# Survey of the Higher Education Landscape

## Opportunities for Overcoming Enrollment Headwinds in 2022

EDUCATION DYNAMICS

# Foreward

While higher education continues to face headwinds driven by economic, demographic, and social shifts, we are beginning to see some positive trajectory in key areas. While there are significant long-term challenges facing higher education, the current landscape also provides an opportunity for schools to find new ways to deliver education to students.  This is a point of transition for both higher education, overall, and for today's students.

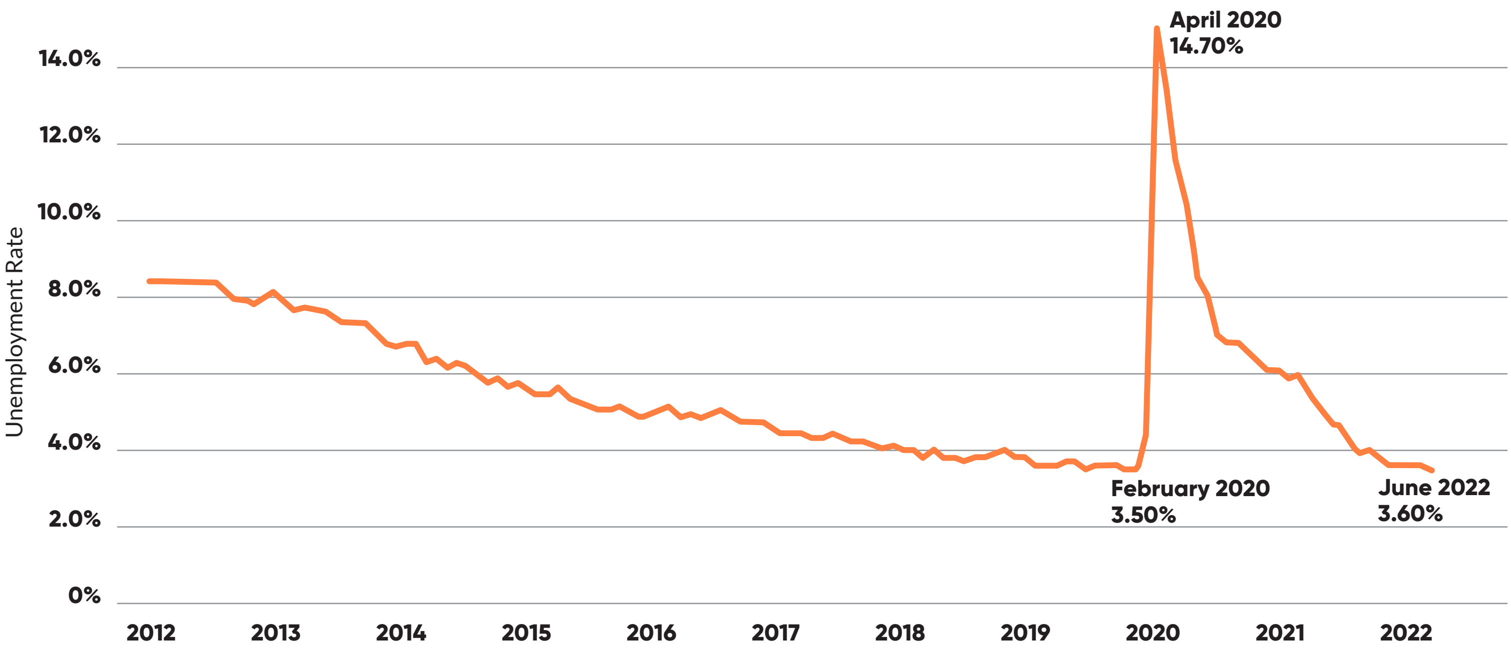
During this period of transition, the schools that pivot their approach and find new ways of attracting and serving students will position themselves for enrollment stability and sustainable growth.

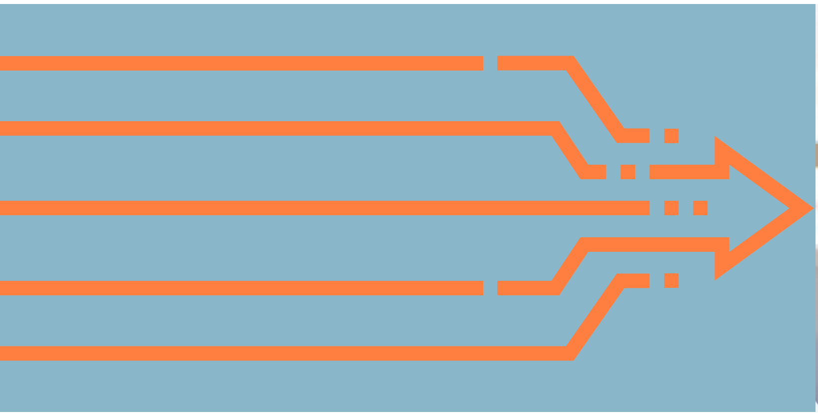
Adults continue to see the value of higher education and are returning to earn new credentials and degrees. However, students are navigating a volatile environment fraught with rising inflation, a job market in flux, and a society experiencing generational shifts in behavior and lifestyle. This year's report summarizes the findings and highlights key areas we believe indicate opportunities in the future.

# ECONOMIC LANDSCAPE

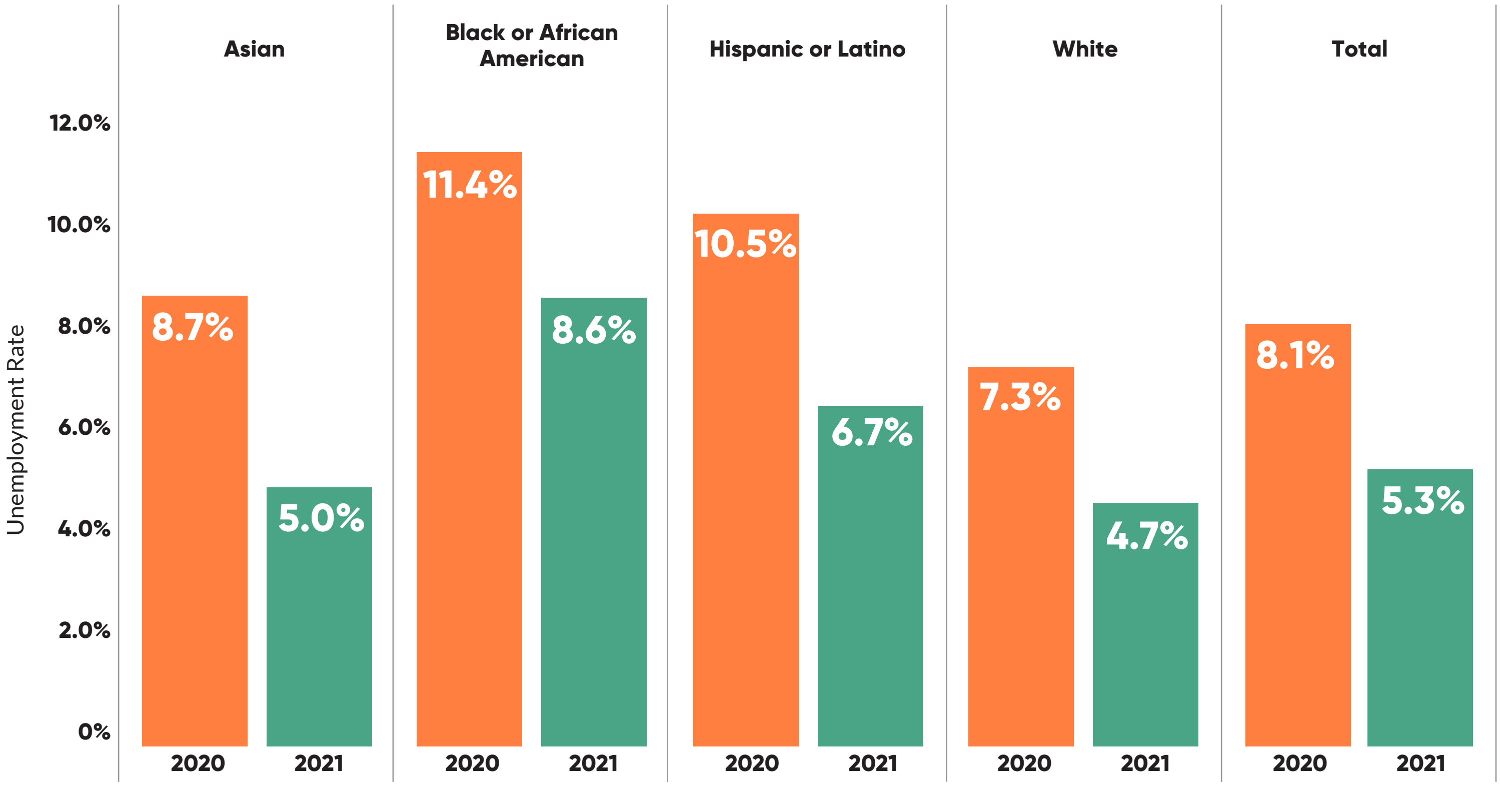
The civilian unemployment rate has finally returned to pre-pandemic levels. After reaching a peak unemployment rate of 14.7% in April 2020 during the height of the COVID-19 pandemic, unemployment returned to 3.6% in June 2022.



Source: U.S. Bureau of Labor Statistics

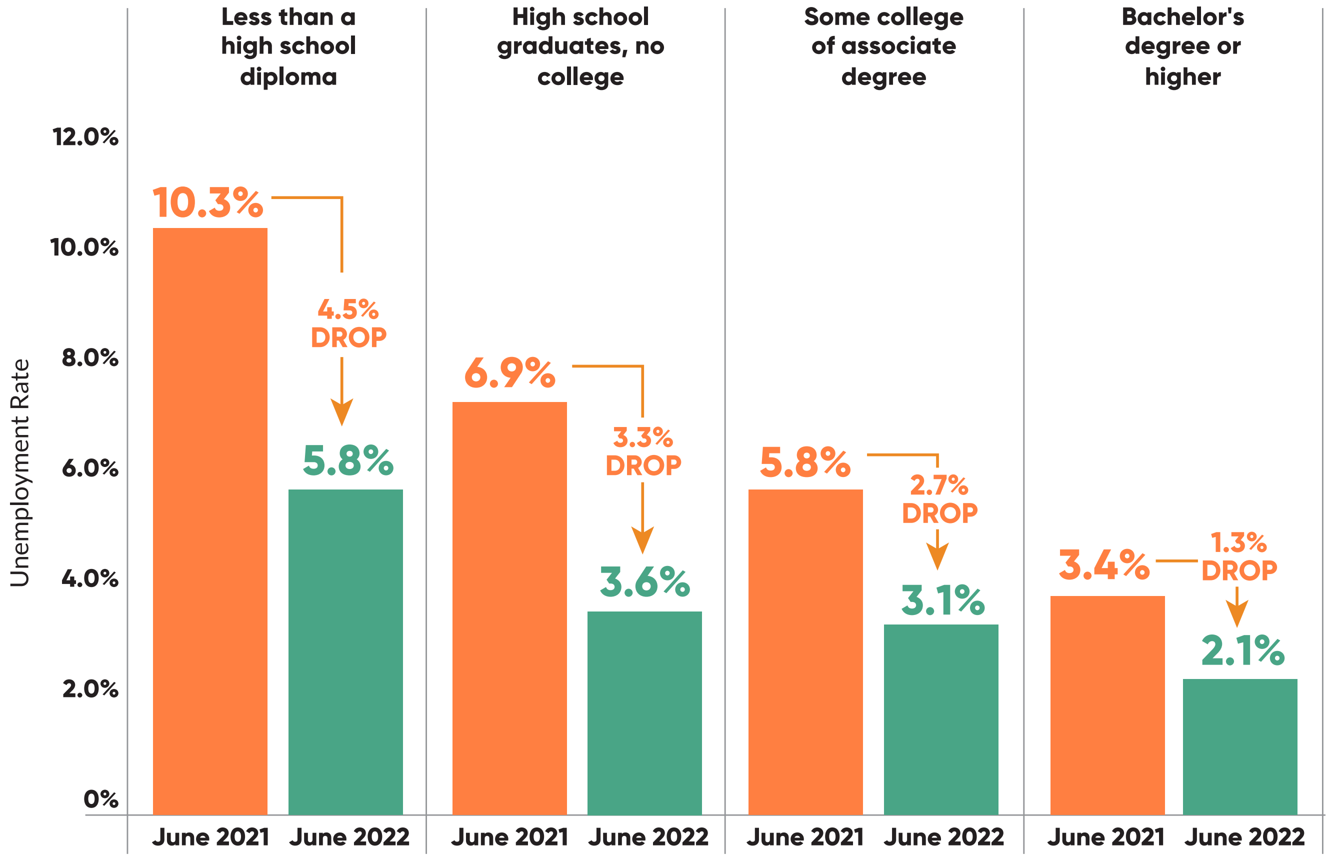



**It is worth noting, however, that Black/African American and Latino/Hispanic individuals still have an unemployment rate over 4%, while Asian and White individuals are below the overall unemployment rate of 3.6% in June 2022. These trends are consistent with pre-pandemic unemployment rates.**

Source: U.S. Bureau of Labor Statistics, Employment Status by Race (bls.gov/cps/demographics.htm#race)

