

Demographic Change: Challenges and Opportunities for Private Colleges

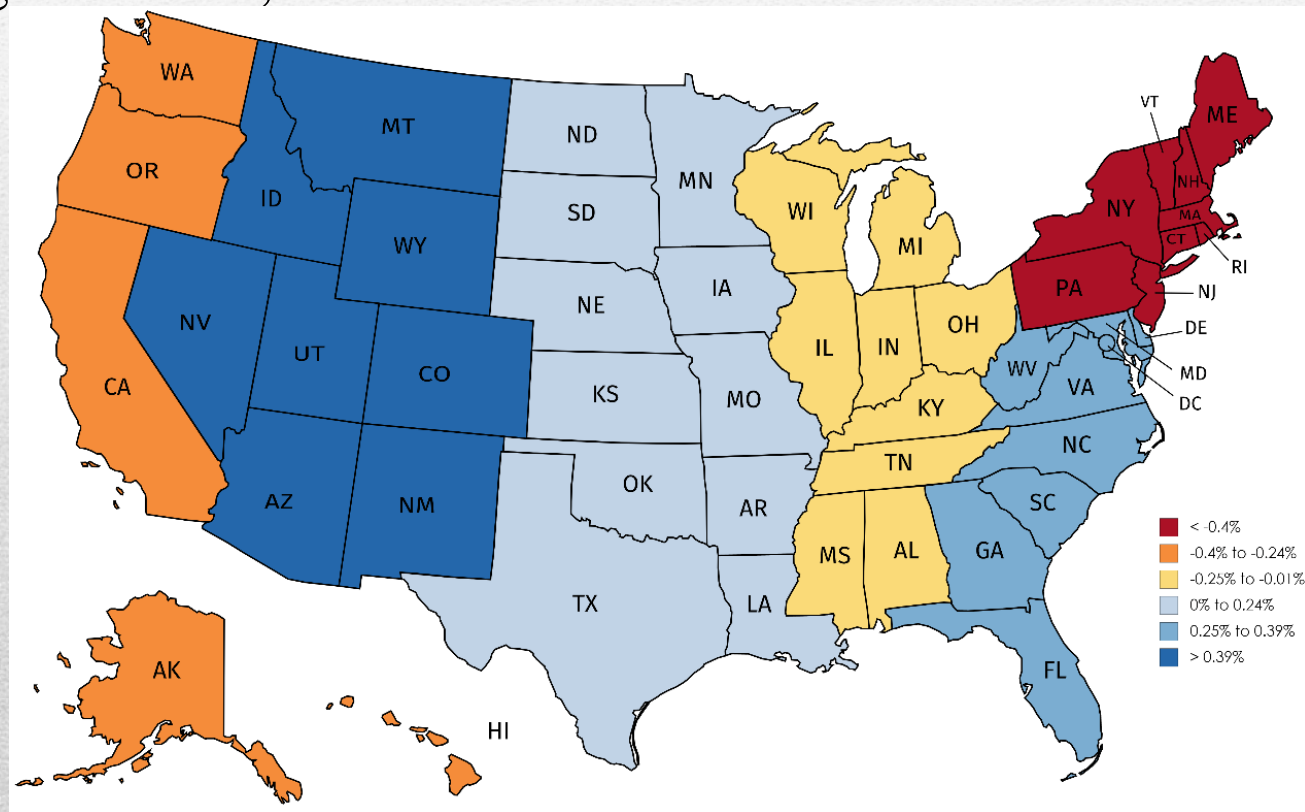
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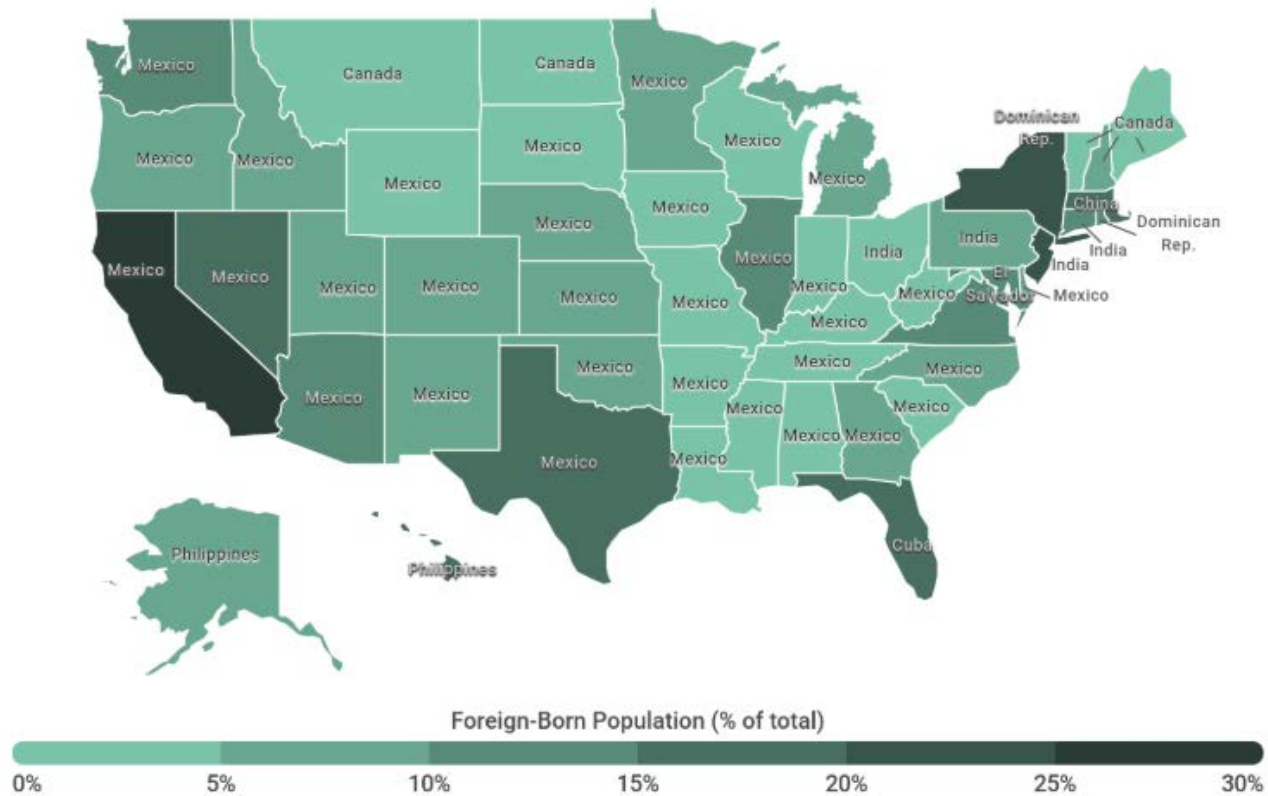
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Net Migration between Census Divisions among Children Ages 2 to 17, 2015 to 2016



Foreign-born population for U.S. states

(Foreign-born population density and the most common country of origin for the foreign-born population)



Source: Lattice Publishing analysis of the U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

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JUNE 23, 2016

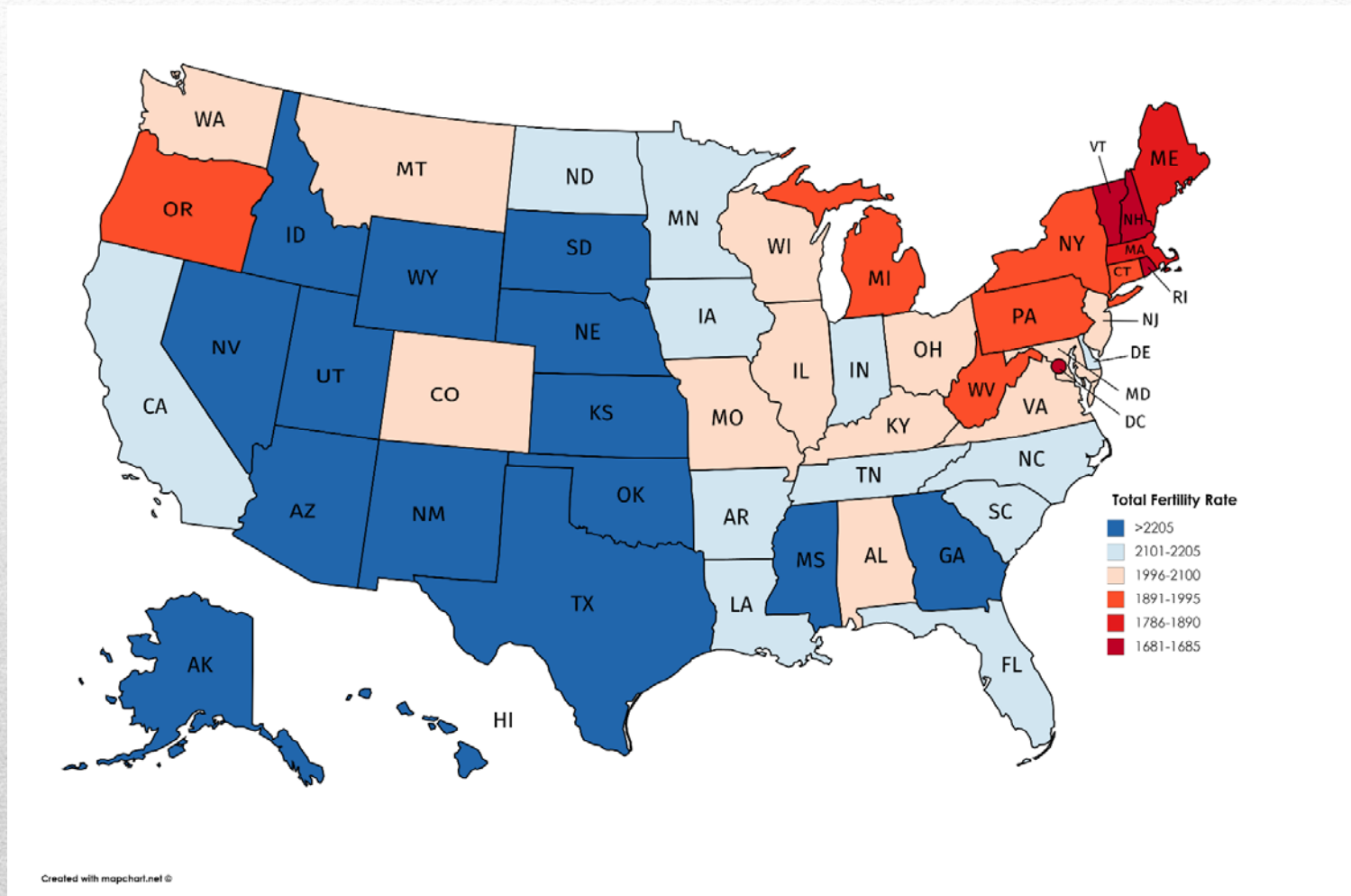


It's official: Minority babies are the majority among the nation's infants, but only just

