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Is Another 'Enrollment Cliff' Coming?

Dan Bauman

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John Tomac for The Chronicle

By now, you no doubt know what awaits most of higher education: a significant multiyear decline in the number of traditional-age college students. It's a trend that's become so well known it's been given its own shorthand — the enrollment or [demographic cliff](#).

The consensus view is that America will hit a peak of around 3.5 million high-school graduates sometime near 2025. After that, the college-age population is expected to shrink across the next five to

10 years by as much as 15 percent. For many colleges, like those in regions of the country that have experienced decades of declining birth rates, the [fallout](#) has [been](#) painfully [self-evident](#) for [years](#).

But what might come next? Well, back in 2017, the U.S. Census Bureau [figured](#) that, after cresting at 4.3 million in 2025, America's population of 18-year-olds would shrink, then hover around 4.2 million each year until 2034. Following this period of stagnation, the Bureau predicted that the nation's 18-year-old cohort would expand, growing to 4.45 million people by 2045 (on par with that age group's size in 2010 and 2011).

In recent months, however, the Census has [updated](#) its forecasts — instead of rebounding at some point in the mid-2030s, the number of 18-year-olds is now projected to contract after cresting at around 4.2 million people in 2033, shrinking to around 3.8 million by 2039. After that, the Bureau doesn't anticipate the population of 18-year-olds will exceed 4 million people in any year this century.

While high-school [graduation rates](#) have been on an upswing, the share of high-school completers who then elect to [immediately](#) enroll in college has been trending down; in 2021, 62 percent of high-school graduates enrolled the following fall in a two- or four-year college, a figure 6 percentage points lower than in 2010. On the flip side, adults over 25 [represented](#) roughly a third of all of those enrolled in U.S. higher education in 2021.

This consumer behavior exhibited by student cohorts of different ages has already had implications for various types of colleges. The adult-learner [population](#) has migrated [toward](#) cheaper, more [flexible](#), and quicker-to-advance-through online courses provided by a narrow [cadre](#) of institutions capable of investing in expensive advertising, lead-generation, and career counseling. But many colleges continue to rely on a business model premised around the enrollment of 18-year-olds (and sometimes their parents) who pay five-figure tuition and room-and-board fees to attend full-time for eight semesters.

One possible and partially countervailing force against these projected population declines? Increased immigration. In one alternative scenario modeled by the Census Bureau, the agency attempted to predict how the country's population might change if migration into the United States increased at a higher rate than it was currently forecasting. While such policies would help boost the number of 18-year-olds, they wouldn't fully offset the nation's forecasted decline in birth rates. Still, rates of immigration into the country are as much dictated by the [lives](#) of [immigrants](#) as by current law (proposed legislation, which [appears](#) unlikely to win enough votes in Congress, notwithstanding).

A few caveats: Projections are just that — projections. Though the Census is extrapolating off of and making assumptions from data [reflecting](#) post-Covid [fertility rates](#), it's important to remember that the high-school graduating class of 2045 has yet to be born. And

colleges won't equally bear the burden of fewer 18-year-olds. Less selective institutions and those with leaner operating margins are likely to feel the pinch more acutely than highly selective colleges with huge cash reserves, whose waiting lists might just simply become a fewer pages shorter.

But given all the dialogue spurred in anticipation of the current decade's enrollment cliff, it's worth asking what higher ed might look like if there's no silver lining as previously hoped, and if enrollment sustains a long downturn.

'Are We Ready?'

Several experts, who represent a range of the sector's institutions and who study its business models and the populations it serves, opined to *The Chronicle* on how a second enrollment cliff might push higher education to change.

Tenure could be even [further](#) imperiled, said Nathan Grawe, a professor of economics at Carleton College, in Minnesota, whose research on the enrollment cliff is chronicled in his 2018 book, *Demographics and the Demand for Higher Education*. Grawe wondered how fundamentally some colleges would need to change, just to survive into the latter half of the century. As painful as a U-shaped enrollment dip might be, he said, some number of institutions would likely be able to weather the downturn through some combination of spending reductions and investments in student retention until the nation's birth rates rebounded. But a century that is potentially defined by its declining and stagnant birth rates could alter some bedrock attributes of academe, Grawe said.

