

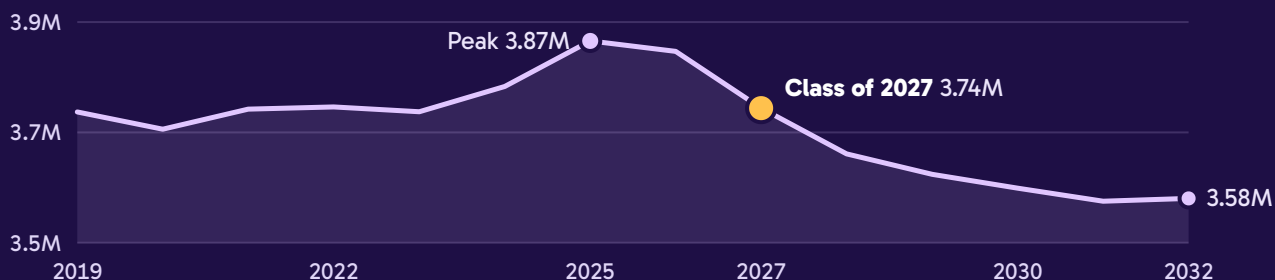
✦ ENROLLMENT RESEARCH

The 2027 enrollment squeeze.

Three converging pressures on the fall 2027 entering class, and the evidence on where institutions lose students from application to re-enrollment.

✦ THE FALL 2027 CLASS

U.S. high school graduates by class year



103,000

fewer high school graduates,
class of 2027 vs. 2026
NCES projection

\$100,000

aggregate federal limit for
new graduate borrowers
Grad PLUS closed July 1, 2026

111,000

fewer international students
in fall 2026
NAFSA and JB International, upper
estimate

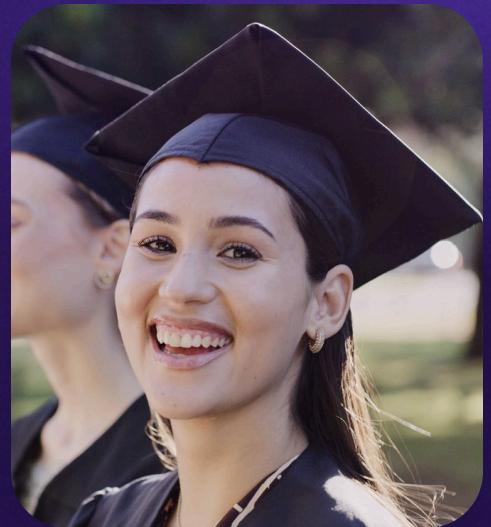
INSIDE

- 1 Three pressures on the fall 2027 class
- 2 Where students leave the enrollment funnel
- 3 The evidence on motivational interventions
- 4 Measuring effect with randomized holdouts
- 5 Recommendations for the 2026–27 cycle

♦ CHAPTER 1

Three pressures on the fall 2027 class

The class of 2027 shows the largest one-year decline in high school graduates in current federal projections. In the same admissions cycle, new federal loan limits apply to new graduate and parent borrowers, and international enrollment is falling, most sharply among new students.

