

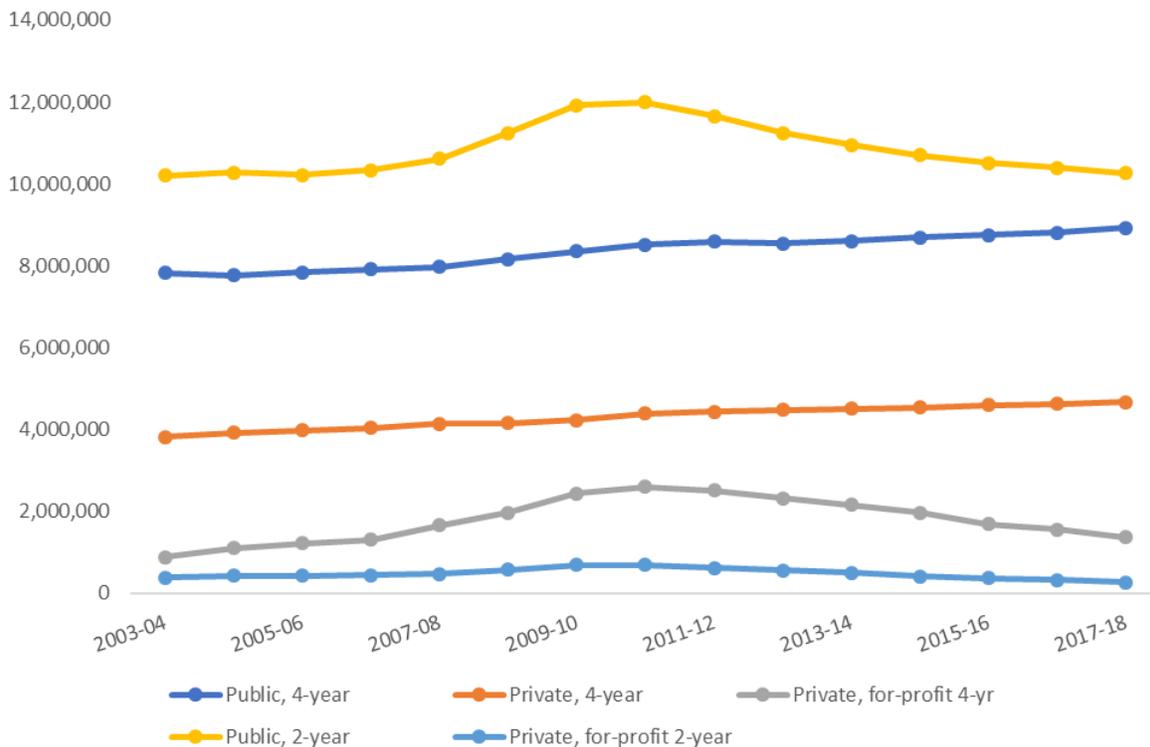
# RESEARCH REPORT

NOVEMBER, 2019 | 19-6

## ENROLLMENT TRENDS: PRE-RECESSION TO CURRENT DAY

The past ten years has been a period of significant transformation for higher education, with the Great Recession (recession) serving as a pivotal point of that change. On a national scale, enrollment in college peaked drastically the first year following the recession. But the years since, some sectors have shown such a consistent decline that the current characterization is that of an “enrollment crisis.” Parallel to the real estate market, the years before the recession reflected a seller’s market for institutions of higher education. There was high public confidence from consumers believing that, similar to buying a home, an education is something that would always increase in value and be worth the cost. This market confidence allowed the steady increases in tuition over the first part of the century, knowing students’ commitment to attending college and willingness to pay the cost. Even at the time of the recession, tuition levels rose substantially in response to state budget cuts, therefore putting a greater burden of the total cost of education on the backs of students.

Figure 1. Nationwide enrollment in postsecondary education by sector



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But starting the few years after the recession enrollment peak, consistently declining enrollments suggests higher education is experiencing a “new normal” in the post-recession time period. A strong economy has turned the seller’s market for higher education in greater favor of the consumer, causing institutions to double down on their efforts to convince prospective students that investing in higher education is worth the opportunity cost. As shown in Figure 1, for-profit private institutions have suffered the most from this new landscape, due in part to federal regulations<sup>i</sup> that started in 2011 as a means of addressing the cost benefit from college. Small, private, not-for-profit four-year institutions have also suffered from enrollment declines and as a result increased their tuition discount rates as a strategy for recruiting a dwindling population of prospective students<sup>ii</sup>. However, financial experts warn about the delicate balance of enrollment size, high discount rate, and tuition budgeting as possible risk factors for overall institution health.<sup>iii</sup> This coupled with the anticipation of a projected decline in the traditional college-aged student population due to a declining birth rate (also related to the Great Recession<sup>iv</sup>) has contributed to some institutions having to close their doors<sup>v</sup>.

The two-year sector of community and technical colleges experienced the largest enrollment peak in the year following the end of the recession, about 2009. A recent study by the National Student Clearinghouse showed community colleges as the type of institution where students with some prior college but no degree were most likely to re-enroll during this time.<sup>vi</sup> However, just as two-year colleges experienced the most significant increase in enrollment, this sector has also seen enrollment declines greater than the four-year institutions in the past 10 years (see Figure 1). The most significant factor commonly associated with enrollment declines in community colleges is a strong economy measured by low unemployment rates.<sup>vii</sup> Additionally, the community colleges are not immune to the same factors of changes in who is historically going to college, shrinking high school graduate populations, and costs. While tuition as a whole is lower than at the four-year and private institutions, it rose as state budgets were cut during the recession, increasing the likelihood even a two-year program could become cost prohibitive, especially for the most vulnerable populations.

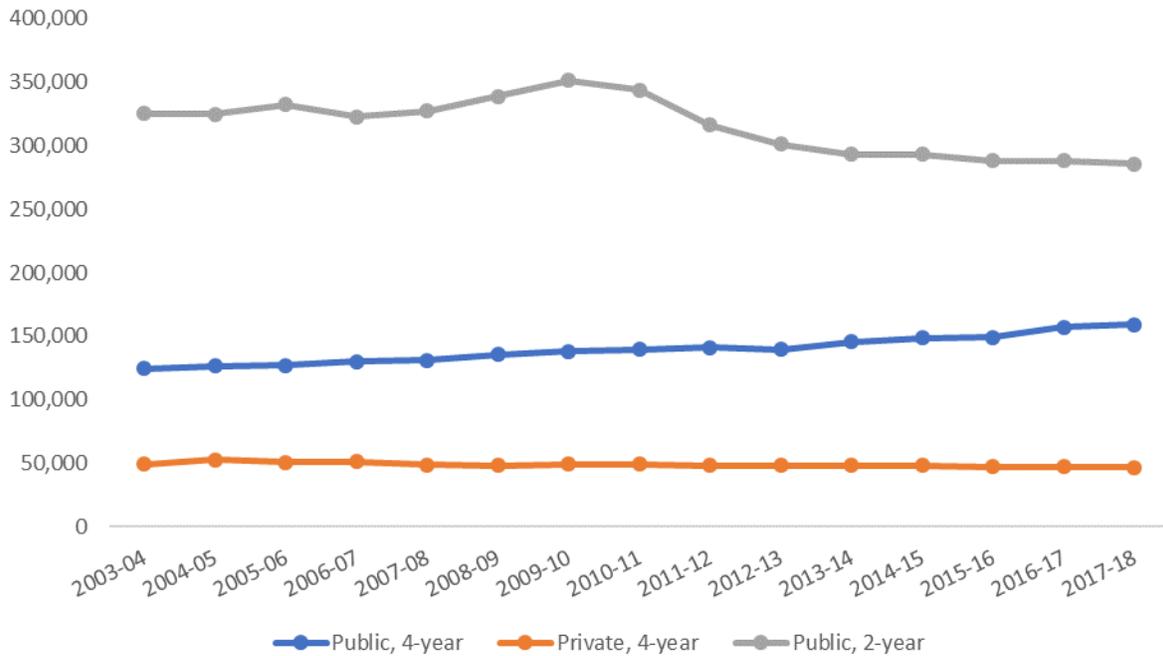
Economic and demographic challenges aside, the multiple roles and missions that community and technical colleges provide serve as their greatest asset in the realm of strategic enrollment management. The institutions are open access, available in local communities, nimble, and career-focused which is crucial for the new way that students seem to be viewing the role of higher education. Students and families have limited time and resources to spend and are more than ever looking for the most efficient way to learn skills that will enable them to get started on a career upon graduation.

