



The importance of cultural and economic influences behind the decision to attend higher education

Mark P. Bowden^{a,*}, James Doughney^b

^a Faculty of Business and Enterprise, Swinburne University of Technology, 1 John St, Hawthorn, Melbourne, Australia

^b Centre for Strategic Economic Studies, Victoria University, Melbourne, Australia

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ABSTRACT

This paper examines the relationship between economic and cultural variables and the decision to attend university. We find that a student is more likely to aspire to attend university if: they have the Internet at home; are encouraged by their teachers; or attend a Catholic or independent school rather than a public school. Our analysis also suggests that the level of parent support is important (with a marginal effect larger than that for teacher encouragement) and this level of support may be linked to the parent's level of educational attainment. Importantly, we find that including cultural and economic variables in a model of students' aspirations significantly increases the power to predict when a student *does not* aspire to attend university.

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1. Introduction

Socio-economic status (SES) is seen as an important indicator of a secondary student's probability of participating in tertiary education. Specifically, students from high socio-economic backgrounds are more likely to enrol in a university degree. This leads to what is often referred to as social reproduction; a process whereby characteristics of a given social structure are sustained or perpetuated over time. The explanation of social inequalities in education, and the more general issue of whether SES is transmitted between generations, remains heavily debated within economics. While early evidence (see for example Becker (1988)) suggested that earning levels were not strongly transmitted from father to son, more recently Bowles and Gintis (2002) argue that measurement error depressed the estimated correlation which, once corrected, showed a stronger relationship between father and son earning levels. One well known mechanism for breaking this cycle is through the acquisition of higher education.

The aim of this paper is to examine whether a secondary student's aspiration to attend university is related to his or her socio-economic background. It should be noted that some students may not be offered a place at university and this paper does not seek to examine any potential relationship between socio-economic status and enrolments in higher education. Nor does this paper attempt to understand the drivers of student achievement. Importantly, our data set contains information about students who choose not to apply to/enrol in university. A student's aspiration to attend university (or not) is one element of the broader issue of social and economic transmission.

There are two parts to the analysis. The first is to investigate the importance of cultural and economic influences behind the decision to attend higher education. We estimate, using a binary logit model, the explanatory power of SES and ethnic background on students' aspirations to attend university in the absence of other economic and cultural variables; and again when these variables are introduced. In the second part of the analysis, we estimate the marginal effect of these variables on the probability of a student aspiring to attend university.

Socioeconomic background is not a uni-dimensional concept but is instead a combination of occupational status, education and wealth. An index of SES can thus comprise of one of these measures or a combination of them. For a discussion of the advantages and

* Corresponding author. Tel.: +61 3 9214 5894; fax: +61 3 9819 2117.

E-mail addresses: mbowden@swin.edu.au (M.P. Bowden), jamie.doughney@vu.edu.au (J. Doughney).

disadvantages of each of these approaches (including the composite index approach) see Marks et al. (2000). There is an argument that cultural factors, rather than wealth, are more important for understanding socioeconomic inequalities, with support coming from Marks et al. (2006), Beblo and Lauer (2004) and Considine and Zappala (2002), who find that cultural resources play a more important role than material resources. This makes occupational status and parental education useful measures of SES.

The SES of students in the Aspirations On-line survey is measured by the level of parental education. We make the simplifying assumption of using the highest level of education of either the mother or the father.¹ This is consistent with James (2002) who finds that parental education levels are perhaps the most reliable indicator of educational aspirations, and Considine and Zappala (2002) who note that the level of parental education was a key predictor of student academic achievement. Nevertheless, there is strong evidence of a relationship between occupational status and school attainment (for example see Andersen and Van De Werfhorst (2010) for recent evidence) and one area of further work would be to explore the relationship between occupational status and educational aspirations. Ethnic background is captured in this study by splitting students into two groups according to whether they speak English at home. This captures the broad differences faced between those migrants that are from countries that speak English as a first language and those that are not.

The structure of the paper is as follows. Section 2 sets out the relevant theories in economics and sociology. Section 3 sets out the methodology including a description of the independent variables used in the regression analysis. Section 4 presents and discusses results, while Section 5 concludes with a summary of the key results and some implications for policy and further research.

