

## Parental income can determine post-secondary attendance

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(PhysOrg.com) -- New research from the CIBC Centre in Human Capital and Productivity at The University of Western Ontario shows parental income is a much stronger determinant of post-secondary attendance in the U.S. than in Canada.

Accounting for differences in family background and adolescent cognitive achievement scores, U.S. post-secondary attendance rates are nearly 20 percentage points higher among youth from the top family [income](#) quartile compared to the bottom quartile. The same income/attendance gap is only eight percentage points in Canada.

The findings are outlined in a policy brief authored by Lance Lochner, economics professor at Western, Canada Research Chair in Human Capital and Productivity and CIBC Chair in Human Capital and Productivity; Philippe Belley, economics professor at Kansas State University; and Marc Frenette, Senior Research Associate at the Social Research and Demonstration Corporation.

The full four-page brief can be viewed at [economics.uwo.ca/centres/cibc/...efs/policybrief1.pdf](http://economics.uwo.ca/centres/cibc/...efs/policybrief1.pdf)

The brief also shows the U.S. provides more financial support to lower-income families compared to Canada, while Canada is more generous among middle-income families. Specifically, the U.S. sharply reduces [financial aid](#) as family income rises from \$20,000 to \$50,000. By contrast, most Canadian provinces provide similar aid to all families

earning less than \$50,000, only reducing aid at the top of the income distribution.

With the U.S. providing more financial aid for [low-income families](#) than Canada, it may be surprising to learn that post-secondary attendance rates are higher among low-income Canadian youth compared to their American counterparts.

“Our research has found this contrast may be driven largely by those from high-tuition states who receive below average financial aid offers,” says Lochner. “Also, because most financial aid is institution-specific in the U.S., it may be difficult for families to determine the actual costs of higher education and aid available to them. Finally, the American media’s emphasis on skyrocketing costs of elite private institutions may also dissuade lower income families from considering post-secondary education as an option.”

Provided by University of Western Ontario

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