

NO COUNTRY FOR YOUNG MEN:

*FOUR SCENARIOS FOR
HIGHER EDUCATION IN A
SHRINKING BRITAIN*

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ABOUT THE POST-18 PROJECT

The Post-18 Project provides fresh thinking around higher learning for adult lives, seeking to shape the policy environment around universities and colleges and provide practical solutions for anyone with a stake in the success of post-18 education in the UK.

We seek to help shape the policy environment with practical ideas, helpful research, big thoughts and new ways to think about how post-18 education can be funded, the system configured, and how institutions relate to the outside world as well as their own staff and students.

Our recommendations always aim to be practical and achievable, not pie in the sky, and could depend on institutional staff and leaders, regulators, policymakers or politicians to make a reality.

The system needs reform. Our aim is to provide the foundations for change, and capacity within the sector itself to have the conversation about the how, what, when and why of it.

The Post-18 Project is part of **Thesis** – *a house for higher education ideas*, alongside

- **Wonkhe**, the home of the UK higher education debate
- **Policy.Partners**, senior strategic counsel and advisory for universities, sector bodies, and the organisations that work with them
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MESSAGE IN A MINUTE

The top line

After the early 2040s, the UK's demographic projections diverge sharply. What happens to the population – and to higher education – depends on choices about immigration, fertility, and workforce strategy being made in the next decade.

What should be done

Stress-test every post-18 education plan against multiple demographic futures, not just the central projection. This paper sets out four scenarios and six branching points as a framework for doing so.

The bottom line

Higher education will shrink. The question is whether that shrinkage is managed and equitable or chaotic and market-driven – and the decisions that determine which are being made, or avoided, now.

INTRODUCTION: WHERE THE DATA RUNS OUT

The Post-18 Project's Policy Signal 1, *The Big Shortfall: Demographic downturn and the post-18 education system*, described the demographic cliff facing UK post-18 education through to 2040: a peak in the 18-year-old population around 2030–31, then a sharp decline to approximately 2016 levels.

That analysis rested on firm ground – the children who will turn 18 in 2040 have already been born.

The principal uncertainties were about how many of them would want to study and how many the system could accommodate.

Beyond the early 2040s, the ground shifts.

The fifteen ONS projection variants begin to diverge significantly, because they rely on longer-term estimates of three interacting variables – mortality, fertility, and immigration – each of which compounds the others. Children born this year will be eligible to enter higher education in 2044. Beyond that point, we are speculating about the educational careers of the unborn and unknown.

The temptation is to stop there – to declare the future unknowable and retreat to the fifteen-year horizon where the data is solid. But the decisions that will determine which demographic trajectory the UK follows are not being made in the 2040s. They are being made now, in this parliament and the next, in choices about immigration caps, housing policy, student finance, and the role of the state in shaping the post-18 system. Those choices will compound over decades. By the time we can see which future we have chosen, it will be far too late to choose differently.

This is the case for thinking beyond what the data can prove.

Not to predict – prediction at this range is foolish – but to stress-test. If the plans we are making today only work under one set of demographic assumptions, they are not plans. They are bets. The purpose of this signal is to set out four plausible futures for higher education in a shrinking Britain, identify the branching points between them, and ask which of today's policy choices are robust across multiple scenarios – and which are gambling on a single outcome.

THE THREE VARIABLES

The demographic future of the UK – and therefore of its post-18 education system – turns on three interacting variables. Each is already moving, and each is subject to policy influence.

Immigration

The principal ONS projection assumes net inward migration of around 350,000 per year. Observed net migration fell to 204,000 by June 2025 and is widely predicted to fall further. The political direction of travel across both major parties points towards continued restriction. If sustained, lower immigration has two compounding effects on higher education: fewer international students in the short term, and fewer UK-domiciled 18-year-olds in the medium term, because recent immigrants to the UK tend to be younger and have more children than the resident population. In 2024, 34.75 per cent of all live births in England were to non-UK-born mothers.

Fertility

The UK fertility rate has declined from 1.94 children per woman in 2012 to 1.44 in 2023. The ONS principal projection assumes this will stabilise and partially recover – an assumption that current trends do not support. To illustrate the scale: under a replacement-fertility scenario, there would be approximately 300,000 additional 18-year-olds by 2044, requiring the birth of an extra 160,000 children in 2026 alone. That did not happen. Fertility decline is driven in part by the rising cost of living for young people – including, ironically, the burden of graduate debt repayments, which delays household formation.