BY D'VERA COHN | 6 COMMENTS



Total Fertility Rate per 1000 Women, 2007



Source: National Vital Statistics Reports Vol. 58, no. 24



US fertility rate falls to lowest on record



By **Madison Park**, CNN

Updated 9:30 AM ET, Thu August 11, 2016



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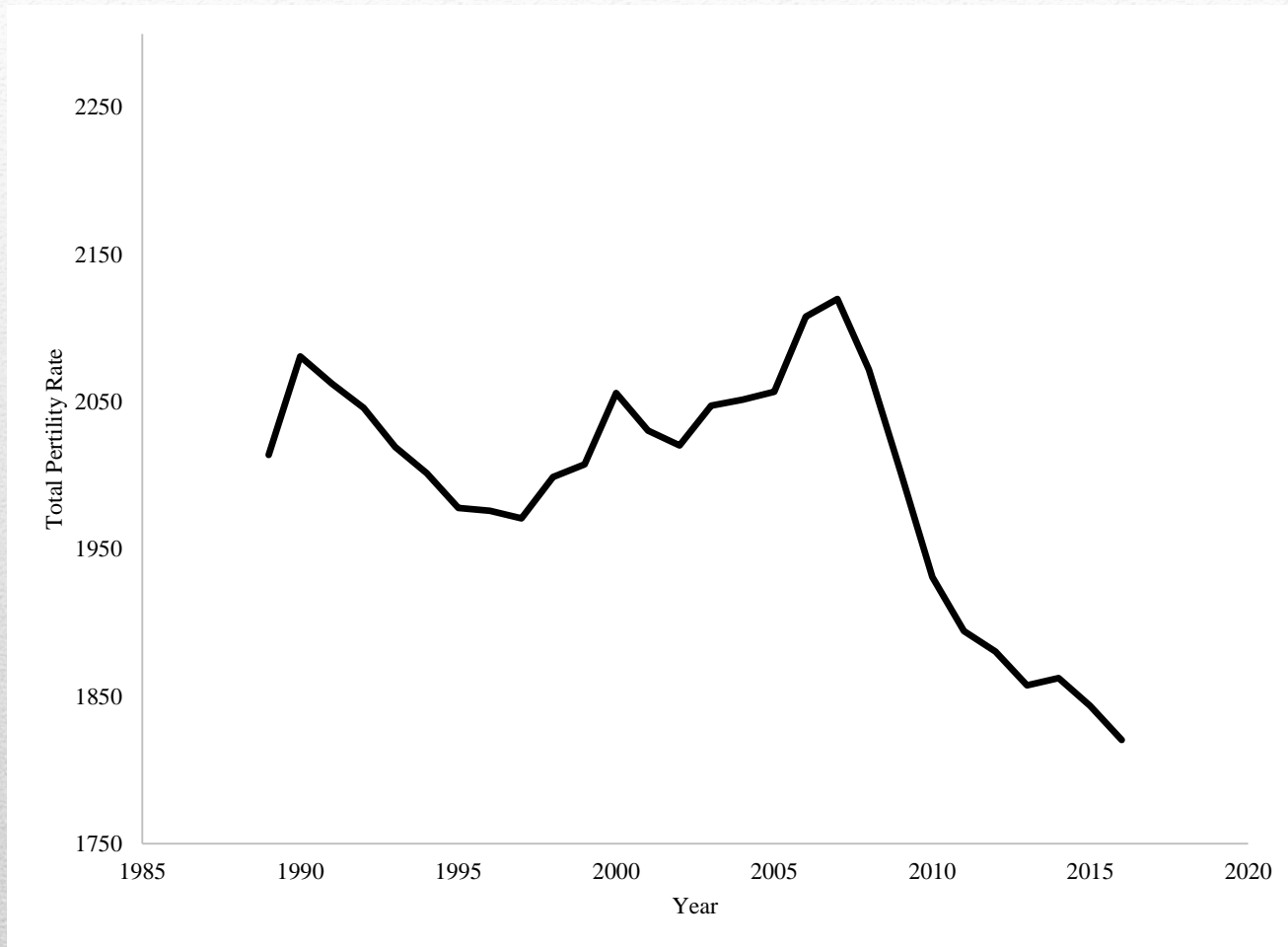


Trash piles up where Nice killer died



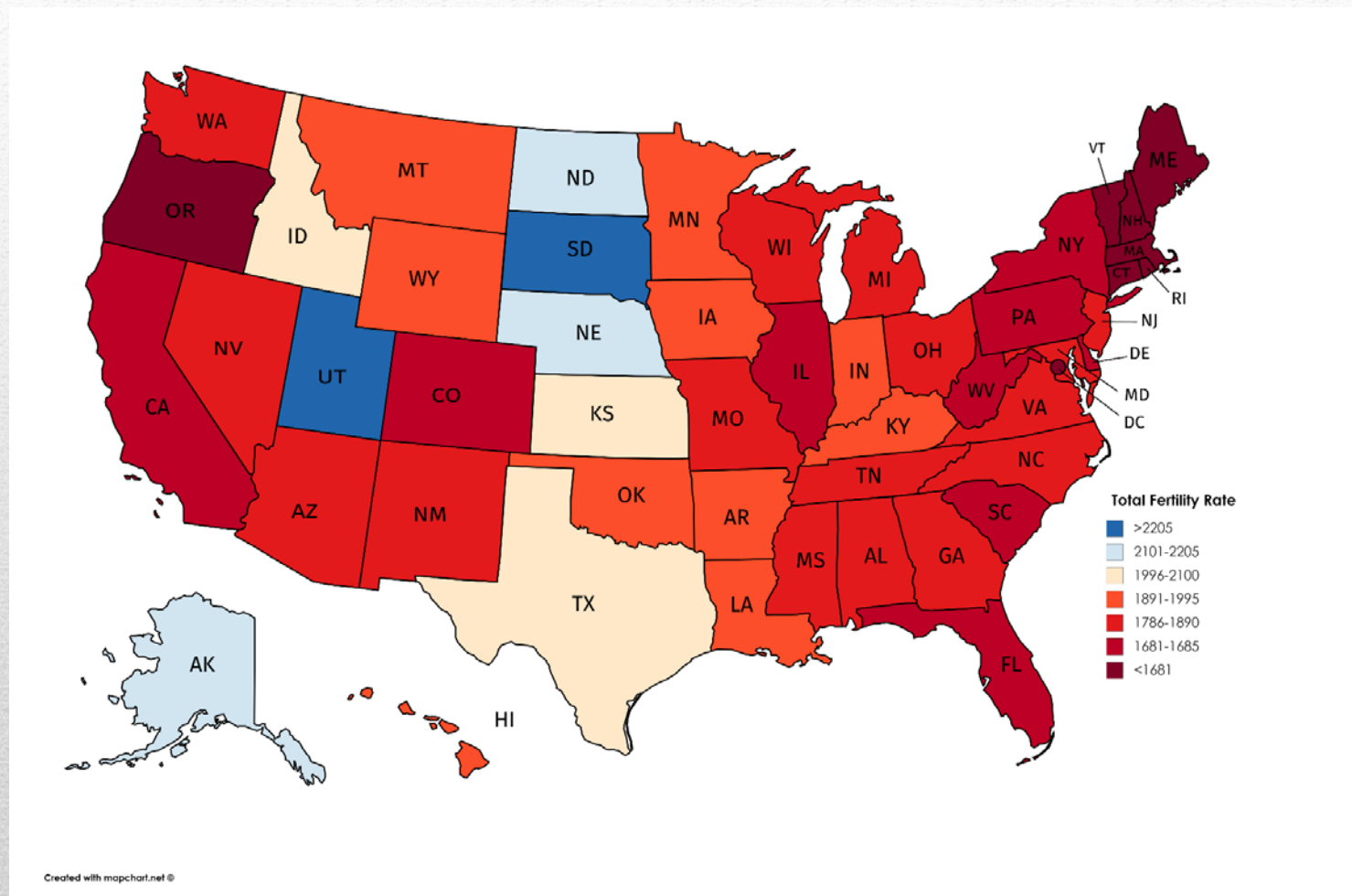
Verizon has warning for big data users

Total Fertility Rate Per 1000 Women



Source: National Vital Statistics Reports Vol. 67, no. 1

Total Fertility Rate per 1000 Women, 2016

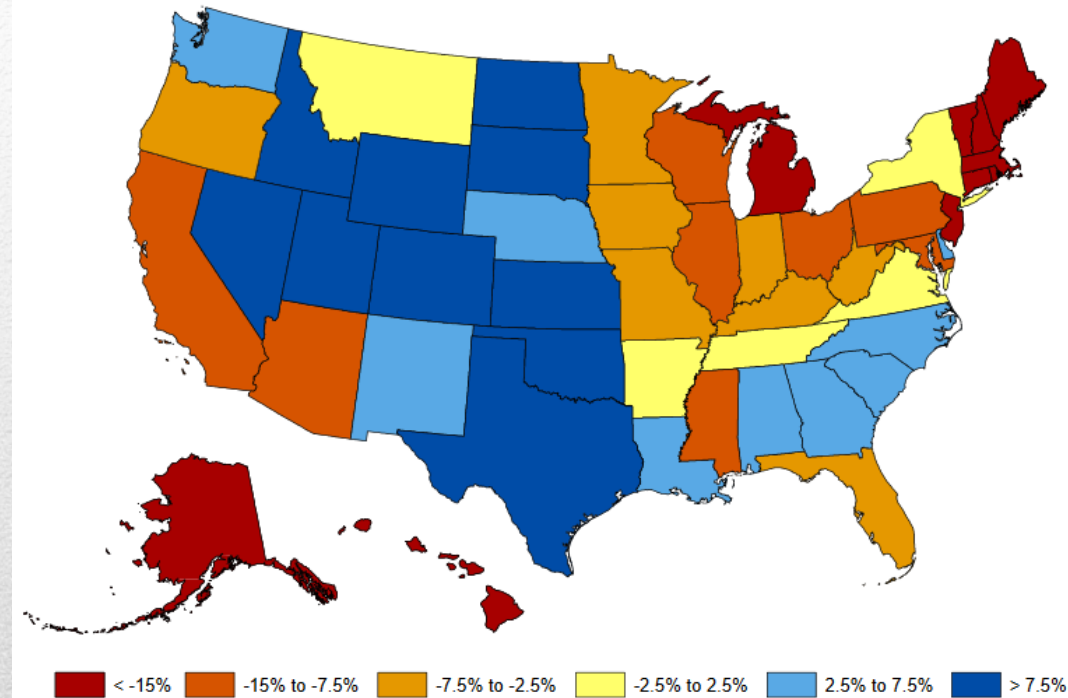
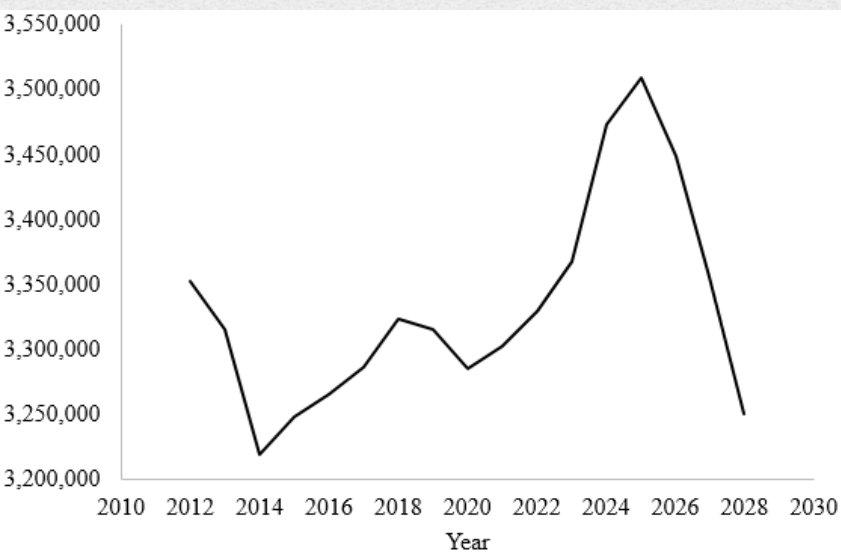