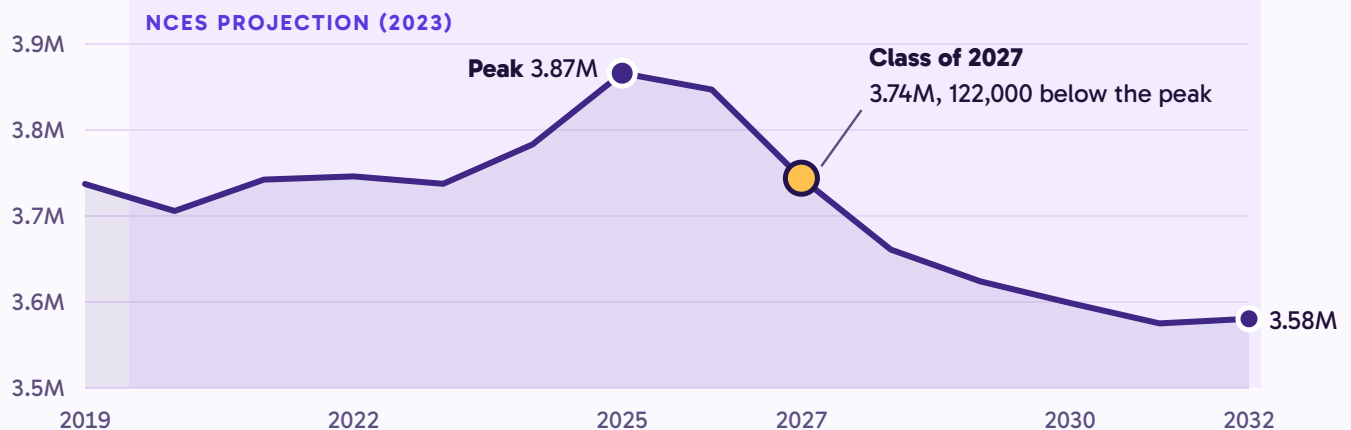


UNDERGRADUATE DEMAND

Fewer high school graduates

U.S. high school graduates by class year

Millions. Class of 2019 actual; 2020 onward projected by NCES.²



WICHE projected the class of 2025 at 3.9 million graduates, the largest on record, followed by a steady decline to 3.4 million by 2041, 13% below the peak.¹ NCES projects the class of 2027 at 3.74 million: 103,000 fewer than the class of 2026, the largest one-year

decline in its projections, and 122,000 below the 2025 peak.²

Fall 2025 enrollment does not yet show the decline. Total postsecondary enrollment rose 1.0%,³ with an entering class drawn from the projected peak year.

¹ WICHE. *Knocking at the College Door*, 11th ed. Press release, December 2024. www.wiche.edu/resources/report-u-s-high-school-graduates-will-peak-next-year-then-most-states-will-see-steady-declines-through-2041/

² NCES. *Digest of Education Statistics*, Table 219.10. Prepared August 2023; figures from the class of 2020 onward are NCES projections. nces.ed.gov/programs/digest/d23/tables/dt23_219.10.asp

³ National Student Clearinghouse Research Center. Fall 2025 final enrollment estimates. January 15, 2026. www.studentclearinghouse.org/news/fall-undergraduate-enrollment-shows-overall-growth-despite-decline-at-private-colleges/

◆ CHAPTER 1, CONTINUED

\$100K

Aggregate federal loan limit for graduate students

GRADUATE AND PARENT BORROWING**New federal loan limits**

Grad PLUS closed to new borrowers on July 1, 2026. Graduate students may now borrow up to \$20,500 a year and \$100,000 in total; professional students, up to \$50,000 and \$200,000.^{4,5} Which programs count as professional is subject to a pending court case.⁶

Under the prior rules, 26% of federal graduate borrowers, about 370,000 students, borrowed more than the new limits allow. PEER estimates that just over \$8 billion in federal loans will no longer be available, equal to about 22% of annual federal loan disbursements.⁷ Of graduate borrowers above the limits, 38% have subprime credit scores or no score, which limits access to private loans.⁸

Parent PLUS is now capped at \$20,000 a year and \$65,000 per dependent student,⁴ removing an estimated \$2.3 billion in annual borrowing.⁷

111,000

Upper estimate of the decline in international students, fall 2026

INTERNATIONAL STUDENTS**Declining international enrollment**

NAFSA and JB International estimate as many as 111,000 fewer international students at U.S. colleges and universities in fall 2026, with up to \$3.4 billion in lost revenue.⁹

New international enrollment fell 17% in fall 2025.¹⁰ Graduate institutions surveyed by the Council of Graduate Schools reported fewer international applications for fall 2026, with steeper declines for master's programs than for doctoral programs.¹¹

Implication. *As fewer new students enter the funnel, conversion and persistence among students already in an institution's pipeline account for a larger share of the enrollment goal.*

⁴ Federal Student Aid. *Frequently Asked Questions: Loan Limits*. May 20, 2026. fsapartners.ed.gov/sites/default/files/2026-05/FrequentlyAskedQuestionsLoanLimits.pdf

