

Navigating the Enrollment Cliff in Higher Education

Anthony Schuette
 June 2023

Recommended Citation: Schuette, A. (2023). *Navigating the Enrollment Cliff in Higher Education*. Trellis Company.

The Enrollment Cliff

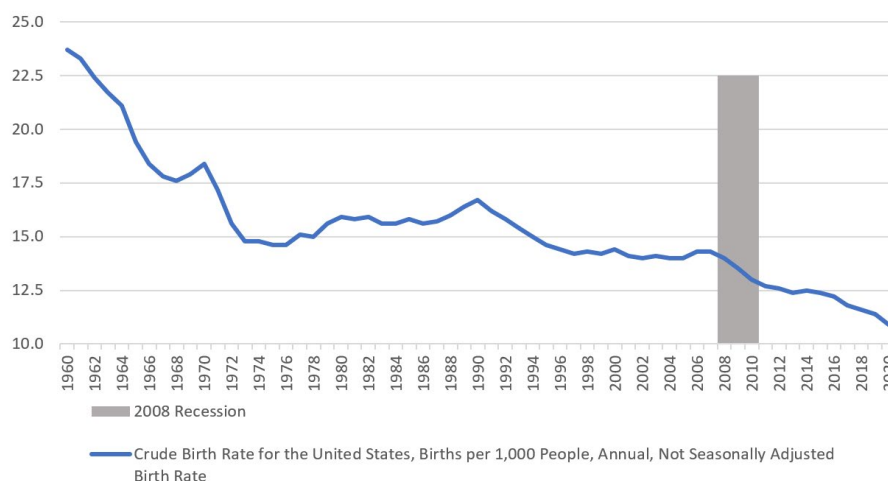
Recent discussions on enrollment in higher education have centered around the “Enrollment Cliff”. The notion holds that due to changing demographics, colleges and universities across the U.S. will see a dramatic decline in enrollment starting in 2025. But how did we arrive at this point? And what can be done about it?

The United States College and University Enrollment Problem: An Overview

Amid financial stresses during the Great Recession, which took place from late-2007 to mid-2009, and other societal changes around the same time - families began having fewer children. Research has identified the association between recessions and fertility declines in developed nations. It’s a trend that can be seen throughout modern U.S. history, and in particular the 1980s. In the 80s, a similar enrollment cliff was being prepared for by post-secondary institutions across the country. The cliff never came. As explained by Vox: “the number of high school graduates declined, from 3.1 million in 1976 to

2.5 million in 1994. But college enrollment rates actually increased driven by deindustrialization and the collapse of well-paying blue-collar jobs.” Women also began attending college in higher numbers. So, while the number of students graduating high school declined, the proportion of these students seeking higher education increased, preventing an enrollment cliff. In 2025, there is unlikely to be such an increase in demand for college. While throughout history birth rate decreases are usually temporarily tied to poor economies, modern U.S. birth rates have continued to decline, even as the economy rebounded in the 2010s (Figure 1).

Figure 1: Crude Birth Rate for the United States, Births per 1,000 People, Annual, Not Seasonally Adjusted



