Free University?
An Investigation of Australia's 1974 Free Higher Education Policy and Its Impact on
Enrollment, Degree Completion, Later-Life Occupational Status, and Income

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Honors Thesis submitted in partial fulfillment of the requirements for Graduation with
Distinction in Economics in Trinity College of Duke University

Duke University
Durham, North Carolina
April 2024

Acknowledgment

First of all, I would like to pay my deepest gratitude to my advisors, Professor Garlick and Professor Arcidiacono, for their mentorship and feedback throughout my research process. I am also deeply indebted to my thesis seminar professor and advisor, Dr. Michelle Connolly, for her invaluable knowledge, critical feedback, and help along every step of my thesis journey. There is no way that I could have finished this thesis without her help. Her mentorship extends well beyond classroom, guiding me not only intellectually but also as my role model.

I also want to thank the Melbourne Institute for collecting the *Australia Household, Income, and Labour Dynamics* dataset, as well as Australian Data Archive for giving access to the dataset. I am also thankful for the input from the ECON 495 and ECON 496 honors thesis seminar classmates, in particular the feedback from Marcos Hirai, Finnie Zhao, and Heera Rajavel.

Abstract

To what extent has the free higher education policy of 1974 impacted Australian students' decisions of university enrollment, degree completion, and later-life human capital development? In this paper, I analyze the impact of the policy from both national descriptive statistics and individual-level enrollment and degree completion decisions using the Australian Household Income and Labour Dynamics Survey. I find that the policy has significantly increased the likelihood of female enrollment in higher education, low-income students' likelihood of diploma degree completion, and is positively associated with later-life occupational status. However, this study does not find a clear relationship between the policy, bachelor's degree attainment, and later-life disposable income. Policymakers need to carefully consider the efficiency and efficacy of broad-based tuition policy instruments when imagining bridges to achieve universal access to higher education.

1. Introduction

"Education is the key to equality of opportunity…We believe that a student's merit, rather than a parent's wealth, should decide who should benefit from the community's vast financial commitment to tertiary education" (Whitlam, 1972). Australian Prime Minister Gough Whitlam voiced these aspirations and went on to abolish all tuition for Australian tertiary education – from universities to technical colleges – on January 1, 1974 (Australian Government, 1973a). This free education policy removed all tuition fees and made university and colleges of advanced education free for students regardless of citizenship, conditional on admittance through standardized testing (Abbott & Doucouliagos, 2003).

In 1973, the country started with 133,126 students enrolled in higher education; within a year, the number of enrollments in undergraduate degrees more than doubled from 39,045 to 86,923. By the end of the free education era in 1989, total undergraduate enrollment climbed to over 441,074 students – more than 10 times its initial size. In terms of Australia's 15-to-19-year-old population, the university student population expanded from 9.23% in 1973 to 31.93% in 1989. Historically underrepresented female student population by 53% (18.36 pp), from 34.62% of total student population in 1973 to 52.98% in 1989 (Department of Education, Training and Youth Affairs, 2001, pp. 6-7; Australian Bureau of Statistics, 2019).

However, the free education did not last long. In 1987, the Hawke-Keating Labor government introduced an AUD$250 Higher Education Administrative Charge for every university student (Whitlam Institute, 2023). In 1989, the government reintroduced tuition fees. These changes prompt the question: **to what extent has the elimination of tuition impacted individuals' decisions of enrollment, degree completion, and human capital development?**

This paper attempts to answer this question through a two-pronged approach. Inspired by the descriptive approach of Murphy et al. (2019), this study starts by evaluating the broad arc of the policy repercussions and impacts from a descriptive graphical lens using, national statistics, and then juxtaposes these aggregate trends against a quasi-experimental design. For the national descriptive analysis, this study synthesizes a series of datasets from the Australian Bureau of Statistics to compile a longitudinal dataset at the university and state levels to track the changes in student enrollment, graduation, and teacher-student ratio across time. For the quasi-experimental design, the study draws upon the Australian Household, Income, and Labour Dynamics Survey (HILDA) to build a regression discontinuity model. I set the 1974 enactment as the cutoff to examine the discontinuity between individuals enrolled and graduated from higher education before and after the introduction of the policy.

