

Industry at a Glance

Private Schools in 2015

Key Statistics Snapshot

Revenue
\$52.5bn

Annual Growth 10-15
0.0%

Annual Growth 15-20
0.9%

Profit
\$2.0bn

Wages
\$31.5bn

Businesses
26,716

Market Share

There are no major players in this industry

p. 25

Revenue vs. employment growth



Number of k-12 students



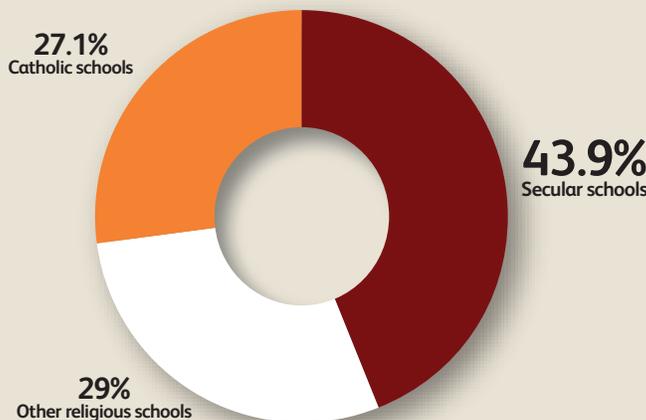
SOURCE: WWW.IBISWORLD.COM

Key External Drivers

- Government funding for primary and secondary education
- Number of K-12 students
- Households earning more than \$100,000
- High school retention rate

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Products and services segmentation (2015)



SOURCE: WWW.IBISWORLD.COM

Industry Structure

Life Cycle Stage	Mature	Regulation Level	Heavy
Revenue Volatility	Low	Technology Change	Medium
Capital Intensity	Low	Barriers to Entry	High
Industry Assistance	High	Industry Globalization	Low
Concentration Level	Low	Competition Level	Medium

FOR ADDITIONAL STATISTICS AND TIME SERIES SEE THE APPENDIX ON PAGE 32

Industry Performance

Executive Summary | Key External Drivers | Current Performance
Industry Outlook | Life Cycle Stage

Executive Summary

The Private Schools industry is composed of independently funded primary and secondary educational institutions. As a result of decreasing enrollment and higher tuition, revenue is expected to remain flat at an annualized rate of 0.0% to \$52.5 billion in the five years to 2015, including 0.5% growth in 2015 alone. The industry is forecast to pick up over the next five years, with an annualized revenue growth of 0.9%, totaling \$54.9 billion in 2020.

Mounting competition from charter schools and an unstable economy are

these tuition increases were barely enough to offset rising operating costs, tempering industry profitability.

Uncertain household income levels also weigh on the industry, as it is difficult for families to afford higher tuition costs in times of fiscal uncertainty. Vouchers and other school-choice initiatives have provided some financial aid to parents, but these programs were insufficient in stopping the plunge in industry enrollment. As a result, enrollment has consistently declined over the past five years. Moreover, the topic of private school choice initiatives is highly contested, even though roughly half of the nation's states have adopted some form of these policies. Additionally, regulation has increased in areas where the government is providing aid. In general, the federal government has increasingly focused on charter schools in education reforms, limiting the amount of government funding for this industry.

Ultimately, as the economy continues to recover over the next five years, household income levels are anticipated to increase, making it easier for families to afford private school tuition. Industry institutions are forecast to continue raising tuition to sustain revenue. Fortunately for the industry, enrollment declines will also lessen, resulting in more stable demand for private schools.

Mounting competition from charter schools has hampered industry growth

largely the cause of this industry's decline. Charter schools, which are publicly funded, are organized by teachers, parents and community leaders and offer similar amenities to private schools, such as small class sizes. As a result of this competition, enrollment has fallen at an estimated annualized rate of 1.9% in the past five years, according to the National Center for Educational Statistics (NCES). In an attempt to compensate for lowered enrollment, private schools have opted to increase tuition at an annualized rate of 2.0% over the same period. Nevertheless,

Key External Drivers

Government funding for primary and secondary education

The bulk of public elementary and secondary school funding comes from state or local governments. The quality of public school education is heavily dependent on funding. Any increase in state or local government funding will likely boost the quality of public education, thereby decreasing demand for private schooling. Government funding for primary and

secondary education is expected to remain stagnant in 2015.

Number of K-12 students

The number of school-aged children affects demand for private schools. Growth in the number of students typically leads to an increase in enrollment at private schools, as nearly 35.0% of all primary and secondary schools are private. The number of kindergarten to

Industry Performance

Key External Drivers continued

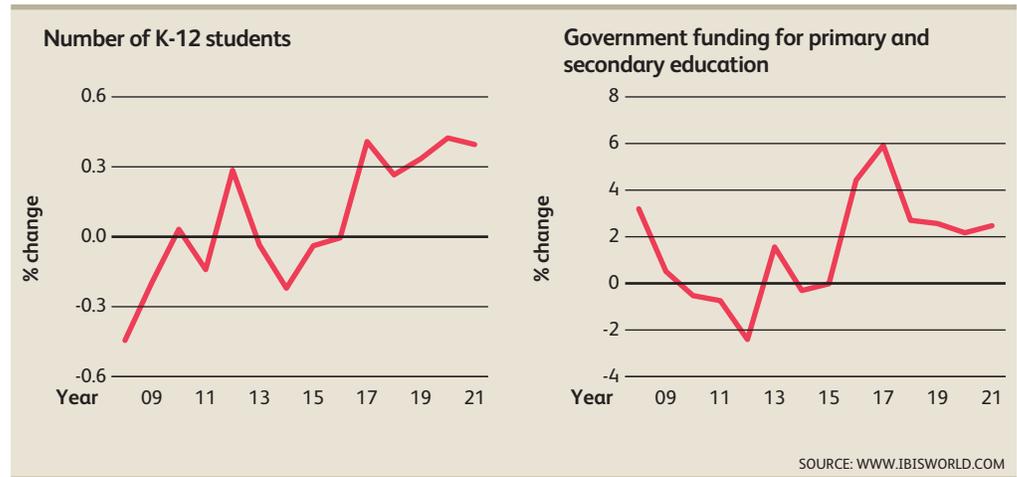
12th-grade students is expected to remain stagnant in 2015.

Households earning more than \$100,000

Growth in the number of households in higher income brackets can lead to a rise in demand for private schooling, as households from this group can better afford tuition costs of private education. The number of households earning more than \$100,000 is expected to increase in 2015, representing a potential opportunity for this industry.

High school retention rate

In the United States, education is only compulsory through 10th grade. Therefore, industry demand is sensitive to the number of students who remain in high school. Growth in education retention benefits public and private schools because it increases the number of students who require educational instruction. The high school retention rate is expected to marginally increase in 2015.



Industry Performance

Current Performance

Over the five years to 2015, revenue for the Private Schools industry is expected to remain flat at an annualized rate of 0.0% to \$52.5 billion, including an estimated 0.5% increase in 2015. Enrollment levels fell during the period, a trend attributable to rising costs and competition from charter schools. Most private schools operate on a nonprofit basis, although for-profit private schools are increasingly common and have relatively low profit margins.

According to a National Assessment of Educational Progress study, private schools often outperform public schools in achievement tests and provide safe, relatively advanced facilities. However, these offerings come at an increasingly high price. IBISWorld estimates that private school tuition will increase at an annualized rate of 2.0% in the five years to 2015. The number of households earning more than \$100,000 is also expected to rise, allowing more people to afford the higher tuition. Although enrollment numbers have been falling for more than a decade, according to the National Center for Education Statistics (NCES), the decrease is expected to slow significantly in the five years to 2015. Increased income, along with relatively high



enrollment and tuition is expected to bolster industry revenue. Although well-established private schools with strong reputations have been able to easily raise tuition, smaller and newer schools were unable to retain and attract a sufficient amount of students. Consequently, the number of establishments fluctuated, and has ultimately decreased at a marginal annualized rate of 0.3% to total 30,769 schools in the five years to 2015. Employment has been relatively stable as well, decreasing by an annualized 0.4% over the same period, to total 654,047 in 2015.

New funding options

In recent years, school-choice programs have garnered support in state legislatures across the country. According to the Friedman Foundation for Educational Choice, 28 states and the District of Columbia currently offer forms of school-choice programs, ranging from tax-credit scholarships and educational savings in Arizona, to tuition vouchers in Ohio. These policies provide public funding for parents to enroll their children in private schools through programs, such as tuition vouchers, education savings programs and scholarships. Some states have restrictions on the types of private schools that can receive funding and on the amount that vouchers can cover. For instance,

Indiana's voucher program provides up to \$4,800 for qualified kindergarten through eighth grade students and up to \$4,500 for qualified ninth through 12th grade students to attend private school, while Vermont, which has one of the longest-standing voucher programs, allows students who reside in towns without public schools to attend a nearby public school or an approved secular private secondary school with a tuition voucher in the amount of government funding for students in public schools. Other policies include tax credits or deductions that provide tax rebates for private school tuition expenses or donations to tuition scholarships.

Industry Performance

Declining enrollment

Not all developments over the past five years have been positive for the school-choice movement. Despite numerous states' efforts, private school enrollment has steadily declined since 2010. According to NCES estimates, the total number of private school students declined from 5.4 million in 2010 to 4.9 million in 2015, representing an annualized decrease of 1.9%. The overall total number of kindergarten to 12th grade students, both public and private, remained nearly constant over the period.

