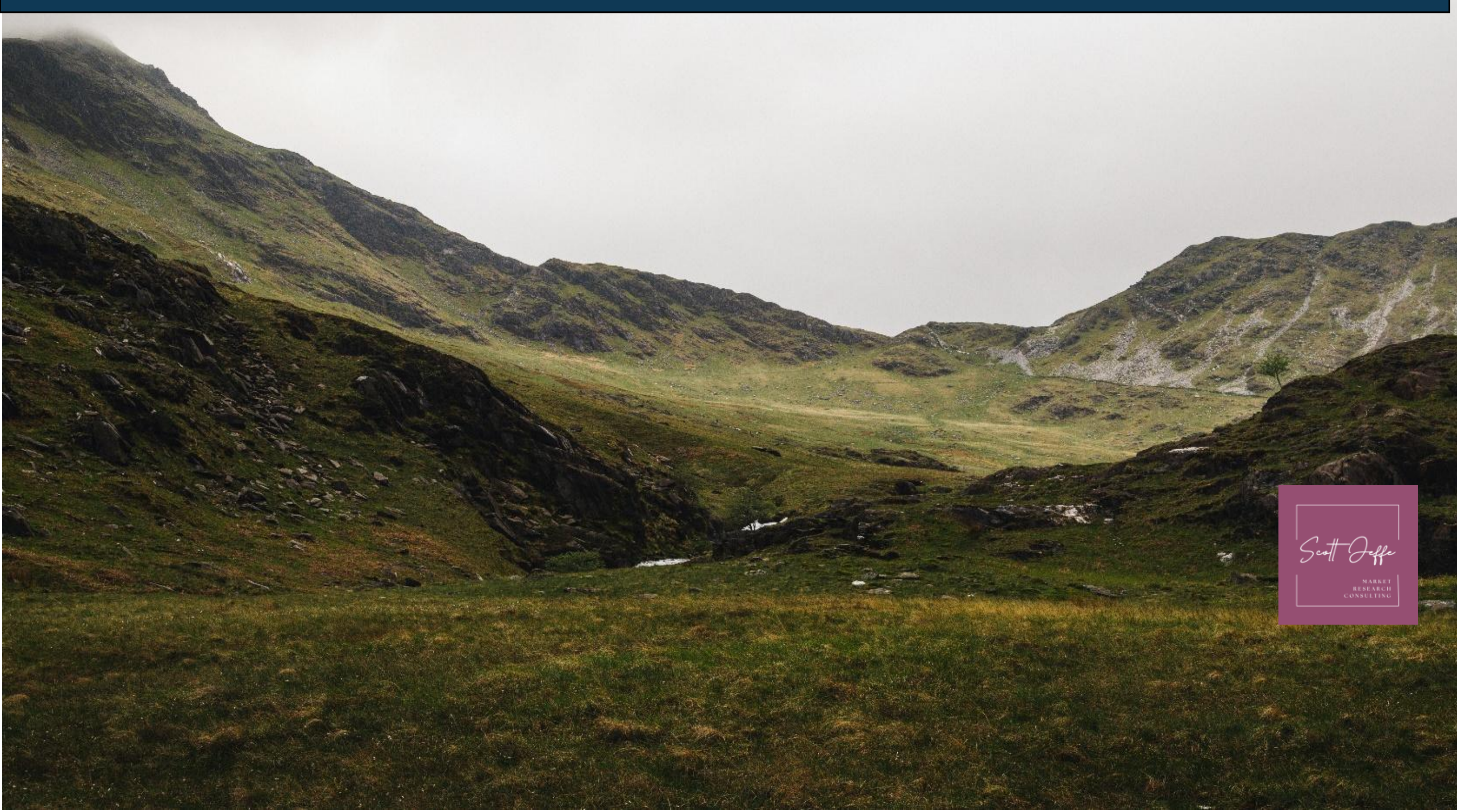
From Demographic Cliffs to Demographic Shifts:

How Higher Ed Can Prepare for What's Next

Scott Jeffe



SCOTT JEFFE MARKET RESEARCH CONSULTING SERVICES

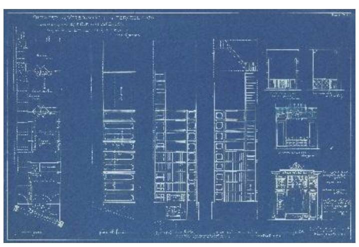
For over two decades, Scott Jeffe has partnered with more than 400 colleges and universities to turn data into strategy. His work helps institutions grow enrollment, strengthen academic portfolios, and diversify both student audiences and revenue streams—through the growth of graduate, online, returning, and international student populations.

At the core of our approach is collaboration. We develop customized, data-informed strategies designed to achieve your institutional goals while working within real-world resources—because in a time of unprecedented challenges, sustainable success requires solutions that are both ambitious and achievable.

Key Services

Smart Scan: Program Demand and Opportunity Analysis

Which programs should we launch and expand? Program Demand & Opportunity Analysis gives you quantitative-driven clarity to grow what works and rethink what doesn't by analyzing your programs across 12 powerful higher education and employer market indicators.



