

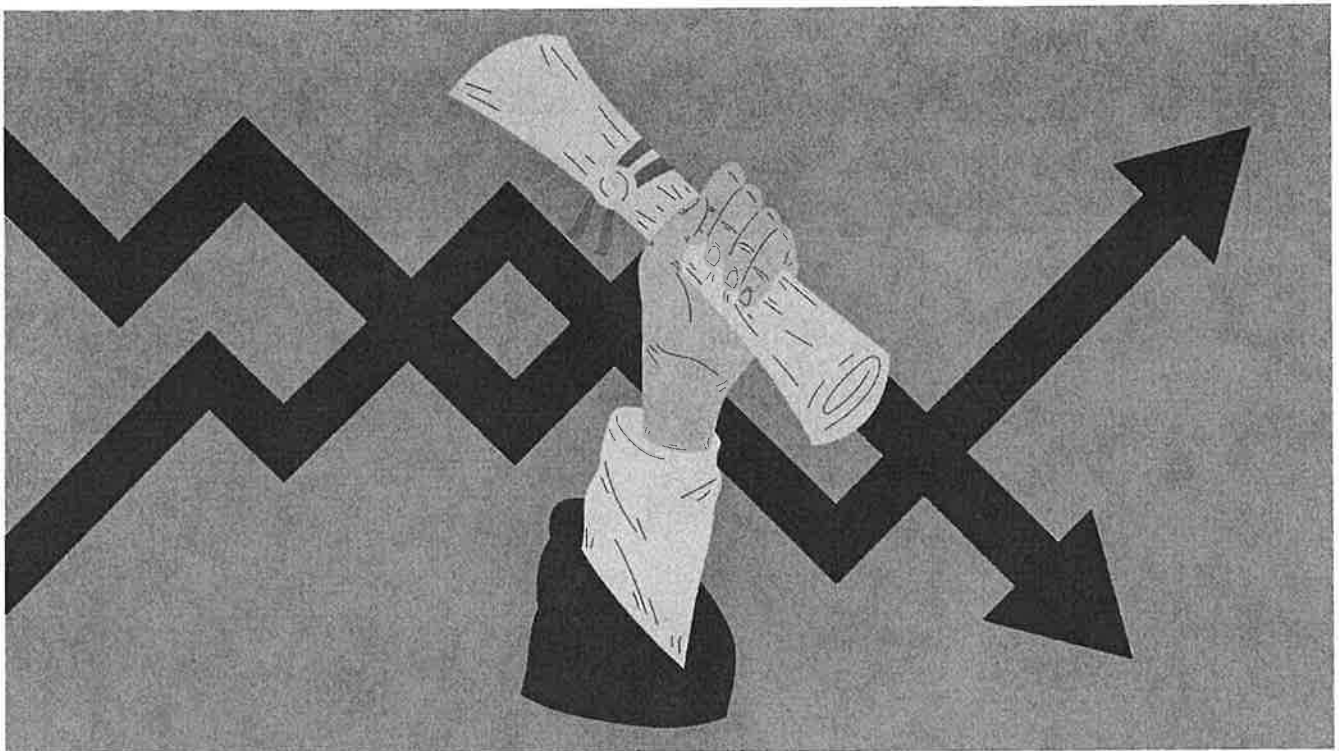
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The college industry is becoming K-shaped as acceptance rates plummet. What's happening to admissions?

Prestigious universities are seeing higher demand than ever, while smaller schools are closing their doors. So, what's driving the split?

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It's a low time for higher education, depending on where you look.

In recent years, dozens of colleges and universities have closed their doors, and dozens more have merged in an attempt to survive. There are many factors that are leading to these closures, but it typically comes down to a lethal combination of increasing costs and lower enrollment. Smaller private schools are finding themselves in harm's way, and it's become worse over the past five years.

Conversely, other schools are thriving and becoming increasingly selective. Vanderbilt University, for instance, recently announced an acceptance rate of 2.8% out of a pool of nearly 49,000 applicants. For context, its acceptance rate was almost 33% in 2007.

Other top-tier schools are seeing similar low acceptance rates, including Duke University, Brown University, and Dartmouth College. And some small liberal arts schools, such as Bowdoin College and Williams College, are also notching record-low acceptance rates, writes Christopher Rim, the CEO of Command Education, in a recent article published by *Forbes*.



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In effect, there's a divergence occurring in higher education: Prestigious, top-tier colleges and universities are pulling away from smaller, more modest institutions, creating a K-shaped split.

A HIGHER-ED DIVERGENCE

Michael Koppenheffer, who leads marketing strategy, creative execution, and analytics for the Enroll360 division at EAB, an educational consulting

company, says this observation is, by and large, “an accurate description of what’s going on.”

“For the past many years, we’ve seen a shift in demand toward national universities, larger universities, and more prestigious brands,” he says, and “there’s no single cause for it.”

Among the potential factors, though, is that there’s more information about schools available to students than ever before, which may be drawing some far-flung applicants to more national brands than in years past. Other schools are losing potential students to employers straight out of high school. And tuition costs are a huge deciding factor, too.

“If you think of today’s teenagers, their parents are the first ones to experience a significant student loan burden—two generations ago, people did not have significant student debts,” Koppenheffer says. “These kids are growing up with parents who have been paying for a long time and have an increased sensitivity to cost.”

Those costs are no joke. As of 2025, the average borrower had more than \$39,000 in federal student loan debt. Average college costs have also more than doubled since 2000, and typical annual expenses tally more than \$38,000.

So, students who are going to be spending or borrowing that much money are looking for a return on that investment—and Koppenheffer says that “some students and families view national brands as more secure investments.” In other words, if you’re going to pay that much to go to school, you may as well get a degree from a brand-name institution.

GO SOUTH, YOUNG MAN?

Sara Harberson, a college admissions expert and former dean of admissions, agrees that there are many factors leading to a higher-ed split. But she notes that it's not merely esteemed private schools that are on an upward trajectory. A number of large, public flagship state schools are seeing a huge influx of students as well.

"We're seeing a generation of students that want something different from previous college-bound generations," she says. "They want big schools, social schools, schools in warmer climates, more balance between their academic and social life, strong athletic programs—the whole

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University of Tennessee have become hugely popular—and much more selective.

"When a college is seeing an influx of applicants, it can be more selective in its admissions process," Harberson explains. "We're seeing some of those nationally known institutions see record numbers of applicants each year, and their acceptance rate is dropping."

This could be fueling the K-shaped college divergence, too. Students who, years ago, may have wanted to go to a small, private university in upstate New York, for example, might prefer going to a large public school in Florida or Georgia instead.

However, Harberson says that doesn't mean that families aren't still focused on "prestige." That's why schools like Vanderbilt and Duke, perhaps more so than others, are in the perfect position to thrive: They're in the South, associated with strong athletics programs or conferences, and highly regarded in terms of academics. They're perfectly positioned to

cater to students who want a broader college experience, but also to earn a degree from an elite institution.

“It’s like the phenomenon of being popular in school,” Harberson says.

“Right now, those Southern schools are the popular kids.”

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