



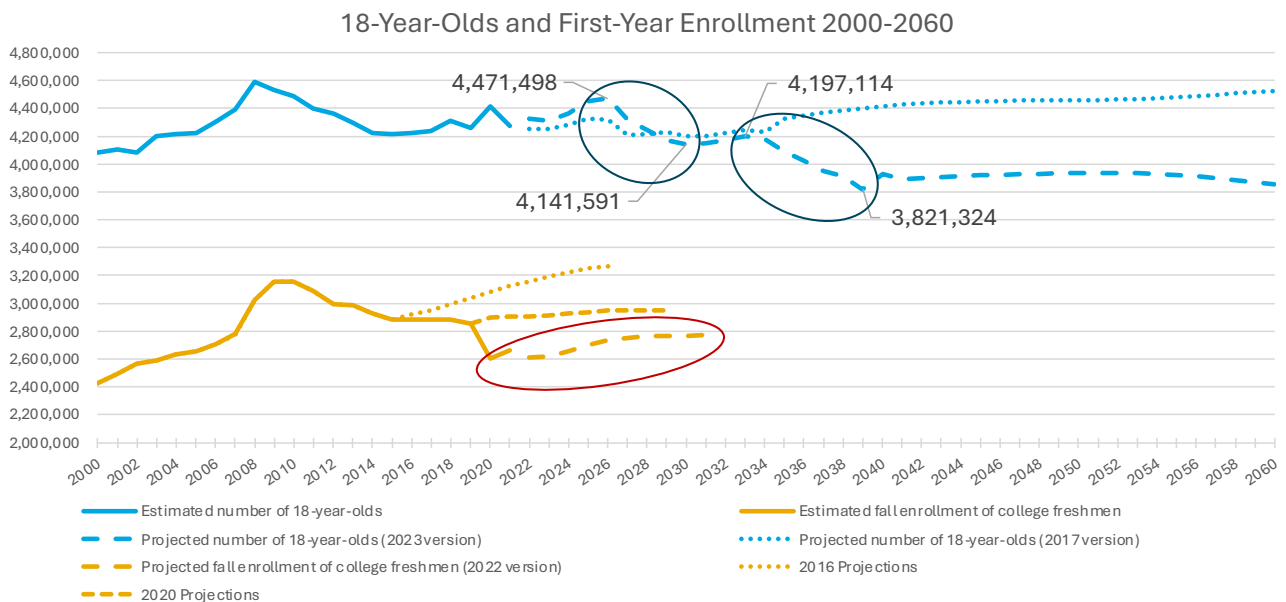
Two Demographic Cliffs? How to Diversify Student Audiences and Prepare for the Future

How many times have we all read about the demographic cliff? With so much attention, we may have become desensitized to its implications, but just as we approach 2025, the first year of contraction, new data indicate that institutions will be contending with steady contraction for most of the next 15 years.

While the pandemic demonstrated just how nimble colleges and universities can be, many continue to focus primarily on a traditional experience for undergraduates, with their other “revenue streams” (e.g. graduate programs, online programs) being secondary. As institutions seek to recoup what is likely to be an unavoidable undergraduate contraction, bringing these audiences to the center of strategic planning (with adequate resources) is essential.

New Data: In February, the U.S. Census Bureau released new population projections, the first to be based on the 2020 rather than the 2010 census, **that indicate that two years after the first cliff ends (in 2030) another will begin and last until 2039.** The blue lines in the chart below present projected numbers of 18-year-olds with the old projection (dotted line) and the new revised projections (dashed line). The orange lines display U.S. Department of Education (IPEDS) projections for first-year students, as projected in 2022, 2020, and 2016 (orange). The data indicate that each time the department does its projections, they are overly optimistic.

Two Demographic Cliffs



Demographic data and higher ed projections originally published: Colleges Were Already Bracing for an ‘Enrollment Cliff.’ Now There Might Be a Second One. *The Chronicle of Higher Education*, 2/7/2024

