

**Andrea Thomas Brandley**  
Senior Education Analyst

**Heidi Prior**  
Public Policy Analyst

**Phil Dean**  
Chief Economist and Public  
Finance Senior Research Fellow

# Navigating Utah's Demographic Dip:

## Strategically Positioning Utah Higher Education Amid College-age Population Declines

Pending college-age population declines provide opportunities for state and institutional policymakers to strategically transform, conserve, and realign.

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**October 2024**



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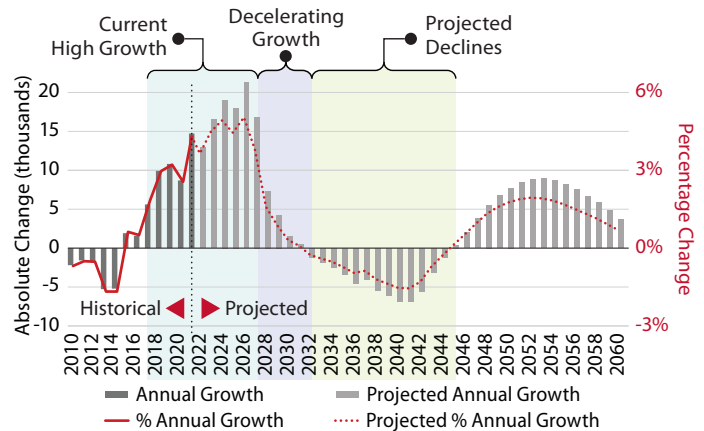
### Analysis in Brief

Utah's traditional college-age population (ages 18 to 24) will soon shift from a period of high growth to a season of decline. Unique compared to national declines beginning in 2025, Utah's college-age population is projected to begin decreasing in 2032 and decline for more than a decade. If current approaches remain unchanged, this population decline will impact enrollment and revenues at all of Utah's eight public colleges and universities and eight technical colleges. Utah can maximize the opportunities and minimize the challenges created by this demographic change by planning and acting now. State and institutional policymakers can proactively adopt strategies to transform, conserve, and realign to strategically position Utah higher education.

### Key Findings

- **College-age population decline/dip** – Nationally, the traditional college-age population will decline beginning in 2025, as those born during the Great Recession reach traditional college age. Utah's dip occurs later, with projections showing deceleration beginning in 2027 and a 12-year stretch of decline starting in 2032. This shift follows 17 years of expansion in Utah's college-age population.<sup>1</sup>
- **Enrollment impacts** – National college-age population declines, expected to begin earlier and last longer than Utah's projected dips, will intensify competition for a limited pool of traditional college-age students. These national trends, along with Utah's own college-age population declines, will likely create challenges for Utah institutions to maintain enrollment levels if the status quo continues. Any enrollment declines would directly reduce tuition and fee revenue. Projections also indicate declines in dual-enrolled high school students.<sup>2</sup>
- **Strategic response options** – State and institutional policymakers contemplating these pending demographic changes can position Utah advantageously by adopting strategies to proactively transform, conserve, and realign.

### Annual Absolute and Percent Change in Utah's College-age Population, 2010–2060



Note: College-age reflects the population ages 18 to 24.

Source: Kem C. Gardner Policy Institute State and County Projections 2020-2060 and State and County Estimates 2010-2019

Strategic responses will likely need to vary among and even within institutions, depending on varying conditions and missions.

- **Transform** – Transformation strategies include leaning into a systemwide mission-based focus, aggressively improving student retention and completion, increasing high school graduate and older student enrollment rates, and attracting the best and brightest researchers, faculty, and students from ailing national institutions to leapfrog others amid national contraction.
- **Conserve** – Conservation strategies include creating sufficient budget buffers to manage limited or declining enrollment growth, limiting new hires as enrollment stagnates, and maximizing the use of existing facilities over new facility construction.
- **Realign** – Realignment strategies include rearranging cost structures to align with enrollment declines by downsizing and even closing struggling programs, reducing facility footprints when feasible, and reducing staff through natural attrition or other means.

1. U.S. Census Bureau, Population Division, Projected Population by Age Group and Sex for the United States, Main Series: 2022-2100, Release date: November 2023

2. Kem C. Gardner Policy Institute Long-term Planning Projections

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# Introduction

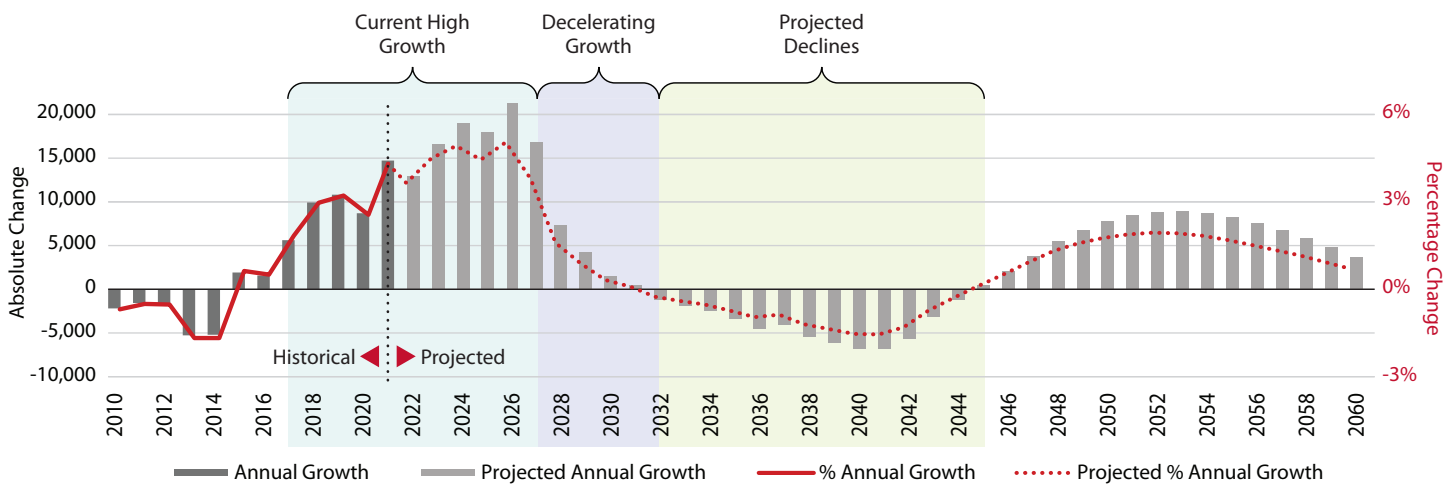
Projections indicate the U.S. traditional college-age population (ages 18 to 24) will begin declining next year but Utah follows a different trajectory. Following a growth spike in Utah's college-age population through most of the 2020s, projections show decelerating growth beginning in 2027, followed by declines beginning in 2032 (Figure 1). If trends do not change, Utah's school- and college-age population fluctuations will impact future higher education enrollment. As these college-age population declines approach, Utah will be advantaged if government and educational leaders consider the fiscal and economic implications of a declining pool of traditional college-age students. Utah can strategically position higher education for the future by adopting a range of strategies to transform, conserve, and realign.

## What do U.S. and Utah college-age projections show?

U.S. Census Bureau projections indicate the U.S. traditional college-age population will begin declining in 2025. This decline results from several factors, including demographic waves and a notable continual total fertility rate decline since the Great Recession (which began 18 years prior to 2025, Figure 2). The U.S. decline will precede Utah's college-age population dip and persist longer (Figure 3). The U.S. college-age population is expected to decline by 3.5 million (11.2%) from the peak in 2024 to its lowest point in 2044. Projections indicate this lower level will persist through at least 2060 (Figure 4).