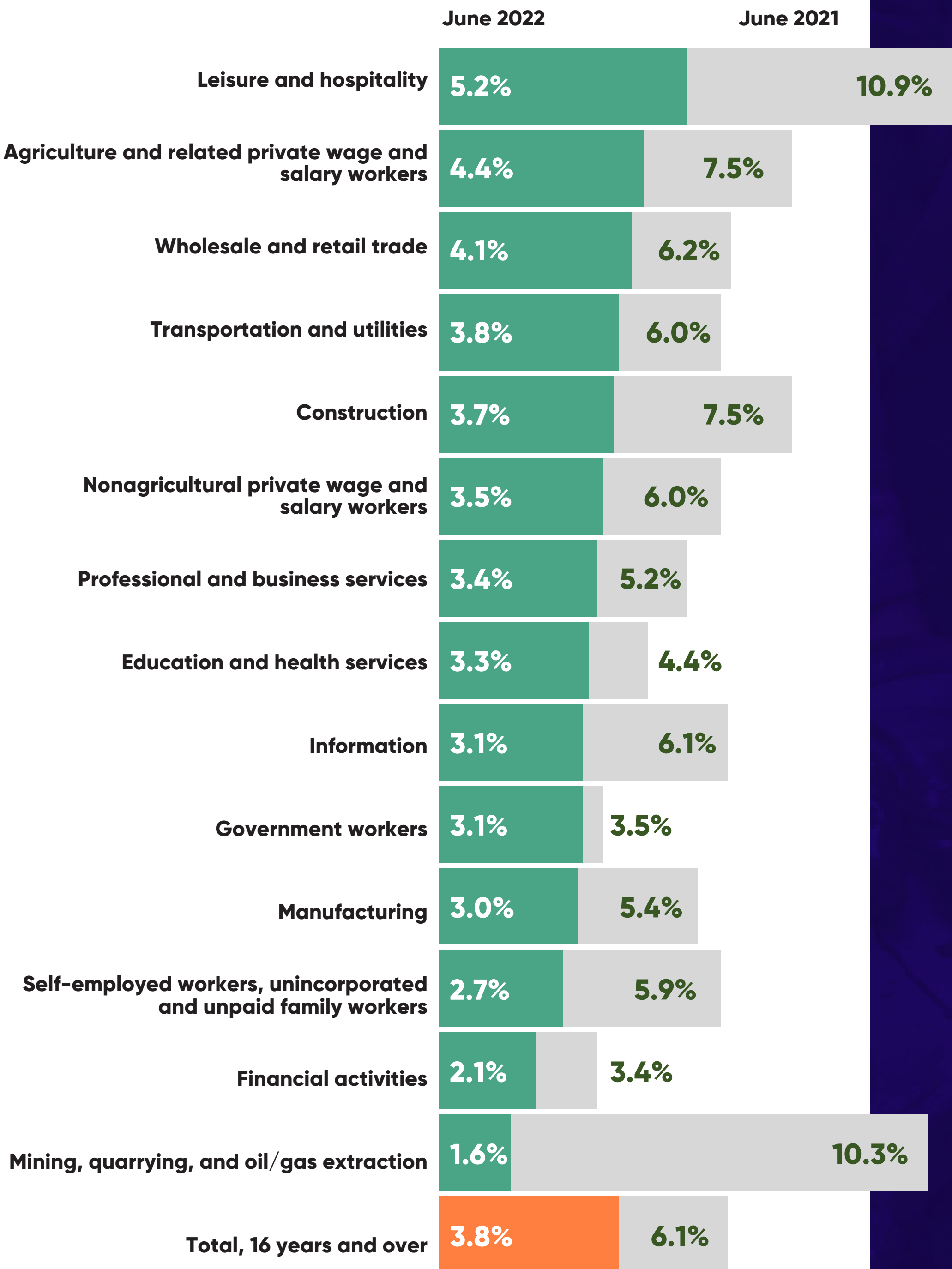
**If we consider unemployment rates by educational attainment, we see that unemployment rates have dropped among all levels, but the largest percent change was among the cohort "high school graduates, no college" with a 47.8% decrease in unemployment between June 2021 and June 2022, or a 3.3% change. This is followed closely by those with some college or associate degree.**




Source: U.S. Bureau of Labor Statistics, Unemployment rates for persons 25 years and older by educational attainment

We can also consider the unemployment rates by industry to understand the difference between unemployment in June of 2021 and June of 2022.



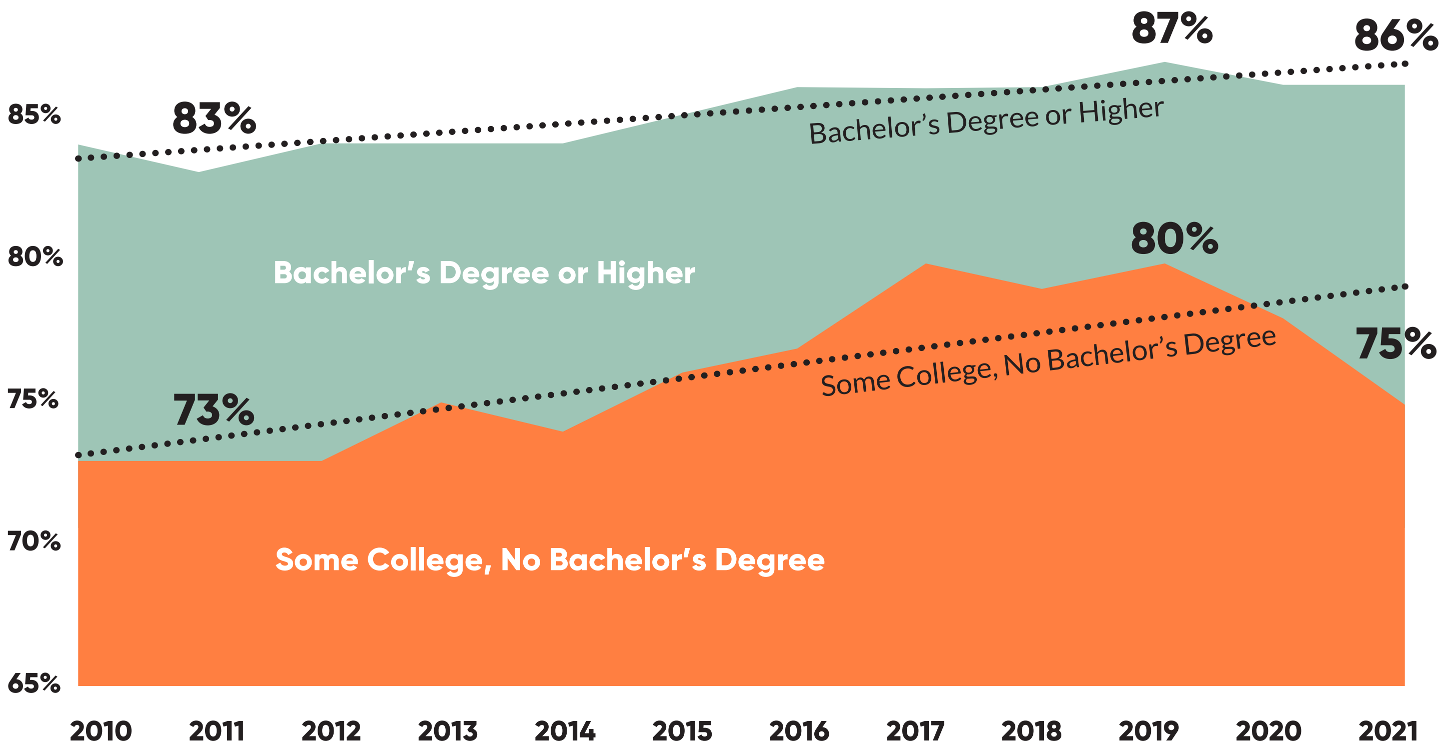

**There is consistent improvement across all industries, with mining, quarrying, and oil and gas extraction displaying the greatest sign of recovery (10.3% in 2021 vs. 1.6% in 2022). Also notable is the leisure and hospitality sector, which experienced a 5.7% drop in unemployment (10.9% in 2021 vs 5.2% in 2022)**

Source: US Bureau of Labor Statistics; Table A-14. Unemployed persons by industry and class of worker, not seasonally adjusted

# EMPLOYMENT

Recovery efforts from the 2008 recession have impacted overall employment rates. The employment rate is the percentage of employed persons in relation to the comparable total population. While employment has increased amongst the educated, those with some college, no bachelor's degree were more impacted between 2019-2021, indicating more volatility amongst this group than those holding a bachelor's degree.



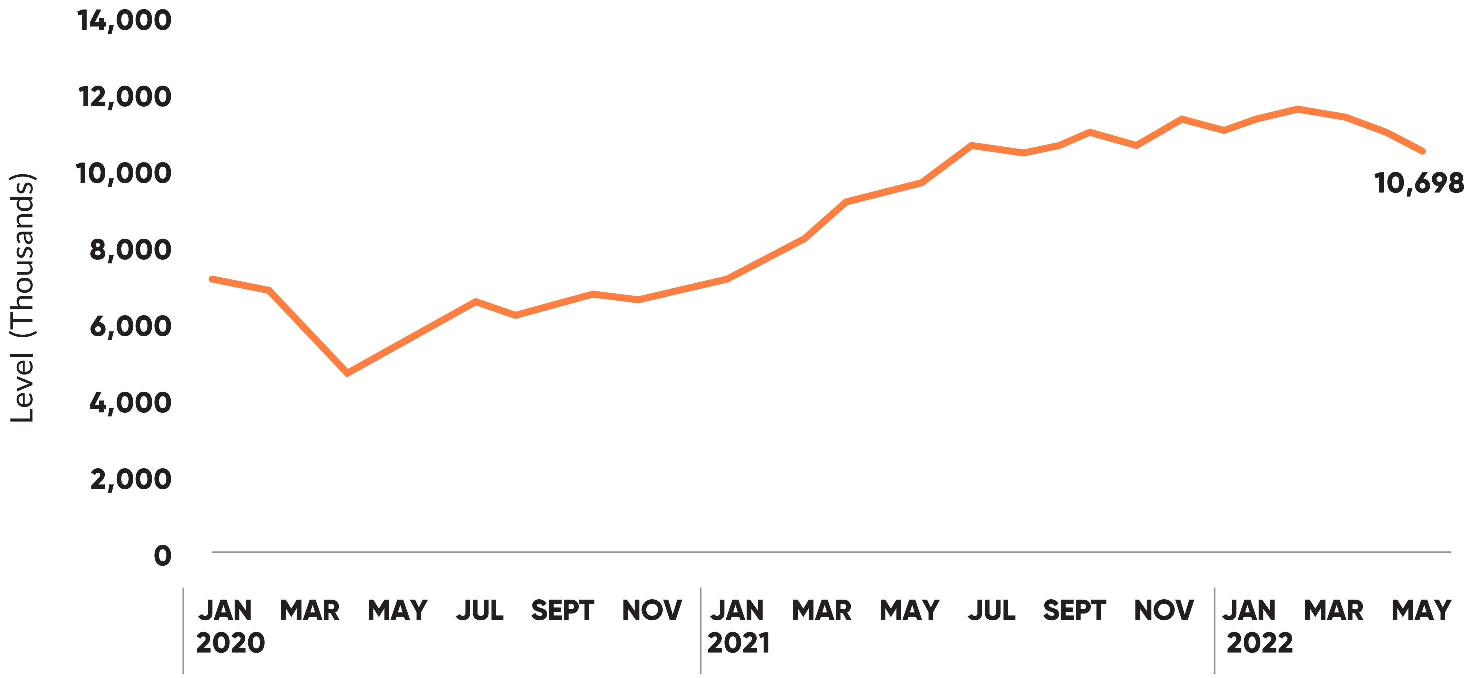

Note: Data are based on sample surveys of the civilian noninstitutionalized population, which excludes persons living in institutions (e.g., prisons or nursing facilities) and all military personnel. The employment rate, or employment to population ratio, is the number of persons in each group who are employed as a percentage of the civilian noninstitutionalized population in that group. "Some college, no bachelor's degree" includes persons with an associate degree. "High school completion" includes equivalency credentials, such as the GED. Caution should be used when comparing 2020 and 2021 estimates to those of prior years due to the impact that the coronavirus pandemic had on interviewing and response rates. For additional information about the impact of the coronavirus pandemic on the Current Population Survey data collection, please see census.gov/programs-surveys/cps/techdocs/cpsmar21.pdf.




Source: U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS), Annual Social and Economic Supplement, 2010 through 2021. See Digest of Education Statistics 2015, 2018, 2019, 2020, and 2021, table 501.50.

## Job Openings

Job openings fell to about 10.7 million in June, 2022, a larger decline than expected—which may indicate some contraction in the labor market. The biggest sector decreases were in retail, a decrease of 343,000, and wholesale trade, with a decline of 82,000. We continue to see increases in the healthcare and social assistance sector, growing by 79,000 job openings in June.



