

How to Survive the Enrollment Bust

Colleges face looming demographic challenges. The pandemic offers clues for overcoming them.

As Covid-19 vaccines slowly trickle out, and with them the promise of a return to normal, higher education is taking stock of what just happened. Before the pandemic struck, colleges were already dreading a “[great enrollment crash](#).” Then came the [pandemic](#), breaking short-term projections and yield models. If only the past year looked more like 2013! The pandemic-induced [13-percent decline](#) in first-time undergraduate enrollments, seen in the fall of 2020, lies outside any projection model. What can we take away from all this?

First, we have been reminded of the risks of relying on international students. The National Student Clearinghouse Research Center [estimates](#) that, in the fall of 2020, undergraduate international-student enrollments fell by 15 percent and new international enrollments [declined 43 percent](#). That rate of decline is breathtaking, and yet [according to](#) the Institute of International Education new undergraduate international-student enrollments have declined each year since 2015-16 — with the total loss reaching 12 percent in 2019-20. In other words, this market was weakening even before the pandemic hit. The persistence of the decline is probably attributable to competition (from Canada, Britain, and China, among others) that won't disappear even if U.S. regulatory and health controls are relaxed. In short, international students are unlikely to save us.

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to grow their way to safety.

Enrollments by domestic students also fell. Losses were [particularly deep](#) in areas with more low-income families and larger minority populations. This news is worrisome because hopes to recruit our way through demographic decline by expanding access hinge on reaching precisely these student groups. At the very least, the pandemic points to the tenuous connection between higher education and those students. At worst, changes in enrollment brought about by the pandemic may mark the beginning of new trends.

Secondly, the long view. Drawing on data from the 1918 flu pandemic, [Phillip B. Levine](#) and [Melissa S. Kearney](#) suggest that we can expect 2020 to produce 300,000 to 500,000 fewer babies in the United States than were born in 2019 — a drop of approximately 10 percent. While higher education won't experience the impact of this decline until the late 2030s, the combination of these lost births with other impending challenges — especially the sharp demographic decline projected for 2026 — is an unwelcome development.

And yet the past year has delivered more than just bad news. Difficult realities spur innovation and change. In 2020 we learned that colleges are much more agile than their reputations suggest. Last spring nearly every institution moved all instruction online in less than a month, residential campuses found new and meaningful ways to connect virtually, and science instructors devised creative ways to deliver lab content without physical labs, among many other reinventions. These changes were not pain-free, but higher education, often described as sclerotic, proved adaptable.

The pandemic experience also gave many of us a deeper understanding of our students. As online office hours opened virtual windows into students'

homes, faculty members saw firsthand the myriad hurdles that impede progress toward a degree. Seeing our students crammed into corners of shared bedrooms or struggling with resource deficits such as slow Wi-Fi, we were reminded that determinants of success extend deep into students' lives. These experiences should draw us into renewed commitments to holistic approaches to retention.

We also witnessed the fast pace of pandemic decision-making lead to new, more flexible governance structures. At my institution this meant rewriting the budget over the course of only a few months and revising the fall course schedule in a matter of weeks. As the inevitable stresses of such speed became evident, many institutions were also reminded that the faith in shared-governance systems necessary to support swift action cannot be developed only at the moment of crisis but must be nurtured continually so that it is available to draw on when needed.

These lessons from 2020 will prove vital if colleges are to survive the approaching demographic reversal of 2026. I described the challenges to come in my 2018 book, *Demographics and the Demand for Higher Education* (Johns Hopkins University Press), but since then the demand picture has come into sharper focus.

Demographic challenges fall into two categories. The first, a shift in composition, has been persistent and slow-moving. Differences in birth rates combined with patterns of immigration and migration continually nudge the country toward greater racial and ethnic diversity while shifting the center of population toward the South and West. William H. Frey [estimates](#) that the United States will become "minority white" near midcentury but that the subpopulation under age 18 was on track to reach this milestone in 2020. The U.S. Department of Education [confirms](#) that for higher education the future is now: From 2000 to 2018, the share of postsecondary enrollments

accounted for by non-Hispanic whites steadily declined, from 71 percent to 55 percent. A recent [report](#) by the Migration Policy Institute underscores the importance of immigration in this transformation. In 2018, 28 percent of enrolled college students were either first-generation immigrants or their children — up from 20 percent in 2000.

The second challenge began in the shadow of the 2008 Great Recession: Young families began having fewer children. While the economy rebounded, fertility rates did not, and the result was the fewest births in more than three decades. Kenneth M. Johnson [calculates](#) that, from 2008 to 2019, 6.6 million fewer children were born than would have been born had fertility rates held steady at 2007 levels. While low fertility has been particularly pronounced in the Northeast, the Centers for Disease Control and Prevention [reports](#) deep fertility declines in every region. Colleges — particularly those that serve traditional-age students — can expect to feel the front edge of this fertility decline in the middle of this decade.