Created with mapchart.net ©

Source: National Vital Statistics Reports Vol. 67, no. 1

Projected Change in Numbers of High-School Graduates, 2012 to 2028

Projected Number of High School Graduates, 2012-2028



Source: Western Interstate Commission for Higher Education (2012)

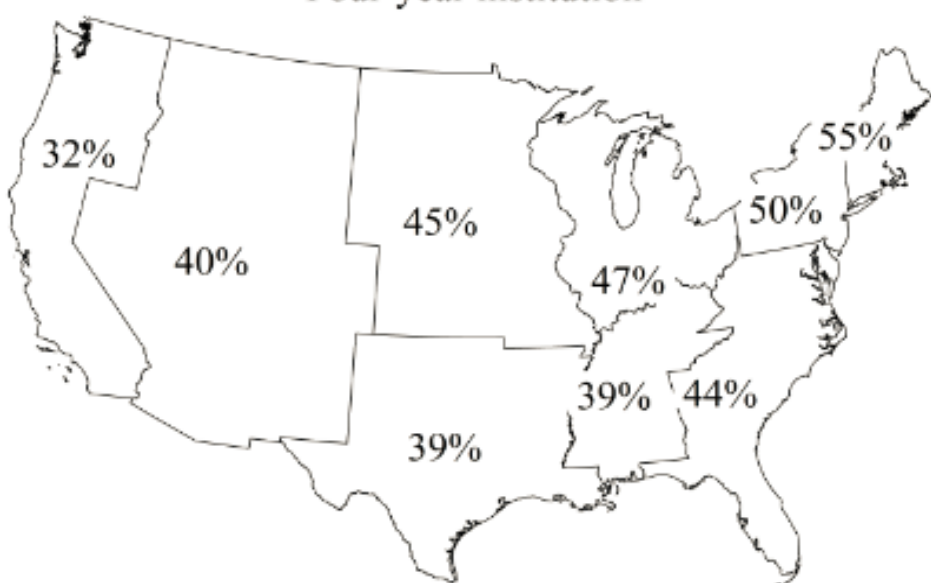
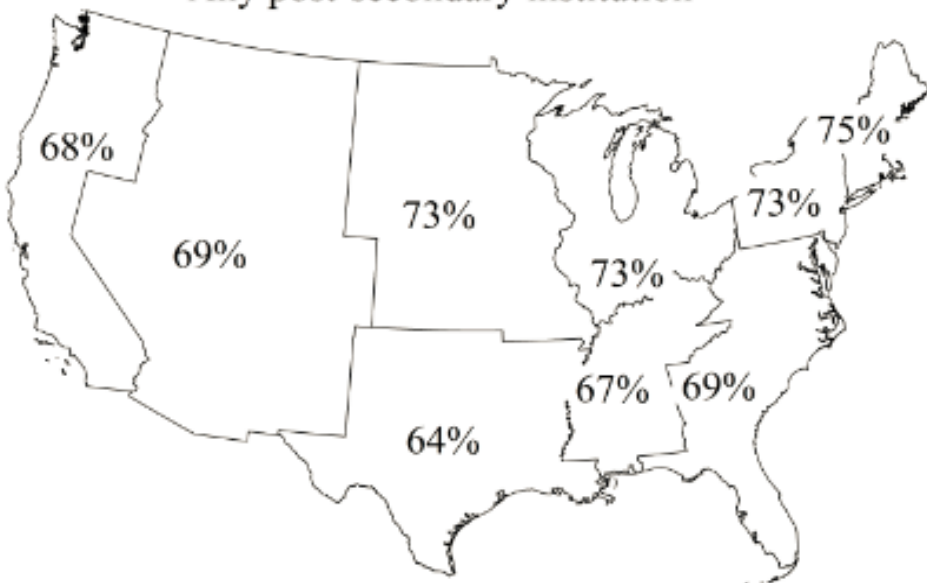


Question: Are headcounts the right way to think about future demand for higher education?

Figure 2.2 College attendance rates by Census division

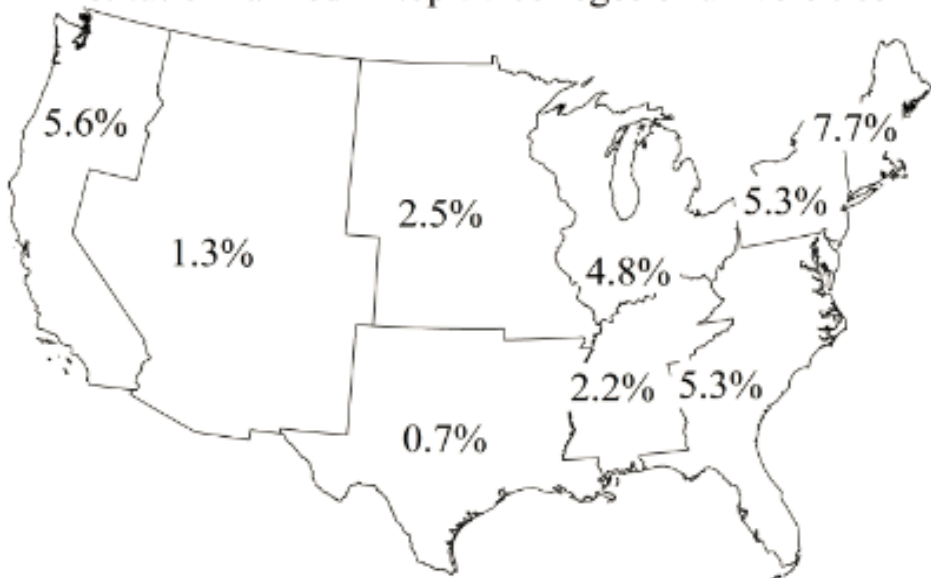
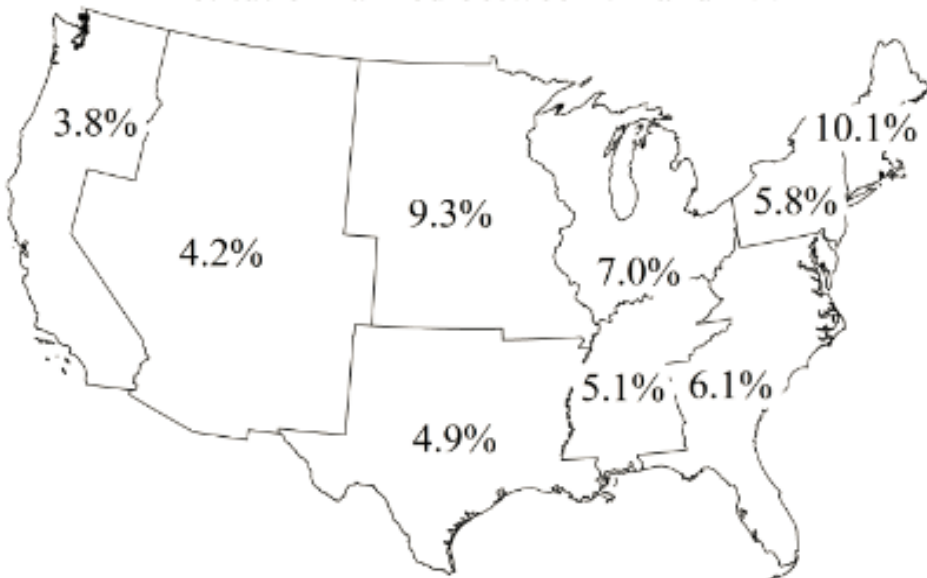
Any post-secondary institution

