



## Why Decreased College Enrollment Could Signal a Good Economy

by [Anna Schumann](#)

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Student enrollment declined by 1.7% last fall compared to fall 2011, according to [research](#) by the [National Student Clearinghouse Research Center](#), but that shouldn't be cause for alarm, said the center's executive director, Doug Shapiro. In fact, from an economic standpoint, that could be really good news.

Overall college enrollment among the nation's nearly 20 million students declined by 1.7%, and the only sector that did not see an enrollment decline was among private not-for-profit schools, which saw a .5% enrollment increase. Four-year public institutions saw a .6% decline; four-year for-profit institutions saw a 7.2% decline; and two-year public institutions saw a 3.1% decline.

Shapiro believes private not-for-profit schools saw an increase in enrollment because while other schools, particularly publicly funded colleges and universities, are raising tuition, costs at private schools largely remain the same. Additionally, private schools can typically offer more financial aid.

Across all sectors, enrollment decreased .7% among students 24 and younger, and decreased 3.4% by students older than 24. Students older than 24 make up about 38% of the overall student population.

Shapiro said much of the data can be explained when taken in context. The biggest cause of the decline in overall enrollment, he said, is the ongoing recovery from the recent recession. The cyclical nature of the economy means that when a recession hits and adults lose their jobs, they at first look for another job. When they can't find one, or when they can't find a good enough one, they go back to school. There's a lag of about six to 12 months from the time when a recession hits and college enrollment, particularly among adults, increases, he said. That explains why overall enrollment has decreased, and why it has decreased in particular among adult students – whose enrollment increased 4.1% in 2010 – and especially among institutions that primarily serve adult students.

"More adults are returning to work, and that's a good thing," he said.

Another factor that plays a role in the overall decline in enrollment is what Shapiro calls the "Harkin effect." [Sen. Tom Harkin](#) and others in recent years have [increased regulations](#) on [for-profit schools](#). The increased regulatory attention causes concern for students, and regulations have made it more difficult for some students to enroll.

"Overall, the drop (in total enrollment) is among the largest in many decades," Shapiro said. "But based on the severity of this recession, it's not a surprise. The drop in the for-profit sector is larger than expected; students are really questioning the value of the degree."

Additionally, the high school graduation rate peaked in 2009 and 2010, he said, which led to more students enrolling in college. Now, the decline in overall college enrollment, which decreased .7% among traditional college-age students, is in step with the decline in high school graduation rates.

"That's discouraging because it's saying we're not making a significant gain in the number of high school graduates going to college," he said. "Increasing the high school graduation rate is a huge part of meeting a lot of education goals."

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