



The Daily Dish

College Enrollment and the Labor Market

DOUGLAS HOLTZ-EAKIN | DECEMBER 4, 2025

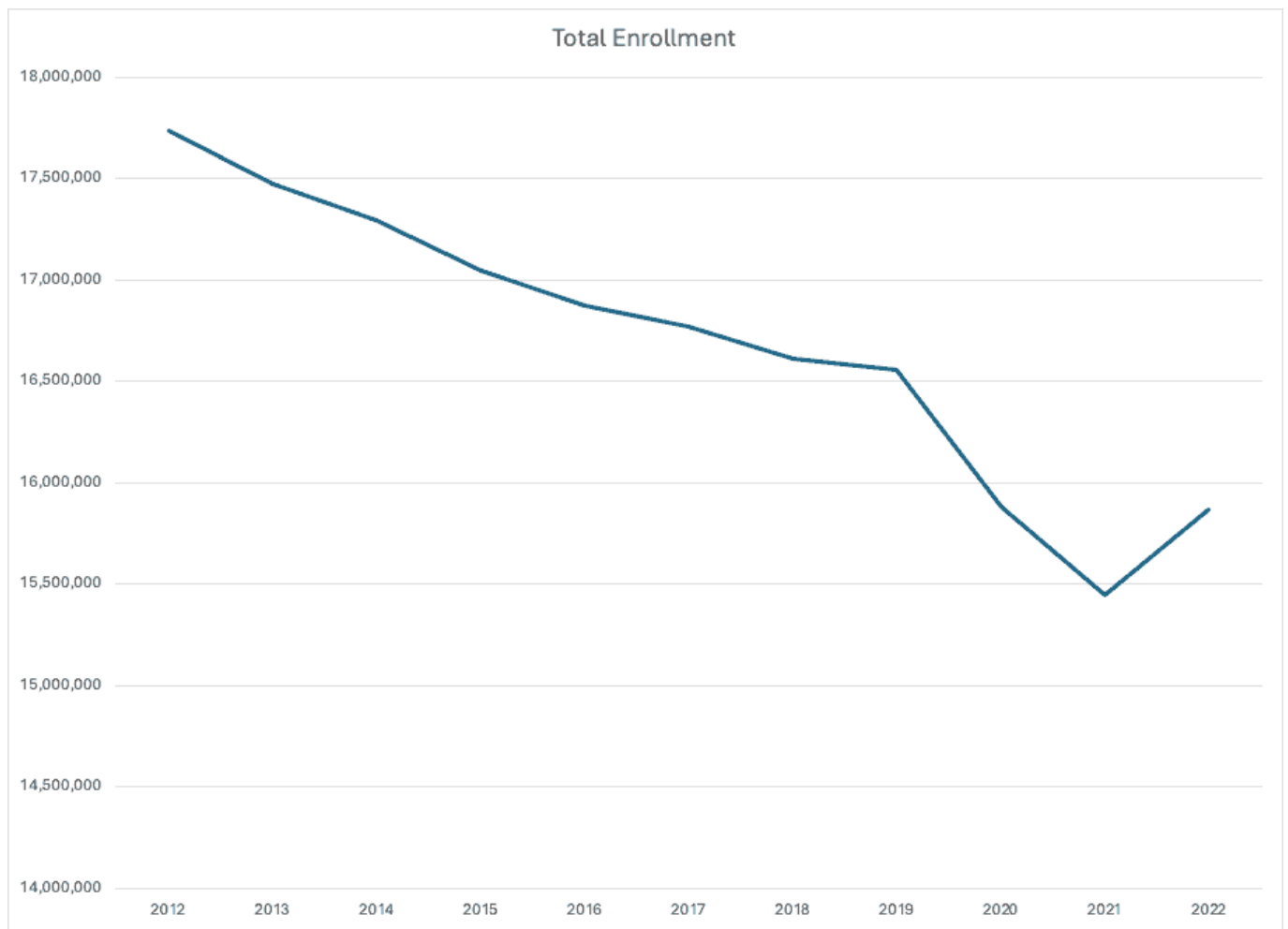
It is no secret that the labor market has been an unfriendly zone for newly minted college graduates. As [CNBC](#) recently put it: “20- to 24-year-olds with bachelor’s degrees have seen the most extreme levels of unemployment compared with historical levels than other educational groups.” This may explain some recent polling data from [NBC](#):

Almost two-thirds of registered voters say that a four-year college degree isn’t worth the cost.

