

**DIW Applied Micro Seminar**

**Do Public Tuition Subsidies Promote College Enrollment? Evidence from Community College Taxing Districts in Texas**

Brian McCall (with Paco Martorell and Isaac McFarlin)

*Abstract:*

This paper estimates the effect of tuition rates on college enrollment using data for Texas from the 1990 and 2000 Censuses and the 2004 – 2010 American Community Surveys and geographical data on Community College Taxing Districts. The effect of tuition on enrollment is identified by the facts that tuition rates for those living within a taxing district are lower than those living outside the taxing district and in Texas not all geographic locations are in a taxing district. While the estimated effect of tuition on enrollment depends on the sample used, it is negative and mostly statistically significant in the samples of adults 18 and older and negative and sometimes statistically significant in the samples of traditional age students 18 to 24. The estimated effect of tuition on enrollment, however, is found to vary considerably by poverty level status with an increase in tuition rates having a statistically significant negative effect on college enrollment for those with household incomes that are at least 200% of the poverty level both for traditional aged students 18 to 24 years old and all adults 18 and older.