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## EDUCATION

# U.S. Colleges Are Separating Into Winners and Losers

Schools that struggle to prepare students for success losing ground; 'The shake-out is coming'



Clemson University in South Carolina enrolled its largest-ever freshman class in 2017. PHOTO: JEFFREY COLLINS/ASSOCIATED PRESS

By *Douglas Belkin*

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Concord University in West Virginia and Clemson University in South Carolina were both founded shortly after the Civil War. During the 20th century, each grew rapidly. Now, the two public universities that sit just 300 miles apart face very different circumstances.

Clemson, a large research university, enrolled its largest-ever freshman class in 2017 and in December broke ground on an \$87 million building for the college of business.

Concord, a midsize liberal-arts school, has seen its freshman enrollment fall 19% in five years. It has burned through all \$12 million in its reserves and can't afford to tear down two mostly empty dormitories.

The diverging fortunes help explain how U.S. higher education is shifting. For generations, a swelling population of college-age students, rising enrollment rates and generous student loans helped all schools, even mediocre ones, to flourish. Those days are ending.

According to an analysis of 20 years of freshman-enrollment data at 1,040 of the 1,052 schools listed in The Wall Street Journal/Times Higher Education ranking, U.S. not-for-profit colleges and universities are segregating into winners and losers—with winners growing and expanding and losers seeing the first signs of a death spiral.

The Journal ranking, which includes most major public and private colleges with more than 1,000 students, focused on how well a college prepares students for life after graduation. The analysis found that the closer to the bottom of the ranking a school was, the more likely its enrollment was shrinking. (There were 12 ranked schools that didn't have full enrollment data, so they were dropped from the analysis.)

Enrollment at those 1,040 schools between 1996 and 2011 grew 37%. But between 2011 and 2016, enrollment at the bottom 20% declined 2%. The top 80% of schools grew 7%.

Clemson—ranked 188 in the Journal list—is on the successful side of the fault line in the higher-education sector. Concord, ranked 1051, isn't.

“In the same way the bookstores fell when Amazon took over, now its higher education's turn and it's been coming for a while,” said Charles Becker, Concord's vice president for business and finance. “The shake-out is coming. It's already here.”

Demographics and geography have some influence on which side of the fault line a school lands, but quality is also a big factor. The Journal uses 15 metrics to determine quality and rank. They include return on investment, student engagement and academic resources.

At Clemson University, the Journal found, graduates on average earn \$50,000 a year 10 years after entering college and the default rate on student loans is 3%; the average Concord graduate earned \$32,000 and the default rate is 15%.

Richard Vedder, the director of Center for College Affordability and Productivity and a teacher at Ohio University, believes dark days are ahead for the nation's poorest ranked schools.

“You're going to see, over the next five years, a real increase in the number of schools in serious trouble,” Dr. Vedder said. “A degree from a top school is still a pretty good signaling device [to employers]. It means you're smart and hardworking. But a degree from one of these lower schools doesn't mean much of anything.”

For years, Americans broadly accepted the link between a college degree and a solid future. In 1980, 47% of high-school graduates enrolled in a two or four-year college. Today, it's nearly 70%.

But in the past few years, the winds have shifted. The birthrate fell, the pay advantage for college graduates over high-school graduates declined, states cut \$9 billion in funding to public colleges and student debt soared. Competition from Silicon Valley in the form of technical schools that offer faster, cheaper credentials is rising.

Because the demographic dip is so pronounced in the Midwest and Northeast, low-ranking schools there are the most vulnerable to enrollment declines. Schools in Pennsylvania, Ohio and New York made up a quarter of the 237 schools that saw a 10% or greater decline in enrollment between 2011 and 2016.

Schools like Edinboro University (1022 on the WSJ ranking) in northwestern Pennsylvania are scrambling to realign their academic offerings to attract more students as they cut costs. Between 2011 and 2016, first-year enrollment has plummeted to 1,051 from 1,482 and the faculty shrank by nearly a quarter. The school trimmed offerings in political science, music and history and added business and computer classes.

Edinboro Provost Michael Hannan said if he could go back a decade, he would urge his school “to move much more quickly to evaluate which academic programs are attracting students and begin launching new ones that do a better job.”

Clemson's success is tied to its embrace of the labor market, said Chuck Knepfle, associate vice president of enrollment management. The school has several corporate partners and has tied

curriculum to their needs.

“Our students get jobs, we put successful people out there and that is well known,” Mr. Knepfle said.

At Concord, Jamie Ealy, vice president of enrollment management is increasing efforts to enroll students from out of state and overseas. He has hired people in Florida and Virginia to market the school and is trying to attract students from Scandinavia, Africa and Asia.

Mr. Becker said he believes Concord will survive and that the marketplace changes are necessary and good for students.

“All these schools have just been doing their own little thing and hoping all these problems will go away,” said Mr. Becker. “They haven’t and they won’t. Consolidation and right-sizing is ahead.”

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**Write to Douglas Belkin at [doug.belkin@wsj.com](mailto:doug.belkin@wsj.com)**

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