THE NAIS DEMOGRAPHIC CENTER
Metropolitan Area Reports

CBSA[1]: Philadelphia-Camden-Wilmington, PA-NJ-DE-MD[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 Philadelphia-Camden-Wilmington reported declining numbers of households with children of school age from 753,326 to 719,732 (4.46 percent decrease). However, this number is expected to grow by 5.68 percent during the next few years, totaling 760,641 in 2012.
2. In addition, the overall school population group is expected to diminish by 2012. After recording a growth rate of 2.65 percent during the period 2000-2007, the school population age zero to 17 years is projected to decline by 0.98 percent from 1,481,598 in 2007 to 1,467,114 in 2012.
3. By gender, the female school population is expected to drop by 1.90 percent by the year 2012, from 713,499 to 699,978; while the male school population is predicted to drop by 0.13 percent from 768,099 in 2007 to 767,136 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 407,692; however, this was the only group that recorded a decline between 2000 and 2007. By 2012, this declining trend will continue and the number of children between five and nine years old is expected to drop by 5.47 percent, the largest fall during the period 2007-2012. Children in this group age will become the second largest group at 385,390, after children younger than five years old at 398,018.
5. By age and gender, most of the female school-age populations are expected to record decreasing numbers. However, the main declines are projected to be in the number of girls age five to nine years, from 195,013 in 2007 to 180,849 in 2012 (7.26 percent decline), and boys in the same age group from 212,679 in 2007 to 204,541 in 2012

[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: New Castle, DE 10003; Cecil, MD 24015; Burlington, NJ 34005; Camden, NJ 34007; Gloucester, NJ 34015; Salem, NJ 34033; Bucks, PA 42017; Chester, PA 42029; Delaware, PA 42045; Montgomery, PA 42091; and, Philadelphia, PA 42101.

(3.83 percent decline). Teenagers girls between 14 and 17 years old are also expected to have a record minor drop during the same five-year period, at 0.67 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 2.65 percent and 2.64 percent, respectively, 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 4.49 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 Philadelphia-Camden-Wilmington is forecasted to grow at a lower pace by 3.33 percent and 2.97 percent, respectively, during the years 2007 to 2012, after reporting growth rates of 11.11 percent and 11.76 percent, respectively, during the period 2000-2007.

Stagnant Enrollment in Private Schools

8. Population enrolled in private schools grew by more than 13.00 percent during the years 2000 to 2007; however, this growth rate is expected to diminish to less than 0.3 percent by the year 2012. This decrease will be mainly due to the anticipated drop of 0.84 percent of elementary and high school private enrollment, from 243,323 in 2007 to 241,287 in 2012. Also, the growth rate for the private preprimary population is expected to drop from 16.73 percent to 3.45 percent by 2012. Similarly, while total public school enrollment grew during 2000-2007 by more than 7.00 percent (in spite of the fall of public preprimary by 7.85 percent), it is projected to remain almost the same by 2012 (1.50 percent growth).
9. By gender, during the period 2007 to 2012, male preprimary enrollment in private schools is anticipated to grow by 4.19 percent, while the female preprimary enrollment is expected to slightly increase by 2.65 percent. The anticipated male and female enrollment rates for elementary and high school are 0.07 percent and negative 1.82 percent, respectively.

Increasing Numbers of Minority Population

10. By race and ethnicity, the principal changes in the Philadelphia-Camden-Wilmington area are the declining numbers of the white population, while Hispanics, 'Other[3] population,' and Asians have increased substantially during the years 2000-2007 at 23.94 percent, 18.93 percent, and 21.39 percent, respectively.
11. While the white population is expected to continue its declining numbers from 4,192,733 in 2007 to 4,188,431 in 2012 (0.10 decrease), minorities groups are predicted to continue increasing by 2012, especially the 'Other' population that is forecasted to grow from 286,953 in 2007 to 336,004 in 2012 (17.09 percent).
12. The number of African Americans is projected to increase from 1,131,917 in 2007 to 1,175,841 in 2012 (3.88 percent growth). This group is expected to continue

[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.

representing the largest minority group in this area; however, its participation over the total population is expected to remain at around 20 percent, a similar percentage to the ones previously recorded in 2000 and 2007.

Considerable Growth 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. In particular, families with children younger than five years old and income between $125,000 and $149,999 are expected to increase from 13,647 in 2007 to 21,979 in 2012 (61.05 percent), followed by families with children younger than five years old and income of $200,000+ are expected to increase from 11,692 in 2007 to 18,816 in 2012 (60.93 percent).
14. 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 76.97 percent, from 10,311 in 2007 to 18,247 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 126 percent from 2,650 in 2007 to 5,989 in 2012.
15. Although their numbers are not that large, 'Other households' with annual incomes of at least $100,000 a year are also predicted to more than double their numbers by 2012, especially those households with income between $125,000 to $149,999 a year, who are expected to triple their numbers from 1,019 in 2007 to 3,146 in 2012 (208.73 percent).
16. Likewise, Hispanic households with annual incomes of at least $100,000 are forecasted to expand. For example, Hispanic families with annual income of $125,000 to $149,999 are projected to soar from 1,755 in 2007 to 3,716 in 2012 (111.74 percent).
17. 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 860.91 percent during this period. A positive trend is projected 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 43,493 in 2007 to 120,530 in 2012 (177.13 percent).

Moderate Increase of Population with Higher Education

18. The number of people older than 25 years of age who hold a college degree in this area increased by 10.77 percent, from 643,392 in 2000 to 712,680 in 2007. This number is foreseen to rise slightly by 2012 (4.34 percent increase). A similar pattern is observed for people older than 25 years old who hold a graduate degree. Their numbers increased from 392,985 in 2000 to 428,890 in 2007 (9.14 percent), and it is forecasted that their numbers will also rise, by 3.52 percent by the year 2012.

NATIONAL ASSOCIATION OF INDEPENDENT SCHOOLS

Strategic Considerations for Schools

Given the findings of this report, independent schools in the Philadelphia-Camden-Wilmington 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

[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 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).

[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.