Distinctive Edge: Competitor Differentiation Blueprint

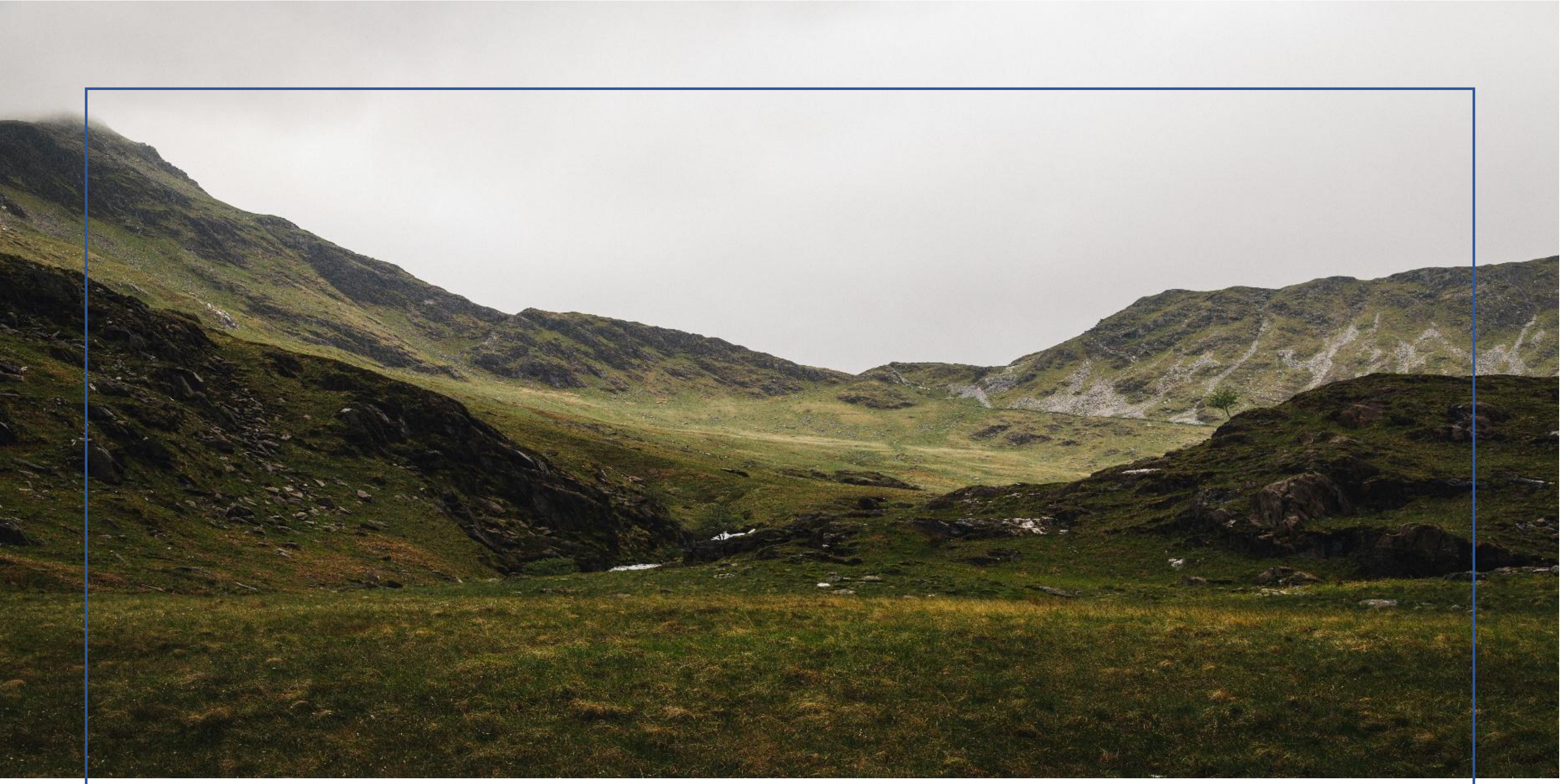
How do we differentiate each program from competitors? Institutions need detailed intelligence and data on competitor programs to ensure that they can effectively differentiate themselves in a crowded market. The blueprint reveals where your programs shine, where they blend in, and how to claim a distinctive competitive edge.

Student Pulse: Audience Alignment Study

What do students in our region think of/about us? Get inside the mind of today's graduate, online, and/or adult students. Student Pulse uncovers how prospective and enrolled students perceive your institution—revealing where expectations align, where they diverge, and what it means for enrollment and retention.

Enrollment Readiness Accelerator: Scorecard + Playbook

Where are your strengths and challenges in growing online, graduate, or adult enrollment? An on-campus engagement designed to provide institutions with prescriptive checklists and action steps they need to grow online, graduate, and adult enrollment.



INTRODUCTION: MOVING BEYOND THE CLIFF

As Fall 2025 data begin to emerge, many institutions may breathe a sigh of relief, believing that among a whole host of new challenges brought over the last nine months, they've "dodged the bullet" of the much-discussed demographic cliff — yet again. But this optimism is misplaced. The 2025–26 academic year was always projected to be the **peak** before the decline truly begins in 2026.

For years, higher education has been fixated on the idea of a "cliff." The metaphor, repeated endlessly, has dulled its impact — and misrepresented the reality. In truth, what lies ahead is not a sudden plunge, but a **gradual demographic shift** — a long, uneven descent shaped by decades of birth rate data, migration patterns, and regional differences. That's why I now refer to this phenomenon as **Demographic Shifts** rather than cliffs.

