

The Orme School

January 2025



Quick Facts Regarding The Orme School's Decision to Close

The Orme School has been in existence for 96 years. Can you explain what happened?

As educators, we believe in the profound impact that independent schools, especially boarding schools, have on students' lives. However, we have been facing significant challenges due to the **effects of the pandemic** in addition to evolving demographic, market, and economic forces. Strong alternative school options, national economic difficulties, and a generational shift in parents' perspectives on independent schools have all contributed to these issues. These trends have placed immense pressure on enrollment for schools like The Orme School. While institutions with large endowments can bridge these financial gaps, we, unfortunately, do not have an endowment large enough to fall back on.

I have heard many independent schools have experienced a surge in enrollment post-COVID. Was this true for The Orme School?

While some larger **day** schools have seen enrollment growth, the post-COVID landscape has challenged many independent institutions. According to the National Association of Independent Schools (NAIS), between 2018-2019 and 2022-2023:

- 36% of NAIS schools reported enrollment decreases, with 14% experiencing drops of 10% or more.
- Boarding and boarding/day schools saw enrollment declines of 17% and 7%, respectively. Small schools like Orme had a median enrollment decline of up to 9%, and the highest attrition rate at 14.1%.
- International student enrollment in independent schools declined by 22%.

Between 2017-2018 and 2021-2022, the majority of independent schools saw revenue declines, with 32% experiencing drops of 10% or more. Small schools experienced a 6% revenue decline, and boarding schools averaged a 15% decline.

As a small boarding school, these market challenges have greatly impacted our finances. Orme, like many of our peers, has seen a significant decline in tuition revenue due to lower enrollment and a higher demand for financial aid. Presently we have over 80% of our current students receiving financial assistance. That is unsustainable.

Was COVID the main reason for the downturn in enrollment?

Yes. While our enrollment has fluctuated over the past decade, we experienced a significant loss of students beginning in the spring of 2022, which has persisted.

So, what have the School and the Board of Trustees been doing to try and mitigate these challenges?

For over two decades, the Orme Board of Trustees has engaged in strategic efforts to bolster enrollment and address financial challenges. These initiatives included facility updates, a Centennial Campaign, enhancements to academic programs, a healthy Sustainability Program, restructuring to better accommodate mild to moderate learning differences students, and targeted marketing, along with continuing our long standing traditions of Caravan and Fine Arts Festival, were part of these efforts.

This year, the school made significant efforts to secure financial stability through increased outreach to our alumni, and new partnerships with several Student Tuition Organizations (STOs) in addition to Orme Primavera; that effort was significant in increasing our average tuition.

How much in donations would need to be raised to keep the school open?

The Board has thoroughly analyzed the factors negatively impacting enrollment, and the financial challenges posed by broader market trends. They have engaged in strategic discussions, explored various options, spoken with alumni and donors, and sought support from external resources. However, given the current enrollment landscape, the school's modest endowment, and our physical plant needs, it is estimated that \$6M in immediate cash donations would be required for The Orme School to be in a position to open for the 2025-2026 academic year.

For long-term sustainability, the school would need to develop new revenue sources beyond tuition, and significantly grow its Endowment and Annual Fund to adequately support operations and physical plant needs.

What is the school's Endowment, and could it be used to shore up the school's finances?

The Orme School's Endowment currently stands at \$925K, which is restricted for specific purposes. By law, the school can typically only draw interest income from the Endowment to support operations. Therefore, tuition and annual giving are responsible for covering the vast majority of the annual operating budget. With the significant decline in enrollment in recent years and increased number of students requiring financial aid, the gap between the revenue generated by tuition and annual giving, and the funds required to run the school has become unsustainable.

Is there a reason that the community is just being notified now?

As educators, our priority has always been to provide the best possible opportunities and support for our students. In our commitment to this mission, the Board and administration exhaustively explored every avenue to sustain our operations, including bolstering our marketing and admissions efforts, and intensifying fundraising initiatives over the past few years. Despite the thoroughness and intensity of our efforts over several years, we had to face the unfortunate truth that no viable path forward exists. While the decision to close was made recently, it followed our exhaustively pursuing every conceivable option.

I want to help. What can I do, and with whom should I be in contact?

Thank you for your support. You can help to ensure we have the resources necessary to honor our obligations to all school constituents and partners as we close by donating online through:

<https://www.ormeschool.org/giving/>

Please don't hesitate to reach out with any questions by emailing trustees@ormeschool.org.

Alumni Information

Will there be opportunities for Class Reunions after the school has been closed?

We are cautiously optimistic about having the last Class Reunion at The Orme School on May 30 - June 1.

But, a school is not confined to its four walls, and the spirit of The Orme School will continue to thrive whenever our students gather. The bonds developed here and lifelong friendships, the formative experiences, and the foundation for life that The Orme School has provided for almost 100 years will continue to live on in our alumni. We wholeheartedly encourage Orme alumni to continue their traditions of coming together and celebrating their shared experiences and memories.

The connections and memories you have made at The Orme School will always remain strong, no matter where our Warriors are!