



***Housing and School
Enrollment
In New Hampshire:***

A Decade of Dramatic Change

Power Point Presentation



June 2012



***Prepared For: New Hampshire
Housing Finance Authority***

***Prepared By: Applied
Economic Research
Laconia, New Hampshire***



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Study Purpose and Scope

- **Purpose:**
 - Research New Hampshire growth and demographic trends
 - Examine their implications for housing supply and demand
 - Research impact on local governments, especially school districts
 - How do these trends influence school enrollment now and over the next decade?
 - Prior study well received, but data is 10 years old
 - Will recent trends continue into the future>
- **Scope of Work**
 - Review Recent New England Literature.
 - Analyze Demographic and Enrollment Trends.
 - Case Studies.

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Demographic Trends

In a Nutshell

- Demographic trends point to slower NH growth and shifts in housing occupancy that are tilted away from stable/growing school enrollment.
 - Pertinent underlying factors include:
 - **Slower Growth.** New Hampshire's total population is growing at only half the prior rates and, therefore, NH is needing fewer new housing units than in past decades.
 - **Sizable Vacancies.** In 2010 almost 100,000 NH housing units were vacant, including over 30,000 year-round and 65,000 second homes.
 - **Ageing Demographics.** All of the state's household growth 2000-2010 was among households headed by someone over age 55. Nearly half of the state's household heads are over age 55, generating few school age children—all of the state's population growth in the last decade was over age 55. Population under age 20 declined in the past decade.
 - **Shifting Household Composition.** Two-thirds of the state's occupied housing units in 2010 had no one under age 18 living in them. Only 20 percent consisted of married couple families with children under age 18. Non-family households are increasing five times faster than married couple families.
 - **Smaller Households Dominate.** Almost two-thirds of the state's housing units were occupied by only 1 or 2 people in 2010 and these smaller households dominated the state's growth between 2000 and 2010.

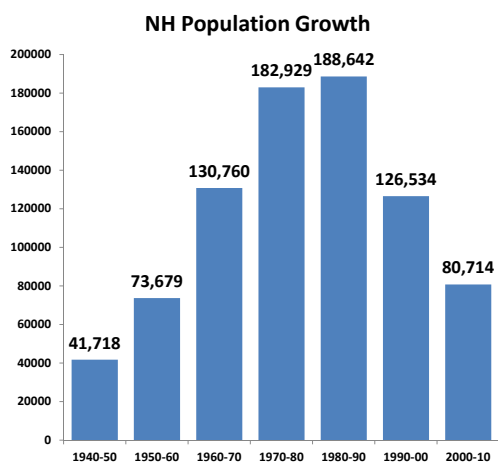
Nutshell 2: Significant Enrollment Impact

- NH public school enrollment is falling in the face of slower population growth and (especially) boomers' children completing school:
 - Overall enrollment dropped by 11,000 between 2000 and 2010, despite a gain of 44,000 occupied housing units.
 - Occupied NH housing units generated an average of only 0.37 students in 2010.
 - Had enrollment per occupied unit stayed constant, enrollment would have grown by about 30,000.
 - Some of the dramatic demographic impacts on enrollment were masked by policy changes including mandated kindergarten and raising the minimum drop out age to 18.
 - Enrollment per unit is lowest and has been dropping fastest among the state's more rural counties in the face of slower than typical population growth and an ageing population in the face of fewer attractive employment prospects.

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State's Population Growth is Slowing

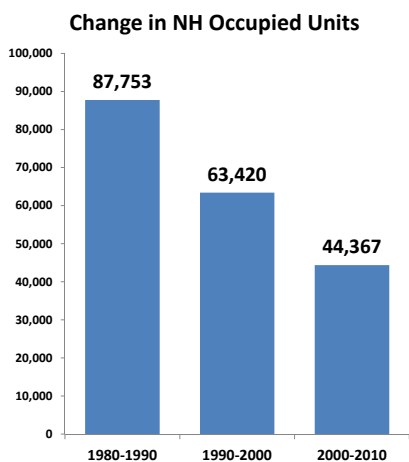


- State's population growth peaked in the 1970s and 1980s.
- Growth 2000-2010 was less than half the prior rate.
- Slower job growth overall and manufacturing job losses underlie this slower growth

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Housing Inventory Growth Slows