Four-year institution



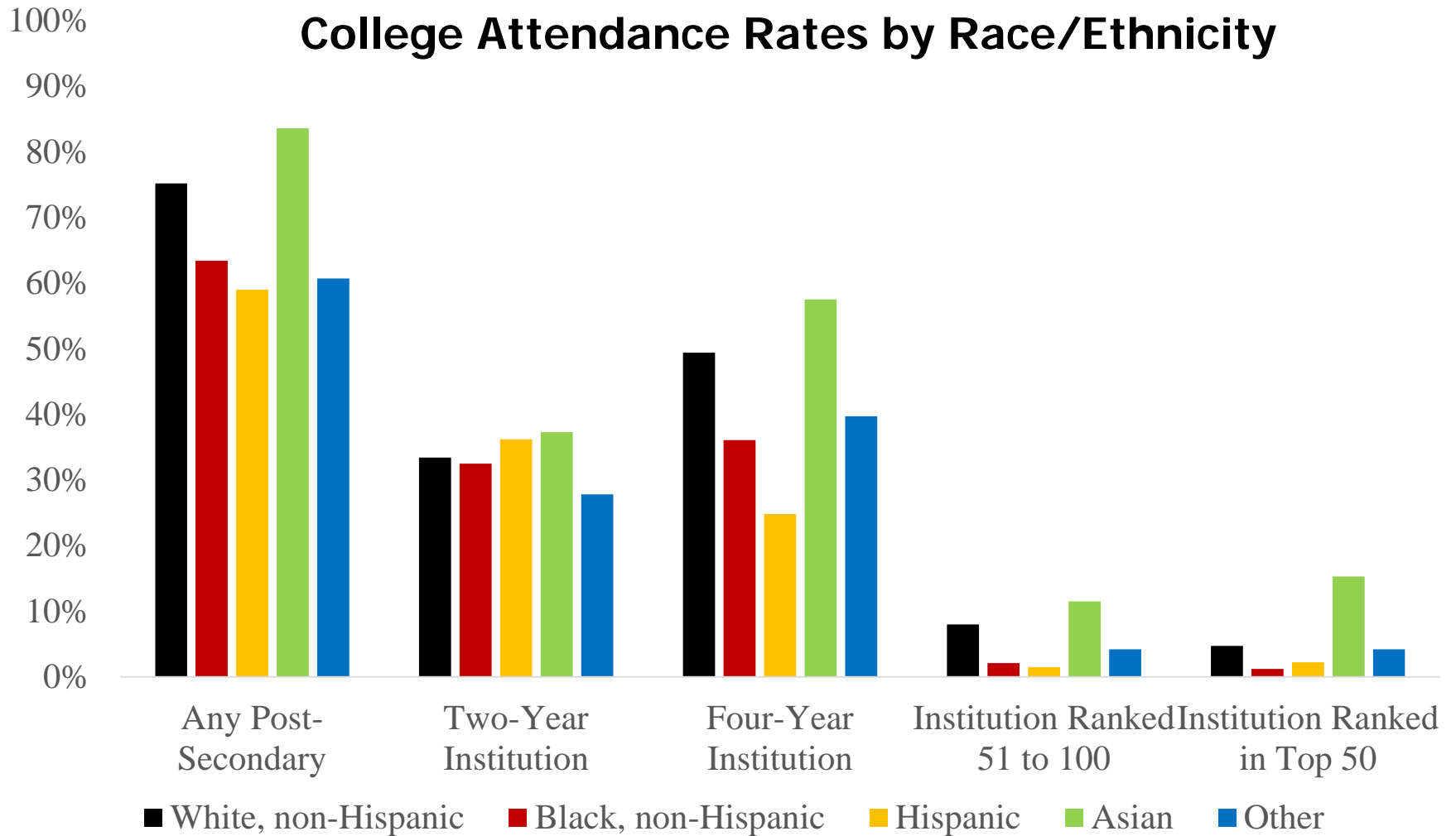
Institution ranked between 51 and 100

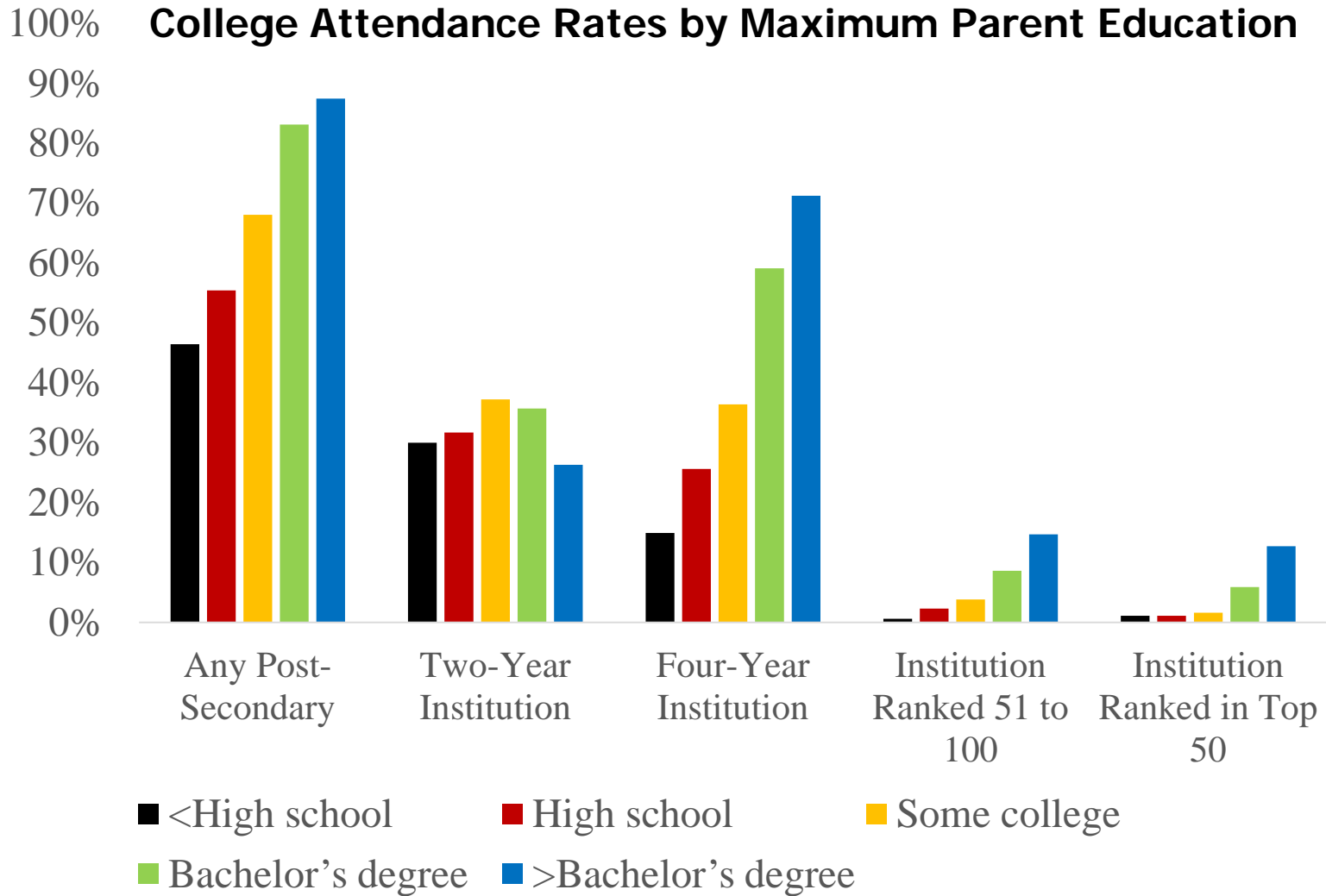
Institution ranked in top 50 colleges or universities



Source: Author's calculations based on the 2002 Education Longitudinal Study restricted data

College Attendance Rates by Race/Ethnicity





Example:

Person A: Asian-American woman living in Boston with both parents who each hold a BA and earn \$125,000

Person B: Hispanic man living in rural California with his mother who holds no degree and earns \$40,000

Probability of attending four-year college or university:

Person A = 96%

Person B = 9%

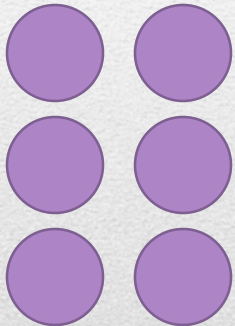
Probability of attending four-year college or university ranked among top 50:

Person A = 73%

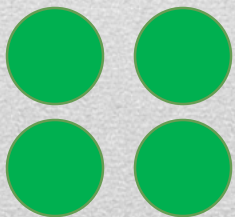
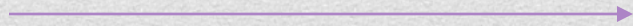
Person B = 2%

The HEDI Model

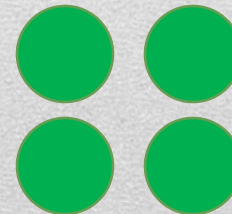
Basic Concept: Probability-weighted demand forecasts



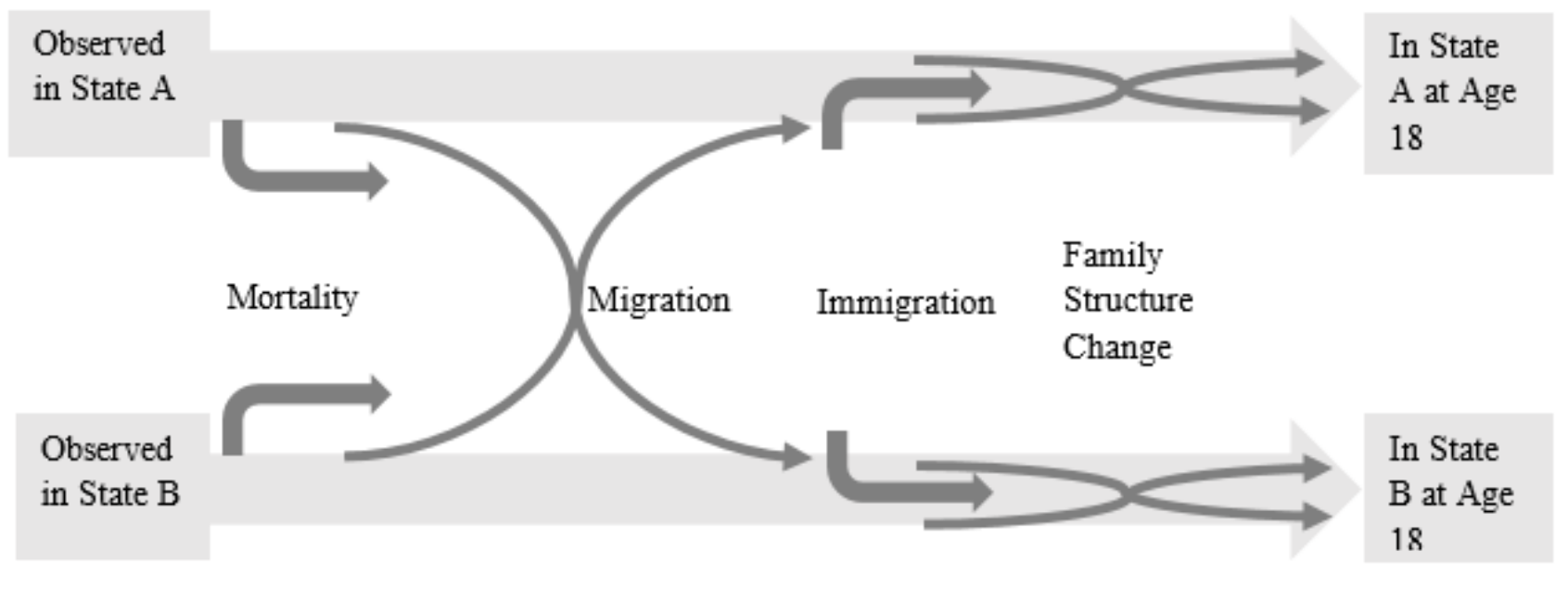
Population increasing by 17%
Probability of attendance = 17%



Probability of attendance = 100%



Reality is complicated

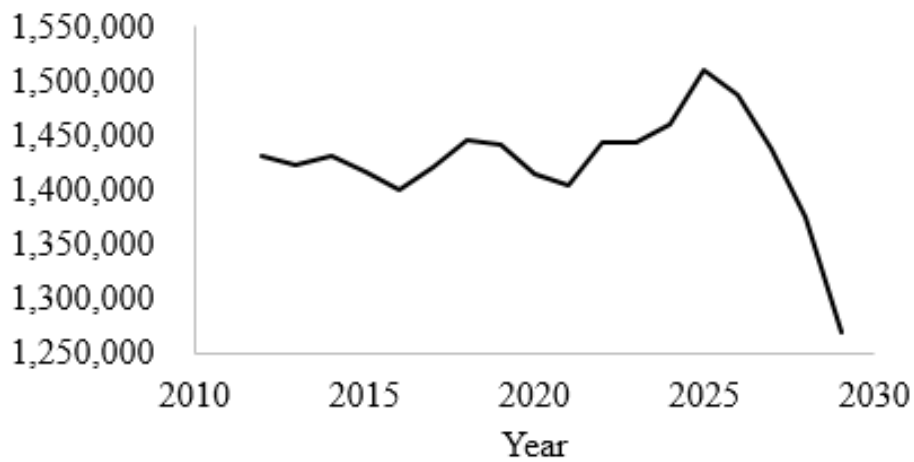


Forecasted Number of Students Attending College by Institution Type and Year of High School Graduation