Utah's upcoming decelerating and then declining college-age population differs considerably from Utah's recent history. Utah's college-age population grew every year since 2015,

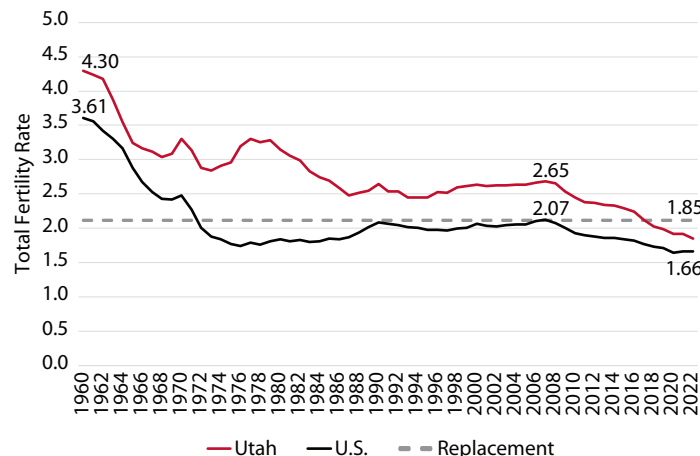
**Figure 1: Annual Absolute and Percent Change in Utah's College-age Population, 2010–2060**



Note: College-age reflects the population ages 18 to 24.

Source: Kem C. Gardner Policy Institute State and County Projections 2020-2060 and State and County Estimates 2010-2019

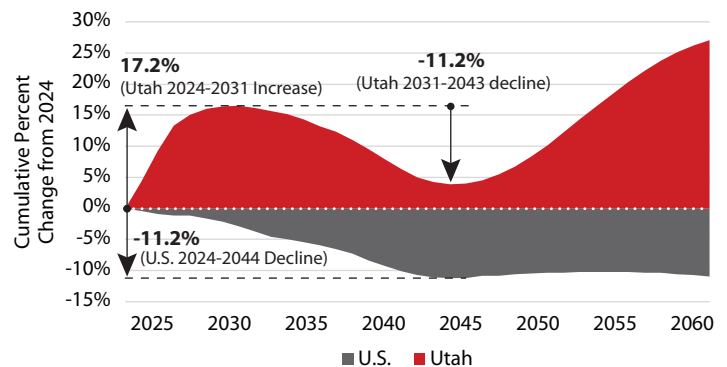
**Figure 2: Total Fertility Rate for Utah and the United States, 1960–2022**



Note: Replacement (TFR of 2.1) is the theoretical fertility level at which the current population is replaced.

Source: National Center for Health Statistics

**Figure 3: U.S. and Utah Cumulative Percent Change in the College-age Population, 2024–2060**



Note: Cumulative percent change measures the percent change from 2025 to each subsequent year.

Source: Kem C. Gardner Policy Institute State and County Projections 2020-2060 and U.S. Census Bureau, 2023 National Population Projections

# National Trends: College-age Population and Higher Education Enrollment

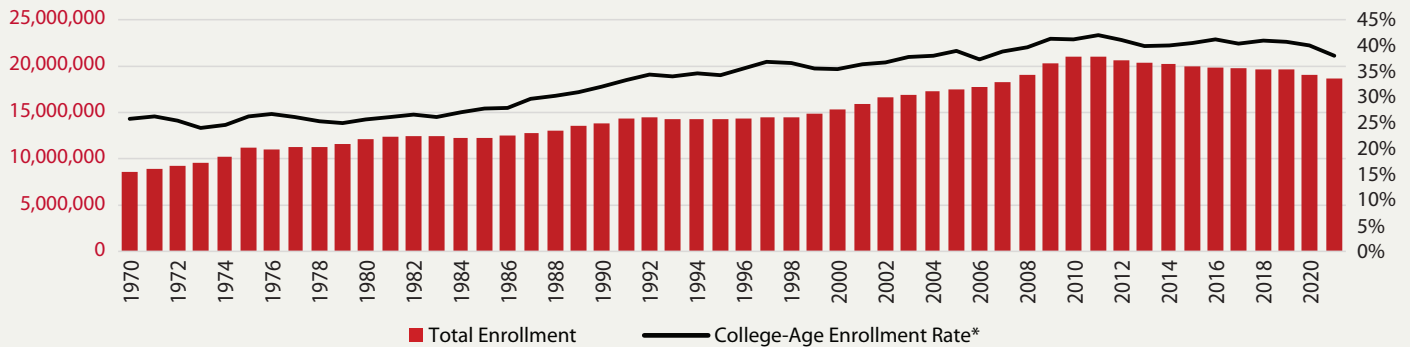
Shifts in Utah’s college-age population reflect a larger national trend. Growth of the United States’ college-age population slowed over the past two decades, increasing by 1.8% between 2010 and 2020 compared to a 12.4% increase during the previous decade. Between 2020 and 2022, the college-age population remained stable, ranging from 31.2 to 31.3 million residents. However, Census Bureau projections indicate the age group will decrease from 2025 to 2045 and then increase for about ten years before returning to a declining trend between 2055 and 2100. Projections show the U.S. college-age population will decline by 3.5 million by 2060.<sup>3</sup>

Higher education stakeholders often refer to 2025 as a “demographic cliff” when higher education will begin to see significant declines in traditional student enrollment.<sup>4</sup> Demographic waves combined with steady birth rate declines since the 2007-09 recession explain this cliff, since babies born in 2007-09 would begin to attend college around this time. Thus, projections indicate the college-age population will peak in 2024 and then begin to decline in 2025.

For reasons other than a declining college-age population, the enrollment decline in the United States has already started, with 2 million fewer students attending colleges and universities in 2021 than in 2010. The National Student Clearinghouse Research Center reports enrollment at public 4-year colleges declined every year between 2019 and 2023, while enrollment at public 2-year colleges declined between 2019 and 2022 before making small gains in the 2022-23 school year.<sup>5</sup> Both nationally and in Utah, community colleges experienced more significant declines.<sup>6</sup>

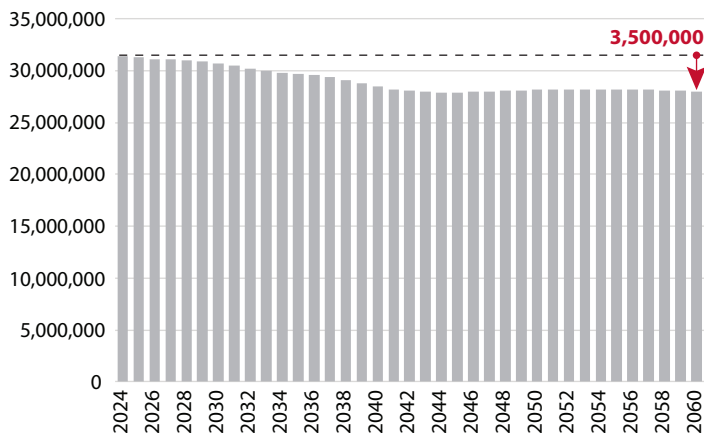
Higher education institutions across the country felt the effects of enrollment declines in recent years, responding with budget cuts, school mergers or acquisitions, and full closures. New England’s small colleges were among the first to struggle, with six institutions disappearing between 2016 and 2019.<sup>7</sup> In 2023, 15 non-profit four-year colleges closed nationwide, and larger institutions absorbed seven others.<sup>8</sup> Many public and private institutions announced significant budget cuts, including West Virginia University, Miami University, and Delta State University.<sup>9,10</sup>

