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The Post-Millennial Generation and Higher Education

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The fact that significant demographic changes are occurring in the United States, while well known among higher education professionals, has only recently entered public awareness through the popular press. Those of us in the education world have been more acutely aware of this impending demographic and cultural shift because, at the primary and secondary level, we are already feeling its first effects. Typically, population-driven demographic shifts are first felt in areas that serve children, such as healthcare, social services and early education. But these population trends quickly work their way up through educational systems and are eventually felt in higher education.

That time is rapidly approaching and should come as no surprise to colleges and universities. The Western Interstate Council on Higher Education (WICHE) has been estimating the number of future high school graduates by race and region for some time, and this data has been available to education professionals as part of the College Board's *Higher Education Landscape Report* (<http://professionals.collegeboard.com/data-reports-research/trends/higher-ed-landscape>). More recently, we have also started to see an increased interest in how future demographic trends will affect higher education from interested parties outside of education. This interest is frequently driven by concerns related to the funding of education, in both private and public arenas.

For example, Moody's recently released a comprehensive report on the long-term economic outlook for higher education, including commentary on bond ratings, financial strength, enrollment trends and future challenges. What struck me as being very significant was the nearly exclusive focus of the Moody report on the number and geographical distribution of high school graduates when discussing future trends and challenges, with only a casual reference to broader ethnic or socio-economic considerations. I quote:

In addition to rising participation rates, institutions need to plan for the changing makeup of prospective college students. By 2016, women are projected to account for 60% of postsecondary enrollment, compared to 57% today and 55% in 1991. In a similar trend, the rate of growth in Hispanic (45%), Asian (32%) and Black (29%) student projected enrollments far exceed the rate of growth in white students (8%). These projections imply that institutions with deliberate outreach strategies to these faster growing populations of college attendees may experience more success in sustaining and growing enrollment levels in the future.

The absolute numbers by themselves are certainly dramatic – overall we go from a 24% growth rate in high school graduates over the past decade to virtually flat numbers over the next decade

(yet, ironically many colleges are still in an “expansion mode” when it comes to enrollments and program offerings). However, looking at the numbers in isolation (or only by region) is likely to miss critical aspects of the complex market dynamics.

For example, the changing ethnic, cultural, and socio-economic composition of the college-going population has potentially far-reaching implications that are frequently glossed over and may be underestimated. We know from the *Higher Education Landscape* that the absolute number of non-minority high school graduates declines in every region of the country from now through 2018. What is not demonstrated by this report, but clearly true, is that the numbers of affluent, 2nd generation (be they white or minority) high school graduates also decline in nearly every region and locality over the next ten years. A major concern, at least for some of us, is that these changing complex demographics will have a negative effect on the aggregate ability of future students and their families to pay for college, and by extension on the future demand/need for ever more limited financial aid resources. This concern is further exacerbated by the well documented hyper-inflationary growth in college costs relative to income.

A second area of concern is the widely held belief that the *percentage* of high-school graduates attending college will continue to increase. This is a questionable, and potentially faulty, assumption for two reasons. First, the growth in high school graduates, in regions where it does occur, is most likely among 1st generation, low-to-middle socioeconomic, primarily minority students who historically have had a lower-than-average college-going rate. Second, a larger proportion of the future high school graduate population in areas that aren’t projected to grow will also be comprised of students who, historically, have had a lower-than-average college going rate. Therefore, we could well see a decline in actual college-going rates in the near future coupled with a lack of college-bound population growth.

Furthermore, the changing composition of those graduates who do make the transition to college means that they will likely seek a different type of college experience. For example, their make-up suggests that they may lack the willingness to travel longer distances to attend college. Such a trend would have important consequences for smaller, private, low-to-moderately selective colleges that depend on a geographically diverse pool of applicants. On the other hand, regional four-year public colleges and community college systems, are likely to see at least some enrollment increases, as will institutions that emphasize more cost-effective distance-based learning opportunities.

Finally, changes will need to occur in the academic and student services provided by colleges to meet student needs resulting from these changing demographics. The different mix of cultural perspectives, educational experiences and academic preparation will likely bring a different set of aspirations and a different set of expectations of what a college can/should provide by way of a social, developmental, and intellectual learning environment.

The prospective college freshmen of tomorrow will in all likelihood differ in significant ways from today’s freshmen. But, before we go too far down the prediction path, we really need to have a clearer picture of what future freshmen will look like, and how they will differ both quantitatively and *qualitatively* from the freshmen of today. However, we can’t afford to wait too long to begin planning for this new generation of college students. My twenty-five years of experience in

higher education suggests to me that it takes about 10 years of consensus building to institute any major change on a campus – be it the construction of a new building, a change in the curriculum, or implementation of a new student information system. Therefore, it would be wise for colleges to start planning for this post-millennial generation fairly soon if they are to successfully meet the challenges.

However, we need to go beyond efforts to simply gain a competitive advantage at the institutional level. We must promote a research agenda that can provide a context to both inform and guide colleges as they make strategic decisions over the next few years in such important areas as class size, faculty numbers, infrastructure expansion, and program offerings. We also need to develop new recruitment technologies that will help identify and reach out to this next generation and insure that a college education continues to be both an option and a realistic goal, regardless of background or circumstance.

About 422 Group

422 Group LLC is a Microsoft Gold Certified Partner that helps colleges and universities manage relationships more effectively. 422 Group professionals are among the most experienced product development people associated with higher education relationship management. Over the past twenty-seven years they've worked to develop specialized CRM systems, business intelligence tools and market research services for more than 500 institutions in the U.S. and abroad.

About Greg Perfetto

Dr. Greg Perfetto is among the best-known and most experienced researchers in the field of higher education enrollment management. With over 25 years of research experience related to recruitment, admission, financial aid modeling, and student retention, Greg has been instrumental in the development of validity assessment, predictive modeling and geodemographic clustering tools and services for 422 Group and the College Board. Greg served for many years as Associate Provost for Institutional Research at Vanderbilt University and has consulted widely with colleges and universities regarding the development of successful tuition optimization models and retention strategies.

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