⁵ NASFAA. *Federal Student Aid Changes from the One Big Beautiful Bill Act*. Updated July 1, 2026. www.nasfaa.org/uploads/documents/Federal_Student_Aid_Change_OB_3.pdf

⁶ Federal Student Aid. "Update to List of Professional Degree Programs Due to Court Order." Electronic announcement, June 29, 2026, updated July 10, 2026. fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2026-06-29/update-list-professional-degree-programs-due-court-order-updated-july-10-2026

⁷ Matsudaira, Caldwell, Welch & Vásquez. "How Will Graduate Student and Parent Borrowing Be Affected by New Federal Loan Limits?" PEER Center, American University, October 2025. www.american.edu/spa/peer/upload/loan-limits-from-nps-as_rpt_final.pdf

⁸ Monarrez, Matsudaira & Ritter. "Student Loans for Graduate School: Who Will Be Affected by the New Federal Lending Limits?" Federal Reserve Bank of Philadelphia, December 2025. www.philadelphiafed.org/-/media/FRBP/Assets/Consumer-Finance/Reports/student-loans-for-graduate-school.pdf

⁹ NAFSA and JB International. *Fall 2026 International Student Economic Snapshot*. August 11, 2026. www.nafsa.org/fall2026outlook

¹⁰ Institute of International Education. *Fall 2025 Snapshot on International Student Enrollment*. November 17, 2025. opendoorsdata.org/wp-content/uploads/2025/11/IIIE_Fall-2025-Snapshot_Key-Findings.pdf

¹¹ Council of Graduate Schools. *Status of International Graduate Students in the United States*. August 2026. cgsnet.org/wp-content/uploads/2026/08/2026-International-Flash-Survey-Brief.pdf

◆ CHAPTER 2

Where students leave the enrollment funnel



Motimatic mapped the reasons students stop progressing at six stages, from a started application to re-enrollment after a stop-out. The reasons fall into six families.¹² Cost and financial aid appears at all six stages; belonging, campus support and getting started appear at five.

Root-cause families by funnel stage

Motimatic analysis of 83 target actions across six stages.¹²

	1 Started application	2 Submitted application	3 Admit to enroll	4 First-year retention	5 Second-year retention	6 Stop-out recovery	Stages
Cost & aid FAFSA, aid offers, scholarships	●	●	●	●	●	●	6 of 6
Belonging Clubs, events, campus involvement	○	●	●	●	●	●	5 of 6
Campus support Advising, tutoring, career, wellness	○	●	●	●	●	●	5 of 6
Getting started Orientation, first advising, registering	●	○	●	●	●	●	5 of 6
Application Essays, transcripts, recommendations	●	●	○	○	○	●	3 of 6
Enrollment steps Accepting, deposits, housing, re-enrolling	○	○	●	○	○	●	2 of 6

Because the causes differ by stage, no single message addresses them. An admitted student who does not understand an aid offer needs a different intervention than a stopped-out student who did not know advising was available.

¹² Motimatic root-cause map: six funnel stages, six root-cause families, 83 target actions. Internal data; no public link.

◆ CHAPTER 2, CONTINUED

Published evidence by stage

1 Started application

24%

of high school students using the Common App in 2018–19 started an application and never submitted one.¹³

3 Admit to enroll

21%

of students were “incredibly confident” they understood the details of their financial aid offer.¹⁵

Estimates of summer melt range from 10% to 40% of accepted, college-intending students who do not matriculate that fall.¹⁶

5 Second-year retention

59%

of students said they had considered dropping out because of financial stress.¹⁵

2 Submitted application

66%

of college students said college cost more than they expected.¹⁴

4 First-year retention

+13 pts

Students aware of five or more support services were 13 percentage points more likely to say they would persist than students aware of one to four (77% vs. 64%).¹⁷

Of students who entered college in fall 2024, 69.1% were enrolled at the same institution a year later.¹⁸

6 Stop-out recovery

44%

of students who had stopped out recognized that academic advising was available to them.¹⁷

Nationally, 37.6 million working-age Americans have some college and no credential; more than 1 million re-enrolled in 2023–24.¹⁹