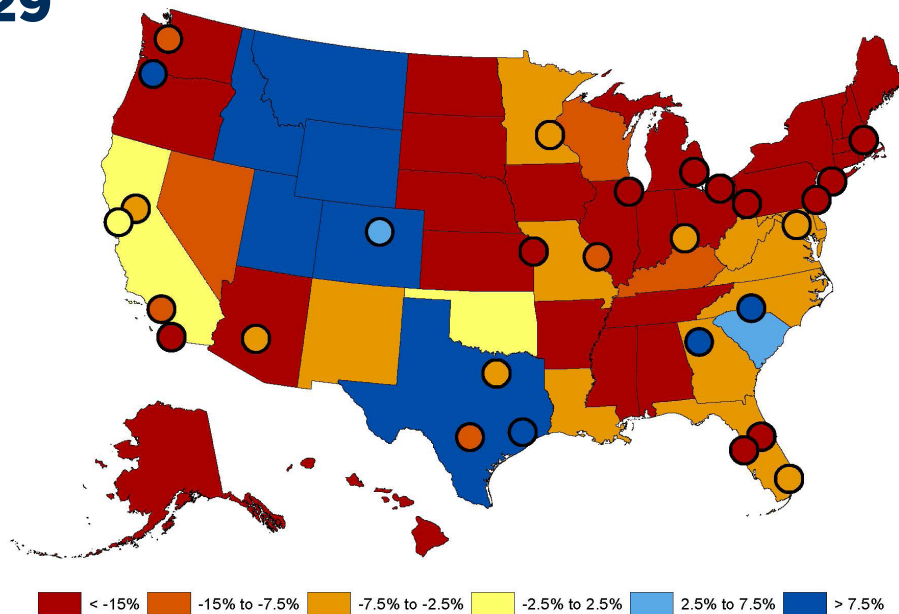
BY THE NUMBERS	NET NEW 18-YEAR-OLDS	PERCENT CHANGE
2026-2030	-329,907	-7.3%
2030-3033	55,523	+1.3
2033-2039	-375,790	-9.0%
Total Change (2026-2039)	-650,174	-15%%

Uneven Change

Nathan Grawe’s 2018 book *Demographics and the Demand for Higher Education* provides the most comprehensive analysis of what is on the horizon for American colleges and universities. His state-level projections of change among “college-going” students (calculated using data on 18-year-olds and the other hypotheses laid out in the book) indicate uneven change among the 50 states, with many facing even more contraction than the average. He states, “When population figures are adjusted for the probability of college-going, the situation looks a bit worse in two-thirds of the locations.”

Twenty-seven states are projected to see more than a 15 percent contraction in college-going students (nine west of the Mississippi, 15 east of the Mississippi) while three more will see as much as 15 percent. Eleven states will see lesser contraction. Only nine states are projected to see growth, indicating that for most of the country, enrollment stability (or growth) will require institutions to rethink how they attract and enroll students—or lower their entrance requirements in order to fill their classes. In what follows, we offer a way forward.

Forecasted Growth in College-Going Students, 2012-2029



Source: Nathan Grawe, Carleton College. As published in *Demographics and the Demand for Higher Education*, Johns Hopkins University Press, 2018.

What to Do

Institutions should clearly take steps to maximize enrollment among their traditional undergraduates, but perhaps more importantly they must take steps to diversify and strengthen alternative student audiences. With this in mind, we present two sets of action steps for consideration.

Diversifying Alternative Student Audiences

1) Expand online programming. Three years after the pandemic, 3.1 million undergraduates (1.1 million more than before the pandemic) and 1.2 million graduate students (245,000 more than before the pandemic) opted to enroll in fully online study according to an RNL analysis of IPEDS data. Institutions without online bachelor's programs in high demand or career-relevant subjects are denying themselves their share of what is now 24 percent of the undergraduate market. Institutions without similarly attractive online master's programs deny themselves as much as 40 percent of the graduate education market.

On which programs should institutions focus? Among the 15 most popular online programs at both levels are: business administration, computer science, accounting, psychology, nursing, and healthcare administration. Institutions seeking to differentiate their programs should not look for niche topics but should ensure that high demand programs offer features and specializations that do the work to distinguish programs in a crowded market.

2) Focus on master's programs that will advance careers. RNL's most recent research indicates that every one of the 15 most popular graduate programs are directly career related, and that all but 11 percent enroll for a career-related reason. "Future employment opportunities" was only superseded in importance in students' enrollment decisions by "cost."

Institutions need to ensure that the curriculum for their master's programs is infused with career-relevant skills, strategies, and practical, career-related simulations. They must also ensure that messaging leads with these career preparation aspects. Institutions that resist the idea that the primary mission of graduate education (or, increasingly, undergraduate) is to prepare students for successful careers will lose to programs that embrace this mission.

3) Align graduate and online programs with student expectations. Graduate enrollment appears to be returning to pre-pandemic incremental growth rates. Online enrollment, while being well ahead of pre-pandemic numbers, has (technically) contracted for the second year in a row (due to more than 10 million students being forced into online study in 2020-2021.) There is also more "choice" than ever before. A recent analysis by Robert Kelchen indicates that in the last decade, about 400 new graduate programs have been launched each year. Since the pandemic, almost 1,000 new programs are now available, while there are only an additional 42,652 students.