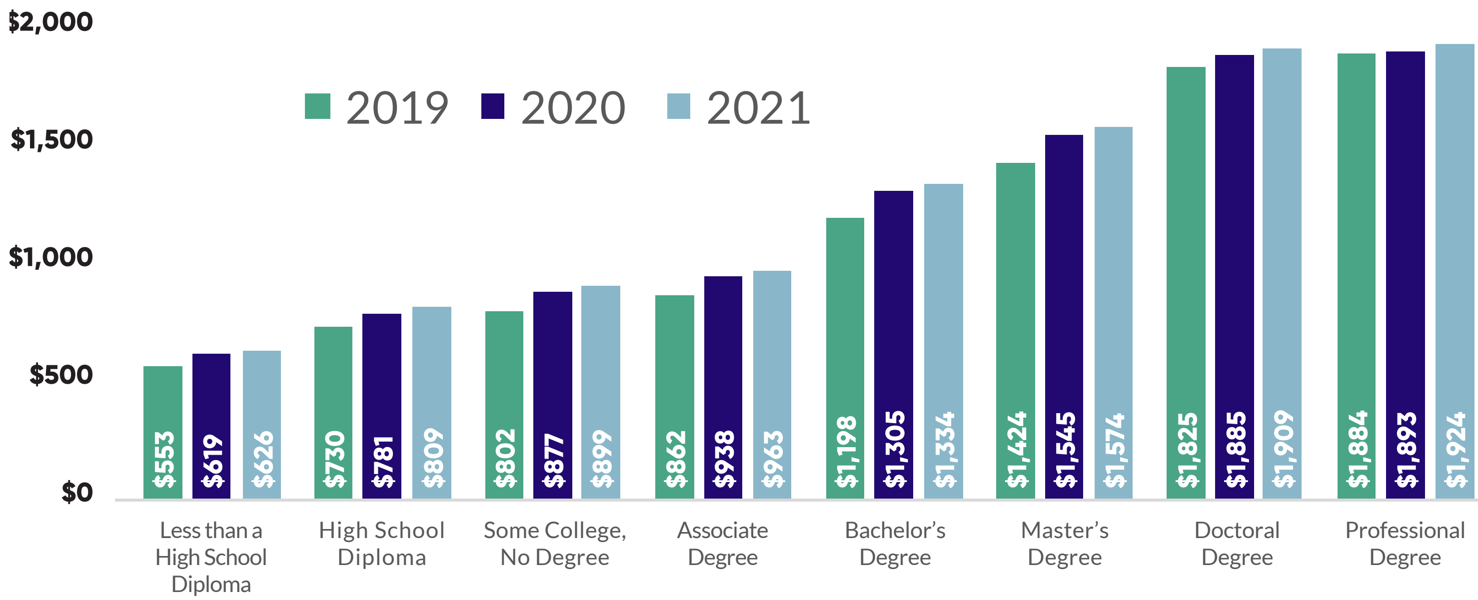



Source: U.S. Bureau of Labor Statistics

## Earnings by Educational Attainment

Individuals have also experienced growth in wages across all educational categories over the last three years, ranging from 2% to 13%. However, those holding graduate level degree have seen the least gains. We expect to see wage increases stabilize, and there is a potential for wages to fall behind surging inflation.

## Median Weekly Earnings by Educational Attainment



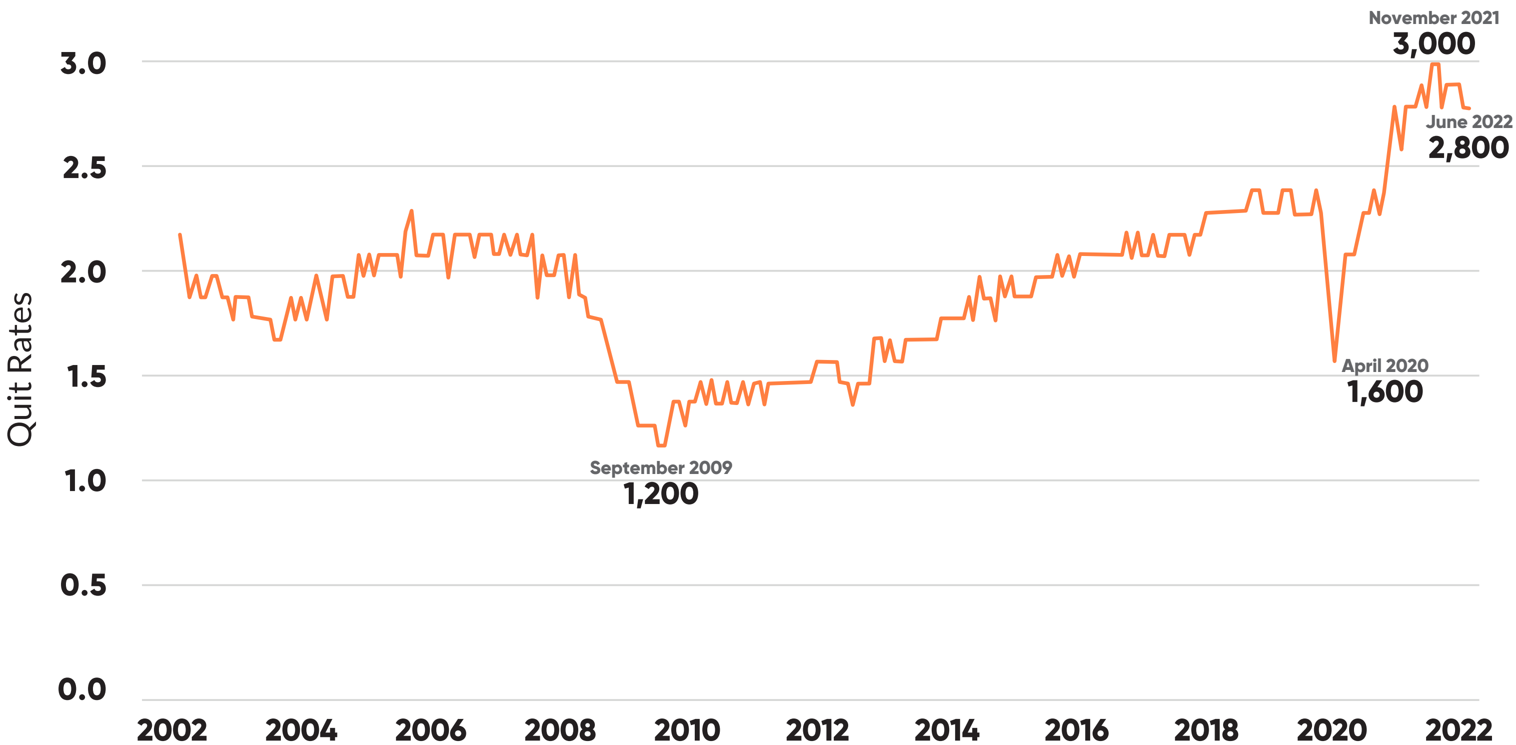

Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.

Source: Current Population Survey, U.S. Department of Labor, U.S. Bureau of Labor Statistics

## The Great Resignation

Following a recession brought on by the COVID-19 pandemic, American workers began to take control of their careers. While some resignations can be attributed to deferred resignations from the early stages of the pandemic, feeling burnt out was another commonly cited reason for resigning.




The "quit rate," reported by the U.S. Bureau of Labor Statistics (BLS) each month, is a measure of voluntary departures from employment (except for retirements, which are reported as other separations).

Quit rates have recently reached a national high since the year of 2000. In June 2022, the quit rate sat at 2.8%. A strong dip in quitting occurred in April 2020 following the recession. However, December 2020 saw only a 2% quit rate. In one year, the quit rate spiked nearly a full percentage following many years of a low, stable quit percentage.

(theguardian.com/business/2021/jul/03/us-jobs-report-june-trend)

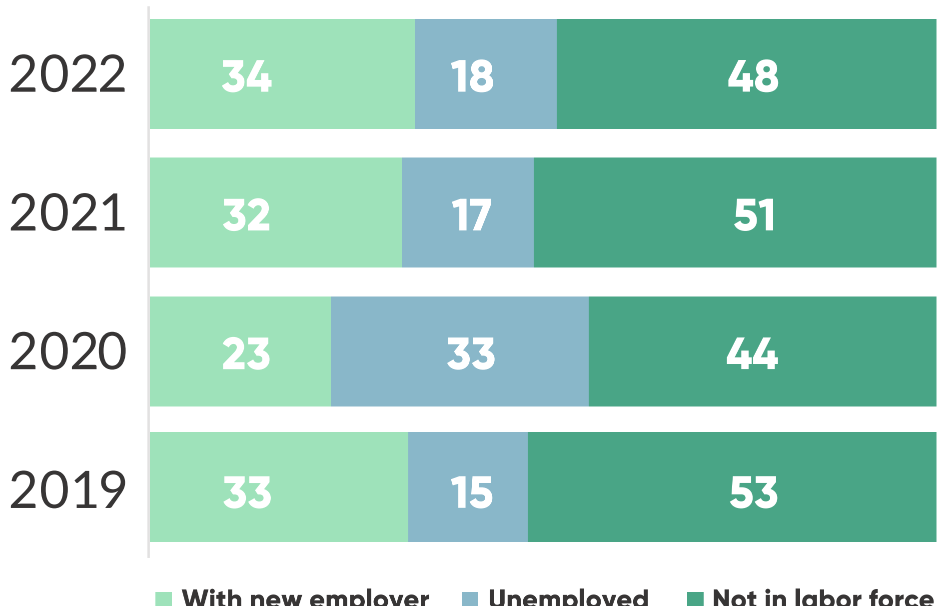
(bls.gov/opub/mlr/2022/article/the-great-resignation-in-perspective.htm)

Source: BLS Job Openings and Labor Turnover Survey (seasonally-adjusted): data.bls.gov/pdq/SurveyOutputServlet

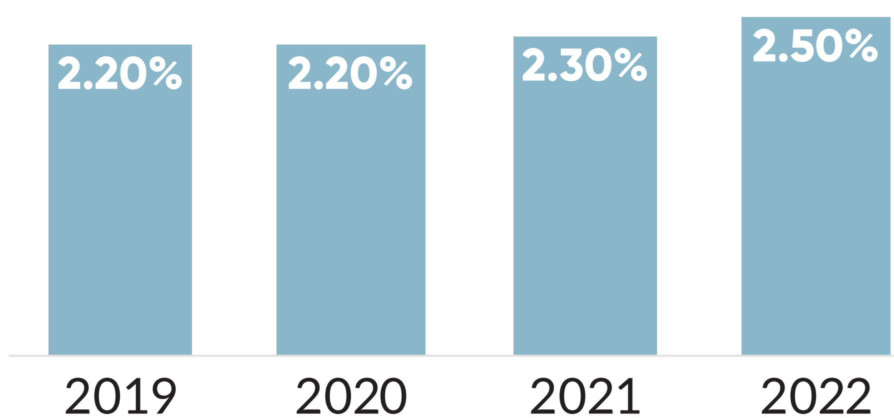
 

## Changing Jobs

The newest Pew Research Center survey found that about one-in-five workers (22%) say they are very or somewhat likely to look for a new job in the next six months. However 37% of workers say they think finding a new job will be very or somewhat difficult.

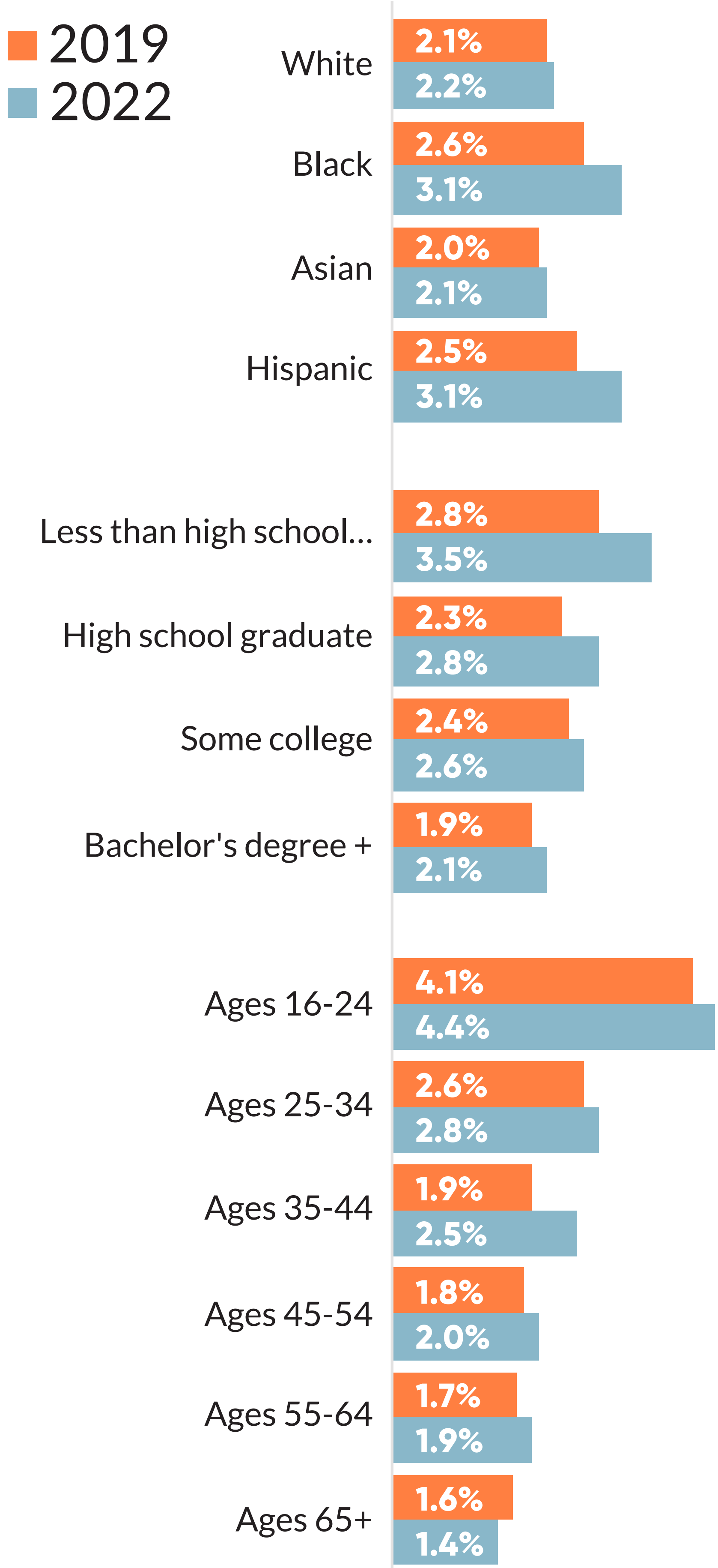



The percentage of workers who changed employers each month has increased from 2.2% in 2019 to 2.5% in 2022 (on average).