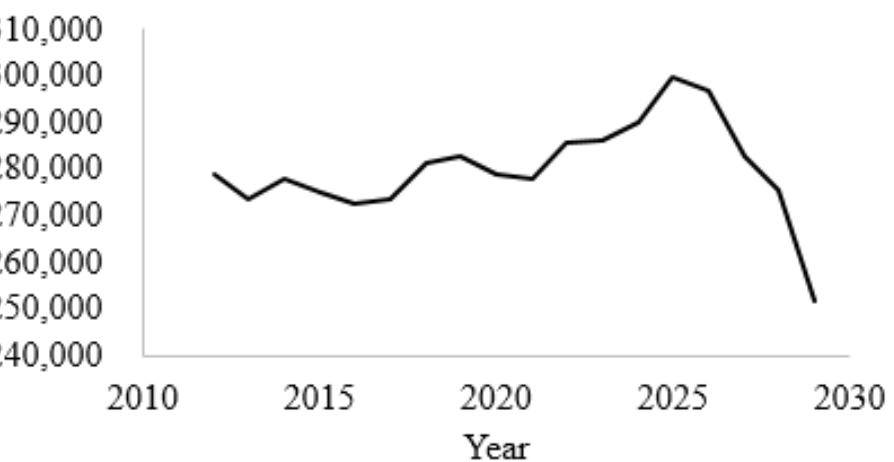
a) Two-year colleges



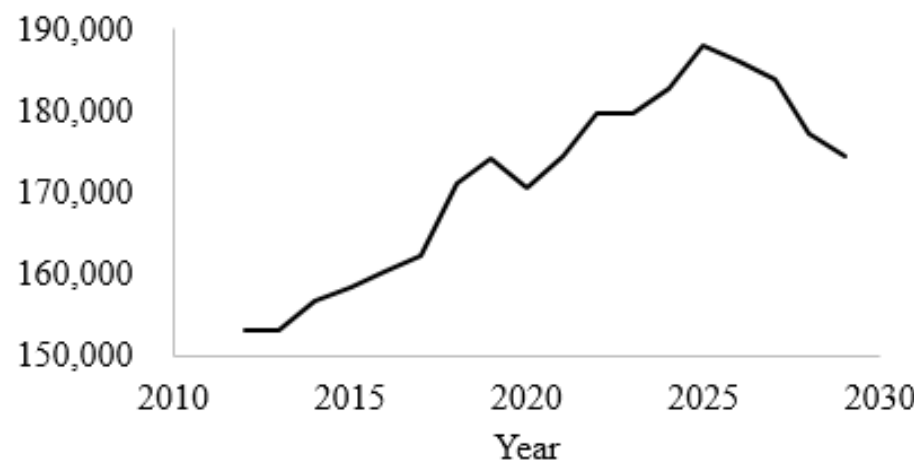
b) Regional colleges and universities



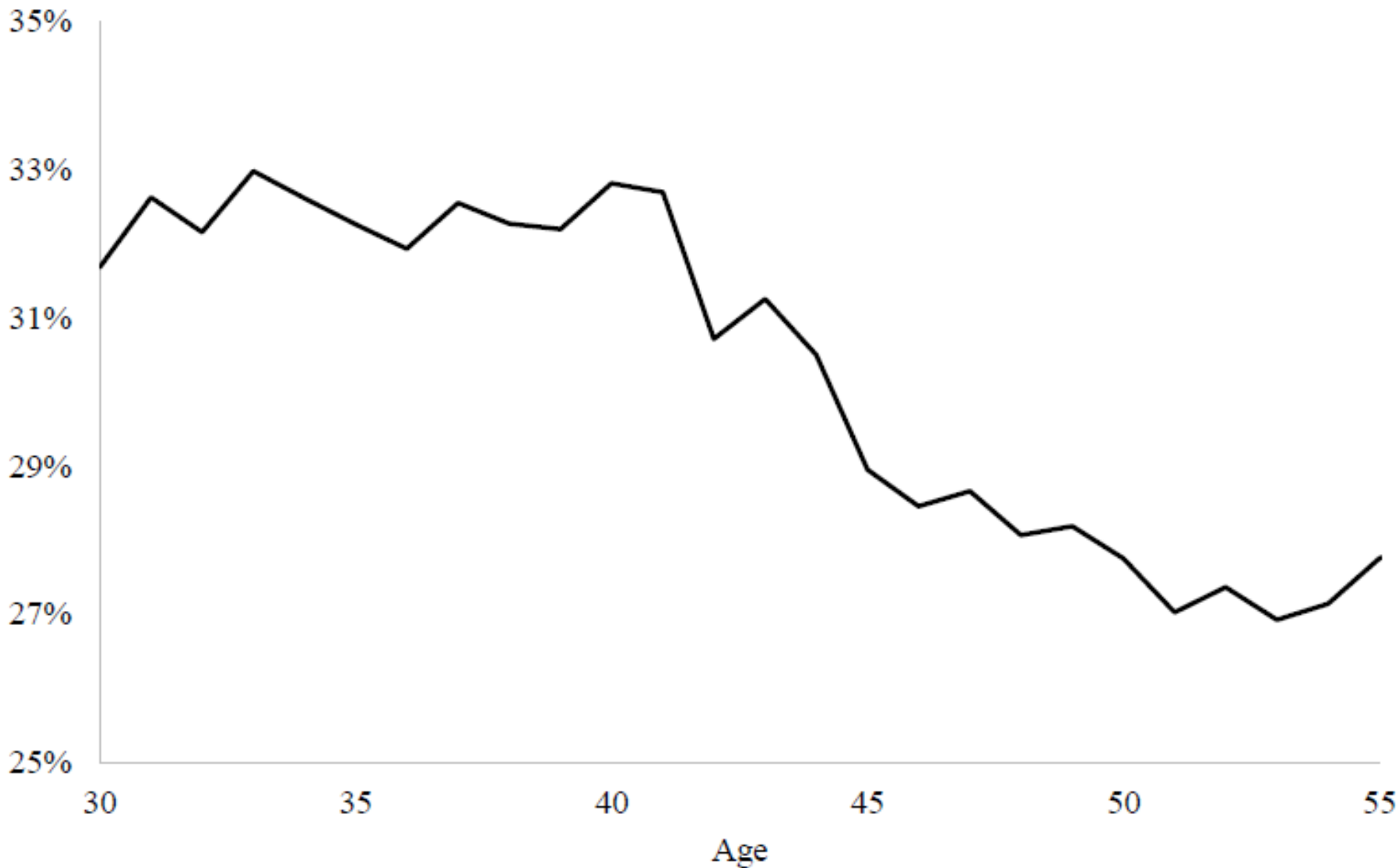
c) National colleges and universities



c) Elite colleges and universities

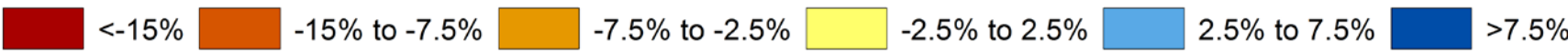
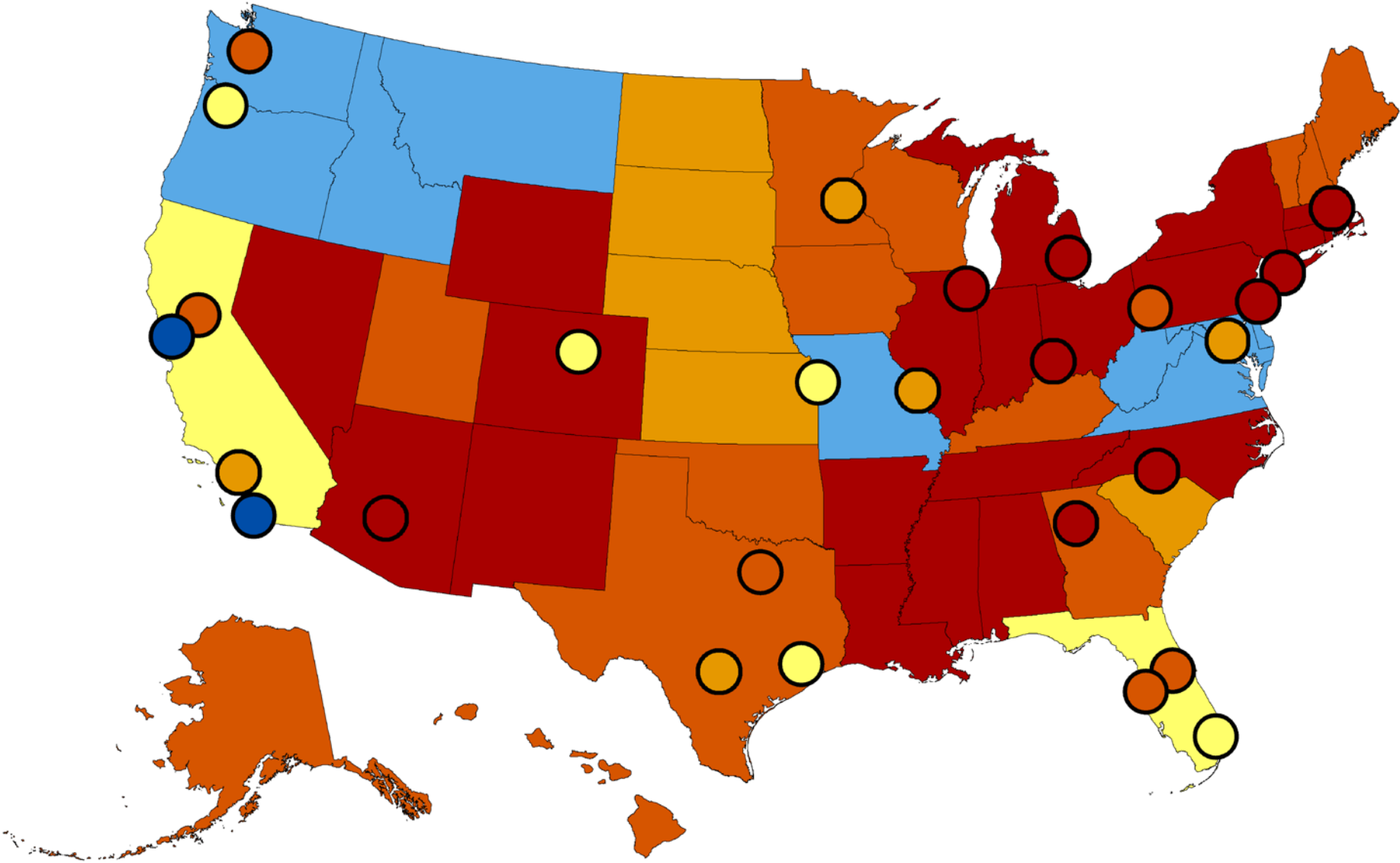