How do institutions "win" the student under these conditions? Align programs with the expectations and needs of students—as stated by the students, rather than by your instinct about what they need. RNL's national studies of online students and graduate students provide in-depth insights into what students expect in their program. The most important factors are:

- programs that prepare students for careers—including applicable skills
- programs that respond quickly to inquiries, subsequent questions, and applications
- programs that maximize affordability through tuition, aid, credit transfer policies, and reasonable credit requirements
- programs which enable students to “customize” their content to match their interests through concentrations, electives, and options in culminating experiences

4) Develop strategies to attract those with some college, no degree. In a recent analysis of anticipated regional and national population trends over the next decade (2024-2033), RNL research indicates that in nearly every area of the country, the age groups between 35 and 50 will see the greatest growth. This demographic includes millions of people with some college credit but no degree according to the latest research from the National Student Clearinghouse (NSC). NSC indicates that, in total, there are more than 36 million such individuals, and those in the growing age groups are currently among the least likely to re-enroll.

Institutions that are successful in attracting these students will need to a) create programs that maximize acceptance of prior credit, offer the lowest possible tuition, and clearly prepare students for their next career move; b) create messaging focused on affordability, career-relevance, and respect for past work that resonates with this audience; and c) leverage sophisticated persona-based marketing that connects with the right audience.

5) Bring graduate, and online, and other population operations in from the cold.

I recently wrote about the importance of bringing graduate (and online) operations “in from the cold,” meaning fully funding and centralizing the marketing, enrollment, and other functions. Why? Because graduate and online programs are no longer “extra” or peripheral to enrollment health but are critical to meeting goals and budgets. As such, they cannot be left to figure out best practices that result in strong enrollment on their own. This is why most institutions do not have each school or department figure out their own marketing, recruitment, or enrollment strategies for their undergraduate students.

6) Bring AI into your programs. AI is everywhere and recent surveys of 2023 graduates indicate that more than half (52 percent) are worried that they have not been prepared to use AI in the jobs they are about to seek. They are not wrong to be worried. A recent analysis of employer survey data shows nearly three-quarters indicate that hiring new employees with AI expertise is a priority. Institutions need to be sure that programs are incorporating AI into assignments and other aspects of their curriculum if they are going to fulfill their mission to prepare students adequately for the workforce.

7) Infuse AI into your operations in order to maximize conversion—and enrollment. Institutions face relatively flat enrollment, limited budgets, and very “choosy” students. At the same time, AI is advancing by leaps and bounds, which can play a leading role in increasing the number of students who choose your program over the others they are considering—thereby converting more students from your funnel.

AI is already helping forward-leaning institutions to: 1) have easier access to and analysis of their own data (thereby making data-driven decision-making easier than ever); 2) provide virtual assistance to prospective students through vastly improved AI-chat experiences (thereby accelerating responsiveness and meeting student expectations); 3) free up recruiters to conduct in-depth conversations on specific issues for which students want to interact with a human (thereby enhancing the personalization that students expect); and, 4) provide real-time information to recruiters and counselors on things like the competitive advantages of their programs in comparison with others in order to win more students to the program. In the not-so-distant future, AI could also play a leading role in going well beyond the development of program-specific communications flows to being able to create and administer student-specific communications flows.

Maximize Undergraduate Enrollment

8) Expand access to online courses. We have already addressed the need for institutions to offer greater numbers of fully online programs—at both the undergraduate and graduate levels—but it is also becoming clear that institutions must pay concerted attention to significantly expanding student access to online courses within otherwise classroom programs. In the three years since the high point of the pandemic, undergraduate student enrollment in fully online study (“all distance courses” in IPEDS parlance) has seen a strong (although not complete) correction to pre-pandemic trends, but enrollment in “some distance courses” continues to rise. A high-level RNL analysis projects that demand for programs in which students can take “some distance courses” within classroom programs may overtake fully classroom programs as early as 2030.

Institutions should recognize that pandemic-era experiences of undergraduate students may not have been as bad as many think. Although traditional students were eager to return to campus, many campuses report interest among these students in taking some of their courses online (typically their general education requirements or other entry-level courses). Institutions that do this are likely to “win” the student over those who rigidly adhere to the maxim that the best learning occurs in the classroom only.