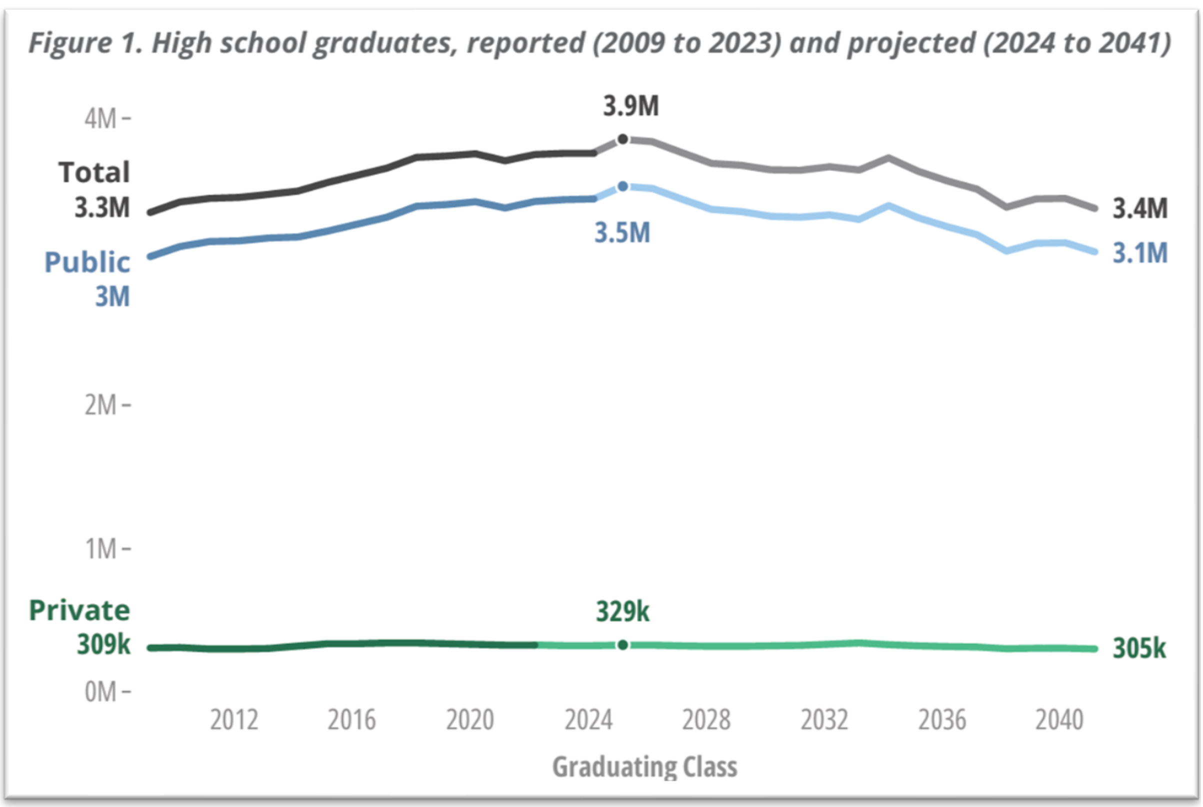
This paper is a comprehensive update to my 2024 RNL report, *Two Demographic Cliffs? How to Diversify Student Audiences and Prepare for the Future*. It integrates the latest findings from the **Western Interstate Commission for Higher Education (WICHE)** report, *Knocking at the College Door: Projections of High School Graduates (2024)*, alongside new **U.S. Census Bureau population estimates** released in February 2024. Together, these datasets present the clearest picture yet of higher education's enrollment future — one shaped by **two distinct declines** over the next two decades.

THE DATA: A SLOW DECLINE, NOT A FREE FALL

According to WICHE's 2024 analysis, the number of U.S. high school graduates will **peak in 2025 at approximately 3.9 million**, followed by a **gradual 13 percent decline through 2041**, when totals are projected to fall to **3.4 million** (WICHE, 2024). The data dispel the notion of an abrupt cliff, revealing instead a steady contraction driven by the ongoing drop in births following the **2008 Great Recession, with the second wave being further impacted by pandemic-era "birth dearth**."

Regional Variation

- **Northeast:** Projected decline of 17% by 2041, with New York (-27%) seeing the greatest contraction.
- **Midwest:** Projected decline of 16% decline, with Michigan (-20%) seeing the greatest contraction.
- **South:** Projected growth of 3%, with strongest growth in DC (+31%.)
- **West:** Project to have greatest decline of 20% with California (-29%) seeing greatest contraction

