

THE NAIS DEMOGRAPHIC CENTER

2009 Metropolitan Area Reports

CBSA¹: Phoenix-Mesa-Scottsdale, AZ²

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

School Age Population

1. During 2000-2009, the metropolitan area of Phoenix-Mesa-Scottsdale reported an increase in the number of households with children of school age from 425,638 to 538,384 (35.91 percent). Furthermore, their numbers are expected to grow by 15.69 percent during the next five years, totaling 632,590 in 2014.
2. The school age population group is also expected to increase through 2014. After recording a growth rate of 36.73 percent during the period 2000-2009, the school population age 0 to 17 years is projected to rise by 14.11 percent from 1,193,769 in 2009 to 1,362,153 in 2014.
3. By gender, the female school population is expected to grow by 13.64 percent, from 570,881 in 2009 to 648,736 in 2014, while the male school population is predicted to grow by 14.5 percent, from 620,148 in 2009 to 710,045 in 2014.

Number of Children

4. By age and gender, the slowest growth in population is projected to be in the number of boys age ten to thirteen years, from 119,238 in 2009 to 131,142 in 2014 (9.98 percent). All other populations are expected to show growth rates ranging from 10.02 percent (females, ages ten to thirteen) to 17.39 percent (males, ages zero to four).
5. In absolute numbers, the largest group in 2009 was age five to nine years old at 363,628, followed by children up to four years old at 357,644. In the next five years, the latter group is predicted to increase the fastest, by 16.90 percent, while the group of children five to nine years old is expected to grow at 15.29 percent, remaining the largest group at 419,223 by 2014, though by a smaller margin than in 2009.
6. By contrast, older children in the metro area are far smaller than younger children, and are expected to experience slower growth rates. In 2009, children age ten to

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 includes the following counties:

thirteen years old comprised the smallest segment with 230,700 and is expected to grow to 253,777 by 2014 (10.00 percent). Similarly, there were 239,057 children age fourteen to seventeen in 2009, expected to grow to 267,697 (11.98 percent) by 2014. While the growth is positive, the absolute numbers are about a third lower than the younger population groups described above.

7. Given the previous findings, the nursery and preschool population is expected to see the largest growth between 2009 and 2014 (20.82 percent), while the population in grade five to eight is expected to grow by 12.27 percent, the slowest growth rate of all grades. When broken down by gender, the number of girls and boys attending nursery or preschool are projected to rise by 20.27 percent and 21.32 percent, respectively, during the period 2009-2014. Overall, the growth in boys enrolled in school (16.05 percent) is expected to outpace the growth of girls enrolled (15.22 percent) between 2009 and 2014.

Enrollment in Private Schools

8. While the overall population enrolled in private schools is projected to be about 11.5 percent of the population enrolled in public schools by 2014, the private school enrollment rate is expected to grow at a faster rate. The population enrolled in private schools grew by more than 55 percent during the years 2000 to 2009; however, this growth rate is expected to diminish substantially to 18.16 percent between 2009 and 2014. Such a lower rate is expected largely due to the anticipated growth of 13.12 percent in the private elementary and high school population from 57,763 to 65,344 during 2009-2014, compared to a 45.06 percent increase during 2000-2009. By comparison, while total public school enrollment grew during 2000-2009 by 43.93 percent, it is projected to continue growing at a lower rate of 15.37 percent, between 2009 and 2014.
9. By gender during 2009-2014, male preprimary enrollment in private schools is anticipated to grow by 25.80 percent (from 21,301 in 2009 to 26,796 in 2014); while the female preprimary enrollment in private schools is expected grow by 24.71 percent (from 19,643 in 2009 to 24,496 in 2014). Meanwhile, the anticipated male and female enrollment growth rates for private elementary and high school are 13.50 percent and 12.71 percent, respectively.

Population by Race and Ethnicity

10. By race and ethnicity, the principal changes in the Phoenix-Mesa-Scottsdale area are the continuing steep growth rates of the Hispanic population, which grew 56.47 percent between 2000 and 2009 and is expected to grow another 21.60 percent by 2014. The largest growth rate is expected to occur in the Asian population (26.30 percent), though the absolute number of Asians will remain the smallest at 153,393. The white, non-Hispanic population is expected to grow 9.97 percent between 2009 and 2014.
11. While the white, non-Hispanic population still represents 59.15 percent of the total population, it is expected to represent 56.40 percent of the population by 2014. On the contrary, each minority group is predicted to continue increasing its representative

share of the population, with the largest shift occurring among the Other³ population. Hispanics are projected to comprise 30.98 percent of the population by 2014, compared to just 25.12 percent in 2000.