9) Apply digital marketing techniques used among other populations. Undergraduate admissions offices are increasingly concerned about the effectiveness of list-based marketing (using the SAT or ACT participants lists.) While reports differ on whether the lists are getting smaller, the total number of standardized test takers has gotten smaller in recent years, and various states are considering regulations of “digital privacy” which may include access to such records. While the list size may rebound as institutions follow the lead of the prestigious schools in reinstating their standardized test requirement, savvy institutions are realizing that traditional students are researching their options the same way they do everything else (and the same way adults have researched programs for many years): online.

Institutions need to apply the same techniques used to raise their visibility among online, graduate, adult, and other populations to their traditional audience. Perhaps most important is search engine optimization (SEO) to ensure that programs of interest rise to the top of search results. Paid digital marketing strategies that showcase your programs and your campus experience on the sites and platforms students frequent will also help students broaden their consideration set. As institutions increasingly vie for a smaller number of students, the application of these strategies will help them draw an even wider array of students to their campuses.

10) Increase the focus on retention and success. Student retention has always been an important aspect of institutional effectiveness, but in the oncoming period of enrollment contraction, it also becomes vital for institutional health. Every student that an institution retains through to graduation is one less student they need to find in a future enrollment period. Institutions should be taking an increasingly sophisticated approach to tracking retention and graduation metrics with the same vigor and accountability as new student enrollment.

While current efforts are often “housed” outside the enrollment operation (in favor of some other student success operation in Academic Affairs), it is increasingly important that enrollment and retention take a fully coordinated approach for the benefit of institutional health. Institutions must invest in early alert systems (this is where emerging AI technology could be particularly promising) and track reenrollment metrics as part of their weekly operational cadence, with dedicated outreach campaigns.

11) Maximize the enrollment team and cross-train your staff across student populations. While the student demographic cliff(s) have been discussed extensively over the last few years, there has been considerably less discussion of the accompanying employment cliff. Many industries are already facing a worker shortage. The higher education sector is also feeling the pinch of too few—or too few qualified, ready, and able—candidates for open positions. Multiple specialized units (graduate, undergraduate, online, continuing education, etc.) will need to give way to holistically trained enrollment staff who can work across silos to achieve institutional goals.

As the expectations and preferences of the student populations converge—with traditional-age students increasingly moving toward nontraditional populations in terms of how they look for schools, how they make their enrollment decisions, what they expect during the enrollment process, the types and topics of the programs in which they want to enroll, etc.—this will be an easier process than it may seem today. From an HR perspective, it is the only sustainable path forward as we confront the aftermath of fewer graduates from our institutions.

12) Grow fundraising and alumni engagement. Another strategy in diversifying institutional revenue streams, but one outside of enrollment operations, is to increase your donor base, your total donations, and grants. In the emerging competitive environment, institutions need to keep the focus on unrestricted donations to maximize their ability to be nimble and apply those funds when and where they need them most. As institutions deal with contracting enrollment, their reliance on leveraging donations to meet operational expenses, or offer innovative new (market tested) programs and initiatives, or to “sweeten the deal” for scarce undergraduate students, they should evaluate the interconnectivity of development and enrollment operations. Bringing these teams together may yield even more ideas for revenue generation and student stories that will resonate with potential donors.



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About the Author



Scott Jeffe: Scott Jeffe is the principal researcher for this report. He is vice president of graduate and online research at RNL. Over more than 25 years, Scott has worked with nearly 400 institutions in 40+ states to apply market data to strategic decision making in relation to graduate, adult undergraduate, and online programs. In these experiences, he has developed expertise in how institutions can align with student demand while upholding institutional mission and values. He contributed the chapter on graduate and online enrollment to RNL's *Strategic Enrollment Planning: A Dynamic Collaboration* (3rd Edition) and has been the principal researcher for RNL's *Graduate Student Recruitment Report*, *Graduate Marketing and Recruitment Practices Report*, *Online Program Marketing and Recruitment Practices Report*, and *Serving the Underrepresented: A Review of Graduate Student Data*, as well as dozens of RNL blogs and articles.

Dani Rollins: Vice president at RNL, also contributed to the development of the action steps in this report, leveraging her extensive background as an institutional enrollment leader.



RNL is a leading provider of higher education enrollment, AI, student success, and fundraising solutions. The firm serves more than 1,500 colleges and universities through data-driven solutions focused on the entire lifecycle of enrollment and fundraising, ensuring students find the right program, graduate on time, secure their first job in their chosen field, and give back to support the next generation. With a deep knowledge of the industry, RNL helps institutions scale their efforts by tapping into a community of support and resources.

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How to cite this report

RNL (2024). *TWO Demographic Cliffs? How to Diversify Student Audiences and Prepare for the Future*. Ruffalo Noel Levitz. Available at RNL.com/Cliffs.

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