Additionally, competition from public-school alternatives, such as charter schools, has grown over the past five years. Charter schools are the biggest threat to this industry in urban areas because industry operators have difficulty competing with a substitute that does not charge tuition. The Rand Corporation, a nonprofit policy research organization, studied the effects of charter schools in Michigan and determined that private schools are just as negatively affected as traditional public schools by the heavy

Enrollment growth will be constrained by the limited number of seats available in private schools

competition from charter schools. According to the study, private schools lose one student on average for every three gained by charter schools.

Compared with traditional public schools, charter schools have numerous advantages that entice students from private schools. Similar to other public schools, charter schools have free tuition due to government funding, but significantly more independence than traditional public schools. As a result, charter schools can provide small classes and independent curricula similar to private schools, which greatly appeals to parents. In addition to greater charter-school attendance, an increasing number of children are also participating in online courses and homeschooling.

Catholic schools

Catholic school enrollment has declined significantly, falling an annualized 2.0% over the five years to 2015, partly reflected in the rapidly declining number of available religious staff. Data from the National Catholic Educational Association shows that the composition of Catholic schools has changed dramatically. For instance, the number of religious workers (e.g. nuns and

clergy) employed in Catholic schools is 4,825 or 3.2% of full-time teachers in 2015, down from 7.0% 10 years ago. Religious workers built the Catholic school system and contributed their services for very low salaries, but as staff compositions have changed, operating costs have soared and Catholic schools have needed to increase tuition.

Industry Performance

Industry Outlook

As the economy continues to expand, the Private Schools industry will experience slight but steady growth over the five years to 2020. This increase is partly due to an expected annualized 0.8% rise in the percentage of households earning more than \$100,000 over the period. Improving household income and public assistance in the form of school-choice credits and vouchers will allow parents to more easily afford private school tuition, which is forecast to increase an annualized 1.1%. The National Center for Education Statistics (NCES) forecasts private school enrollment to

Mounting regulation is anticipated to lead to higher barriers to entry and general costs

increase in 2017 for the first time in more than a decade. As a result of higher tuition and increased enrollment, IBISWorld forecasts revenue to increase an annualized 0.9% in the five years to 2020, to \$54.9 billion, with an anticipated rise of only 0.8% in 2016.

New funding options

While some states have made strides in school-choice efforts, the growth of these programs across the United States will likely be limited. The promise of school choice, including education innovation and improving achievement scores, has not been conclusively demonstrated, which gives advocacy groups little to work with in the years ahead. Also, although the Obama administration has been adamant in championing school reform and school choice, the federal government has primarily concentrated on supporting charter schools, which directly compete against this industry's schools.

While school choice is anticipated to bolster industry revenue, increased use of public funds will intensify regulation.

Vouchers will likely lead to greater state regulation of private schools because they involve increased use of public funds. To continue receiving public vouchers and tax deductions, some states will likely request that participating students take the same achievement tests as public school students. Mounting regulation is anticipated to lead to higher barriers to entry and general costs. The profitability of for-profit institutions is also expected to fall and, as a result, the number of private schools is forecast to grow slowly over the next five years, despite strengthening revenue. The number of private schools is expected to reach 30,778, representing an annualized 0.0% stagnation over the five-year period.

Declining enrollment

In the five years to 2020, the number of K-12 enrolled private school students is forecast to increase marginally to 4.8 million students. During the period, high school retention rate is also expected to grow slowly, at an annualized rate of 0.1%, as the number of jobs that require a

high school diploma increases. The growing economy will somewhat bolster enrollment numbers, but charter schools will continue to persistently pull students away from this industry.

While tuition vouchers will make private schools more affordable,

Industry Performance

Declining enrollment continued

enrollment growth will be constrained by the limited number of seats available in private schools. For instance, according to the Friedman Foundation for Educational Choice, a national school-choice advocacy group, Indiana's private schools are already near capacity. At the same time, the state's current maximum voucher is too low to attract new private schools operations in the state. The voucher cap of \$4,800 for qualified kindergarten through eighth grade students and \$4,500 for qualified ninth through 12th grade

The number of religious staff members is anticipated to decline

students also prevents many lower-income families from attending relatively expensive private schools. As a result, the community of voucher recipients will compete for seats in the limited number of private schools with tuition under the voucher cap.

Catholic schools

Similar to the previous five years, wages for private school teachers are forecast to rise, as the trend toward hiring less religious staff continues. Religious employees in this industry have historically kept wages down because they often perform services voluntarily. The number of religious staff members is anticipated to decline as the government becomes more involved in private schools through new programs and policies. Consequently, total industry wages are

anticipated to increase at an annualized rate of 0.7% to \$32.6 billion over the five years to 2020.

IBISWorld forecasts that revenue will grow quicker, causing wages' share of revenue to marginally decline. However, overall costs are still anticipated to increase due to higher utility and rental fees resulting from an increasing number of businesses returning to work as the economy continues its recovery, thereby increasing demand for urban property.

Industry Performance

Life Cycle Stage

Demand depends on the growth in the number of students

The number of new entrants is fairly low, and some operators are exiting the industry or consolidating

Revenue will slowly grow over the 10 years through 2020



Industry Performance

Industry Life Cycle

This industry is **Mature**

The Private Schools industry is expected to grow at a slower rate than the overall economy during the 10 years to 2020. Industry value added, which measures this industry's contribution to the economy, is anticipated to increase at an annualized 0.4% during the 10-year period. In comparison, US GDP is forecast to grow at an average annual rate of 2.5% over the same period. Typically, an industry with growth that falls below the GDP is considered to be in a declining phase of its life cycle. However, although enrollment has steadily fallen, IBISWorld expects it to be a temporary trend. There will always be demand for private school education, especially for schools with well-established reputations. Therefore, analysis of this industry suggests that it is currently in the mature phase of its life cycle.

Dissatisfaction with public-school education has boosted demand for private schools over the past five years; however, enrollment fell as household income deteriorated during the

economic downturn. Revenue lost from declining enrollment was mitigated by tuition hikes, but the increased tuition made it even more difficult for some families to afford private schools. Nonetheless, as household income recovers over the next five years, demand will once again pick up.

Technology is increasingly being used in private schools to improve efficiency, including online education, computers and other technology. Although, the rate of technological development is not significantly changing the nature of the industry, which is also indicative of a mature industry.

Furthermore, in the 10 years to 2020, the number of private school operators is not anticipated to change significantly. School systems like the Catholic schools of the Archdiocese of New York are closing campuses to reduce costs, but will continue to provide education in the foreseeable future. Most of the consolidation in this industry has focused on reducing costs and improving efficiency.

Products & Markets

Supply Chain | Products & Services | Demand Determinants
Major Markets | International Trade | Business Locations

Supply Chain

KEY BUYING INDUSTRIES

71113	Musical Groups & Artists in the US Musical groups and artists use school facilities for concerts and exhibitions.
71119	Other Performing Arts Companies in the US Performing arts companies use school facilities for various events.
81311	Religious Organizations in the US Religious organizations use school facilities for various events.
81341	Civic, Social & Youth Organizations in the US Social and youth organizations use school facilities for various events.
9901	Consumers in the US Households and children are the main users of private school services and facilities. However, sporting associations also use school facilities for various events.

KEY SELLING INDUSTRIES

23622b	Municipal Building Construction in the US This industry provides construction, alteration, repair and maintenance to private elementary and secondary schools.
32223	Office Stationery Manufacturing in the US This industry supplies notebooks and other stationery products used in private schools.
33712	Household Furniture Manufacturing in the US This industry supplies furniture, such as desks and chairs to private schools.
42343	Computer & Packaged Software Wholesaling in the US This industry provides computers, computer equipment and software at the wholesale level to private schools.
42349	Laboratory Supply Wholesaling in the US This industry provides equipment and supplies such as laboratory equipment, drawing instruments, scientific instruments and other miscellaneous wholesale items to private schools.
42492	Book, Magazine & Newspaper Wholesaling in the US This industry provides books and periodicals for the educational purposes of private schools.
48541	Public School Bus Services in the US This industry provides transportation services for elementary and secondary school students.
56172	Janitorial Services in the US This industry provides cleaning and maintenance services for private schools.
56173	Landscaping Services in the US This industry provides landscaping services, including planning, planting and maintenance of school gardens.