Source: FRED

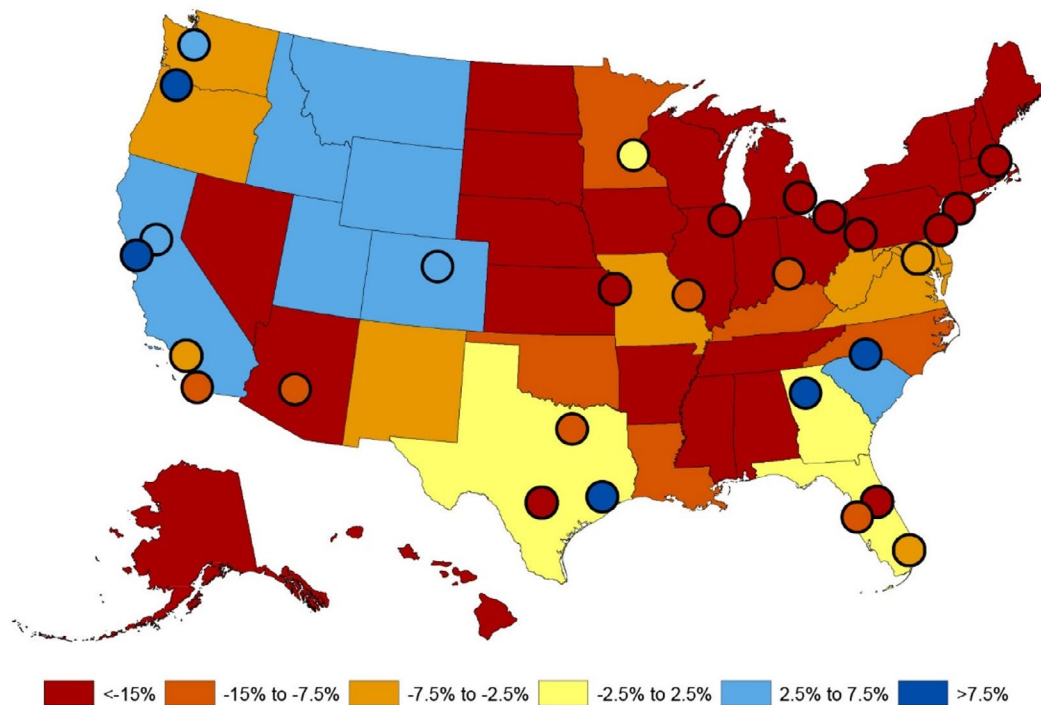


U.S. fertility is now on par with other comparably developed nations, suggesting it is unlikely to increase in the near future. What’s more, more students than ever are completing high school, and the proportion of these students immediately enrolling in college—while dipping slightly in recent years—has remained just under 70% for the last decade. National Student Clearinghouse data confirms a slight (1.7%) decrease in undergraduate enrollment from Spring 2023 relative to Spring 2021. For these reasons, it is predicted that U.S. colleges have hit the limit of how many high school graduates they can enroll on their campuses. The emergence of online degrees, pulling students away from campuses, complicates this further. Nathan Grawe, an economist at Carleton College in Minnesota, forecasts the college-going population to drop by 15 percentage points between 2025 and 2029 and decline marginally in the years that follow.

In addition to his work on a macro scale, Grawe also forecasts enrollment changes at the regional level (Figure 2). For instance, Grawe predicts that enrollment on the West Coast will in fact increase by around 7.5 percent, while many Midwest and East Coast

states will see decreases in excess of 15 percent. His work regionally demonstrates that the costs and benefits of a declining college-age population are not evenly distributed. One group that stands to benefit is college students themselves. As Grawe explained to US News & World Report: “Students are going to be a hot commodity, a scarce resource...It’s going to be harder during this period for institutions to aggressively increase tuition. It may be a time period when it’s a little easier on parents and students who are negotiating over the financial aid package.” Furthermore, students may be able to attend selective institutions that were previously inaccessible to them, but are now forced into competition for students. These selective institutions are those most capable of adjusting to the new normal. As the demand for these schools is high, experts predict selective institutions will be able to maintain a fully populated campus of tuition-paying students. Not all schools will be able to. For less selective schools, and schools who struggle to retain students from year to year, the enrollment cliff poses the need for drastic adaptation.

Figure 2: Forecasted growth and decline in college-going students, 2012-2029



Source: Nathan D Grawe, Carleton College



How to Move Forward?

The process of adjusting to this new normal for colleges and universities not fortunate enough to be among the country's most well-known is a difficult one. Experts predict that school closures are inevitable. Despite the bleak outlook, there exist strategies already employed by many schools that may help to weather the storm.

One such strategy proposed by Grawe is focusing on student retention. Creating outreach programs, student success initiatives, and devoting resources to prevent stop-outs, which occur more frequently at less selective schools, may work to ensure that students and their tuition dollars remain on campus through graduation. Schools may also choose to promote programs — like those in business, medical, IT and data fields — that leverage a changing labor market to offer value in practicality to incoming students.

Another method to keep students on campus is to target those who, at other points in time, would not have enrolled in college. Indeed, there is a population of close to one million high school graduates each year who could become first time college students but do not enroll. Appealing to these students may work to tap into a market of students not previously served by higher education. Perhaps more important is making the transition from applicant to student more streamlined. Often, schools have so many applications each year that



the effect of students lost between their application and the first day of class is trivial. Focusing on students who “leak” out of the applications process may help schools maintain a consistent student population, even if total applications decrease.

The enrollment cliff poses legitimate challenges to schools around the country. Schools who are savvy in their response to the cliff can better position themselves for student population decreases and increased competition. Prioritizing student success may help the schools most vulnerable to shifting demographics navigate the years ahead.

