THE NAIS DEMOGRAPHIC CENTER
Metropolitan Area Reports

CBSA[1]: Detroit-Warren-Livonia, MI[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 Detroit-Warren-Livonia reported declining numbers of households with children of school age, from 607,211 to 558,022 (an 8.10 percent decrease). However, this number is expected to grow by 3.22 percent during the next five years, totaling 575,995 in 2012.
2. All school population groups are expected to diminish during the next five years, however. After remaining steady during the period 2000-2007, the school population age 0 to 17 years is projected to decline by 3.18 percent from 1,181,840 in 2007 to 1,144,292 in 2012.
3. By gender, the female school population is expected to drop by 4.11 percent by the year 2012, from 568,733 to 545,337; while the male school population is predicted to drop by 2.31 percent, from 613,107 in 2007 to 598,955 in 2012.

Declining Numbers of Young Children

4. In absolute numbers, the largest group in 2007 was children between five and nine years old at 329,406; however, this was the only group that recorded a decline between 2000 and 2007 (5.44 percent decrease). By 2012, this declining trend will continue and the number of children between five and nine years old is expected to drop by 8.53 percent, the largest fall during the period 2007-2012. Children in this group age will become the second largest group at 301,317, after children younger than five years old at 320,464.
5. By age and gender, the main population declines are projected to be in the number of girls age five to nine years, from 157,305 in 2007 to 141,026 in 2012 (a 10.35 percent decline), and boys in the same age group, from 172,101 in 2007 to 160,291 in 2012 (a

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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: Lapeer, MI 26087; Livingston, MI 26093; Macomb, MI 26099; Oakland, MI 26125; St. Clair, MI 26147; and Wayne, MI 26163.

6.86 percent decline). Teen girls between 14 and 17 years old are also expected to record a minor drop of 2.39 percent during the same five-year period.

6. Given the previous findings, the kindergarten population and the population in grades one to four are expected to be the most affected with declines 5.73 percent in each case by the year 2012. When broken down by gender, the number of girls attending kindergarten and grades one to four are projected to drop by 7.61 percent in each case during the period 2007-2012.
7. By contrast, the school population attending grades five to eight and grades nine to 12 in Detroit-Warren-Livonia are forecasted to barely grow (1.97 percent and 1.16 percent, respectively) during the years 2007 to 2012, after reporting growth rates of 9.48 percent and 9.70 percent, respectively, during the period 2000-2007.

Declining Enrollment in Private Schools

8. Population enrolled in private schools grew by more than 11 percent during the years 2000 to 2007; however, it is expected to diminish from 144,150 in 2007 to 141,945 by the year 2012. Similarly, while total public school enrollment grew during 2000-2007 by more than five percent (in spite of the fall of public preprimary enrollment by 9.64 percent), it is projected to remain almost the same between 2007 and 2012 (a 0.97 percent decline).
9. By gender, male preprimary enrollment in private schools is anticipated to grow from 18,767 in 2007 to 19,215 in 2012 (2.39 percent), while the female preprimary enrollment is expected to barely grow from 17,394 in 2007 to 17,502 in 2012 (0.62 percent.) In contrast, the anticipated male and female enrollments for elementary and high school are expected to decrease from 56,013 in 2007 to 55,083 in 2012 (1.66 percent decline) in the first case; and from 51,976 in 2007 to 50,145 in 2012 (3.52 percent decline), in the second one.

Increasing Numbers of Some Minority Groups

10. By race and ethnicity, the principal changes in the Detroit-Warren-Livonia area are the declining numbers of African Americans, while Hispanics, Asians, and 'Other[3] population' have increased substantially during the years 2000-2007 at 27 percent, 24.87 percent, and 22.52 percent, respectively. These minority groups are predicted to continue increasing by 2012, especially the 'Other' population, which is forecasted to grow from 190,241 in 2007 to 228,272 in 2012 (19.99 percent).
11. Given that the African American population is expected to continue its declining numbers, from 934,867 in 2007 to 893,999 in 2012 (4.37 decrease), their percentage over the total population is also expected to decrease from 20.9 percent to 20.02 percent, during the same period.

[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.

Rising Number of Affluent Families

12. The number of families with school age children and incomes of at least $100,000 a year is predicted to increase through 2012. In particular, families with children younger than five years old and income of $200,000+ are expected to increase from 8,709 in 2007 to 14,184 in 2012 (62.87 percent growth), followed by families with children between 10 and 13 years old and income of $200,000+, who are expected to grow from 7,365 in 2007 to 11,939 in 2012 (62.1 percent).
13. The number of African American households with incomes 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 52.15 percent, from 11,088 in 2007 to 16,870 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 138.11 percent, from 2,275 in 2007 to 5,417 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 their numbers by 2012, especially those households with incomes between $125,000 and $149,999 a year, who are expected to more than triple their numbers from 925 in 2007 to 3,020 in 2012 (226.49 percent growth).
15. Likewise, Hispanic households with annual incomes of at least $100,000 are forecasted to expand. For example, the number of Hispanic families with annual incomes of $125,000 to $149,999 is projected to rise from 1,228 in 2007 to 2,653 in 2012 (116.04 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 708.95 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 46,643 in 2007 to 119,416 in 2012 (156.02 percent).

Modest Increase in 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 8.5 percent, from 424,674 in 2000 to 460,783 in 2007. This number is expected to grow by 2012 (2.58 percent). A similar pattern is observed for people older than 25 years old who hold graduate degrees. Their numbers increased from 250,915 in 2000 to 269,231 in 2007 (7.3 percent), and it is forecasted that their numbers will grow slightly (by 2.02 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 Detroit-Warren-Lavonia 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 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 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 will 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

[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.

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).