THE NAIS DEMOGRAPHIC CENTER
Metropolitan Area Reports

CBSA[1]: - Dallas-Fort Worth-Arlington, TX[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

Rising School Age Population

1. During 2000-2007, the metropolitan area of Dallas-Fort Worth-Arlington reported growing numbers of households with children of school age from 754,976 to 839,922 (11.25 percent). This tendency is expected to continue through 2012, when the number of households with children younger than 18 years old is forecasted to reach 976,416, a 16.25 percent increase.
2. Likewise, after recording the two-digit growth rate of 19.54 percent during the period 2000-2007, the school population group is expected to continue rising at a more moderate rate of 8.74 percent, from 1,734,200 in 2007 to 1,885,726 in 2012.
3. By gender, both male and female school age populations are projected to continue increasing by 2012. In the case of boys, from 899,589 in 2007 to 983,781 in 2012 (9.36 percent), and in the case of girls from 831,386 in 2006 to 896,747 in 2012 (7.86 percent).

Large Numbers of Young Children

4. In absolute numbers, the largest group in 2007 was children younger than five years old at 506,668, followed by children between five and nine years old at 501,204. Both groups recorded the highest percent increases between 2000 and 2007 at 21.97 percent and 21.85 percent, respectively. By 2012, the group of children younger than five years old is expected to record again the highest percent increase at 9.94 percent, making this age group the largest one at 557,008.
5. By gender and age, male children age zero to four years old are expected to be the largest group in the Dallas-Fort Worth-Arlington metropolitan area by 2012. They are also expected to record the highest growth rate in the next five years at 10.59 percent (from 264,108 in 2007 to 292,089 in 2012). Male teenagers of ages 14 to 17

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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 area includes the following counties: Collin, TX 48085; Dallas, TX 48113; Delta, TX 48119; Denton, TX 48121; Ellis, TX 48139; Hunt, TX 48231; Johnson, TX 48251; Kaufman, TX 48257; Parker, TX 48367; Rockwall, TX 48397; Tarrant, TX 48439; and Wise, TX 48497.

years old are predicted to report the second highest growth rate at 9.5 percent (from 190,278 in 2007 to 208,354 in 2012).

6. Among female students, the most significant increase is projected to be in the number of girls younger than 5 years old at 9.22 percent (from 242,560 in 2007 to 264,919 in 2012), followed by the forecasted growth among girls between 14 to 17 years old at 9.05 percent (from 174,610 in 2007 to 190,404 in 2012).
7. Given the previous trends, for the next five years, it is anticipated that the population attending nursery or preschool will expand by 14.13 percent (from 127,537 in 2007 to 145,555 in 2012), while the student population attending grades 9 to 12 will expand by 12.18 (from 388,416 in 2007 to 435,732 in 2012). Even though these rates are still significant, they contrast with the increase recorded from 2000 to 2007, where the minimum growth rate was 20.45 percent for grades five to eight, and the highest growth rate was 29.79 percent for both, kindergarten and grades one to four.
8. By gender and grades, the largest growth is projected for male children attending nursery or preschool at 14.81 percent (from 66,481 in 2007 to 76,327 in 2012), followed by the increase expected for male teenagers in grades nine to 12 at 12.41 percent (from 202,547 in 2007 to 227,673 in 2012). A similar pattern is forecasted for female students. By 2012, the largest increase is expected among girls attending preschool at 13.38 percent (from 61,056 in 2007 to 69,228 in 2012), followed by teen girls attending grades nine to 12 at 11.94 percent (from 185,869 in 2007 to 208,059 in 2012).

Some Increasing Numbers in Private Enrollment

9. While population enrolled in private schools grew by 33.29 percent during the years 2000 to 2007 (from 145,515 in 2000 to 193,958 in 2007), public school enrollment recorded an increase of 24.65 percent during the same period (from 992,233 in 2000 to 1,236,827 in 2007). By the year 2012, both private and public enrollments are expected to continue growing at a lower but still significant rate of 11.65 percent and 11.19 percent, respectively. Although, private enrollment is expected to rise, the growing gap with public enrollment is disappearing.
10. During the period 2007 to 2012, both male and female preprimary enrollments in private schools are anticipated to register higher growth rates (16.71 percent and 15.25 percent, respectively) than the preprimary enrollments at public schools (12.01 percent for males and 10.62 percent for females). On the contrary, the anticipated male and female enrollment rates for elementary and high school are 9.58 percent and 8.02; respectively, below the forecasted rates for public schools at 11.95 percent in the case of boys and at 10.36 percent in the case of girls.

