Each school is unique. NAIS provides resources, direction, and vision so each school can follow its own path to the future — a financially, environmentally, demographically, globally, and programmatically sustainable future.”

Patrick Bassett, NAIS President from 2001–2013
This Annual Report provides us an opportunity to reflect on NAIS and the independent school community in the year 2011–12. It was a productive year, thanks to the input of our members, the support of our funders and volunteers, and the guidance of our leadership. As an organization, we continued to be driven by the goals of providing member schools a voice as well as resources that are targeted, timely, and relevant. We are grateful to our schools and partners for their continued engagement with us and each other in an effort to strengthen the independent school community.

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As the information in this Annual Report indicates, NAIS had a very good year in 2011–12, by any and all measures: membership retention and growth, financial equilibrium, attendance at marquee professional development events, and generation of voluminous products and services useful to the membership.

This president’s report is intended to document both NAIS’s condition and the condition of the independent school industry. My “State of the Union” remarks at the 2012 Annual Meeting (NAIS Annual Conference in Seattle) opened with a slide of the information shown below, indicating the key five-year trends in our sector before and after this Annual Report school year of 2011–12.

### Five-Year Trends

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Day Schools</td>
<td>Boarding Schools</td>
<td>Day Schools</td>
</tr>
<tr>
<td>Apps to Enrollment</td>
<td>2.4:1</td>
<td>3.1:1</td>
<td>2.2:1</td>
</tr>
<tr>
<td>Attrition Rate</td>
<td>7.2%</td>
<td>8.9%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Parent Gifts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation</td>
<td>67%</td>
<td>46%</td>
<td>65%</td>
</tr>
<tr>
<td>Endowment to Debt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Aid</td>
<td>21%</td>
<td>37%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: NAIS StatsOnline

These data are part of what NAIS defines as Markers of Success, indicating “data proxies” for the health of individual schools and of the industry as a whole:

- applications to enrollment, a proxy for competitiveness in the marketplace
- student attrition, a proxy for customer satisfaction
- percent of parent annual giving, a proxy for loyalty
- endowment to debt, a proxy for financial security
- financial aid recipients as a percentage of the student body, a proxy for commitment to socioeconomic diversity (and an indicator of growing need as tuitions continue to soar beyond inflation, and more importantly, beyond the growth in salaries).

As the table “wellness” analogy indicates, the 2008–2009 economic meltdown and resulting recession was a “car crash” that injured almost everyone, including independent schools; 2009–2010 was the year of applying emergency measures
to resuscitate the patient; 2012–13, the year after the year of this Annual Report, reveals that most of the patients were in strong recovery mode, even though the economy was not. What is most dramatic about the recovery were two factors: 1) Parents who were hurt financially seemed to sacrifice many luxuries and some necessities, but determined that paying for private school tuition was an obligation that should not be suspended; and 2) A huge infusion of “morphine” (financial aid) was necessary for patients who had never before needed the painkiller, given their changed circumstances. That huge jump in financial aid is typical in all the previous six recessions we’ve studied. However, this was the most dramatic jump, and in this case, as in all others, schools’ financial aid budgets are unlikely to return to more modest levels.

The best news, then, in this 2011–12 Annual Report on the independent school sector is that the majority of independent schools were highly resilient; they took strong measures to streamline their operational costs that have produced more efficient operations, becoming a model for present and future financial sustainability, and they articulated well their value proposition to the marketplace. The bad news: a significant number of schools, typically smaller schools in weaker independent school markets, did not fare so well and were still struggling to recover in 2011–2012. Those schools often had “pre-existing conditions” that only new thinking and innovations will address: better market reconnaissance, segmenting, and messaging; better net tuition strategies to increase enrollment without increasing staff; and more programmatic “school of the future” innovation to create buzz about the school in the community.

As this is the last Annual Report I’ll write as president of NAIS, I’ll close by saying that the last 12 years were the most enriching experience of my professional life: the opportunity to envision and execute the future of NAIS and how it can best serve the independent school community is reward enough for any leader, but to do so with a skilled and dedicated staff, a supportive and generative board, and a welcoming and responsive constituency is more reward than anyone deserves. I wish to communicate my gratitude to all my colleagues for being part of that positive experience. I envy John Chubb for having the opportunity to lead NAIS ahead into its next phase, and I know that the organization will be in caring and highly competent hands as it moves there.
Number of students attending NAIS member schools: 569,000

Number of job applications submitted in one year through the NAIS Career Center: 49,887

Number of financial aid applications submitted in one year through School and Student Services (SSS by NAIS): 152,117

Average number of bills and regulations reviewed each week by the NAIS government relations team: 800

Percentage of NAIS heads who find it important that NAIS promote its Principles of Good Practice: 100
Average number of attendees each year at the NAIS Annual Conference: 4,392

Number of countries that have schools involved in the NAIS Challenge 20/20 program: 56

Average number of schools that participate in StatsOnline data collection each year: 1,200

Number of page views in one year on the NAIS Online School Search: 70,264

Number of schools and associations of schools worldwide served by NAIS: 1,700
It was my honor to serve as chair of the NAIS board in the 2011-12 year, and to work alongside my esteemed and committed colleagues on the board and in partnership with Patrick Bassett. In 2011–12, as in all years, the charge of the board was to ensure that NAIS was living up to its mission to be the voice of independent education, and to ensure that NAIS made the most of membership dues and sponsorship contributions to the benefit of member schools.