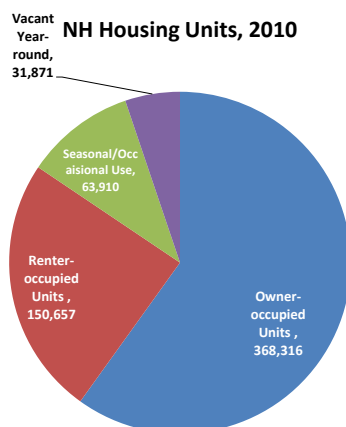
- An obvious corollary to slower population growth is: we need fewer new housing units.
- During the past decade, inventory grew at half the pace of the go-go 1980s and one-third slower than in the 90s

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The Big Picture

- Over 95,000 units are vacant, including 31,900 year-round units and 63,900 second homes. These vacant units, of course, generate no school children
- 70% of the state's occupied units are owner-occupied, a bit higher than the national average;



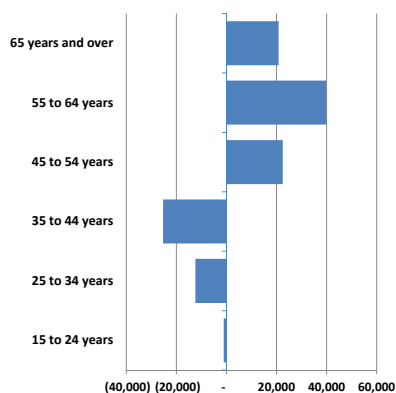
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Younger Households in Decline

- All of the household growth 2000-2010 was in households age 45 or over.
- Significant factor in public service requirements now and in the future—fewer schools, more nursing homes.
- Dramatic impact on housing markets
 - Shifts in demand for rental versus ownership units
 - Who will buy, when the boomers decide to downsize?

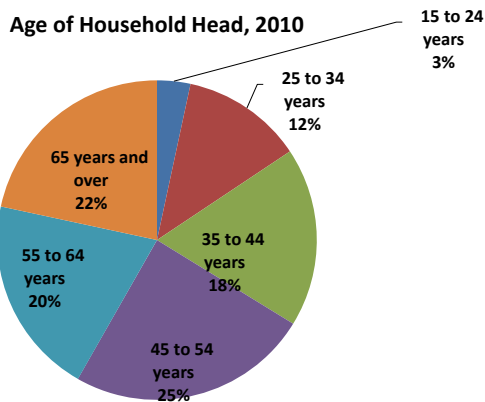
Change in Households by Age of Household Head, 2000-2010



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Almost Half (42%) of State's Household Heads Are Over Age 55

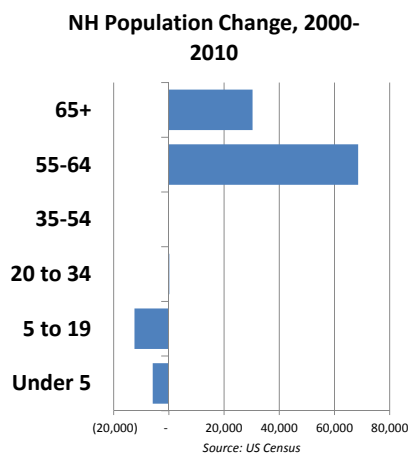


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All of State's Net Population Growth 2000-2010 Was Over Age 55, School Age Population Fell

- Ageing in place is the primary reason—boomers are staying where they are, but getting older.
- It is not clear that younger households are fleeing the state, but state may not be as attractive as other areas to Gen X and Gen Y.

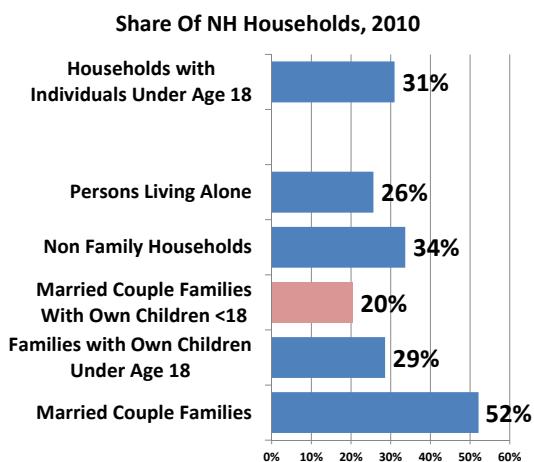


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NH Household Composition 2010: Less Than One-Third of the State's Housing Unit Include Someone Under Age 18