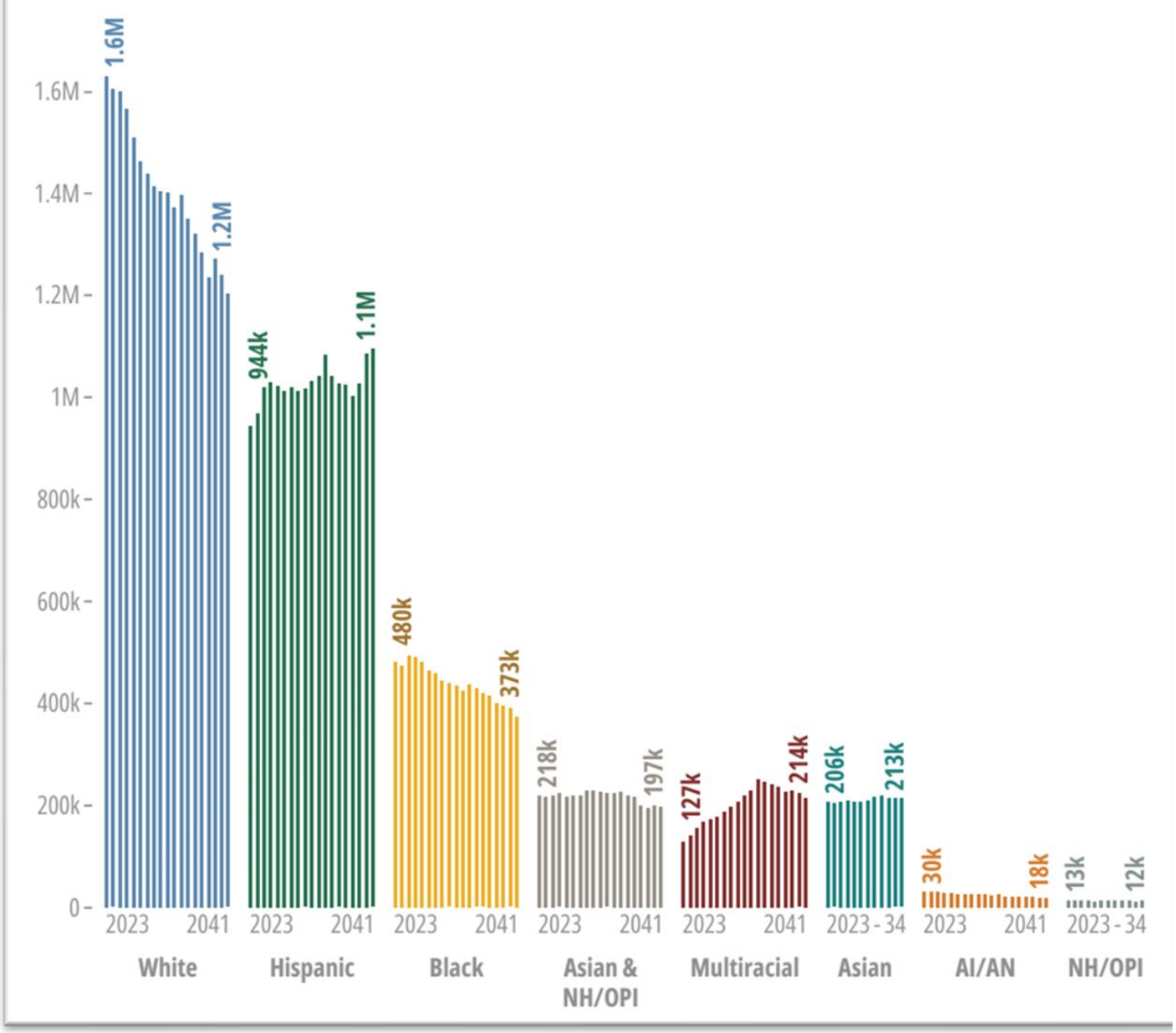


Source: Knocking at the College Door: Projections of High School Graduates. Western Interstate Commission on Higher Education. December 2024.

Shifting Demographics

WICHE also forecasts substantial changes in the demographic makeup of future graduates. Hispanic and multiracial students will comprise a growing share of high school graduates, while white and Black graduate populations will decline. Institutions must align recruitment, support services, and financial aid strategies with these shifts in student composition.

Figure 6. Public high school graduate projections by race and ethnicity

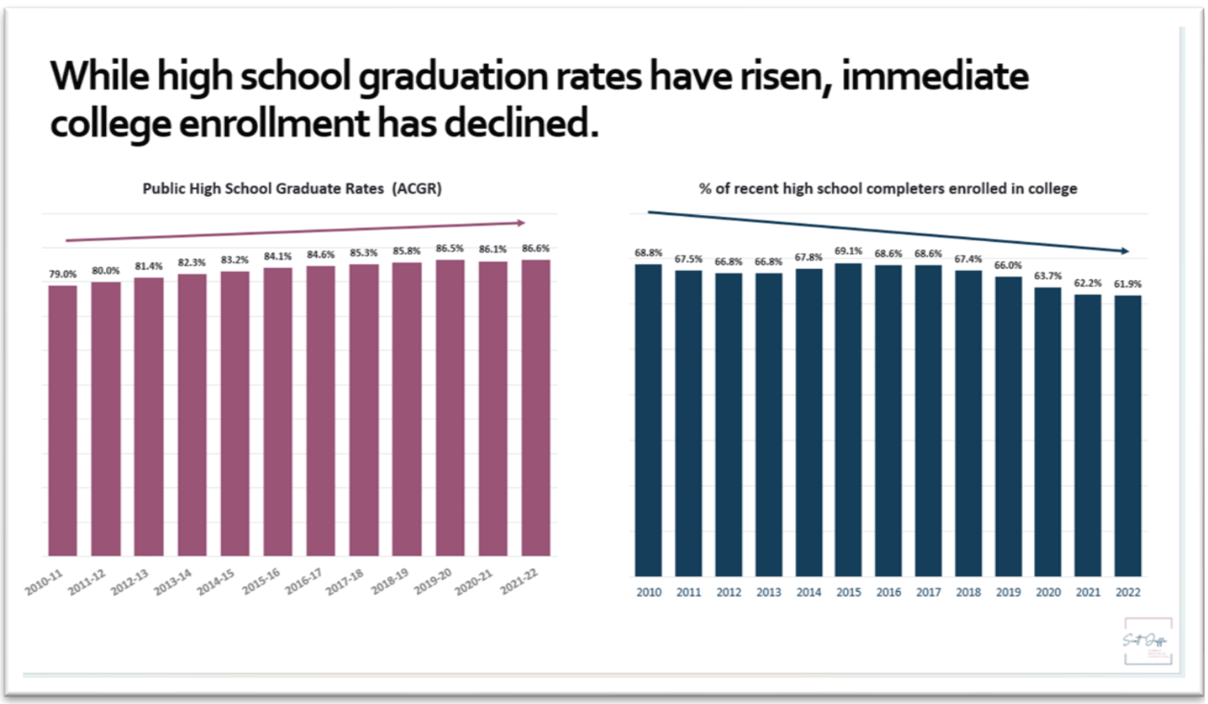


Source: Knocking at the College Door: Projections of High School Graduates. Western Interstate Commission on Higher Education. December 2024.

“Maxed Out” Graduation Rates

American higher education has long operated in an “environment of plenty.” There has always been a route to “more.” In the early days of the enrollment cliff discussion, many institutions pointed toward increasing high school graduation rates as at least part of the solution. With an all-time high (87%) graduation rate, WICHE’s analysts concluded that further increases of the magnitude needed are not in the realm of possibility.

A better, but by no means easy, strategy could be to raise college-going rates first to previous levels and then surpass them. This is a dubious strategy in the current environment of skepticism about the value of higher education. In fact, IPEDS data indicate that the proportion of recent high school graduates enrolling in college has declined nearly every year over the last decade:



Source: 2024 Digest of Education Statistics. Table 219.10 (left) and Table 302.20 (right). IPEDS. Retrieved November 2025.

