

independent schools of tomorrow

seven trends to anticipate at your institution

1. new institutions with new methods of delivery and lower tuition are increasing competition

The education market has never looked more diverse. New schools, including for-profit, micro-schools, and state-run virtual schools, are delivering a new model of education at a lower price than traditional public or private schools.



TUITION AT INDEPENDENT SCHOOLS



TUITION AT NEW FOR-PROFIT SCHOOLS

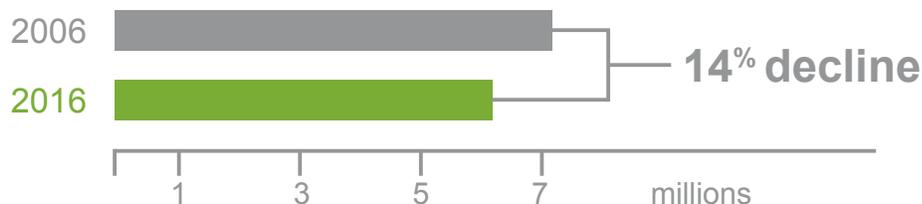


2. enrollment is decreasing: schools must work harder to attract students – and philanthropy

As a result of increased alternatives to the traditional private school model, many schools are experiencing a decline in enrollment. To address this, schools are changing how they distribute aid and how they talk about it, many with the ultimate goal of attracting more students, subsidizing a larger percentage of tuition, and relying on philanthropy from current parents receiving reduced tuition to close the gap.

ENROLLMENT IN PRIVATE SCHOOLS

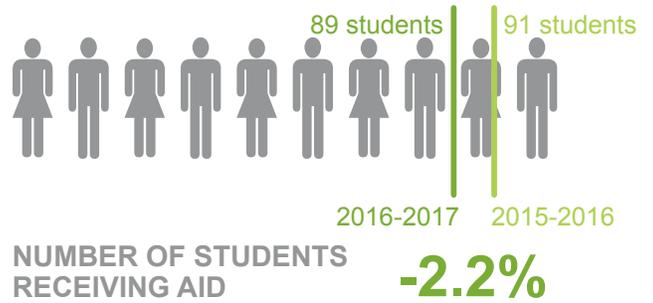
Grades pre-K through 12



3.

schools are offering more financial aid dollars to fewer students

This is perhaps in hope that a larger subsidy will mean parents give more to the school.



4.

day schools' financial aid grants increased relative to tuition

This increases the tuition gap and results in more dollars that must be raised philanthropically.



BETWEEN 2011-2012 AND 2016-2017 SCHOOL YEARS

AVERAGE TUITION AT NAIS MEMBER DAY SCHOOLS

+21.5%

AVERAGE FINANCIAL AID GRANT

+22.3%

5.

a new lexicon is being deployed to solve both the enrollment and tuition gaps

Schools report that phrases such as "indexed tuition," "sliding scale tuition," and "flexible tuition" are now being used or considered.

81%

FINANCIAL AID

19%

INDEXED TUITION
SLIDING SCALE TUITION
FLEXIBLE TUITION

6 an aging population generally should have an impact on school strategy specifically

In response to the increasing number of Baby Boomers nearing or in retirement, more schools are building robust planned giving programs as part of their institutional fundraising strategy. An equally important component: capital campaigns. More than one-third of NAIS member schools are currently in such a campaign, with a median goal of \$10m.

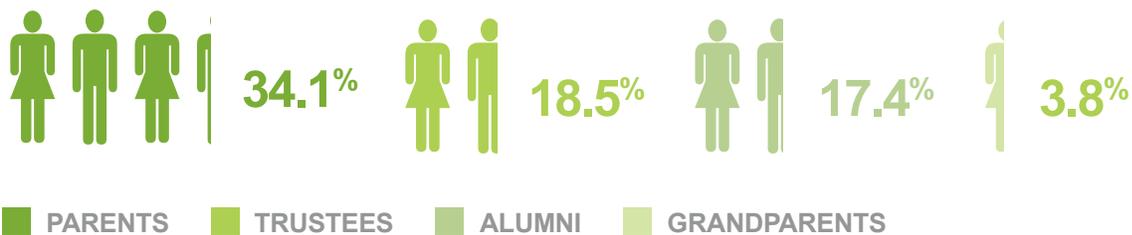


POPULATION OF PEOPLE AGED 65+

7 current parents remain the most significant drivers of philanthropic efforts

Due in part to changing family and household structures, more grandparents are giving to independent schools than ever before. This giving, however, still only accounts for 3.8 percent of total annual fund revenue, continuing to leave current parents, especially at day schools, to provide annual fund dollars.

COMPOSITION OF TOTAL ANNUAL FUND GIVING PER CONSTITUENCY



Sources: The Wall Street Journal, "Losing Students, Private Schools Try to Change" (www.wsj.com/articles/losing-students-private-schools-try-to-change-1514557437); School and Student Services NAIS State Financial Aid Survey 2016; 2017-18 NAIS Trendbook; The United States Census Bureau, "An Aging Nation: The Older Population in the United States, Population Estimates and Projections"