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The Enrollment Crash Goes Deeper Than Demographics

Colleges can't stop what's coming, but
they can be better prepared.

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By NATHAN D. GRAWE

In a recent conversation about potential threats to higher education, W. Joseph King, president of Lyon College and an author of *How to Run a College*, made an astute observation about today's environment. When you see the lowest birthrate ever recorded, he said, the challenges of demographic change are simply a reality that all colleges are going to need to face. "But," he added, "it's not just the demographics." In other words, as important as demographic forces will be in coming years, colleges must act decisively to control the many things that are within their power.

This is not to suggest that low fertility rates and shifts in population composition are of little consequence. Just ask colleges that depend on markets in the Northeast and Midwest, where the Western Interstate Commission for Higher Education (WICHE) reports that the number of high-school graduates has declined since 2010. The downward trend is likely to accelerate and to extend throughout the country in the mid-

2020s, as a consequence of fertility declines that began during the financial crisis and have continued to decline.

At the same time, the country's racial and ethnic makeup continues to evolve. Drawing on Census Bureau data, William H. Frey concludes that [the country will become "minority white"](#) around midcentury. But institutions that serve traditional-age students won't have to wait nearly so long for their milestone moment, because younger generations are substantially more diverse. Frey, author of *Diversity Explosion: How New Racial Demographics Are Remaking America*, reissued in 2018, expects whites to become a minority among 18- to 29-year-olds in less than a decade. Whites will make up less than half of the under-18 U.S. population next year.

It is difficult to imagine that these changes in population size and composition will pass without making an indelible impression on campuses. However, as important as demographic trends are and will continue to be, we must resist the temptation to see everything through this single lens.

Take, for example, the fact that we have seen [eight straight years of enrollment declines](#). That's not the result of a demographic plateau. Surely the current downward trend largely reflects recovery from the deepest recession in modern economic history. Even as we contemplate new demographic trends, we should not lose sight of the many ways in which economic forces drive a range of educational outcomes, including enrollment, the desire for credentialing, and trends in students' choices of academic majors. Similarly, deep enrollment reductions at for-profit colleges remind us of the power of regulation — as each day sees a new proposal for redesigning student loans and other federal aid.

Additionally, it might seem more comfortable to interpret recent declines in application numbers at some selective colleges as a result of demographic phenomena than to consider alternative explanations.

For instance, the persistence of declarations that higher education's financial model is broken is matched only by the upward trend in the discount rate. Perhaps the high-sticker-price/uncertain-financial-aid model has finally reached a breaking point. Alternatively, changes in application behavior may reflect growing dissatisfaction with admissions practices — which, [according to one poll](#), are characterized by more than one-third of Americans as very or somewhat unfair.

And what about recent college closures [in states like Vermont](#)? Surely this is simply about demographics: The state that Wiche figures has shed more than one-quarter of its high-school graduates since 2007-8 has now lost a nearly proportionate share of its private colleges. Yes, but these closures reveal something else: A large number of institutions live precariously close to the existential boundary, operating with little margin in the event of even modest enrollment decline. According to [an analysis](#) by the consulting company EY-Parthenon, “122 institutions exhibit more than four [of a possible eight] risk factors for closing,” such as deficit spending, debt payments in excess of 10 percent of expenses, and enrollment under 1,000.

Perhaps the implication of demographic change is that colleges need to spend more time attending to unchanging fundamentals critical to institutional sustainability. After all, whatever we may do to prepare for the future — and we have many options — even the best-endowed college can't add to the number of Americans born in 2015. The challenges facing higher education are multiple, and most of them will be made more difficult as prospective-student pools shrink in the next decade. Before the brunt of the birth dearth is upon us, now is the time to address the cracks already visible in our practices and financial models. By attending to nondemographic threats, we may just find that the demographic stresses are reduced.

Before the brunt of the birth dearth is upon us, now is the time to address the cracks already visible in our practices and financial models.

For example, David Kirp's 2019 book, *The College Dropout Scandal*, makes an impassioned argument for serious improvements in low retention rates. The National Student Clearinghouse Research Center estimates that only 62 percent of students entering college in 2017 returned to the same institution the following fall. One in four didn't re-enroll anywhere only 12 months after beginning college. Glenn Davis and fellow researchers at St. Cloud State University, in Minnesota, figure that improvements in retention begin with identifying at-risk students. They have developed a [brief survey](#) that detects first-year students who are at risk for attrition because of a low sense of belonging despite strong grades. At Rutgers University, some student-work supervisors are being trained to use their professional relationships with student employees to connect them more securely with the campus. While student success is always of the highest value, shrinking pools of prospective students make retention improvements important to institutional sustainability.

Similarly, [recent work by Strada and Gallup](#) finds that students are more likely to see value in their education — and to view it as worth the price — if they've taken courses that they perceive as relevant to their lives and careers. While this result should not be used in misguided ventures to turn all students into STEM majors, it is a reminder that, regardless of major, higher education should prepare students for meaningful lives following college. Some colleges have responded with [interdepartmental degrees](#), such as “computer science + X,” which often pair marketable computer-science skills with humanities studies. Other colleges have brought relevance to existing programs through [increased support for internships](#). However

designed, these efforts aim to make clearer the links between college studies and life after graduation.

Barring significant changes in people's desire for college, demographic shifts promise to reshape parts of higher education in the decade to come. However, by looking past those forces, which we cannot control, and focusing keenly on the fulfillment of our missions, which we can control, we can create new and better futures for our students and our institutions.

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