

# BLUEPRINT FOR REFORM

THE JAMES G.  
MARTIN  
CENTER  
FOR ACADEMIC  
RENEWAL

## Surviving the Demographic Cliff

*“The challenge for all small liberal arts schools is to be true to your mission and responsive to the marketplace. If your mission isn’t noble, honorable, and worthy, you probably won’t make it. If you just offer a generic product, you won’t survive. Small, personal liberal arts colleges must inspire, compel, draw people in.”* —Bill Thierfelder, president of Belmont Abbey College

*“When we put our students first, it brings everything into context. It crystallizes our priorities. And it shines a light on those things that may no longer be relevant.”* —E. Gordon Gee, president of West Virginia University

### How Can Universities Stay True to Their Mission In the Face of Decreasing Demand?

Many colleges are suffering from dwindling enrollment.<sup>1</sup> Although the pandemic contributed significantly to the drop in college attendance, enrollment has been steadily declining for over a decade. In their book *Colleges on the Brink*, authors Charles M. Ambrose and Michael T. Nietzel note that “Since 2010, overall college enrollment in the United States has decreased by approximately three million students.”<sup>2</sup> They add that “As of 2021, 40.4 million Americans had attended college but dropped out before earning any degree or other official credential.”

This drop in demand has led to many institutions merging, cutting programs, or completely shutting their doors. And these trends show no signs of slowing down. On the contrary, enrollments are expected to worsen in the next two years when the dreaded “demographic cliff”—the steep drop in the college-age population<sup>3</sup>—comes into full effect. Consequently, institutions are competing for a shrinking pool of students.

Such uncontrollable pressures can come with unexpected benefits. They force institutions to reexamine their missions and take a hard look at which programs and services are truly essential. Letting go of unnecessary personnel and phasing out underperforming programs are actions that most institutions are reluctant to take, but are nevertheless crucial. College is already expensive and there is no room for wasting financial resources.

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1. To read more from the Martin Center about how to manage declining enrollment, visit: <https://www.jamesgmartin.center/tag/enrollment-decline/>

2. Charles M. Ambrose and Michael T. Nietzel, *Colleges on the Brink: The Case for Financial Exigency* (Maryland: Rowman & Littlefield, 2023) p. vii.

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3. Nathan D. Grawe, *Demographics and the Demand for Higher Education* (Baltimore: Johns Hopkins University Press, 2018) pp. 18-19.

To survive, colleges and universities should lean into their mission and embrace what makes them unique. Christian colleges, for example, should remain committed to the Christian values and educational vision that sets them apart from their secular peers. Religious institutions that are true to their missions are seeing record growth. In the 2023-2024 academic year, Belmont Abbey College in North Carolina welcomed its largest incoming class of 1,654 students.<sup>4</sup>

Benedictine College in Kansas experienced 121 percent growth over the last two decades. These successful schools are part of what has become known as the “Newman movement” due to their inclusion in the Cardinal Newman Society’s guide of faithful Catholic colleges.<sup>5</sup>

The impacts of the demographic cliff will not be equally felt across the country. Some geographic regions such as New England will feel the decline more acutely. As such, weathering the drop in student demand will vary based on specific circumstances. In some cases, institutions within a shared geographic radius should consider joining forces to cut redundant administrative and faculty positions, academic programs, and student services.

Institutions must not wait until they are in a dire situation to cut excessive costs. Between 2011 and 2018, the University System of Georgia consolidated its universities from 35 to 26 to minimize waste and prioritize academic success.<sup>6</sup>

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4. Mary Margaret Olohan, “Faithful Catholic Colleges See ‘Unprecedented’ Enrollment Numbers, Financial Support,” the Daily Signal, Nov. 16, 2023

5. “The Newman Guide,” The Cardinal Newman Society.

6. Eric Kelderman, “Georgia’s College-Merger Plan Sidesteps Political Pitfalls,” the *Chronicle of Higher Education*, Jan. 9, 2012.

Such a proactive step has improved student outcomes<sup>7</sup> and led to record enrollment growth. Other states and individual colleges and universities should learn from Georgia’s example. The future of higher education will be different, but it doesn’t have to be bleak.

## Recommendations

**The Martin Center recommends** that legislatures, university boards, and faculty governing committees take steps to adjust to diminishing demand by responsibly and effectively consolidating institutions, student services, and/or academic programs that are underperforming or not serving their core missions.

### Universities and University Systems should:

- Shrink, consolidate, or centralize administrative functions.
- Undergo academic program reviews that prioritize enrollment, mission, and cost-effectiveness.
- Keep tuition, fees, housing, and other costs low to attract students.
- Merge under-enrolled institutions in a geographic region.
- Eliminate programs or services that do not reflect or further a particular institution’s mission.
- Pause or cancel unnecessary capital improvement projects.
- Offer retirement incentive plans to faculty who are nearing retirement age.