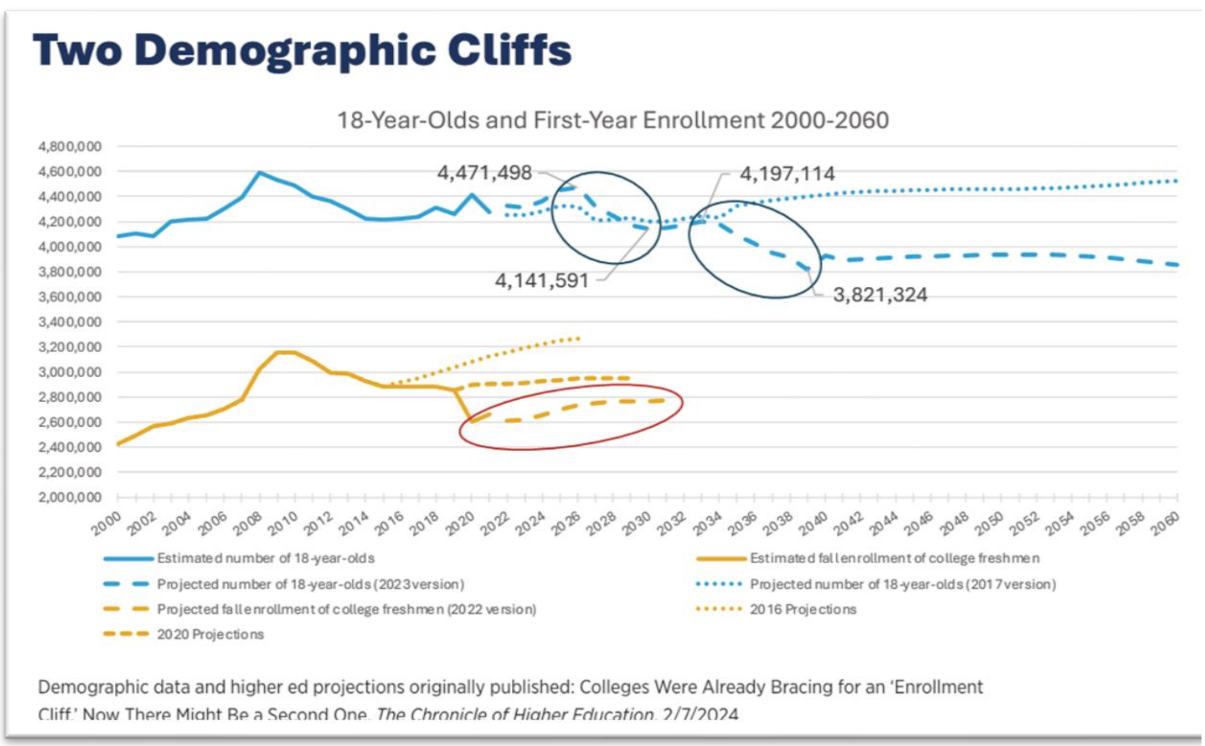
Under-Prepared Students

In September 2025, the National Assessment of Educational Progress (NAEP) released its first post-pandemic assessment of 12th-grade reading and math performance. The results were sobering: reading scores reached their lowest levels since 1992, and math scores their lowest since 2005. According to an NCES analysis of the data, only 35 percent of students demonstrated college-ready reading skills and just 33 percent met college-level expectations in math. For higher education institutions already facing demographic decline, these results compound the challenge—filling classrooms will increasingly require strategies to support and retain students entering college underprepared for academic rigor.

BUILDING ON 2024 CENSUS BUREAU PROJECTIONS

The WICHE and other recent findings build on data released by the **U.S. Census Bureau in February 2024**, which provided updated population projections based on the 2020 Census, while all previous demographic cliff projections had been based in 2010 Census data. These new estimates revealed that the long-predicted demographic contraction will not be a single event, but **a series of declines** spread across multiple decades.

According to Census Bureau estimates, after the first contraction (2026–2030), a brief plateau is expected (2030–2033), followed by a second, deeper decline between **2033 and 2039** — resulting in a **total reduction of roughly 15% in the population of 18-year-olds** over this 15-year span.



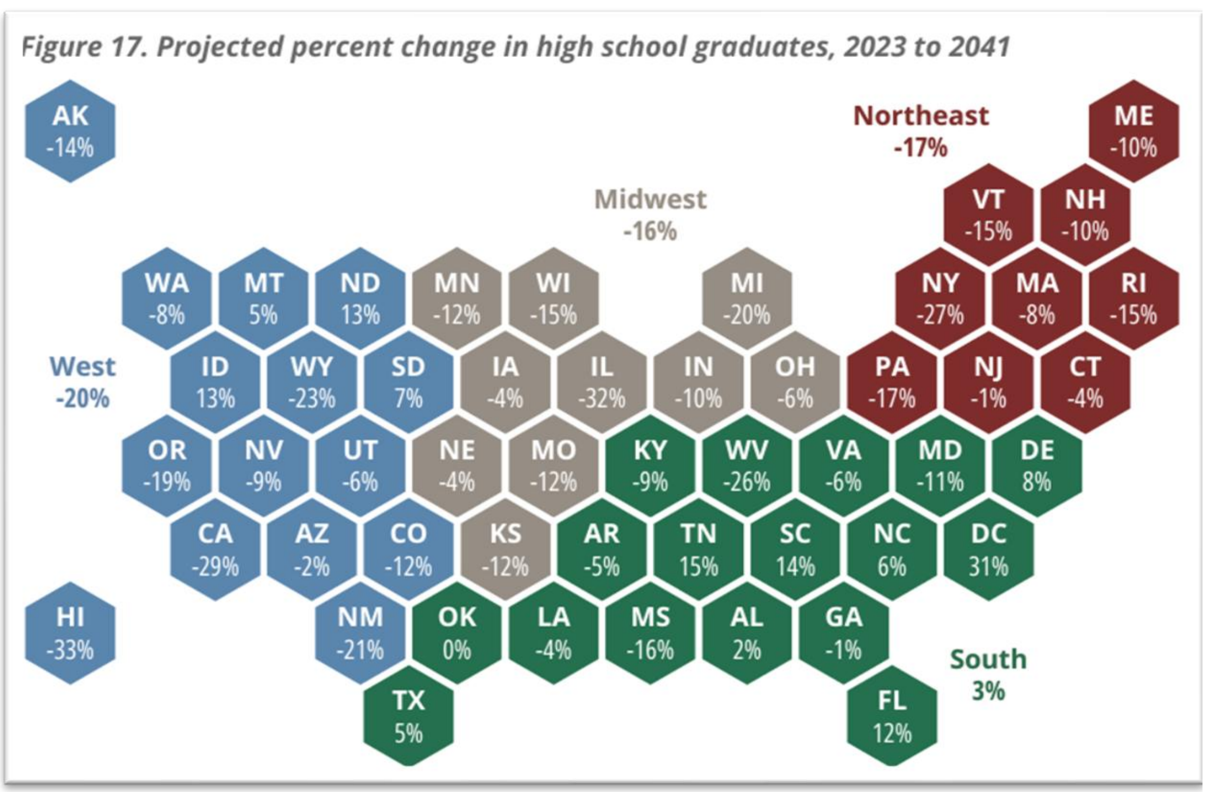
Source: Two Demographic Cliffs. Ruffalo Noel Levitz. July 2024.