I’m proud to report that in 2011–12, the board and staff continued to focus on providing timely research as well as relevant resources (professional development, statistical data, information, case studies, and best practice guidance) that addressed members’ most pressing needs. We believe these resources helped members make solid, data-driven decisions so that even in the midst of economic recovery, they could continue to improve their operations and provide inspiring, innovative education for their students.

“\nThe NAIS Annual Conference is not always about the speakers; it’s more often about the people you meet and those opportunities in the hallway or on the elevator. I’m going back to my school loaded with ideas.”

Kevin Conway, Academy Principal, Punahou School (Hawaii)
NAIS Board of Trustees in 2011-12

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President, School Year Abroad (Massachusetts)

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Katherine Dinh  
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Elizabeth Duffy  
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Bernie Noe  
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James Rogers  
Principal, James G. Rogers Architects

Michael Saxenian  
Assistant Head of School and Chief Financial Officer, Sidwell Friends School (Washington, DC)

Robert M. Witt  
Executive Director, Hawaii Association of Independent Schools

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*Chair*  
President, School Year Abroad

Katherine Dinh  
*Vice Chair*  
Head of School, Prospect Sierra School (California)

Michael Saxenian  
*Treasurer*  
Assistant Head of School and Chief Financial Officer, Sidwell Friends School (Washington, DC)

Elizabeth Duffy  
*Secretary*  
Head Master, The Lawrenceville School (New Jersey)
Jack Creeden, 2012–13 chair of the NAIS board, opened the Annual Meeting of Members on Thursday, February 28, 2013, with welcoming remarks. He then gave the chair’s report, in which he presented on the recent activities of the association, including the selection of the forthcoming NAIS president, John Chubb.

Katherine Dinh, vice chair of the NAIS board, presented the membership report. She reported that as of February 22, 2013, NAIS had a total of 1,453 school members — a slight increase from the previous year. NAIS had retained 98 percent of its membership over the past five years, and we welcomed 27 new school members this fiscal year. As of February 22, NAIS had 308 school subscribers (37 New Independent School Subscribers, 14 School Subscribers, 22 Premium Subscribers, and 235 International Independent School Subscribers). Bernie Noe, chair of the Governance Committee, presented on the work of the committee.

**Bylaws Amendment Vote:** The NAIS board recommended that a bylaws amendment be adopted by this membership. The current bylaws require that one-third of the membership be present in person or by proxy to form a quorum. This amendment redefines a quorum as those present in person or by proxy. Jack Creeden reported that this bylaws amendment had been approved by the board and presented it to the membership. Heads of active member schools or their delegates voted. There was a motion to ratify this bylaws amendment. It was seconded and passed.

**Vote on the Election to a Three-Year Term as Treasurer:** In conforming to the provisions of the NAIS bylaws, the Governance Committee presented its nomination to the membership for election to a three-year term as treasurer for: Michael Saxenian, assistant head of school and chief financial officer, Sidwell Friends School (Washington, DC). Jack Creeden reported that the nomination for treasurer had been approved by the board and was presented to the membership in accordance with the bylaws. Heads of active member schools or their delegates voted. There was a motion to ratify this nomination for treasurer. It was seconded and passed.

**Vote on the Election to a Three-Year Term as Trustees:** In conforming to
the provisions of the NAIS bylaws, the Governance Committee presented its nominations for election to a three-year term as trustees as follows:

- **Election to a Second Three-Year Term as Trustee:** Mark Brooks, head of school, Pilgrim School (California); Bryan Garman, head of school, Wilmington Friends School (Delaware); Wanda Holland Greene, head of school, Hamlin School (California); John Katzman, chairman, Noodle Education (New York); and D. Scott Looney, head of school, Hawken School (Ohio)
- **Election to a First Three-Year Term as Trustee:** John DeGioia, president, Georgetown University; and Siri Akal Khalsa, president, Chapel Hill-Chauncy Hall School (Massachusetts)

Jack Creeden reported that this slate of trustees had been approved by the board, and it was presented to the membership. Heads of active member schools or their delegates voted. It was seconded and passed.