Using both national- and individual-level analyses, this study finds that the free education policy has markedly boosted female higher education participation and diploma completion rates among students from low-income households. In the long-term, I find that the policy serves as a significant positive predictor for later-life occupational status. In contrast, the study does not document any statistically discernible impact on individuals' disposable income, suggesting that the policy's impact does not yield significant change to individuals' later-life financial situations.

The rest of the thesis proceeds in the following structure. Section 2 details findings from existing literature, and Section 3 provides more context on the free education policy and Australia's higher education landscape. Section 4 sheds light on the data and describes the process of constructing the data for both national and individual analyses. Section 5 evaluates the national trends in response to the policy, and Section 6 builds upon the descriptive analysis to

develop an empirical framework for the individual-level analysis. Section 7 reports and interprets the empirical results. Section 8 discusses the limitations of this study, and Section 9 concludes.

2. Literature Review

This study builds upon three strands of tuition pricing literature: enrollment, degree completion, and later-life outcomes.

2.1. Impact of Tuition Pricing on Enrollment

In terms of enrolment literature, existing literature primarily assesses the impact of tuition changes through two lenses: (1) targeted instruments, such as specific changes in the amount, eligibility criteria, and implementation method of financial aid and merit scholarships (Dynarski 2003, 2008; Cornwell et al., 2006; Angrist et al., 2016); and (2) national-level tuition changes, where countries move from fee to free (Hübner, 2012; Tullao & Ruiz, 2022), or in the opposite direction (Dearden et al., 2008).

In both categories of educational pricing literature, scholars concur with the opinion that removing tuition fees increases students' incentive to enroll in universities, while increasing fees decreases first-time enrollment. In targeted instrument studies, Dynarski (2000), Dynarski (2003), and Cornwell et al. (2006) find the Georgia HOPE scholarship substantially increases college enrollment by 4 to 6 percentage points (pp) for every $1,000 additional aid to students. In Pell Grant studies such as Seftor and Turner (2002) and Bettinger (2004), every additional $1,000 is associated with a 9.2 pp increase in college attendance rate.

Even just the *knowledge* of reduced tuition can significantly boost students' likelihood of applying and enrolling in universities. In a 2018 University of Michigan in Ann Arbor experiment, promising low-income applicants free tuition led to tripling application rates and

doubling enrollment (Dynarski et al., 2018). A reduced public university price is also associated with shifting students from enrolling in 2-year to 4-year colleges (Angrist et al., 2016) and from private to public 4-year colleges (Goodman, 2008; Dynarski, 2008).

The "universal" tuition studies echo the results of the targeted instrument analyses on the extensive margin of enrollment changes. A series of papers have analyzed Germany's state-staggered introduction and elimination of tuition fees (Minor, 2023; Bahrs & Siedler, 2019; Hübner, 2012). Across these studies, scholars find that tuition introduction substantially decreases enrollment, with a statistically significant number of first-year students migrating from fee-charging to free-tuition states for university (Alecke et al., 2013; Denning, 2017). In England, Dearden et al. (2014) looked at the transition from upfront tuition to income-contingent loan in 2004 and estimate a positive increase of 4 percentage points for every £1,000 grant among low-income 18-19-year-old students.

Scholars disagree on the exact magnitude of the decrease – varying from 2.7 to 7 percentage points for every €1,000 increase in tuition (Minor, 2023; Bahrs & Siedler, 2019; Hübner, 2012). They also debate the extent to which the student's family income level drives these changes in enrollment. Hansen (1983) and Kane (1995) find that the introduction of targeted Pell Grant aids had no impact on the college enrollment decisions of low-income high school graduates. In contrast, Bahrs and Siedler (2019) find that low-income students tend to be more price-sensitive to tuition rises: degree acquisition intention dropped by 33 pp among 17-year-olds from the lowest 10 percentile households compared to 8 pp for the average students.

Scholars also disagree on the role of the student's gender. On the one hand, several scholars argue that women are more price-sensitive and respond to tuition changes at significantly greater margins than men (Dynarski, 2008; Minor, 2023). On the other hand, Bahrs

and Siedler (2019) find the male indicator variable held no effect on the surveyed students' intention to acquire a higher educational degree.

