

BRIEF

Higher ed enrollment reaches 10-year low, new data shows

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Dive Brief:

- The number of students enrolled in college has dipped slightly below 18 million for the first time in a decade, according to new data from the National Student Clearinghouse Research Center.
- Overall higher ed enrollment fell 1.3%, or more than 231,000 students, year-over-year in the fall of 2019. While four-year, for-profit schools experienced the biggest percentage drop, public two- and four-year schools and private nonprofits also saw enrollment decreases during the period.
- There are some bright spots in the data: enrollment at private nonprofit institutions that enroll at least 10,000 students increased by 2.7% during the period. Public two-year colleges, meanwhile, saw their dual enrollment population increase for the second-straight year.

Dive Insight:

The latest numbers come as colleges anticipate a drop-off in enrollment and look for ways to tap into the market of some 36 million adults who have some college but no degree.

The figures also highlight what's been a troubling year for some small liberal arts colleges. Several institutions made headlines for closures, consolidation or major changes. That segment saw enrollment decrease by 3.9% from a year ago, according to the new clearinghouse data.

Analysts have continued to forecast a slowdown in enrollment — a trend Moody's Investors Service has said it expects to affect small private institutions in particular, as they depend heavily on tuition revenue.

To attract students, some of those schools have looked to tuition discounts. The average discount rate for first-time, full-time freshmen at private, nonprofit four-year institutions is 52.2%, according to the latest data from the National Association of College and University Business Officers. A 2016 report from EY-Parthenon noted that discount rates above 35% is a risk factor for colleges. Others include enrolling fewer than 1,000 students and relying on tuition for more than 85% of revenue.

Some colleges are looking to bolster their enrollment by adding aid for middle- and upper-income students.

Other institutions have eyed international students. However, recent data show that the number of new international students heading to U.S. colleges declined for the third-straight year. That trend doesn't bode well for schools that rely on the full tuition rates these students often pay to subsidize aid for domestic students. To help, some institutions are offering STEM certification, which allows participants to stay longer in the U.S. after graduation for relevant programs, as well as more competitive tuition rates to help recruit them.

Still, pockets of the U.S. saw enrollment growth in 2019. Utah led states in enrollment increases, with a 4.9% increase year-over-year, followed by Arizona (1.8%), Georgia (1.5%) and Kentucky (1.5%).

Alaska, where the state's public university system is exploring ways to absorb extensive funding cuts, lost the most students with a decrease of 10.6%, followed by Florida (-5.3%) and Arkansas (-4.9%).