

Faculti Summary

<https://faculti.net/college-or-bust-or-both/>

This video discusses the impact of economic recessions, specifically the Great Recession, on college enrollment rates, particularly for Black and Latina students. It highlights that previous research indicated people are more likely to return to college during recessions due to higher unemployment, which decreases the opportunity cost of education.

The author cites significant increases in unemployment rates among young individuals during the Great Recession and questions whether the trends observed in previous recessions hold true in this context. The analysis focuses on the ability of families of color, especially Black and Latina families, to afford college given the economic hardships they faced—namely, job losses and loss of home assets.

The study uses data from the Current Population Survey to analyze college enrollment patterns between 2002 and 2012, employing a difference-in-difference-in-difference methodology. The findings reveal an overall increase in college enrollment in states with higher unemployment rates and particularly in two-year colleges. This video suggests that unemployed individuals turned to education to upskill and enhance their employability.

For Black and Latina students, it was found that their enrollment increased by 2 to 4 percentage points during the recession, although structural barriers like credit constraints in high unemployment states may have affected their ability to enroll. The author concludes by emphasizing the importance of providing support and resources, including financial aid and wraparound services, to help students complete their degrees, particularly in light of challenges exacerbated by economic downturns. Future research is suggested to explore better support mechanisms for students facing economic and structural challenges within the educational system.