Bringing together the newest WICHE data on high school graduation rates, updated Census Bureau data on 18-year-olds in the U.S., comparative graduation and college-going rates among traditional undergraduate age students, and the NAEP indicators of increased numbers of under-prepared students, it is clear that institutions will need a long-term strategy to redefine their traditional undergraduate vision while aggressively pursuing audiences that have significantly different priorities and preferences.

THE IMPLICATIONS: WHY “SHIFTS” DEMAND STRATEGY, NOT PANIC

The term “cliff” implies a singular crisis point — a dramatic fall after which recovery begins. “Shift,” however, captures the **structural and sustained nature** of this change. The decline will be long-lasting and uneven, requiring ongoing institutional adaptation rather than short-term crisis management.

While the WICHE data make clear that the overall number of high school graduates will contract, it also reveals significant **regional and demographic opportunities**. Growth in Hispanic and multiracial populations, combined with internal migration to the South and West, will create local markets of potential stability amid national decline. Institutions must position themselves to capture and serve these evolving audiences.



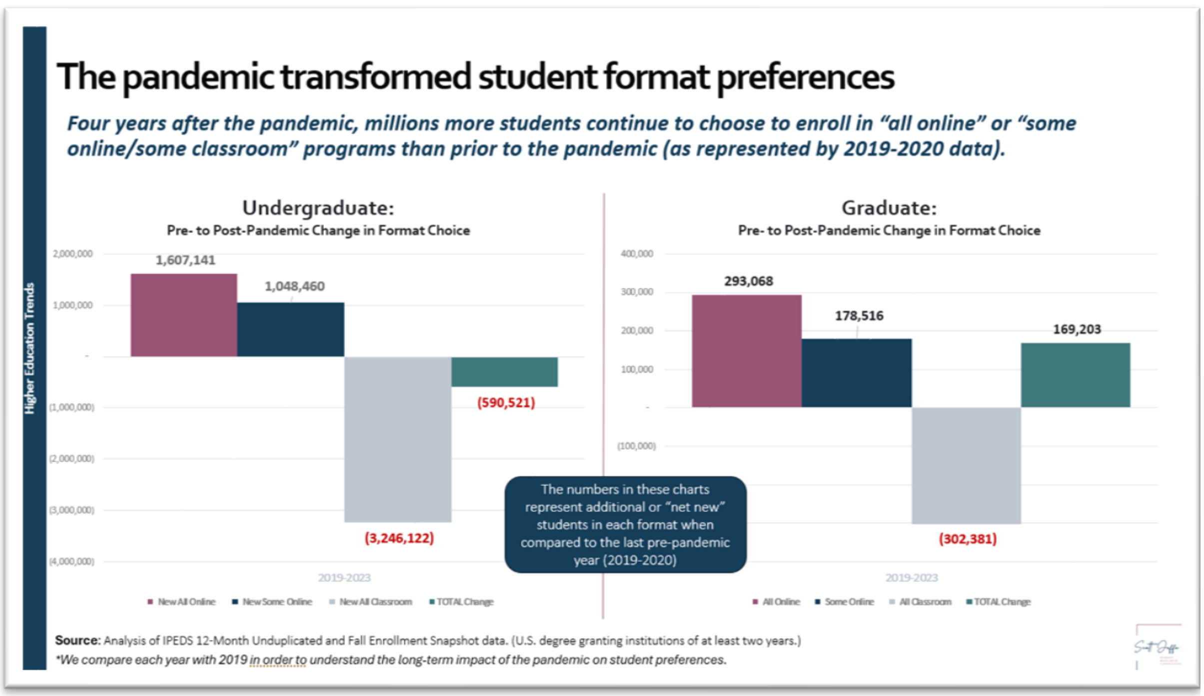
Source: Knocking at the College Door: Projections of High School Graduates. Western Interstate Commission on Higher Education. December 2024.

STRATEGIC RESPONSE: DIVERSIFY, DIFFERENTIATE, AND DIGITALIZE

In my 2024 RNL report, I argued that higher education's future depends on its ability to diversify student audiences. That argument is now more urgent than ever.