How might we expect enrollments to evolve if matriculation patterns of the past continue into the future? The projections below, taken from my research for my new book, [The Agile College](#) (Johns Hopkins University Press), are disaggregated between two- and four-year institutions, and the latter are further divided by *U.S. News & World Report* rankings (“elite” colleges are those among the top 50 colleges or universities; “national” colleges are ranked between 51 and 100; “regional” colleges are those ranked outside the top 100). The enrollment-demand projections are indexed to 2018.

Based on my data, we should expect a national decline of approximately 10 percent in the enrollment pools for two-year and regional four-year colleges. These losses are amplified in the Midwest and Northeast. Because fertility since the Great Recession has fallen short of the replacement rate throughout the country, even the South and West can anticipate a reversal of

rising enrollments in the mid-2020s. Still, past college-going patterns suggest a gentler path for more-selective colleges. The rising number of parents with college degrees suggests increasing interest in four-year colleges in general and selective ones in particular — a trend that offsets the downdraft of fertility decline but intensifies the weakness in demand for less-selective colleges.

The recent “Knocking at the College Door” [report](#) by the Western Interstate Commission for Higher Education echoes the persistent and widespread challenges posed by demographic change, particularly in the Midwest and Northeast. We can also begin to take stock of how colleges are responding to these challenges. The commission’s president, Demarée Michelau, [has noted](#) that while the challenges are real, they represent “an opportunity [to] be thinking about our student populations differently and serving them better.” It’s not too late to alter the grim projections above, but colleges must confront demographic change head-on.

What have they been doing so far? Many colleges have intensified recruiting to reach new student groups. Test-optional admissions are one popular approach. [According to](#) the National Center for Fair and Open Testing, more than 1,000 four-year institutions had waived test requirements by the fall of 2019 — nearly half of all colleges that grant bachelor’s degrees. (The pandemic led 500 more colleges and universities to go test-optional for the fall of 2020 and beyond.)

For those preferring to maintain test-score requirements, new approaches offer greater context to applications. The College Board’s Landscape tool draws on public data to present students’ scores against the backdrop of relevant neighborhood characteristics such as family income, housing stability, and college-attendance rates. An SAT score of 1050 may look very different when seen in light of great adversity, compared with an identical

score achieved in idyllic circumstances.

The tool's users are bullish on Landscape's potential. "Our job in admissions is not just to reward performance; we're also supposed to be identifying talent," explains Joy St. John, dean of admission and financial aid at Wellesley College. "And sometimes we don't have good information on a prospective student's talent because of limited resources within the student's school community." At Florida State University, the associate vice president for academic affairs, John Barnhill, reports evidence that the holistic use of data meaningfully alters admissions outcomes. In reviewing the class arriving in the fall of 2018, the university used the environmental-context data to re-evaluate applicants who were on the bubble — many on the path to "no." Their reassessment resulted in more than 1,000 additional admissions and yielded 400 additional students.

Other colleges have turned to income-based repayment plans such as the Back a Boiler [program](#) at Purdue University, which transfers the financial risk of paying for college from the student to the institution. Colleges that want to reduce the financial risk of these programs can do so through third parties such as Ardeo Education Solutions, which absorbs losses when students do not fully repay their loans. By reducing prospective students' uncertainty about their return on investment in higher education, income-based repayment serves as a useful recruiting tool — particularly for low-income students who are increasingly sensitive to student-loan risks. Interestingly, while income-sensitive loan repayment is controversial in the United States, it is [standard](#) in Britain, where payments are collected through the tax system — perhaps a sign of things to come here.

Boxed into a difficult position, some colleges are making a bold choice: They're attempting to grow their way to safety. Wheaton College adopted a strategic plan in 2016 aiming for a 13-percent enrollment increase, despite

being located in Massachusetts, a state with a shrinking pool of potential applicants. The college's net fee income had crept up by about 1 percent per year, and a rising discount rate (up from 30 percent to 40 percent since 2010) consumed most tuition revenue from the stable student population. Expanding the college would generate new resources. When I asked its president, Dennis Hanno, whether these gains had come at the cost of an accelerated rise in the discount rate, he responded, "Absolutely. It skyrocketed." (It hit 42.7 percent in 2017.) What's more, growth necessitated more student housing. As real as these expenses are, Hanno's team sees them as "short-term costs for a long-term payoff" with larger cohort sizes generating additional net fee income to support strategic investment.

However they are rolled out, these recruiting tactics all must contend with an unhappy truth: In a time of declining numbers of young people, recruitment is a zero-sum game, unless it attracts students otherwise not bound for college. Broadening access, by contrast, allows higher education to break free of the constraints of scarcity. But access initiatives present their own unpleasant admissions arithmetic — most people in underrepresented groups have a lower capacity to pay.