2.2.Impact of Tuition Pricing on College Persistence and Degree Attainment

The immediate impact of tuition price on students takes two forms: 1) the extensive margin of first-time enrollment, and 2) the intensive margin of degree persistence and attainment. While lowering tuition has a clear causal link with increasing general enrollment, its relationship with degree persistence and completion is much more ambiguous.

Among the targeted instrument studies, scholars debate the extent to which lowering tuition increases degree completion. On the one hand, a group of merit scholarship and financial aid scholars argue that lowering the costs of attending university elevates degree persistence and completion rate, though at a much smaller margin compared to the effect size on college attendance decisions (Dynarski, 2003; Castleman & Long, 2016; Barr, 2019). Despite the increase in completion rates, Angrist et al. (2016) document that students take longer to graduate. On the other hand, Garibaldi et al. (2012) exploit a regression discontinuity to find that increases in tuition is not associated with more dropouts but reduced probabilities of delayed graduation.

National-level studies echo Garibaldi's argument. Drawing upon Germany's staggered introduction of intuition, Bietenbeck et al. (2023) illustrate that higher tuition substantially increases students' degree completion – the higher the amount of tuition paid, the higher the degree completion rates. He argues that the imposition of tuition fees substantially stimulated study efforts and subsequently degree completion among already-enrolled students, robust even after controlling for per-student resources and educational quality. Similarly, Azmat and Simion (2018) document a 1-to-3 percentage point increase in students' degree completion rate as a result of tuition hikes at English universities.

2.3. Impact of Tuition Pricing on Later-Life Outcomes

The clear increase in enrolment and ambiguous change in degree attainment lead to a question: could changes in higher education tuition impact the students' later-life outcomes, such as income and occupation? I ask this question in light of the established positive relationship between later-life income and educational attainment (Tamborini et al., 2015; Hout, 2012). If the free education policy led more students to enroll and subsequently spend more years in higher education, this policy may carry the potential to impact students' later life.

However, not many studies have paid attention to the impact of university pricing on later-life income and occupation. Azmat and Simion (2018) is among the first to analyze this area, exploring the impact of tuition changes on students' early labor market performance, defined as their employment status, type of contract, and earnings. They observe marginal improvements in labor outcomes for students from high-income families and marginally worse for low-income. The mixed findings suggest the potential for further exploration.

2.4. Contribution to Literature

This paper adds to the *universal free education* literature at the higher education level in three ways. First, the paper explores the policy in the context of Australia. While many scholars have analyzed Australia's income-contingent loan system, little attention has been paid to the transition from fee-charging to free higher education (Birch & Miller, 2006; Croucher et al., 2013; Higgins, 2019). The case of Australia presents a unique opportunity to study universally free higher education both in terms of their short-term enrollment and graduation decisions and long-term income outcomes. Existing literature on nationwide tuition change has predominantly focused on two countries: United Kingdom (Murphy et al., 2019; Hassani-Nezhad et al., 2021), and Germany (Minor, 2023; Bahrs & Siedler, 2019; Hübner, 2012).

This paper builds upon the existing literature and takes an Australian lens to the predominantly Germany-England discussions of higher education pricing policies. As the first to systematically document the impact of Australia's complete shift from fee-charging to free higher education, the paper seeks to test the external validity and applicability of existing literature outside the typical academic territory of Germany and England.

Second, I study price changes at the fee-to-no-fee margin, which differs from the existing higher education studies which mostly focuses on the no-fee-to-fee transition. The effect of removing fees might differ from the imposition of fees due to individuals' loss aversion psychology – where they prefer to avoid losses asymmetrically over receiving equivalent gains (Lecouteux & Moulin, 2015; Boatman et al., 2017). Furthermore, zero may be a "special price" that induces a strong effect on enrollment, as suggested by Bietenbeck et al. (2023).

Finally, this study is one of the first to explore the relationship between tuition fee elimination and long-term human capital development, analyzing both the *short-term* incentive changes of enrollment and degree completion as well as the *long-term* repercussions of occupational status and income. Furthermore, I evaluate the policy at both national and individual levels, leveraging descriptive and quasi-experimental designs to develop a more comprehensive, nuanced understanding of the policy impact.

