THE NAIS DEMOGRAPHIC CENTER
Metropolitan Area Reports

CBSA[1]: New York-Northern New Jersey-Long Island, NY-NJ-PA[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 New York-Northern New Jersey-Long Island reported declining numbers of households with children of school age from 2.38 million to 2.24 million (5.65 percent decrease). However, this number is expected to grow by 3.76 percent during the next five years, totaling 2.33 million in 2012.
2. In addition, all school population groups are expected to diminish in absolute numbers during the next five years. After recording a minor growth rate of 1.73 percent during the period 2000-2007, the school population age 0 to 17 years is projected to decline by 3.54 percent from 4.59 million in 2007 to 4.43 million in 2012.
3. By gender, the female school population is expected to drop by almost 5 percent by the year 2012, from 2.21 million to 2.11 million, while the male school population is predicted to drop by 2.7 percent from 2.39 million in 2007 to 2.32 million 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 1,287,756; however, this was the only group that recorded a decline between 2000 and 2007. By 2012, this declining trend will continue and children between five and nine years old are expected to drop by 8.1 percent, becoming the second largest group at 1,183,385, after children younger than five years old at 1,254,841.

[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: Bergen, NJ 34003; Essex, NJ 34013; Hudson, NJ 34017; Hunterdon, NJ 34019; Middlesex, NJ 34023; Monmouth, NJ 34025; Morris, NJ 34027; Ocean, NJ 34029; Passaic, NJ 34031; Somerset, NJ 34035; Sussex, NJ 34037; Union, NJ 34039; Bronx, NY 36005; Kings, NY 36047; Nassau, NY 36059; New York, NY 36061; Putnam, NY 36079; Queens, NY 36081; Richmond, NY 36085; Rockland, NY 36087; Suffolk, NY 36103; Westchester, NY 36119; and Pike, PA 42103.

5. By age and gender, the main falls are projected to be in the number of girls age five to nine years, from 614,221 in 2007 to 554,321 in 2012 (9.75 percent decline), and boys in the same age group from 673,535 in 2007 to 629,064 in 2012 (6.6 percent decline). The group of children age zero to four years is also expected to record important drops during the same five-year period, especially in the case of girls at 3.55 percent decline.
6. Given the previous findings, the kindergarten population and the population in grades one to four are expected to be the most affected with a decline of 4.4 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 6.12 percent in each case during the period 2007-2012.
7. By contrast, school population attending grades five to eight and grades nine to 12 in New York-Northern New Jersey-Long Island are forecasted to continue experiencing moderate growth rates between 3.07 percent and 2.33 percent during the years 2007 to 2012, after growth rates of 11.67 percent and 12.3 percent, respectively, during the period 2000-2007.

Diminishing Enrollment in Private Schools

8. Population enrolled in private schools grew by more than 12 percent during the years 2000 to 2007; however, it is expected to diminish by the year 2012. While total public school enrollment grew during 2000-2007 by more than 8 percent (in spite of the fall of public preprimary by 6.94 percent), it is projected to remain almost the same by 2012 (0.39 percent increase).
9. During the period 2007 to 2012, male preprimary enrollment in private schools is anticipated to register a positive growth rate of 1.57 percent, while the female preprimary enrollment is expected to fall by 0.43 percent. Similarly, the anticipated male and female enrollment rates for elementary and high school are negative 1.27 percent and negative 2.99 percent, respectively.

Increasing Numbers of Minority Population

10. By race and ethnicity, the principal changes have been the declining numbers of the white population, while Hispanics, 'Other[3] population,' and Asians have increased substantially during the years 2000-2007 at 22.65 percent, 20.1 percent, and 17.41 percent, respectively. These groups are predicted to continue increasing at lower, but still significant rates by 2012, especially the 'Other' population that is forecasted to grow by 13.49 percent during the period 2007-2012. By 2012, Hispanics are expected to account for 25.43 percent of the population in the New York-Northern New Jersey-Long Island metropolitan area, up two percentage points from 2007 when they represented 23.22 percent of the total.

[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 Numbers of Affluent Families

11. 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 age 10 to 13 years and income of $200,000+ are expected to increase from 42,903 in 2007 to 64,507 in 2012 (50.36 percent), followed by families with teenagers 14 to 17 years old and income of $200,000+, who are expected to grow from 41,191 in 2007 to 61,490 in 2012 (49.28 percent).
12. 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 between $125,000 and $149,999 are projected to record an increase of 62.51 percent, from 43,331 in 2007 to 70,418 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 112.5 percent from 28,207 in 2007 to 59,941 in 2012.
13. Likewise, 'Other households' with annual incomes of at least $100,000 a year are predicted to more than double their numbers by 2012 in most cases, especially those households with income between $125,000 to $149,999 a year, who are expected to almost triple their numbers from 12,471 in 2007 to 36,418 in 2012 (192.02 percent).
14. A similar trend is forecasted for Hispanic households with annual incomes of at least $100,000. Hispanic families with annual income of $125,000 to $149,999 are projected to soar from 32,982 in 2007 to 68,884 in 2012 (108.85 percent).
15. 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 505.98 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 266,792 in 2007 to 631,088 in 2012 (136.55 percent).

Modest Increase in Population with Higher Education

16. The number of people older than 25 years of age who hold a college degree in this area increased by 8.6 percent, from 2.18 million in 2000 to 2.36 million in 2007. This number is foreseen to grow at a lower pace by 2012 (1.72 percent). A similar pattern is observed for people older than 25 years old who hold a graduate degree. Their numbers increased from 1.52 million in 2000 to 1.63 million in 2007 (7.15 percent) and it is forecasted that they will grow by 1.07 percent by the year 2012.

Strategic Considerations for Schools

Given that all school population groups are projected to decline by 2012, independent schools the New York-Northern New Jersey-Long Island 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 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 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.

- ✓ 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).