Best & brightest not influenced by sticker price when choosing a university

HAMILTON, ON, Jan. 16, 2013 — At a time when competition is fierce among universities for the best and brightest students, a new study suggests lower overall costs do not influence where strong students might attend.

The research, conducted by a team from the Department of Economics at McMaster University, is the first Canadian study to examine the correlation between net cost to the student, or tuition minus any scholarship awards, and university choice.

“There is no relationship between the net cost of an undergraduate education and the overall share of academically strong applicants a university is able to attract,” explains Martin Dooley, a professor of economics at McMaster University and one of the co-authors of the study.

Dooley, who collaborated with economists Abigail Payne and Leslie Robb, used data gathered by the Ontario Undergraduate Applications Centre from 1994 to 2005 as well as census data on the average family income in the students’ neighbourhoods.

There is a small impact of net cost on the type of student attracted. In arts and science programs, a decrease in the net cost of university tends to attract more students from low-to middle-income neighbourhoods compared to students from high-income neighbourhoods, while there was no change for commerce and engineering students.

Researchers also found that while high school students from lower income neighbourhoods are much less likely to attend university, those low income students who do go to university are just about as likely to win an entry scholarship as other applicants.

“We see that once the students get to university — whether they are from a high or low income neighbourhood — they are equally likely to get entrance awards,” says Dooley.

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