**Figure 4: U.S. Higher Education Enrollment and College-age Enrollment Rate, 1970–2021**



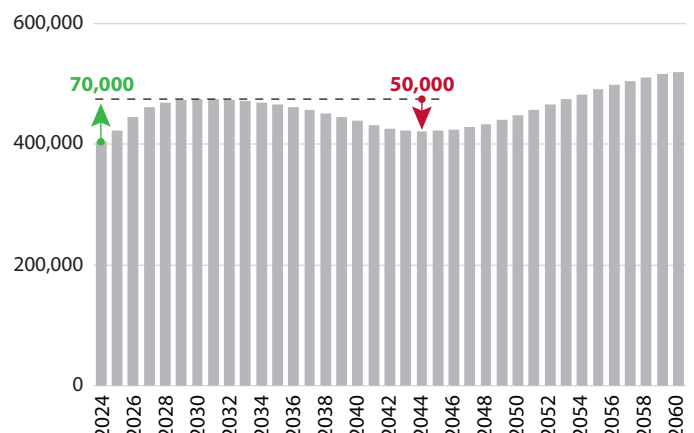
Note: \*Percentage of 18- to 24-year-olds enrolled in college.  
Source: National Center for Education Statistics (Tables 302.6, 303.1)

**Figure 5: U.S. Projected College-age Population, 2024–2060**



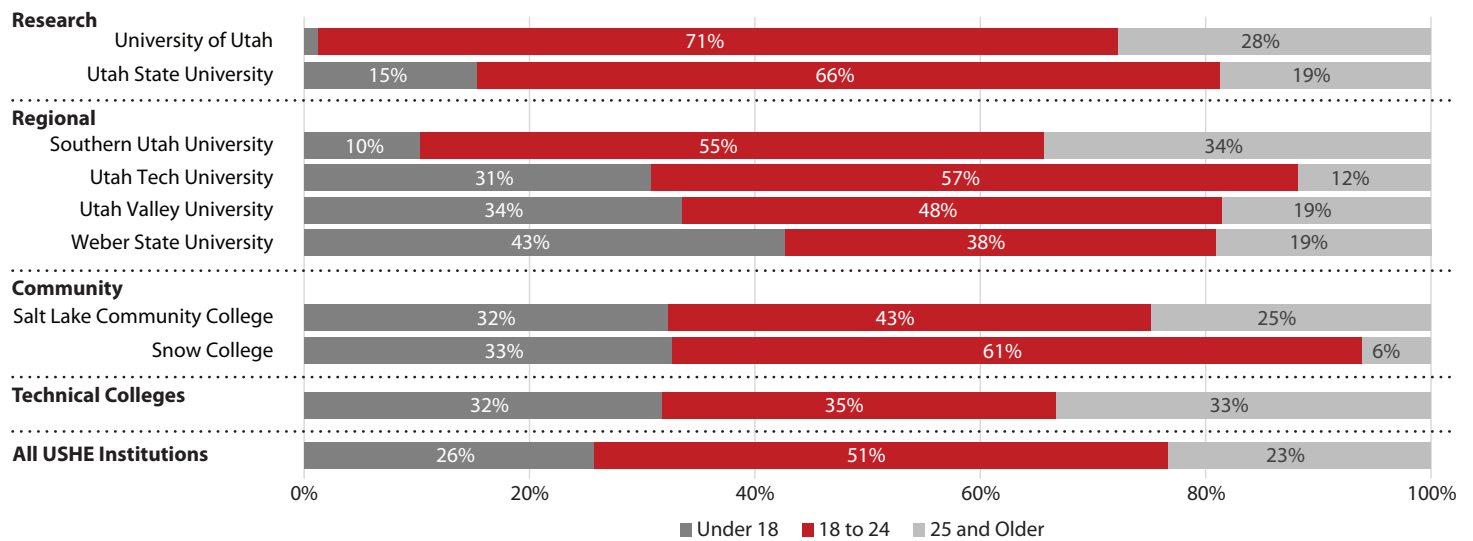
Source: U.S. Census Bureau, 2023 National Population Projections

**Figure 6: Utah Projected College-age Population, 2024–2060**



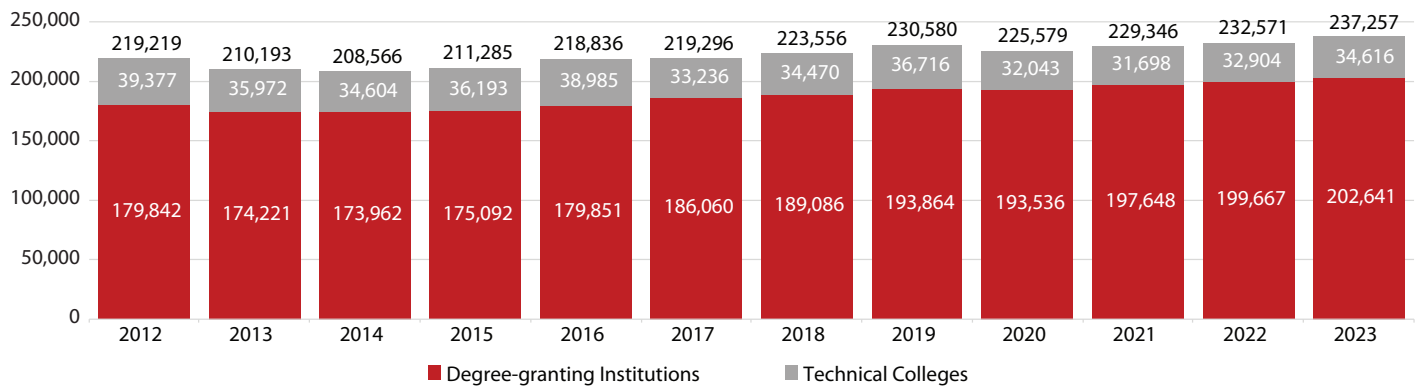
Source: Kem C. Gardner Policy Institute State and County Projections 2020-2060

**Figure 7: USHE Institutions by Age of Students, 2023–24**



Note: Concurrent enrollment students make up most of the under 18 population. Technical colleges display 2022-23 student data since 2023-24 data were unavailable. Technical colleges include Bridgerland, Davis, Dixie, Mountainland, Ogden-Weber, Southwest, Tooele, and Uintah Basin Technical Colleges  
 Source: Utah System of Higher Education (USHE)

**Figure 8: USHE Institution Enrollment, 2012–2023**



Note: Degree-granting institution enrollment reflects Fall end-of-term counts.  
 Source: Utah System of Higher Education (USHE)

creating a large pool of potential new students for the state’s higher education institutions. Projections indicate growth continuing for the remainder of this decade, resulting in nearly 70,000 additional college-age residents from 2024 to 2031. However, projections also show slowing Utah college-age population growth in the late 2020s, transitioning to a period of decline. Beginning in 2032, Utah’s college-age population will decrease each year for more than a decade. These declines will amount to a decrease of more than 50,000 college-age residents (11.2% decline from peak) and return the college-age population to its 2025 levels before projected growth resumes in the mid-2040s (Figure 6).

**How is higher education enrollment expected to change?**

Many of Utah’s higher education institutions currently experience enrollment growth. But projected U.S. and Utah college-age population declines will likely suspend or slow this growth trajectory if current approaches continue. If current

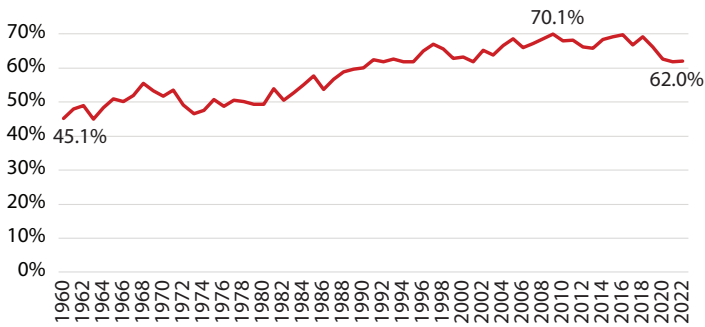
enrollment shares remain unchanged, this could reduce peak statewide enrollment (2031) by over 30,000 students by the mid-2040s when the college-age population is expected to reach its lowest point. Stagnant higher education participation rates and tight labor market conditions may compound the enrollment challenges created by expected demographic shifts.

