THE NAIS DEMOGRAPHIC CENTER
Metropolitan Area Reports

CBSA[1]: Denver-Aurora, CO[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

Increasing School-Age Population

1. During 2000-2007, the metropolitan area of Denver-Aurora reported an increase in the number of households with children of school age from 296,980 to 311,626 (4.93 percent). This variable is expected to continue growing during the next years, totaling 349,681 by 2012 (12.21 percent increase).
2. In addition, all school population groups are expected to increase during the period 2007-2012. The largest growth rate is forecasted to affect the school population younger than five years old. This group is projected to grow from 185,414 in 2007 to 199.222 in 2012 (7.45 percent), followed by teenagers between 14 and 17 years old from 138,417 in 2007 to 145,969 in 2012 (5.46 percent).
3. By gender, the female school population is expected to grow by 5.07 percent by the year 2012, from 310,840 to 326,610; while the male school population is predicted to grow by 6.20 percent from 337,630 in 2007 to 358,554 in 2012.

Rising Numbers of the Youngest Children

4. By age and gender, male children ages zero to four years old are expected to be the largest group in the Denver-Aurora metropolitan area by 2012. They are also expected to record the highest growth rate in the next years at 8.00 percent (from 96,607 in 2007 to 104,332 in 2012). Female children of the same age group are expected to record the second highest growth rate at 6.85 percent (from 88,807 in 2007 to 94,890 in 2012).
5. Given the previous trends, for the next five years, it is anticipated that the nursery or preschool population will grow by 10.06 percent (from 48,121 in 2007 to 52,963 in 2012). When broken down by gender, the number of boys attending nursery or preschool is expected to grow by 10.62 percent during the period 2007-2012, while

[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: Adams, CO 08001; Arapahoe, CO 08005; Broomfield, CO 08014; Clear Creek, CO 08019; Denver, CO 08031; Douglas, CO 08035; Elbert, CO 08039; Gilpin, CO 08047; Jefferson, CO 08059; and, Park, CO 08093.

the kindergarten and grades one to four populations are projected to increase by 8.25 percent in each case during the same period. Also, among the female school age population, the number of girls attending nursery or preschool is expected to record the highest growth rate at 9.45 percent, followed by females attending grades nine to 12 at 7.38 during the period 2007-2012.

Moderate Growth in Private School Enrollment

6. While population enrolled in private schools grew by close to 25 percent, from 58,141 in 2000 to 72,545 in 2007; public school enrollment recorded an increase of more than 18 percent during the same period. By 2012, both private and public school enrollments are expected to continue growing at substantially lower rates of 6.72 percent and 7.51 percent, respectively.
7. By gender, during the period 2007 to 2012, male preprimary enrollment in private schools is anticipated to grow by 11.94 percent, down from 34.24 percent during 2000-2007, while the female preprimary enrollment is expected to grow by 10.75 percent, down from 29.64 percent. In contrast, the anticipated male and female enrollment growth rates for elementary and high school are 4.74 percent and 3.63 percent, respectively, both of which show a difference of more than 18 and 15 percentage points with respect to the growth levels recorded during 2000-2007.

Increasing Numbers of Minority Population

8. By race and ethnicity, the principal changes in the Denver-Aurora area are the declining growth rate of the white population, while Asians, 'Other[3] population,' and Hispanics have increased substantially during the years 2000-2007 at 35.79 percent, 32.64 percent, and 27.3 percent, respectively.
9. While the white population is expected to barely increase from 1,863,615 in 2007 to 1,917,239 in 2012 (2.88 percent), minorities groups are predicted to continue increasing by 2012, especially the 'Other' population that is forecasted to grow from 340,643 in 2007 to 425,922 in 2012 (25.03 percent), followed by the Asian population growing by 19.68 percent from 89,802 in 2007 to 107,471 in 2012. The Hispanic population is forecasted also to continue growing at a lower, but still significant rate of 16.47 percent, reaching 594,335 by the year 2012. By that year, Hispanics are expected to represent almost 23 percent of the population in this area, up by more than four percentage points from the percentage recorded in 2000.

Considerable Growth of Affluent Families

10. 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 between $125,000 and $149,999 are expected to increase from 6,736 in 2007 to 11,384 in 2012 (69 percent), followed by

[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.

families with children in the same age group and income of $200,000+, who are expected to grow from 5,930 in 2007 to 9,999 in 2012 (68.62 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 $124,999 at 16,775 by 2012.

11. The number of Hispanic 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 124.1 percent, from 3,544 in 2007 to 7,942 in 2012. A similar trend is expected for 'Other' households with income of at least $100,000 a year. The highest growth rate is projected for 'Other' households with an annual income between $100,000 and $124,999 at 215.91 percent from 3,425 in 2007 to 10,820 in 2012.
12. Although their numbers are not that large, African American households with annual incomes of at least $100,000 a year are also predicted to grow by 2012, especially those households with income between $125,000 and $149,999 a year, who are expected to increase their numbers from 1,674 in 2007 to 3,141 in 2012 (87.63 percent). Likewise, Asian households with annual incomes of at least $100,000 are forecasted to expand. For example, Asian families with annual income of $200,000+ are projected to soar from 759 in 2007 to 1,847 in 2012 (143.35 percent).
13. 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 752.12 percent during this period. This positive trend is expected 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 31,118 in 2007 to 88,330 in 2012 (183.86 percent).

Considerable Numbers of Population with Higher Education

14. The number of people older than 25 years of age who hold a college degree in this area increased by 16.83 percent, from 326,924 in 2000 to 381,933 in 2007. This number is foreseen to continue growing, but at a lesser rate, by 2012 (9.12 percent increase). A similar pattern is observed for people older than 25 years old who hold a graduate degree. Their numbers increased from 159,233 in 2000 to 181,384 in 2007 (13.91 percent), and it is forecasted that their numbers will grow by 7.41 percent by the year 2012.

Strategic Considerations for Schools

Given the findings of this report, independent schools in the Denver-Aurora 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 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

- 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
- 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,

[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.

NATIONAL ASSOCIATION OF INDEPENDENT SCHOOLS

- ✓ 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 it 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).