Percent of Persons with Bachelor's Degree or Higher, by Age

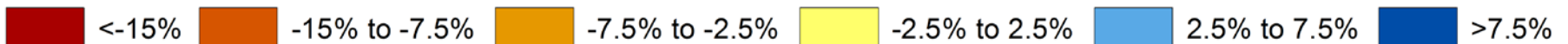
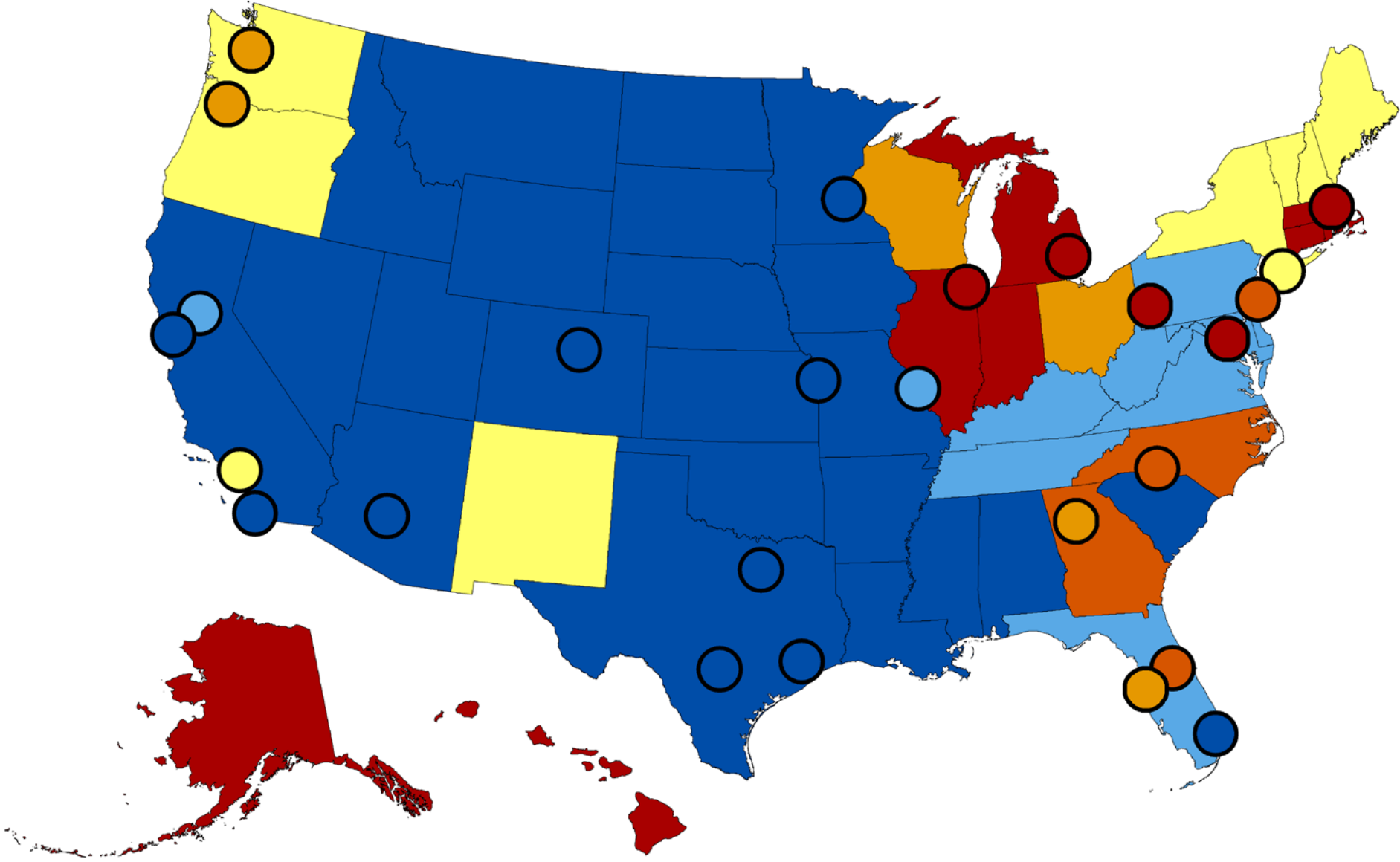


Source: Author's calculations based on 2011 American Community Survey

Forecasted growth in students who will attend a regional four-year institution, 2018 to 2029



Forecasted growth in students who will attend a elite four-year institution, 2018 to 2029



Key Assumptions

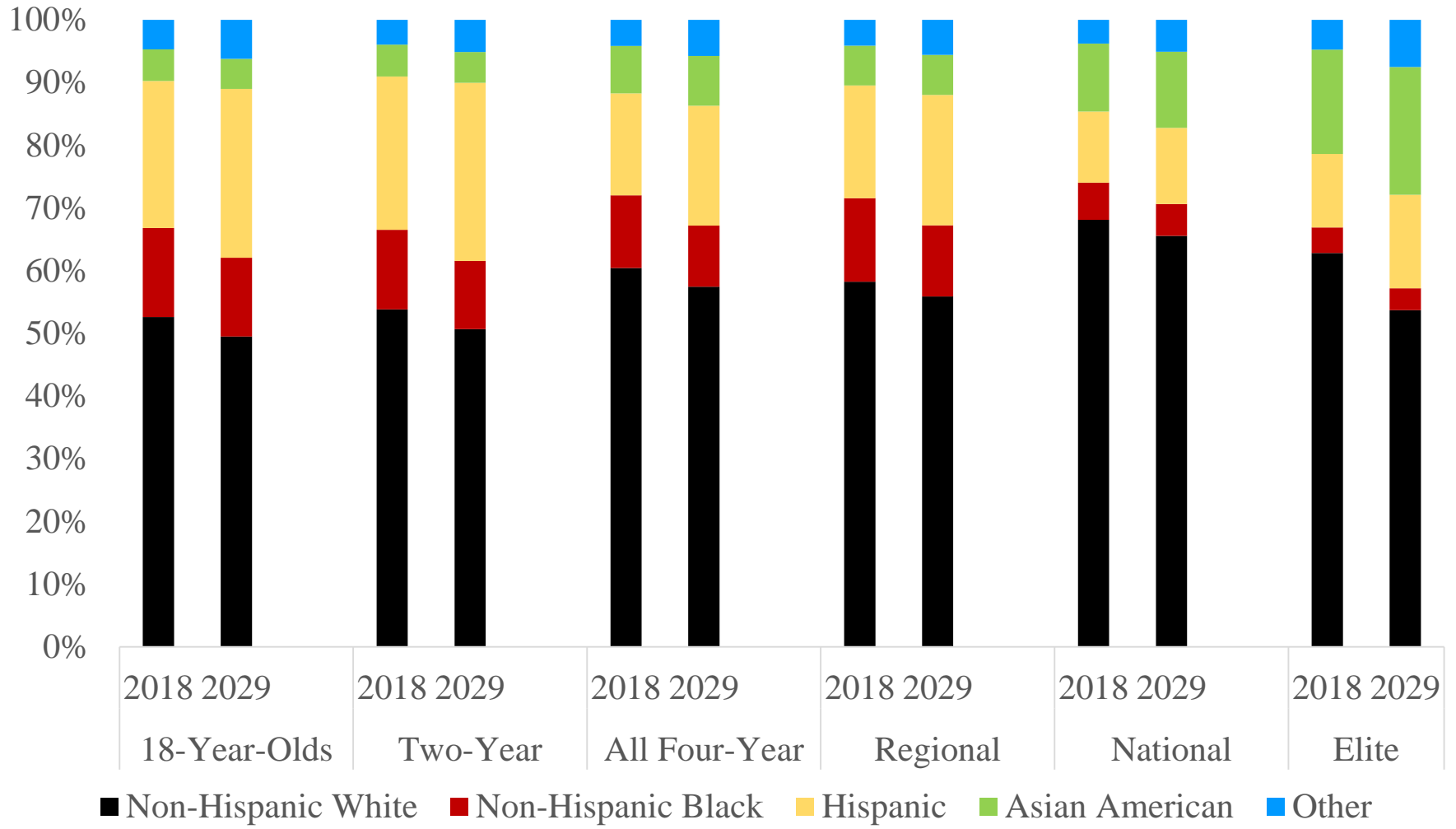
- College attendance patterns are stable
- Migration and immigration patterns are stable

Counter-example: 1980s enrollments

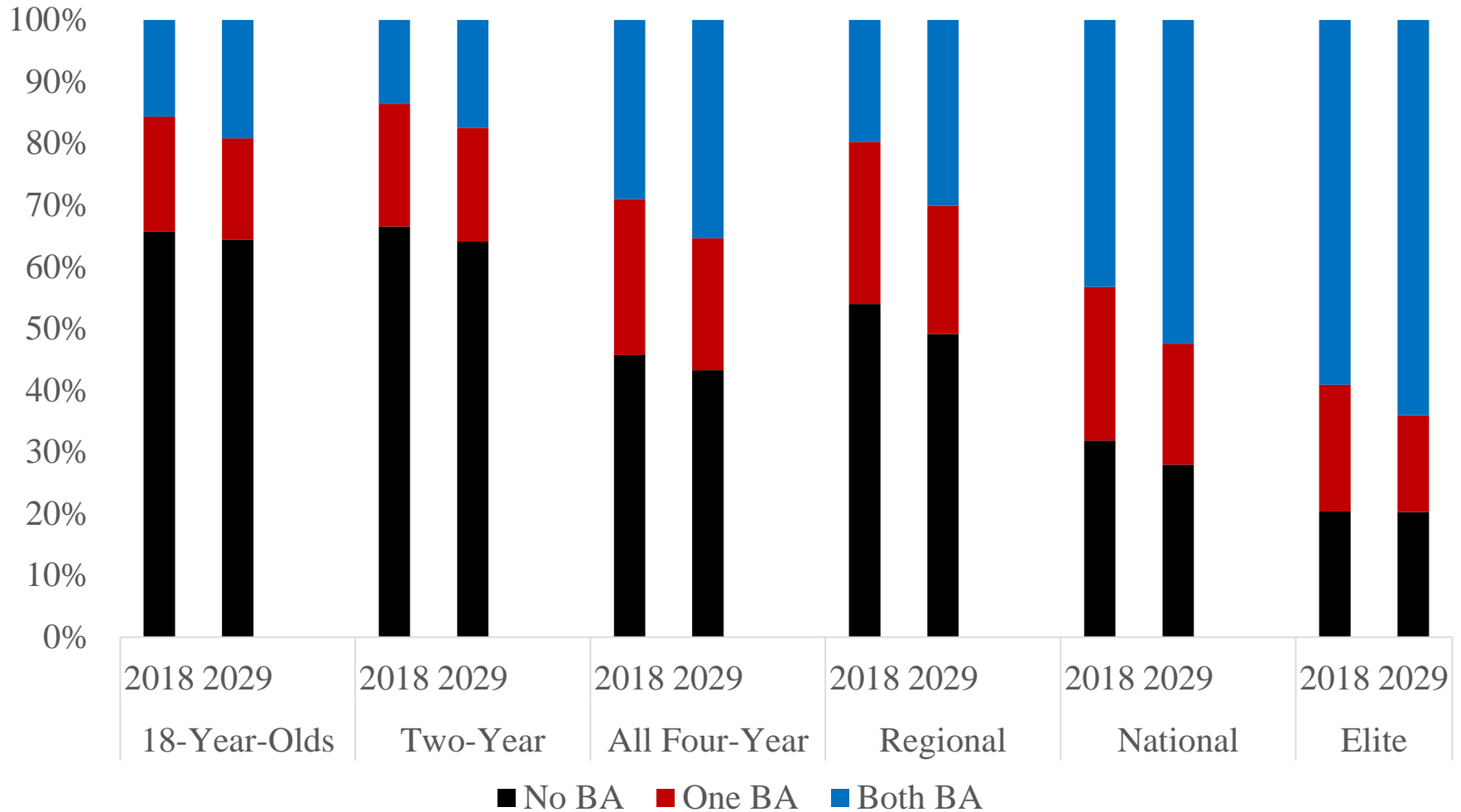
- Increased college wage premium: from 20% to 60%



Race/ethnicity distribution of students attending four-year institutions, 2018 and 2029