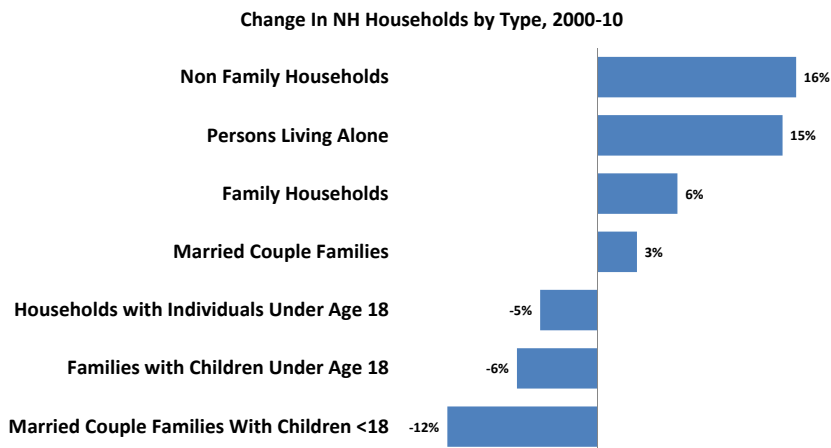
- Contributing factors include:
 - Ageing population
 - Delayed families
 - More singles



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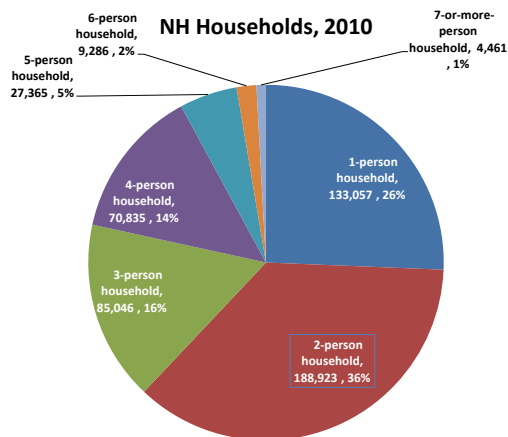
Traditional Households Are On The Decline: Non-Family Households Growing Five Times Faster than Married Couple Families



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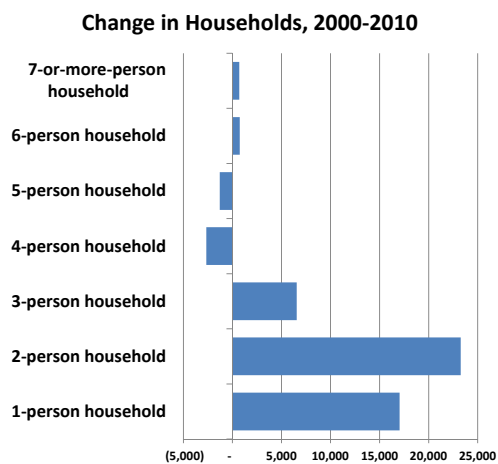
Smaller Households Dominate—62% Have 2 or Fewer Persons



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Fastest Growth Is Among Smaller Households



- Ageing of the population is a significant contributor;
- Younger households delaying child rearing is another element;

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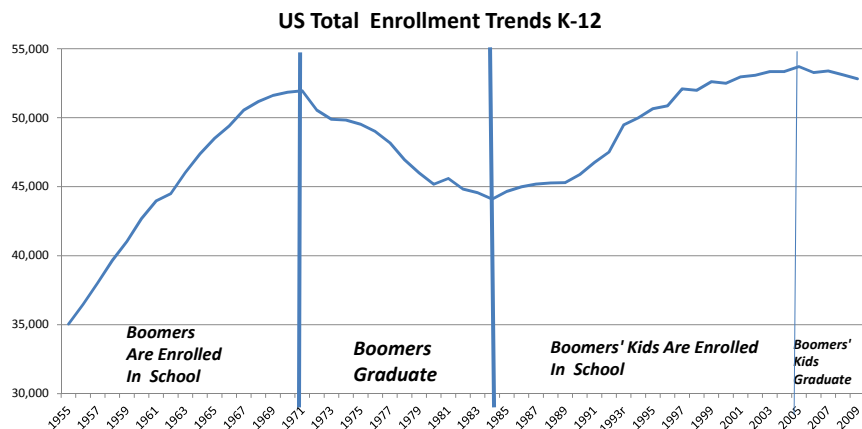
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Local Impact: The Demographics of Housing and School Enrollment

