

ENROLLMENT
TRENDS DURING THE
GREAT RECESSION:

WHAT CAN WE LEARN?



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Historical trends have shown that recessions and economic downturns often lead many individuals to enroll in postsecondary education. Unfortunately, as of February, the U.S. has officially entered another recession due to the ongoing ramifications of the COVID-19 pandemic. To help our clients have some context as they make plans relevant to the current economic situation, we provide an overview of some of the key trends in higher education enrollment during the “Great Recession” (2007-2009). Below we highlight a few key findings:

- **Overall enrollment increased substantially:** In 2006, on the precipice of the Great Recession, about 17 million students were enrolled in postsecondary education (a traditional 4-year school, a community college, or a graduate program). By 2011, average annual enrollment had jumped by more than 3 million people to 20.4 million students. To put this in perspective, this equates to about 450 additional new students per year at each degree granting institution in the U.S., though obviously the gains were not equally distributed in this manner. As the recession subsided, these gains began to reverse course, and by 2015, only 19.1 million were enrolled in postsecondary education.
- **Community colleges saw the strongest gains:** Looking deeper, virtually all institutions and program types saw enrollment growth, but community colleges saw by far the largest growth on a percentage basis and, despite comprising a much smaller portion of total postsecondary enrollment, also saw the largest increase in absolute terms. Community college enrollment grew about 30% during the recession, while 4-year colleges grew 13% and graduate program enrollment grew 16%. However, the community college growth was not sustained – average annual enrollment at community colleges dropped about 8% after the recession had receded, while 4-year colleges grew 2% and graduate programs only dropped 2% during the same period.
- **Online learning continued to accelerate during the last recession:** In the 2007-2008 academic year, approximately 20% of students were taking online classes and about 4% of all student were completing their entire program online. By the 2011-2012 academic year, 32% of students were taking online classes and 6.5% of all students were completing their

entire program online. While only an increase in 2.5 percentage points as a percentage of the total population (4% vs. 6.5% of students completing their entire program online), this represents an enrollment volume growth of over 50% from 2007-2008 to 2011-2012 – for perspective, we estimate that this translates to about 535,000 more undergraduate students completing their entire program online in 2011 vs. 2007. This substantial growth proved to be not just a function of the recession, but also a function of changing times. In the 2015-2016 academic year, 43% of students were taking online classes, and nearly 11% of students were completing their entire program online.

- **Students completed degrees at higher rates but still struggled to find employment:** Importantly, degree completion rates actually appeared to increase during the recession. From 2006 on, about 35% of students were leaving college with a degree vs. about 30% in the years prior to 2006. While this was an encouraging trend, the ongoing economic contraction left more graduates without job opportunities – when students left college with any type of degree, they were more likely to be unemployed than they were prior to the recession. This signals that while completing a degree helps reduce a student's likelihood to be unemployed (those with who left without completing their degree had the highest unemployment rates during the recession), a degree does not make individuals immune to economic downturns.

IMPLICATIONS

Institutions across the U.S. may expect to see an increase in enrollment; however, it is highly unlikely that this increase in enrollment will be evenly applied across institution types, particularly given the trends in postsecondary credential seekers, their learning and enrollment preferences, and the types of programs in which they choose to enroll. Worth noting, students that decide to enroll due to a recession do not always share uniform characteristics with students that choose to enroll more broadly. They may be looking to improve skills in a quick and affordable way, they may be looking to bolster their resumes, they may finally taking the time to obtain or complete a credential or degree, or any of the increasing proliferation of reasons for postsecondary enrollment. Interest in efficiently achieving their desired outcome combined with the continued need / desire for social distancing as well as the increasing acceptance of online education means that enrollment gains are not likely to be evenly distributed, and institutions and providers that have not adopted the capacity to serve or meet these needs may be left on the outside looking in in the very near term.

We help institutions and providers optimize their capacity to effectively plan for these circumstances and ensure that they are well prepared to provide an optimal student experience and facilitate positive student outcomes. Please reach out if you have any questions or would like to discuss this article further.

Sources:

- Online education usage: https://nces.ed.gov/programs/digest/d18/tables/dt18_311.22.asp
- Enrollment report from the U.S. Census: <https://www.census.gov/content/dam/Census/library/publications/2018/demo/P20-580.pdf>
- Number of degree granting institutions: <https://nces.ed.gov/fastfacts/display.asp?id=84>
- National Economic Bureau Recession Announcement: <https://www.nber.org/cycles/june2020.html>