1. Expand Fully Online Programming (particularly at the graduate level)

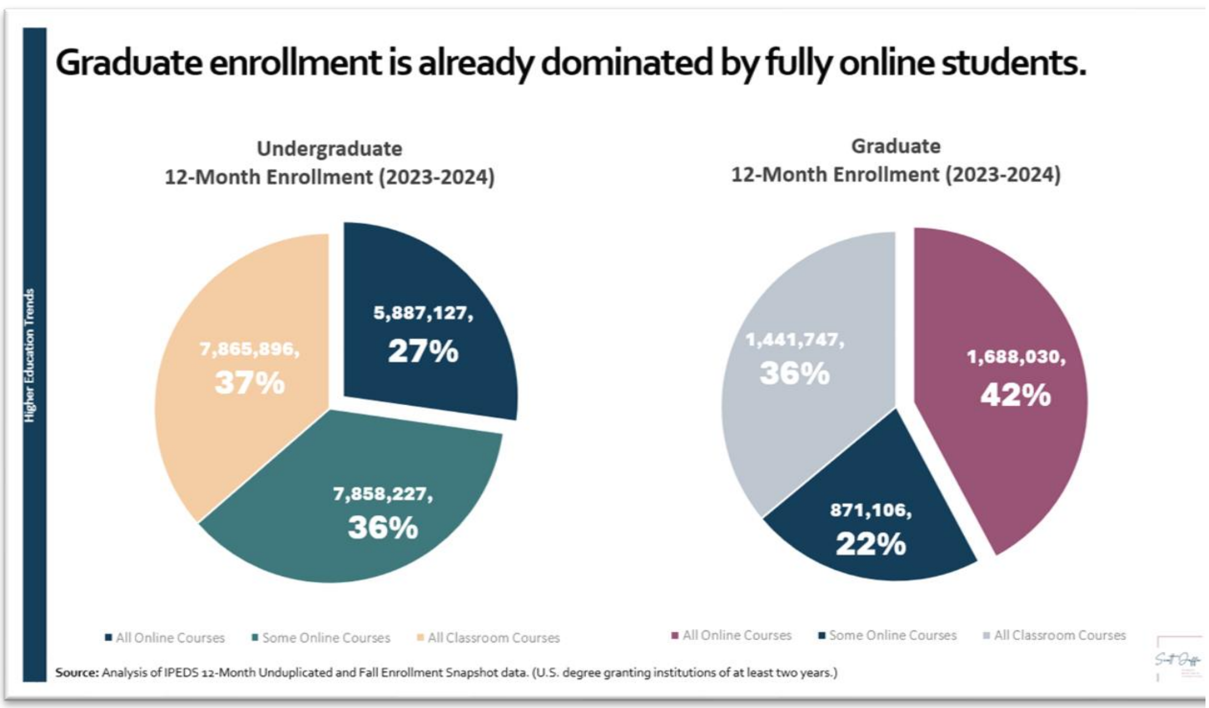
Four years after the pandemic, 5.9 million undergraduates — **1.6 million more than pre-pandemic** — fully online, along with **1.7 million graduate students** (an increase of 293,000). Yet many institutions still lack competitive online offerings in high-demand areas like business, healthcare, and computer science.



Source: Graduate and Online Market Conditions. Scott Jeffe Market Research Consulting. 2025.

2. Expand Availability of Online Courses (particularly at the undergraduate level)

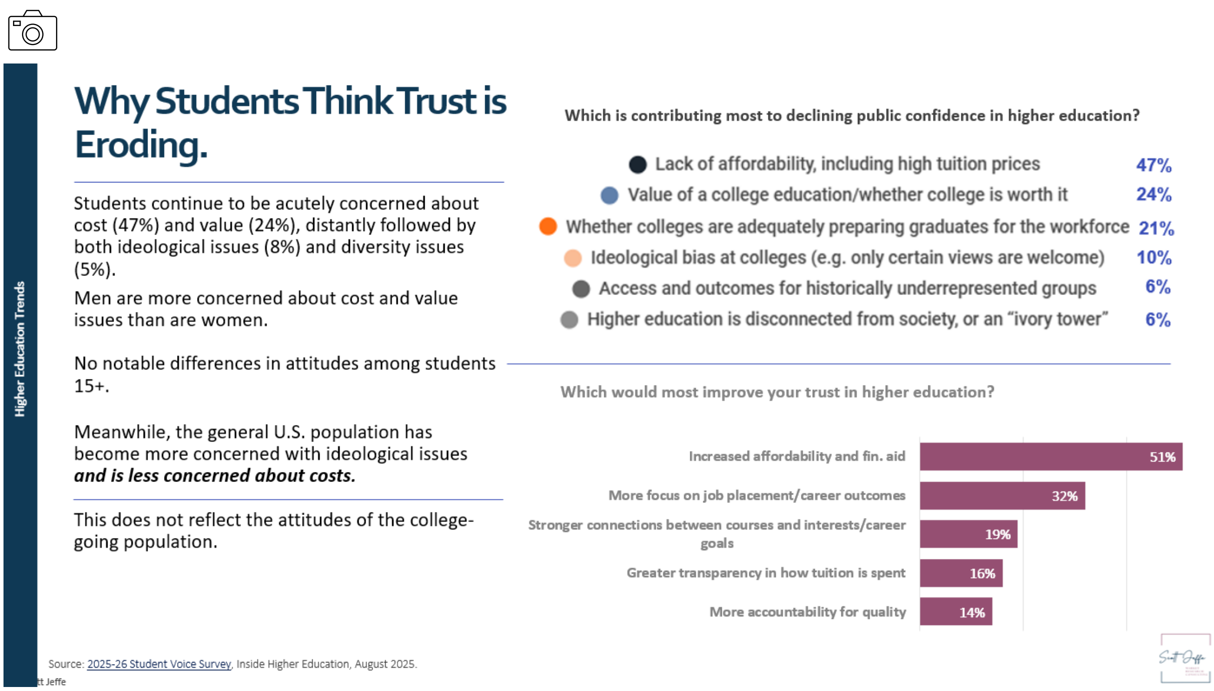
Although undergraduate students regularly gave low ratings to their "emergency remote" learning courses throughout the pandemic, four years after the pandemic, undergraduate students are demanding access to online courses within their classroom programs. In fact, more than one-third of these students (36%) – just one percentage point behind those who choose all classroom programs – are now opting to enroll in programs that offer access to both classroom and online courses.