Products & Services

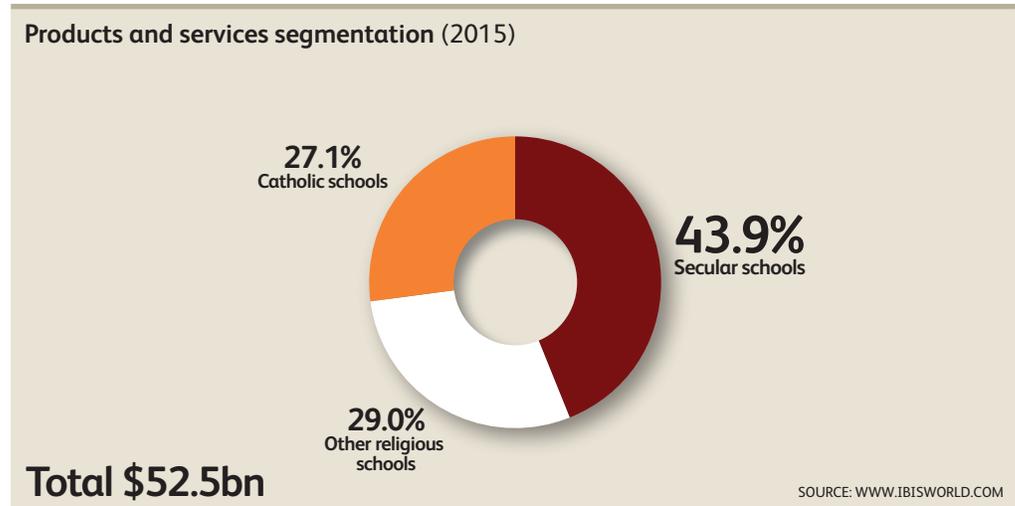
Private schools can be broadly segmented into Catholic schools, other religious schools and secular schools. More than 95.7% of private schools are co-educational, 2.4% are all-boys schools and the remaining 1.9% are all-girls schools. Most private schools are relatively small. 82.7% of schools have fewer than 150 students enrolled and 32.8% have fewer than 50 students enrolled.

Catholic schools

Catholic schools can be broken down into parochial, diocesan and private, depending on the source of their funding. Catholic schools are estimated to account for 27.1% of industry revenue, but 42.2% of total enrollment. The disparity between revenue and enrollment is due to Catholic schools'

Products & Markets

Products & Services continued



low tuition fees. According to the National Center for Education Statistics (NCES), Catholic schools have the least expensive tuition out of all private schools, averaging about \$7,000 annually. Lower tuition is offset by Catholic schools having the highest pupil to teacher ratios, with the average ratio being 14.7 to one; the higher the ratio, the fewer the teachers and the smaller the portion of the budget dedicated to wages. The National Catholic Educational Association estimates that 93.9% of Catholic elementary schools provide some form of tuition assistance. Enrollment in Catholic schools has been declining over the past five years, causing revenue in this segment to fall.

Falling enrollment and low tuition has caused the decline of Catholic schools across the country. During the 2013-14 school year, 133 Catholic schools were consolidated or closed. Further, in January 2013, the New York Roman Catholic Archdiocese announced plans to close 24 schools, citing finances as the reason for the closure. This wave of closures will bring the number of schools under the Archdiocese to about 150, compared to over 200 schools three years ago.

Other religious schools

Other religious institutions have a religious orientation or purpose but are not Roman Catholic. Conservative Christian schools are those with membership in at least one of four associations: the Seventh-day Adventist educational system, the Association of Christian Schools International, the American Association of Christian Schools and the Christian Schools International. Unaffiliated schools are those that have a more general religious orientation or purpose, but are not classified as conservative Christian or affiliated with a specific religion. Other religious schools include Baptist, Lutheran, Jewish, Episcopal, Calvinist and Friends. In 2015, religious schools are estimated to account for 29.0% of industry revenue with a comparable share of enrollment of 35.8%. Enrollment has decreased over the past five years; however, an annualized 4.0% increase in tuition has increased this segment's share of revenue.

Secular schools

Secular schools do not have a religious orientation. These schools generate the

Products & Markets

Products & Services continued

bulk of industry revenue, despite the segment's low share of enrollment at 21.9%. This is due to the segment's high average tuition of about \$21,500. Enrollment has stagnated for secular schools over the past five years as parents have had difficulty paying these high tuition rates. However, tuition hikes have on average made up for the slow growth in enrollment. In 2015, secular schools are estimated to account for 43.9% of revenue.

Secular schools have a greater proportion of special education,

alternative and special program emphasis schools. Montessori education makes up more than 19.0% of secular education. The Montessori Method allows for self-directed learning by the child and is usually applied in preschool and elementary school settings. Secular schools also have the lowest pupil-to-teacher ratio of 8.4 pupils to a teacher in regular schools. Special emphasis and special education schools tend to have low ratios, in accordance with the needs of the students.

Demand Determinants

Demand for private schools is driven by the perceived value of private education compared to public education. Parents typically believe that private schools are beneficial for their children, which increases their willingness to pay for tuition. Other factors include enrollment and demographic trends, cost and education quality.

Cost

The price of private school education is a major driver of demand. A rise in the cost of tuition, without a relative increase in income, results in reduced demand for the services provided by private schools. In general, household disposable income is a demand determinant, as higher income families can more easily afford to send their children to private schools. Over the past five years, the percentage of households earning over \$100,000 has increased, slightly bolstering demand for private schools. However, this was insufficient in stemming the long-term decline in enrollment for private schools, mostly due to the rapid decline of Catholic schools.

Related to cost, government policies can also affect demand. Some states have

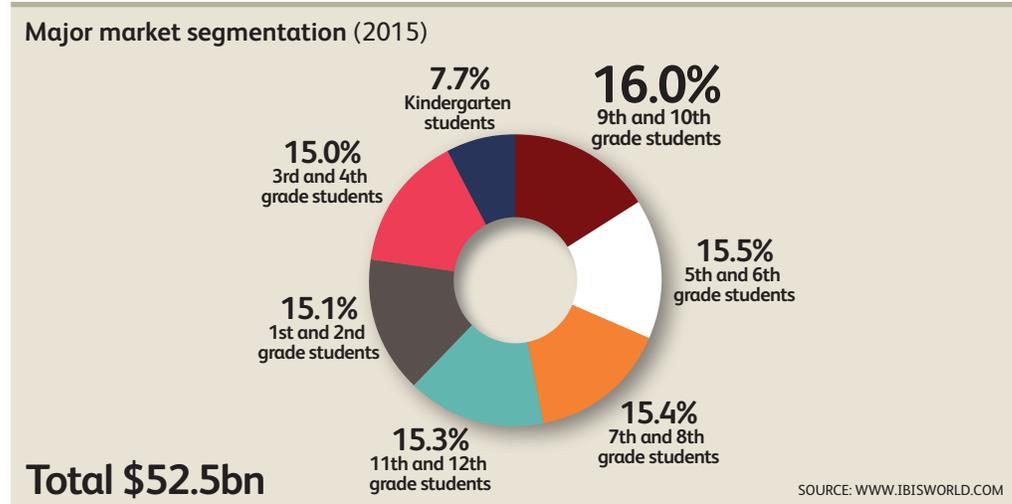
incorporated parental choice into their education policies. Typically, parental choice entails government support for alternatives to public schools. This has, in some instances, increased demand for private schools. However, government funding is usually sufficient for only a portion of private school tuition, which makes it difficult for some families to afford private education.

Quality

The quality of private school education compared to public school education plays a considerable role in demand levels as well. If the quality of private schools relative to public schools rises, demand for industry services will also get a boost. In valuing an education, parents can use metrics such as academic reputation and college preparation; school and class size; safety reputation; special programs; religious and moral instruction; and ideology. Private schools usually have a more rigorous academic reputation. But within the public school system, charter and magnet schools both blur the distinction between public and private schools.

Products & Markets

Major Markets



IBISWorld estimates that industry operators generate 90.0% of revenue from tuition, while the remainder comes from government funding, contributions from religious organizations and private donations. However, private schools only receive funding by providing education to students. As a result, major markets are segmented by student grade.

Markets by age

Enrollment then slowly declines as students move through the education system. This trend differs slightly to that of public schools. Public schools often experience a rise in the proportion of students attending the ninth grade. This is because many students repeat this level of education, as it is most often the first year of secondary school. In both public and private systems of education, enrollment falls from the tenth grade onward due to the noncompulsory nature of these levels of education. However, over the past five years, the proportion of students enrolled in these levels has increased, to give a more even distribution across all grades. This indicates that fewer students are dropping out of secondary school. Nonetheless, in 2015, IBISWorld

estimates that K-6 students are the primary markets for industry institutions, accounting for 53.5% of industry revenue.

The three types of private schools have different enrollment trends. Enrollment in religious schools other than Catholic programs declines gradually from kindergarten to the eighth grade and then drops sharply by up to 18.0% in the ninth grade. Enrollment in Catholic schools increases sharply at ninth grade due to secondary-only Catholic high schools. Prior to the ninth grade, enrollment numbers are steady. Secular schools, by comparison, continue to gain enrollments up to the 10th grade. This suggests that students in non-Catholic religious schools either drop out earlier or switch to secular or Catholic schools from the fifth grade onward.

Ethnicity

Private school students can also be grouped by ethnic background. The ethnic composition of private schools varies by type of program emphasis. For instance, the percentage of black students enrolled in schools with special education and alternative program emphasis exceeds the percentage of

Products & Markets

Major Markets continued

black students enrolled in the remaining program types. For Asian and Pacific Islander students, enrollment in Montessori schools and special program emphasis schools is generally greater than in all other program types.