**Current Utah enrollment**

The Utah System of Higher Education (USHE) comprises eight public colleges and universities and eight technical colleges. During the 2022-23 school year, these institutions served over 234,000 students, or about 1 in 15 Utahns.

College-age (18- to 24-year-old) students make up just over half (51%) of enrolled USHE students (Figure 7). Traditional college-age students compose a larger share of students at Utah’s research universities (71% at the University of Utah and 66% at Utah State University) and a smaller share at Utah’s technical colleges (35%).

**Figure 9: U.S. Percentage of Recent High School Completers Enrolled in College, 1960–2022**



Note: Includes individuals ages 16 to 24 who enrolled in a two or four year college the same year they completed high school, a GED, or other high school equivalency credential.  
Source: National Center for Education Statistics Table 302.20

Higher education enrollment counts at USHE institutions currently reflect Utah’s growing 18- to 24-year-old population. After weathering enrollment declines related to the COVID-19 pandemic, these institutions as a whole report growing student counts in recent years (Figure 8). Fall 2023 data indicate overall student enrollment rose 2.0% from 2022, a headcount increase of 4,686 students. While growing student counts support the expansion of present-day operations of Utah’s higher education institutions, demographic and other trends will likely suspend strong growth without aggressive interventions.

As the pool of 18- to 24-year-old students who traditionally enroll in Utah’s post-secondary institutions plateaus and decreases, Utah’s colleges, both public and private, will likely face increasing difficulties maintaining current enrollment levels and high growth trajectories by continuing their current approaches.

**Declining College Participation Rates**

Existing declines in the share of young adults choosing to pursue higher education may contribute to a shortage of potential college students. Between 1960 and 2009, the percentage of high school graduates enrolling in a two-year or four-year college grew from about 45% to 70% nationwide (Figure 9). In Utah,

this pattern coupled with an increasing state population drove significant college enrollment growth. Since 2009, however, the national percentage of high school graduates who enrolled in college plateaued and fell to 62.0% in 2022. Consequently, national college enrollment declined for the last several years even though the college-age population has not yet begun to decline.

Utah tracks the percentage of high school graduates enrolling in college within three years of graduation to account for the large share of graduates who engage in religious service after high school before enrolling in college. Mirroring national trends, 62.2% of Utah high school graduates enrolled in college within three years of graduation as of 2023.

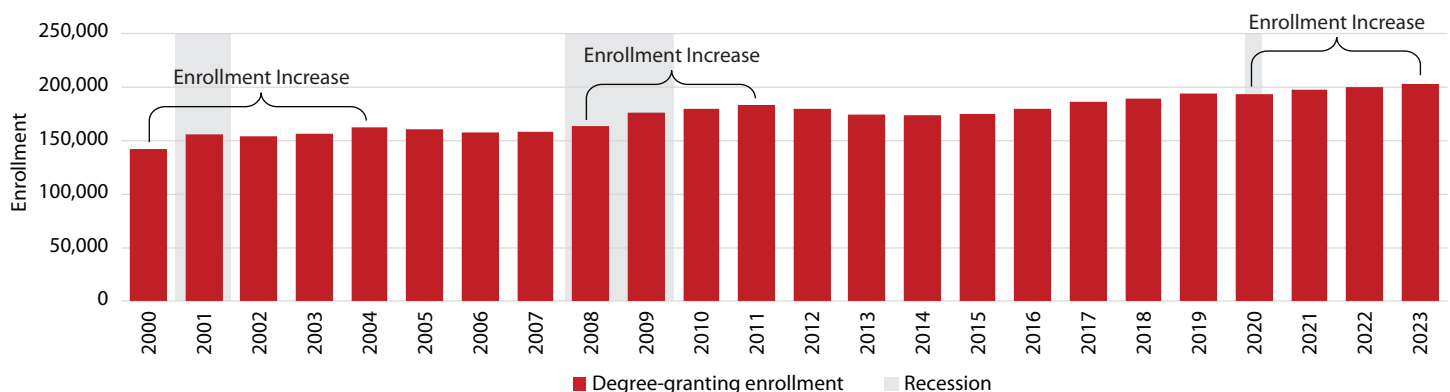
**Labor Market Impacts**

Labor force dynamics also impact college enrollment. The greatest opportunity cost of attending higher education is usually foregone wages, an often-overlooked cost in addition to prominent hard costs like tuition and fees. Colleges and universities compete with the labor force for potential students, meaning fluctuating economic conditions influence college enrollment. When available jobs decline during recessions, people may be more likely to pursue additional education and training (Figure 10).<sup>11</sup>

When the economy is strong, lower unemployment rates and higher wages attract workers and the opportunity cost of attending school increases. As a result, potential students may choose to engage in the workforce in lieu of pursuing a college education.

The number of “Baby Boomers” retiring in recent years may also contribute to labor market tightness, driving up wage levels and increasing the opportunity cost of college attendance. Similarly, many public and private employers (including the State of Utah) have removed degree requirements for some positions, although initial research indicates that degree requirement changes may not meaningfully alter actual hiring practices.<sup>12</sup>

**Figure 10: Utah Enrollment in USHE Degree-granting Institutions, 2000–2023**



Source: Utah System of Higher Education (USHE)



## Different Institutions, Different Missions

The Utah Board of Higher Education established four categories of higher education institutions, each with distinct missions and roles.

- **Research universities** provide academic programs at the undergraduate, graduate, and professional levels, emphasizing teaching, research, and outreach. Selective admissions and significant research activity set these institutions apart. (University of Utah, Utah State University)

- **Regional universities** offer a wide range of open-admissions programs, including academic and career and technical education, undergraduate associate and baccalaureate degree programs, and select graduate degree programs. These institutions emphasize teaching and scholarly and creative achievements with the goal of filling regional or state workforce demands. (Southern Utah University, Utah Tech University, Utah Valley University, Weber State University)

- **Comprehensive community colleges** ensure equitable access to higher education by providing affordable 2-year undergraduate associate degrees and career and technical education programs and focusing on teaching and applied learning environments. These institutions prepare students to enter the workforce or transfer to degree programs at other institutions. (Salt Lake Community College, Snow College)

- **Technical colleges** train technically skilled workers required for Utah’s workforce by providing market-driven technical education to secondary and post-secondary students. Institutions deliver competency-based instruction that leads to institutional certificates and industry credentials. (Bridgerland, Davis, Dixie, Mountainland, Ogden-Weber, Southwest, Tooele, and Uintah Basin technical colleges)

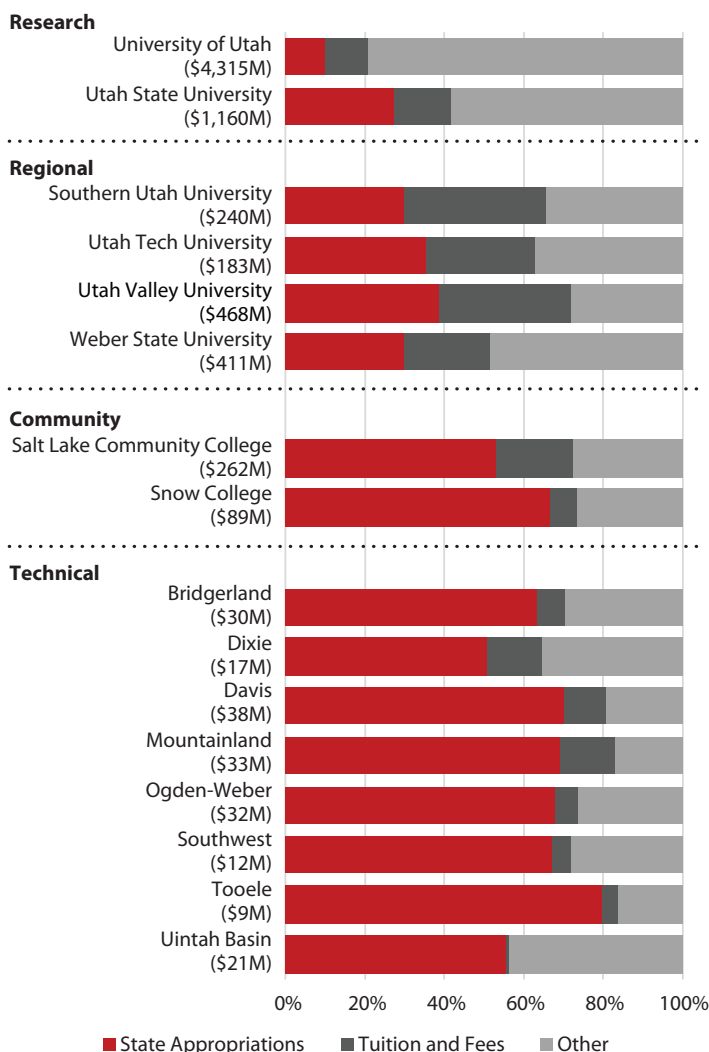
Note: In Utah, missions overlap across university types. Regional universities and Utah State University offer some community college services. Some universities and community colleges also provide technical college programs.  
Sources: Utah System of Higher Education (USHE). Institutional Roles and Missions. Available from <https://le.utah.gov/interim/2020/pdf/00004269.pdf>  
Higher Education Institutional Roles and Missions. Available from <https://le.utah.gov/interim/2018/pdf/00003192.pdf>

