

July 14, 2011

### **Recession Reshaped College Enrollment Patterns, but the Sky Didn't Fall**

*By Eric Hoover*

As the recession's grip tightened during the summer of 2008, dire predictions swirled on campuses everywhere. Enrollment chiefs huddled with presidents and trustees, bracing for an era of heightened uncertainty. They worried that the number of applicants would dwindle and the number of dropouts would surge.

Three years later, many are still trying to understand how the economy has changed the enrollment landscape. A storm has hit, for sure. But what's the damage?

Not as severe as various forecasters had feared, according to a report released today by the National Student Clearinghouse Research Center.

The findings suggest that the recession's effect on college enrollment—among traditional-age, first-time students—was mild. Over all, enrollments of new students rose to 2.135 million in 2010, up from 1.997 million in 2006, an increase of 6.8 percent. The sharpest one-year jump, in 2009, followed the recession's onset by a couple of years; 2010 brought a slight decline, with two-year colleges accounting for most of the dip.

Enrollments of new students at four-year colleges remained relatively stable. Public institutions, many bursting at the seams and operating on slashed budgets, saw modest increases in all but one year. Private colleges appear to have maintained their "market share" despite the many grave predictions about their ability to keep up their enrollments.

"The news of our demise is greatly exaggerated," Don Hossler, the center's executive director and a professor of educational leadership and policy studies at Indiana University at Bloomington, says of four-year institutions in general. "I was expecting more dramatic data, and thus far, the changes are not that dramatic."

#### **Where Students Go, and How**

Nonetheless, the report illuminates emerging trends in the college-going patterns of recent high-school graduates. A major story line of

**Interactive Tool: Annual Trends in College Enrollment**

<http://chronicle.com/article/Interactive-Tool-Annual/128214/>

the past five years has been the increase in traditional-age students who enrolled in community colleges. In 2006, 41.7 percent of traditional-age students enrolled at two-year colleges; in 2009, 44.5 percent did so. Between 2008 and 2009, enrollments of traditional-age, first-time students at two-year colleges increased by 8.3 percent.

The report suggests that this trend was driven by two groups of students: those who, in a better economy, might have chosen to attend other (and costlier) types of institutions, and those who otherwise would have joined the work force after graduating from high school.

Mr. Hossler suspects that the recent surge also resulted from the strategies, such as highly focused marketing, that community colleges used to attract younger students. In turn, the 5.1-percent decline in the number of traditional-age students entering community colleges in 2010 may well reflect the capacity strains at those institutions, as well as signs of economic recovery.

The new report, "National Postsecondary Enrollment Trends: Before, During, and After the Great Recession," examines the cohorts of students who enrolled in colleges between the fall of 2006 and the fall of 2010, providing a unique and timely snapshot of where—and how—students are going to college. The report is the first in a series of analyses that the organization plans to release in the coming months.

The National Student Clearinghouse, a nonprofit group, collects data from colleges several times a year, on a voluntary basis. Its vast database comprises "student level" data, and provides an unduplicated headcount of students, both full time and part time, enrolled at participating colleges. (By contrast, the Integrated Postsecondary Education Data System, maintained by the National Center for Educational Statistics, contains institutional-level data that cannot distinguish if students are enrolled in multiple institutions in a year or, if they transfer permanently, where they go.) In other words, the National Student Clearinghouse—which tracks 93 percent of enrollments at all postsecondary institutions—is able to develop a clearer picture of the various paths individual students take through higher education.

This is especially important at a time when student "mobility" is becoming more and more common. Adult students aren't the only ones who may transfer to another college or study at multiple institutions to earn a degree; many recent high-school graduates are doing the same.

Given that fact, the authors of the report explored the distinction between retention (a student's continuing enrollment at the same college) and persistence (a student's continuing enrollment in *any* college). First- to second-year persistence rates, they found, were about 13 percentage points higher than retention rates across cohorts of students who enrolled between 2006 and 2009. This finding, the authors wrote, affirms that "much research based on retention measures ... underestimates the number of students who continue in higher education." Moreover, they found that community colleges had the greatest gaps between retention and persistence rates.

Despite the handwringing about retention in an era of financial crisis, the recession seems to have done little to prevent students from staying enrolled beyond their first year. The report did not reveal significant drops in retention rates over all, as one would have expected to see if large numbers of students had transferred to lower-cost institutions. Persistence rates, too, held steady.

#### **Regional Enrollment Patterns**

The report also examined enrollment patterns in different regions. Over all, colleges in the South enrolled the greatest number of first-time students, followed by the Midwest, the West, and the Northeast. From 2006 to 2009, most of the increase happened in the South and the West, and the two regions saw nearly all of the decline in 2010. The two regions enrolled larger proportions of part-time students. The report speculates that as California and other nearby states "experienced economic hardship before states in other regions, students in Western states may also have felt the impact earlier—and perhaps to a greater degree."

Mr. Hossler cautions that the report does not reveal the many winners and losers in the recession-era enrollment picture. After all, even the best data do not capture the why of enrollment outcomes. Some institutions have maintained their enrollments by raising their discount rates to unsustainable levels or by rushing to use more-sophisticated enrollment-management techniques, such as assessing applicants' likelihood of attending. Others, it seems, have coasted on their prestige.