According to the National Catholic School Association, the percentage of students of color in Catholic schools has increased in the past five years from 19.4% in 2010 to 26.2% in 2015. Catholic schools are more likely than other religious schools to have higher percentages of minority students. This is particularly true in inner cities and large metropolitan areas, due to a general decline in the number of Catholic children and the

movement of Catholic families to the suburbs. This decline has left vacant seats at Catholic schools that were filled by remaining minority populations. In all, about 70.0% of private school students are white, which is higher than the proportion in the US population at large. Asian and Pacific Islanders are the only other group that is overrepresented in the private school population. This may be partly attributable to the group's higher participation in Montessori education. The Hispanic population is well represented in Catholic schools, where they make up 15.0% of the student body. This aspect reflects the dominant Catholic faith among Hispanic individuals.

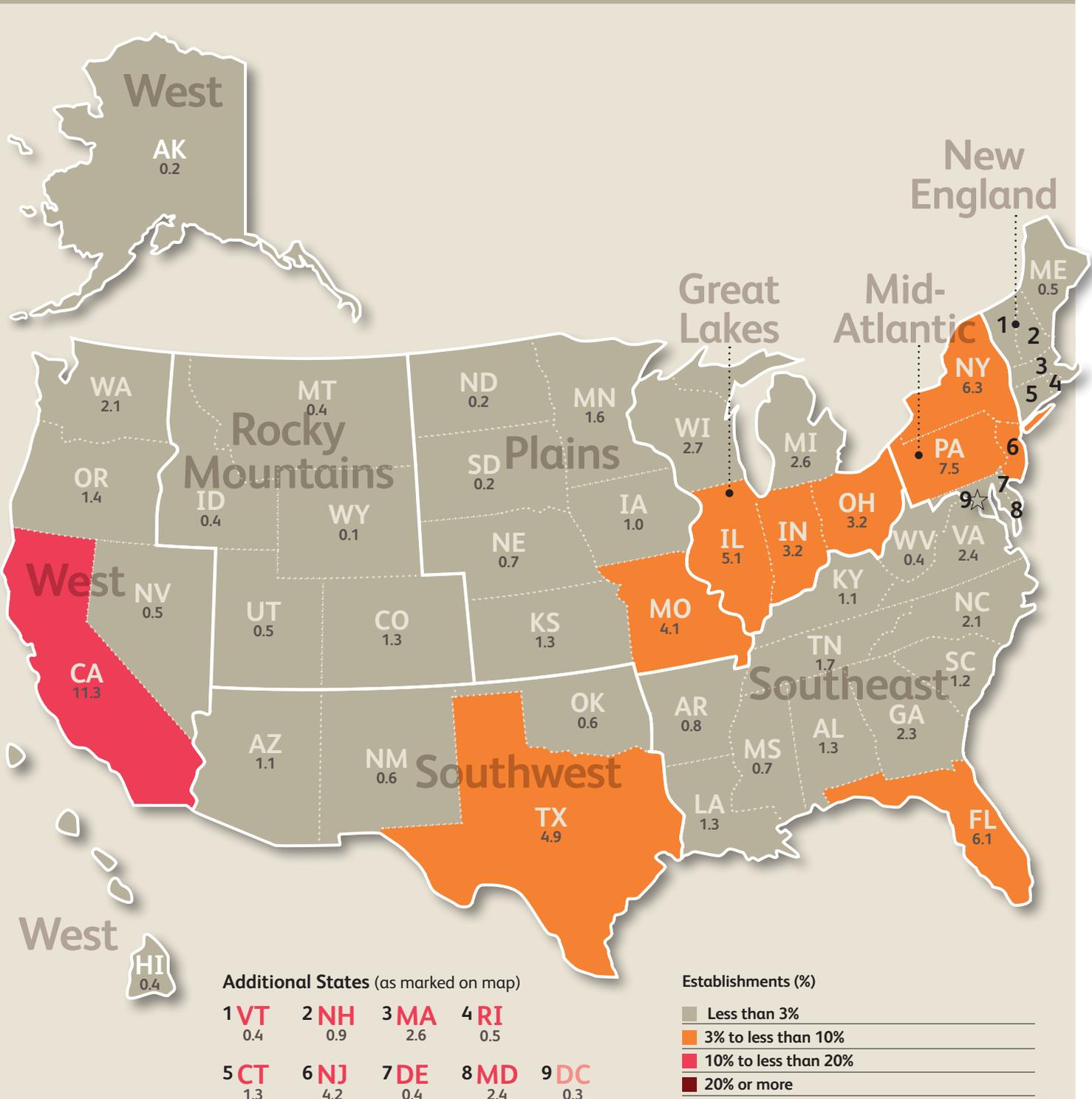
International Trade

Private schools only operate within the domestic economy. Unlike other educational institutions, such as universities and business schools, elementary and secondary schools do not participate in international markets. Additionally, private schools in the US industry generally operate on a regional basis.

Most private schools, particularly secondary schools, do enroll international students and allow the admittance of foreign exchange students. Similarly, many of these schools also offer study abroad programs for their students. In both cases, the necessary fees are paid directly to the matriculating educational institution.

Products & Markets

Business Locations 2015

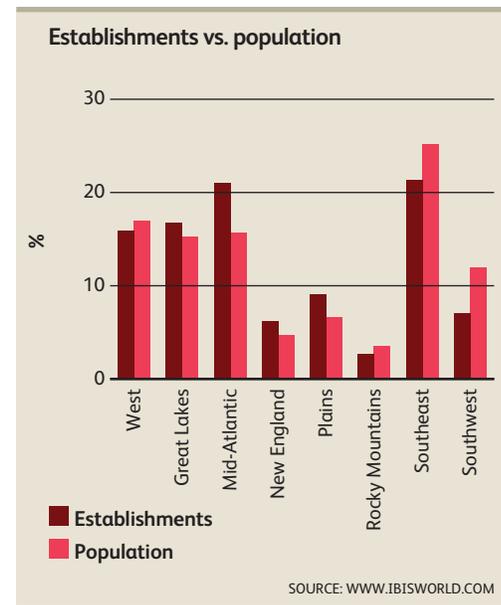


Products & Markets

Business Locations

The distribution of private schools closely follows the distribution of the US population. Because most schools are small, they cater to their immediate local markets. Consequently, as the Southeast region accounts for the largest share of the US population at 25.5% of the total, it holds the largest number of private schools at 21.3%, enrollments at 23.7% and teachers at 24.3%. Florida accounts for the most significant share of both population and schools in the region. Because of its many large cities, the high population density makes private schools more cost-effective to operate, thus increasing the potential supply of private schools.

The Mid-Atlantic also holds a large share of the nation's population and private schools at 15.4% and 21.0%, respectively. The region's higher concentration of private schools to its population share is due to the wealth in this part of the country. Average personal income is the highest in the nation at about \$53,000 compared with \$42,693 for the US. Pennsylvania and New York are home to a combined 13.8% of all private schools. New York is also home to the Ivy Preparatory School League, considered to be the elite preparatory schools to the Ivy League universities (four of which are located in this region). New England, accounting for 6.2% of private schools, 4.6% of the population and the remaining Ivy League universities, holds a high standard of private school education,



contributing to a strong percentage of private school graduates. The average income in New England is the second highest in the country at \$48,020. The states in these regions have the lowest pupil-to-teacher ratios in the US of about 10 to 1.

By contrast, the Southwest has a much lower proportion of private school numbers, enrollments, and teachers relative to its population. For instance, the region makes up 10.1% of the school age population and 12.4% of the total population, yet it accounts for only 7.1% of private school enrollments. This can, in part, be attributed to the lower average income level that is prevalent in this region.

Competitive Landscape

Market Share Concentration | Key Success Factors | Cost Structure Benchmarks
Basis of Competition | Barriers to Entry | Industry Globalization

Market Share Concentration

Level
Concentration in this industry is **Low**

Private schools typically enroll small student bodies and operate on a local basis. This operational structure contributes to a low level of market share concentration. IBISWorld estimates that the four largest private schools account for less than 4.0% of industry revenue in 2015. Industry concentration is not

anticipated to change in the near future as additional schools open. Further, the small class size of private schools is considered a basis of competition against public schools. Lower student-to-teacher ratios are perceived to provide students with better learning environments and more personal attention.

Key Success Factors

IBISWorld identifies 250 Key Success Factors for a business. The most important for this industry are:

Ability to attract local support/patronage

Private schools can benefit from strong local support and patronage. This can assist with fundraising and attracting new students.

Ability to take advantage of government subsidies and other grants

Private schools can benefit from government vouchers and tax incentives provided to potential students.

Having a good reputation

The quality of education cannot be ascertained until after it is consumed. Therefore, parents rely on a school's reputation when deciding whether or not to enroll their children.

Availability of financial resources

Schools that have a generous amount of financial resources are better able to satisfy student needs.

Small class sizes

Small class sizes, individual attention and elaborate facilities are associated with higher quality education. As such, private schools focus on providing these features.

Ability to hire and retain effective, experienced teachers

Schools that recruit and retain effective teachers, principals and teachers' aides are better able to deliver favorable results.

Cost Structure Benchmarks

Most private schools are nonprofit organizations. The following benchmarks vary depending on the amenities offered, facility quality, total enrollment and education style.

Profit

Profit (measured as earnings before interest and taxes) is typically driven by tuition, the primary source of revenue, and wage costs, which is the largest component of operating costs. The amount of financial aid offered by the school also impacts overall profitability. Other operating expenses, such as rent, utilities and administration are largely fixed.