### How does Utah fund higher education?

#### Higher Education Revenue Sources

The combined revenue for all 16 of Utah’s public higher education institutions (excluding University of Utah hospitals and integrated health system) totaled \$7.3 billion in FY 2023. Utah state government provided 20.5% of this revenue. However, including the University of Utah greatly lowers this percentage since state appropriations fund only 10.1% of its revenues (even excluding revenue from the hospitals

**Figure 11: USHE Revenue Share by Institution and Source, FY 2023**



Note: Excludes revenue from University of Utah hospitals and integrated health system (\$3.8 billion). "Other" includes revenue from research grants and contracts, philanthropic gifts and contributions, and sales and services from athletics, arts, and events, among other sources.  
Source: Utah System of Higher Education (USHE) 2024 Data Book Financial Information (Tab G)

and integrated health system). All other degree-granting colleges receive more than a quarter of their funding from state appropriations, while Utah’s eight technical colleges each receive more than half of their revenue from state funds (Figure 11).

#### Institutional Funds

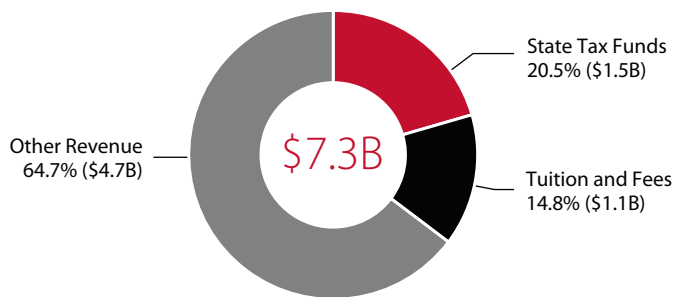
Funds directly collected by individual schools through tuition payments, contracts, grants, and other revenue streams provide a sizable share of Utah’s higher education investment. Tuition and fees make up \$1.1 billion, accounting for 14.8% of higher education’s total revenue (Figure 12). Other revenue sources—including research grants and contracts, gifts and contributions, and sales and services (e.g. athletics, arts, other events)—contribute the largest share of higher education revenue statewide (64.7%, excluding the University of Utah hospitals and integrated health system).

### State Higher Education Spending

In FY 2023, Utah's Legislature allocated about \$1.6 billion (\$1.5 billion ongoing and \$63 million in one-time funds) to the higher education operating budget, an amount equal to 9.5% of state own-source funds (Figure 13). Additionally, the Legislature allocated nearly \$400 million in capital funding for higher education buildings. In addition, the state provided nearly \$16 million for K-12 student concurrent enrollment through the public education budget, allocated between public and higher education.

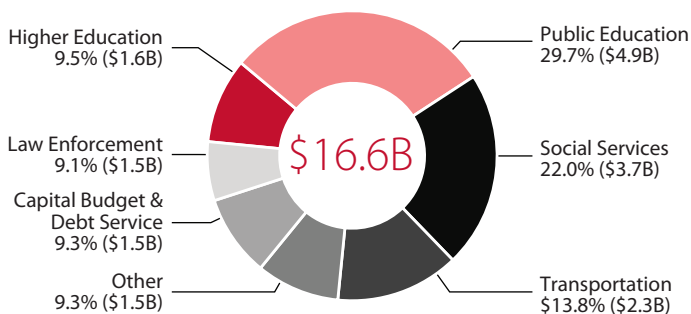
State higher education funding follows Utah's typical budget process. The higher education appropriations subcommittee uses funding from the previous fiscal year, governor's budget recommendations, recommendations from the Office of the Legislative Fiscal Analyst, and other inputs to develop a base budget bill. At the beginning of the legislative session, higher education stakeholders, including USHE and Utah's higher education institutions, present to this subcommittee and discuss the base budget and potential changes. The subcommittee then presents its recommendations to the Executive Appropriations Committee. Based on funding amounts approved by the Executive Appropriations Committee, the Legislature then adjusts the budget by passing budget bills. These approved amounts will reflect higher education's portion of an overall

**Figure 12: USHE Total Institution Revenue, FY 2023**



Note: "Other Revenue" includes revenue from research grants and contracts, philanthropic gifts and contributions, and sales and services from athletics, arts, and events, among other sources.  
Source: Utah System of Higher Education (USHE) 2023 Data Book Financial Information (Tab G)

**Figure 13: State of Utah Appropriations by Program Type from State Own-Source Funds, FY 2023**



Note: Own-source funds include the total operating and capital budget from state collected resources, excluding federal funds, local property tax, and higher education tuition and fees.  
Source: Kem C. Gardner Policy Institute analysis of Governor's Office of Planning and Budget data

balanced budget for the state, considering available revenue, infrastructure requests, and program or staffing changes, among other considerations. In Utah, this budget also includes funding that institutions receive through performance and growth funds, comprising about 1-2% of total higher education funding and about 20% of new higher education funding.

### Performance Funding

In recent years, the Legislature annually appropriated between \$20 and \$35 million for USHE institutions that meet three performance metrics set by the Board of Higher Education:

1. Increase the percentage of Utah high school graduates accessing USHE schools,
2. Increase the share of students completing degrees or certificates within 1.5 times a program's standard schedule, and
3. Increase the number of degrees and certificates awarded in high-demand, high-earning job fields.

### Growth Funding

Institutions may also receive supplemental funds when their enrollment sees net increases by at least 100 full-time students in vocational, lower-division, or upper-division courses. Using a growth funding model adopted by USHE in 2019, schools that document annual growth can request ongoing funding increases, prorated based on institutional mission, size, and instructional costs. The model does not allow for growth funding if a decrease in one course type (e.g. lower division) offsets an increase in another course type (e.g. higher division). Currently no mechanism exists for adjusting funding if enrollment declines. In 2024, the Legislature allocated \$6.7 million in growth funding for technical colleges that demonstrated enrollment growth, however no degree-granting institution qualified for growth funding.

### How will college-age population declines impact Utah's higher education budget?

While Utah's K-12 school funding ties closely to student enrollment counts, the state's higher education funding approach differs significantly. Historical funding levels rather than student counts largely drive state funding for Utah's colleges and universities.

However, near-term increases and any future enrollment declines at Utah's higher education institutions will directly impact tuition and fee revenue. Tuition and fees per FTE and adjusted for inflation increased significantly over the last two decades, increasing 73.4% from 2002-03 to 2012-13 and another 12.3% from 2012-13 to 2022-23 (Figure 14).