Source: Pew Research Center. pewresearch.org/social-trends/2022/07/28/majority-of-u-s-workers-changing-jobs-are-seeing-real-wage-gains/



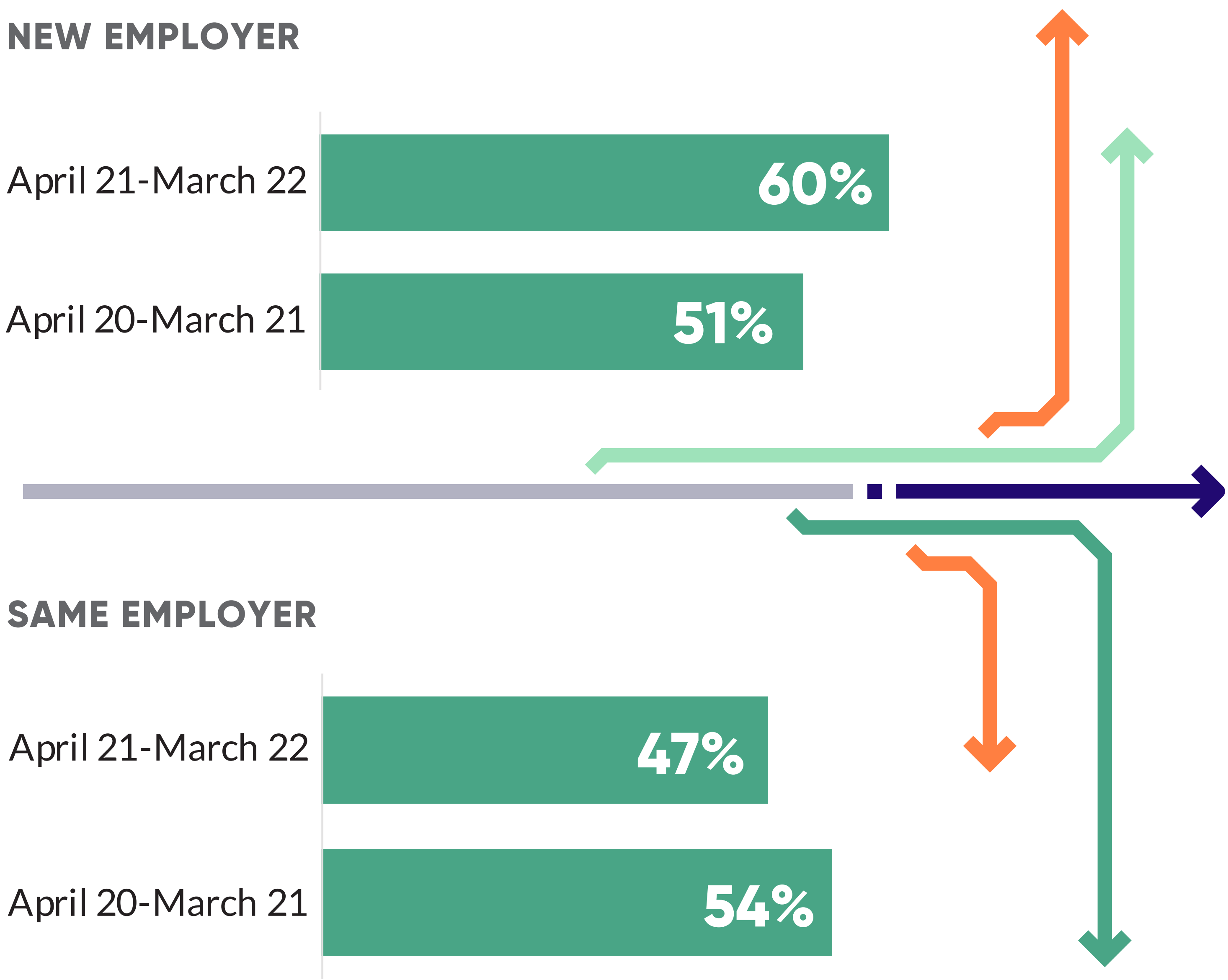

**From a demographic perspective, those most likely to change jobs in any given month include Hispanic and Black workers. We also see that less educated workers, particularly those without a high school diploma, move employers at a much higher rate. Workers holding a bachelor's degree or higher maintained a steady rate of change at about 2.1%.**

Source: Pew Research Center

### Job Changes Have Resulted in an Increase in Wages

With quit rates at a post-pandemic high last year, 60% of workers switching jobs saw an increase in their real earnings over the same month in the previous year, despite the increase in inflation rates.



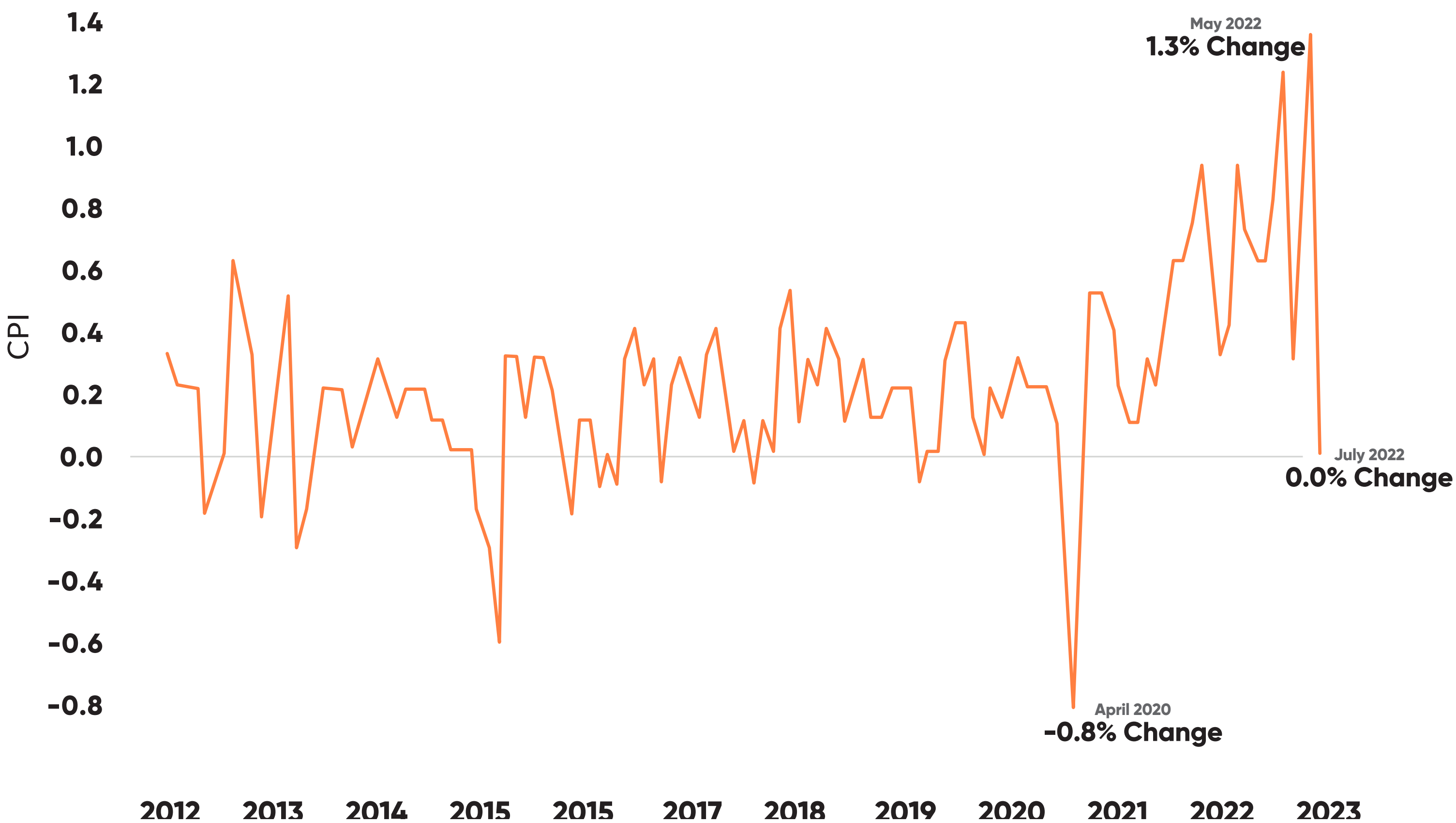

Source: Pew Research Center . pewresearch.org/social-trends/2022/07/28/majority-of-u-s-workers-changing-jobs-are-seeing-real-wage-gains/

## Inflation

Inflation, measured by the Consumer Product Index (CPI), reached a decade-low in April 2020 following the start of the COVID-19 pandemic. The CPI has seen a general upward trend since the –0.8% in April 2020, reaching a decade high of 1.3% in May of 2022.

### CPI for All Urban Consumers




From 2012 to 2019, we do not see a trend positively or negatively when measuring CPI. However, there is a clear positive trend following the dip in CPI in April of 2020. Though this recent positive trend is notable, additional readings will be essential to understand the scope of internal and external pressures that may have contributed to the spike in CPI.

Source: Bureau of Labor Statistics; CPI for All Urban Consumers, all items in US city average, all urban customers, not seasonally adjusted

# ENROLLMENT

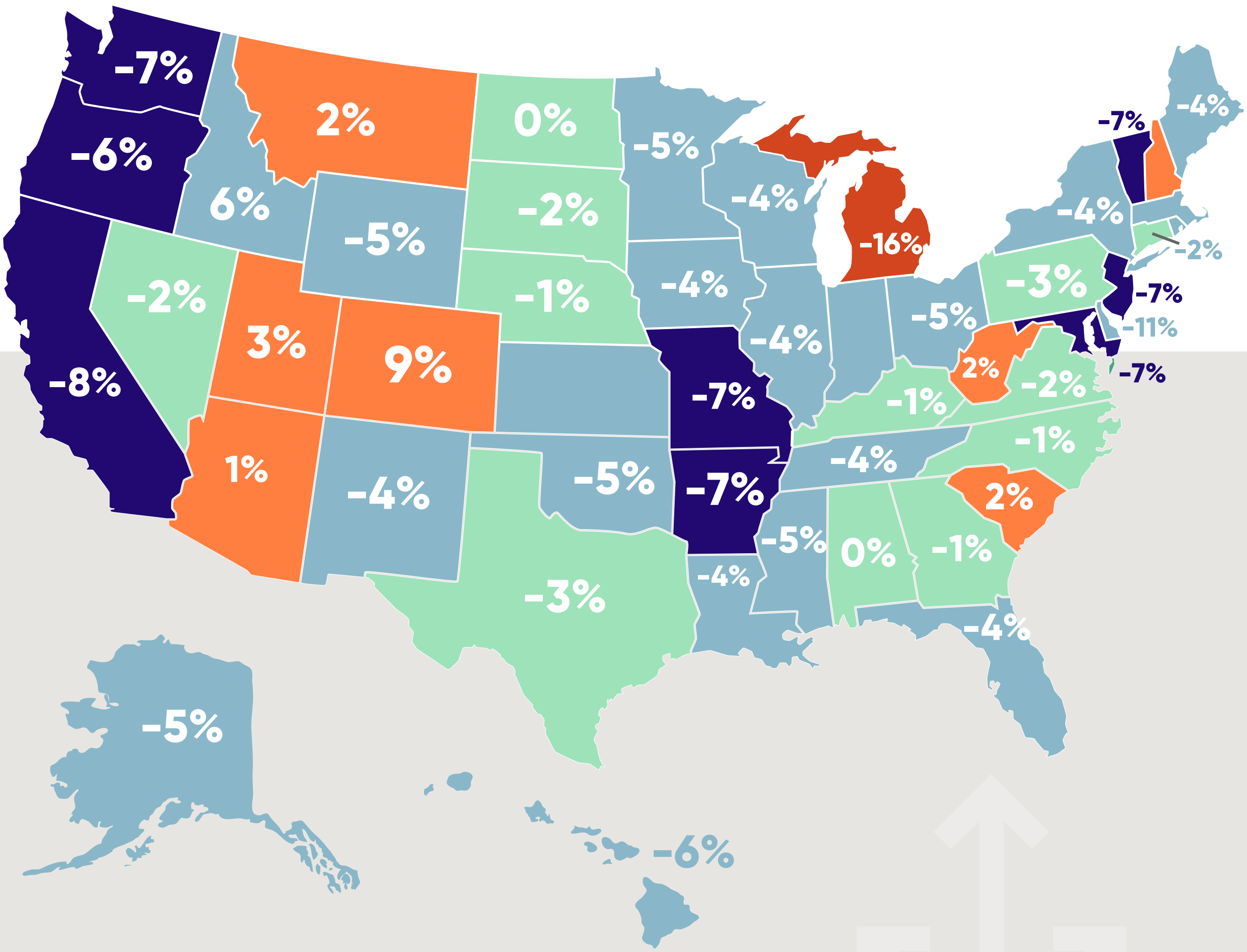
Enrollment numbers continue to decline in the Spring of 2022 with a few exceptions by degrees, including computer science and psychology. By far, the institutional sector most affected by these enrollment trends in 2022 was the public two-year institution. With a drop of 9.5% in enrollment in 2021, Spring of 2022 showed a similar decline, with 7.8% decline in enrollment. Within this sector of public two-year universities, full-time and associate-degree-seeking students saw the greatest decline with a 10.7% drop in full-time students and a 9% drop among associate degree-seeking students.

If we consider gender among these institutional sectors, both men and women saw a decline in enrollment within public 4-year, private nonprofit 4-year, private for-profit 4-year and public 2-year enrollment. The only exception to this trend was men at private for-profit 4-year universities where enrollment rose by 6% from the previous year.