The remainder of this report studies enrollment trends in the Washington Community and Technical College (CTC) system over the ten-year time period since the enrollment peak of 2009. The goal of the analyses is to provide a historical landscape to serve as context for the work ahead in alignment with the system’s Strategic Enrollment plan for 2019.

## Washington state postsecondary analysis

The observed national enrollment patterns are similar in Washington state (see Figure 2). Four-year private institutions’ enrollment has steadily decreased, the two-year institutions sharply decreased, while the four-year public institutions have slowly increased in enrollment.

Figure 2. Washington state enrollment in postsecondary education by sector



**High school population**

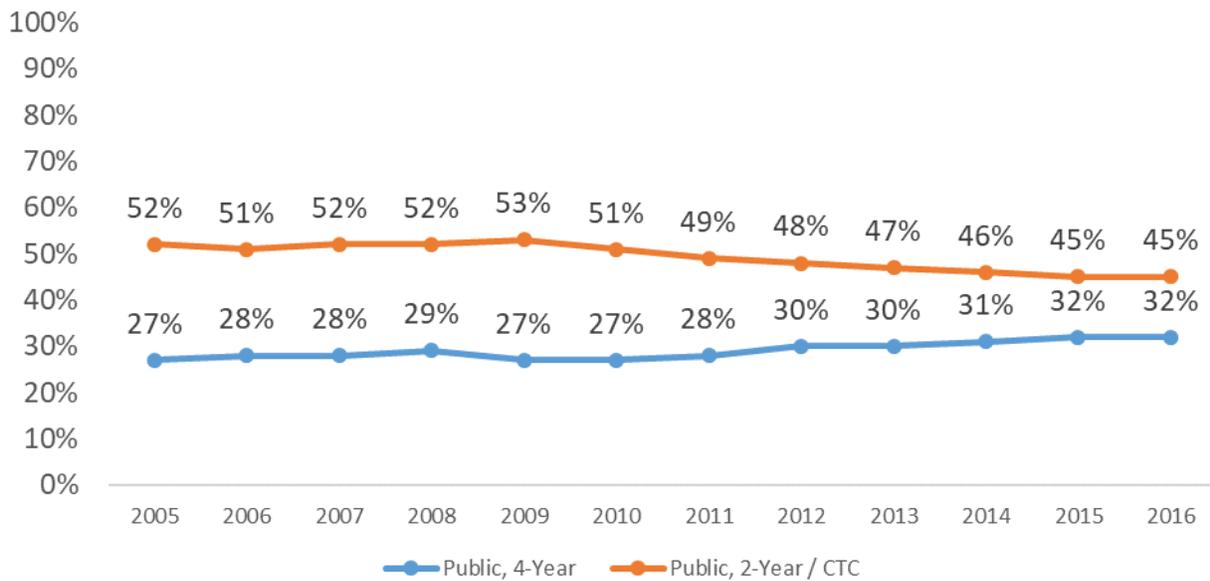
Also in alignment with national trends, Washington state has experienced a decline in birth rate<sup>viii</sup>. The school age population in the state is expected to grow slowly until 2025, due in part to the grandchildren of the baby boomer generation reaching school age. The past five years have shown net growth in the number of high school seniors, those students primed to enroll in postsecondary education following graduation. However, disaggregating by race and ethnicity shows significant variation with students from historically underserved populations demonstrating the most growth and white students in decline (see Table 1). This trend aligns with the state’s population forecast that notes the high impact of in-migration to the state on birth rates, particularly from Hispanic populations.<sup>ix</sup> Understanding the demographic makeup of this crucial pipeline is vital for colleges to consider how they will best market to and serve growing populations of students who have not historically participated in higher education.

In the public sector, there has also been an observed change in where recent high school graduates are attending postsecondary education in the year following graduation. Figure 3 shows 52 percent of the 2005 graduating class enrolled in the two-year sector and 27 percent in the public, four-year. By the 2016 graduating class, 45 percent enrolled in the two-year and 32 percent in the four-year.

Table 1. Washington state 12<sup>th</sup> grade student headcount

	2014-15	2015-16	2016-17	2017-18	2018-19	5-year growth
12th grade headcount	85,411	87,389	87,809	88,841	89,755	5%
American Indian/ Alaskan Native	1,362	1,362	1,308	1,253	1,234	-9%
Asian	6,556	6,579	6,450	6,887	7,148	9%
Black/African American	4,217	4,322	4,338	4,444	4,430	5%
Hispanic/ Latino of any race(s)	15,510	16,734	17,358	17,818	19,152	23%
Two or More Races	4,881	5,199	5,708	6,046	6,060	24%
Native Hawaiian/ Other Pacific Islander	780	802	843	959	993	27%
White	52,109	52,395	51,755	51,539	50,984	-2%

Figure 3. Washington state public sector enrollment: first year after high school graduation



## Non-tuition enrollment populations

### Dual enrollment

The rising participation in dual enrollment is another area where the two-year sector has experienced unprecedented enrollment growth, especially in Washington state (see Figure 4). The largest dual enrollment program in the state is Running Start, where 11<sup>th</sup> and 12<sup>th</sup> grade high school students take classes at the community and technical colleges to satisfy both a high school credit requirement and earn college credits. Running Start students do not pay full tuition but smaller fees, and those can be waived for low-income

students. While enrollment in the program has increased for all race and ethnic groups, white students still comprise a greater percentage of Running Start (60 percent) as compared to the population of high school seniors (56 percent) (see Figure 5).

As the program has increased in popularity, students are progressively taking more credits and staying long enough to complete an associate degree before graduating from high school (see Figure 6). This pattern likely has an impact on the shift in recent high school graduates who are enrolling in a four-year institution as demonstrated in Figure 3. Specifically, 31 percent of students enrolled in Running Start in 2011 re-enrolled in a two-year institution within four years, compared to 28 percent in 2015. For the four-year sector, 25 percent of the 2011 group enrolled within four years and in 2015 it was 28 percent. These enrollment and completion patterns suggest that both the two and four-year sectors need to think differently about what the “traditional” college student looks like, specifically with respect to age and understanding the pipeline.

