

Did the Recession Drive People to

Higher Education?

In recessionary times individuals often see the way toward economic security down a path of more training. With the recent perception of not being able to secure a better life, workers look at their options. Continued job search in a highly competitive job market is one option. But if the job seeker perceives their current job has limited upward mobility and stagnant earnings, another option is the opportunity provided by getting more training and/or a degree which may lead to better potential for the good life.

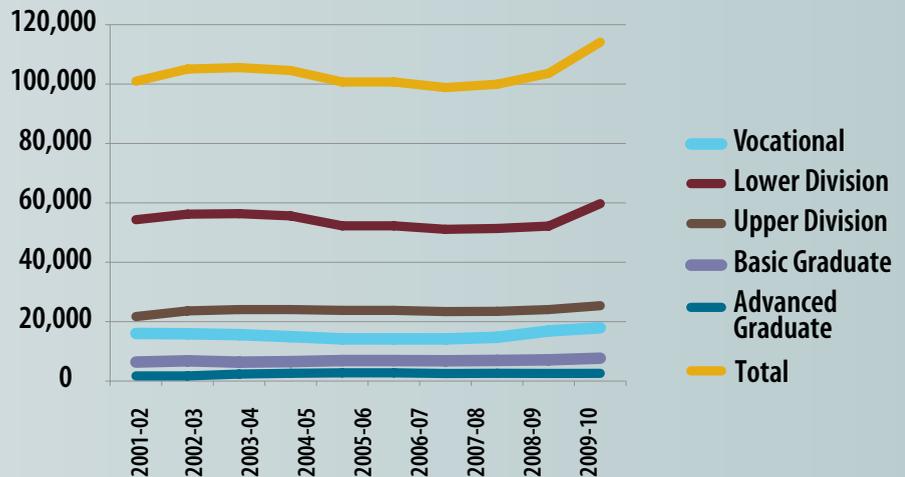
We often hear that when the economy “tanks” people go back to school. New entrants in the world of work may have had higher education as a goal all along. Also, current workers losing their jobs or having their hours curtailed also see the light and may decide to pursue more training. These individuals perceive that their opportunities are limited and see more training as a viable option.

A paradox presents itself. How do current marginally employed or unemployed persons afford to go back to school if they have no job and thus no way of paying for more education? One answer is through educational loans, grants, or scholarships. Funding may also include the use of savings and/or help from family. Regardless of the source of resources for education the desire for more education is still there. Financing education is a very important topic but the real thrust of this article is to look at the relationship of economic activity, or the lack of it, and the desire of workers to seek more education.

What’s the evidence that recessions drive people to seek more training? One important indicator is to look at



Utah Higher Education
Enrollments
by Class Standing
School Years
2001-2002 to 2009-2010



Source: Utah System of Higher Education (USHE), Data Book 2011, Tab C - Enrollments.

enrollment in our post-secondary education institutions. Enrollment numbers from the Utah System of Higher Education portrayed in the graph show average yearly full-time equivalent enrollment at Utah’s public colleges and universities.*

In the graph are counts of enrollment for vocational, lower division, upper division, basic graduate, advanced graduate, and the total. The time periods cover the school years 2001-2002 through 2009-2010. Enrollment early in the decade show what happened during the “DotCom” recession. Student counts peaked in 2003-2004 school year with 105,500 persons enrolled at the colleges and universities. Enrollments dropped to the 98,800 level in the 2006-2007 school year. These mid-decade years were Utah’s boom period where the perception in the market was that jobs were plentiful and workers didn’t need more training to get a job. Unemployment rates were near-record lows as the economy was rapidly expanding.

Then came the Great Recession, beginning in December of 2007. As the recession deepened through 2008, enrollments increased from 98,800 to 103,600 (2008-2009 school year). Enrollment increased by 1.1 percent during the 2007-2008 school year to 3.7 percent the following year (2008-2009) then dramatically rose by 10.1 percent by the 2009-2010 school year. In actual numbers, enrollments increased from 99,900 to 114,100. In the last two years, thousands of students enrolled with the largest increase being for those lower division (entering) students. The overall increase for all levels of education was 10.1 percent but enrollment by lower division students jumped by 14.4 percent. All levels of educational (vocational, lower division, etc.) enrollment

increased between 2008-2009 and 2009-2010. Do many individuals go back to school when the economy tanks? The numbers, at least in this cursory look, tend to support that notion. Increases in enrollment can’t all be attributed to economic forces. Utah’s demographic and societal forces are at play here also. Notable is the younger age of its population and the emphasis placed on education in Utah. These forces aside, it does appear that a depressed economy does have a significant effect on enrollment. ①

*University of Utah, Utah State University, Weber State University, Southern Utah University, Snow College, Dixie State College, Utah State University – College of Eastern Utah, Utah Valley University, and Salt Lake Community College. Not included is data from private colleges and universities.



Information on the
Utah System of Higher
Education can be found at:

[http://www.higheredutah.org/
about/research-data/](http://www.higheredutah.org/about/research-data/)