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7. Lauren Russell, “Better outcomes without increased costs? Effects of Georgia’s University System consolidations,” *Economics of Education Review* vol. 68 February 2019, Pages 122-135.

- Reform tenure by establishing a policy that allows for laying off individual tenured faculty in cases of low academic program productivity, significant financial emergency, and financial exigency.
- Downsize intercollegiate athletics activities.
- Be unique and lean into their institutional missions.

### **Policymakers should:**

- Consolidate and merge struggling public institutions located in similar geographic regions.
- Consider implementing a performance funding model to reward success not just enrollment numbers.

### **University Case Studies:**

- In the 2013-2014 academic year, Belmont Abbey [cut its tuition](#) by 33 percent to \$18,500, where it remained until the 2022-2023 academic year. The tuition was slightly raised to [\\$19,500](#) in the 2023-2024 academic year.
- From 2011 to 2018, the University System of Georgia underwent several consolidations, decreasing from 35 to 26 institutions. In 2011, chancellor Henry (Hank) Huckaby [explained](#) that the purpose of the mergers was to “enhance our ability to serve the people of Georgia at less cost.” Enrollment in the university system hit [a record high](#) in 2023.
- [Morehead State University](#)’s tenure policy enables the institution to lay off tenured faculty without eliminating an entire department.

- [Vermont State University](#) was the result of the 2022 merger of three struggling colleges. Initially, the institution suffered steep enrollment declines in its transition year. But the numbers this fall are promising with first-year enrollment rising to 14 percent and overall enrollment by 3 percent.
- In the face of significant budget deficits, [West Virginia University](#) cut 32 academic programs and 169 faculty lines.

### **Further Reading**

From the Martin Center:

- [How to Find an Authentic Christian College](#) by Graham Hillard (Sep 27, 2024)
- [UNC Asheville Should Start Over](#) by Jenna A. Robinson (July 18, 2024)
- [Toward Effective Program Reviews](#) by Scott Yenor (May 3, 2024)
- [How Community Colleges Can Avoid the “Cliff”](#) by Esam Sohail Mohammad (June 16, 2023)
- [Reforms We’re Cheering For in 2023](#) by Martin Center Staff (January 2, 2023)
- [Did You Know? College Closures And Mergers Since 2016](#) by Natalia Mayorga (August 26, 2021)
- [University Administrators’ Pandemic Power Grab](#) by Neetu Arnold (November 27, 2020)
- [Higher Education After COVID-19](#) by Jenna A. Robinson and Sumantra Maitra (May 2020)
- [Improving Student Outcomes by Consolidating the University System of Georgia](#) by Anthony Hennen (Apr 12, 2019)
- [A Worrisome Trend for Higher Education: Declining Enrollments](#) by Jane S. Shaw (July 6, 2018)
- [Merging Community Colleges Offers More Gain than Pain](#) by Jay Schalin (July 14, 2011)

## Other Sources:

- [Colleges on the Brink: The Case for Financial Exigency](#) by Charles M. Ambrose and Michael T. Nietzel.
- [The Agile College: How Institutions Successfully Navigate Demographic Change](#) by Nathan D. Grawe.
- [Demographics and the Demand for Higher Education](#) by Nathan D. Grawe.
- [“Will 25 Percent Of Colleges Consolidate? An Update On A Prediction”](#) by Michael B. Horn, *Forbes*.
- [“Better outcomes without increased costs? Effects of Georgia’s University System consolidations”](#) by Lauren Russell, *Economics of Education Review* vol. 68 February 2019, Pages 122-135.
- [“Mergers in Higher Education: A proactive strategy to a better future?”](#) by the TIAA Institute.
- [The Newman Guide](#) by The Cardinal Newman Society.

## For More Information

For supplemental data or additional research on this topic, please contact the Martin Center by phone or email. You can reach us at 919-828-1400 or [info@jamesgmartin.center](mailto:info@jamesgmartin.center).

To read more from the Martin Center about the importance of general education, visit: <https://www.jamesgmartin.center/tag/enrollment-decline>

## About the Martin Center

The James G. Martin Center for Academic Renewal is a private nonprofit institute dedicated to improving higher education policy. Our mission is to renew and fulfill the promise of higher education in North Carolina and across the country.

We advocate responsible governance, viewpoint diversity, academic quality, cost-effective education solutions, and innovative market-based reform. We do that by studying and reporting on critical issues in higher education and recommending policies that can create change—especially at the state and local level.

THE JAMES G.   
MARTIN CENTER  
FOR ACADEMIC RENEWAL

353 E. Six Forks Road Suite 200  
Raleigh, NC 27609

919.828.1400

Fax: 919.828.7455

[www.jamesgmartin.center](http://www.jamesgmartin.center)