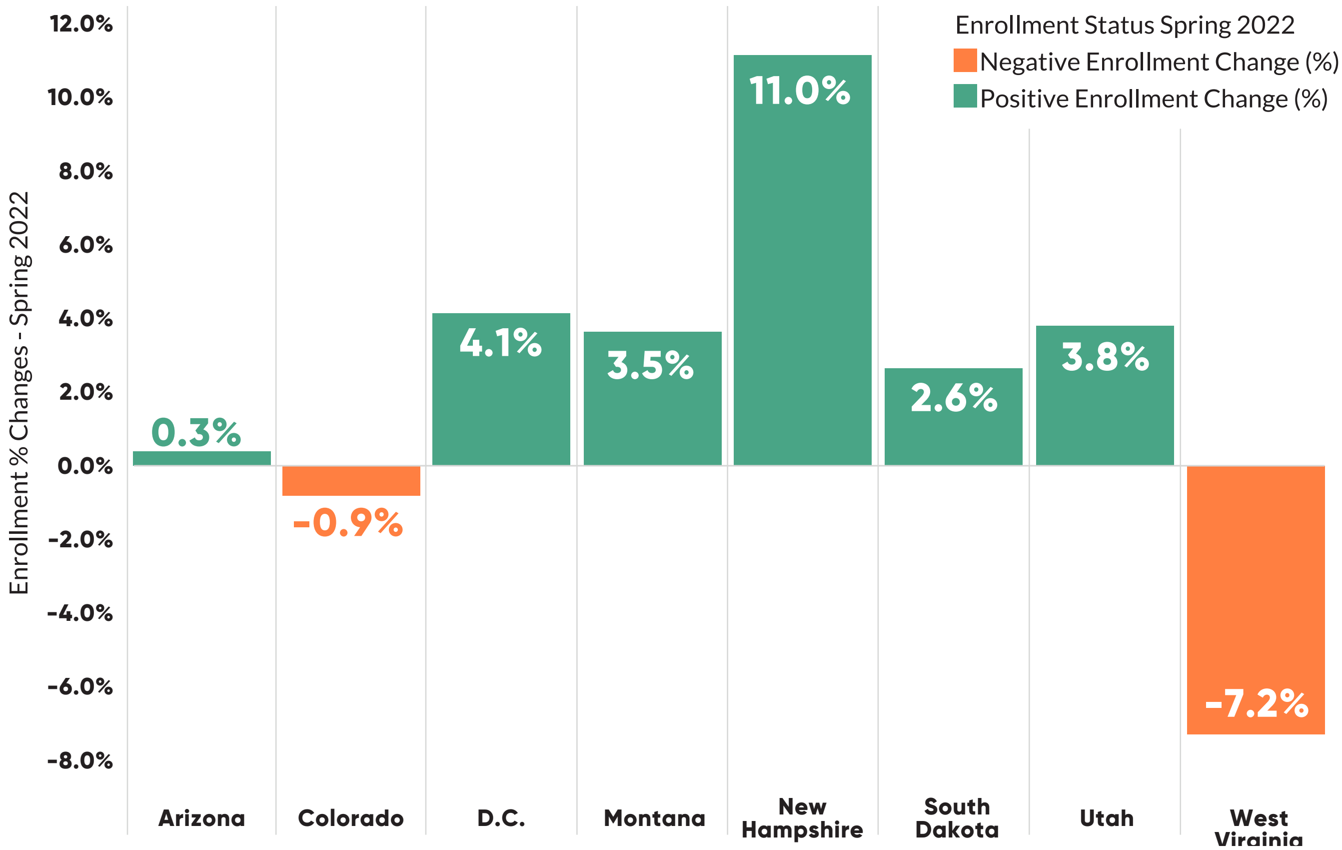
Not all states experienced the same decline in enrollment, however. Montana, Arizona, Utah, Colorado, South Carolina, West Virginia, Washington D.C., and New Hampshire all saw an increase in their enrollments. The state that saw the greatest decline in enrollments overall was Michigan, with a 16% decline.

## Estimated Enrollment Change by State (spring 2022)




Source: National Student Clearinghouse Research Center

## Enrollment Rate for Private, Not-for-Profit 4-Year - Spring 2022



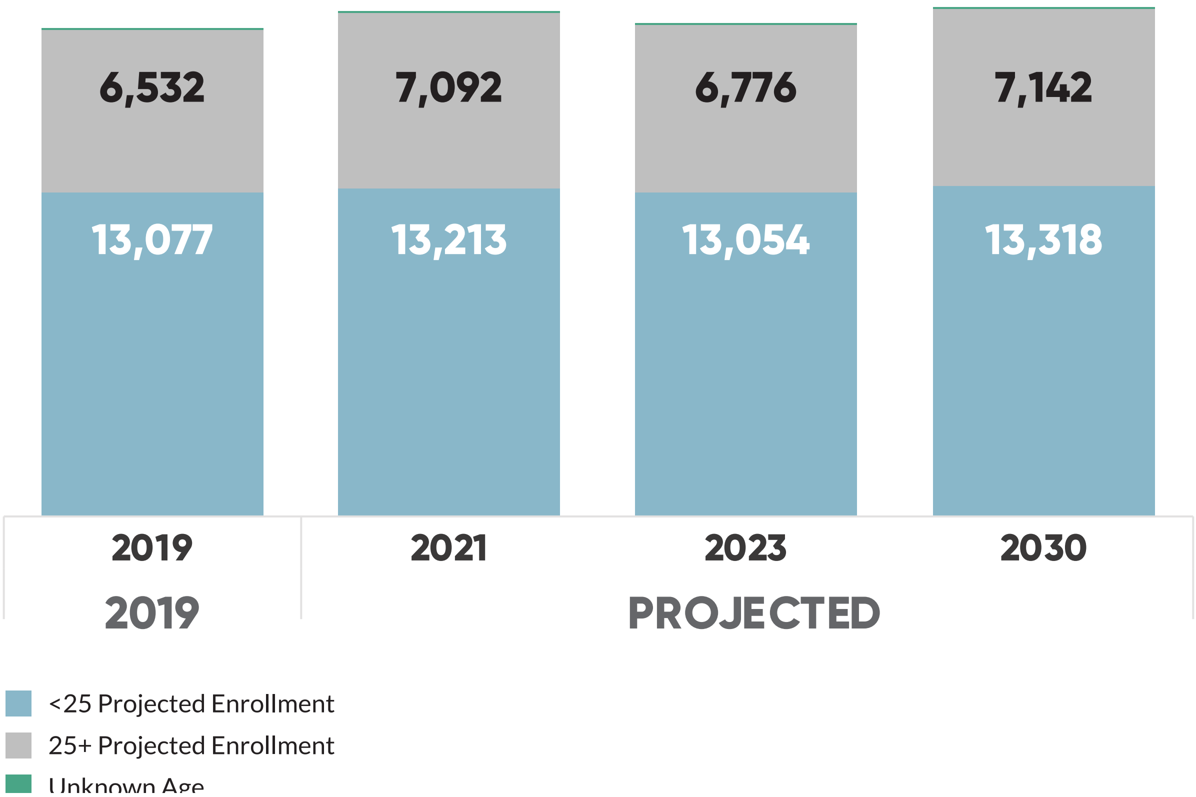

**If we consider the institutional sectors for these eight states, states which experienced growth in their enrollments, private non-profit 4 year (PNFY) institutions saw the most consistent growth.**

Source: National Student Clearinghouse Research Center

## Long-Term Enrollment Projections

While COVID-19 has disrupted the recent enrollment landscape, long-term projections from 2023 to 2030 indicate a growth in enrollments by 2.03% for the under 25 age group, and 5.40% for those 25 and older over this time period. The question is: how much will stronger employment and wage gains impact the future?

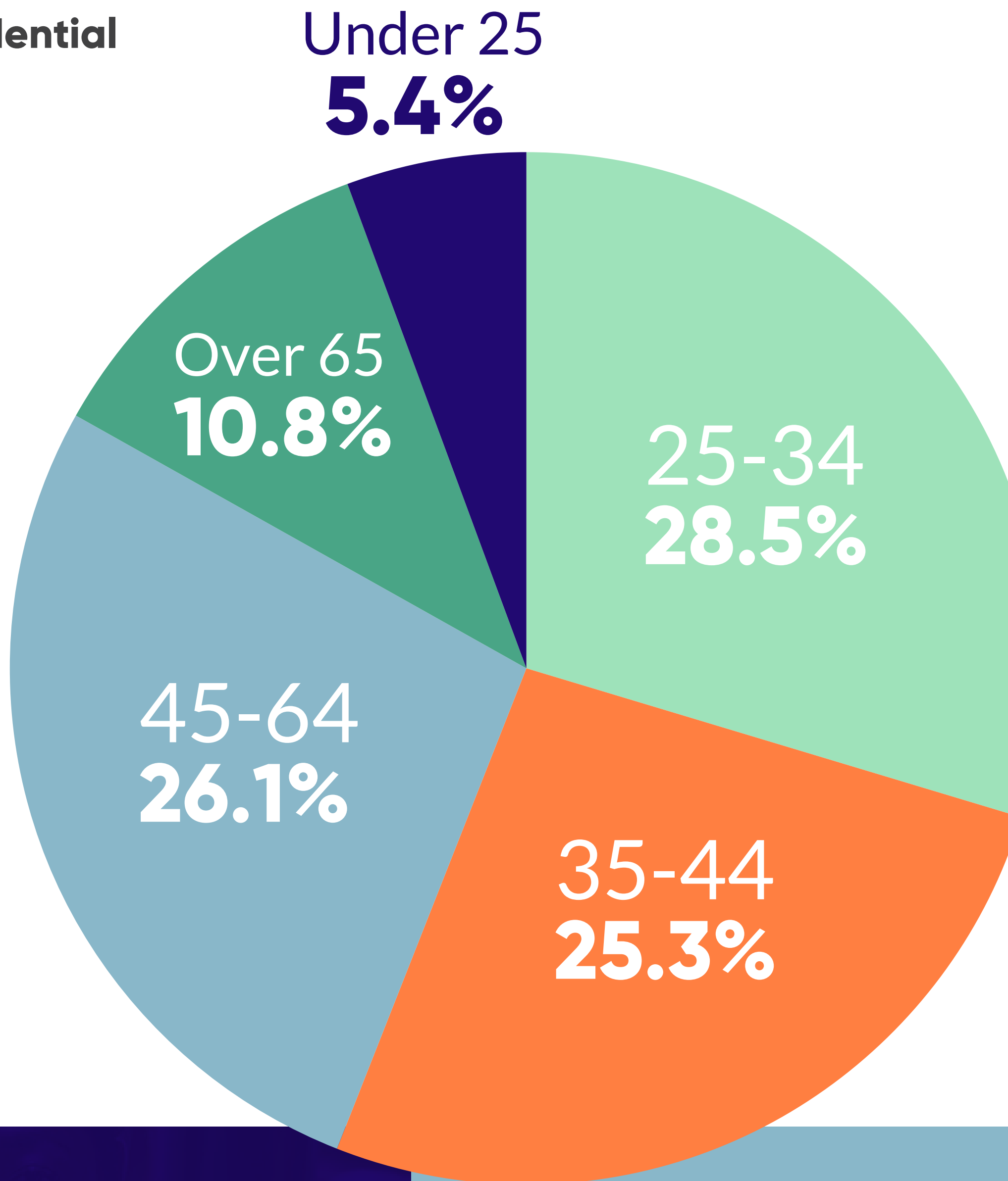



Source: IPEDS Table 303.40.
Total fall enrollment in degree-granting postsecondary institutions, by attendance status, sex, and age: Selected years, 2019 through 2030

**Some College, No Credential (SCNC)**

According to the Census Bureau's Educational Attainment data in 2021, 37.9% of the US population has a bachelor's degree. Although this percentage has grown over 7.5% in the last decade, those classified as "Some College, No Credential" could completely transform this statistic.




When discussing the landscape of higher education, it is essential to mention the growth of the "Some College, No Credential" group. From July 2019 to July 2020, the number of Americans classified as "Some College, No Credential" saw an increase of 8.6%. It is no surprise that they continue to consume the agendas of institutions across the nation. The largest share of this market is represented by the 25 to 34 age group at 28.5% followed closely by the 45 to 64 age group at 26.1%.

