"Liquidity Constraints on College Enrollment in Israel"

Abstract

The dissertation examines the transition of young Israelis from high school to college education and employment. Specifically it studies the existence of liquidity constraints on college enrollment using a reduced form and a structural model. Both models are estimated on a sample of Israeli-born Jewish males born in 1974. The study uses a unique dataset created by using a combination of multiple sources of information provided by the Central Bureau of Statistics. In the reduced form model the gap in enrollment due to family income is 4 percentage points - a liquidity constraint on a smaller scale than that was found by Ellwood and Kane (2000) based on US data (9 percentage points). In the structural model, the study finds that family income influences pre-college achievements (thus also college enrollment) more heavily than it does the decision to attend college at typical college-going ages. The study also finds that changes in tuition influence college enrollment.

To view the presentation, please visit:
http://portal.idc.ac.il/en/schools/economics/about/Pages/seminars.aspx