Numbers 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 2014. In particular, families with children younger than five years old and incomes between \$125,000 and \$150,000 are expected to increase the fastest, at 63.51 percent (from 10,307 in 2009 to 16,853 in 2014, followed by families with children five to nine years old and incomes between \$125,000 and \$150,000, who are expected to grow from 14,523 in 2009 to 19,571 in 2014 (61.27 percent). Families with children age four and younger and with incomes over \$350,000 are projected to grow 60.22 percent between 2009 and 2014. In absolute numbers, the largest group is expected to be families with children age five to nine years old and income between \$100,000 and \$124,999 at 26,956 by 2014.
13. The number of African American households with incomes of at least \$100,000 per year is projected to continue growing through 2014. In particular, households with annual incomes over \$200,000 are projected to record an increase of 80.08 percent, from 1,240 in 2009 to 2,233 in 2014. A steeper trend is expected for Asian households with incomes of at least \$100,000 per year. The highest growth rate projected for Asian households is for those with annual incomes over \$200,000 at 127.58 percent, from 1,472 in 2009 to 3,350 in 2014.
14. The single largest projected increase in high-income households among racial and ethnic groups is among 'Other households.' Those with annual incomes of between \$125,000 and \$149,999 per year are expected to increase their numbers, from 2,867 in 2009 to 9,584 in 2014 (234.29 percent).
15. Likewise, Hispanic households with annual incomes of at least \$100,000 per year are forecasted to expand strongly. For example, Hispanic families with annual incomes over \$200,000 are projected to rise from 3,616 in 2009 to 6,225 in 2014 (72.15 percent).
16. In general, the number of households with homes valued over \$500,000 reported record growth numbers during the period 2000-2009. In particular, the number of households with homes valued between \$750,000 and \$999,999 increased by 618.90 percent during this period. A positive trend is projected to continue through 2014, though the credit crisis/housing market crash/economic realities will severely temper the growth rates of the last decade. For instance, the largest projected increase in the number of owner households by value is among those valued between \$500,000 and \$749,999 which are expected to increase 77.38 percent by 2014. Even though high-value homes show very large growth patterns, the vast majority of homes are valued

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.

at less than \$250,000. By 2014, there are projected to be 901,185 homes valued under \$250,000, compared to a predicted 442,565 homes valued at \$250,000 or more.

Population with Higher Education

17. The number of people older than 25 years of age who hold college degrees in the Phoenix-Mesa-Scottsdale area increased by 46.17 percent, from 340,455 in 2000 to 497,658 in 2009. This number is expected to grow another 20.08 percent by 2014, to 597,576. A similar pattern is observed for people older than 25 years old who hold graduate degrees. Their numbers increased from 173,479 in 2000 to 244,349 in 2009 (40.85 percent), and it is forecasted that their numbers will grow another 17.86 percent by 2014.

Strategic Considerations for Schools

Given the findings of this report, independent schools in the Phoenix-Mesa-Scottsdale 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 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? 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 tuition are not enrolling their children in our school? 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?
- If our school is facing high demand, what financial planning do we need 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 income as a source of revenue? 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,

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>.

economic, political, scientific, and technological trends opinion leaders in education, business, and the media believe will have the greatest impact on independent education in the future. 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/go/statsonline) 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.
 - ✓ **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. The members-only version of the report 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/go/advocacy).

⁵ StatsOnline is available to 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.

- ✓ *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. **Financial Sustainability** — NAIS believes that schools need to work toward financial sustainability by becoming more efficient and strategic financially to ensure long-term viability. As part of NAIS's Sustainability Initiative (www.nais.org/sustainableschools/), we have assembled below articles, presentations, and reports on admission-marketing, development, leadership, communications, and finance topics, all related to financial sustainability.

ADMISSION AND MARKETING

- ✓ [Parents Views on Independent Schools under the Current Economic Situation.](#)
- ✓ [Demography and the Economy](#)
- ✓ [AdmissionQuest's podcast: Exploring School Sustainability Directions & Ideas with Patrick Bassett](#)
- ✓ [Admission Trends, Families, and the School Search](#)
- ✓ [Enrollment Dilemmas, Part I and Part II](#)
- ✓ [Sticky Messages](#)
- ✓ [Net Tuition Revenue Management: The Why, When, and How](#), NAIS Leadership Series (Article 2009)
- ✓ [Enrollment and Marketing Considerations in a Tight Financial Market](#), NAIS Leadership Series (Article 2009)