Post-pandemic Enrollment Demand for PSE in the U.S.

*Reflections on current data by Affiliates of the Transformation Collaborative**

Big Picture

Reiterating a trend given profile by the Transformation Collaborative more than 18 months ago, Fall 2022 numbers for Higher Education (HE) in the U.S. reflect persistent weakness in enrollment demand, manifest as a combination of declining admissions and increasing attrition. Even now, more than nine months after pandemic restrictions have been lifted by most jurisdictions, prospective college students appear to be deferring participation in post-secondary education indefinitely or electing to skip the personal development encounter altogether. Consider the numbers:

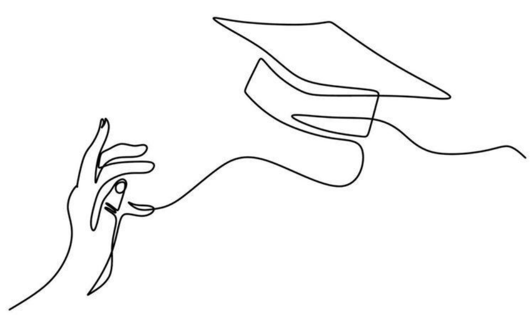
Deepening Trends

- Enrollment fell for the fifth semester in a row, dampening hopes for a post-pandemic surge.
- Overall enrollment fell by 1.1 percent, only slightly less than the pronounced declines of Fall 2020 and Fall 2021. One analyst remarked, "I certainly wouldn't call this a recovery… when you're in a deep hole, the fact that you're only digging a tiny bit deeper isn't exactly good news." - National Student Clearinghouse
- While the IPEDS data for 'first time, full time' starts in fall enrollment has shown some growth, persistence and retention rates are down, suppressing the total number of students. Most recent data show more than 35 million students have attempted but suspended or ended their pursuit of a post-secondary education in the U.S.

Offering to extract meaning from the latest data, one expert offered: **"It's so clear that we have to do something different. Things have permanently changed."**

What it Means

Generally, explanations as to "why?" let alone "what does this mean?" are deficient or mute. That is why the Transformation Collaborative recently put those questions to affiliates and colleagues with direct insights and operational experience in Post-Secondary Education (PSE) leadership. Their reflections represent greater depth of insights and broader context for the enrollment demand weakness besetting all but the most elite institutions today.



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What it Means

To understand the broader picture, it is also critical to delineate Higher Education, which is defined by credit bearing, degree granting, Title IV funded institutions (in decline), and PSE, which includes all opportunities post high school/GED, (which, outside of HE, is growing rapidly).

One TC affiliate offered an important caveat: “Beware the click bait headline, where enrollment is conflated with attendance. National Student Clearinghouse data (first-time, full-time in degree program) is generic enough to allow anyone to grind whatever axe they want and derive whatever meaning they want from the limited data. The report is really talking about how the total number of students in post-secondary education is declining.”

Another enrollment expert observed that states with blue collar, manual labor industries don't need degreed populations as much and tend to import their management and tech workers from other states. Tech industry and large corporate states typically have higher requirements for degreed students and therefore the workforce in those states tends to be comprised of more college graduates. Interestingly, the same breakdown tends to fall along red and blue states.

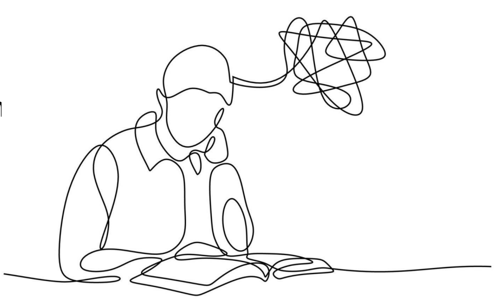
“Each state is looking at different numbers and results. Some states are up, others are down. It is interesting that the perceived value of education is down 10% or more since the pandemic in some states like West Virginia and Tennessee,” one analyst opines. “I would speculate the pandemic did not substantially influence this perception: Covid 19 is a virus, not an academic advisor.”