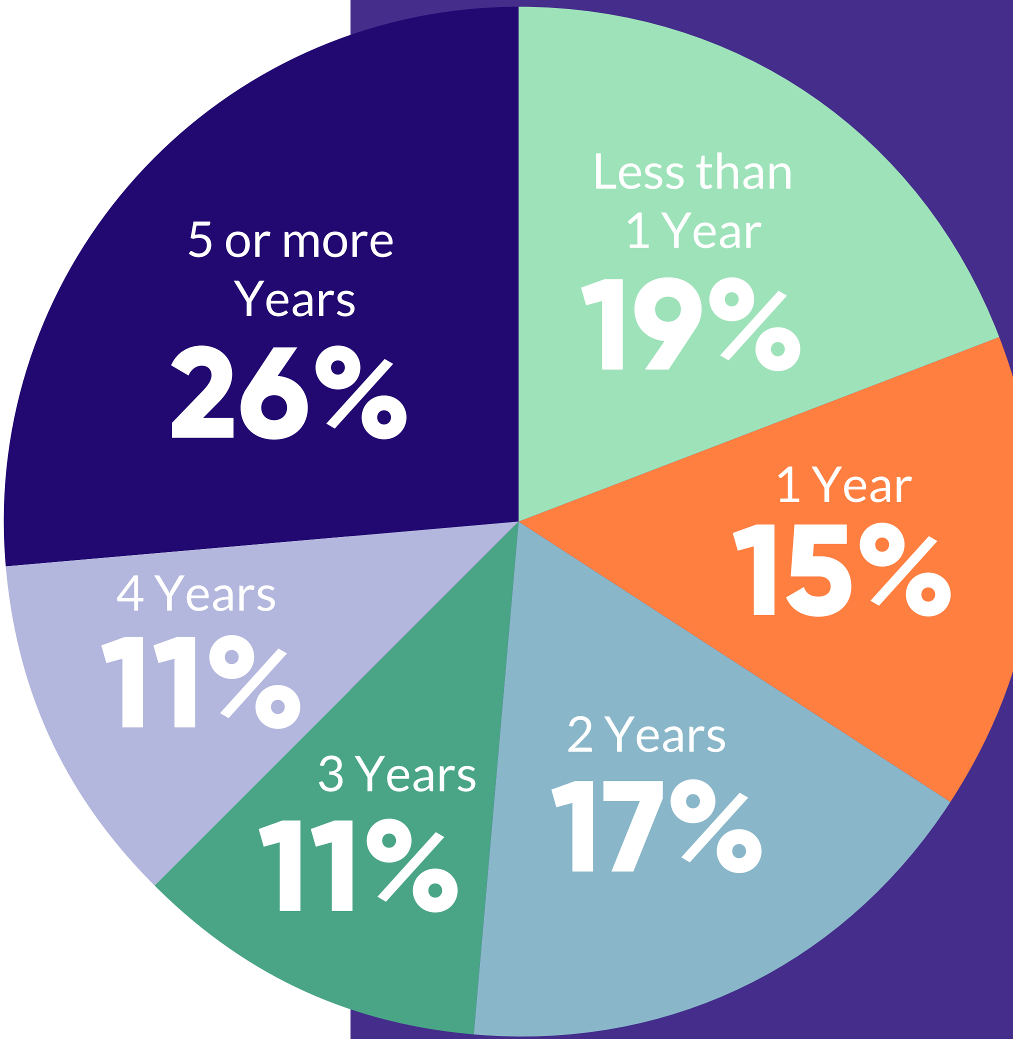
**Some college, no credential describes a student previously enrolled in college who left postsecondary education without a credential or degree.**

Source: National Clearinghouse, SCNC Report May 2022

Among SCNC learners who choose to re-enroll, 48.8% of them are between 25 and 34 years of age. Overall, 52.1% of students earn their first credential between 25 and 34.

**Time Since Last Enrolled**
(those who did not complete when last enrolled)

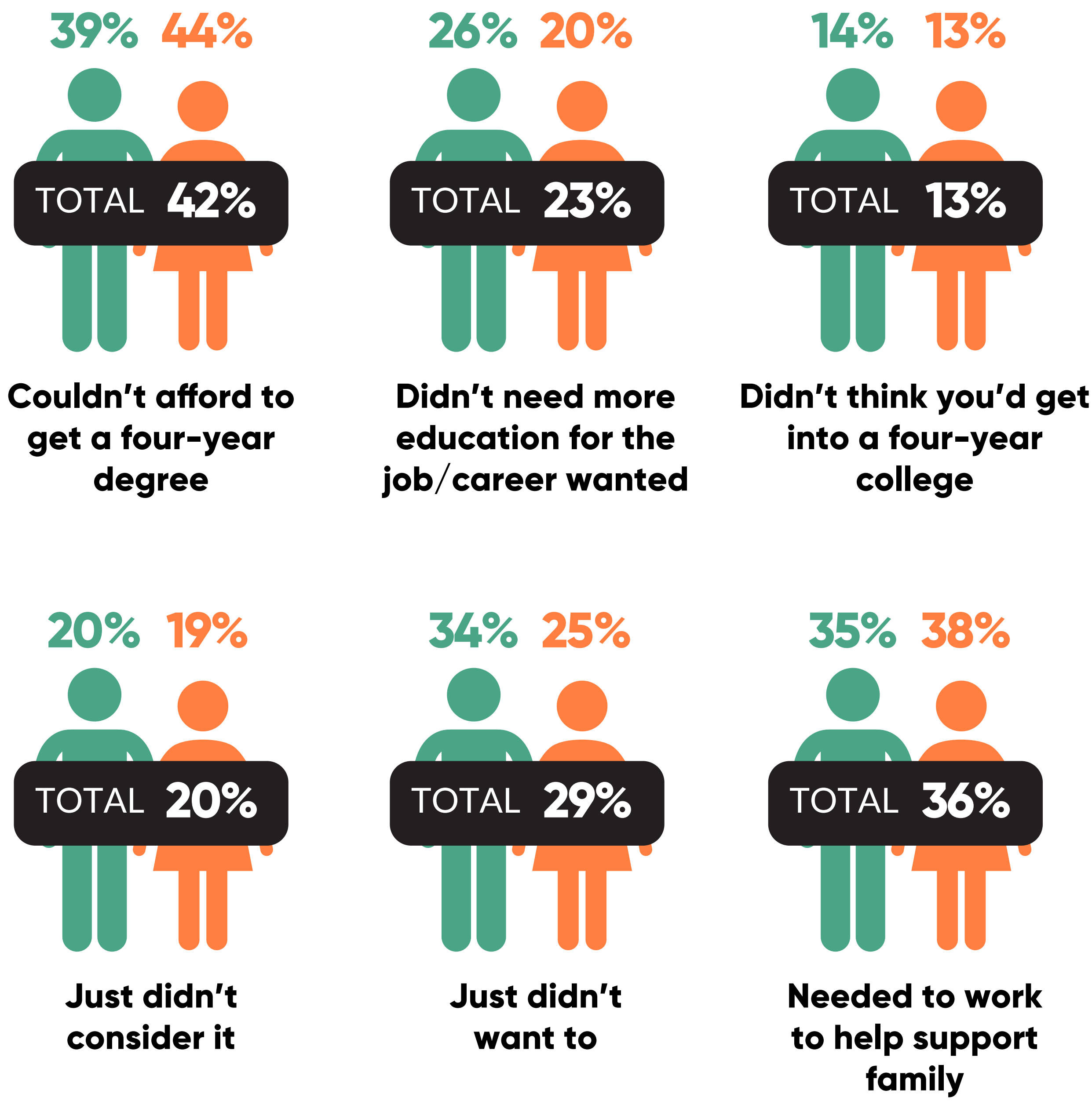
In our 2022 Online College Students Report, nearly 20% of respondents indicated that they did not complete their intended credential when they had last enrolled. Of those students who did not complete their program but reenrolled, nearly one third enrolled within a year of their stop-out. In order to reach this expansive "Some College, No Credential" group, marketing and enrollment staff should ensure they have regular contact with students, even after they stop-out.




Source: EducationDynamics Online College Students Report

If we consider the reasons these adults dropped out of college, the Pew Research Center found that for those who have not completed four years of college, the top reason (42%) was they couldn't afford to get a four-year degree.




The next most common response was they needed to work to help support family. Interestingly, nearly 34% of men cited they didn't complete the four years of college because they didn't want to.

(pewresearch.org/fact-tank/2021/11/08/whats-behind-the-growing-gap-between-men-and-women-in-college-completion/)

Source: National Clearinghouse, SCNC Report May 2022

To further understand those with some college, no credential, we can turn to the sectors of education. We will consider the sectors in six groups; Private Nonprofit 4yr, Public 4yr, Private For-Profit 4yr, Primarily Associate 4 yr, Primarily Online, and Community Colleges. As evident by persistence rates and re-enrollments, community colleges are most impacted by students leaving prior to earning a credential.

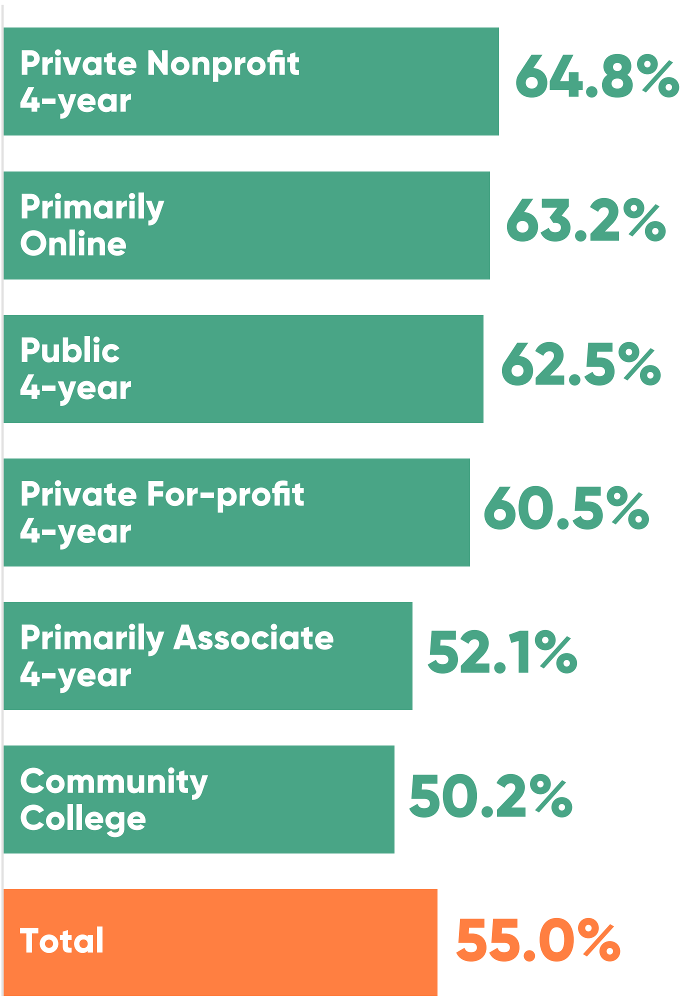
Persistence rates are measured by the continued enrollment after re-enrollment by each sector while re-enrollments indicate where students enroll following a previous drop from their educational path. Looking at re-enrollments helps us understand the sectors most strongly impacted by the SCNC students and the ability of those sectors to re-enroll their previous students.

Nearly 44% of community college students who had previously dropped out of their program re-enrolled in community college when they returned to school. This is followed closely by Primarily Associate 4 yr student who also re-enrolled at the same sector, with 42.7 percent.

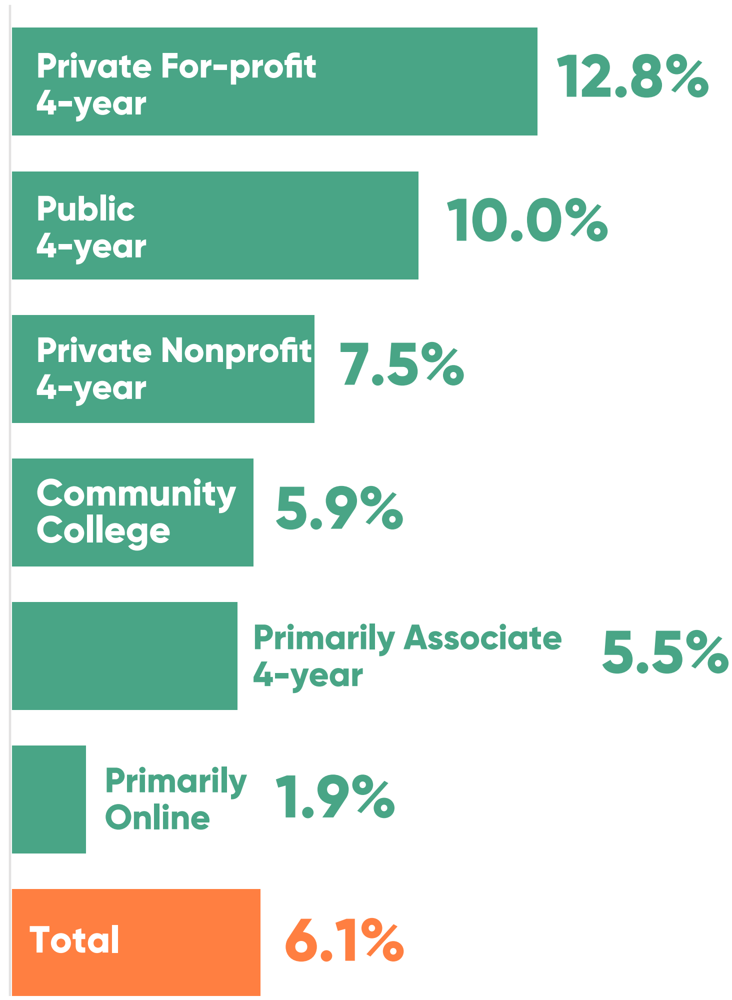
 

Despite this being the most common pathway for SCNC students, the persistence rate is the lowest among all sectors with only 50.2% persevering beyond first re-enrollment.

**Persistence Rate**




**First Credential**



Source: National Clearinghouse, SCNC Report May 2022

## Loan Forgiveness and SCNC

Another factor that may significantly impact SCNC students is the recent Loan Forgiveness announcements from the Biden Administration. These announcements impact only federal loans and exclude all private loans from their terms.

To qualify, borrowers must have an annual income below $125,000 for individuals or below $250,000 for married couples/heads of households. Relief will be up to $10,000 for borrowers that meet the requirements. Pell Grant recipients will be eligible for up to $20,000 of loan cancellation.

