

THE NAIS DEMOGRAPHIC CENTER

Metropolitan Area Reports

CBSA¹: Seattle-Tacoma-Bellevue, WA²

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 Seattle-Tacoma-Bellevue reported a slight increase in the number of households with children of school age from 401,620 to 408,393 (1.69 percent). This number is expected to grow by 10.25 percent during the next five years, totaling 450,237 in 2012.
2. In addition, all school population groups are expected to expand during the next five years. After recording a growth rate of 10.08 percent during the period 2000-2007, the school population age zero to 17 years is projected to continue increase, but at a lower rate (3.50 percent), from 822,718 in 2007 to 851,551 in 2012.
3. By gender, the female school population is expected to grow at 2.86 percent by the year 2012, from 395,197 to 406,490; while the male school population is predicted to grow by 4.10 percent from 427,521 in 2007 to 445,061 in 2012.

Rising Numbers of Younger and Older Children

4. By age and gender, the largest increases are projected for males younger than five years old at 6.09 percent, from 116,951 in 2007 to 124,072 in 2012; and females in the same age group at 4.42 percent, from 107,698 in 2007 to 112,454 in 2012. After these groups, male and female teenagers between 14 and 17 years old are also expected to record important growth rates by 2012, at 3.88 percent and 3.14 percent, respectively.
5. Given the previous findings, the nursery or preschool population and the population in grades nine to 12 are expected to be the most affected with an increase of 6.49 percent and 5.93 percent, respectively, by the year 2012. When broken down by gender, males attending nursery or preschool are projected to record the highest increase at 7.30 percent, from 30,615 in 2007 to 32,849 in 2012; followed by males in grades nine to 12 at 6.30 percent, from 99,890 in 2007 to 106,179 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: King, WA 53033; Pierce, WA 53053; and Snohomish, WA 53061.

6. While all gender and age school populations are expected to continue to increase during the next five years, the rate of growth for all groups is expected to be lower than growth rates recorded between 2000 and 2007. The largest differences are expected among males attending kindergarten and grades one to four, from a growth of 19.46 percent in 2000-2007 to 5.52 percent in 2007-2012 in each case.

Minor Growth of Private School Enrollment

7. Population enrolled in private schools grew by more than 18 percent during the years 2000 to 2007; however, this rate of growth is expected to slow substantially to less than 4 percent between 2007 and 2012. This lower increase is expected mainly due to the anticipated growth of 1.90 percent in the elementary and high school population from 66,420 to 67,683 in the period 2007-2012, compared to 16.24 percent increase during the period 2000-2007.
8. By gender, the male preprimary enrollment in private schools is anticipated to grow by 7.45 percent by the year 2012, down from 23.46 percent during 2000-2007, while the female preprimary enrollment is expected to grow by 5.75 percent, down from 19.58 percent. The anticipated 2007-2012 male and female enrollment growth rates for elementary and high school are only 2.42 percent and 1.34 percent, respectively, both of which show a drop of 13 percentage points with respect to the rates recorded during the years 2000-2007.

Increasing Numbers of Minority Population

9. By race and ethnicity, the principal changes in the Seattle-Tacoma-Bellevue area is the declining growth rate of the white population, while Hispanics, the 'Other'³ population, and Asians have increased substantially during the years 2000-2007 at 35.19 percent, 34.34 percent, and 24.64 percent, respectively.
10. While the white population is expected to continue in its declining growth rate from 3.01 percent in 2000-2007 to 0.82 percent in 2007-2012, minority groups are predicted to continue increasing by 2012, especially the 'Other' population that is forecasted to grow from 312,134 in 2007 to 399,039 in 2012 (27.84 percent). By 2012, this group is forecasted to represent almost 12 percent of the population in this area, slightly above the percentage represented by Asians.

Considerable Growth 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 between 2007 and 2012. In particular, families with children younger than five years old and income of \$200,000+ are expected to increase from 6,347 in 2007 to 10,161 in 2012 (60.09 percent), followed by families with children between 14 and 17 years old and income of \$200,000+, who are expected to grow from 5,115 in 2007 to 8,052 in 2012 (57.42 percent). In absolute

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.

- 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 44,210 by 2012.
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, African-American households with an annual income between \$100,000 and \$124,999 are projected to record an increase of 83.85 percent, from 4,218 in 2007 to 7,755 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 between \$125,000 and \$149,000 at 144.41 percent from 4,607 in 2007 to 11,260 in 2012.
 13. 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 more than triple their numbers from 1,454 in 2007 to 5,284 in 2012 (263.41 percent growth).
 14. Likewise, Hispanic households with annual incomes of at least \$100,000 are forecasted to expand. For example, Hispanic families with annual income of \$100,000 to \$124,999 are projected to rise from 3,501 in 2007 to 7,847 in 2012 (124.14 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 677.25 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+ is expected to increase from 24,148 in 2007 to 57,651 in 2012 (138.74 percent).

Increasing Numbers of Population with Higher Education

16. The number of people older than 25 years of age who hold college degrees in this area increased by 10.6 percent, from 444,160 in 2000 to 491,242 in 2007. This number is foreseen to grow to 518,780 by 2012 (5.61 percent increase). A similar pattern is observed for people older than 25 years old who hold graduate degrees. Their numbers increased from 215,536 in 2000 to 233,617 in 2007 (8.39 percent), and it is forecasted that their numbers will grow, but at a lesser rate, 4.31 percent, reaching 243,681 by the year 2012.

Strategic Considerations for Schools

Given the findings of this report, independent schools in the Seattle-Tacoma-Bellevue 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 statistics 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 messaging?
- 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 independent school tuition are not enrolling their children in our school? Do we know where these families are located?

Responding to Household Income Changes

- Do we need to attract more middle-class families? Can we increase financial aid or structure it to increase enrollment among middle-class families? If so, can richer families pay for higher tuitions?
- Are middle-class families aware of all the financing 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 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 tuition 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 <http://www.nais.org/files/PDFs/OpinionLeadersSurveyJune05.pdf> 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 StatsOnline⁵ 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* (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 or order in bulk for distribution).
 - ✓ 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>).