“Is the institution of tenure viable?” Grawe asked. “That’s a long, long-term commitment. And if the number of students who we are going to be educating declines, can we afford to make that commitment on the front end?”

A shrinking, more competitive environment for traditional college freshmen is likely to ratchet up the pressure on colleges to package, finance, and sell themselves at an affordable price to [consumers](#) who are no longer willing to pay higher tuition prices every year. Meanwhile, legislators will need to balance the demands of [an expanding](#) share of older Americans on fixed incomes and with greater medical needs against the preferences of educational institutions. Such economic [and](#) political [pressures](#), which are [already](#) occurring [across](#) the [country](#), are likely to intensify. In such an acrimonious, high-pressure environment, Marguerite Roza, director of the Edunomics Lab at Georgetown University, questioned if those who work in higher education — and might have an affinity for its tradition of consensus-building and faculty buy-in — really understood just how much and how quickly the sector might need to adapt in order to survive against potentially devastating demographic and market forces.

“At many institutions, you can’t make changes without the faculty voting on them,” Roza said. “And faculty have a preference for doing things the way they did last year. So being super nimble and adaptive isn’t what we normally see for universities. Normally what they do is layer on new things. And it’s much harder for them to trim away, and cancel programs and majors and eliminate departments.”

Long-term enrollment declines would increase the pressure on many colleges to experiment and invest more heavily in certain audiences, Grawe speculated. For instance, some colleges might dramatically increase their reliance on the international market — in 2022-23, international students represented 5.6 percent of higher education's total student population, according to a [report](#) from the Institute of International Education. Or colleges might look to establish deeper inroads earlier in the K-12 curriculum, in the form of remedial education, dual-enrollment courses, and direct-admissions programs. Or higher education might broaden its business model and offerings to encourage multiple usages across a lifetime, as well as later-in-life adoption.

Xiaodan Hu, an associate professor of higher education at Northern Illinois University who has studied dual-enrollment policies, said she expected to see four-year institutions increasingly embrace (or even encroach upon) the functions traditionally served by community colleges. Similarly, she thought, four-year colleges would seek to build and leverage already-established relationships with their under-18 dual-enrollee population, in the hopes that these connections in high school might funnel future tuition-paying college-goers into incoming freshman classes. Hu also anticipated that four-year institutions would focus even more on retention.

However, an increase in the number of dual-enrollment students creates other challenges and questions, said Amber Hunt, director of the School of Business at the University of Mount Union, in Ohio, where she researches and teaches higher-education

finance. If high-school graduates are enrolling as college freshmen with a quarter of the credit hours needed to earn a bachelor's degree already completed, that creates potential issues for an institution whose business model is predicated on four years of matriculation. Hunt said she also expects intense competition between colleges in setting tuition, either in the form of steep [discounts](#) or spartan increases, as well as increased investment in [customizable](#) and [creative](#) career pathways. Colleges may also embrace cost savings by forming [consortia](#), she said.

The looming changes in the number of available students may also force colleges to re-examine the allure of exclusivity, said Hu. After decades of relying on test scores, GPAs, and other barriers, colleges might retool their operations to entice students, she said. But they'll also have to be ready to provide adequate — and potentially different — services and instructional approaches to help students from diverse K-12 backgrounds and with varying life experiences. Without this investment in student success, Hu argued, attempts to broaden the sector's customer base would be tantamount to knowingly setting up students for failure.

"Institutions are becoming more accessible for students. They really need to scrutinize themselves, and ask, 'Are we ready?'" Hu said.

If these possible adaptations and alternatives are going to work, said Grawe, students will have to show a willingness to embrace them, too, rather than favoring the status quo.

"If there is no alternative product that is really desired by the market," Grawe said, "then you're going to have almost surely fewer institutions."