Due to the importance of tuition, profit is often determined by enrollment; high enrollment typically leads to greater

profitability. While enrollment has declined in the five years to 2015, tuition increases have maintained, and even slightly increased, profit margins. In 2015, profit is estimated to account for 3.9% of revenue, up from 3.5% in 2010. The relatively low profit margin is attributable to the not-for-profit structure of many private schools.

Wages

Similar to other education industries, wages are the primary costs for private schools. Wage costs include teacher and staff salaries, employee benefits and vacation costs. Wages fluctuate somewhat and are primarily affected by incentive compensation, healthcare benefits and participant rate increases, staff ratio

Competitive Landscape

Cost Structure Benchmarks continued

requirements and enrollment. In the case of newly established schools, wage costs tend to be higher as a percentage of revenue. This is because teachers and staff need to be hired before the school can enroll students in classes and provide other educational services.

Teachers' salaries and benefits comprise about 75.0% of wage costs, school administrators account for 6.5% and the remainder is divided among aides, nurses, counselors, student support staff, food service staff and maintenance staff. Over the past five years, wages' share of revenue has slightly declined as schools trimmed staff in response to lower enrollment. In 2015, wages are estimated to account for 60.0% of revenue, down from 60.3% in 2010.

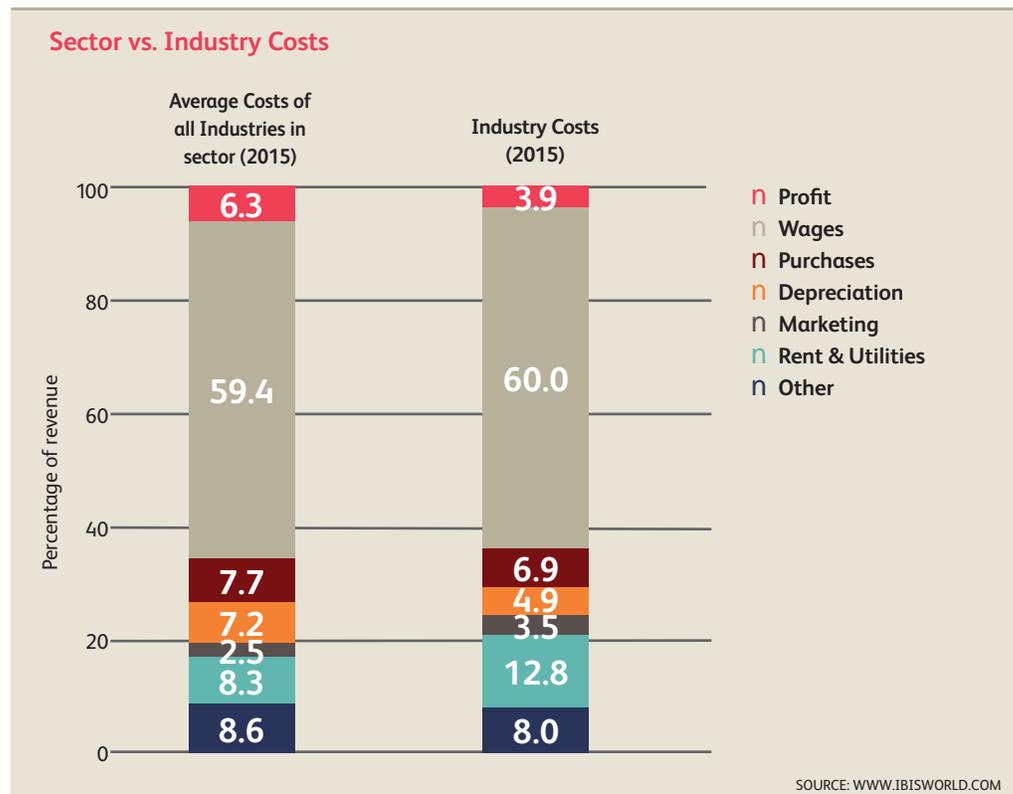
Rent and utilities

In contrast to public schools, private schools incur considerable rent expenses because private institutions typically do not receive

government land on which they can construct school facilities. Rent expenses include property taxes, property insurance and vehicle and equipment rental. Rental costs are relatively fixed, with increases related to contractual obligations, changes in locations and the addition of new or acquired schools. Utility costs have marginally increased over the past five years, as electricity prices rose due to higher input prices. Water and gas prices have also risen. In 2015, rent and utilities are estimated to absorb 12.8% of revenue.

Depreciation

This industry requires capital for classrooms and facility construction, as well as technology and electronic equipment. Over the past five years, depreciation as a percentage of revenue has remained relatively stable. Many private schools implemented instructional technology much earlier than public schools, so per-student



Competitive Landscape

Cost Structure Benchmarks continued

expenditures have been mostly constant. In 2015, depreciation is estimated to account for 4.9% of revenue.

Purchases

Purchase costs account for school supplies such as books and stationery. Purchases have marginally declined over the past five years, as decreasing enrollment has forced some private schools to cut back on expenditures. Furthermore, the propensity to use stationery products has diminished with the increasing usage of technology, also decreasing purchases; pertinent information is now posted on the internet or sent via e-mail. IBISWorld expects purchases to comprise 6.9% of revenue in 2015.

Other

Marketing includes Yellow Pages and mass-media advertising; advertising and marketing consulting fees; and internet and search engine marketing. As enrollment has been declining, many schools have strengthened marketing

efforts. Marketing committees have embarked on initiatives to increase enrollment, such as hosting promotional events, launching tuition credit programs to help families with costs and creating new committees that focus on finances and program development. Marketing costs are estimated to account for 3.5% of revenue in 2015.

Other expenses include food, transportation, maintenance and janitorial services, which account for about 7.9% of revenue. Financial aid is another major cost, some of which is provided through government voucher programs. Student support services are estimated to make up 2.0% of revenue. These services include tutoring and academic advising. Additional enrollment lends to increases in other expenses as more students require more supplies. Similar to wages, in the case of newly established schools, other expenses typically make up a larger share of revenue, as basic services need to be established before students can be enrolled.

Basis of Competition

Level & Trend
Competition in this industry is **Medium** and the trend is **Increasing**

Widespread concern about the quality of US education has generated calls for educational reform. Some solutions focus on market-type concepts to generate more private and public options for students and to create incentives for schools to compete with each other. The reforms include educational vouchers and tuition tax credits to promote private alternatives. Competition is thought to improve educational outcomes by promoting resource efficiency: schools must strive to use resources wisely to stay profitable and attract students, who have more choices. Although the benefits of competition are still debated, states with tuition vouchers and new industry entrants have given researchers plenty of data with which to work.

Competition exists within this industry both internally between private schools

and externally with public schools. Private schools typically compete on a local basis; however, some private schools do enroll students from across the nation.

Internal competition

While price is a significant competitive factor in the Private Schools industry, other factors also are important. They include location, educational programs, qualified school administrators, well-equipped facilities, relationships with local employers, trained teachers and a broad range of ancillary services, including before- and after-school programs, transportation and infant care.

A school's reputation is dependent on factors including facilities, teacher quality, curriculum, extracurricular activities and the academic results of

Competitive Landscape

Basis of Competition continued

previous students. Parents are particularly attracted to schools that have an established record of getting students admitted to top universities and colleges. Additionally, if parents have a child enrolled at a certain school, they may be more inclined to enroll younger siblings there as well. Values and beliefs can also influence parents' choice of school. About 60.0% of private schools are religiously affiliated, though enrollment in religiously affiliated schools as a percentage of total enrollment has declined during the past five years.

Private schools also gain a reputation from the breadth of extracurricular activities provided and the available facilities. For instance, some private schools offer extensive sports and music programs, which can attract families and children that are interested in these activities. Prominent young adults often attend private schools on scholarships and benefit from reputable coaching and a strong team.

External competition

Private schools compete with public schools, charter schools, public virtual schools and home schooling, as well as other private schools. The basis for competition with public schools is predominantly price and quality. Private schools often have better safety,

educational testing scores, course content and university admission records than public schools. However, the quality of public school education is dependent on the level of funding it receives from various levels of government.

The cost of private school tuition can be reduced by scholarships and government policies, such as a voucher program. Scholarships to attend private schools are available from the schools themselves, private scholarship programs and the government. Furthermore, some states have introduced a voucher system, through which students from low performing schools are granted government funding to attend the school of their choice, public or private. This can cut the cost of private education to families and reduce the price effect on competition.

Education reform movements in the United States are providing new alternatives to public schools. These reforms include charter schools, private management of public schools, home schooling, private schools, virtual charter schools, state-run virtual schools, virtual private schools and voucher programs. Voucher programs may be a positive development for the Private Schools industry, as vouchers would effectively reduce the relative cost of tuition and thereby increase demand.

Barriers to Entry

Level & Trend
Barriers to Entry
in this industry are
High and Steady

Barriers to entry into the Private Schools industry are high. Private schooling is an industry in which it is remarkably hard for new entrants to establish themselves. Reputation is of utmost importance, as schools that have a history of getting students into prestigious colleges often have the best reputations. By definition, a new entrant cannot offer this. Reputation is imperative to parents' decisions because the quality of education cannot be checked until well

after it is complete. Reputation entrenches incumbents in the industry, as schools need to show parents a track record of admission to elite colleges and universities. For instance, Manhattan Private School Advisors, a company that assists parents in choosing schools, will only recommend schools that have at least a decade of history behind them.