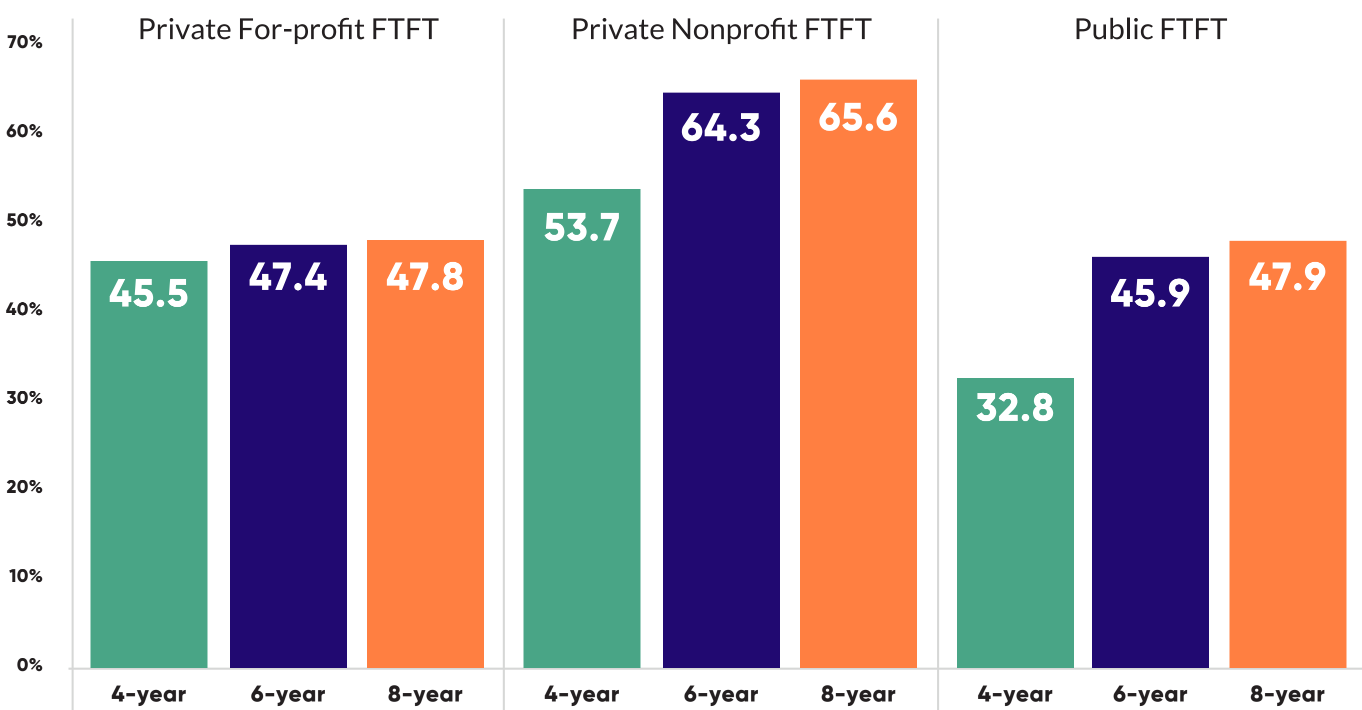
For our purposes, we will focus on Pell Grant recipients at the undergraduate level who are first-time, full-time students (FTFT).

(Source: New York Times- nytimes.com/2022/08/24/business/biden-student-loan-forgiveness.html).

First, we will consider the graduation rates at each institution type as reported by the National Center for Education Statistics.

Graduation Rates by Institution Type

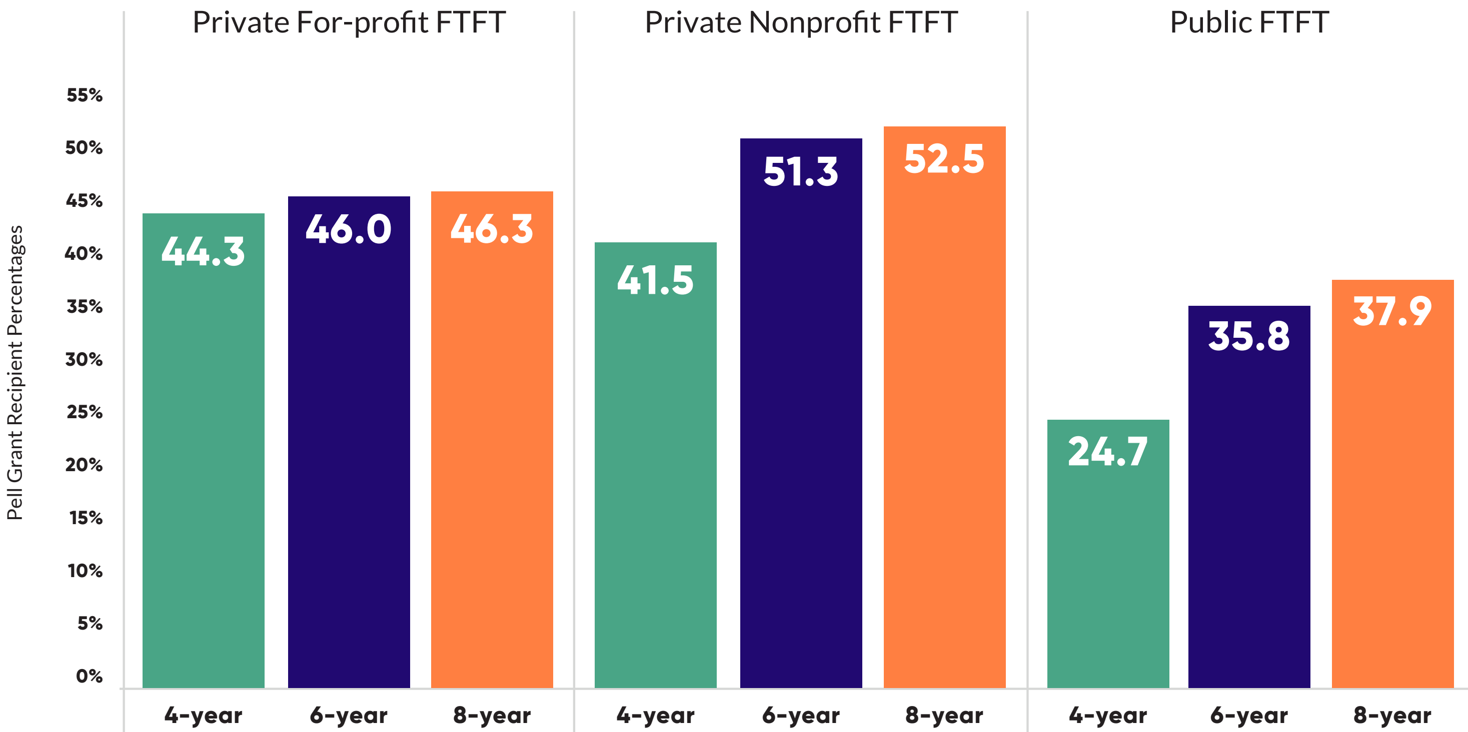



From the graph, we see private nonprofit institutions have the highest graduation rates at four, six, and eight years after graduation. Both private for-profit and public institutions have similar graduation rates at six and eight years after graduation. However, public institutions have a much lower rate after four years compared to private for-profit schools (32.8% compared to 45.5%). Next, we will consider these institutions in lieu of the percentage of students who receive a Pell Grant.

Source: U.S. Department of Education, National Center for Education Statistics, IPEDS, Winter 2020–21, Outcome Measures component (provisional data).

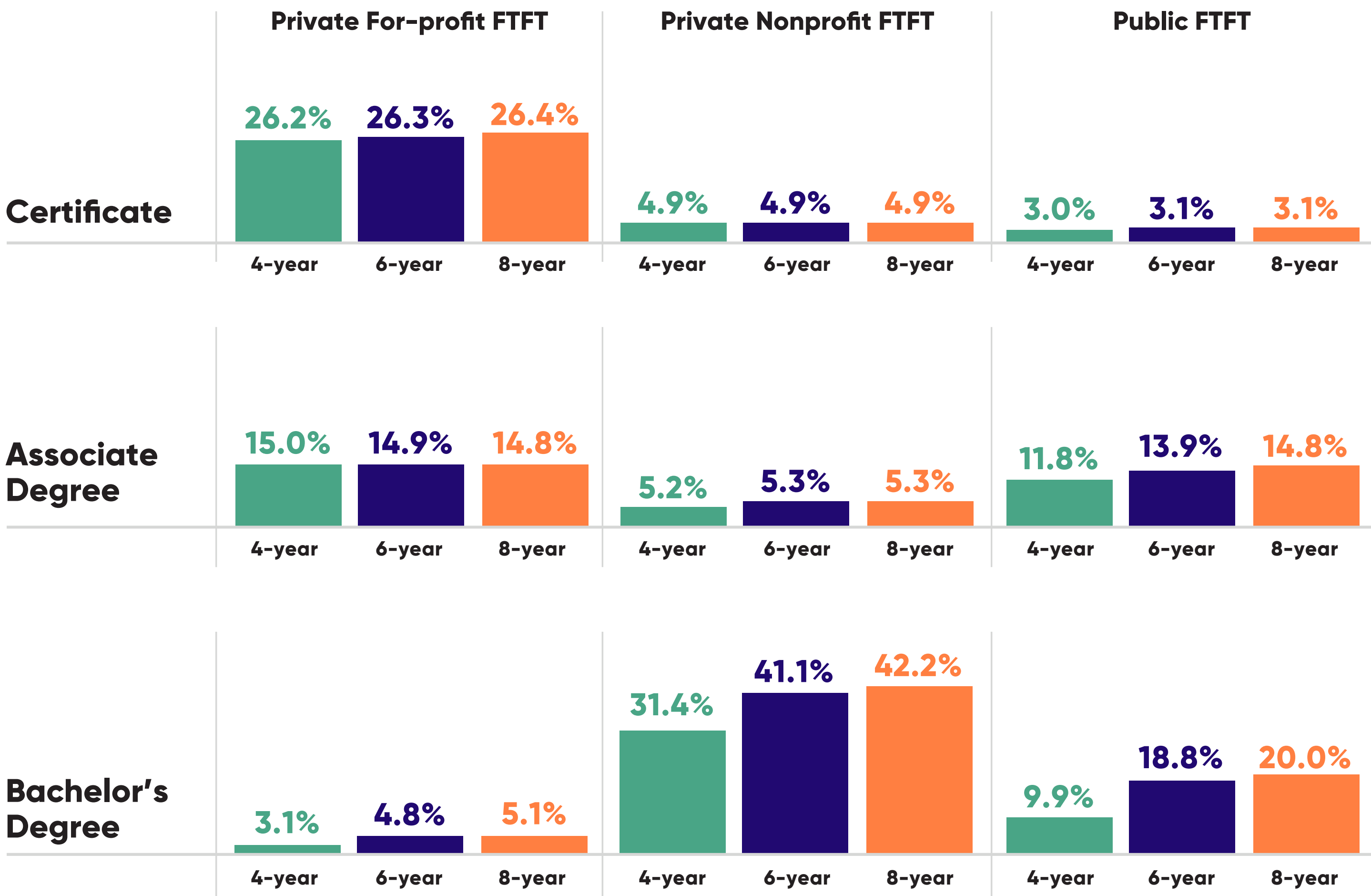
## Percentage of Pell Grant Recipient by Graduation Time & Institution Type




Overall, private for-profit schools see the highest percentage of Pell Grant recipients four years after first entry (44.3%) while private nonprofit students after 6 years (51.3%) and 8 years (52.5%) dominate Pell Grant recipients. This suggests that students receiving Pell Grants at Private nonprofit institutions take six or eight years to graduate.

Source: U.S. Department of Education, National Center for Education Statistics, IPEDS, Winter 2020–21, Outcome Measures component (provisional data).

## Percentage of Pell Grant Recipients by Award Level, Time Taken to Graduate, and Institution Type




Surprisingly, private for-profit institutions see the highest level of students receiving Pell Grant funds at the certificate level. Public and Private for-profit institutions see similar percentages of Pell Grant recipients at the associate level. But for bachelor's degrees, Private nonprofit institutions have the strongest presence of Pell Grant recipients compared to all levels and institution types. Pell Grant usage is relatively low across all levels of Public institutions.

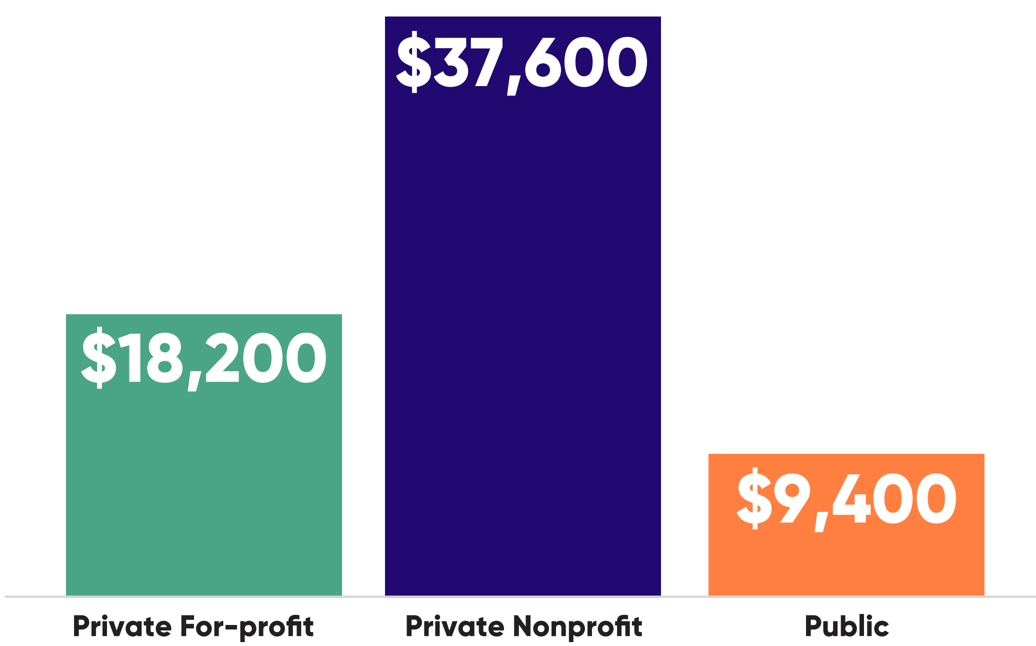
 

Source: U.S. Department of Education, National Center for Education Statistics, IPEDS, Winter 2020–21, Outcome Measures component (provisional data

There is also low utilization of Pell Grant funds among private nonprofits at the certificate and associate level and private for-profit bachelor's degrees. The high utilization of Pell Grants within private for-profit institutions at the credential level certainly shows an increased interest/offering of certificates within this institution type. Also notable, only 10% of public institution students that graduate in 4 years receive a Pell Grant. A much higher proportion of these Pell Grant recipients take 6 or 8 years to complete their degree.

