THE NAIS DEMOGRAPHIC CENTER
Metropolitan Area Reports

CBSA[1]: Washington-Arlington-Alexandria, DC-VA-MD-WV[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 help schools deal 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

Increasing School Age Population
1. During 2000-2007, the metropolitan area of Washington-Arlington-Alexandria reported a small increase in the number of households with children of school age from 652,123 to 676,017 (3.66 percent). However, this number is expected to grow by 9.84 percent during the next five years, totaling 742,554 in 2012.
2. In addition, all but one of the school population groups are expected to increase slightly during the next five years. After recording a growth rate of 9.87 percent during the period 2000-2007, the school population age five to nine years is projected to decline by 0.55 percent from 387,421 in 2007 to 385,305 in 2012. All other groups expect a growth rate ranging from 3.34 percent (ages 10 to 13) to 5.82 percent (ages zero to four).
3. By gender, the female school population is expected to grow by 2.20 percent by the year 2012, from 650,735 to 665,024; while the male school population is predicted to grow by 3.95 percent from 698,471 in 2007 to 726,066 in 2012.

Rising Numbers of Younger and Older Children
4. In absolute numbers, the largest group in 2007 was children between five and nine years old at 387,421, followed by children younger than five years old at 385,110. In the next five years, the former group is predicted to drop by 0.55 percent, while the group of children younger than five years old is expected to grow at 5.82 percent, becoming the largest group at 407,518 by 2012.
5. By age and gender, the only fall in population is projected to be in the number of girls age five to nine years, from 186,300 in 2007 to 182,207 in 2012 (2.20 percent

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decline). All other populations are expected to show growth rates ranging from 0.98 percent (males, ages five to nine) to 6.68 percent (males, ages zero to four).

6. When broken down by grades, the most significant increases are projected for boys attending nursery or preschool at 8.47 percent during the period 2007-2012, and for girls attending grades nine to 12 at 7.07 percent. Given the previous findings, the nursery or preschool population and the population in grades nine to 12 are expected to be the most affected with a growth rate of 7.60 in each case by the year 2012 (from 110,149 in 2007 to 118,518 in 2012 for nursery or preschool; and from 314,645 in 2007 to 338,560 in 2012 for grades nine to 12).

7. By contrast, school population attending kindergarten and grades one to four in Washington-Arlington-Alexandria are forecasted to barely grow at 2.74 percent in each case during the years 2007 to 2012, after reporting growth rates of 19.08 percent during the period 2000-2007.

Moderate Increase of Private School Enrollment

8. Population enrolled in private schools grew by more than 22.00 percent during the years 2000 to 2007; however, this growth rate is expected to diminish substantially to less than 5.00 percent by the year 2012. Such a lower rate is expected mainly due to the anticipated growth of 2.61 percent in the elementary and high school population from 148,163 to 152,033 in the period 2007-2012, compared to 20.01 percent increase during the period 2000-2007.

9. By gender, during the period 2007 to 2012, male preprimary enrollment in private schools is anticipated to increase by 9.03 percent, down from 29.02 percent during 2000-2007, while the female preprimary enrollment is expected to increase by 7.21 percent, down from 25.20 percent. The anticipated 2007-2012 male and female enrollment growth rates for elementary and high school are only 3.46 percent and 1.71 percent, respectively, both of which show a drop of nearly 16.00 percentage points, compared to their growth levels in 2000-2007.

Increasing Numbers of Minority Population

10. By race and ethnicity, the principal changes in the Washington-Arlington-Alexandria area are the declining growth rates of the white population, while 'Other[3] population,' Hispanics, and Asians have increased substantially during the years 2000-2007 at 31.99 percent, 31.55 percent, and 27.99 percent, respectively.

11. While the white population is expected to continue growing at a lower rate of 1.12 percent during 2007-2012 (compared to 6.74 percent in 2000-2007), minorities are predicted to continue increasing by 2012, especially the 'Other' population that is forecasted to grow from 458,620 in 2007 to 558,969 in 2012 (21.88 percent). In the case of African Americans, their numbers are projected to increase from 1,399,618 in 2007 to 1,517,645 in 2012 (8.43 percent), a similar rate to the one recorded between

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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.

2000 and 2007, at 10.28 percent. Given this trend, the percent of African Americans is anticipated to remain around 26 percent of the total population in this area.

Rising Numbers 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 younger than five years old and income of $200,000+ are expected to increase from 19,230 in 2007 to 31,765 in 2012 (65.18 percent), followed by families with children between 14 and 17 years old and income of $200,000+, who are expected to grow from 14,229 in 2007 to 23,135 in 2012 (62.59 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 89,133 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 of $200,000+ are projected to record an increase of 73.49 percent, from 14,486 in 2007 to 25,132 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 144.77 percent from 6,744 in 2007 to 16,507 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 increase their numbers from 2,309 in 2007 to 6,545 in 2012 (183.46 percent).

15. Likewise, Hispanic households with annual incomes of at least $100,000 are forecasted to expand in the Washington-Arlington-Alexandria metropolitan area. For example, Hispanic families with annual income of $200,000 and over are projected to rise from 4,244 in 2007 to 8,420 in 2012 (98.40 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 628.10 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 79,865 in 2007 to 199,235 in 2012 (149.46 percent).

Rising Numbers 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 16.20 percent, from 738,490 in 2000 to 858,092 in 2007. This number is foreseen to grow at 7.28 percent by 2012. A similar pattern is observed for people older than 25 years old who hold a graduate degree. Their numbers increased from 605,732 in 2000 to 678,108 in 2007 (11.95 percent), and it is forecasted that their numbers will slightly rise by 4.69 percent by the year 2012.

Strategic Considerations for Schools

Given the trends forecasted for the Washington-Arlington-Alexandria area, independent schools serving this metropolitan region need to consider what strategies they will implement at this time to deal with the demographic changes and ensure full classrooms not only now, but also in the years ahead. For example, this may mean new opportunities to diversify their enrollment in terms of 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 Increasing 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?
- If our school is in high demand, what tuition policy should it follow?
- 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? Do we need to attract this population?
- What is the typical profile of families in our school? Do we know why are they enrolling their children in our school?

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

- Do we need to attract more middle-class families? Can we increase financial aid or structure it to increase enrollment among middle-class families? If so, can richer families pay for higher tuitions?
- 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

- If our school is facing high demand, what financial planning do we need to do to ensure a sound use of the resources?
- Are there any building maintenance or improvements that are needed? Can we afford to offer better salaries or benefits? What major investment projects are needed?
- What are the best/most profitable fund-raising activities? Is our school relying mainly on income as a source of revenues? Are there other opportunities for revenue enhancement (non-tuition options) that our school should implement?[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

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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.

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 (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).

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[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.