Mortality and healthy life expectancy

The number of people aged 65 and over is projected to peak at just under 20 million by 2061 under the low-population-growth variant. The working-age population peaks earlier – at just under 42 million in 2028 – and then declines. Crucially, healthy life expectancy is at its lowest point since 2011 and is projected to fall further. This means that the growing elderly population will require more support, not less, even as the workforce available to provide and fund that support shrinks. By the turn of the next century, under low-growth assumptions, around a third of UK residents will be aged 65 or over.

These three variables interact. Lower immigration reduces both the working-age population and the birth rate. Lower fertility reduces the future workforce, which reduces economic capacity to support an ageing population, which increases the fiscal

pressure that makes child-rearing more expensive, which further depresses fertility. The feedback loops are vicious, and they are already operating.

The fifteen ONS projection variants represent different combinations of assumptions about these three variables. The scenarios that follow are not tied mechanically to specific ONS variants – they are broader thought experiments about how the interaction of demographic trends and policy choices might reshape higher education over the next fifty years. But each rests on a distinct set of assumptions about which variables dominate, and each produces a recognisably different future for the post-18 education system.

FOUR SCENARIOS

The following scenarios are written from the perspective of the late 2070s, looking back. None is proposed as inevitable. They are offered as a way to consider the impact of current trends and the collective choices that will shape what comes next.

Scenario 1: Coming over here, powering our economy

This scenario assumes: *immigration reverses its decline and becomes the primary engine of population stability; fertility remains low but is partially offset by higher fertility among immigrant communities; mortality improvements resume.*

Policy implication: *higher education becomes critical infrastructure for immigration strategy – attracting, integrating, and retaining skilled workers – but this requires a political settlement on immigration that does not currently exist.*

A shift in popular opinion, perhaps brought about by the global failures of the populist right, sees public attitudes shift towards a greater favourability towards immigration. This happened a while ago in Scotland, where mainstream opinion appears to be able to combine nationalism and an appreciation of the benefits of immigration without contradiction. Political responses to shifts in opinion happened slowly, and at the beginning came a very carefully managed approach to immigration to support key skills needs.

The problem for the UK was that every country in the west has been attempting to do the same thing for pretty much the same reason. One key factor in our favour was the persisting attractiveness of our system of higher education, and universities played a key part in attracting the skilled workers we needed to power the economy. In the 2020s the tendency for international students to do care work alongside (and even immediately after) their study was viewed with suspicion – in a nation with a growing proportion of economically inactive elderly people this kind of societal contribution is promoted as a key factor of the international student experience and a key benefit to the nation.

Universities are far more active internationally – something that has seen benefit for some of the more established brands in the sector. The role of the government is to encourage and support international recruitment: as an economic good, a societal good, and an expression of soft power. Global competition has driven a focus on global problems – with the climate becoming a key research focus. Universities need to attract these international students to stay on in the UK – not least as the academics and researchers that will teach future generations and make new discoveries.

Data anchor: Under the ONS high-migration variant, net inward migration of around 450,000 per year would sustain the 18-year-old population at close to current levels

through the 2050s. Under the principal projection (350,000), the decline is moderated but not reversed. The current observed figure (204,000) is well below either assumption – illustrating the gap between the policy environment this scenario requires and the one that currently exists. For reference, in 2023–24 approximately 679,970 international students were studying at UK higher education providers, representing around 24 per cent of all enrolments.

Scenario 2: Children of men

This scenario assumes: *immigration continues to fall; fertility remains at or below current levels; mortality improvements stall. The UK becomes smaller, older, and poorer.*

Policy implication: *higher education survives but is instrumentalised – directed almost entirely towards healthcare technology and workforce needs – with profound consequences for breadth, access, and institutional diversity.*

A declining working population and a continued antipathy towards immigration resulted in a less populous, poorer nation. It is no longer possible to run a free-at-the-point-of-use health service, a widespread taxpayer-subsidised social care system, or even a universal state pension – the economy simply isn't there to support that level of public spending.

However, a succession of right-leaning governments voted in largely by the growing older population realised that a decline in the fortunes of their core vote will lead to a loss of power. There has been substantial investment in research into healthcare technology – remote healthcare, AI healthcare companions, and wearable technology are seen as essential. This has required a strategic expansion in higher education and research – pushing more young people through higher education level courses in order to drive and manage this healthcare revolution.

