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The role of child and parent savings in promoting expectations for university education among middle school students in Ghana: A propensity score analysis

David Ansong [a], Shiyou Wu [a,b,*], Gina A.N. Chowa [a]

[a] School of Social Work, University of North Carolina at Chapel Hill, United States
[b] 325 Pittsboro Street, CB #3550, Chapel Hill, NC 27599-3550, United States

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ABSTRACT

The volume of research on high educational expectations among young people is increasing. Yet, there are still research gaps in what we know about the key predictors of young people's educational expectations, especially in the Sub-Saharan African context. This study aims to complement existing research on asset effects by testing two related propositions about how child and parent savings relate independently to children's expectations for university education. We use propensity score analysis with data from a random sample of junior high school students in Ghana. Findings reveal that parent savings are positively associated with higher probability of children having higher educational expectation. We also find that parents' savings have stronger effect on children's educational expectations compared to children's savings. We discuss implications for early exposure of young people to savings opportunities and its potential to ensure educational progression and optimum psychological and economic benefits to students.

Higher expectation for the future is essential for personal advancement because of its potential to drive people to set goals and to work diligently toward achieving them (Kim, 2014). For instance, having high expectations for future education could motivate young people in lower levels to work harder toward college admission (Elliott & Beverly, 2011a). Expectancy-value theorists and social cognitive theorists argue that expectations affect intentions and goals, which in turn stimulate changes in behavior (Bandura, 1977). In other words, individuals with high educational expectations might target certain goals they would like to achieve, such as earning a university degree; this desired goal to complete university education then motivates them to exert maximum efforts on schoolwork and challenging tasks that may contribute to achieving their goal. Studies have consistently found evidence to corroborate the link between higher educational expectation and higher propensity to accomplish desired educational goals (Cook et al., 1996; Elliott & Beverly, 2011a; Mau & Bikos, 2000).

If higher expectations lead to better educational outcomes, then the key question is what predicts higher educational expectations? This question is worth exploring because insights into what drives expectations could have implications on how students (especially those from poor families who are disproportionally at risk of failing to progress to college) can proactively cultivate higher educational expectations, and in turn engage in behaviors consistent with academic achievement (Leonhardt, 2014; Wigfield & Eccles, 2000). In this study, we focus on financial savings as a key antecedent of youth educational expectations in the Ghanaian context. Emerging empirical evidence on expectancy beliefs in the United States points to a direct relationship between financial savings and young people's educational expectations (Elliott, 2009; Elliott & Beverly, 2011a; Zhan & Sherraden, 2011). However, very little empirical evidence exists about the antecedent role of financial savings in shaping young people's educational expectations in developing countries. We build on the emerging knowledge base by examining whether children or their parents have savings directly predicts children's expectation to undertake university education.

1. Overview of university education in Ghana

University education in Ghana dates back to the late 1940s with the establishment of the University College of Gold Coast (now University of Ghana) by the British colonial government. Data from Ghana's National Accreditation Board as of 2015 indicate there are 10 public universities and over five dozen accredited private tertiary institutions offering degree programs. The substantial increase in the number of universities and degree awarding institutions has improved access to university education. For instance, universities doubled their enrolment from 2009 to 2011 (Atuahene & Owusu-Ansah, 2013). Despite the expanded access, transition to university is still a challenge. Very few Ghanaians have the opportunity to acquire university education. Data from Ghana's 2010 population and housing census revealed that only a fraction of

* Corresponding author at: 1501 Mason Farm Road, Apt 226, Chapel Hill, NC 27514, United States.
E-mail addresses: ansong@email.unc.edu (D. Ansong), shiyouwu@live.unc.edu (S. Wu), Chowa@email.unc.edu (G. Chowa).

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Ghanaians (2%) have ever received university education compared to 3.2% at the post-secondary level, 11% at senior high school level, 26.7% at the junior high school level, and 24.8% at the primary level (Ghana Statistical Service, 2012).

The limited access to higher education is due in part to financial constraints (Atuahene & Owusu-Ansah, 2013). Education in Ghana is progressively expensive, with university education being the most expensive. Ghana spends more of its gross national product (GNP) on education than most countries. For example, in 2010, the country's education expenditure was 5.6% of its GNP compared to the global average of 4.8% (The Oxford Business Group, 2013). A significant proportion of educational funding goes to basic education. Basic education is tuition-free and the government of Ghana also heavily subsidizes senior high school. However, university education continues to see reduction in government funding, while student user fees have continued to rise. Indeed, the importance of personal and family financial resources becomes more apparent during the transition from high school to university. For example, the senior high school fees for the 2014/2015 academic year for continuing boarding students was 1155 Ghana Cedis. However, the tuition for freshmen at the University of Ghana for the following academic year (i.e., 2015/2016) ranged from 1558 to 2150 Ghana Cedis depending on the program of study. This means that senior high school graduates who transitioned to the university in 2015 saw a 26% to 46% increase in fees alone. The high cost of university education partly accounts for the low transition rate given that many Ghanaians, particularly in the rural savannah region(55%), live in extreme poverty (Ghana Statistical Service, 2014).