¹³ Odle & Magouirk. “Non-Submitters: Evidence on Students Who Start but Don’t Complete a College Application.” EdWorkingPaper 23-819, Annenberg Institute at Brown University, August 2023. edworkingpapers.com/sites/default/files/ai23-819.pdf

¹⁴ College Ave, with Barnes & Noble College Insights. Student survey, May 8, 2024. www.collegeave.com/press/surprised-by-the-cost-of-college-new-survey-from-college-ave-highlights-students-financial-approaches-from-funding-a-college-degree-to-building-an-emergency-fund/

¹⁵ Ellucian. National survey of 1,500 U.S. college students. June 26, 2024. www.ellucian.com/newsroom/national-survey-reveals-59-college-students-considered-dropping-out-due-financial-stress

¹⁶ Castleman & Page. “Mitigating Summer Melt.” Policy Analysis for California Education (PACE), March 18, 2014. edpolicyinca.org/newsroom/mitigating-summer-melt

¹⁷ Tyton Partners. *Listening to Learners 2024*, as reported in Inside Higher Ed, September 24, 2024. www.insidehighered.com/news/student-success/academic-life/2024/09/24/survey-gaps-persist-college-student-resource

¹⁸ National Student Clearinghouse Research Center. *Persistence and Retention*, fall 2024 entering cohort. June 25, 2026. nscresearchcenter.org/persistence-retention/

¹⁹ National Student Clearinghouse Research Center. *Some College, No Credential*. June 4, 2025. Overview: nscresearchcenter.org/some-college-no-credential/. Full report: files.eric.ed.gov/fulltext/ED673396.pdf

◆ CHAPTER 3

The evidence on motivational interventions

Each Motimatic GuidePost™ begins with a target action from the root-cause map and pairs two elements drawn from the research literature: a motivational principle, which addresses why a student would act, and a behavioral strategy, which determines how the message prompts the action.

Each message is tagged with its pairing, so results can be compared by stage, principle and strategy.

9 motivational principles THE WHY

Self-efficacy

Expectancy-value

Agency & autonomy

Attribution

Belonging

Cognitive dissonance

Identity-based motivation

Concrete expressions of care

Reinforcement & incentive

14 behavioral strategies THE HOW

Urgency

Scarcity

Reminders & tips

Tiny habits

SMART goals

Social proof

Point of view

Commitment

Incentives

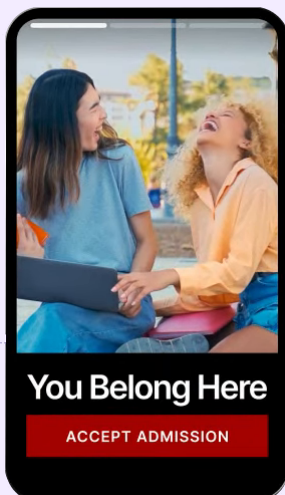
Perks

Reframing

Empowerment

Hopefulness

Sense of purpose



EXAMPLE • AN ADMITTED STUDENT WHO HAS NOT DEPOSITED

Tamryn has been admitted for fall and has not paid her deposit. She is unsure about cost.

PRINCIPLE
Belonging

STRATEGY
Commitment

The message, “You belong here,” runs as one idea across streaming TV, direct mail, social media, email and a text message before the deadline.

◆ CHAPTER 3, CONTINUED

Selected evidence

d = 0.49

Average effect of motivation interventions in education across 74 papers and 92 effect sizes, mostly on achievement outcomes.²⁰

+7 pts

Personalized summer text messages increased college enrollment by more than 7 percentage points in two Massachusetts districts.²¹

21%

Reduction in summer melt at Georgia State when admitted students could text questions to an AI virtual assistant.²²

+14 pts

FAFSA renewal reminders by text made community college freshmen almost 14 percentage points more likely to stay continuously enrolled through sophomore spring.²³

22

institutions

A brief social-belonging intervention with 26,911 students increased full-time first-year completion where the campus context supported belonging.²⁴

A limit of the evidence. FAFSA nudge campaigns that reached more than 800,000 students had no effect on financial aid receipt or enrollment.²⁵ Messages need to address the reason a student has stalled, and only a randomized control group can show whether they did.