Figure 4. Running Start enrollment

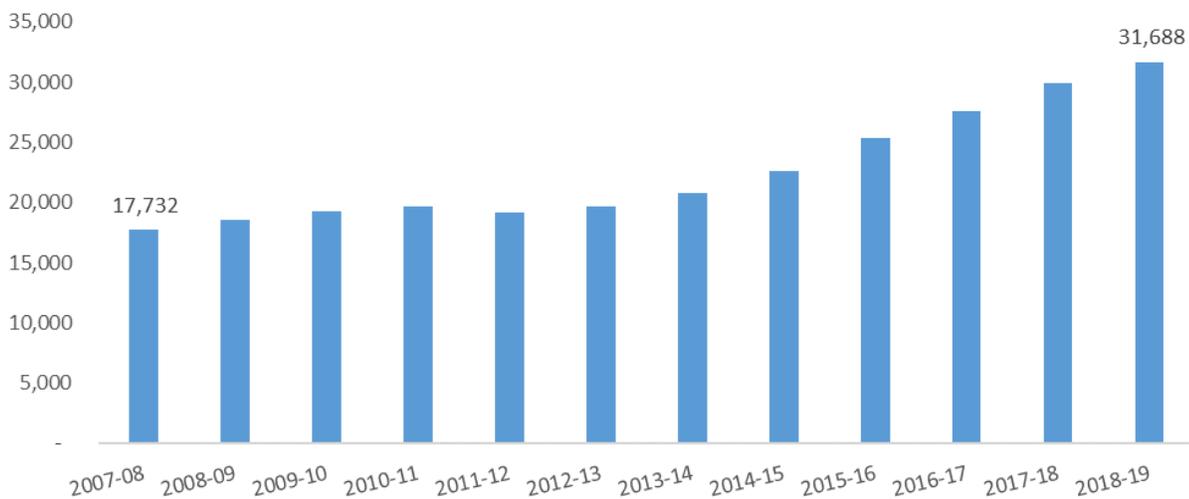


Figure 5. Running Start enrollment by race/ethnicity

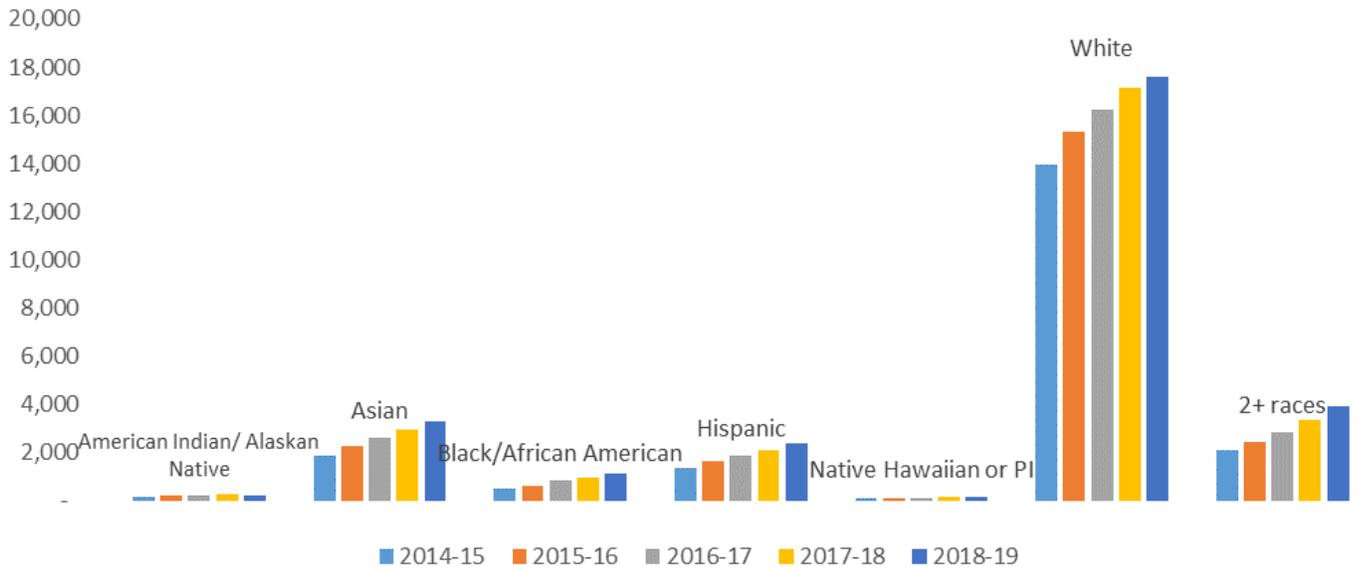
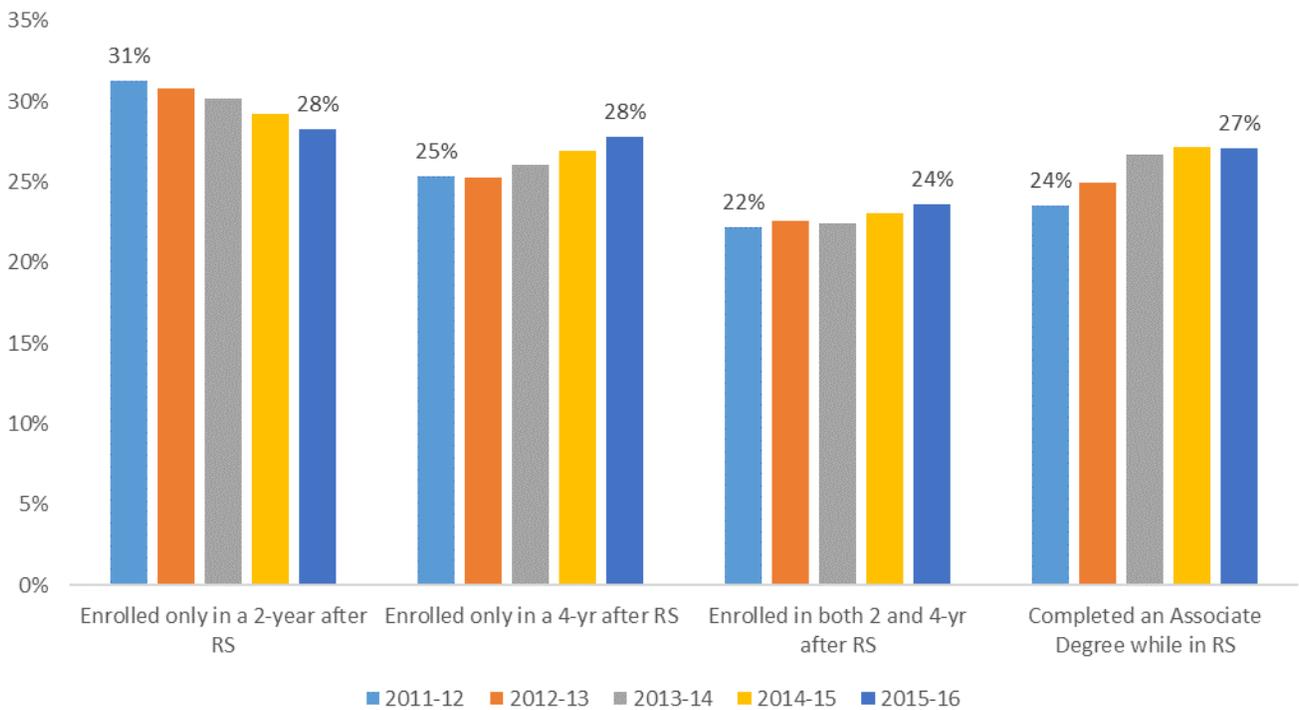