It's not a revolution for everyone however. The working elderly poor simply can't afford to participate. Mortality rates are rising, and the government is under pressure to devote dwindling public funds to supporting their health and their quality of life. There is a lot of suspicion and anger: a volatile political climate that makes long-term planning and stability very difficult. There's little money left over for higher education.

Universities are expected to attract substantial funding from commercial and overseas sources – and compete fiercely to recruit the most promising undergraduate and postgraduate students. Lifelong learning and retraining has become another huge market, the cap on participation in student finance at age 60 has long since been abandoned, and LLE-style short courses play a part in many careers.

The UK is not a contented, healthy, or happy place under these conditions. But higher education still finds a way to survive.

Data anchor: The ONS low-population-growth variant projects the UK population falling below 60 million by the 2070s, with the working-age population declining to around 35 million. It is estimated that 54 per cent of generation X do not have an adequate pension. Healthy life expectancy is already at its lowest point since 2011. The fiscal arithmetic of this scenario – fewer workers funding more dependents with less productive capacity – is the trajectory the UK is currently on absent deliberate policy intervention.

Scenario 3: The boomers are back

This scenario assumes: *a deliberate, sustained policy programme reverses fertility decline over 50+ years; immigration is managed but not the primary growth lever; mortality improvements resume as the dependency ratio eventually stabilises.*

Policy implication: *pro-natalist policy works, but slowly – and requires dismantling the financial barriers (including graduate debt) that currently discourage family formation. Higher education experiences decades of decline before recovery, and the sector that emerges is smaller, more publicly funded, and structurally different from today's.*

Scrapping the two-child child benefit limit was just the start. That symbolic shift led into a wider consideration of the plight of the young – and substantial incentives were offered (as they were much earlier on in many other parts of the world) for people to start larger families and start them young. It has taken more than 50 years and a fundamental rewiring of the way the economy works, but we are finally expecting substantial growth in the population of 18-year-olds after years of decline.

The graduate loan repayment system was identified as a significant blocker to young people settling down and raising children – successive modifications means that the taxpayer is the largest source of financial support for the majority of students accessing higher education. This was possible due to the decline in 18-year-old entrants, but now that numbers are growing again this doesn't feel quite so sustainable and we are once again talking about fees and repayment plans.

Those 50 years of decline also saw the loss of significant higher education capacity. Many providers merged, shrank, or closed entirely. As the government sees the first wave of the next baby boom begin to break it is desperate to preserve and grow capacity – attempts to do this on the basis of quality are foiled by the continued lack of realistic measures in an economy and society that is rapidly changing, although the embedding of skills planning means that we are clearer about the kinds of courses and provision we want to see.

The new generation are greeted like returning heroes – society is increasingly orientated towards their needs. Many have an interest in the arts and culture: after decades of a moribund popular culture 'cool britannia' is back and there is serious consideration given to supporting world-leading music, art, and film as a key component of the UK economy. Higher education is seen as an excellent incubator of such potential.

Data anchor: Under the ONS replacement-fertility scenario, approximately 300,000 additional 18-year-olds would appear in the population by 2044 – but this would require an immediate and sustained increase in births that has not materialised. Even if fertility reversed tomorrow, the higher education system would not see the effect for 18 years. The gap between the current fertility rate (1.44) and replacement level (2.1) is the widest it has been since records began. Countries that have attempted pro-natalist programmes – France, Sweden, Hungary – have achieved modest and often temporary increases. The 50-year timescale in this scenario is realistic, not pessimistic.

Scenario 4: Managing decline

This scenario assumes: *immigration is tightly managed; fertility does not recover significantly; but government makes an active, strategic choice to restructure the post-18 education system for a smaller population rather than allowing disorderly collapse.*

Policy implication: *this is the scenario that requires the least optimistic assumptions but the most competent government – and it produces the most equitable outcome if executed well. It requires surrendering the assumption of growth that has been baked into post-18 education policy since Dearing.*

The country cuts its cloth accordingly. With fewer young people around there is simply less demand for higher education. The return of number controls and improvements in student data help the government make strategic (rather than market-led) decisions about how to reconfigure the sector. We are clear that we need less capacity, but the government wants that capacity to benefit the whole UK and is thinking seriously about place and industrial strategy.

Oxbridge is the most visible manifestation of this new approach. England's two ancient universities still have constituent colleges but very few of them are in Oxford or Cambridge – they are spread around the country and concentrated in cold spots and former industrial heartlands. Our future leaders study in Warrington, Darlington, and Yeovil. This symbolic change is at the heart of the popular understanding of a shift in higher education. Local campuses and living at home (or near home – young people still want their first taste of freedom!) are increasingly the dominant mode of attendance. These new regional campuses spread the benefits university towns have historically seen to other places, and use collaboration and articulation to drive regional economies and lifelong learning.

