

HIGHER EDUCATION ENROLLMENT

Navigating the Enrollment Cliff

As birthrates decline and demand for higher education wanes, colleges face an unprecedented inflection point. Here's what institutions need to know—and do—right now.

15%+

Projected enrollment drop 2025–2029

41.9M

Stopped-out students as of July 2022

36%

U.S. adults confident in higher ed (down 20%)

576K

Est. drop in total students '25-'29

INTRODUCTION

Two Cliffs, One Crisis

As a result of steadily declining birth rates that began with the Great Recession in 2008 and lasted through 2022, the number of U.S. high school graduates is expected to peak around 2026 and then decline until 2040. College enrollment projections anticipate a drop of more than 15% between 2025 and 2029 — meaning colleges will lose approximately 576,000 students over that 4-year span. This is the “demographic” cliff.

But there is also a “demand” cliff now at play, driven by the growing number of 18- to 24-year-olds who are simply choosing not to attend college. Together, these two cliffs represent a defining inflection point. Methodical long-term strategic planning will be essential to minimizing the losses ahead.

ROOT CAUSES

What Got Us Here

The COVID-19 Pandemic

Undergraduate enrollment in the U.S. had been declining since 2012, but the pandemic dramatically accelerated that trend. According to the National Student Clearinghouse, undergraduate enrollment from fall 2019 to fall 2021 declined by 6.6%.

By late 2021, more than 1 million fewer students were enrolled in college compared to pre-pandemic levels.

Decline in International Students

International students account for 6% of total U.S. higher education enrollment and contributed more than \$50 billion to the U.S. economy in 2023. However, geopolitical tensions — particularly between Washington and Beijing — are creating a chilling effect.

In 2022, approximately **290,000 Chinese students** were studying in the U.S. — an 8.6% drop from the previous year.

Early Entry into the Job Market

A strong economy and rising minimum wages across 30 states have made entering the workforce directly from high school increasingly attractive. High school students are also gravitating toward skilled trades — plumbing, electrical work, welding — drawn by lower costs, growing demand, and significant earning potential.

50% of Gen Z — those born between 1997 and 2012 — report plans to enter blue-collar work, earning the moniker “the toolbelt generation.”

Questioning the Cost of Higher Education

Attending a four-year public college costs 57% more than it did 20 years ago. A growing number of students question whether that investment is worth it.

Only **36% of U.S. adults** express great confidence in higher education — down sharply from **58% in 2015**. And 85% of adults who stopped out or never enrolled cited **cost as the primary barrier**.

Decreased Immigration

The foreign-born population in the U.S. shrank between 2018 and 2021, largely due to changes in immigration policy. A smaller immigrant community means a smaller pool of college-age students.

Approximately 408,000 undocumented students were enrolled in U.S. colleges in 2021 — a decrease of 4.2% from 2019's 427,000.

STRATEGIC RESPONSES

Minimizing Enrollment Losses

Institutions that find new ways to compete in a shrinking market — and build guardrails to retain current students — will be best positioned for the years ahead.

STRATEGY 01

Explore Potential New Markets

With fewer U.S. high school seniors to recruit, colleges can expand their target audience by tapping into international students and non-traditional learners. International enrollment rebounded strongly in 2022–23, growing by more than 100,000 students year-over-year. Non-traditional students — those who are older, working, parenting, or returning after a gap — numbered nearly 2.9 million undergraduates in fall 2022 (23% of the undergraduate population).

STRATEGY 02

Offer More Financial Aid

Many institutions will need to increase financial aid budgets and reduce tuition rates. Already, 57.5% of colleges report financial aid as a primary enrollment lever. In 2023–24, private nonprofit colleges discounted tuition at an average rate of 56.1% for first-time, full-time students — a record high.

STRATEGY 03

Expand Course Offerings & Delivery Methods

Flexible learning, career-oriented programs, and microcredential pathways are increasingly central to an institution's competitive offering. More than 80% of institutions have increased or plan to increase online and hybrid courses. In 2023, 59 state-led initiatives invested over \$3.81 billion in expanding microcredential programs across 28 states.

DEEP DIVE

What Is a Microcredential?

A microcredential is a short, specialized credential that demonstrates mastery of a specific skill or knowledge area. An increasing number of students are opting for microcredentials over traditional 2- or 4-year programs — drawn by lower costs, faster completion, and clear career relevance.

STRATEGY 04

Demonstrate the ROI of a College Degree

Workers with a bachelor's degree earned 67% more than those with only a high school diploma in 2023 — and the median ROI of a bachelor's degree is \$160K. Personalize outreach, open doors to faculty and alumni networks, and give prospective students direct access to current students and recent graduates to build authentic connection.

STRATEGY 05

Invest in Student Support

Academic advising, career counseling, and mental health services are increasingly decisive factors in a student's choice — and their decision to stay. Enhancing these services creates a retention flywheel: students who feel supported are more likely to persist, refer peers, and become engaged alumni.

STRATEGY 06

Reduce Expenditures

Many institutions will need to streamline operations: reviewing administrative costs, rationalizing program offerings, optimizing marketing spend, and reconsidering facilities expansions — all while maintaining the quality that attracts students.

STRATEGY 07

Re-Enroll Stopped-Out Students

The stopped-out student population reached 41.9 million in July 2022. Proactively re-engaging these students through personalized outreach and removing friction from re-enrollment can unlock a significant pipeline. In 2022–23, 943,200 students re-enrolled in postsecondary education — a 9.1% increase from the prior year.

MOTIMATIC IN ACTION

Proven Outcomes at Institutions Like Yours

Motimatic has partnered with more than 300 institutions since 2015, setting in motion over 89,000 student registrations in 2023 and more than 114,000 registrations in 2024 alone.

ENROLLMENT IMPROVEMENT

5× ROI

350% increase in submitted applications at a Top 300, 4-year institution.

RETENTION STRENGTHENING

20× ROI

308 at-risk students registered at University of Wisconsin Whitewater.

RE-ENROLLMENT GROWTH

15× ROI

501 stop-outs re-enrolled at Texas A&M San Antonio.

The Right Partner for the Enrollment Cliff

Motimatic's fully managed platform leverages motivation science to shift student mindsets and drive outcomes — without adding staff or integrating software. We apply science-backed strategies to reach, motivate, and enroll more students, delivering 3–5× ROI for enrollment, retention, and re-enrollment campaigns. Learn more at motimatic.com

250+

Colleges & Universities

60+

California Community College Partners

2M+

Learners Served

200K+

GuidePosts™ Delivered

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