Figure 6. Enrollment and completion patterns after participation in Running Start

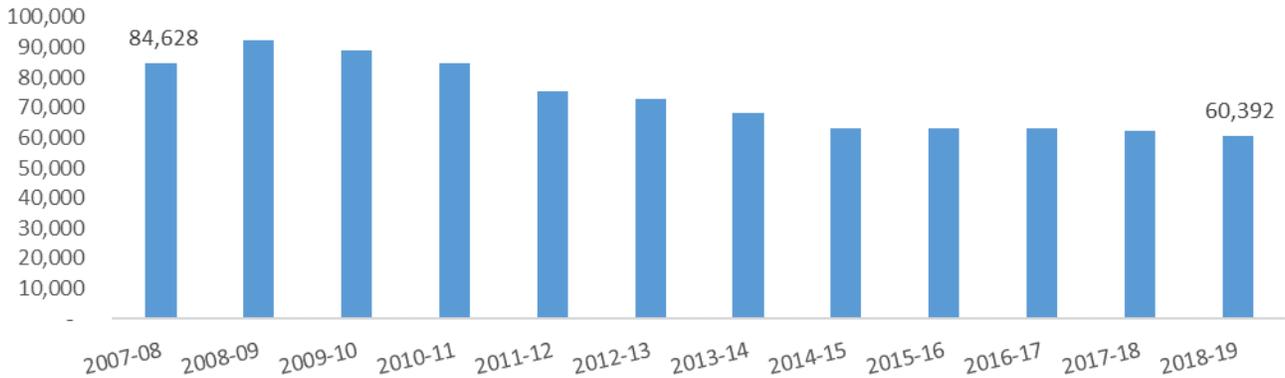


**Basic education for adults (BEa)**

Washington Community and Technical College’s serve approximately 60,000 students each year in programs designed to help students increase their skills to prepare them for employment and, by federal definition<sup>x</sup>, prepare for college-level work (see Figure 7). The population of BEa students is a prime

opportunity for enrollment growth, specifically through Integrated Basic Education Skills Training (I-BEST) programs<sup>xi</sup>. Colleges have increased enrollment in I-BEST, but it only comprises about 15 percent of all basic education FTE so there is much room for growth. The system continues to work on opportunities in this area, to include co-enrollment in I-BEST and high school completion programs so students can begin earning college level credits prior to completing a high school credential. To support this work, there are efforts underway for a greater use of the federal Ability to Benefit policy to help students without a high school diploma access financial aid for college-level work.<sup>xii</sup>

Figure 7. Basic education for adult enrollment



## Tuition enrollment populations: academic transfer and professional-technical education

### Demographics

Similar to the pattern observed for high school seniors, there are different growth rates for students of different race and ethnic backgrounds (see Figure 8). The number of white students enrolled in credential-seeking programs has dropped over time, 26 percent in 10 years and the American Indian/Alaska Native population has dropped 38 percent. The most growth is observed with students who identify as Hispanic at 51 percent. Figure 9 shows that females enroll at higher levels than males, but the gap has slowly narrowed over time with females showing an 11 percent decline as compared to a five percent decline for males.

In 2007-08 the highest enrolled age group was 20 and under. Currently, there are as many 20 and under students as those ages 25-34. Part of the observed decline in the youngest students (aged 20 and under) could be attributed to the growing number of former Running Start students enrolling in a four-year institution (see Figure 6). All age categories peaked in 2010-11 and have steadily declined since, with those 35 and older showing the sharpest decline (see Figure 10). There are significantly larger numbers of non-low-income students enrolled than low income. However, non-low-income is the group that dropped the most following the recession and have remained stable since 2013. Low-income student headcount has steadily declined since 2013 (Figure 11).

Figure 8. Credential-seeking student headcount by race/ethnicity (logarithmic scale)