There are also barriers that prevent new competitors from undercutting incumbents' costs. In big cities, where

Competitive Landscape

Barriers to Entry continued

people demand private education the most, property is scarce and expensive and local officials are obstructive. Planning departments can also create considerable bureaucratic obstacles that make securing a new location prohibitively time-consuming and expensive. New schools often have relatively high costs in areas such as rent and wages because investments in large buildings and a base level of personnel are established in the early years of a school's life.

Industry regulation, which requires school operators to obtain a license from the State Education Department, can also deter entrants. Many in this industry support the idea of government-funded payment vouchers that would help parents pay for private education as these will make private schools more competitive against their public counterparts.

Although vouchers are also expected to entice new entrants, international and historical evidence indicates that

Barriers to Entry checklist

Competition	Medium
Concentration	Low
Life Cycle Stage	Mature
Capital Intensity	Low
Technology Change	Medium
Regulation & Policy	Heavy
Industry Assistance	High

SOURCE: WWW.IBISWORLD.COM

government funding of private schools will lead to government control of private schools. Regulations often accompany subsidies; these usually include control inputs such as hiring and firing criteria and teacher qualifications and salaries. They also strongly influence the sale of services by setting criteria for selecting and excluding students, ceilings or floors on fees and the composition of decision-making boards. Additional regulations can act as a barrier to entry for industry schools.

Industry Globalization

Level & Trend
Globalization in this industry is **Low** and the trend is **Steady**

Private schools usually operate only within the domestic economy. The industry does, however, enroll some students from overseas. According to the most recent data released by the National Association of Independent Schools, 3.4% of total enrollments in private schools are international students. These students comprise a much higher 14.3%

of boarding school enrollment. Most of the international students studying in private schools are likely to be found in independent schools or schools with no religious affiliation. IBISWorld estimates international student enrollment in Catholic and other religious schools is lower, at less than 2.0% of the total enrollment.

Major Companies

There are no Major Players in this industry | Other Companies

Other Companies

No operator within this industry accounts for more than 1.0% of revenue or enrollment, due to the small regional nature of most private schools. However, a discussion of a few smaller players with varying operational structures illustrates the types of institutions that operate within this industry.

Nobel Learning Communities Inc.

Estimated market share: Less than 1.0 %

Nobel Learning Communities Inc. (NLCI) is a nonsectarian, for-profit provider of private education, founded in 1974. The company offers educational instruction for students in kindergarten to 12th grade, although its core business consists of preschools and elementary and middle schools. NLCI also provides schooling for challenged students through the Paladin Academy and its special-purpose high schools. The company operates more than 180 schools in 19 states and the District of Columbia, with a total capacity of 25,000 children. Operations include Chesterbrook Academy, Merryhill School, Evergreen Academy and Paladin Academy.

In fiscal 2015, company revenue is expected to increase 4.1% to \$272.5 million, contributing to an annualized growth of 3.3% over the five years to 2015. Growth is expected to be driven by an increase in net enrollments, which is primarily attributable to a continued reduction in student withdrawals. The company has invested in its educational programs to strengthen its value proposition. This strategy has helped NLCI progressively retain more students.

Over the past five years, NLCI has engaged in growth through acquisition. The company's main focus has been on preschools and, in March 2011, NLCI acquired five preschools, from Children's Center preschools, located in metropolitan Washington, DC. The acquisition, which was the company's first in about two years, included schools in Maryland (Olney, Gaithersburg and

Germantown) and Virginia (Fairfax and Herndon), which were part of a portfolio of 11 preschools owned and operated by Children's Center preschools. In August 2011, New York-based private equity firm Leeds Equity Partners acquired NLCI.

Collegiate School

Estimated market share: Less than 1.0 %

Collegiate School is the oldest independent school in the United States, established in 1628 by the Dutch Reformed Church in New York City. The all-boys school is now nondenominational and provides education from kindergarten to 12th grade. The school has about 650 students and employs 116 faculty and staff members. Regardless of grade, tuition fees are about \$45,400 per year. School fees include lunch, books, musical instrument rentals, overnight trips and accident insurance. The school has an endowment of \$77.0 million and about 20.0% of the student body receives some financial aid.

Dowling Catholic High School

Estimated market share: Less than 1.0 %

Dowling Catholic High School is an institute of higher learning in West Des Moines, IA. The school was formed through the amalgamation of St. Joseph Academy for girls and Dowling High School for boys in 1972, by the Six Sisters of Charity. About 1,438 students attend Dowling Catholic High School and for underclassmen (9th grade through 11th grade) who are members of a contributing parish, annual tuition fees are \$7,451, while nonmembers pay \$10,428. Upperclassmen (12th grade students) who are members of a contributing parish, as well as nonmembers, each pay \$100 more than their underclassmen counterparts, respectively. International students pay the total tuition amount of \$10,798 plus fees. This cost is funded by three main

Major Companies

Other Companies continued

sources: tuition fees account for 70.3% of costs, parishes contribute 9.7% and funds from the Annual Appeal, the Catholic Church's fundraising effort, and other revenue make up the remaining 20.0% of costs. The school also provides need- and merit-based scholarships, with 46.0% of all students receiving some financial aid.

Kamehameha Schools

Estimated market share: Less than 1.0%

Kamehameha Schools was started through the establishment of a trust by Princess Bernice Pauahi Bishop and represents the largest landowner property in the state of Hawaii. The school uses income generated from leases of its land to subsidize tuition costs. Kamehameha Schools also has the

largest endowment of all private schools in the United States, with \$11.0 billion in trust. The boys' school, which has operated as a coeducational facility since 1965, was established in 1887, while the girls' school opened in 1894.

Kamehameha operates three campuses: the Hawaii Campus in Kea'au, the Kapalama Campus in Honolulu and the Maui Campus in Pukalani. Kapalama, the largest campus, has more than 70 buildings and various facilities and 3,192 students.

Kamehameha has about 5,400 K-12 students total in all three schools. The school's enrollment policy, which includes a preference for students with Hawaiian ancestry, was challenged in 2006, but was ultimately upheld.

Operating Conditions

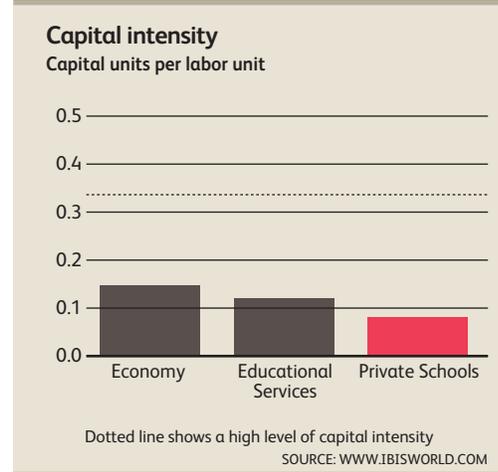
Capital Intensity | Technology & Systems | Revenue Volatility
 Regulation & Policy | Industry Assistance

Capital Intensity

Level
 The level of capital intensity is **Low**

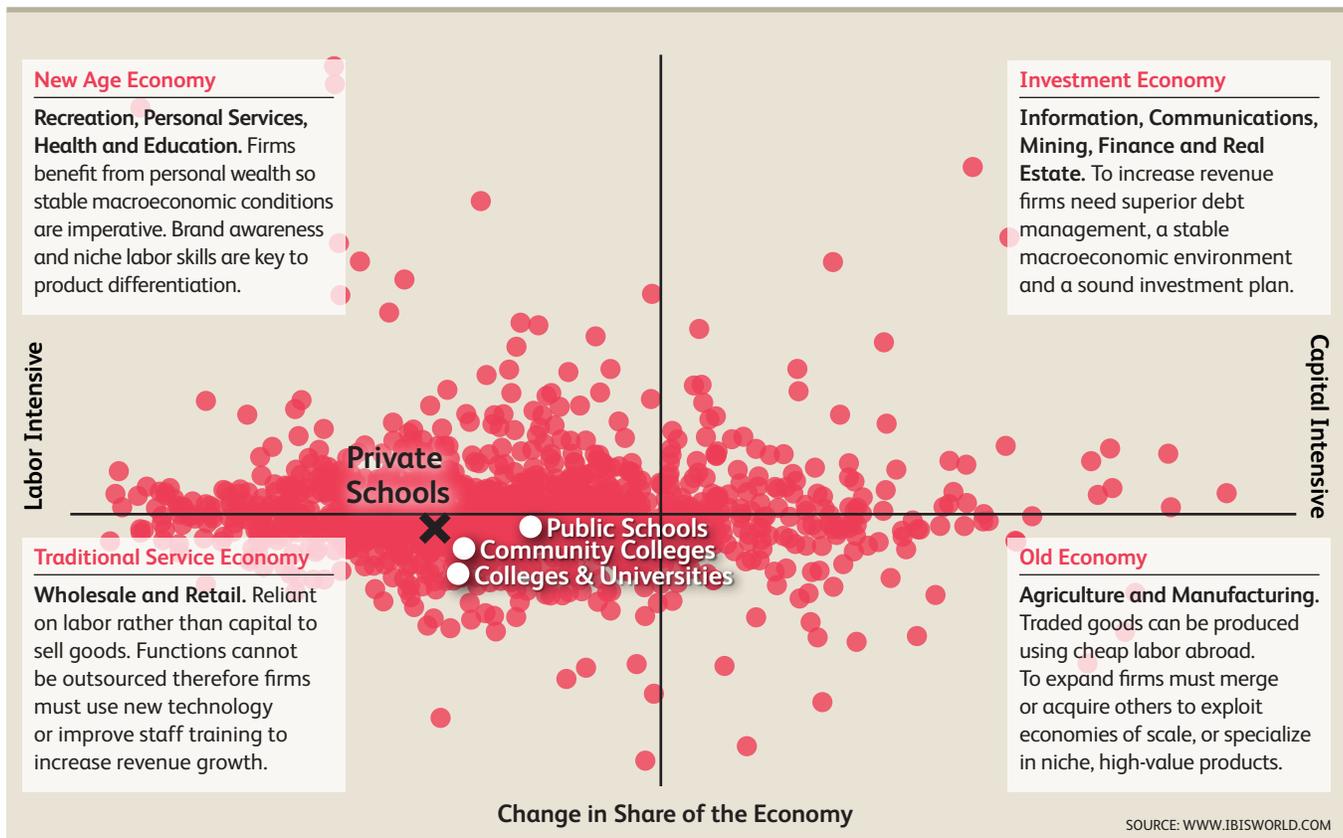
The Private Schools industry has a low level of capital intensity. IBISWorld estimates that for every dollar spent on wages, industry operators will spend \$0.08 in capital investment. Capital investment is mainly in computers, tablets and other education equipment. Schools also require capital investments on classrooms, desks, seating, auditoriums, gyms and other buildings and equipment. Over the past five years, capital intensity has remained constant. Capital investment declined partly due to the declining enrollment in industry schools.