While enrollment impacts will vary based on strategies adopted, if enrollment declines at percentages similar to cumulative college-age population declines (a decline of over 30,000 students), this could reduce total tuition revenue by several hundred million dollars from the 2031 peak. Because institutional reliance on tuition and fees varies, any revenue

declines will differ by institution. Additionally, enrollment shifts between institutions could impact tuition and fee revenue.

Enrollment changes will not automatically alter state funding for Utah's higher education institutions. If projected college-age population changes cause an institution's enrollment to change significantly, it will be up to lawmakers to decide on any budget adjustments.

The Utah Legislature increased higher education funding over the past decade. Between 2002-03 and 2012-13, inflation-adjusted state tax funds per full-time equivalent (FTE) higher education student decreased 17.4%. However, between 2012-13 and 2022-23, inflation-adjusted tax funds spent per student increased 54.8%.

**What strategies could Utah adopt as it navigates its pending demographic dip?**

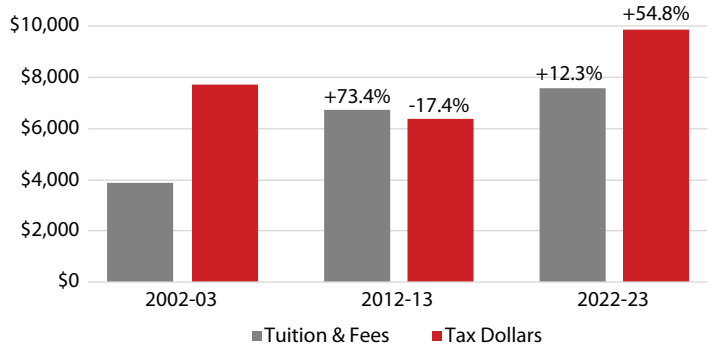
State and institutional policymakers contemplating these pending national and local demographic changes can strategically position Utah by adopting strategies to proactively transform, conserve, and realign. Strategic responses will likely need to vary among and even within institutions, depending on varying conditions and missions.

**Transform**

Transformation strategies include leaning into a systemwide mission-based focus, aggressively increasing student retention and completion, increasing high school graduate and older student enrollment rates, and attracting the best and brightest researchers, faculty, and students from ailing national

**Figure 14: Real Utah Tax Dollars and Decade-over Change for Tax Funds and Tuition & Fees per Full Time Equivalent USHE Student, 2002–03 to 2022–23**

*In constant 2022-23 dollars*



Note: Includes USHE's degree-granting institutions. Percentages show percent change over the prior decade.  
Source: Utah System of Higher Education (USHE) Budget History (Tab H)

institutions to maintain and even leapfrog other states amid national contraction. Different institutions and programs may need to adopt different approaches.

*Coordinate a systemwide mission-based strategy*

While Utah's institutions may compete to some degree, they could benefit by navigating the demographic dip jointly as a system rather than individually. Utah's higher education institutions have always held distinct missions, but doubling down on mission-based objectives will likely achieve better outcomes. Students, individual institutions, and the entire state system can all benefit as institutions set and pursue mission-

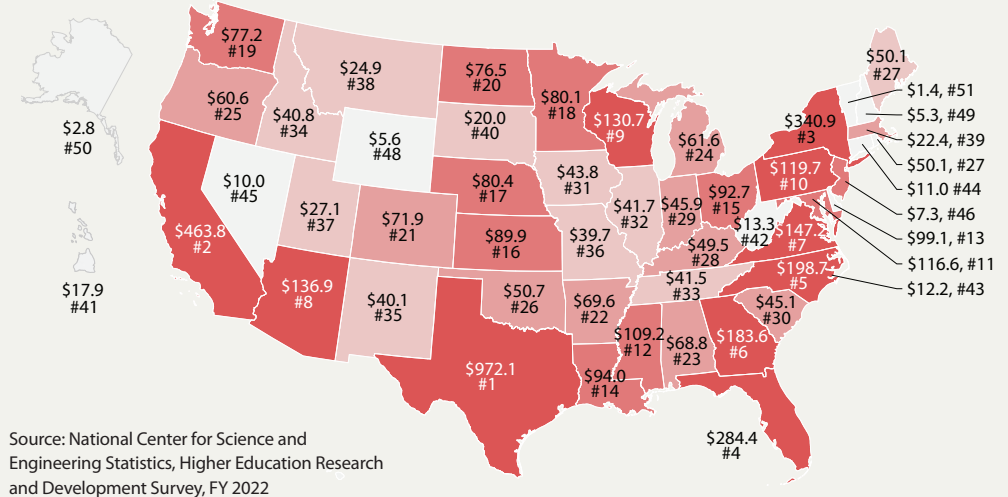
**Investing in Locally Impactful Research**

Utah's universities engage in significant research—bolstering innovation, creating new discoveries, and solving problems. Utah may benefit from investing additional state funds in locally impactful research that serves Utah, capitalizes on economic opportunities, and addresses pressing state challenges.

Utah currently lags other states in supporting the research advanced by its universities, ranking 37th for state and local higher education research and development funding. Utah trails many peer states on this metric, including Colorado, Idaho, New Mexico, and Arizona. Leaders could redirect funding to promising locally-focused research areas including Great Salt Lake, housing, energy, urban design, health care, life sciences, technology and artificial intelligence, homelessness, and air quality.

**Figure 15: Higher Education Research and Development Expenditures Sourced from State and Local Government by State, FY 2022**

(Dollars in Millions)



based targets and help each other achieve those targets through partnerships, transfer articulation agreements, shared services, and other coordinated approaches. Additionally, aligning performance measures and funding with institutions' missions may better incentivize institutions to focus on their unique roles within the overall system. Ideally, this mission alignment would occur at both the state and institutional level.

*Aggressively increase student retention and completion*

While many students enroll in college, a much smaller number complete their degrees. Retention rates vary from 23% to 96% and graduation rates vary from 34% to 86% among USHE institutions (Figures 17 and 18). If a larger share of enrolled students persist through completion, enrollment will rise without recruiting additional students, offsetting tuition revenue declines that may otherwise occur.

State performance funding currently composes a very small portion of state higher education funding, but increasing funds tied to specific retention and completion metrics might also better incentivize schools to prepare for demographic shifts. While current performance funding metrics relate to access, timely completion, and high-yield graduates, leaders could adjust these metrics as priorities change.

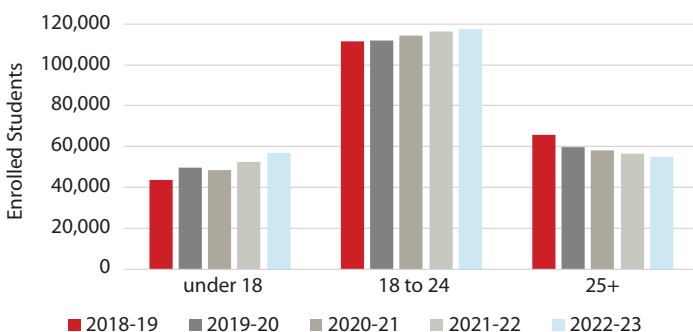
*Recruit "last mile" students*

Many Utahns fail to complete a college degree even though they have less than 30 credit hours remaining to degree completion (one year of full-time coursework). Utah could increase college enrollment and completion by providing a scholarship to these potential students. These near-completers could access the benefits of degree completion over a shorter timeframe and with a smaller financial boost than Utahns who have yet to begin their higher education journey.