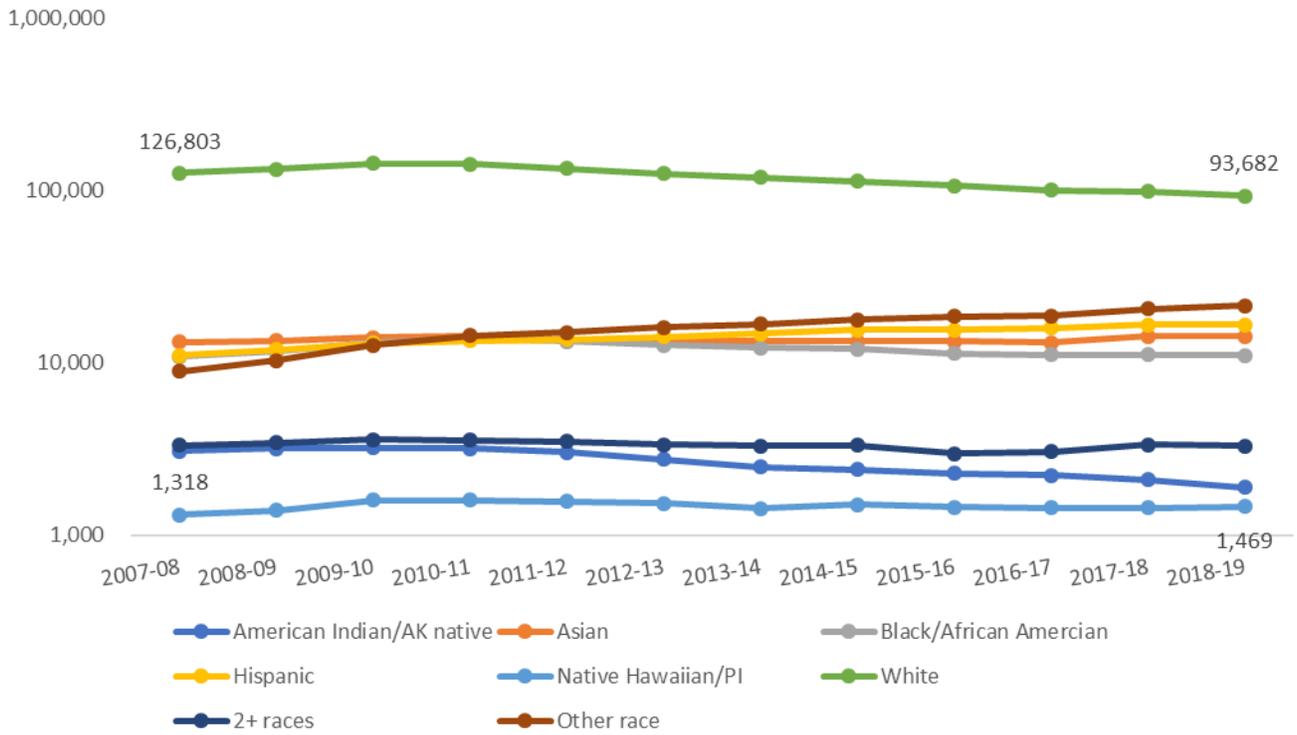


Figure 9. Credential-seeking student headcount by gender

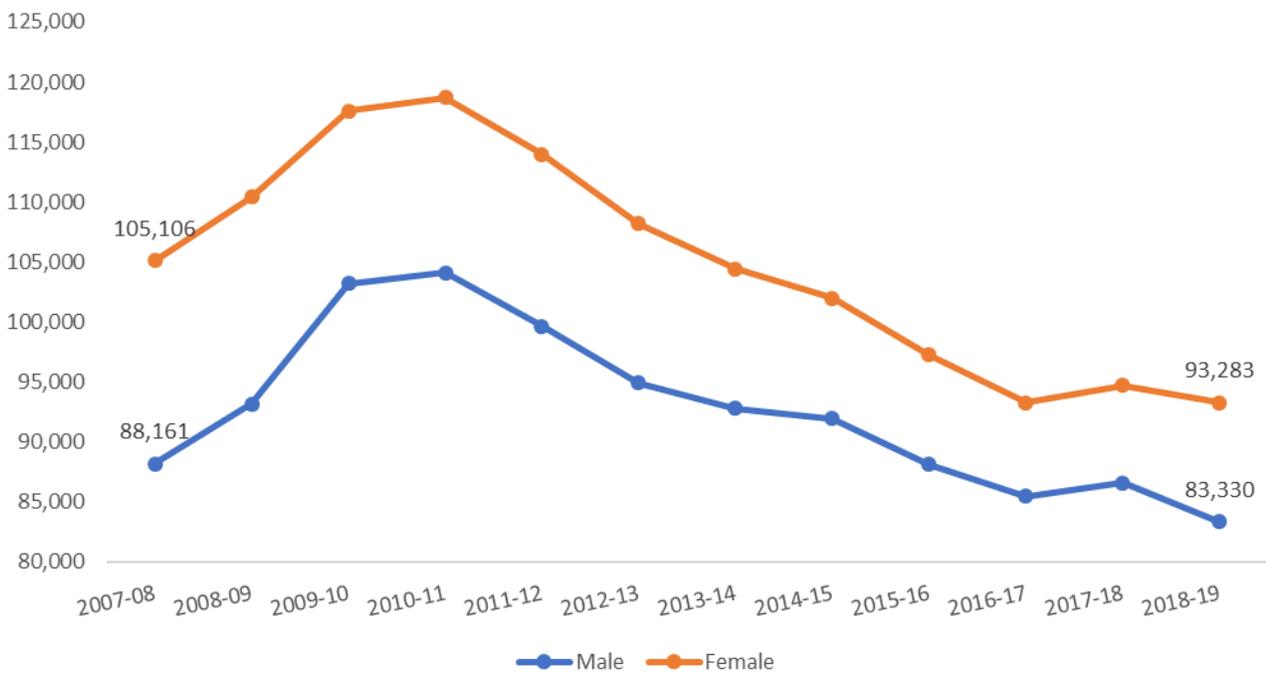


Figure 10. Credential-seeking student headcount by age group

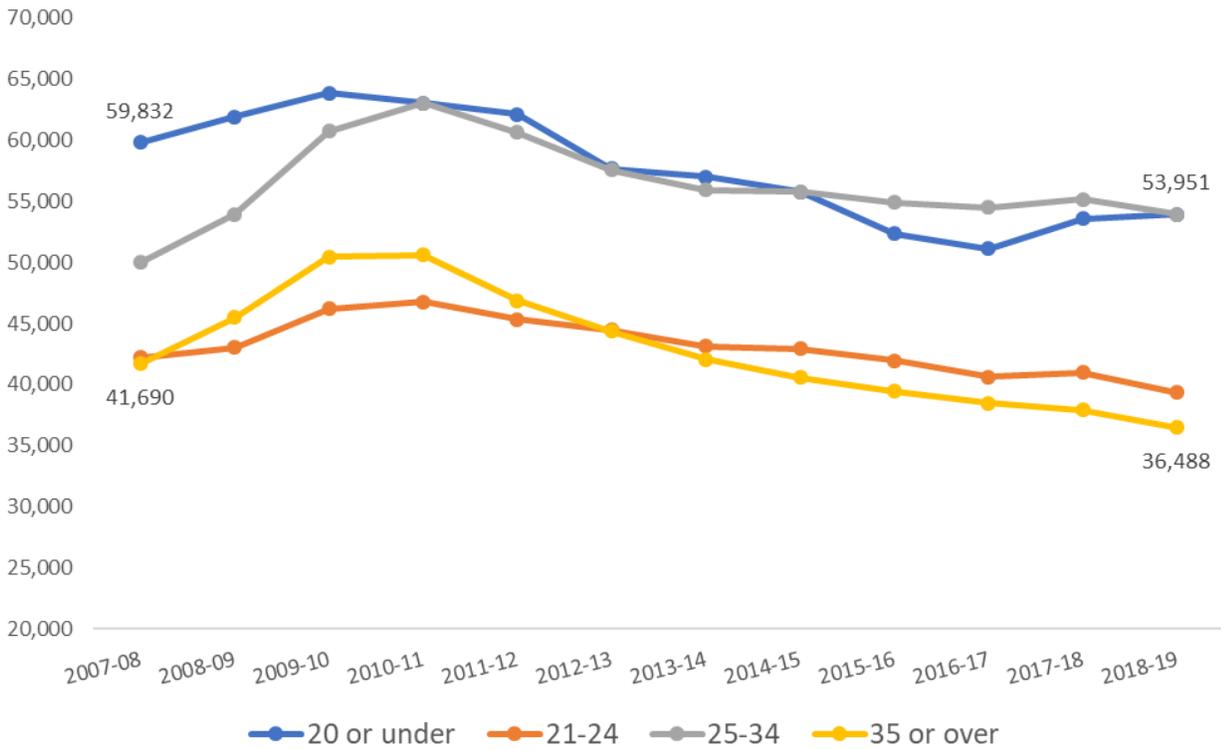
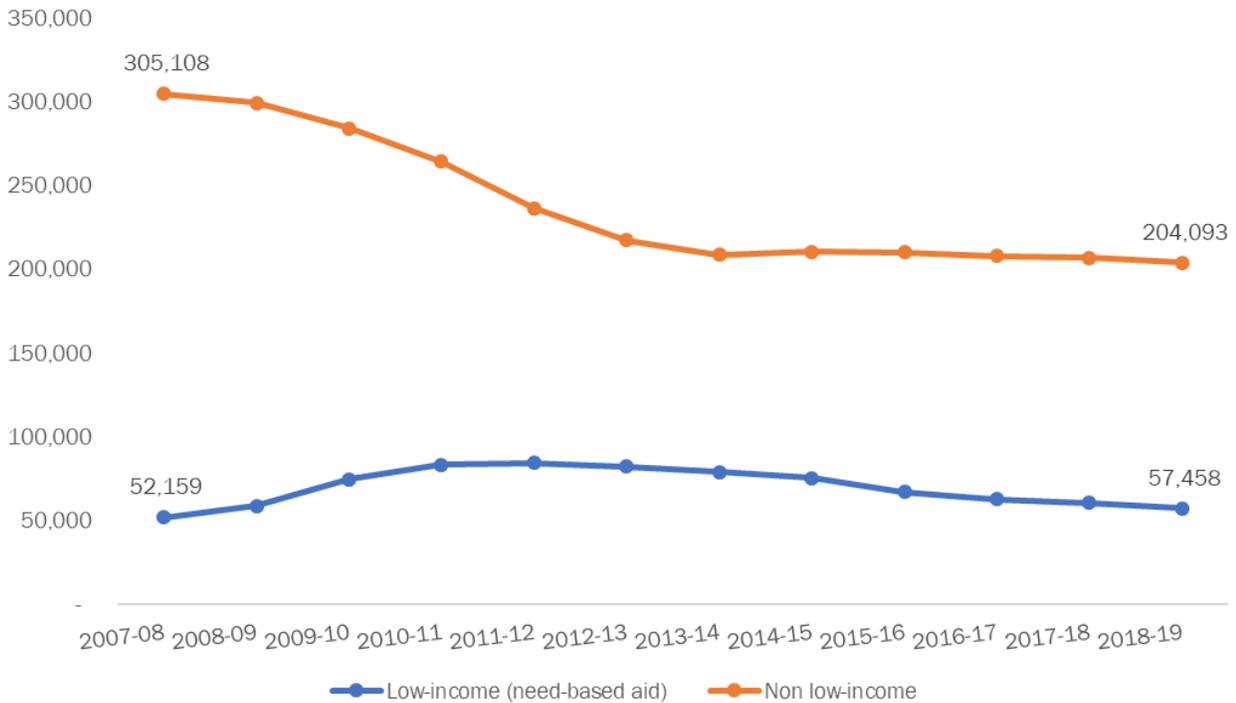