3. Institutional Setting and Policy Context

On January 1, 1974, the Commonwealth Government of Australia, also known as the federal government, abolished tuition fees for students at all Australian universities, Colleges of Advanced Education, and selected Technical Colleges that lead to formal qualifications (Australian Bureau of Statistics, 1975, p.660). All students regardless of nationalities could

attend Australian higher education for free, conditional on acceptance determined based on the student's grade from their school-leaving exams (Norton, 2012; Ey, 2021). The federal government implemented the national free education by assuming full fiscal responsibility of all universities and colleges and prohibiting universities from charging tuition fees. There was no private universities or colleges, such that the policy equally applied to every institution.

Figure 1. Timeline of Australian Higher Education Pricing
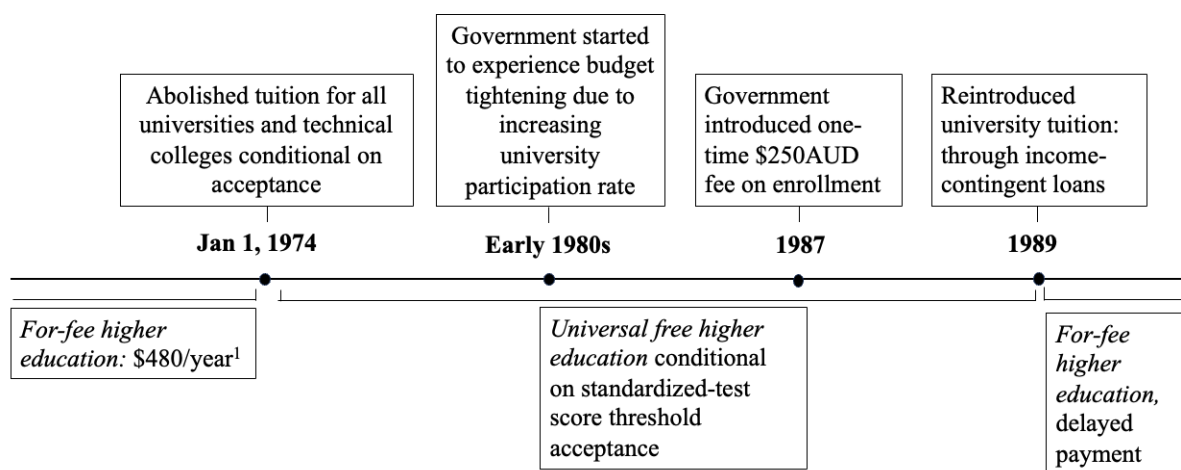
Alongside the abolition of tuition, the Government also passed the *Student Assistance Act 1973* to provide means-tested living allowance for students across the country at all levels of higher education (Australian Government, 1973b; Australian Bureau of Statistics, 1975, p. 662). The policy opened doors for individuals who historically struggled to access higher education – such as low-income, mature-age, and female students (Macintyre et al., 2017, p.27).

Before 1974, the higher education institutions had three sources of funding: 1) the Commonwealth paying for around a quarter of university funding, 2) the respective state government, and 3) student tuition fees (Norton, 2012; Whitlam Institute, 2023). In 1956, nearly fifty percent of university students received some financial aid, some from government-funded

scholarships and some from other sources (Tompkins, 1958). For tuition-paying students, the national average cost was AUD$480 per year, equivalent to AUD$2141 in 1989 (Norton, 2012).

However, as student numbers rapidly expanded, the government's funding for universities remained constant in real terms between 1975 and 1985. Pressures began to mount, given the dual tensions of tightening government budget and rising demand for higher education (Abbott & Doucouliagos, 2003, p.14; Macintyre et al., 2017, p.16).

In 1987, John Dawkins, the Minister for Employment, Education and Training at the time, proposed to re-introduce university tuition but could not pass the policy in Parliament. Instead, the Government imposed a Higher Education Administrative Charge of $250 per year upon every student, equivalent to $288.23 in 1989 (Macintyre t al., 2017, p.14). The eventual abolition of free higher education came into force on 1 January 1989, setting the new price of higher education as AUD$1,800 per year (Chapman & Ryan, 2005; Ey, 2021). Despite the re-introduction of fees, the government still significantly subsidized higher education, with the new price only accounting for 20% of the average student cost (Norton, 2012; Dow, 2015). Students also had the option to delay tuition payment through an income-contingent loan.