²⁰ Lazowski & Hulleman. "Motivation Interventions in Education: A Meta-Analytic Review." *Review of Educational Research* 86(2), 2016. doi.org/10.3102/0034654315617832

²¹ Castleman & Page. "Summer Nudging: Can Personalized Text Messages and Peer Mentor Outreach Increase College Going among Low-Income High School Graduates?" *Journal of Economic Behavior & Organization* 115, 2015. doi.org/10.1016/j.jebo.2014.12.008

²² Page & Gehlbach. "How an Artificially Intelligent Virtual Assistant Helps Students Navigate the Road to College." *AERA Open* 3(4), 2017. doi.org/10.1177/2332858417749220

²³ Castleman & Page. "Freshman Year Financial Aid Nudges: An Experiment to Increase FAFSA Renewal and College Persistence." *Journal of Human Resources* 51(2), 2016. doi.org/10.3368/jhr.51.2.0614-6458R

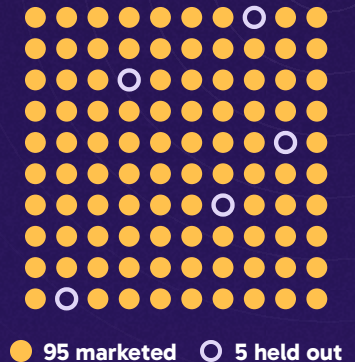
²⁴ Walton, Murphy et al. "Where and with Whom Does a Brief Social-Belonging Intervention Promote Progress in College?" *Science* 380(6644), 2023. doi.org/10.1126/science.ade4420

²⁵ Bird, Castleman, Denning, Goodman, Lamberton & Rosinger. "Nudging at Scale: Experimental Evidence from FAFSA Completion Campaigns." NBER Working Paper 26158, 2019. www.nber.org/papers/w26158

♦ CHAPTER 4

Measuring effect with randomized holdouts

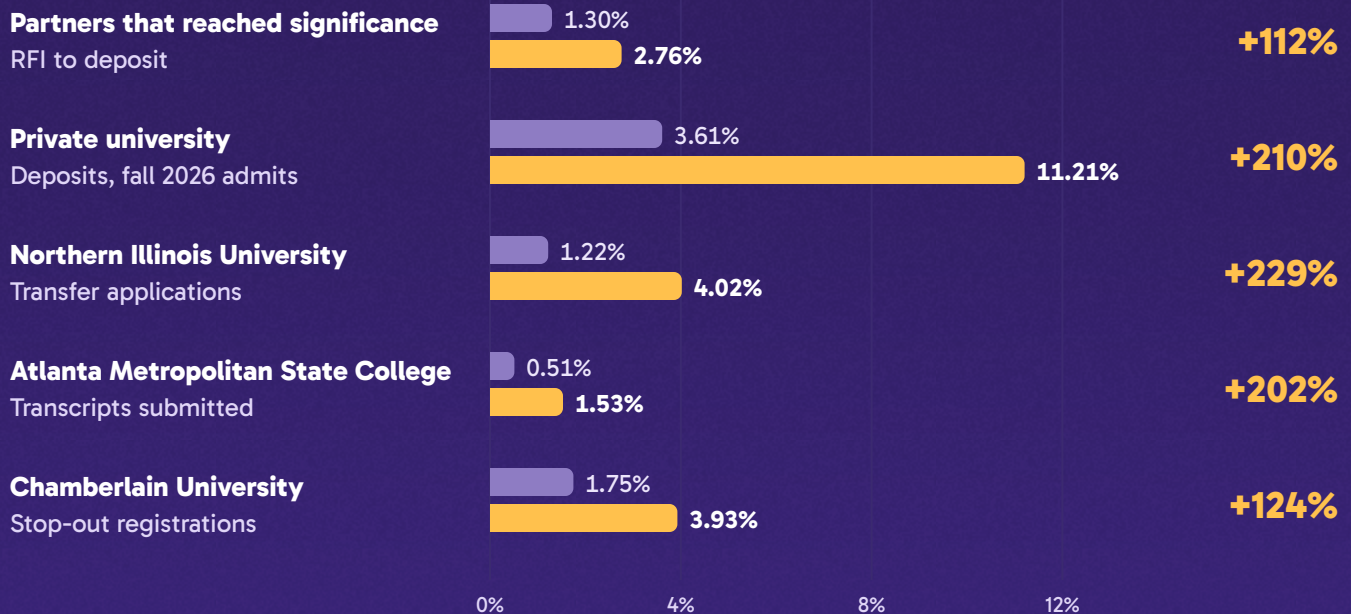
Year-over-year comparisons cannot separate the effect of outreach from changes in the applicant pool, aid policy or the economy. A randomized holdout can. Motimatic partners are now opted into randomized holdout testing when they launch new campaigns: 5% of a student list, selected at random, receives nothing from us for the length of the campaign, and outcomes are compared with the 95% who receive it.