To further grasp the situation of these Pell Grant recipients, we can consider the average tuition and fees for full-time, first-time undergraduate students by institution type. Data from the Bureau of Labor Statistics for the 2020-2021 academic year shows that among 4-year institutions, private nonprofits had the highest average cost followed by private for-profit then public institutions.

Average tuition and fees of degree-granting institutions for first-time, full-time undergraduate students by institution:
Academic year 2020-2021




Source: National Center for Education Statistics. (2022). Price of Attending an Undergraduate Institution. Condition of Education. U.S. Department of Education, Institute of Education Sciences. Retrieved July 20, 2022, from nces.ed.gov/programs/coe/indicator/cua.

Private nonprofit institutions cost nearly double private for-profit, while the private for-profit institutions cost nearly double the public institutions. When taking this into consideration with the Pell Grant recipient data and our own research in our Online College Student Report, the private nonprofit enrollers will be most impacted by the announcement of Pell Grant forgiveness up to $20,000.

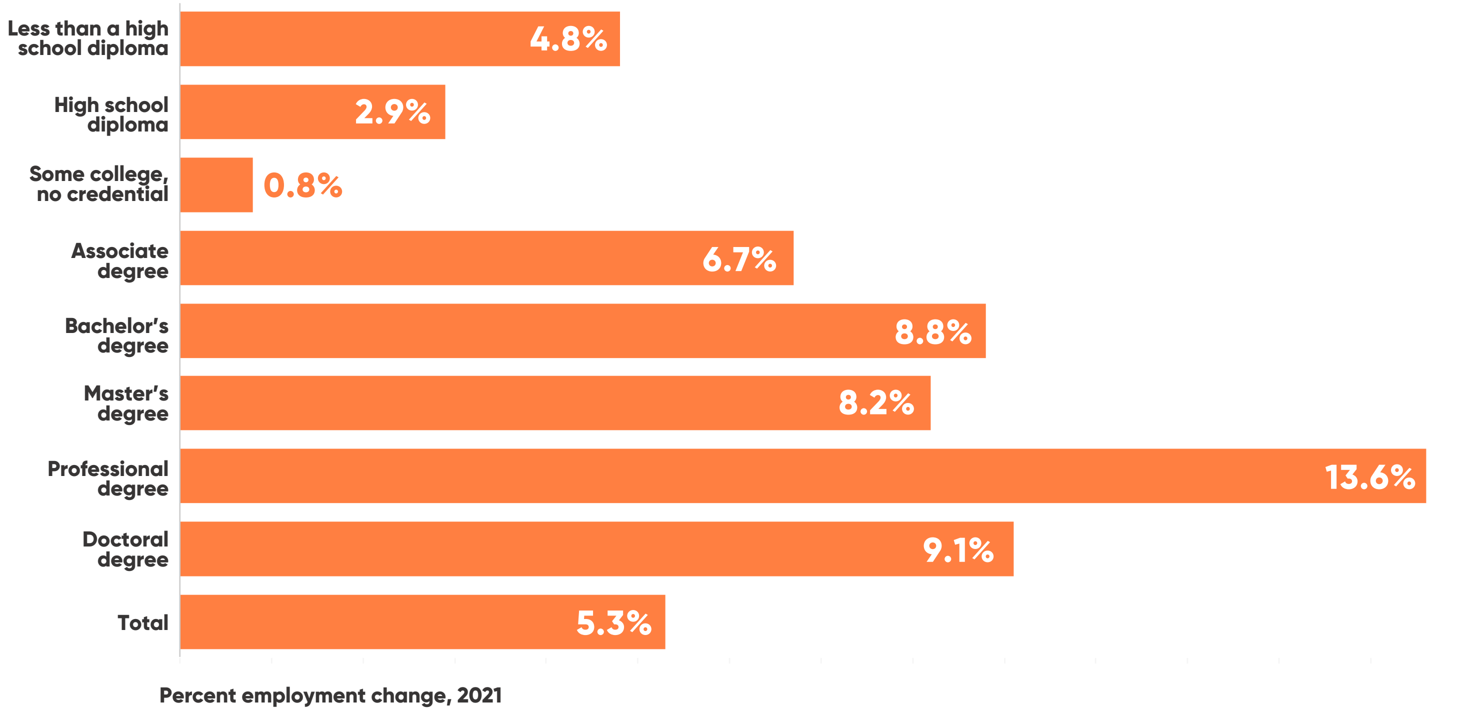
Students that leave school early or transition to part-time status are left to repay those funds received through the Pell Grant program. 56% of individuals who did not complete their credential when last enrolled had some level of student debt.

Individuals that qualify for Pell Grant forgiveness after previously attending private nonprofit institutions have the most to gain from the forgiveness program. The impact may provide many with the financial freedom needed to pursue their educational aspirations.

# FUTURE LABOR MARKET

Projected Employment Change by Educational Attainment (2021-2031)

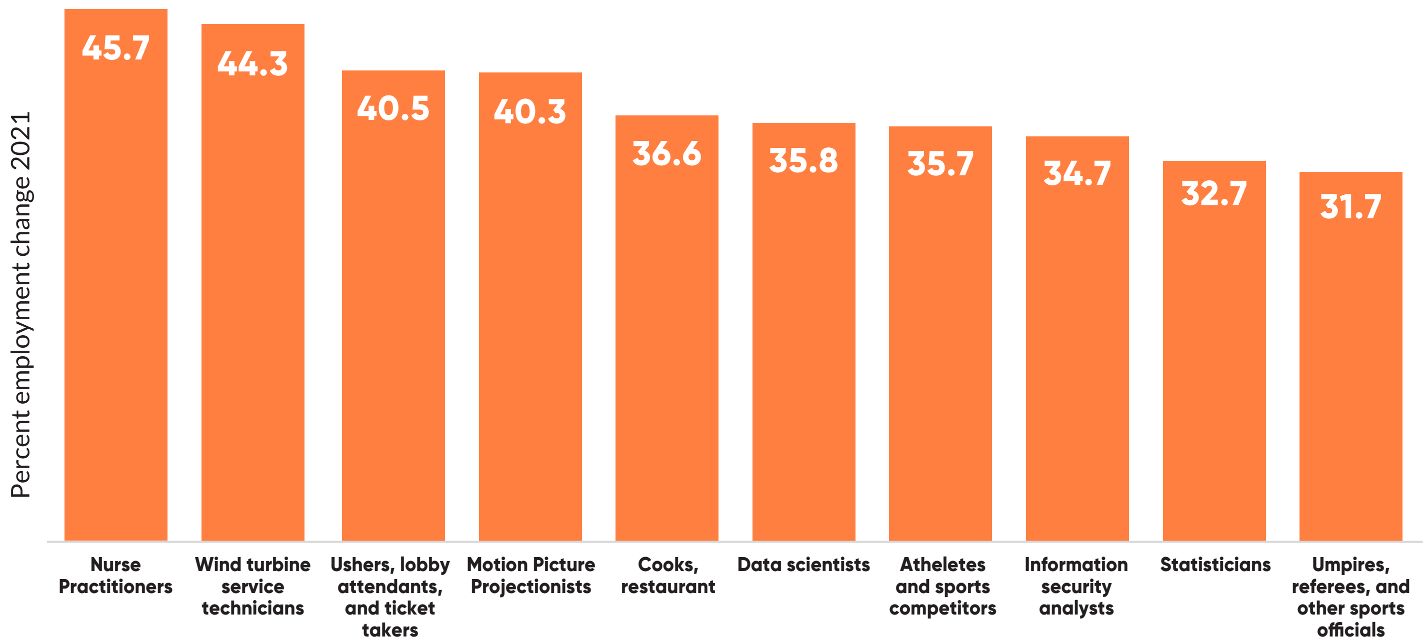



Professional degrees are anticipated to experience the largest employment increase (13.6%) followed by the doctoral degree (9.1%). Meanwhile, Some College, No Credential individuals are projected to experience in the smallest growth in employment (0.8%)

Source: U.S. Bureau of Labor Statistics

## Top 10 Employment Growth Percentage by Detailed Occupation (Projected 2021-2031)

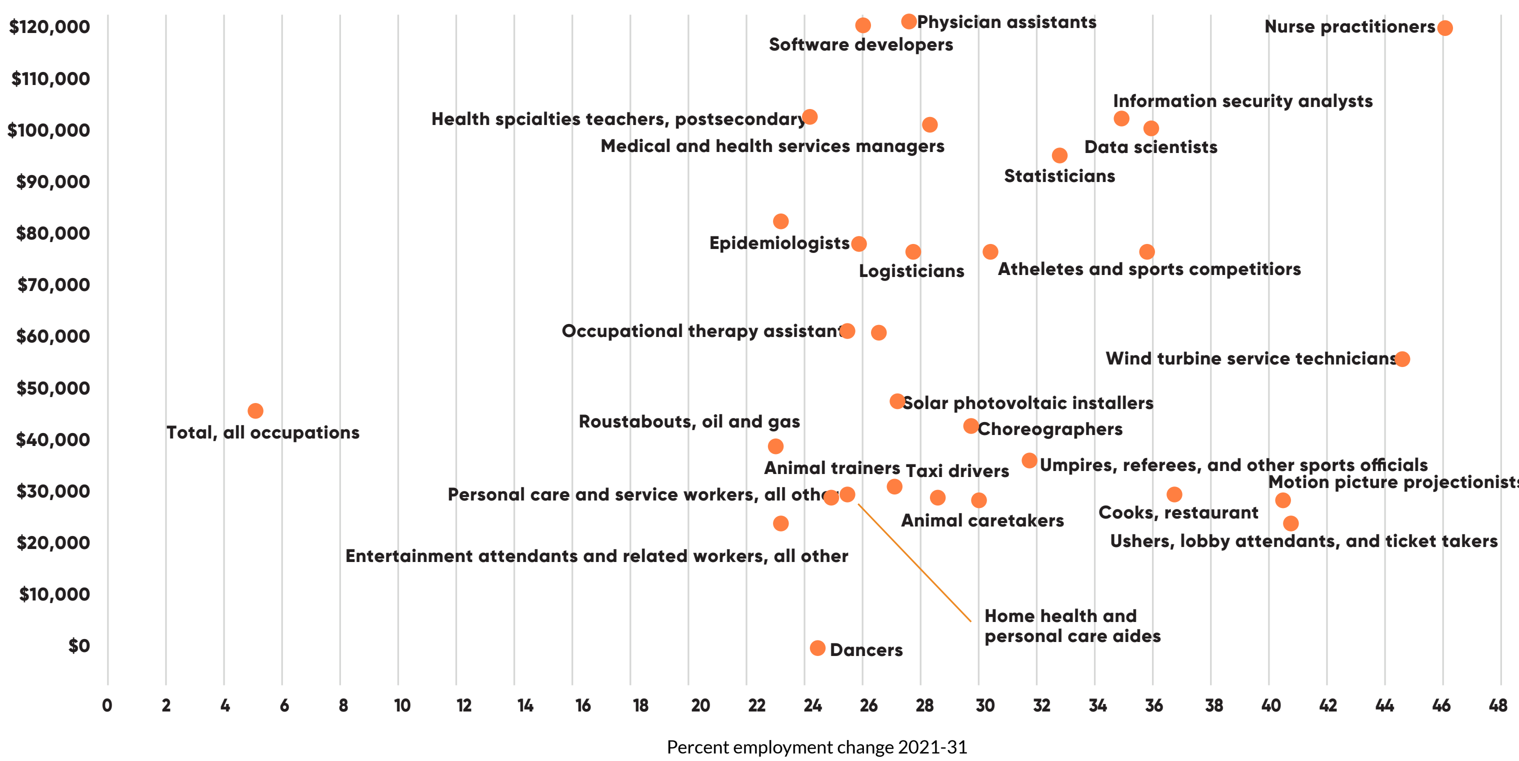



Nurse practitioners and wind turbine service technicians are among the occupations with the highest employment growth percentage anticipated from 2021-2031.



Source: U.S. Bureau of Labor Statistics

## Annual Median Wage vs Employment Change Projections




Considering wage and growth, Nurse Practitioners, Physician Assistants, Software Developers, Information Security Analysts, and Data Scientists show the strongest signs of promise for future employees (top right of graph). While occupations at the bottom half of the graph have an increase in employment rate, the median wages are low and may not present the most lucrative option if opportunities for employment are the goal. The highest indexing occupations align with education.

Source: U.S. Bureau of Labor Statistics

# FINAL THOUGHTS

As the labor market continues to shift and change, we will begin to see new opportunities emerge for students. While this environment makes it more difficult to forecast future enrollments, the Department of Education still projects enrollment growth in the twenty-five and older population, which provides hope that the enrollment challenges of the past two years have reached their statis and now we can look to the future to create growth.

The next few years will be a true period of transition for both higher education and students.  As we enter the post-pandemic future, and Americans continue to evolve their plans, institutions must be prepared to provide career-ready education, support the flexibility of program offerings that has been provided by being forced into the remote learning environment, and be positioned for more online demand in the future.