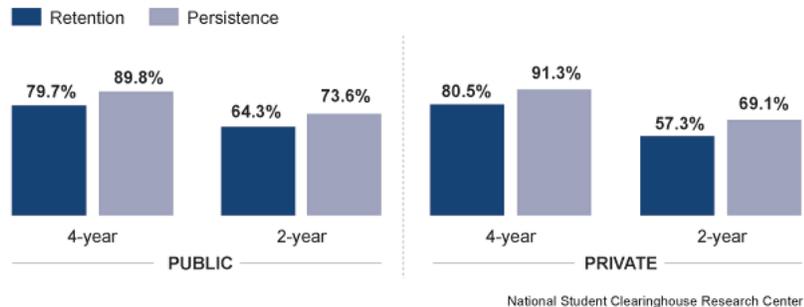
Although Mr. Hossler describes many of the findings as encouraging, he suggests that the recession's effects on college choices and educational paths may yet take years to fully emerge. High-school sophomores in 2008, Mr. Hossler muses, may have already formed a "psychic connection" with a particular college, or a specific type of college, that cemented their enrollment decisions. But what about eighth graders, especially those whose parents did

not attend college: How might the stagnant economy alter their thinking about college?

"It may be a little early to get complacent," he says.

### Retention and Persistence Rates Compared

Rates for beginning full-time students from the fall of 2008 to the fall of 2009



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**Guest** 1 year ago

It seems panicking and worrying served a valuable purpose and academics kicked into gear. I wish the clowns running the federal government could apply pressure to themselves in the same way; then maybe instead of scrambling to find a debt ceiling deal 3 weeks before a bizarre deadline, they would have been able to look back and say, "my, all that stress about deficits, and really it wasn't that bad." But the trick, of course, is for our dear leaders in DC to stop hiring Ivy League wunderkinder and instead bring advisors from community colleges and state teaching institutions; once again we in the latter categories have proved reliable to get through tough times--whereas Ivies have posted record endowments while sending advisors like Paul Krugman and Larry Summers to give great advice like, "it's a great day in February, so why not have an 800 billion dollar stimulus?"

8 people liked this.

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**11182967** 1 year ago

Schools with large "nontraditional" enrollments have known for years that hared economic times enhance enrollments as unemployed inviduals have time for education with support from former employers, state funds, assistance thourgh the military, or federal financial aid. But where would they and we be without Pell grants and subsidized loans?

2 people liked this.

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**ljvoigt** 1 year ago

Stay tuned: I don't think the full story is over on this one. Remember the federal stimulus package? The affects of additional tax credits and the temporary increase in Pell grant aid during the years reported here, plus additional inst'l aid some private institutions added to the mix (and not all

institutions can afford to maintain those levels) meant the net cost of attending college was LESS the last few years than in previous years. Most of those stimulus dollars have now ended (some of which also propped up state budgets) so it's almost certain that a year from now state and federal aid to higher ed will be significantly less than it was in 2008. The sky may not have fallen, but the storm isn't over . . .

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**\_perplexed\_** 1 year ago in reply to ljvoigt

I agree with ljvoigt. In addition, at many state supported institutions, the budget lags the state economy by at least a year. The worst effects of the recession on California state institutions are just now impacting UC and CSU systems.

2 people liked this. [Like](#)



**breanasd** 1 year ago

This article does, I think, a good job of discussing both the short-term and possible long-term consequences of the recession on enrollment. I especially like the forecasting that this is just the beginning of the trends we will be seeing in enrollment due to the recession and its effects on American attitudes (along with recent media attention) regarding higher education. It would have been interesting to also include a paragraph, or at least a mention, of the effects of the recession on financial aid and whether that may be shifting patterns of enrollment to schools that are able to offer low income students better financial aid packages. Also, what are the effects of the recession on middle-class and wealthy families' decisions about college, if any?

[Like](#)



**boehmer49** 1 year ago

Good work Don Hossler (and Keith) - I trust this is just the beginning of the good research that will be published by the Research Center.

2 people liked this. [Like](#)



**provcaa** 1 year ago

This is good news from one perspective. However, the more salient issue is the income shift at this country's great public universities. The extremely needy are still present due to a variety of aid programs, but those in the second and third economic quintile are notably diminished. The change on the part of the states, from thinking of higher ed as a public good to one paid for by user fees (aka tuition) over the past 30 years, is stunning and has resulted in an absence of the middle class. This is bad for the country as much of today's leadership, especially as relates to technology, has emerged from these universities.

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**12094478** 1 year ago

Another consideration should be where the increase in enrollments falls on the platter of offerings by the various institutions. At our institution, we have steadily gained enrollment over the last 5 years and certainly during the recession. However, most of that enrollment has been in off-campus centers and, especially, with online classes. The off-campus centers are often (but not always!) run by former high school principals and teachers trying to supplement retirement income, and the classes themselves are often taught by adjuncts with MAs or MSs who are commuting hundreds of miles a week. Similarly, the on-line classes are administrated by folks who have no training in on-line pedagogy but are good at marketing. The classes are taught as overloads (and compensated at adjunct rates) by faculty who already have a 4/4 teaching load. I wonder if there is some way to look at the way the recession has hit the types of enrollment colleges offer and how those students matriculate "at" the various campuses. It seems to me, at least in my institution's case, that the

recession has taken a huge toll on what we traditionally define as quality instruction as we've kept up enrollments with less-than-desireable classes in most cases.

1 person liked this.



**abidan** 11 months ago

The book "Voluntary Student Clubs" examines the impact of student organizations on four areas of university development including attracting student to the university and the retention rate of students. The analysis also examines the impact of student organizations on ten key areas of student life and development including academic performance, social development, and alumni giving. <http://www.abidanbooks.com/vol...>

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