**Retiring Trustees:** Jack Creeden asked the following retiring board members to stand and expressed the board’s appreciation for their service to the board and to the membership: Jerrold Katz, head of school, The Park School (Massachusetts), and Lou Salza, head of school, Lawrence School (Ohio).

Lou Salza, board treasurer, presented the treasurer’s report. He reported that NAIS ended fiscal 2012 with an operating surplus: total operating revenues and support were $20,994,000. Total operating expenses were $19,323,000. Total operating revenues exceeded operating expenses by $1,671,000. NAIS revenue from member dues provided approximately 35 percent of budget revenues with a steady increase in the number of new members.

Patrick Bassett, NAIS president, presented the president’s report and talked about the state of the organization. Pat also provided updates on all of the products and services NAIS offers member schools.

Finally, Jack Creeden introduced John Chubb to the membership as the forthcoming NAIS president and made closing remarks. A motion passed to adjourn the meeting.
The Finance Committee of the board and the NAIS staff have worked closely together to ensure that NAIS resources are prudently managed and thoughtfully aligned with our goals to serve as the voice of independent education; promote high standards of educational quality; and advocate for independence, accessibility, innovation, inclusivity, equity, and justice. As chair of the Finance Committee, I want to thank the hard-working members: Dennis Bisgaard, Elizabeth Duff, Barbara Egan, Jerry Katz, Skip Kotkins, Scott Looney, Michael Saxenian, and Robert Witt. I am pleased to report an operating surplus at the end of fiscal year 2011–12. See the graphs below.

I congratulate Pat Bassett and his staff for another excellent year of high quality service to our schools and inspiring leadership in our industry. I thank the members of the NAIS Board Finance Committee for their diligence and financial acumen. On behalf of the board, I thank the generous sponsors and donors for their support of meaningful programs. Finally, to all members — thank you for your leadership in independent education every day and for your care and service to our nation’s children.
Top 10 Achievements in 2011–12

In addition to moving the NAIS headquarters to 1129 20th St., NW (a gold award LEED office space), the NAIS staff is proud to report the following achievements in 2011-12.

1. Kick-off for the year-long celebration of NAIS’s 50th anniversary by highlighting the innovation and inspiration in the independent school community;

2. Production of research in areas critical to member needs, including parent and market trends as well as legal advisories in areas such as parents’ associations, educator sexual misconduct, and employee use of social media;

3. Publication of the second NAIS Trendbook as well as the following book titles: Child Safety Handbook, Enrollment Management Handbook, The Inclusive School, and Greening America’s Schools;

4. Creation of and participation in coalitions to save (for 2012) the charitable deduction and Section 127, employer-provided education assistance;

5. Development of a field consultancy program to support schools in the areas of leadership and diversity;

6. Launch of the Strategic Questions postcard series to help school leaders address critical issues and aggregate for them related targeted resources;

7. Production of well-attended national conferences (Annual Conference, People of Color Conference, Leadership through Partnership Conference, and Student Diversity Leadership Conference) and summer institutes;

8. Growth in participation in NAIS’s Schools of the Future endeavor via the Challenge 20/20 global problem-solving program, the Teachers of the Future program, and (in partnership with the Near East South Asia Association) The Virtual Science Fair;

9. Preparation of content, data, and infrastructure to allow for the comprehensive overhaul of the association’s database and website (launch Sept 2012); and

10. Support for the launch of the board’s search for the next president of NAIS.

“The NAIS Trendbook covers all the major drivers for independent schools. It distills the relevant data into a handful of pages and then provides very useful action steps that can either be turned into questions for discussion or implemented as they are.”

John Davies, Head of School, Miami Country Day School (Florida)
We are grateful to the following organizations, schools, and individuals whose support helped us strengthen our programs and continue to innovate.

**Donors**

Patrick F. Bassett
The Benedict Foundation for Independent Schools
The Edward E. Ford Foundation
The Esther A. and Joseph Klingenstein Fund, Inc.

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Blackboard
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Google Chrome
Lenovo and LaptopSchools.com
Metz & Associates
The Potomac School (Virginia)
Rosetta Eun Ryung Lee
S. D. Bechtel, Jr. Foundation
The Shipley School (Pennsylvania)
Sodexo
StratéGenius
TIAA-CREF

*Thank you!*

**Volunteer Advisory Task Forces in 2011–12**

The following individuals lent their time and expertise in supporting key areas of our operations.

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School Year Abroad, MA

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Lawrence School, Cleveland, OH

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Minnehaha Academy, MN

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Robert Green
R. L. Green & Associates Management Consultants
It’s all about our students: the stories, the triumphs, the innovation, the creativity, the determination — to share in these moments, that’s the fun part for me.”

Martin C. Jones, Director of Marketing and Communications, Oregon Episcopal School (Oregon)