*Increase the college-age enrollment rate*

As occurred in previous decades, increasing the rate at which the 18- to 24-year-old population enrolls in college can boost enrollment even amid declines in that population overall. The most recent data show that 62.2% of Utah's high school

**Figure 16: Students Enrolled at USHE Institutions by Age, 2018–19 to 2022–23**



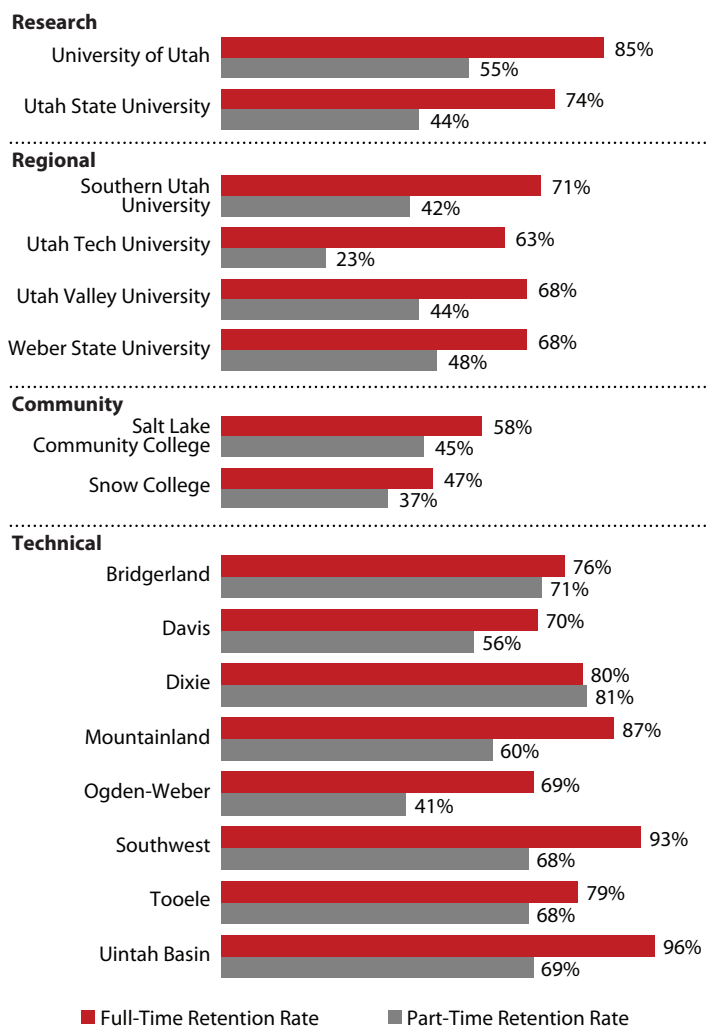
Source: Utah System of Higher Education (USHE)

students enroll in a USHE, in-state private, or out-of-state institution (degree-granting or technical college) within three years of graduation. Engaging and attracting more of these college-age residents could increase enrollment and enhance Utah's workforce.

*Expand beyond traditional college-age students*

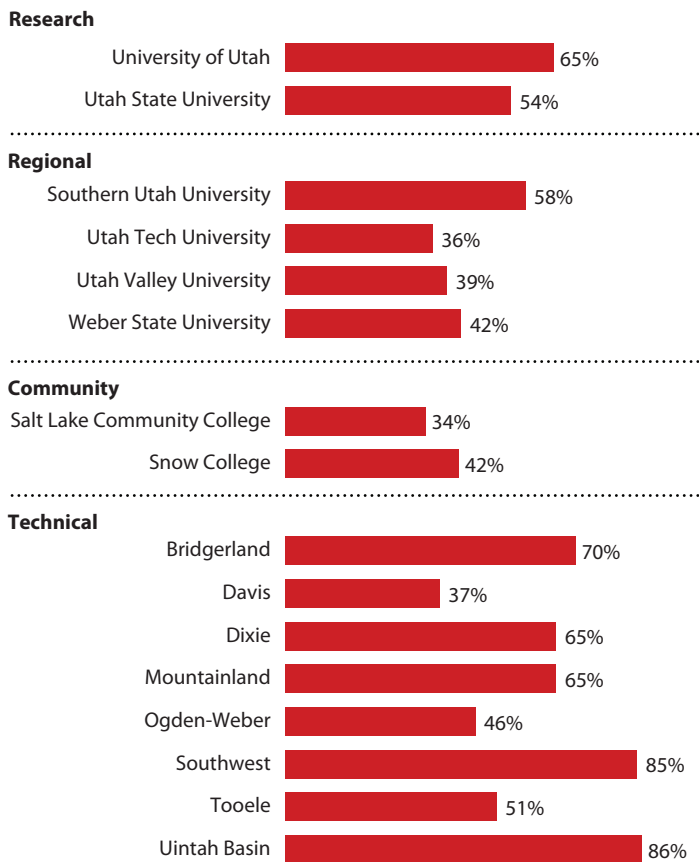
Traditional college-age students generally refer to young adults who have recently finished high school. However, Utah's higher education institutions already serve many students outside of the traditional 18- to 24-year-old age range. Enrollment of Utah students age 24 and younger increased over the last several years while enrollment of students age 25 and older declined (Figure 16).<sup>13</sup> Shifting from student services targeting the traditional college-age population (e.g. fitness centers, dormitories, social gathering spaces) to providing services tailored to older students (e.g. childcare, night classes, career services) could attract students from older age groups and increase enrollment. Some colleges could also focus on attracting retirees.<sup>14,15</sup>

**Figure 17: Retention Rates at USHE Institutions, Fall 2022**



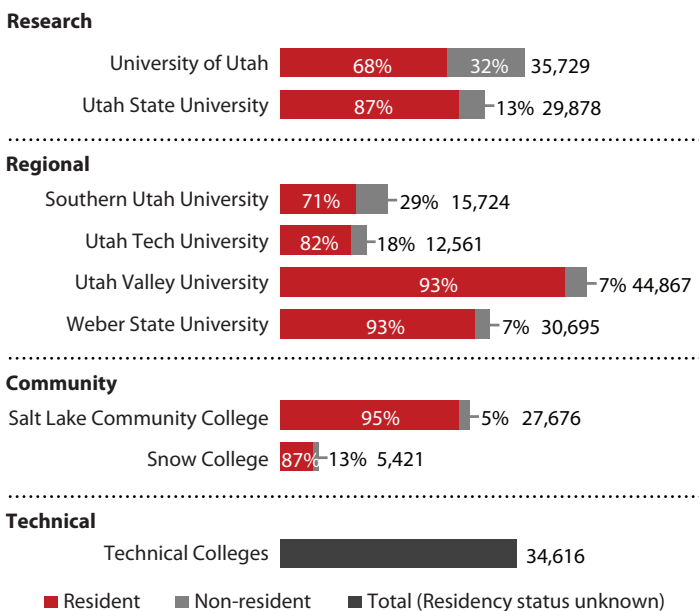
Note: Retention rates measure the percentage of the fall cohort from the prior year that re-enrolled at the institution as either full- or part-time in the current year. It is difficult to compare retention rates school to school due to differing missions across institutions. Source: National Center for Education Statistics Integrated Postsecondary Data System (IPEDS)

**Figure 18: Graduation Rates at USHE Institutions, 2022**



Note: Graduation rates measured as students who completed within 150% of normal time (six years for a four-year degree, or three years for a two-year degree, varying times for technical certificates). It is difficult to compare graduation rates school to school due to differing missions across institutions.  
Source: Utah System of Higher Education (USHE)

**Figure 19: Enrollment in USHE Institutions by Residency Status, Fall 2022**



Note: Technical colleges include Bridgerland, Davis, Dixie, Mountainland, Ogden-Weber, Southwest, Tooele, and Uintah Basin Technical Colleges. Residency Status unavailable for technical colleges. Non-resident includes students from other states and international students.  
Source: Utah System of Higher Education (USHE)

*Increase private sector partnerships*

Additionally, Utah could focus more intently on private sector partnerships to leverage institutional research and expertise into commercialization projects such as those done in coordination with USHE's Utah Innovation Lab. This approach could provide permanent institutional revenue streams through a partial business ownership interest.