The abolition and re-introduction of tuition have been highly controversial for the public and policymakers even to this day (Knott, 2014; Blanchett, 2014; Vicki, 2015; Cassidy, 2023). I take the abolition of fees as a "treatment" to estimate the impact of free higher education on enrollment, educational attainment, and later-life outcomes.

4. Data

Exploiting the timing of nation-wide free higher education between 1974 and 1989, this study uses a two-pronged approach to understand the policy, starting with a descriptive analysis of national trends and then progressing to a quasi-experimental design at the individual level.

4.1. National Level Data

This national-level analysis focuses on four metrics: the numbers of new enrollment, degrees conferred, teacher-student ratio, and state government outlay on universities. To track these variables consistently across the policy period, I construct a new longitudinal compilation of higher education statistics between 1963 and 1991 by drawing upon 6 datasets from the Australian Bureau of Statistics: 1) Year Books, 1964-1994; 2) University Statistics, 1969-1982; 3) Tertiary Education, 1984-85; 4) University Statistics (Preliminary), 1979; 5) University and Advanced Education Student Statistics, 1982-84; and 6) Expenditure on Education, 1970-87.

I use Australia's federal Year Books as the main source of statistics, since the chapters on education offer a comprehensive record of all the variables of interest – from total enrollment to the number of teaching staffs. However, the Year Books also had two inconsistencies. First, the Year Books stopped recording by-university income and expenditure in 1973 and replaced it with the levels of outlay and government expenditure at the state level. Second, in 1972, the Year Books stopped providing by-university breakdown of undergraduate and postgraduate enrollment and teaching staff statistics. By 1982, the Year Books stopped recording by-state breakdown of enrollment and staff statistics. I therefore complemented the Year Books by University Statistics and the Tertiary Education datasets between 1969-82 and 1984-85, filling in the missing values while also validating the figures from Year Books.

To address the missing university expenditure after 1974, I use current outlay on universities per state from Expenditure on Education Australia datasets. Although different from per-university expenditure, this was the closest available measure for approximating the level of funding dedicated to university education for each student.

To capture the differential impacts on formal university degrees (i.e., bachelor) and vocational diplomas, I collect data for both universities and colleges of advanced education (CAE). Founded by the Australian Government in 1967, the CAEs were university-equivalent institutions with less academic rigor, shorter in qualification length, more vocational in focus, and typically focused on diploma and undergraduate teaching rather than research (Abbott & Doucouliagos, 2003, p.7; Archer, 1967).[1] Under the jurisdiction the State Governments, CAEs were also substantially smaller in size with an average enrollment of 1,410 students. In comparison, the federally run universities in 1974 housed an average of 8,389 students (Australian Bureau of Statistics, 1974; Abbott & Doucouliagos, 2003, p.7; Archer, 1967). This CAE system ended in 1988, when the Government merged all CAEs into universities to achieve "economies of administration" (Dawkins, 1988, p.42; Abbott & Doucouliagos, 2003, p.19).[2]

I therefore use CAEs' enrollment and graduation data as a proxy for diploma participation and degree completion. Despite my best attempt to address the missing value problem, this dataset only possesses full enrollment, graduation, and teaching data between 1963-85 on universities and between 1970-82 on colleges of advanced education. As a result, the final sample contains full data for 12 years and partial data for 29 years. I break down the summary statistics at year-level by exposure to free higher education in *Table 1*. I define exposure as having reached 18 years old, the typical university-entrance age, when the policy was in place (1974-89). In aggregate, I observe substantial increases in enrollment and degree completion at both universities and colleges under free higher education compared to the control.

4.1.1.   Constructing the Variables of Interest

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[1] Although founded with a vocational focus, the CAEs drifted to become more university-like in its later years and offered increasing numbers of bachelor's degrees alongside a small number of master's degrees (Harman, 1977).
[2] For a graph of charting the number of universities and CAEs between 1963-1991, see Appendix 1.

