

# The Price of Independence: Tuition, Financial Aid, Annual Giving and Endowments, 2003–2013

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# Today's Presentation

- Background: Historical & Thought
- Overview of the research design and key finding
- The story of the growth of an annual fund
- Audience Participation
  - Where you see your school
  - What findings interest you
  - What findings both you
  - What research questions keep you up at night that we should try to answer?
  - Sign up to stay in touch and continue the conversation

# If you get bored...

- You can fill out our feedback and further issues survey during the presentation:

**<https://tinyurl.com/cookwalton>**

# Education in Early America

- Common Schools
- Academies
- Venture Schools
  
- Benjamin Franklin

# Education in Today's America

- Common Schools (Public Schools)
- Academies (Independent Schools)
- Venture Schools (Kumon, Mathnasium)
  
- Ford Foundation
- Yale Model

# What about?

- Disruptive Innovation

- NAIS vs ISM

- “Great Recession”

Barry Gilmore & Matthew Rush (2012). *When Mission and Market Forces Intersect*.

**<https://tinyurl.com/rushgilmore>**

# Dataset Overview

- 11 years' worth of NAIS StatsOnline data compiled on 2,167 schools
- Selected only schools that provided a significant amount of data for the 2003–2013 year period.

	Frequency	Percent
Boarding	11	1.5
Boarding-Day	75	10.2
Day-Boarding	53	7.2
Day	593	81.0
Total	732	100.0

# *Day and Boarding Tuition, 2003-2013*

	Day tuition		Boarding tuition	
Year	N	Mean	N	Mean
2003	650	\$18,174	120	\$36,883
2004	657	19,128	124	38,106
2005	692	19,352	128	39,079
2006	687	19,807	125	39,573
2007	692	20,365	125	40,667
2008	697	21,002	125	41,819
2009	699	21,461	128	42,375
2010	698	22,460	128	44,322
2011	686	22,987	127	45,521
2012	666	23,110	121	45,853
2013	661	23,688	114	46,786



# *Proportion of Students Receiving Financial Aid, All Schools, 2003–2013*

Year	N	Mean
2003	689	0.1752
2004	641	0.1827
2005	671	0.1851
2006	641	0.1880
2007	653	0.1906
2008	648	0.1971
2009	712	0.2051
2010	695	0.2351
2011	696	0.2482
2012	672	0.2514
2013	655	0.2536

# Stratifications

- Quintiles by the proportion of students receiving financial aid
- Quintiles by the ratio of total endowment to total annual income
- **Quintiles by the ratio of total annual giving to total annual income**

# *Ratio of Total Annual Giving to Total Income, Quintiles, All Schools*

<b>Minimum</b>		<b>0.0023</b>
<b>Maximum</b>		0.7961
<b>Percentiles</b>	20	0.0451
	40	0.0594
	60	0.0768
	80	0.1000

# *Average Day and Boarding Tuition by the Ratio of Total Annual Giving to Total Income*

	Day Tuition		Boarding Tuition	
Quintile	N	Mean	N	Mean
1	143	\$17,543	13	\$40,675
2	143	20,052	13	43,239
3	145	20,575	11	42,053
4	140	22,918	41	41,275
5	134	24,105	51	42,305

# *Proportion of Students Receiving Financial Aid, by the Ratio of Total Annual Giving to Total Income, 2003–2013*

	1st Quintile		2nd Quintile		3rd Quintile		4th Quintile		5th Quintile	
Year	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean
2003	134	0.1439	137	0.1548	141	0.1544	139	0.1904	138	0.2319
2004	128	0.1534	122	0.1680	132	0.1606	131	0.1979	128	0.2332
2005	134	0.1529	130	0.1662	137	0.1639	139	0.2059	131	0.2369
2006	132	0.1587	129	0.1716	130	0.1632	121	0.2023	129	0.2457
2007	130	0.1614	129	0.1679	136	0.1707	128	0.2084	130	0.2458
2008	125	0.1708	127	0.1804	135	0.1747	128	0.2088	133	0.2495
2009	142	0.1790	141	0.1878	144	0.1809	143	0.2195	142	0.2583
2010	139	0.2146	138	0.2152	137	0.2117	140	0.2508	141	0.2820
2011	137	0.2339	139	0.2346	141	0.2241	143	0.2603	136	0.2885
2012	139	0.2334	138	0.2433	132	0.2339	137	0.2637	126	0.2853
2013	134	0.2424	130	0.2460	134	0.2311	128	0.2641	129	0.2859
Average	147	0.1869	145	0.1960	147	0.1892	146	0.2262	147	0.2603

# *Proportion of Students Receiving Financial Aid, by the Ratio of Total Endowment to Total Income, 2003–2013*

	1st Quintile		2nd Quintile		3rd Quintile		4th Quintile		5th Quintile	
Year	N	Mean	N	Mean	N	Mean	N	Mean	N	Mean
2003	126	0.1460	136	0.1638	141	0.1494	152	0.1844	134	0.2311
2004	115	0.1565	130	0.1731	133	0.1590	137	0.1911	126	0.2322
2005	133	0.1578	136	0.1739	134	0.1573	145	0.1974	123	0.2429
2006	129	0.1615	125	0.1783	133	0.1605	136	0.1964	118	0.2484
2007	125	0.1679	132	0.1802	137	0.1658	131	0.1979	128	0.2427
2008	123	0.1805	130	0.1819	129	0.1693	143	0.2073	123	0.2472
2009	138	0.1785	142	0.1977	145	0.1831	152	0.2124	135	0.2552
2010	137	0.2176	141	0.2297	138	0.2116	149	0.2390	130	0.2800
2011	136	0.2410	140	0.2459	142	0.2240	153	0.2475	125	0.2867
2012	135	0.2381	141	0.2536	134	0.2226	146	0.2576	116	0.2898
2013	128	0.2401	133	0.2623	131	0.2211	143	0.2553	120	0.2920
Average	146	0.1923	147	0.2063	146	0.1854	156	0.2187	137	0.2585

# The Story of an annual fund

- St. James' Episcopal School
  - Located mid-City in Los Angeles
  - \$9M+ operating budget
  - Preschool – 6<sup>th</sup> Grade
  - 370 Students: 60 preschool + 310 K-6th grade students
  - 285 households
  - Over 55% families of color
  - Tuition in bottom third of LA independent school market
  - 15-22% families receiving financial aid
  - \$1 million financial aid

# St. James' Episcopal School

- Endowment established at 40<sup>th</sup> Anniversary (2008) with \$500,000 challenge gift.
- \$2.6M Endowment today for 50<sup>th</sup> Anniversary (2018) primarily for tuition assistance
  
- Annual Fund 2010-2011: \$429,000
- Annual Fund 2018-2019: \$1M+, 100% participation for 5 years



# Growth in Annual Fund

- Major Gifts Program
  - \$100,000 giving level
  - Established \$5,000+ Major Gifts Program
  - Upgrading \$3,000 “gap” donors
  - Cultivation, Solicitation, Recognition
  - 50+ households today in program
  - 17% of families provide 76% of funding
- Head’s Circle Giving Level
  - \$25,000 with arrival of new Head of School

# Let's hear from you

- Access the full study online at NAIS

**<https://tinyurl.com/priceindependence>**

- Observations
- Ideas for future research
- Feedback and Suggestions at

**<https://tinyurl.com/cookwalton>**