number is expected to grow by 6.65 percent during the next five years, totaling 1,268,715 in 2012.
2. In contrast, the school population is expected to remain almost the same by 2012. After recording a growth rate of 5.01 percent during the period 2000-2007, it is projected to slightly fall by 0.01 percent from 2,569,842 in 2007 to 2,569,712 in 2012. This decline is expected to occur mainly due to the drop of 4.70 percent in the school population age five to nine years old in the next five years.
3. By gender, the female school population is expected to decrease by 0.91 percent by the year 2012, from 1,232,518 to 1,221,257; while the male school population is predicted to increase by only 0.69 percent from 1,332,452 in 2007 to 1,341,657 in 2012.

Declining Numbers of Young Children

4. By age and gender, the only groups projected to decrease are girls age five to nine years, from 342,799 in 2007 to 321,754 in 2012 (6.14 percent decline), and boys in the same age group from 376,299 in 2007 to 363,536 in 2012 (3.39 percent decline). All other age groups are expected to record minor growth rates by 2012 between 0.88 (female population age 14 to 17 years old) and 3.40 percent (male population younger than five years old).
5. 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 1.48 in each case by the year 2012. When broken down by gender, the number of girls attending

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kindergarten and grades one to four are projected to drop by 2.96 percent in each case during the period 2007-2012.

6. By contrast, school population attending grades five to eight and grades nine to 12 in Chicago-Naperville-Joliet are forecasted to grow by 4.55 percent and 4.8 percent; this comes after reporting growth rates of 12.37 percent and 14.20 percent, respectively, during the period 2000-2007.

Minor Growth of Private School Enrollment

7. Population enrolled in private schools grew by more than 15 percent during the years 2000 to 2007; however, this growth is expected to diminish to only 1.21 percent by the year 2012. This decrease will be mainly due to the anticipated drop of 0.38 percent of elementary and high school private enrollment, from 278,900 in 2007 to 277,854 in 2012. On the contrary, while total public school enrollment grew during 2000-2007 by more than ten percent (in spite of the fall of public preprimary by 5.59 percent), it is projected to grow at 2.76 percent by 2012.

8. By gender, during the period 2007 to 2012, male preprimary enrollment in private schools is anticipated to grow by 6.5 percent, while the female preprimary enrollment is expected to rise by 4.45 percent. In contrast, the anticipated male and female enrollment rates for elementary and high school are positive 0.33 percent and negative 1.14 percent, respectively.

Increasing Numbers of Minority Population

9. By race and ethnicity, the principal changes in the Chicago-Naperville-Joliet area are the static numbers of the white population, while Asians, 'Other[3] population,' and Hispanics have increased substantially during the years 2000-2007 at 23.30 percent, 22.71 percent, and 19.78 percent, respectively.

10. While the white population is expected to maintain the relatively similar numbers from 6,264,078 in 2007 to 6,289,275 in 2012 (0.40 increase), minorities groups are predicted to continue increasing by 2012, especially the 'Other' population that is forecasted to grow from 1,143,958 in 2007 to 1,339,390 in 2012 (17.08 percent). The second largest increase is forecasted among Hispanic people. By the year 2012, their percentage over the total population in this area is expected to be 20.03 percent compared to 16.43 percent in 2000.

Considerable Growth of Affluent Families

11. 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 younger than five years old and income of $200,000+ are expected to increase from 22,948 in 2007 to 36,396 in 2012 (58.60 percent), followed by families with teenagers between 14 and 17 years old and income of $200,000+, who are expected to

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[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.

grow from 17,470 in 2007 to 27,417 in 2012 (56.94 percent). In absolute numbers, families with children younger than five years old and income between $100,000 and 199,900 are expected to become the largest group numerically in the next five years. Their numbers are anticipated to increase from 84,183 in 2007 to 127,190 in 2012 (51.09 percent).

12. 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 $ 149,000 are projected to record an increase of 68.64 percent, from 18,037 in 2007 to 30,418 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 of $200,000+ at 120.49 percent from 7,527 in 2007 to 16,596 in 2012.

13. 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 between $125,000 to $149,999 a year, who are expected to triple their numbers from 4,634 in 2007 to 14,972 in 2012 (223.09 percent).

14. 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 12,332 in 2007 to 27,491 in 2012 (122.92 percent).

15. 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 671.72 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 114,097 in 2007 to 269,743 in 2012 (136.42 percent).

Slight Increase in Population with Higher Education

16. The number of people older than 25 years of age who hold a college degree in this area increased by 11.81 percent, from 1,057,415 in 2000 to 1,182,312 in 2007. This number is foreseen to increase slightly by 2012 (5.24 percent increase). A similar pattern is observed for people older than 25 years old who hold a graduate degree. Their numbers increased from 618,113 in 2000 to 675,961 in 2007 (9.36 percent), but it is forecasted that their numbers will have a smaller increase of 3.78 percent by the year 2012.

Strategic Considerations for Schools

Given the findings of this report, independent schools in the Chicago-Naperville-Joliet 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 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).