Growing Numbers of Hispanic Population

11. By ethnicity, the Hispanic population recorded a significant increase at 29.81 percent from 2000 to 2007. This group is forecasted to continue growing at a lower, but still important rate of 17.09 percent by the year 2012. By that year, Hispanics are expected to represent 25.14 percent of the population in the Dallas-Forth Worth-

Arlington metropolitan area, up by almost four percentage points from the percentage recorded in 2000 at 21.65 percent of the total.

12. By race, the 'Other[3] population' is predicted to continue increasing by 25.67 percent by 2012 (from 906,658 in 2007 to 1,139,437 in 2012). The Asian population also is forecasted to record an important growth rate of 22.34 percent, from 286,072 in 2007 to 349,980 in 2012.

Rising Numbers of Affluent Families

13. The number of families with school age children and income of at least $100,000 a year is predicted to increase throughout 2012. Families with children younger than five years old and income between $100,000 and $199,999 are expected to become the largest group numerically in the next five years. Their numbers are anticipated to increase from 56,045 in 2007 to 90,990 in 2012 (62.35 percent). Families with children between five and nine years old within the same income level are projected to be the second largest group by 2012 at 88,547.
14. However, in percentage terms, the more significant increases are estimated among families with annual income of $200,000 and over. Their estimated growth rates between 2007 and 2012 are above 70 percent. In fact, families with children younger than five years old and income of $200,000+ are expected to increase from 15,326 in 2007 to 26,973 in 2012 (76 percent), followed by families with teenagers between 14 and 17 years old and income of $200,000+, who are expected to grow from 11,038 in 2007 to 19,310 in 2012 (74.94 percent). These two groups are estimated to record the largest growth rates in the next five years.
15. White households with an annual income of at least $100,000 represented the vast majority in absolute numbers; however, their estimated growth rates for 2012 are the lowest among all racial groups. White households with an annual income of $100,000 to $124,999 are projected to increase from 161,327 in 2007 to 233,495 in 2012 (44.73 percent). This group is anticipated to continue being the largest in numbers among all households with a yearly income of $100,000 or more.
16. By race, African-American households with annual income between $125,000 and $149,999 are predicted to double their numbers by 2012, from 8,569 in 2007 to 17,228 in 2012. In addition, African-American households with an annual income between $100,000 and $124,999 are also anticipated to record a significant growth rate of 87.97 percent, totaling 32,637 by 2012.
17. Likewise, 'Other households' with annual incomes of at least $100,000 are projected to more than double in the next five years, especially those households with income between $125,000 to $149,999 a year, who are expected to quadruple their numbers from 2,915 in 2007 to 11,804 in 2012 (304.87 percent).
18. By ethnicity, Hispanic households with annual incomes of at least $100,000 a year are also forecasted to report a significant increase, and, in almost all cases, will

[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.

double their numbers during the period 2007-2012. For instance, Hispanic families with annual income of $125,000 to $149,999 are projected to soar from 7,616 in 2007 to 19,235 in 2012 (152.56 percent). Hispanic families with yearly income between $100,000 and $124,999 are also anticipated to increase from 17,881 in 2007 to 39,241 in 2012 (119.46 percent).

19. 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 790.55 percent during this period. The effects of the housing market are projected to continue affecting the values of homes through 2012. For instance, the number of owner households with homes valued between $500,000 and $749,999 is expected to increase from 34,717 in 2007 to 96,666 in 2012 (178.44 percent).

Moderate Increase in Population with Higher Education

20. The number of people older than 25 years of age who hold a college degree in this area increased by 27.12 percent, from 628,289 in 2000 to 798,702 in 2007. This number is foreseen to grow at a lower, but still important pace by 2012 (14.84 percent). A similar pattern is observed for people older than 25 years old who hold a graduate degree. Their growth in 2000-2007 was 24.52 percent, whereas by the year 2012, the number of people holding a graduate degree is expected to increase by 13.27 percent, from 352,502 in 2007 to 399,265 in 2012.

Strategic Considerations for Schools

Given the trends forecasted for the Dallas-Fort Worth-Arlington 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 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).

[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.

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).