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Four Distinct US Demographic-Driven National Enrollment Phases

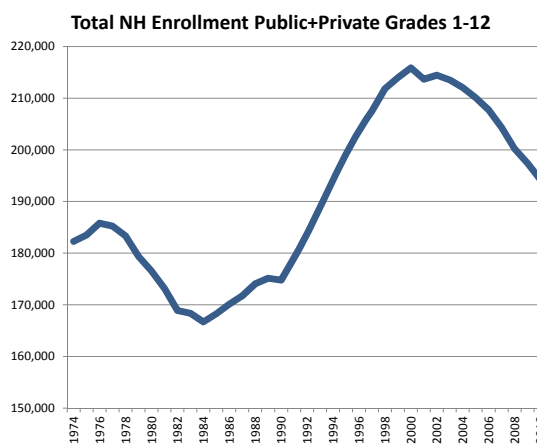


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State's Enrollment Falling, Despite 6% Population Growth Overall

- Demonstrates that demographic forces are more powerful than growth—otherwise enrollment would be increasing along with total population.



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2000-2010: Enrollment per Occupied Unit Falls to 0.37 Students

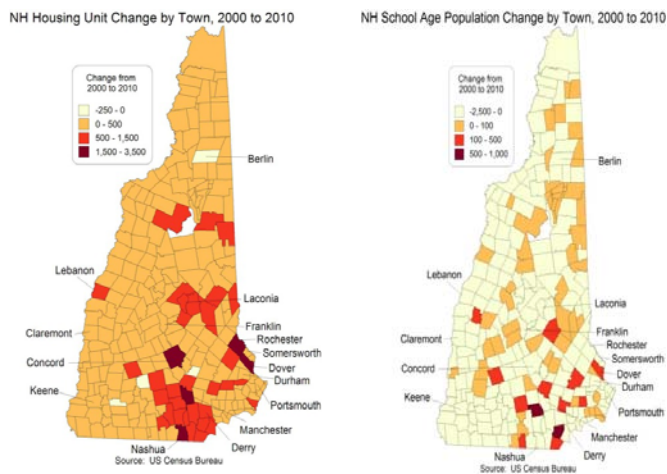
NH Public School Enrollment Trends				Change 2000-2010	
	2000	2005	2010	Number	Percent
Total School Enrollment	205,300	205,800	194,000	-11,300	-5.5%
Pre-K	11,500	13,100	15,100	3,600	31.3%
Grades 1-12	193,800	192,700	178,900	-14,900	-7.7%
Occupied Housing Units	474,600	510,300	519,000	44,400	0
Enrollment per Occupied Unit					
Total School Enrollment	0.43	0.40	0.37		
Pre-K	0.02	0.03	0.03		
Grades 1-12	0.41	0.38	0.34		

Source NH Dept. Of Education (enrollment) Census
(Occupied Units 2000, 2010, NHHFA (Occupied Units 2005), AER
Enrollments include students in Public District Schools, Public Academies,
Joint Maintenance Agreement and Public Charter Schools.

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Pattern is Consistent: Most Communities Added Units But Most Also Experienced Enrollment Declines

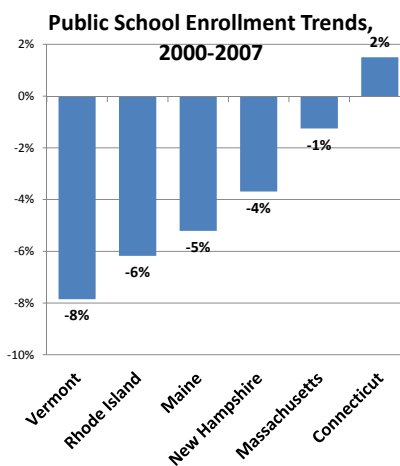


Source: NH Public Policy

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Enrollment Decline is Not Unique to NH

- Two factors at play
 - Slower growing states (Vermont, Maine, Rhode Island) show steepest decline.
 - States with more immigration (Massachusetts, Connecticut) show more modest declines.

