

When Mission and Market Forces Intersect:

A study of NAIS member schools navigating an economic recession

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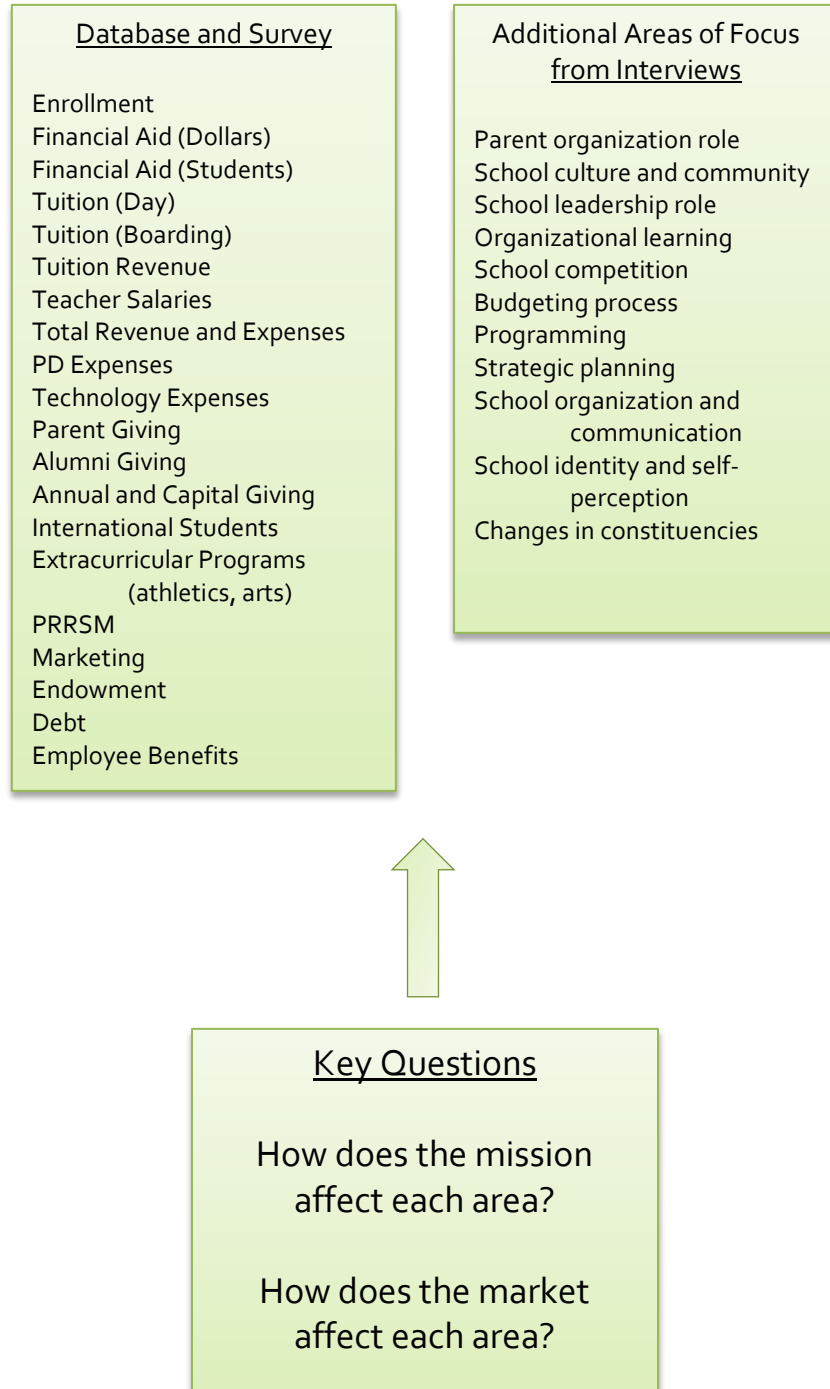
TAIS Biennial Convention
November 5, 2012

Presentation Outline

- Introduction
- Discussion: Our Research Question
How did the recession impact financial processes and operations at independent schools?
- Project design: Our data and approach
 - NAIS database (1300 schools)
 - National survey of heads and business managers (988 responses)
 - Case study schools (6 Southeastern schools)
- Findings
 - Initial planning
 - Enrollment trends
 - Where schools stayed the course
 - Where schools made adjustments
 - Overarching lessons and themes
- Recommendations for NAIS member schools
- Questions and discussion



What We Studied: Areas of Focus for Schools in the Recession



Findings

How Far South is South? Initial Planning for the Recession

1. Schools planned conservatively.
2. Schools placed a priority on keeping current families on site.

Waiting Another Year: Unanticipated Enrollment Trends

1. Schools saw an extended admissions season.
2. Schools saw a decrease in enrollment at entry-grade levels.
3. As a result of planning for under-enrollment, some schools saw enrollment increase at certain grade levels.

Building on a Solid Foundation: Where Schools Stayed the Course

1. Schools made few or no cuts in academic programming.
2. Schools made small cuts in operations across the board.
3. Schools continued to meet the same or slightly increased annual giving goals.
4. Schools either continued or initiated capital campaigns and expansion projects.
5. Schools did not ignore endowment or its importance, but did not make it a top priority.

Doing More With Less: Where Schools Made Adjustments

1. Schools increased financial aid.
2. Many school raised faculty salaries cautiously.
3. Schools continued to increase tuition, but at a more modest rate.
4. Schools deferred physical plant maintenance.
5. Schools saw financial effects from an increase in online services.
6. Schools re-examined marketing efforts.
7. Some schools sought new constituencies for enrollment.
8. Schools re-examined the role of parent organizations and the purpose of community events.
9. Schools held themselves more accountable for connecting expenses to missions and programs.

The Lessons of Tough Times: Leadership, Community, and Continued Growth

1. A calm oasis in a storm: *The importance of leadership amid uncertain economic times*
2. Community is the strength of the school: *Retaining families and keeping community whole*
3. "If you aren't growing, you're dying." *Why schools continued to evolve and build*

Recommendations

For further research:

- Study the differences in effects and decision-making between independent and other private schools;
- Investigate why and how enrollment shifted at individual independent schools;
- Study the causes and consequences of several key areas of school operations, including teacher retention, teacher workload and class size, and the age (or “life cycle”) of schools.

For NAIS:

- Help schools understand and plan for the changing landscape of financial aid and admissions;
- Help schools prepare for the possibility that student populations will be comprised differently in the future;
- Devote attention to the role of parent associations and parent events;
- Collect data more consistently from non-independent private schools and other school competitors;
- Collect data from independent schools in key areas: marketing strategies, enrollment by grade, the effects of competition, and faculty salaries by variables such as tenure of employees.

For NAIS member schools:

- Consider the new landscape of financial aid and admissions and plan accordingly;
- Plan early and prudently (while still intending to grow and succeed) in times of crisis;
- Consider possible new populations for enrollment;
- Even in times of crisis, continue to set and work to meet new goals for physical, financial, and organizational growth;
- Invest in social media as a marketing tool;
- In an economic downturn, watch entry grade level enrollment carefully;
- Promote and structure organizational learning within the school to learn from change;
- Benchmark thoughtfully against similar NAIS schools in addition to non-NAIS schools in the immediate community or region;
- Focus on the internal school community;
- In all of these actions, stay true to the mission.