`THE NAIS DEMOGRAPHIC CENTER
Metropolitan Area Reports

CBSA[1]: Honolulu, HI[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

Decreasing School Age Population

1. During 2000-2007, the metropolitan area of Honolulu reported declining numbers of households with children of school age from 107,250 to 106,309 (0.88 percent decrease). However, this number is expected to grow by 7.77 percent during the next five years, totaling 114,571 in 2012.
2. In addition, all school population groups are expected to diminish during the next five years. After recording a growth rate of 0.29 percent during the period 2000-2007, the school population age 0 to 17 years is projected to decline by 1.78 percent from 209,356 in 2007 to 205,630 in 2012.
3. By gender, the female school population is expected to drop by 2.12 percent by the year 2012, from 100,105 to 97,978; while the male school population is predicted to drop by 1.46 percent from 109,251 in 2007 to 107,652 in 2012.

Declining Numbers of Younger Children

4. In absolute numbers, the largest group in 2007 was children between five and nine years old at 60,463; however, this was the only group that recorded neither a decline nor an increase between 2000 and 2007. By 2012, this trend will worsen and children between five and nine years old are expected to drop by 2.81 percent, the largest fall, followed by children between 14 to 17 years old, who are expected to fall by 2.76 percent.
5. By age and gender, the main numeric falls are projected to be in the number of boys age five to nine years, from 31,239 in 2007 to 30, 277 in 2012 (3.08 percent decline), and girls in the same age group from 29,224 in 2007 to 28,485 in 2012 (2.53 percent decline). Teenagers between 14 and 17 years old are also expected to record drops during the same five-year period, especially in the case of girls, at a 2.84 percent decline.

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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 county of Honolulu, HI 15003.

6. Despite the previous findings, the kindergarten population and the population in grades one to four are expected to grow by 2.47 percent in each case by the year 2012. When broken down by gender, the number of boys attending grades five to eight is projected to grow by 4.41 percent during the period 2007-2012.
7. Further, school population attending grades five to eight and grades nine to 12 in Honolulu are forecasted to grow at 4.35 percent and 2.54 percent, respectively, during the years 2007 to 2012, after reporting growth rates of 12.88 percent and 10.78 percent, respectively, during the period 2000-2007.

Minor Growth of Private School Enrollment

8. Population enrolled in private schools grew by almost 16 percent during the years 2000 to 2007; however, this growth rate is expected to diminish substantially in the next five years, reaching only 2.14 percent (from 41,604 in 2007 to 42,495 in 2012). Such a declining growth rate is expected mainly because of the anticipated lower increase in private elementary and high school enrollment, from 32,498 in 2007 to 32,882 in 2012 (1.18 percent). Likewise, while total public school enrollment grew during 2000-2007 by more than 11 percent (in spite of the fall of public preprimary by 5.44 percent), it is projected to continue growing by 2012, but at a diminished rate (3.55 percent increase).
9. By gender, during the period 2007 to 2012, male preprimary enrollment in private schools is anticipated to grow by 6.90 percent, while the female preprimary enrollment is expected to grow by 4.07 percent. While these populations do expect positive increases, their rates are noticeably down from those recorded in 2000-2007, at 22.21 percent and 15.48 percent, respectively. The anticipated male and female enrollment rates for elementary and high school are 1.11 percent and 1.25 percent, respectively.

Increasing Numbers of Minority Population

10. By race and ethnicity, the principal changes in the Honolulu area are the declining numbers of the white population (15.74 percent decline), while Hispanics and 'Other[3] population' have increased substantially during the years 2000-2007 at 27.22 percent and 14.62 percent, respectively.
11. While the majority Asian population is expected to record a diminishing growth rate (from 6.50 percent in 2007 to 2.22 percent in 2012), the percentage of Asian people over the total population is predicted to remain around 55 percent. In contrast, minority groups are predicted to continue increasing by 2012, especially the 'Other' population that is forecasted to increase from 215,490 in 2007 to 248,174 in 2012 (15.17 percent). By 2012, they are expected to represent 26.29 percent of the total population, compared to 21.46 percent in 2000.

[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.

Considerable Growth 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 1,232 in 2007 to 2,474 in 2012 (100.81 percent), followed by families with children between 10 and 13 years old and income of $200,000+, who are expected to grow from 968 in 2007 to 1,933 in 2012 (99.69 percent). In absolute numbers, the largest group is expected to be families with children between five and nine years old and income between $100,000 and $199,999 at 11,414 by 2012.
13. The number of 'Other' 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 182.78 percent, from 1,591 in 2007 to 4,499 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 131.60 percent from 5,332 in 2007 to 12,349 in 2012.
14. Although their numbers are not that large, Hispanic 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 more than double their numbers from 481 in 2007 to 1,183 in 2012 (145.95 percent).
15. Likewise, black households with annual incomes of at least $100,000 are forecasted to expand. For example, black households with annual income between $100,000 and $124,999 are projected to rise from 481 in 2007 to 910 in 2012 (89.19 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 724.39 percent during this period. This positive trend is projected to continue through 2012. For instance, the number of owner households with homes valued $1,000,000 or more is expected to increase from 6,629 in 2007 to 18,183 in 2012 (174.29 percent).

Slight Increase 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 14.03 percent, from 109,254 in 2000 to 124,581 in 2007. This number is foreseen to increase at a lower rate by 2012 (6.24 percent increase). A similar pattern is observed for people older than 25 years old who hold a graduate degree. Their numbers increased from 51,956 in 2000 to 57,603 in 2007 (10.87 percent), and it is forecasted that their numbers will rise by 4.38 percent by the year 2012.

NATIONAL ASSOCIATION OF INDEPENDENT SCHOOLS

Strategic Considerations for Schools

Given the findings of this report, independent schools in the Honolulu 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 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 they are 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

[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 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 its 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 communicate 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).

[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.