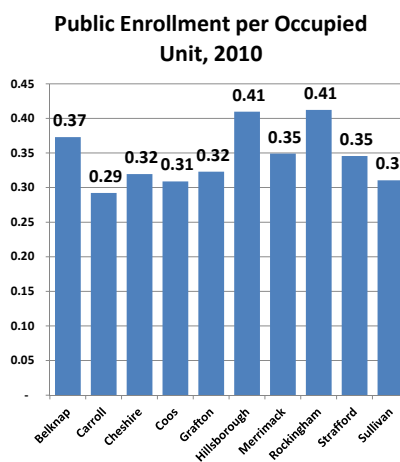


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Southern, Urban NH Has Higher Enrollment per Unit

- They have experienced higher overall population growth;
- They have experienced higher immigration of younger foreign-born households.

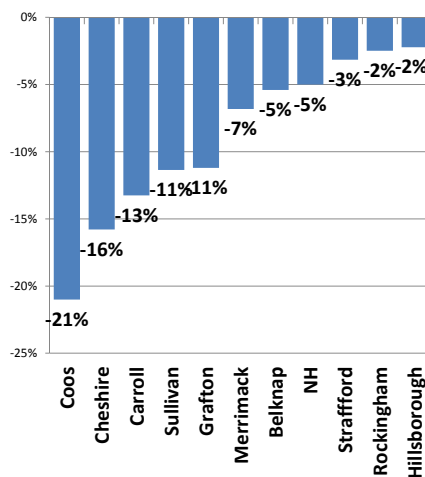


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Northern Counties Show Steepest Enrollment Decline

- State’s northern counties are ageing faster than the, southern-urban settings;
- State’s northern counties are growing slower, overall, including school age population.

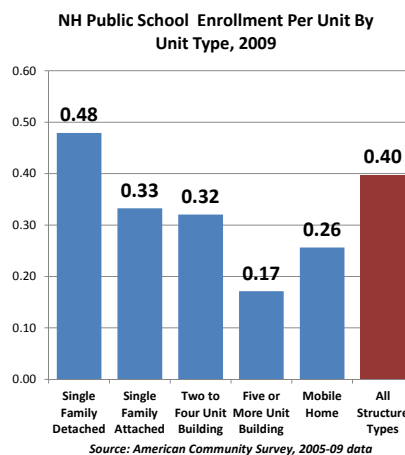


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Enrollment By Unit Type-- Overall 0.4 Students per Unit

- Census’s American Community Survey indicates single family units generate fewer than .5 students on average.
- Structures with more units (typically garden complexes) generate only .17 students per unit.

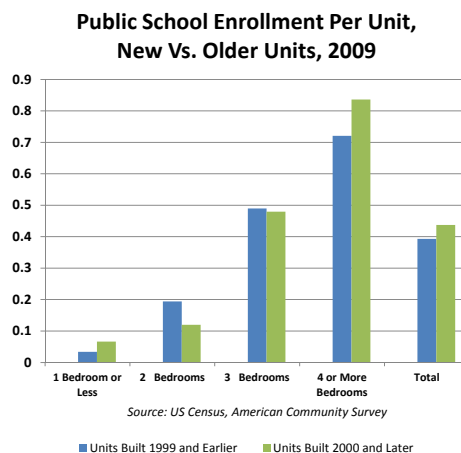


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Large New Units=Slightly Higher Enrollment

- Number of bedrooms is the principal variable structuring enrollment per unit.
- Census American Community Survey confirms this is the case, especially among newer, larger units.
- Bedrooms are more critical than when unit was built, per se.

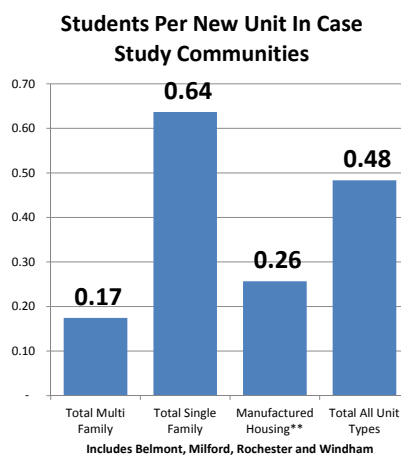


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Case Study Data For New Units Is Consistent with Census Based Demographic Data

- Case study communities included just over 1,600 new units (2005-11) housing just under 800 students.
- Overall, a new housing unit generates less than one-half (.48) student.