Works Cited

- Carey, Kevin. “The Incredible Shrinking Future of College.” *Vox*, 14 Nov. 2022, www.vox.com/the-highlight/23428166/college-enrollment-population-education-crash.
- FRED. “Crude Birth Rate for the United States.” *FRED Economic Data*, 3 May 2022, fred.stlouisfed.org/series/SPDYNCBRTINUSA.
- Grawe, Nathan D. *Demographics and the Demand for Higher Education*, ngrawe.sites.carleton.edu/demographics-and-the-demand-for-higher-education/.
- Grawe, Nathan D. *The Agile College*, 2023, ngrawe.sites.carleton.edu/the-agile-college/.
- Kline, Missy. “The Looming Higher Ed Enrollment Cliff.” *CUPA*, 2019, www.cupahr.org/issue/feature/higher-ed-enrollment-cliff/.
- Leukhina, Oksana, and Amy Smaldone. “Why Do Women Outnumber Men in College Enrollment?” *Saint Louis Fed*, 3 Jan. 2023, www.stlouisfed.org/on-the-economy/2022/mar/why-women-outnumber-men-college-enrollment.
- Livingston, Gretchen, and D’vera Cohn. “U.S. Birth Rate Decline Linked to Recession.” *Pew Research Center’s Social & Demographic Trends Project*, 31 July 2020, www.pewresearch.org/social-trends/2010/04/06/us-birth-rate-decline-linked-to-recession/.
- National Center for Education Statistics (NCES). “NCES Educational Attainment of Young Adults.” *Coe - Educational Attainment of Young Adults*, nces.ed.gov/programs/coe/indicator/caa.
- NCES. “Immediate College Enrollment Rate.” *Coe - Immediate College Enrollment Rate*, nces.ed.gov/programs/coe/indicator/cpa/immediate-college-enrollment-rate?tid=74.
- NCES. “Undergraduate Retention and Graduation Rates.” *Coe - Undergraduate Retention and Graduation Rates*, nces.ed.gov/programs/coe/indicator/ctr/undergrad-retention-graduation.
- National Student Clearinghouse Research Center. “Stay Informed”, nscresearchcenter.org/stay-informed/.
- U.S. News and World Report. *Colleges Set to Fight for Fewer Students*, www.usnews.com/news/education-news/articles/2018-09-10/colleges-set-to-fight-for-fewer-students.
- World Bank. “Fertility Rate, Total (Births per Woman).” *World Bank Open Data*, data.worldbank.org/indicator/SP.DYN.TFRT.IN. Accessed 8 May 2023.



Recent Trellis Research publications

Financial Experiences of Students Who Don't Complete The FAFSA.

Barone, S., Knaff, C., & Fletcher, C. (2023). *Financial Experiences of Students Who Don't Complete The FAFSA*. Trellis Company. Retrieved from: <https://www.trelliscompany.org/portfolio-items/financial-experiences-of-students-who-dont-complete-the-fafsa/>

Inside the College Mental Health Crisis: Evidence from the Healthy Minds Study

Cornett, A. (2023). *Inside the College Mental Health Crisis: Evidence from the Healthy Minds Study*. Trellis Company. Retrieved from: https://www.trelliscompany.org/wp-content/uploads/2023/03/Research-Brief_Mar23_Mental-HealthCrisis.pdf

Student Financial Wellness Survey Report: Fall 2021

Fletcher, C., Webster, J., Cornett, A., Niznik, A., Gardner, T., & Knaff, C. (2022). *Student Financial Wellness Survey Report: Fall 2021*. Trellis Company. Retrieved from: <https://www.trelliscompany.org/portfolio-items/student-financial-wellness-survey-sfws-fall-2021/>

About Trellis Company and Trellis Research Services

Trellis Company ([trelliscompany.org](https://www.trelliscompany.org)) is a nonprofit 501(c)(3) corporation focused on helping people leverage the power of post-secondary education and learning to improve their quality of life and the communities where they live.

Trellis Research ([trelliscompany.org/research](https://www.trelliscompany.org/research)) provides colleges and policymakers insight into student success through the lens of higher education affordability. With more than three decades of experience studying key issues such as student debt, student loan counseling, and the financial barriers to attainment, our research team explores the roles of personal finance, financial literacy, and financial aid in higher education.

Interested in collaborations or need research expertise? Trellis Research welcomes opportunities to inform policymakers and help organizations address their analytical needs. For more information, please contact Trellis Research at Trellisresearch@trelliscompany.org or visit us on Twitter ([@TrellisResearch](https://twitter.com/TrellisResearch)).

The Student Financial Wellness Survey is a free national survey offered by Trellis Company that explores the connections between student finances, academic success, and more. Interested in participating in the Fall 2023 implementation of SFWS? Learn more here: www.trelliscompany.org/SFWS-get-started

Newsletter Subscription

Interested in receiving our monthly newsletter, Trellis Research News: Data, Trends, and Insights, via email? Subscribe here: www.trelliscompany.org/research/data-trends-and-insights/