

Student Demographics in the Coming Decade: Hold the Panic

Jonathan P. Epstein & Sarah Parrott

Impending student demographic shifts and declining high school graduation numbers are topics of increasing concern among higher education administrators and leaders. Over the past several years, recruitment budgets around the country have ballooned and direct marketing expenses have soared. According to a recent Maguire Associates/*Chronicle of Higher Education* survey of senior admissions and enrollment officials, 88 percent of four-year institutions either have a plan or are developing one to address coming demographic changes.

As we approach uncertain days at the long-anticipated top of the demographic curve, how much of the concern is warranted and how much is hype? Amidst the tension, media attention, and widespread good intentions, what do impending demographic changes actually mean, not only for the nation and society as a whole, but for your institution?

What's the big picture?

A scant few decades ago, the U.S. experienced dramatic demographic disruption among high school graduates. Between the late 1970s—with approximately 2.8 million public high school graduates nationwide—through the 1980s, there was a 20 percent nationwide drop in graduating high school seniors, bottoming at around 2.2 million in 1991. Many states never returned to their 1978 graduation numbers. Some haven't even come close, notably Massachusetts, Michigan, New York, Ohio, and Pennsylvania.

So, how similar will the coming decline

be to this last one? The short answer: not much.

The graphic on page 2 shows public high school graduates segmented by ethnicity and nonpublic graduates on top in light gray (ethnicity data are not available from private high schools). In the big picture, there's a continuing growth trend interrupted by a brief and shallow national decline expected during the next four years.

Digging deeper into the numbers

Most conversations about demographic trends rely on high school graduation data from the National Center for Education Statistics (NCES) and the Western Interstate Commission of Higher Education (WICHE). Both sources have released extended high school graduation outlooks for each state and the entire country.

Most colleges receive between 1,000 and 10,000 applications per year and proactively recruit selected students in selected states. Unless your institution receives 3.5 million applications each year, the big numbers take you only so far.

Let's briefly dig deeper into the relevant trends:

According to both NCES and WICHE, there were approximately the following numbers of public high school graduating seniors in:

- 2000: 2.5 million
- 2008: 3 million
- 2014 (expected low point between now and 2022): 2.9 million, the same amount as 2006, a year of record applications and enrollments for many col-

leges and universities, and a national decline of just 3 percent from the top of a pool that has been increasing for 15 straight years

Even in states with sharper declines, the low-projection year rarely falls lower than the number of graduates in that state in June 2001.

As individual students apply to increasing numbers of colleges and universities, overall application numbers are likely to continue to rise, not fall, for many institutions that recruit students strategically.

Due to increasing participation—a continually rising proportion of high school graduates enrolling in college—NCES and WICHE both project increased college enrollments, despite the brief decline in high school graduates.

You might already agree that the anticipated shift in student demographics rather

► *continued on page 2*

In This Issue

4

Recruitment, Retention and
Roommate Matching

6

14 Ways Faculty Can Improve
Online Student Retention

8

How America Pays for College

▼ Student Demographics from page 1

than any potential dip in raw high school graduation numbers is meaningful in the historical arc of American education. So, what is the shift?

Nationally, the shift is identified primarily by rapidly rising Hispanic and modestly declining white high school graduation numbers, an increasing percentage of women, and more first-generation students attending college in the coming decade.

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These, along with numerous other significant trends—test-optional admissions, rising college costs, and changing financial aid policies, among others—will continue to increase the competition among institutions for desirable student subpopulations. But wait a minute; competition for desirable subgroups of students is nothing new. Then what is new about all this? The short answer: not much.

We don't mean to suggest that the burgeoning Hispanic population and the majority of female higher education students are not significant or that institutions should ignore these and other ongoing demographic fluctuations. Many new students, including ethnic minority and low-income students, will need to be welcomed into the higher education community. Some institutions will have to take steps to effectively and compassionately adjust their recruitment processes, their educational offerings, and even their cost structures to best serve their students. For such institutions, these are daunting challenges.

But to date, the softest voice in the conversation is the one suggesting that neither the ebb and flow of high school graduation numbers nor the continual changes in demographic composition is a new phenomenon.

Interpretation is everything

Trends are important to track, but trends alone cannot dictate decision making at successful colleges or universities. Each higher education institution has a unique set of purposes, goals, and audi-

ences. Many institutions would do themselves a financial and organizational disservice if they were to assume dramatic impact without a deeper exploration of their own market position. How well you know your prospective student audience and how clearly the statistics are presented and absorbed are the keys to accurately identifying potential impact. So, how much help have all the statistics been to you? The short answer: not much.

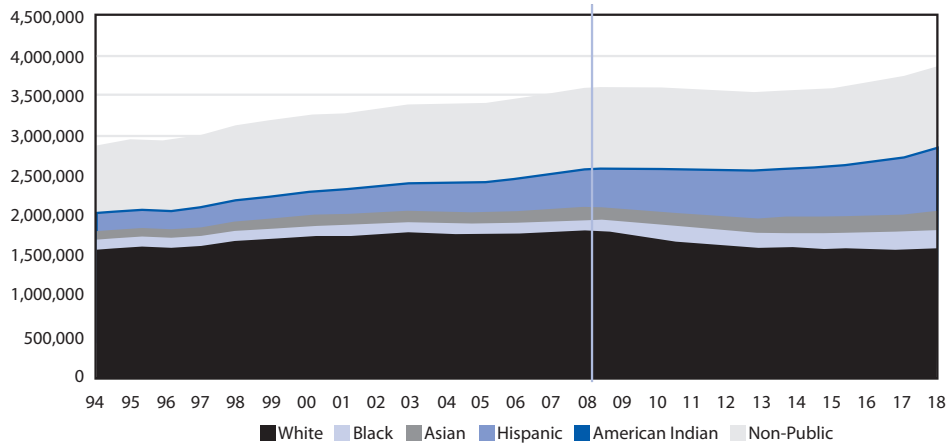
What fellow "data geeks" know well is that statistics don't mean a thing until someone interprets them in context. The impending decline in high school graduates has been somewhat misdiagnosed, miscast in the media, and misunderstood due in some part to confusing and misinterpreted statistics and graphs.