This hasn't just happened by coincidence, of course. The government works increasingly closely with the higher education sector. Greater funding sustainability and a carefully designed system of incentives has brought about change that the whole country benefits from – in return universities have surrendered elements of institutional autonomy while retaining academic freedom. At one level academic staff are drawn from the best in the world (a carefully managed immigration system explicitly allows for this), but despite this more incentives mean that jobs available for recent UK PhDs are at an all-time high.

We still have a healthcare crisis – and graduates increasingly work in the NHS or social care in a startling array of new roles aimed at supporting good health rather than treating medical emergencies. Community arts have been another surprising area of growth – initially stemming from a need to improve the quality of life among an increasingly isolated elderly population the sector is now a major employer of graduates.

Data anchor: Policy Signal 1 established that the projected decline from peak to 2040 is equivalent to losing the eight universities with the largest number of entrants. There are currently 457 registered higher education providers in the UK – up from 171 in 2000–01. The OfS has warned that around 124 providers could run a deficit in 2025–26 without mitigating action. This scenario assumes that contraction is inevitable and asks whether it will be managed or chaotic. The difference is whether the institutions that close are the ones whose closure does the least damage to the places and communities they serve, or whether closure follows the logic of the market – in which case the institutions most likely to fail are those in the areas that can least afford to lose them.

THE BRANCHING POINTS: A DECISION FRAMEWORK

The four scenarios are not equally probable, and they are not the only possible futures. But they share a common feature: all of them are shaped by decisions that will be made – or avoided – in the current parliament and the next one. The purpose of setting them out is to make the branching points visible, so that policymakers, institutional leaders, and the sector can stress-test their plans against futures other than the one they hope for.

Six areas of policy need to be considered, with an explicit focus on the interplay between them and the outcomes they will generate over the much longer run than normal policy thinking.

1. The immigration settlement. Every scenario turns on what happens to immigration. Scenario 1 requires a reversal of the current political direction; scenarios 2 and 3 assume continued restriction; scenario 4 assumes tight management with strategic exceptions. The current trajectory – declining immigration without a compensating domestic policy – is a passive slide towards scenario 2. Any serious long-term plan for post-18 education must state its immigration assumptions explicitly.
2. The fertility question. Scenarios 3 and 4 both require government to confront the structural barriers to family formation – housing costs, childcare, and graduate debt. The current student finance model is directly relevant: if loan repayments delay household formation, and household formation delays or reduces childbearing, then the funding model for higher education is contributing to the demographic decline that threatens higher education. This is a feedback loop that policy has not yet acknowledged, let alone addressed.
3. The growth assumption. Post-18 education policy since the Dearing Report in 1997 has been built on an assumption of growth – more students, more providers, more participation. Every scenario except scenario 3 (and scenario 3 only after fifty years of decline) requires abandoning that assumption. The current fee and loan system, the regulatory framework, and institutional financial models are all designed for a growing market. The question is not whether contraction will happen but whether it will be managed (scenario 4) or chaotic (scenario 2).
4. The role of the state. Scenarios 1 and 4 require an active, competent state that makes strategic choices about the shape of the post-18 system. Scenario 2 is what happens when the state abdicates that role. Scenario 3 requires a state that is willing to sustain fifty years of counter-cyclical investment. The current direction – a small-state instinct combined with an interventionist rhetoric – is not obviously compatible with any of the scenarios that produce good outcomes.

5. Institutional autonomy. Scenarios 1 and 4 both imply a different settlement between government and institutions – more direction in return for more funding stability. The current model – high autonomy, low funding, regulatory pressure – is the worst combination for managing demographic decline, because it leaves institutions to compete for a shrinking market with no strategic coordination and no safety net.
6. The workforce pipeline. All four scenarios face the same underlying problem: fewer 18-year-olds means fewer future doctoral students, which means fewer future academics, which means less capacity to teach the cohort that follows. This is the self-reinforcing loop identified in Policy Signal 1. None of the scenarios resolves it without deliberate intervention in how academic careers are structured and funded.

The demographic shift described in these two signals is not a policy problem that admits of a single solution. It is a structural condition that will reshape the post-18 education system over the next half-century regardless of what government does.

The question is whether that reshaping is deliberate, strategic, and equitable – or whether it just happens to us.

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