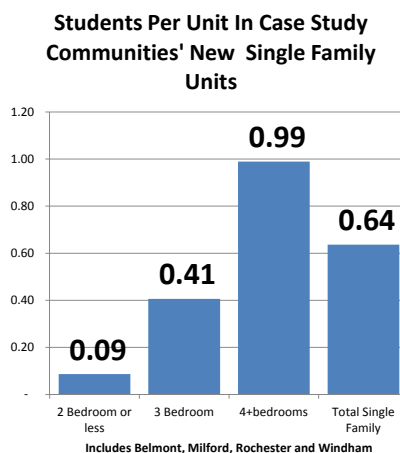


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Case Study New Unit Enrollment Varies Sharply with Bedroom Count

- New four bedroom single family units generate an average of just under one student per unit.
- New three bedroom single family units generate fewer than one-half students per units.
- Two bedroom units generate less than .1 students per units

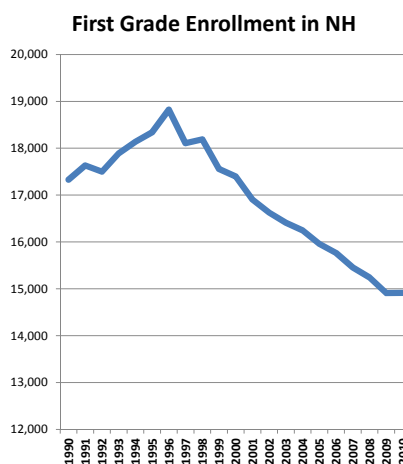


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First Grade Enrollment Has Fallen Sharply, But May Be Leveling Off

- First grade enrollment structures future total enrollment as those students pass through grade levels.
- Some stability emerged this year, but one year is not the whole story.
- This factor bears watching.

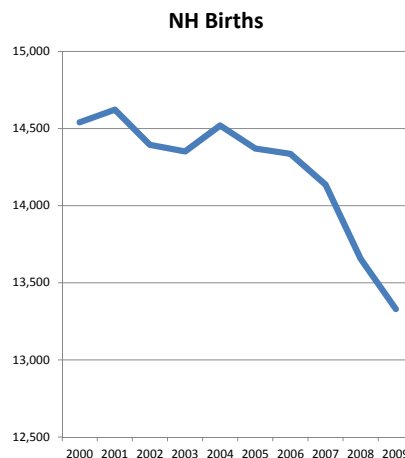


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Births In Steep Drop—Older Marriages, Fewer Children

- In the absence of in-migration, this dramatic decline in births portends future enrollment declines;
- Reflect:
 - Slower overall population growth;
 - Fewer women in childbearing ages
 - Delayed marriage and childbearing among younger households

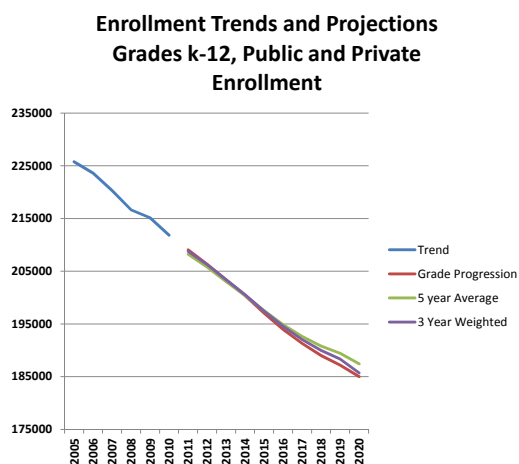


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Enrollment Declines Likely to Continue

- As fewer births and smaller entering class sizes continue to be a factor, enrollment will continue to decline.
- Would take a dramatic increase in migration into the state to reverse this trend



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Declines Continue Even With Higher Migration

- If migration is increased by 400 basis points (add 4% to most likely scenario) enrollment only reaches 2005 level;
- If migration slows further (200 basis points) enrollment losses deepen