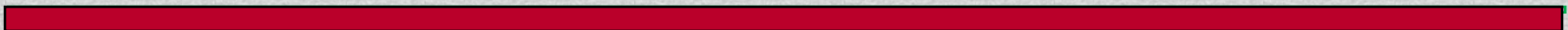
Parental education distribution of students attending four-year institutions, 2018 and 2029

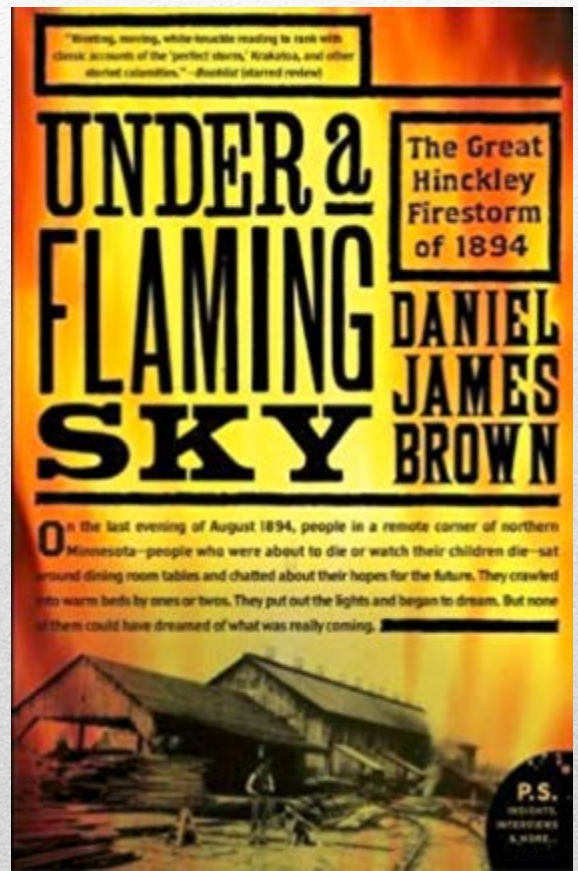


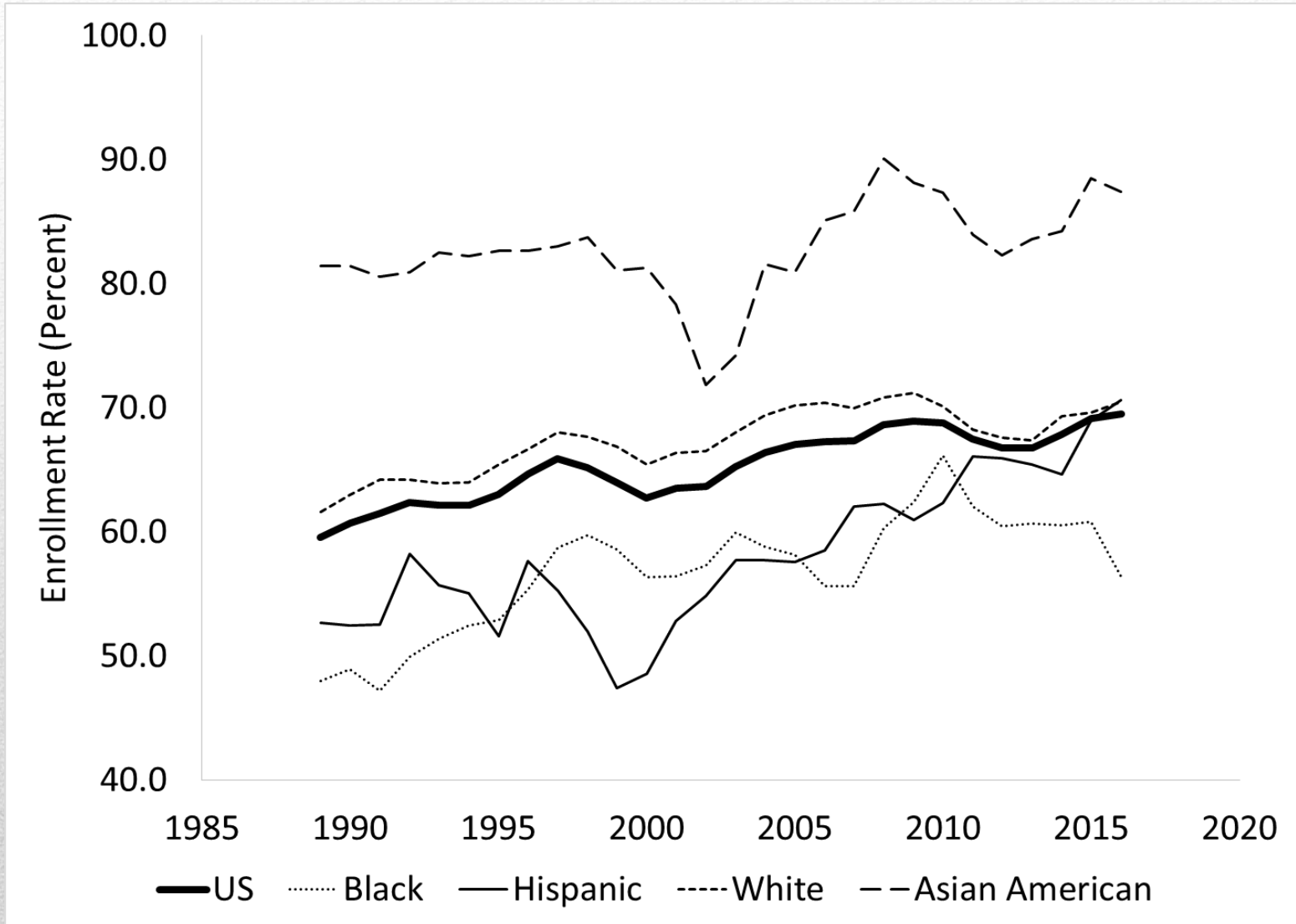
Possible Responses by Others



- Recruit better







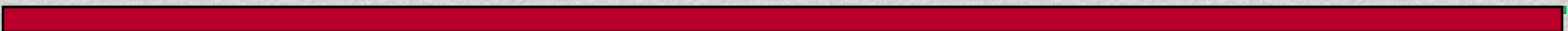
Source: Department of Education Digest of Education Statistics

The Cost of Diversity

- Dominant Narrative: Trade-offs in admissions process—diversity vs. NFI.
- Possible Alternate Narrative: With increasingly diverse prospective student pools, failure to reach and retain diverse students leads to enrollment contraction.



- Recruit better
- Increased attention on retention
- Greater focus on primary mission