Take a real example. The first graph on page 3 is a visual representation of high school graduates in Massachusetts from 1992 to 2022.

In this presentation, it appears as though a sharp decline is on the horizon. Now, look at the second graph on page 3. This is the exact same data with a complete scale and more appropriate presentation.

The two graphs barely resemble each other. The first, which was printed in a recent report, misrepresents the data for the sake of visual impact. In the second, the gentler decline makes it easier to see that the low point in 2022 will be the same level as June 2002. And while "scale"

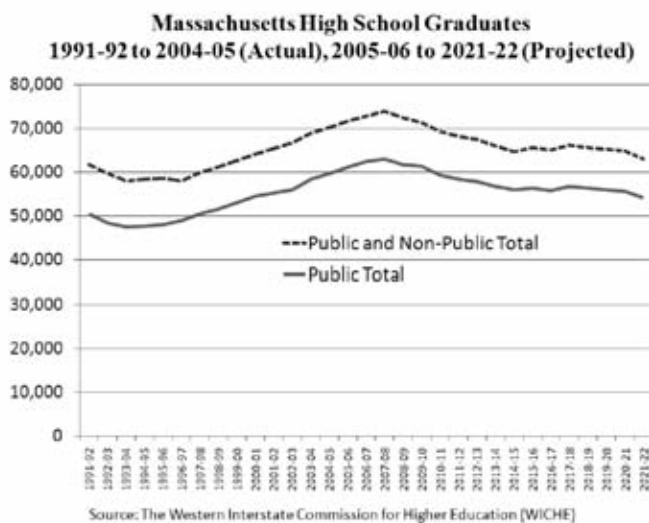
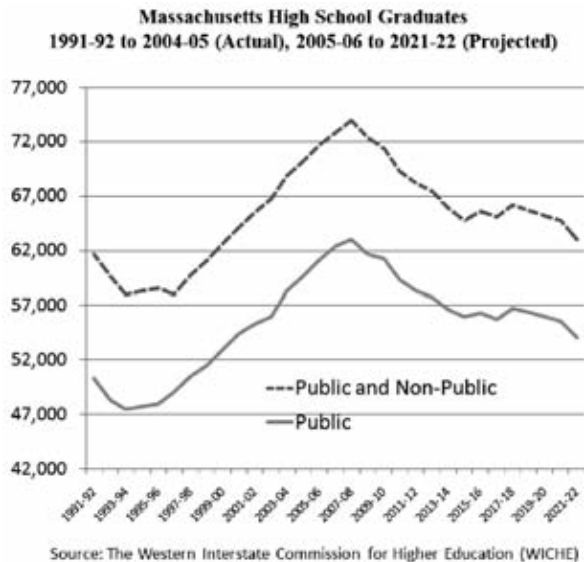
► continued on page 3



* Sources: The National Center for Education Statistics (NCES) and The Western Interstate Commission for Higher Education (WICHE)

▼ Student Demographics *from page 2*

debates might not be the most scintillating, shifting the image shifts the meaning taken from the graph. The first Massachusetts graph is just one example in which the way the demographic



changes are portrayed presents a picture that is far more dramatic than the reality.

From trends to action

Understanding the characteristics of your institution's students—from prospects through graduates—is the best way to define your unique market and make meaning of larger trends.

Here are five recommendations for responding effectively, efficiently, and reasonably to what is happening rather than reacting to what may not be happening.

1) Identify and cover your primary markets.

Carefully research who, what, and where your customers are

as well as where they are not. Identify the leaks in your student pipeline. Make sure you find and recruit all the best fits before committing extensive resources to newer, more challenging student markets. Don't try to climb the tree so fast that you miss some of the best low-hanging fruit.

2) Manage your admission-to-enrollment yield.

The strategic deployment of institutional financial aid to achieve institutional goals and optimize resources and outcomes is no longer a luxury, but a necessary best practice. In a worst-case scenario, where you receive fewer applications, optimal awarding can help make sure you still enroll your desired first-year class.

3) Watch your back.

Not everyone will be as levelheaded as you. Keep your eyes open for subtle or dramatic changes in your competitors' recruitment practices. In coming years, competitor institutions may venture into your primary markets. Stay up to speed on the competition and adjust accordingly.

4) Do your research.

Trust your gut, but don't become a "guttician." Your recruitment dollars are too valuable to throw all over the map. Beware of assumptions without evidence. Penetrating new student markets takes far more than merely purchasing student names. Far too often we've seen huge financial commitments lead to minimal results. Blend experience with evidence and, despite organizational pressure, take the time to verify a return on each recruitment investment.

5) Inform your colleagues.

It's not easy to go against the grain, and it's difficult to get a firm grip on what the projected demographic changes will mean for your institution. In any environment fraught with fear of the unknown, a healthy dose of objectivity will boost your immunity to the mania and provide you with an opportunity to discuss the facts as well as address the emotions.

The work of enrollment professionals is complex and challenging. Changing student demographics may add to the challenge, but for many institutions, the reality may not be quite as imposing as the perception.

Only careful evaluation of your student markets along with anticipated changes within your audience will allow you to accurately identify the potential impact of large-scale demographic shifts on your recruitment and enrollment. With that knowledge, you can craft your student recruitment and student services to optimize your institutional outcomes.

When it comes to traditional college-going students, the world is changing—just not as much as you've heard.

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