School operations are labor intensive, as education requires a great number of staff members to interact with students and handle



administrative duties. Private schools tend to be more labor intensive than public schools, as the student-to-

Tools of the Trade: Growth Strategies for Success



Operating Conditions

Capital Intensity continued

teacher ratio is typically lower. According to the Department of Education, the average student-to-teacher ratio in private school is 12.5 to one, while the ratio is 15.2 to one for

public schools. Capital intensity is expected to rise in coming years as teachers and staff are expected to use computer-based technology with increasing frequency and proficiency.

Technology & Systems

Level

The level of
Technology Change
is **Medium**

Private schools have increased expenditure on computers, computer equipment, software and related technologies in the past decade. As the cost of new computers continues to fall, schools are better able to update and replace old technology more regularly. Information technology skills are increasingly important in today's world and schools with up-to-date technology can prepare their students better for the future. Private schools are more likely to update other technology and equipment on a regular basis than public schools, due to public funding constraints.

Technology in the classroom

The internet and recent media technologies are being used to enhance classroom-based activities. Schools have also benefited from the use of technology to improve record keeping and streamline administration needs. Finally, the internet makes virtual classrooms possible, which can reach a large number of students in remote areas. Online schooling is different from traditional schools in that classes do not take place in a building. Most students take courses from their own home with support from a teacher via phone and the internet.

Additionally, established brick-and-mortar schools are adding online classes. For instance, Capistrano Valley Christian Schools (CVCS) has created an online program of over 100 courses for grades six to 12 to offer a flexible

alternative of delivering education. CVCS suggests that the program is suitable for home school, disabled and international students and high school students wishing to gain college credit. There is potential for online schools to grow significantly in the future.

Federal funding boost

The Federal Communications Commission (FCC) has proposed additional funding for E-rate, a federal program that provides targeted discounts to schools and libraries with the goal of increasing access to the internet and other telecommunications services. Because nonprofit private schools can qualify for the discounts, increased funding is expected to boost technology use in the industry. New E-rate rules are designed to simplify the program and bring discounts on networking services to more schools and libraries. Annual E-rate funding totals \$2.4 billion. The fund is currently indexed to inflation and is growing slowly.

The FCC has made E-rate more user-friendly by streamlining the application and competitive-bidding processes for telecommunications and internet services and by better facilitating the calculation of schools' discount percentages. Since 2011, schools are also no longer required to submit technology plans when applying for telecommunications and internet access funding.

Operating Conditions

Revenue Volatility

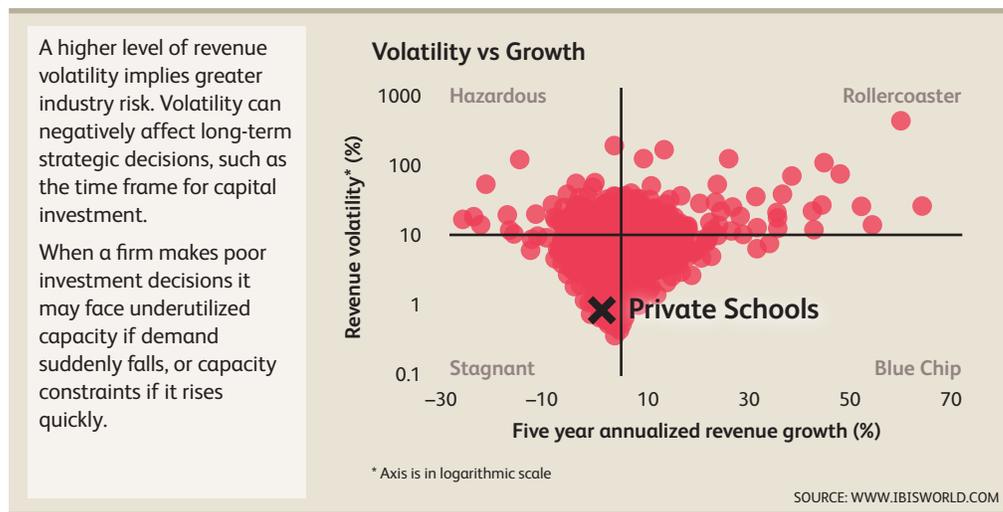
Level
The level of Volatility is **Low**

The Private Schools industry has a low level of revenue volatility. Demand for private school education is fairly consistent; enrollment typically does not fluctuate considerably between years. The perceived value of private school education is high and parents who choose private schools for their children are willing to pay the costs of education. This steady demand has allowed private schools to steadily increase tuition costs with relative certainty that demand for private education will persist.

Many private schools seek to offer access to lower-income families and allocate funds toward financial aid. Private school enrollment has declined over the past five years, falling 2.3% in 2014, according to the National Center

for Education Statistics. In the five years to 2015, enrollment is expected to fall at an annualized 1.9%. However, tuition has grown at an average annual rate of 1.5% over the period, offsetting revenue lost from decreasing enrollment.

Catholic parochial schools and some schools in rural areas have struggled since the economic downturn, but this is more so the acceleration of existing trends. Catholic school enrollment has declined at an annualized 2.0% over the past five years, compared to total enrollment's annual decline of 1.9% per year. Private schools in big cities with wealthier residents and those with famous names and a history of sending graduates to Ivy League universities have consistently performed well.



Regulation & Policy

Level & Trend
The level of Regulation is **Heavy** and the trend is **Steady**

Private schools are subject to a variety of government regulations and requirements. Due to the 10th Amendment that provides states with powers not included in the Constitution, the majority of education policy and regulation is controlled at the state level. As such, standards differ across the nation.

Private schools are required to be registered and approved by state officials to

provide elementary or secondary education. Government agencies generally review the fitness and adequacy of buildings and equipment, the ratio of staff personnel to enrolled children, staff training, record keeping, dietary programming, daily curriculum and compliance with health and safety standards. Private schools must also gain accreditation. The most widely recognized

Operating Conditions

Regulation & Policy continued

accreditation of private, nonprofit schools is conducted by six regional accrediting associations. These include the New England Association of College and Secondary Schools and the Western Association of Schools and Colleges. A newer organization, the National Council for Private School Accreditation, was founded specifically for the purpose of accrediting private schools.

Under most state legislation, private schools are required to record and track student enrollment, attendance and performance and are required to pass the information onto the State Department of Education. There are also laws concerning compulsory attendance by students of school age. These vary between states, but generally school enrollment is compulsory between the ages of five to eight through 15 to 18. The minimum required level to be completed by students is grade 10.

Some states regulate the length of a school year and school curriculum. For instance, the New York Department of Education has specified that private schools have no more holidays than public schools. It also places requirements on course content at various school levels. Most states require that instruction be provided in English.

All staff working in an elementary or secondary school must undergo a

background check before they can be employed. Teacher qualification is also regulated. Many states require a content-specific bachelor degree for a teacher to be certified. However, there are alternative routes for teachers to receive certification. These include attendance at a professional development course and participation in an intensive supervision program.

Public vouchers increase regulation

Several states have passed a school-voucher or tuition-tax-credit program since the Supreme Court's 2002 ruling that school vouchers are constitutional. Often, these types of public programs come with new regulations. Imposing state standards or admission policies on private schools could create a uniformity that would limit the diversity of standards, school practices and educational philosophies that exist in the private school market. The Colorado Opportunity Contract Pilot Program, for instance, required participating private schools to allow the school district to administer state tests to the voucher children enrolled at those schools. While this legislation was struck down by the state's Supreme Court, increased government funding will likely result in more regulation over the next five years.