While some institutions will continue to succeed with growth-based responses to demographic challenges, Jon McGee, author of *Breakpoint* (Johns Hopkins University Press, 2015) and a former vice president for planning and strategy at the College of Saint Benedict and Saint John's University, in Minnesota, offers words of caution. He points to the growth of graduate and nontraditional undergraduate programs during the 1990s: "There never were any real barriers to entry," he observes. "So now you have a market stuffed with providers, and any margins you may have had have just gone away for most of those programs." In other words, those who succeed on the growth path will do so only by setting themselves apart from the competition.

Enrollment growth need not come from broader recruitment, however. Retention initiatives generate increased enrollments by attracting more students to return. Such efforts are hardly novel, but in an environment of declining prospective students they take on renewed urgency. St. Cloud State University, in Minnesota, developed a Social Belonging Index based on a 10-item questionnaire given to students in their first month on campus. Those with a low sense of belonging were found to be almost 20 percent more likely to drop out before the spring term. A former interim dean of the college, Glenn Davis, told me that “students who are performing well academically but have a low sense of belonging are [identified] to faculty members,” who then take individualized action. An at-risk student might be invited out for coffee with a professor, for example.

Work at the University of Southern Maine shows how student-focused retention efforts such as these can overcome shrinking pools of prospective students. Nancy Griffin, chief operating officer, notes the challenges of a state at the center of the nation’s demographic decline: “In any given day there are about 31 births and 41 deaths. Our work-force needs are through the roof.” Following deep program cuts and layoffs at Southern Maine in 2013–14, Griffin has [led the university’s efforts](#) to achieve stability by keeping students enrolled. At the center of this work: personal, student-centered advising and support that reversed trends toward automation. “There was this acceptance,” she says, “that in the automation some students will fall through the cracks.”

While not eye-catching, the program of intensive advising has proved effective by assuring greater student success. For example, by providing each new student with a 90-minute advising session before fall classes begin, the university has increased the number of first-year students pre-registered with the disability-services office by 38 percent. Advisers also have helped develop plans for students’ time management that are realistic

and consistent with completing courses. In all, under Griffin's mantra of "Student-Focused Everyday," the university has been able to increase enrollment by five percent through an eight-point rise in retention rates. While the benefit to the campus is obvious, Griffin stays focused on a bigger goal: "We're working for the future of Maine."

Rutgers University is extending retention efforts in a new direction by focusing on the importance of balance between course work and campus jobs. Elena Ragusa, director of strategic initiatives in the Division of Enrollment Management, says that student work can improve retention because it "shifts student peer groups and gives students more opportunities for mentors." And with almost one-third of students at the New Jersey university eligible for Pell Grants, work is a common component of paying tuition.

The pilot program targets 70 low-income, first-generation students who are guaranteed an on-campus job 10 to 12 hours per week. Work supervisors, trained in mentoring, perform weekly "pulse checks" with the students. The program has shown potential, particularly for improving retention among African American and Hispanic men. Students in these groups "happen to be highest financial need, most likely to reject their work-study offers, and most likely to indicate that they are working off campus," Ragusa explains. If the program can improve support for even a few students, Ragusa hopes for spillover effects with peers.

Another unique arrangement is a profitable collaboration between 30 of the 35 institutions in the North Carolina Independent Colleges and Universities group. They have streamlined transfer paths from the state's two-year colleges. While broad work on the group's [articulation agreements](#) dates back 25 years, recent efforts have focused on creating discipline-specific paths so that students know their work at two-year colleges will move them

toward a major and on-time graduation from a private four-year college or university. Initial agreements were created in music, nursing, theater, and fine arts, with a teacher-education path in development.

The group's president, Hope Williams, says, "We're finding this is especially important for traditional students [because] they are not place-bound — they can transfer all over the state — and so it is important that they know that what they are taking [at a two-year college] will transfer wherever they go." The collaboration between the private and public two-year colleges promises to reduce barriers to student success while generating enrollments for the state's private institutions, some of which admit as many as 300 transfer students per year.

While the direct impacts of the pandemic on enrollments, student and employee health, and financial stability are clearly disturbing, the past 10 months also provide ample reason to be optimistic about higher education's future. Campuses proved creative and agile at a time of great stress, and were open to re-examining fundamental practices. Changing realities dictated revisions in classrooms, dorms, business offices, admissions and financial aid, facilities departments, and more. This nimble, student-focused attitude is exactly what colleges need in responding to demographic change. Colleges that can leverage flexibility developed during the pandemic will have a strong foundation from which to break free from unsettling demographic projections. They will be well on their way toward institutional health and maintaining their missions through the difficult decade to come.