2. The impact of socio-economic status, ethnic background and the school environment on aspirations to attend university

2.1. Socio-economic considerations

James (2002), Foley (2007), Bowden and Doughney (2010) and other Australian studies find that students from high socio-economic backgrounds are more likely to aspire to attend university, while those with a lower SES tend to enrol in a TAFE College (a lower-level qualification gained at a vocational training institution) or enter the workforce after completing their final year of secondary school. A useful starting point in explaining these findings is human capital theory (Becker, 1975) whereby education is chosen to maximise the present value of future costs and benefits (which includes pecuniary benefits such as increased income streams as well as non-pecuniary benefits). Within this framework, students with lower discount rates (and hence valuing future income streams more highly) will prefer more education to less. Increased direct and indirect costs will lower net benefits, while increased probability of employment will increase the expected net benefits of education.

Within the context of this paper there are three potential sources of differentiation between high and low SES students. Firstly, highly educated parents may have stronger tastes for schooling (or equivalently a lower discount rate). If their children inherit these stronger tastes then they will prefer more to less schooling. The reverse is

true for low SES students (Harmon et al., 2003).² Secondly, if education is used by employers as a signal then students may prefer more schooling to less. Employers may well be willing to pay a premium for well socialised workers Bowles et al. (2001), that is workers who can conform to the social norms necessary to pass higher education. A third possibility is that the cost of acquiring higher education is lower, or the expected benefit is higher, for high SES students.

The work of Bourdieu (1973) on the impact of cultural factors can also provide some useful insight. Central to Bourdieu's approach is the concept of cognitive 'habitus', which can be thought of as habits arising from customs, traditions or rules of a society. These habits are, in turn, heavily influenced by the social class structure (Nash, 2005). It may be argued that high SES students are better able to conform to the social norms expected within higher education, which in turn lowers the opportunity costs of education. At the same time, low SES students have a negative disposition towards school, which results in their self-elimination from higher education. This is based upon the unconscious estimation of their objective probabilities of success (Bourdieu, 1973). As a result, low SES students would have reduced expected benefits. Lang and Ruud (1986), in an analysis of returns to schooling, find that the majority of the differences in educational achievement between low and high SES students "... is due to the effects of family background on the ability to get through school" (1986; p. 47).

Another potential factor is that the (opportunity) cost associated with losing status is higher than the benefits associated with increasing status. According to Rational Choice Theory, students with a high SES perceive high costs associated with not obtaining a degree (due to a loss in status), combined with higher benefits associated with university qualifications (perhaps due to better information). However, for students with low socio-economic backgrounds the benefit of going to university, that is the benefit of increasing their status, is not considered as large. There are strong parallels with prospect theory, which have been explored within an experimental economic setting by Page et al. (2007). Students with low socio-economic backgrounds may also consider costs such as losing touch with friends when considering whether to attend university or not. Irrespective of levels of SES parents also influence the expected net benefits of education by providing information as well as persuasion to students.

2.2. Ethnic considerations

According to Bowles and Gintis (2002) race appears to play a significant role in intergenerational transmission of economic success. Such group effects are common in economics and could arise from discrimination, conformist behaviour, social learning or social interaction and/or norms. Lang and Ruud (1986) find that blacks, *ceteris paribus*, get more education than do whites due to the combined effect of a lower discount rate and a higher return to schooling. Turning to the narrower field of student aspirations, Bowden and Doughney (2010) find based on data from the 'Aspirations Online' project that preference for higher education is significantly stronger in households in which English is not the main language spoken at home.

¹ Some authors use a finer analysis that uses both parents' educational level and distinguishes between higher education enrolments of boys and girls; see for example Boumahdi and Lemistre (2007).

² On the other hand, Chiswick (1988) suggests that such ad-hoc explanations (such as differences in time preference or tastes for schooling) are unnecessary and that a relatively simple model of group differences in relative prices of quantity and quality of children may explain human capital investment and labour market outcomes. For example, parents from highly urbanised areas where there is a high cost of space and women are educated, are more likely to have fewer children but will invest more in each child.

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