Industry Assistance

Level & Trend
The level of Industry Assistance is **High** and the trend is **Steady**

The Private Schools industry receives monetary and nonmonetary assistance from private, religious and government sources.

Private and religious sources

The majority of private, nonprofit schools receive private donations and gifts from trust funds and individuals. For instance, Kamehameha School was started through the establishment of a trust by Bernice Pauahi Bishop, the great-granddaughter and last royal descendant of Kamehameha the Great.

This school now benefits from the largest endowment fund of any private school in the United States.

Most religious schools also receive some form of monetary assistance from their affiliated religious organization. Catholic elementary schools derive less than an estimated 70.0% of their revenue from tuition fees. For instance, Dowling Catholic High School receives an average of about \$1,345.0 per student from their associated parishes. The total pupil cost is \$10,411.0 per student, and

Operating Conditions

Industry Assistance continued

the tuition fee is \$6,984.0 (the remainder is sourced from their annual appeal and other revenue). This assistance allows most of the religiously affiliated schools to reduce their tuition costs for their students, ensuring that more students are able to afford their services.

Government sources

This industry receives indirect assistance through various government policies. Government programs, such as tax credits and voucher systems, assist students from the public school system to attend private schools. These programs are aimed at providing increased school choice for parents and this has been an issue of some controversy.

Some states have established a voucher system, in an effort to introduce market characteristics into the public school system. Vouchers are given to students and can be used at any school, private or public, to help cover tuition fees (most often nondenominational private schools), thereby giving increased choice to parents. Economist Milton Friedman first came up with the idea of a voucher system to encourage the public education system to become more efficient through increased competition.

The voucher system has been controversial and legislation in many states has been either overruled by the courts or politically stopped. California and Michigan voted against it in 2000. By 2005, Wisconsin, South Carolina, Arizona and Texas had defeated voucher legislation. Utah voted against the voucher system in a referendum in November 2007. On this issue, President Obama opposes the use of voucher systems for private schools. This may hinder the industry during his presidential term.

The tax credits program in several states allows for donations to scholarships for private schools. Tax credits were challenged in Arizona, when a lawsuit was filed against the Department of Revenue, claiming that the tax credits violated the state constitution. The case concerned whether public money should be used to fund private and religious schools and eventually upheld a ruling that allowed state income tax credits. This decision aids the supporters of school choice. However, in May 2008, the Arizona Court of Appeals ruled that two voucher programs violated the state constitution, as they used public money to fund private and religious schools. The decision aids the cause of the public school system.

Some states allow nonprofit schools to apply for government grants. Further, under the No Child Left Behind legislation some students are eligible for extra assistance. This is provided by the local school district and aims to improve children's school performance.

Tax benefits

The majority of US private schools operate as nonprofit entities, which are usually not required to pay government taxes. Under the Internal Revenue Code Section 501(c), most religiously affiliated schools are tax exempt. Additionally, several states provide tax credits for households that have students enrolled in private schools or for donations to scholarships. For instance, in Arizona, tax breaks allows a dollar-for-dollar credit of up to \$517.0 for an individual and \$1034.0 for married couples for donations to private school education scholarships. These tax-exempt schools must allocate 90.0% of total revenue to scholarships and grants for private school students.

Key Statistics

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Number of K-12 Students (Mil people)
2006	46,250.5	38,085.1	33,441	29,093	725,202	--	--	33,228.8	N/A	55.3
2007	50,234.9	39,291.7	32,337	28,133	727,883	--	--	33,313.7	N/A	55.2
2008	52,084.0	36,336.0	31,362	27,285	690,847	--	--	32,325.5	N/A	55.0
2009	51,807.8	33,561.8	31,436	27,349	664,352	--	--	31,282.3	N/A	54.9
2010	52,376.7	35,888.7	31,195	27,140	665,716	--	--	31,436.7	N/A	54.9
2011	52,255.2	36,742.0	31,154	27,104	662,975	--	--	31,777.8	N/A	55.0
2012	52,043.6	35,648.3	31,259	27,169	659,058	--	--	31,588.9	N/A	55.1
2013	51,809.9	36,182.9	30,960	26,906	654,317	--	--	31,364.6	N/A	55.3
2014	52,243.8	36,059.6	30,943	26,880	655,148	--	--	31,475.2	N/A	55.6
2015	52,483.6	36,117.8	30,769	26,716	654,047	--	--	31,476.3	N/A	56.0
2016	52,899.5	36,250.6	30,724	26,669	656,850	--	--	31,659.1	N/A	56.3
2017	53,503.3	36,675.0	30,690	26,616	660,636	--	--	31,913.4	N/A	56.7
2018	53,936.4	36,854.7	30,655	26,579	663,679	--	--	32,108.6	N/A	57.1
2019	54,392.7	37,112.7	30,703	26,591	667,116	--	--	32,323.1	N/A	57.5
2020	54,846.2	37,387.8	30,778	26,640	671,231	--	--	32,563.4	N/A	58.0
Sector Rank	4/18	4/18	7/18	5/18	4/18	N/A	N/A	4/18	N/A	N/A
Economy Rank	194/1373	88/1373	244/1373	222/1373	68/1373	N/A	N/A	57/1373	N/A	N/A

Annual Change

	Revenue (%)	Industry Value Added (%)	Establishments (%)	Enterprises (%)	Employment (%)	Exports (%)	Imports (%)	Wages (%)	Domestic Demand (%)	Number of K-12 Students (%)
2007	8.6	3.2	-3.3	-3.3	0.4	N/A	N/A	0.3	N/A	-0.2
2008	3.7	-7.5	-3.0	-3.0	-5.1	N/A	N/A	-3.0	N/A	-0.4
2009	-0.5	-7.6	0.2	0.2	-3.8	N/A	N/A	-3.2	N/A	-0.2
2010	1.1	6.9	-0.8	-0.8	0.2	N/A	N/A	0.5	N/A	0.1
2011	-0.2	2.4	-0.1	-0.1	-0.4	N/A	N/A	1.1	N/A	0.1
2012	-0.4	-3.0	0.3	0.2	-0.6	N/A	N/A	-0.6	N/A	0.2
2013	-0.4	1.5	-1.0	-1.0	-0.7	N/A	N/A	-0.7	N/A	0.4
2014	0.8	-0.3	-0.1	-0.1	0.1	N/A	N/A	0.4	N/A	0.6
2015	0.5	0.2	-0.6	-0.6	-0.2	N/A	N/A	0.0	N/A	0.6
2016	0.8	0.4	-0.1	-0.2	0.4	N/A	N/A	0.6	N/A	0.7
2017	1.1	1.2	-0.1	-0.2	0.6	N/A	N/A	0.8	N/A	0.7
2018	0.8	0.5	-0.1	-0.1	0.5	N/A	N/A	0.6	N/A	0.7
2019	0.8	0.7	0.2	0.0	0.5	N/A	N/A	0.7	N/A	0.7
2020	0.8	0.7	0.2	0.2	0.6	N/A	N/A	0.7	N/A	0.8
Sector Rank	11/18	12/18	15/18	14/18	14/18	N/A	N/A	12/18	N/A	N/A
Economy Rank	1075/1373	1053/1373	1063/1373	1052/1373	1067/1373	N/A	N/A	1022/1373	N/A	N/A

Key Ratios

	IVA/Revenue (%)	Imports/Demand (%)	Exports/Revenue (%)	Revenue per Employee (\$'000)	Wages/Revenue (%)	Employees per Est.	Average Wage (\$)	Share of the Economy (%)
2006	82.35	N/A	N/A	63.78	71.85	21.69	45,820.06	0.26
2007	78.22	N/A	N/A	69.02	66.32	22.51	45,767.93	0.26
2008	69.76	N/A	N/A	75.39	62.06	22.03	46,791.11	0.25
2009	64.78	N/A	N/A	77.98	60.38	21.13	47,086.94	0.23
2010	68.52	N/A	N/A	78.68	60.02	21.34	47,222.39	0.24
2011	70.31	N/A	N/A	78.82	60.81	21.28	47,932.12	0.24
2012	68.50	N/A	N/A	78.97	60.70	21.08	47,930.38	0.23
2013	69.84	N/A	N/A	79.18	60.54	21.13	47,934.87	0.23
2014	69.02	N/A	N/A	79.74	60.25	21.17	48,042.88	0.23
2015	68.82	N/A	N/A	80.24	59.97	21.26	48,125.44	0.22
2016	68.53	N/A	N/A	80.54	59.85	21.38	48,198.37	0.22
2017	68.55	N/A	N/A	80.99	59.65	21.53	48,307.09	0.21
2018	68.33	N/A	N/A	81.27	59.53	21.65	48,379.71	0.21
2019	68.23	N/A	N/A	81.53	59.43	21.73	48,451.99	0.21
2020	68.17	N/A	N/A	81.71	59.37	21.81	48,512.96	0.20
Sector Rank	3/18	N/A	N/A	9/18	3/18	5/18	4/18	4/18
Economy Rank	42/1373	N/A	N/A	1192/1373	33/1373	516/1373	720/1373	88/1373

Figures are in inflation-adjusted 2015 dollars. Rank refers to 2015 data.

SOURCE: WWW.IBISWORLD.COM