Figure 11. Credential-seeking student headcount by low-income



**Mission**

As noted nationally, colleges who serve a large workforce and training population tend to observe enrollment declines in general juxtaposed to low unemployment rates. Washington state saw similar patterns in the past 10 ten years (see Figure 12; \*unemployment rate from January of the given year). Enrollment in 2007-08 was high, coupled with low tuition and unemployment rate. The recession caused a significant spike in the unemployment rate and subsequently enrollment; however, rising tuition costs in conjunction with state budget cuts altered the kind of student who chose to enroll in the two-year colleges.

Figure 13 shows enrollments over time disaggregated by students enrolled for academic transfer degrees, professional-technical certificates and degrees, and “other.” The “other” category (which represents non-credential seeking or not reported) accounted for nearly half of the total pre-recession enrollments. This number has fallen to a historic low in 2018-19, while enrollments in the program areas have leveled off, even with rising tuition. Further, FTE has not changed as drastically over time, which is reflected in the greater credit loads students who are enrolled are taking.<sup>xiii</sup> This suggests that the historic high number of enrollments pre-recession reflected a lot of part-time students who were not necessarily planning to earn a credential, and enjoyed a relatively low tuition level for their minimal number of classes. Given current costs of higher education, it is unlikely the system will again experience the level of enrollment that it had pre-recession, without those “casual attendee” students.

Figure 12. Washington state enrollment, tuition, and unemployment rate

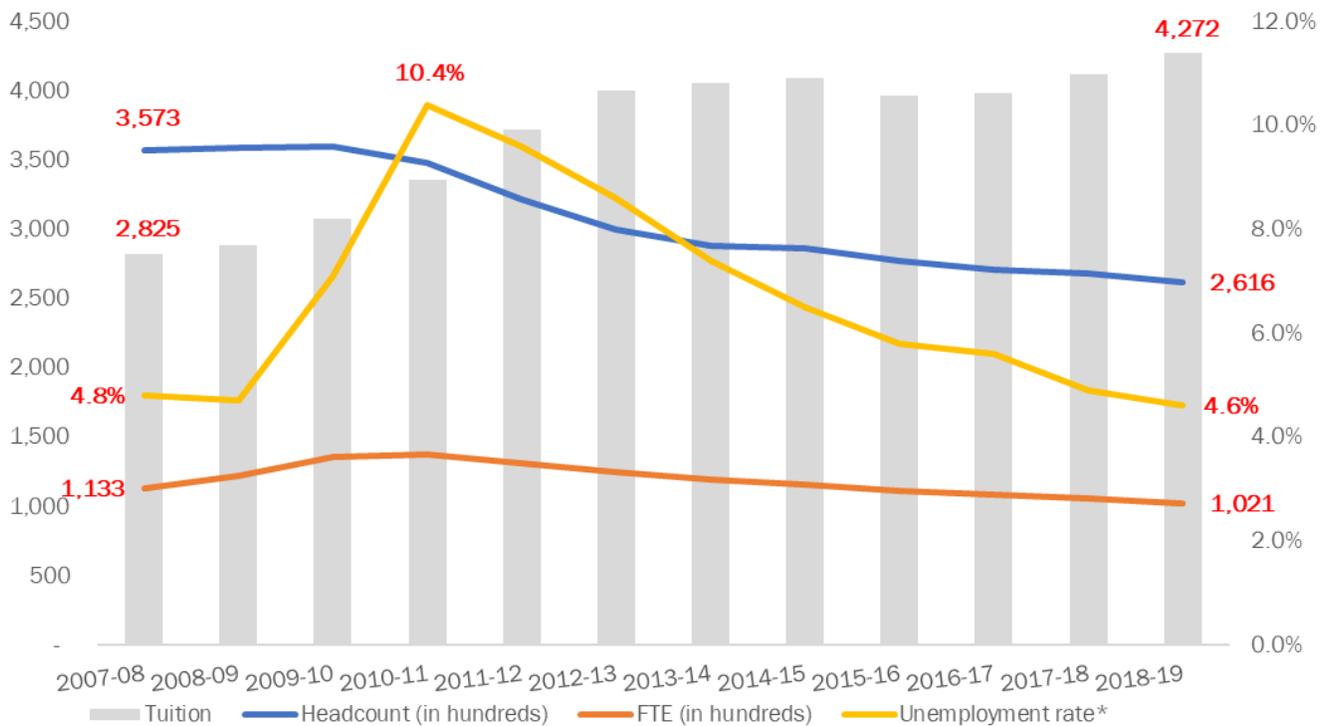
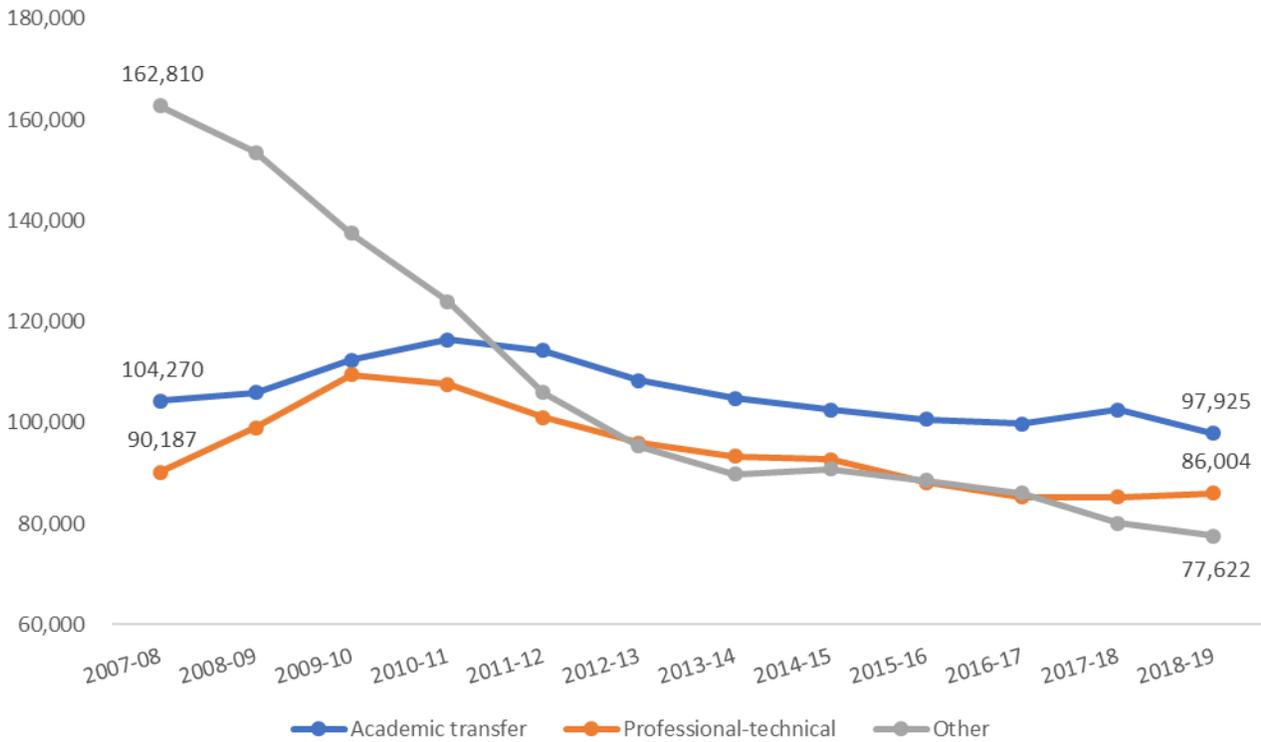