Source: Graduate and Online Market Conditions. Scott Jeffe Market Research Consulting. 2025.

3. Align Academic Offerings with Market Needs

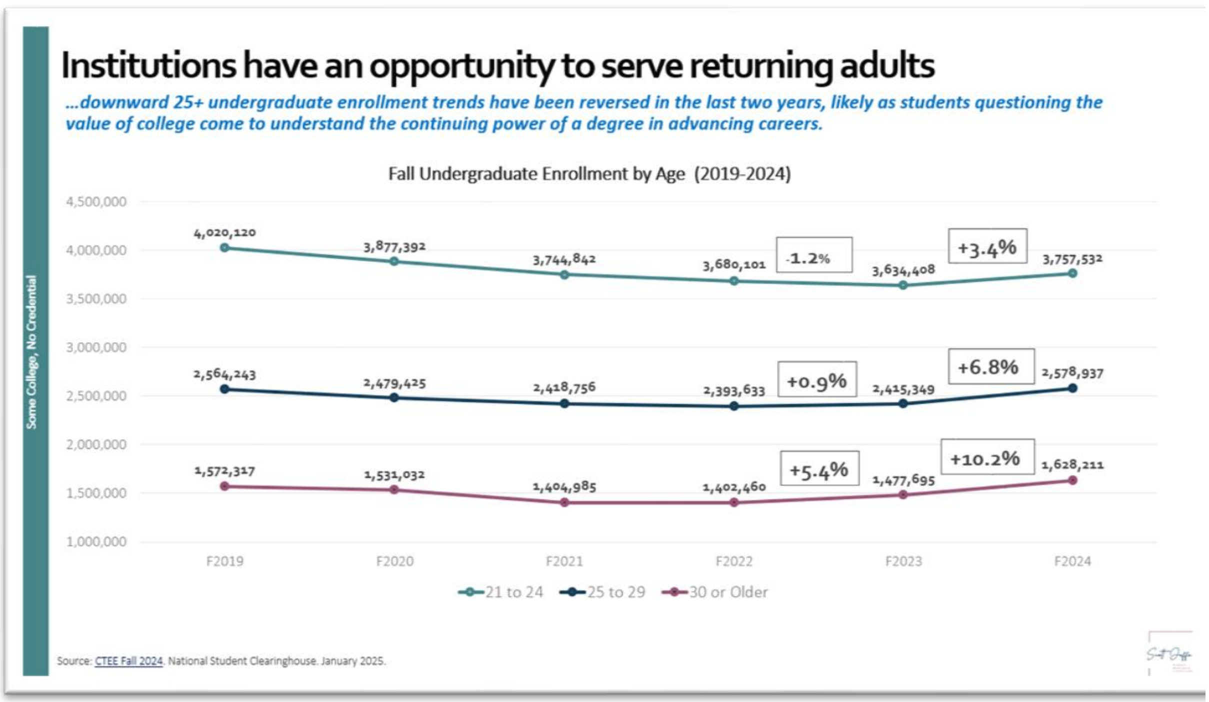
Graduate and online students have long cited **career advancement** and **affordability** as their primary motivators for enrollment. Today, unprecedented numbers of undergraduates are also indicating that their primary concerns about their higher education focus on the cost of their studies, the related issue of the “value” of that study, and whether or not that study will prepare them for their first job and longer career. Institutions that align curricula with workforce needs, integrate experiential learning, and communicate clear return on investment will stand out.



Source: Graduate and Online Market Conditions. Scott Jeffe Market Research Consulting. 2025.

4. Engage the "Some College, No Degree" Population

The **36 million Americans** with some college credit but no degree represent a critical opportunity. Further, after more than a decade of decline beginning in 2011, undergraduates age 25 and over – the largest component of the returning undergraduate market – are returning in record numbers, adding more than 400,000 additional undergraduates in the last two year. Programs that respect prior learning, offer flexible pacing, and emphasize career relevance can re-engage this population at scale.



Source: Graduate and Online Market Conditions. Scott Jeffe Market Research Consulting. 2025.

5. Integrate AI Across Operations and Academics

Finally, AI should not only enhance back-end operations like admissions and marketing automation but also become a key competency within the curriculum. Institutions that prepare students to leverage AI ethically and effectively will strengthen both their appeal and their outcomes.

CONCLUSION

The WICHE report closes with the reminder that *“Demography need not be destiny.”* That insight should guide every institutional response. The dual declines identified by WICHE and the Census Bureau are not an inevitability of decline but a call to strategic reinvention.

Colleges and universities that thrive in the coming decade will do so not by fearing the cliff but by **understanding the shift** — diversifying their audiences, modernizing their operations, and reimagining their value for a new generation of students.

The coming demographic shifts demand that institutions adopt a **holistic enrollment strategy** — one that extends beyond traditional audiences to include alternative student populations that are growing in the face of all the challenges, but also one that extends beyond recruitment as the focus to encompass persistence, graduation, and lifelong learning. Beyond all that has been presented in this report, also think of the following closing thoughts:

- **Retention as Revenue:** Every retained student offsets the cost of new student acquisition. AI-enabled early-alert systems can proactively identify at-risk students, improving outcomes and stabilizing budgets.
- **Cross-Trained Enrollment Teams:** As the line between “traditional” and “nontraditional” learners blurs, institutions must train their staff to serve all populations seamlessly.
- **Unified Marketing and Advancement Efforts:** Development and enrollment operations can jointly tell the institution’s story, using student success narratives to inspire both applications and donations.