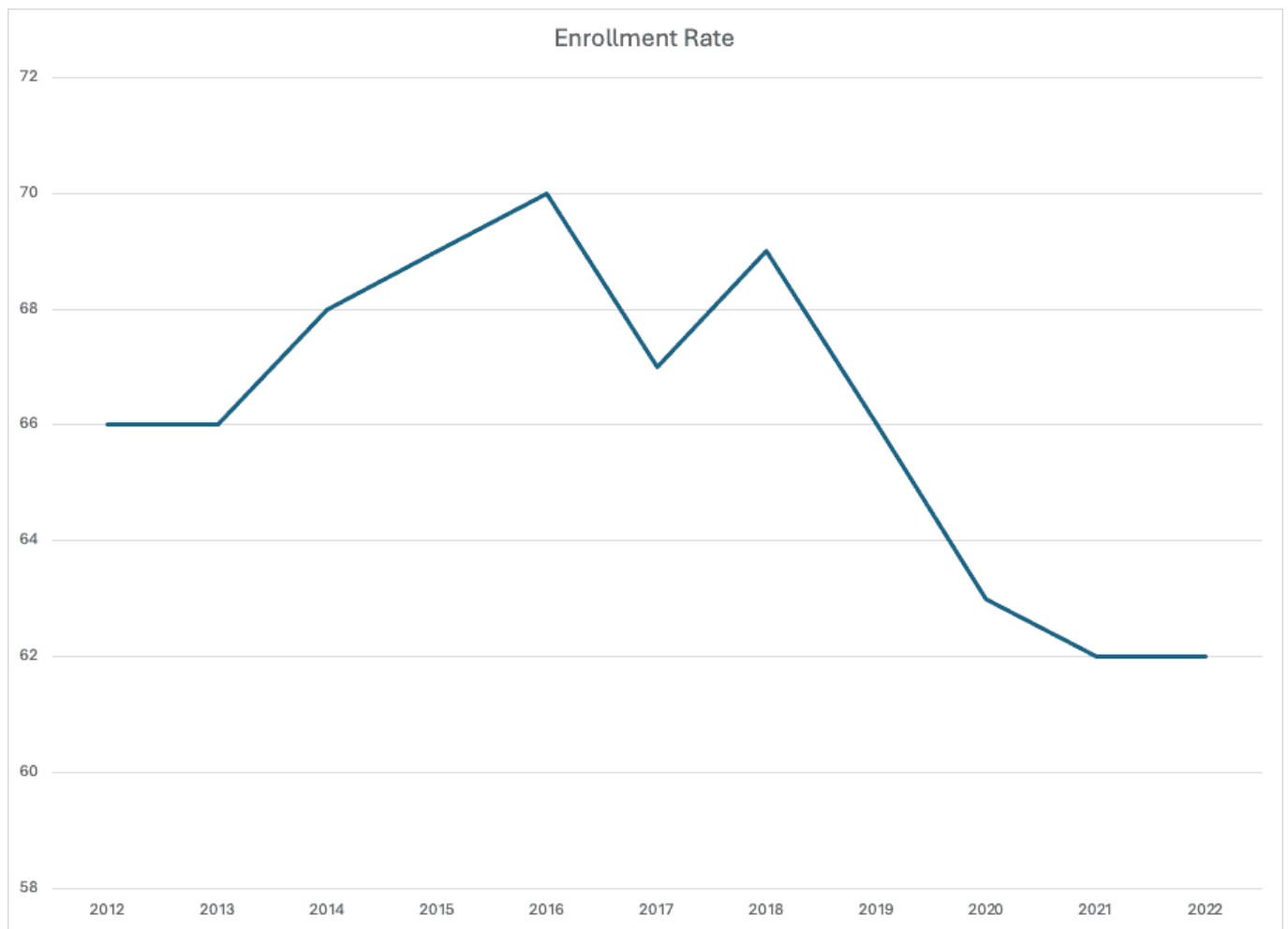
Just 33% agree a four-year college degree is “worth the cost because people have a better chance to get a good job and earn more money over their lifetime,” while 63% agree more with the concept that it’s “not worth the cost because people often graduate without specific job skills and with a large amount of debt to pay off.”

That one-third positive polling rate is down from essentially 49 percent in 2017 and 53 percent in 2013.

This decline in favorability coincides with a drop in the number of students enrolled in college (see below from the [National Center for Education Statistics](#)).



Not only is the total number of students down, the fraction of high-school grads enrolling has declined as well.



This raises some questions about the financial health of the postsecondary education sector. A new [NBER working paper](#) by Joshua Goodman and Joseph Winkelmann sheds some important light on the dynamics. First, the decline is driven by 2-year colleges (“community colleges”), which are down by 30 percent since the Great Recession. Enrollment in 4-year colleges is holding up just fine. Moreover, about 10-percentage points of the decline come from 2-year colleges being reclassified as 4-year colleges.

The authors go on to note that: “pre-Great Recession data shows a 1 percentage point increase in the local unemployment rate increases first-time community college enrollment by 2 percent, suggesting many students are on the margin between community college and job opportunities.” Further, the students who are most sensitive to weakening labor markets are those who have not completed a degree.

In short, given that the labor market appears to be softening, the enrollment prospects for 2-year colleges may be looking up.