Providers Who Have Figured It Out

What the National Student Clearinghouse data does not address is that post-secondary education writ large – including trade schools, employer-sponsored training, and pre-employment workforce development – is growing, driven simply and relentlessly by market demand.

The forces of human aspiration, seeking a better life for oneself and one’s family, have not abated or lagged. Those forces have nothing to do with policy. In fact, they manifest and shape reality while public policy lags, at best, or impedes fulfillment of society’s best interests, at worst.

HE institutions that have looked past the headline data and studied the m
nature of persistent demand. One private institution attributes their fragi
our president and his team.”



“We have seen this trend for more than 18 months and fortunately we have now turned the corner and are seeing growth this fall for the first time in several years,” offered a college board member. “It has taken a new strategic plan, a new marketing and enrollment philosophy and a lot of hard work by a team of people. The other positive is that we are seeing an uptick on the retention side which is critically important and again a very concerted effort by many people to make this happen.”

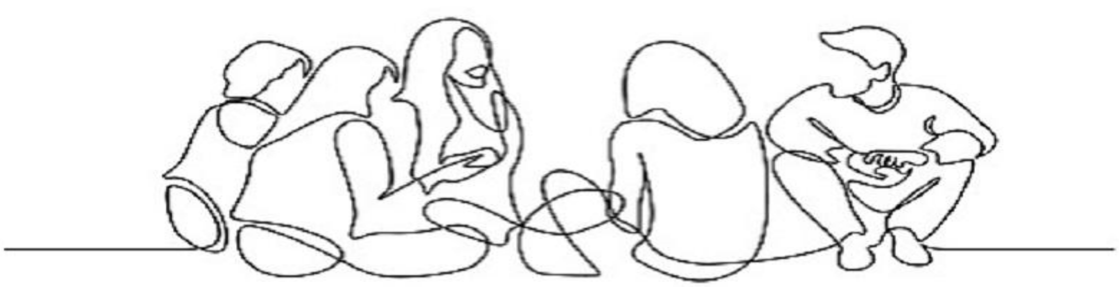
Elite, large and well-known four-year degree-granting schools continue to experience strong enrolment demand from traditional populations and legacy family members. The evidence suggests that students and parents with means who believe in the value of traditional higher education are still around and willing to pay and go to school.

The flip-side of the elite institution condition is one where non-elite schools are closing, resulting in fewer seats and fewer places for students to participate in a post-secondary education, and suppressing enrollment numbers. Media and political profile given to certain for-profit institutions and their forced closure undoubtedly left a bad impression of higher education overall, and fortified skepticism among potential students. Having said that, many career colleges with affordable programs and limited student debt represent some of the highest ROI in all of HE, particularly when considering graduation rates for high risk students which are two or three times higher than in community colleges.

These outcomes have economic and social consequences for the community, not just the individual. One would be hard pressed to find joy and celebration over the fact that the U.S. will soon see something in the neighborhood of one million fewer college grads per year. Instead, the consensus is that this outcome will have a profound impact on the ability of the U.S. to compete globally.

A dispassionate view of the weakness in HE participation acknowledges that unusually low student retention and persistence rates may explain much of the dynamic.

“If a primary driver is low retention, then we need more time to for things to develop. Let's see what retention rates and grad rates are in 2025 for students who started in 2021 before panicking,” advised one leader. “However, there is plenty of information that reinforces much of what the Transformation Collaborative has been discussing for the past year: the need for fundamental change in order to help higher education evolve.”



“Consider the tier of schools that falls just below that of the elite, large and well-known four-year institutions schools that are currently enjoying lots of enrollments,” he said. “This second tier is probably wondering how they get on the right side of the enrollment line.

Amidst all the data, what is clear is that combining the nine year enrollment decline before the pandemic and the three year decline through the pandemic, the higher education segment of PSE is serving over four million fewer students than it was in 2010. While the post-secondary ecosystem writ large is growing, there is still more supply than demand in higher education and the number of overall providers will continue to shrink until that balance is restored. In the meantime, the future of all of PSE, including Higher Education, will be driven by market forces far more than by policy.

This article has been edited - if you would like to read the full white paper and supporting evidence, contact us today!