2. Theoretical framework

Identity Based Motivation (IBM) framework offers theoretical insights into how children's financial context may influence their expectancy beliefs about their future education (Elliott & Sherraden, 2013a; Elliott & Sherraden, 2013b; Destin, 2013). The theory proposes that the specific identities—(e.g., a university-bound student, a future doctor or celebrity)—that are accessible in people's minds and the attendant behavior they engage in to achieve their desired identity depend on the types of contexts people operate in, including their financial situation. In many ways, people's financial circumstances influence their beliefs about what is possible in the future. When it comes to forming expectancy beliefs as a university-bound student, people ponder whether their financial situation—the financial opportunities, challenges, and education funding mechanisms available to them—would be a barrier or a lever in their desire and choice to purse higher education. As Destin and Oyserman (2009) explain, when students believe financial assets are available to pay for school, they tend to have higher expectations about their grades and they commit to academic work. In other words, when a child or the parent has financial resources to pay for the child's education expenses, the child factors this financial resource into how he or she expects their future education to turn out. Knowing that their own or parents' savings can remove the burden of educational expenses which tends to be a major barrier to their university education, might increase the student's confidence and belief as a university-bound student (Ansong, 2013; Christy-McMullin, Shobe, & Wills, 2009). Various researchers in the asset-building field have made similar theoretical arguments that having financial assets can promote higher educational expectations and improve students' academic preparation (Huang, Guo, Kim, & Sherraden, 2010; Lindsey, 1994; Sherraden, 1991).

Beyond the broad conceptualization of the connection between financial savings and educational expectations, some social scientists have argued that the ownership structure of financial savings matter. They contend that youth's personal savings have a relatively stronger connection with their educational expectations compared to the financial assets of parents. For instance, Elliott and Sherraden (2013a); Elliott and Sherraden (2013b) hypothesize that savings directly owned by children have a more significant influence on their psychological and educational outcomes compared with savings in the name of other relatives. Friedline and Schuetz (2014) advance this hypothesis by explaining that, "when savings accounts are not in children's names, children might not associate [those] savings accounts with their own aims or may perceive them to be an extension of the self, losing some power to shape children's attitudes and expectations…" (p. 9). This perspective of a relatively stronger influence of children's own savings on educational expectations compared with parents' savings is logical and plausible, except that empirical evidence has not fully tested this proposition.

3. Empirical evidence

Evidence up to this point presents strong links between children's savings and their educational expectations separately from the links between parents' savings and children's educational expectations. However, there is the lack of models that assess these relationships simultaneously. The best-known attempt to test this proposition empirically was a study in the United States by Elliott and Beverly (2011a). They used data from three datasets— Panel Study of Income Dynamics (PSID), Child Development Supplement, and the Transition into Adulthood—and found that both parents' savings and children's savings were significantly associated with college expectation. However, the effect size of parents' savings ($b = 1.14$) was bigger than that for children's savings ($b = .86$), thus failing to support the proposition that children's own savings have stronger effects compared with parents' savings.

Other studies that have provided evidence of a strong influence of children's savings on their expectations have not compared findings with effects of parents' savings in the same study. For example, Elliott (2009) used data from 3563 children in the United States and found that children with savings were two times more likely to expect to enroll in college compared with children without savings. Another study using the PSID data of 1065 children, ages 12 to 18 years, found that children who had college educational savings accounts were nearly two times more likely to be in a group with higher college expectations than children who were without an education savings account (Elliott, 2009). Similarly, studies that have focused exclusively on parents' savings have also found positive relationships. For instance, Zhan and Sherraden (2011) found parents' savings were positively associated with children's educational expectations.

All these studies on children's educational expectations shed important light on financial assets as predictors of children's educational expectations, but they stop short of providing insights into whether children's savings is more predictive of educational expectations compared with their parents' savings. Thus far, there is no clear empirical evidence especially in the Sub-Saharan context that addresses the question of whether savings owned by children is more predictive of children's expectations for university education compared with parents' savings. One reason for the lack of clarity on the relative impacts of these savings accounts on young people's expectations to undertake university education is because most prior studies have not simultaneously modeled parents' and children's savings on children's expectations in the same study. This study will contribute to empirical evidence of how children's savings versus parents' savings affect expectations for university education. This has policy implications, as it will provide prescriptive evidence for educational policy development.

4. Methodological gaps in current research

Of the studies that have investigated the potential connections between savings and youth educational expectations, most have examined expectations as mediators (Ansong, 2013; Elliott, 2009; Elliott & Beverly, 2011a, 2011b; Elliott, Destin, & Friedline, 2011; Grinstein-Weiss, Yeo, Irish, & Zhan, 2009; Kim & Sherraden, 2011; Orr,