Conversion rate, holdout vs. marketed

■ Holdout ■ Marketed

Lift



We do not guarantee results. Some campaigns reach statistical significance and some do not; effect size, audience size and time determine which.²⁶

²⁶ Motimatic randomized 5% holdout tests. Internal data; no public link. The all-partner figure covers partners that reached statistical significance. Each partner result shown reached significance. One partner is anonymized.

◆ CHAPTER 5

Recommendations for the 2026–27 cycle

Applications for fall 2027 are open, deposits come due in the spring, and summer melt follows. The recommendations below are organized by funnel stage.

PLANNING

1 Quantify institutional exposure. Review WICHE projections for feeder states, the share of graduate students who borrowed more than \$20,500 a year under the prior rules, and international enrollment by program.^{1,4}

2 Prioritize students already in the pipeline. Inquiries, incomplete applications, admitted students and stopped-out students are known to the institution and can be reached before new names are acquired.

APPLICATIONS

3 Follow up on incomplete applications weekly, naming the next missing item: the essay, the transcript or the recommendation.¹³

4 Publish the full cost of attendance on graduate program pages, with the new federal limits and the options for financing the difference.⁴

YIELD

5 Explain the financial aid offer in plain language before the deposit deadline. Only 21% of students are “incredibly confident” they understand theirs.¹⁵

6 Continue outreach after the deposit through the first day of class, while accepted students who intend to enroll remain at risk of summer melt.¹⁶

7 Show Parent PLUS families the \$20,000 annual limit and their remaining gap at admission rather than in August.⁴

RETENTION

8 Introduce first-year students to at least five support services by midterm. Awareness of five or more is associated with a 13-point higher stated intent to persist.¹⁷

9 Track second-fall return. Of the fall 2024 entering cohort, 69.1% were enrolled at the same institution a year later.¹⁸

10 Ask about finances early. In a national survey, 59% of students had considered dropping out because of financial stress.¹⁵

STOP-OUT RECOVERY

11 Offer stopped-out students one next step, such as an advising appointment or a single course next term. Only 44% recognized that advising was available.¹⁷

12 Start with the institution's own former students. More than 1 million students with some college and no credential re-enrolled in 2023–24.¹⁹

MEASUREMENT

13 Hold out a randomized 5% of each list and report lift against the holdout rather than raw volume.

14 Tag each message with the stage, principle and strategy it tested, so the next cycle builds on measured results.



♦ THE PILOT

Start with *one list*.

Choose one population and one outcome: submitted applications, deposits or fall registration. We run the campaign against a randomized 5% holdout and report what changed.

1

One list

RFIs, admits or stop-outs

2

One goal

Applications, deposits or registrations

3

One holdout

5% who receive nothing from us

Start a pilot at motimatic.com

or email sales@motimatic.com



Motimatic is the lifecycle marketing hub for higher education. Send us your student lists. We find where each student is stuck, build behavioral-science messages to move them forward, and deliver them on social media, streaming TV, direct mail, email and SMS. Our team runs it. Motimatic partners are now opted into randomized holdout testing when they launch new campaigns. When a campaign reaches significance, you see exactly what our work changed.

Reach more students in more places. © 2026 Motimatic. Motimatic root-cause and holdout data are internal and have no public link.