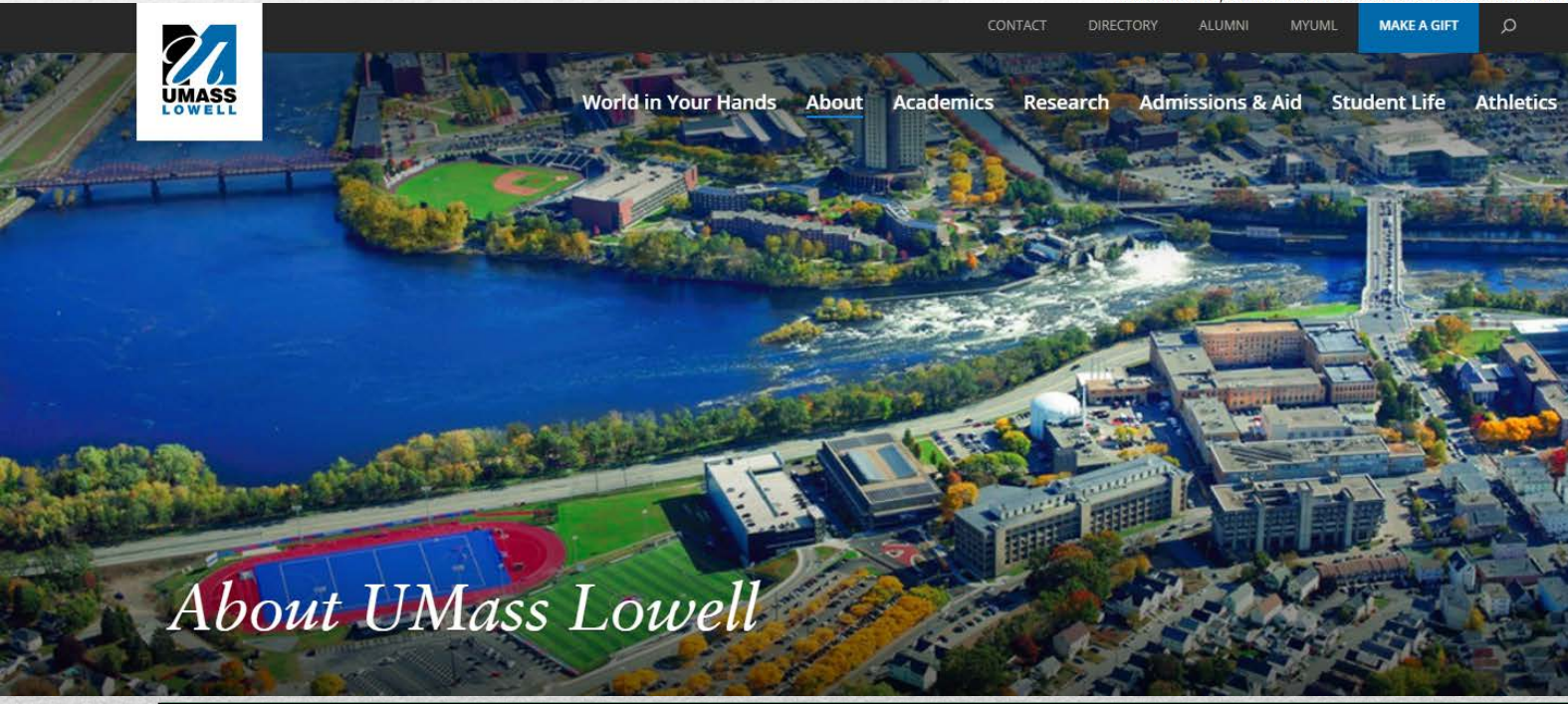


THE DEPAUW GOLD COMMITMENT

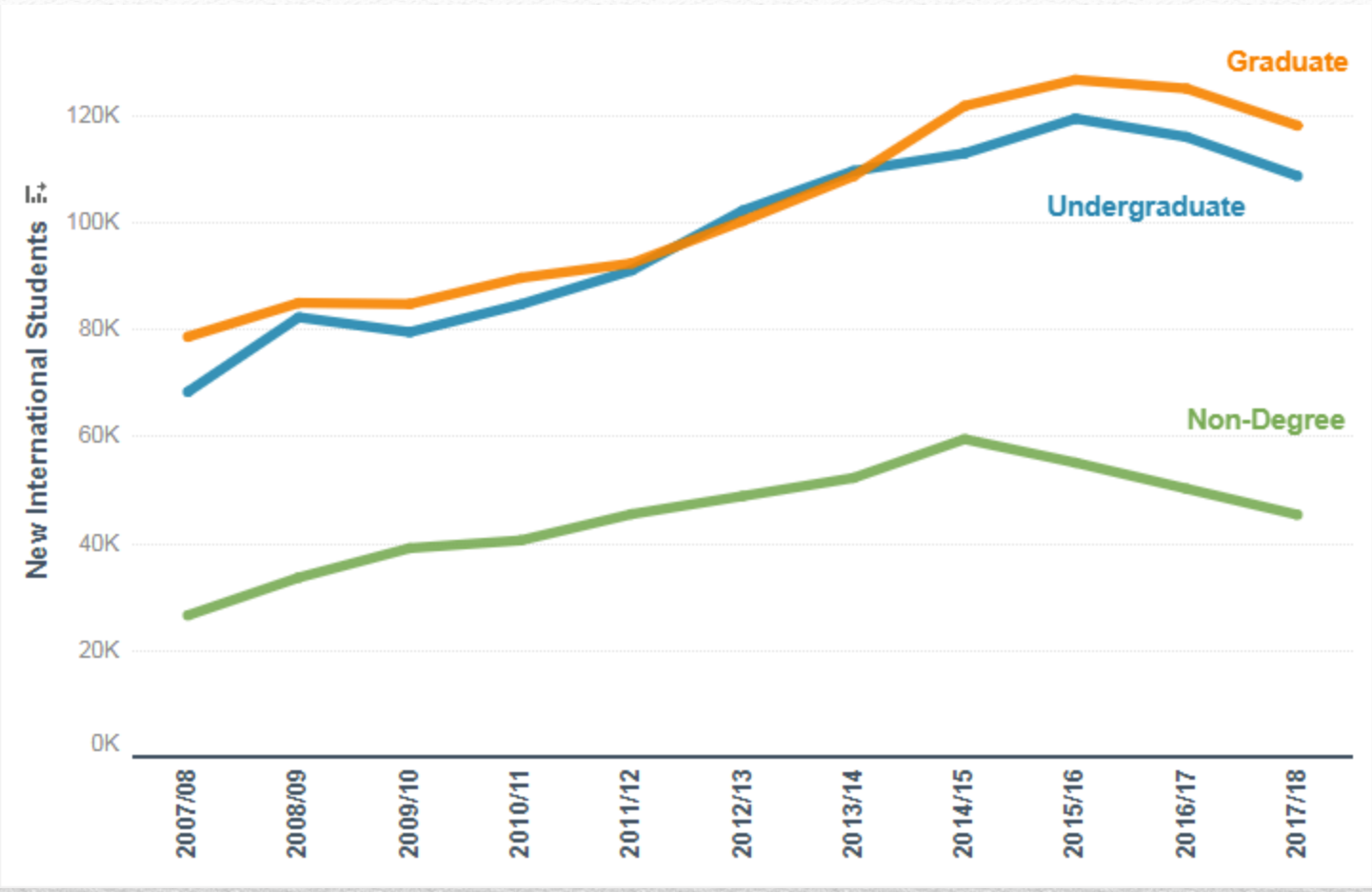
AT DEPAUW, GOLD IS OUR SPIRIT, OUR STANDARD, OUR COMMITMENT.

DEPAUW IS SO CONFIDENT IN THE OUTCOME OF ITS DISTINCTIVE LIBERAL ARTS EDUCATION, WE ARE THE FIRST UNIVERSITY TO GUARANTEE IT.

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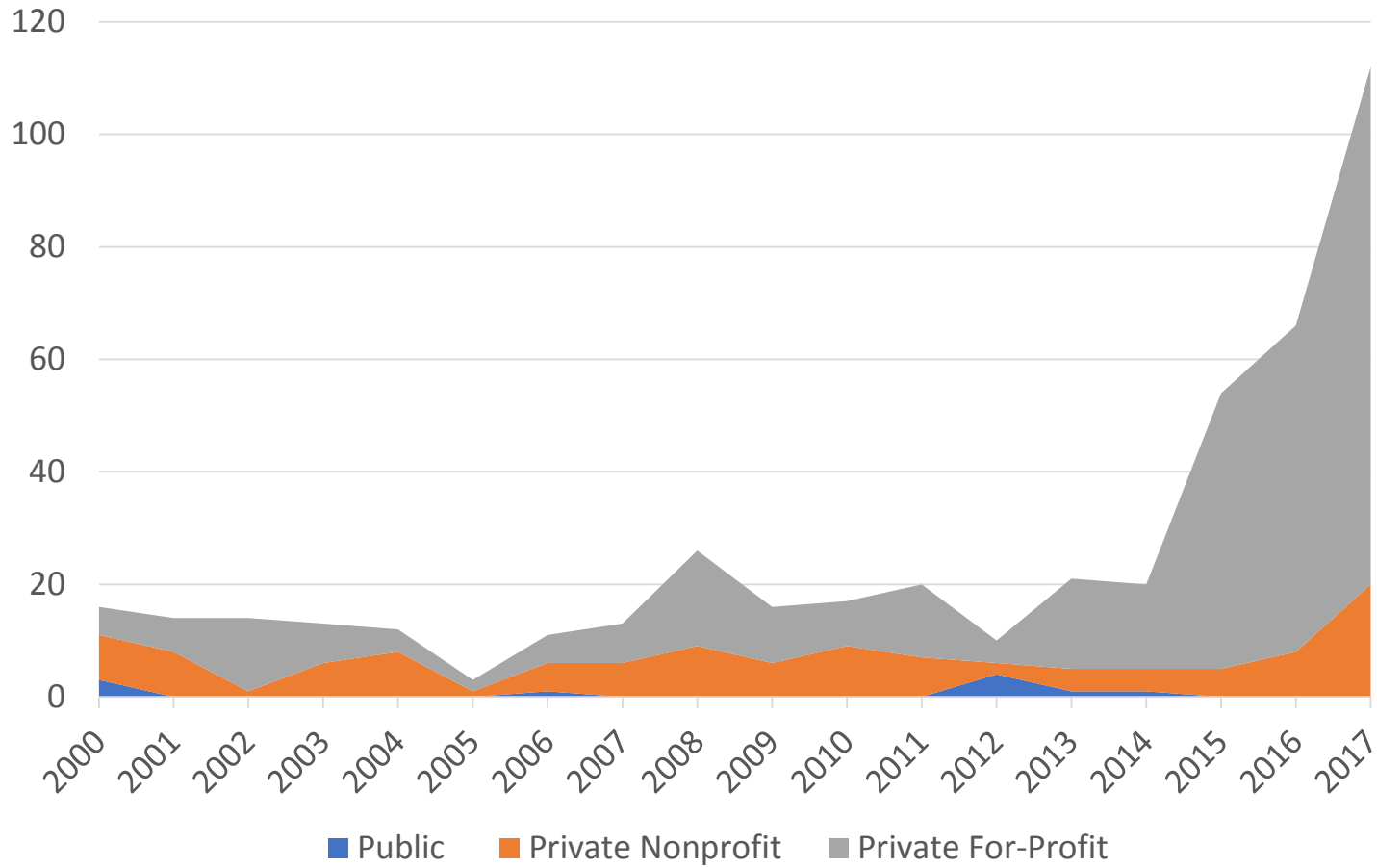
- Recruit better
 - Increased attention on retention
 - Greater focus on primary mission
 - Increased international student recruitment
-



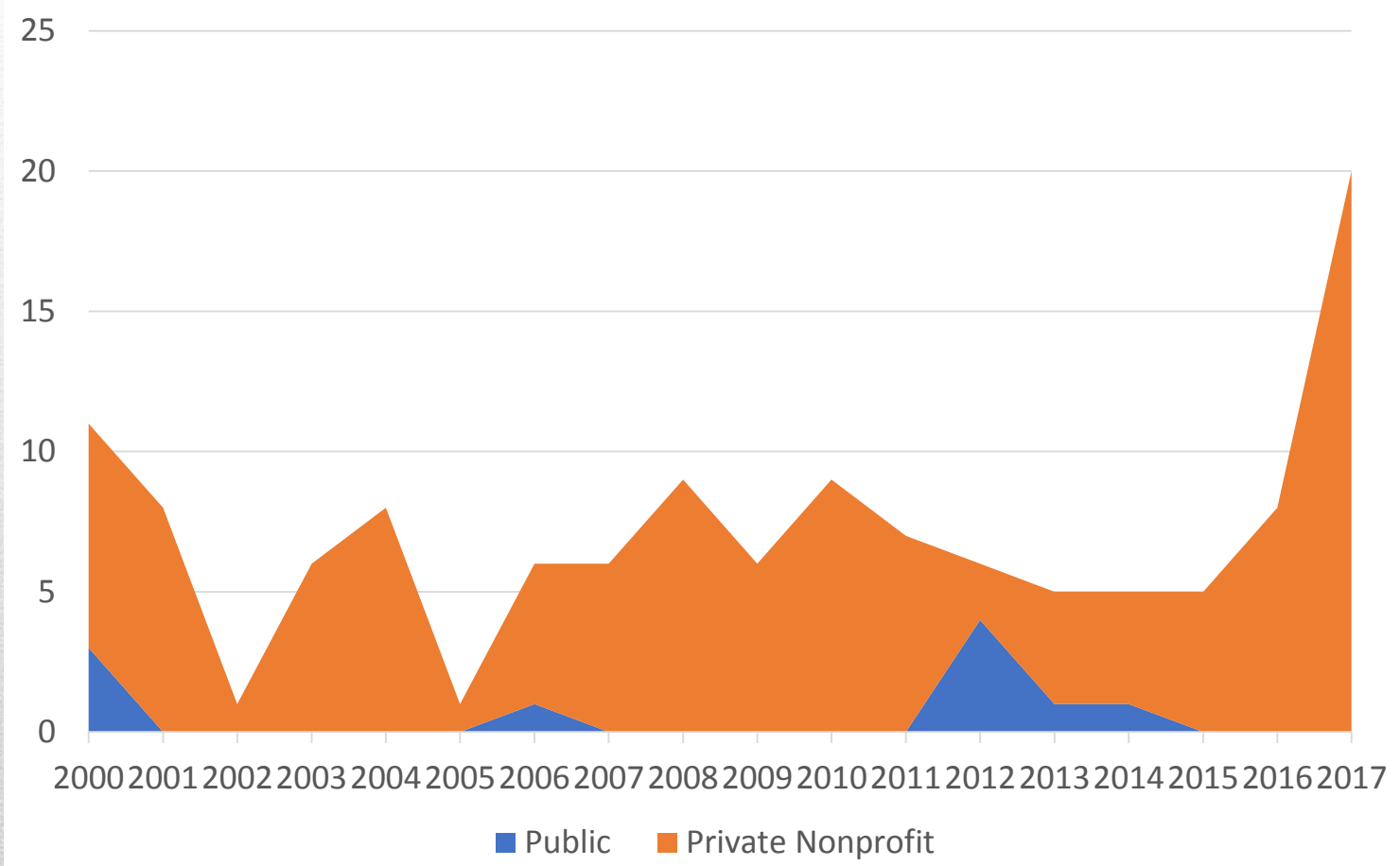
Source: Institute of International Education

- Recruit better
 - Increased attention on retention
 - Greater focus on primary mission
 - Increased international student recruitment
 - Closures and consolidation
-

Numer of Institutions Closing Their Doors



Numer of Institutions Closing Their Doors



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