*Attract the best and brightest national researchers, faculty, and students*

Given Utah's delayed decline, Utah could benefit by aggressively seeking to attract the best and brightest researchers, faculty, and students from ailing national institutions to maintain quality and even leapfrog other states amid national contraction.

Utah natives make up the largest share of degree-granting institutions' student body (more than 80% in the 2023-24 school year). Yet many out-of-state students migrate to Utah for higher education, both from other states and other countries (Figure 19). Utah institutions could boost enrollment by seeking to attract more out-of-state students, although schools across the nation will also compete for students amid national declines (see *National College Enrollment Trends* section). Institutions could intensify efforts to highlight Utah's strengths to attract non-resident students, including world-class natural amenities, collaboration with other state institutions, and safety.

As schools in other states utilize faculty and staff layoffs to offset enrollment declines, Utah higher education institutions can become safe harbors for talented researchers and teaching faculty seeking new tenure-track positions. Departments stacked with strong faculty will give Utah institutions a competitive advantage over institutions recovering from program and faculty downsizing.

Utah could also leverage state funds to pursue additional federal and private sector research grants—a particularly beneficial option for the state's research institutions (University of Utah and Utah State University). Comparatively small investments can often enable researchers to secure sizable grants, bringing large amounts of outside dollars into the Utah economy.

**Conserve**

Conservation strategies include creating sufficient budget buffers to manage limited or declining enrollment growth, restricting new hires if anticipating enrollment stagnation, and maximizing the use of existing facilities over new facility construction.

*Stress test budgets and augment budget buffers*

Institutions face different risks, and college-age population declines could impact institutions very differently. Leaders can utilize budget stress testing to examine their risks and assess the level of budget buffers available to manage that risk. As appropriate, during remaining enrollment growth years,

institutions can increase budget relief valves such as rainy-day funds to buy future flexibility as they navigate potential enrollment challenges.

*Seek alternative revenue streams*

Institutions could further leverage their real estate portfolios through public-private partnerships to generate additional income streams (this could create pushback from private sector competitors). Seeking increased philanthropic contributions could also provide additional revenue.

*Limit new hires as enrollment stagnates*

Hiring practices may need to shift from growth-oriented hiring of the recent past. Although enrollment will likely still grow statewide for several more years, institutions should carefully consider the extent to which longer-term enrollment trends will support hiring permanent new employees.

*Address enrollment barriers*

Students of all ages and backgrounds may face barriers to enrolling in higher education. Utahns cite financial constraints as the most common obstacle (e.g. insufficient tuition aid, food and childcare insecurity, and doubts about being able to afford a college degree).<sup>16</sup> Supporting students in addressing these and other challenges may increase enrollment.

*Downshift aggressive school facility construction*

Over the past decade, Utah allocated about \$4 billion to higher education buildings, including about \$2 billion from state funds (an average of about \$400 million and \$200 million a year, respectively). While some building construction in coming decades may be appropriate, particularly for renovation or repurposing, the aggressive construction pace of the past decade may not be appropriate moving forward.

Opportunities currently exist to better maximize existing facility use. Data show a majority of USHE degree-granting institutions underutilize existing classrooms and laboratory areas based on standards set by the USHE Board of Education (Table 1). Institutions report numerous reasons for low rates, including outdated facilities and technology, space created for specialized purposes, and high demand for space at “peak hours” with idle capacity at other times of day. The data suggest sizable capacity exists within existing facilities at many institutions to absorb near-term enrollment increases. If enrollment declines or education delivery continues to shift to virtual modes, facility utilization could decline even further, potentially reducing the need for new infrastructure and allowing institutions to repurpose existing spaces. Moreover, idle seat capacity in existing classrooms suggests a sizable revenue opportunity for

**Table 1: Space Utilization Rates for USHE Degree-granting Institutions, Fall 2021**

Institution Type	Institution	Classrooms		Teaching Laboratories	
		Room Utilization (hours per week)	Seat Occupancy Rate	Room Utilization (hours per week)	Seat Occupancy Rate
Research	University of Utah	22.1	48.7%	17.4	73.4%
	Utah State University	12.4	33.2%	12.3	48.1%
Regional	Southern Utah University	28.7	78.9%	22.1	77.4%
	Utah Tech University	43.1	53.6%	32.8	58.2%
	Utah Valley University	26.2	60.7%	28.9	66.9%
	Weber State University	23.8	47.5%	21.6	38.1%
Community	Salt Lake Community College	19.1	55.8%	18.0	66.2%
	Snow College	22.2	79.5%	22.7	56.8%
<b>USHE Utilization Standards</b>		<b>33.75</b>	<b>66.7%</b>	<b>24.75</b>	<b>80.0%</b>

Meets USHE standards Does not meet USHE standards

Note: Rates include only use of space for credit-bearing courses. However, classrooms and teaching laboratories are used for many other campus activities not captured in these rates, such as extracurricular activities, club meetings, and speakers and events. USHE Utilization Standards are a goal benchmarked for 2025.

Source: Utah System of Higher Education (USHE) 2021-22 Space Utilization Report

**Table 2: USHE Average Faculty Contact Hours and Instructional Hours per FTE Faculty, FY 2023**

Institution Type	Institution	Faculty Contact Hours		Instructional Credit Hours	
		Average	Standard	Average	Standard
Research	University of Utah	9.49	10	9.66	9
	Utah State University	7.82	10	8.35	9
Regional	Southern Utah University	29.65	13	14.82	12
	Utah Tech University	13.41	13	12.68	12
	Utah Valley University	14.58	13	11.55	12
	Weber State University	15.37	13	12.09	12
Community	Salt Lake Community College	19.66	16 to 19	14.45	15
	Snow College	29.56	16 to 19	14.78	15

Meets USHE guidelines Does not meet USHE guidelines

Note: Set by Utah Board of Higher Education, Board Policy R485 Faculty Workload Guidelines.

Source: Utah System of Higher Education (USHE) Data Book, 2024 Data Book Staffing (Tab J)

institutions that can successfully attract and retain students, as these students could generate additional tuition revenue with minimal marginal costs.

### Realign

In cases where strategies to transform and conserve prove unsuccessful, budget realignment may be necessary. Realignment strategies include rearranging cost structures to align with enrollment declines by downsizing and even closing struggling programs, reducing facility footprints when feasible, and reducing staff through attrition or other means.

#### *Optimize personnel and infrastructure to align with smaller student counts*

Potential enrollment declines could impact funding levels, which in turn may alter staffing dynamics. Beginning any necessary adjustments earlier will likely ease transitions. For example, downsizing staff through normal attrition would disrupt normal operations less than layoffs, but may take longer so it would need to begin earlier. Institutions may also alter employee counts through early or phased retirement incentives, changing faculty full-time and adjunct ratios, adjusting class sizes, or changing the number of classes or credits taught by faculty members. USHE Board Policy R485 includes faculty contact hours and instructional credit hours expectations, which may currently limit flexibility in this area (Table 2).

Although likely difficult, institutions could explore options for reducing building footprints, or partner with other entities such as counties, cities, or school districts to repurpose idle space.

#### *Tie instructional funding more closely to student body size*

Directly linking instructional funding with the count of degree or certificate completers or other student counts would vary funding with student body size. This funding structure could apply at the state level or within individual institutions when setting budgets for different departments and programs. As in public education funding, a per-completer or FTE student funding model could vary based on costs related to institutional or program missions. Funding could also differ according to student demographics (such as increasing institutional funding for first-generation or low-income students). If enrollment declines, state and institutional leaders could redirect funding to other areas such as research or scholarship programs, or increase institutional or program funding per student by leaving funds in place.

### Conclusion

The U.S. college-age population will begin declining next year. Projected deceleration in Utah's college-age population beginning in 2027 with declines coming by 2032 will likely suspend recent strong higher education enrollment growth, shifting Utah's higher education institutions into a period of enrollment challenges. Utah can maximize the opportunities and minimize the challenges created by this major demographic change by strategically planning now for this impact.

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