A Wake-Up Call

Submitted by Matt Reed on March 5, 2018 - 3:06am

Blog: Confessions of a Community College Dean [1]

I’m not a fan of scary movies generally. I don’t seek out haunted houses. I even look away during particularly vivid surgical scenes on tv. The way I see it, reality can be frightening enough. I don’t need my entertainment to be scary. Give me “slapstick” over “scary” any day of the week.

That said, Demographics and the Demand for Higher Education, by Nathan Grawe, is both terrifying and worth reading if you work in, or care about, higher education. I actually gasped several times, which isn’t my usual response to monographs about demographics.

Grawe is a demographer at Carleton College. He has designed an index he calls the HEDI, or Higher Education Demand Index, looking at birthrates and
various demographic indicators through 2029. Drawing on data about rates of college attendance by race, income, region, parental education level, and a series of other factors, he issues some predictions about enrollments over the next decade or so.

The short version: community colleges are in trouble, and community colleges in the Northeast and Midwest are in very deep trouble. And by 2026, nearly every non-elite institution is in trouble. (The Great Recession of 2008 triggered a sharp and abrupt drop in the birthrate that has lingered for years; 2008 plus 18 equals 2026.)

To be fair, Grawe doesn’t only focus on the two-year sector. He predicts that elite four-year institutions will continue to thrive, and that a few near-elites may even be able to break into the top tier. But the rest will suffer, and two-year colleges will suffer badly. I’ll focus on the two-year sector, since that’s my beat.

Grawe notes, to his considerable credit, that some trends that seem to portend one thing by themselves can be canceled out by related trends. For instance, much of the progress we’ve made in the last twenty years on reaching out to first-generation students will
actually reduce the percentage of first-generation students in coming years, since their parents will have attended college. The racial composition of college students will continue to shift, but with more college-educated parents among populations of color, the effect on enrollment will be less dramatic than a straight-line projection from current numbers would suggest.

However, for two-year colleges, that’s a mixed blessing. Grawe notes that children whose parents have degrees are far more likely to attend four-year colleges right out of high school. Moreover, the spread of the “high tuition, high aid” model tends to deter enrollment disproportionately among lower-income families. To the extent that community colleges have been pushed in that direction by sustained underinvestment, they may be cutting off the enrollments they need.

Grawe ends the book with a general admonition to college administrators to start getting ahead of these trends, lest our colleges be steamrolled by them. Given that just last week a third New Jersey community college revealed that it’s in active
conversation about folding itself into Rowan University, I find the warning timely.

Grawe notes, correctly, that selective four-year schools can compensate for declining populations by lowering their standards for entrance. In practice, that tends to leave open-admission institutions absorbing more than their share of the demographic hit. If a student who once would have been relegated to community college by default is now accepted at Midtier State, then the local community colleges suffers a double whammy: the market shrinks, and its share of the market shrinks, too. Put differently, four-year schools are increasingly fishing in our pond. We’re already seeing some of that.

As a reviewer, I wouldn’t be doing my job if I didn’t raise a few quibbles. The first, and most basic, is that the book relies on bunch of maps, but it’s printed in grayscale. I don’t usually mind grayscale, but in this very specific context, color would have made a material difference. (So would size; some of the maps were so small that dots indicating cities blotted out entire states.) Happily, the maps are available in color -- and magnifiable -- at Grawe’s website. [2]
More substantively, Grawe doesn’t distinguish between college attendance and college retention. That’s an easy oversight if you work at Carleton, but a pretty basic one if you work at a community college. Demographics can tell us a lot about the classes we can recruit, but they tell us a lot less about the classes we can retain. If we could improve our Fall-to-Fall retention substantially, that could offset some of the recruitment drop.

The book measures college attendance, looking entirely at 18 year olds fresh out of high school. That’s an important group, to be sure, but it’s not exhaustive. It leaves out older students, which is a potential growth market; “some college, no degree” is a huge group. But it also entirely leaves out dual enrollment, or students taking college classes while in high school. That’s a large and growing cohort in the community college world, but it goes unmentioned in Grawe’s telling. If one outcome of growing income polarization and increased parental education is that more high school grads will go directly to four-year colleges, then community colleges would be well-advised to work diligently on reaching students still in high school. And that’s
exactly what’s happening: at most community colleges, the two areas of growth are online classes and dual enrollment.

As with any extrapolation from the present, there’s always the possibility of unforeseen interventions. Grawe singles out Tennessee as a state likely to suffer reduced enrollments, but the wildly successful Free Community College program there has led to improvements in both enrollment and retention. On the flip side, if Trump-era changes stick or intensify, four-year colleges that have come to rely on a steady stream of foreign students may find themselves hurting out of proportion to what local birthrates would predict. And any given location can have location-specific changes. For example, someone making predictions about Monmouth County in 2010 probably would have missed both Hurricane Sandy and the closure of the local military base. A population decline was already under way, but that one-two punch accelerated it.

Still, caveats noted, Grawe is largely correct that enrollments follow populations of 18 year olds, and in most of the country, that trend is negative and soon to get very negative.
The painfully obvious policy solution to that, of course, is to once again decouple operating funding from enrollment levels. In most places, community colleges were designed with the idea in mind that tuition would be a smallish component of the budget, if they even had tuition at all. (CUNY and the California cc’s were free for years.) Over the last few decades, tuition has grown as a percentage of budget. The damage from that was partly hidden by a demographic tailwind that pushed enrollment upwards even as tuition rose. But the winds have shifted, and are about to intensify. If we want the (smaller) next generation to be productive enough to support us as retirees -- and I think we do -- then we need to own the truth that the cost of educating them has to be shared. Historically, it was; baby boomers paid a much lower tuition level, relative to income, than succeeding generations have. We’ve clearly hit the limits of that shift; it’s time to move back.

That would require a political change at least as dramatic as the demographic change that Grawe’s work foretells. That’s the really scary part. Denial is a hell of a drug, and far too many people either won’t
believe or won’t care that disaster will strike until it does. At that point, it’s too late.

Grawe’s book doesn’t have creatures from the deep, space aliens, or teenage vampires. It’s scary because it relies on distinctly ordinary people to look up and make changes while there’s still time. I don’t often say this of scary things, but check it out.

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