Figure 13. Credential-seeking and “other” student headcount by mission area



The academic transfer mission is designed to prepare students to transfer to a bachelor’s degree program. Enrollment in this area (not including Running Start) grew steadily up to the enrollment peak, and has subsequently decreased each year. However, when enrollment in this mission area is juxtaposed to Running Start (see Figure 14), there is a net increase. The overall enrollment stability comes from primarily younger students who are college-bound and took full advantage of dual credit during the fiscally challenged years of 2009-11. Once tuition levels stabilized and even decreased is when there was a shift to slightly more students enrolling directly into four-year institutions after high school. However, it is encouraging that even with the substantial growth in Running Start each year, the last two years saw enrollment growth in the CTC’s for the youngest age group.

The professional-technical/workforce education mission is designed to prepare students to go directly into a job or career. This mission area tends to serve an older population, including students who have already earned a credential and are returning to college for retraining. While in general academic transfer programs makeup the majority of enrollments in the community and technical colleges, in 2009 enrollment in professional-technical programs was nearly the same as academic transfer. Figure 15 demonstrates how enrollment in these programs tend to have a negative correlational relationship with unemployment rate. Once the economy begins to recover, enrollment in these programs tends to decline as people go back to work, and especially for older students. Enrollment for professional-technical students 35 and older declined nearly 30 percent between the height of the enrollment boom and the most current year. Older students in both in academic transfer and professional-technical programs, tend to have lower retention rates during an academic year, which is another factor impacting overall enrollment.

Figure 14. Credential-seeking transfer student mission area and Running Start

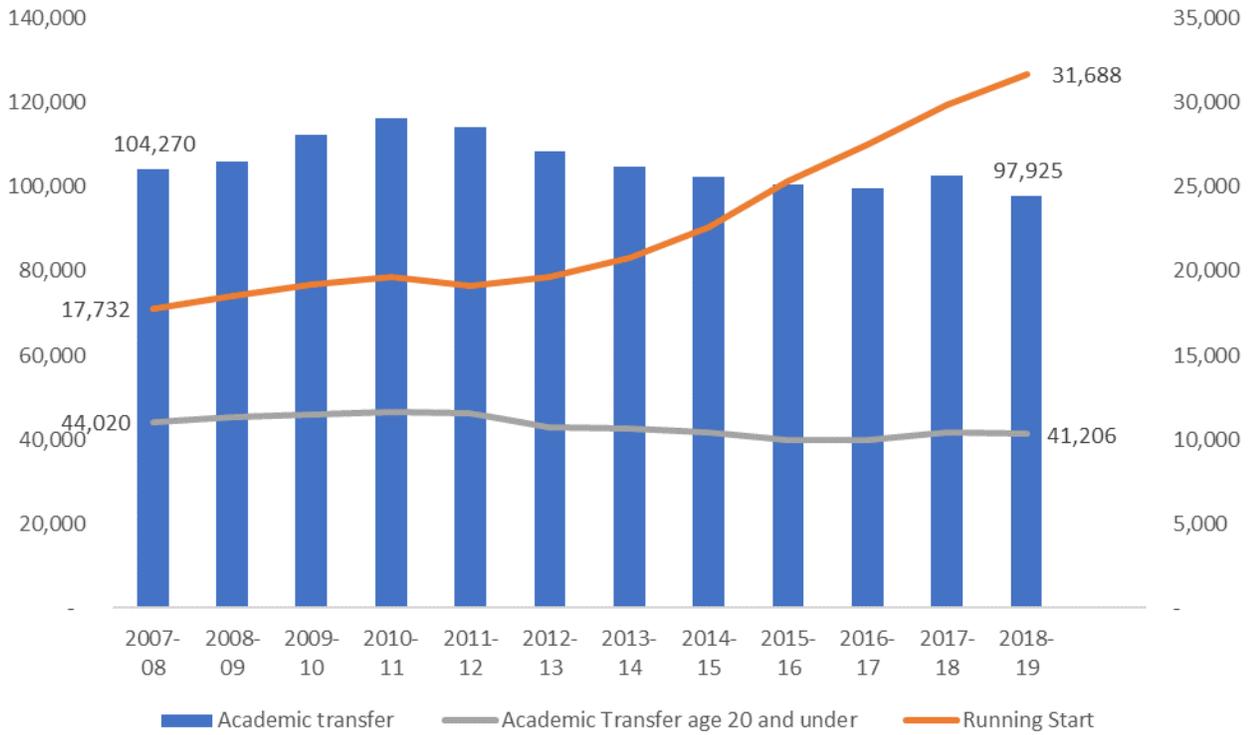
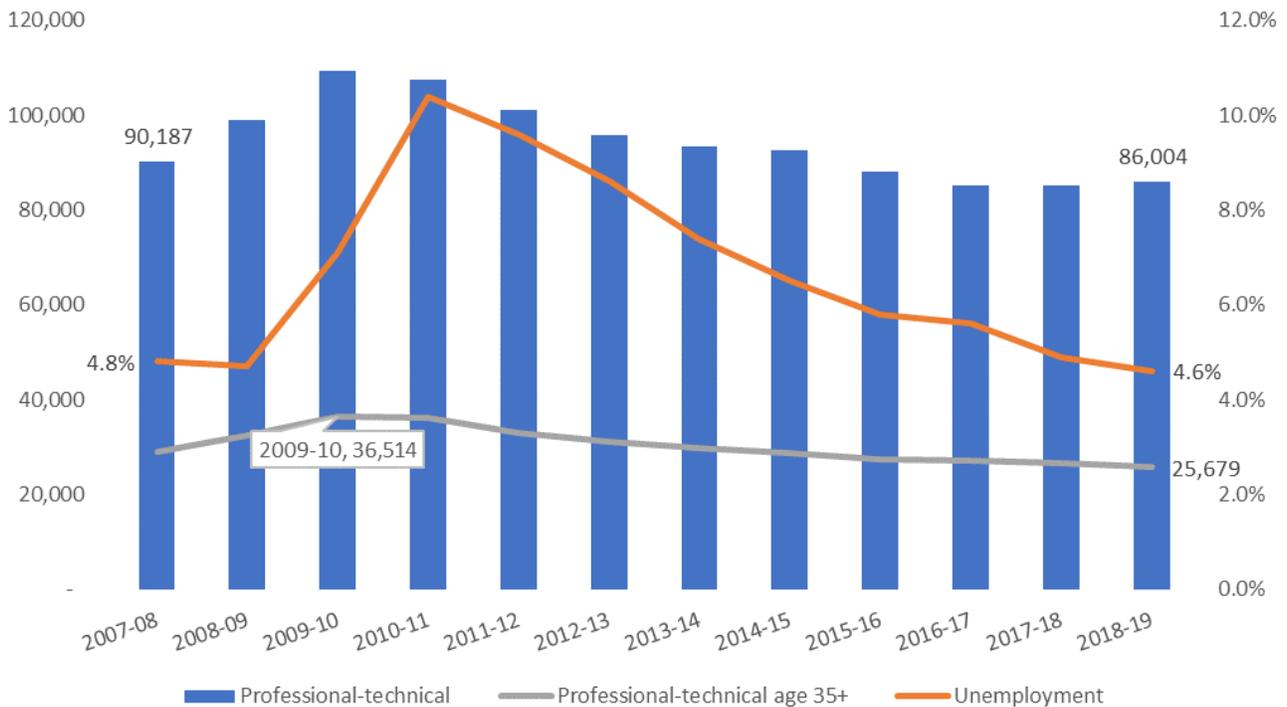


