

Where the Vanishing Students Are Going

Today's New York Times carries a story about declining college enrollments. The article asks **where the vanishing students are going**.

College enrollment fell by 2 percent in 2012-2013 compared to 2011-2012. The Times hypothesizes that these former students have entered the workforce. However, as I've written elsewhere, **the labor force participation rate among younger workers (16-35) has been declining** (with an update here). **Are these former students being abducted by aliens?** Although I think that's unlikely, it's more reasonable than simply assuming they have gone out to look for jobs.

My guess is that these students have entered the informal sector (formerly known as the underground economy). They get paid in cash (actual currency), do not file income taxes and (important) remain invisible to Obamacare. Since many of the Obamacare taxes and restrictions will be implemented by the Internal Revenue Service, not filing a tax return is an excellent way to avoid the whole train wreck. (I've also written about Obamacare, including predicting the slow-motion train wreck that the program is becoming. For additional readings, click [here](#) and [here](#).)

I have no direct evidence to support this hypothesis. I merely offer it as an alternative to the implausible New York Times story.