Figure 15. Credential-seeking professional-technical mission area and unemployment



## Summary and key takeaways

The years surrounding the Great Recession saw unprecedented enrollment growth, none more so than in the two-year sector. However, in the years following the economic recovery, national enrollment levels have been in a steady decline and most so in the private, for-profit, and two-year sectors. Rising costs, changing demographics, and an expected decline in the traditional college-going aged population all suggest this post-recession time period represents a new normal of higher education enrollment.

Enrollment patterns in Washington state are similar to those nationwide, with the largest decline over the past ten years in the two-year sector, steady growth overall in the public four-year institutions, and declines in private four-year institutions. The pipeline of high school seniors has steadily grown in the past five years, but only for historically underrepresented groups. White students, who traditionally have been the largest group enrolled in college, have declined two percent. The percent of recent high school graduates who enroll in college has remained steady at about 60 percent the last several years, but there has been a marked increase in the share who enroll in a four-year public institution and decline in two-year enrollments.

Part of this shift is likely due to the growing popularity of dual enrollment (specifically Running Start), which has nearly doubled in the past ten years. Combined with increased enrollment, Running Start students are taking larger credit loads at the community and technical colleges and finishing the associate degree in greater numbers each year. This means a shift in the proportion of students who attend the CTC's under dual enrollment versus as a state-funded, tuition-bearing student. Asian, white, Hispanic, and students identifying as multi-racial have increased the most in dual enrollment, but historically underrepresented groups still lag behind in overall numbers. It is critical that any strategy concentrated on increasing dual enrollment focus intensively on underrepresented students as population trends suggest this is the area of expected growth. Specifically, Hispanic student enrollment in the CTC's has increased over 50 percent in the past ten years, while white and American Indian student enrollment has shown the greatest decline.

Another key pipeline of students for focus are Basic Education for Adult (BEaA) students. The CTC's enrolled over 60,000 students BEaA in 2018-19, which is double the number of Running Start students in a year. Federal funding policy for BEaA, which includes requirements for preparation for college-level work, creates opportunities for a large number of college-ready students to target for enrollment. The colleges can further this work by expanding efforts to help students complete a high school credential and enroll directly into a college program through I-BEST programs as well as utilize Ability to Benefit to help those without a high school diploma.

In the period before the recession, enrollment flourished with large numbers of credential-seeking students as well as non-credential students attending part time and enjoying low tuition rates. The recession drove up unemployment and subsequently enrollment, but rising tuition costs in conjunction with state budget cuts essentially eliminated the part-time/casual enrollment population. Post-recession, younger students (traditional college-aged population) pursuing academic transfer degrees continue to be a stable enrollment group, but as noted above, fewer students are enrolling in the two-year sector directly out of high school. This reinforces the need to focus strategic enrollment efforts on the growing populations of underrepresented students who are not currently participating in college in large numbers.

Professional-technical credential-seeking student headcount has declined the past ten years along with a lower unemployment rate, but not as drastically as in other enrollment areas. Students aged 35 and older have declined nearly 30 percent since the enrollment peak. Older students tend to have lower retention

rates than younger students, and the gap grew during the years following the enrollment boom. With a strong economy it is significantly more challenging to recruit and retain older students who may also have a family to support. For them to choose to enroll, something either has to happen (such as a job loss) or there must be a significant benefit to offset the opportunity cost. An increased focus on applied baccalaureate (AB) degrees offered at the CTC's is a possible strategy for not only new enrollments but re-engaging students with an existing credential to increase their educational attainment. AB programs are offered in the local community and provide expanded options for historically low-wage programs as well as those needing management skills built upon technical content.

Another strategic enrollment objective focused on adult re-engagement is to target the population with some college credits but no credential, with an emphasis on closing the equity gap. The strategies in this area focus on equity-minded efforts to reduce barriers and ensure greater access to education utilizing a variety of modalities. In addition to marketing strategies for underserved populations, a focus on the new Washington College Grant should be a priority strategy to ensure students have the financial support they need to not only enroll, but complete a credential.



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<sup>i</sup> <https://studentaid.ed.gov/sa/about/data-center/school/ge>

<sup>ii</sup> <https://www.nacubo.org/Research/2019/NACUBO-Tuition-Discounting-Study/Tuition-Discounting-Study-Infographics>

<sup>iii</sup> [https://cdn.ey.com/parthenon/pdf/perspectives/P-EY\\_Strength-in-Numbers-Collaboration-Strategies\\_Paper\\_Final\\_082016.pdf](https://cdn.ey.com/parthenon/pdf/perspectives/P-EY_Strength-in-Numbers-Collaboration-Strategies_Paper_Final_082016.pdf)

<sup>iv</sup> <https://scholars.unh.edu/cgi/viewcontent.cgi?article=1230&context=carsey>

<sup>v</sup> <https://www.usnews.com/news/education-news/articles/2019-03-22/college-closings-signal-start-of-a-crisis-in-higher-education>

<sup>vi</sup> <https://nscresearchcenter.org/some-college-no-degree-2019/>

<sup>vii</sup> <https://www.census.gov/library/publications/2018/demo/p20-580.html>

<sup>viii</sup> <https://www.ofm.wa.gov/washington-data-research/population-demographics/population-forecasts-and-projections/state-population-forecast>

<sup>ix</sup> Ibid

<sup>x</sup> <https://www.doleta.gov/wioa/>

<sup>xi</sup> <https://www.sbctc.edu/colleges-staff/programs-services/i-best/>

<sup>xii</sup> <https://www.sbctc.edu/colleges-staff/programs-services/student-services/ability-to-benefit.aspx>

<sup>xiii</sup> <https://www.sbctc.edu/resources/documents/colleges-staff/research/enrollment-research/19-5-annual-enrollment-summary-2018-19.pdf>