<u>*New Enrollment and Degree Completion as a Percentage of University-Aged Population*</u>

New enrollment is reported in aggregate, by gender, and also by the level of higher education separately for bachelor's enrollment at universities and enrollment at colleges of advanced education. I standardize these measures as a percentage of Australia's 15- to 24-year-old population, which I define as Australia's university-aged population (Australian Bureau of Statistics, 2019). The public dataset on age distribution only presents data in categories of 15-19 and 20-24, preventing me from focusing on 18-22. For universities, I study the undergraduates because it is typically the first point of entry to a university. I include both new enrollment and graduating numbers to account for student attrition and dropouts.

Table 1. National Summary Statistics (1963-1991)

	Number of Years			Full Sample	Free Higher Education	
	Full	Policy	No Policy		Present	Absent
University Statistics						
New UG enrollment, raw	28	15	13	42925	46347	38976
				(28959)	(15804)	(39547)
Female	16	12	4	16615	18791	10089
				(4280)	(2049)	(681.1)
Male	16	12	4	21426	23006	16686
				(2912)	(788.1)	(396.5)
Total UG enrollment, raw	23	12	11	107763	128993	84604
				(25951)	(6163)	(17577)
Number of UG degree conferred	25	15	10	23830	28366	17026
				(12308)	(9398)	(13449)
Colleges of Advanced Education						
New CAE enrollment, raw	23	12	11	32646	56238	6908
				(29499)	(19571)	(9824)
Female	23	12	11	15315	27683	1822
				(15095)	(10011)	(2686)
Male	23	12	11	17332	28555	5089
				(14607)	(9630)	(7169)
Total CAE enrollment, raw	26	15	11	95041	151639	17862
				(79112)	(51024)	(25391)
Number of CAE degree conferred	20	11	9	16854	28383	2763
				(15696)	(10568)	(6274)
Per-Student Resource						
University Teacher-Student Ratio	23	12	11	.1185	.0947	.1445
				(.0280)	(.0077)	(.0153)
CAE Teacher-Student Ratio	17	13	4	0.0679	0.0640	0.0806

				(0.0089)	(0.0059)	(0.0017)
Real Current Outlay on Universities (In 1,000 AUD)	18	14	4	1634 (233.6)	1734 (97.16)	1286 (244.9)

Graduation as a Percentage of the Enrolled Cohort

Integrating the degree conferred with enrollment, I create a "3-year lead" variable to adjust the degree conferred and enrollment to be from the same entrance cohort since most undergraduate degrees in Australia are three years (Australian Government, 2024). Under this design, the graduating students in 1973 would belong to the commencing class of 1970. I then calculate the degree completion rate, defined as the share of the enrollment cohort that completes a bachelor's degree. In the case of CAE, I look at all enrollees and degrees conferred without specification to the type of qualification given the institutions' vocational focus.

Teacher-Student Ratio, National, By State, and By University

I divide the number of full-time equivalent teaching staff at each university by total enrollments. Teaching staff includes all ranks of professorships and teaching positions. I also calculate the statistics at the state level, dividing the number of university teaching staff by total university enrollment, and also separately for colleges of advanced education. This variable could be interpreted as a measure of teaching resources and, arguably, the educational quality per student, given existing literature on the impact of student-staff ratios on academic performance (Bettinger & Long, 2018; Arias & Walker, 2004; Bandiera, Larcinese & Rasul, 2010).

Inflation-Adjusted Current Outlay on Universities, By State

I complement the teaching staff per student measure with another quality proxy, inflation-adjusted current outlay on universities by state, to evaluate whether the free education policy has brought any disruptions to the quality of higher education. Current outlay refers to state government transactions and transfer payments for university operations and are recorded

in nominal terms of 1,000 of Australian dollar. I adjusted the values using Consumer Price Index to 1991 value. The quality proxies are designed based on Murphy et al. (2019) study where they find a substantial drop in government funding per student under free education.

4.2. Individual Level Data: Household Income and Labour Dynamics Survey, Wave 12

Building upon the national trends, this study uses the 12th wave of the HILDA Survey to assess the impact of the policy through a regression discontinuity design. HILDA is an ongoing population-representative longitudinal survey of individuals and households administered annually from 2001 to today. The survey interviews over 17,000 adults – proportionally distributed across all age groups from 15 to over 75 – and asks them about all facets of their lives, including but not limited to health, income, and education. I focus on four variables in HILDA: 1) enrollment in higher education; 2) attainment of bachelor's degrees and diplomas; 3) the respondent's age; and 4) the respondent's state of highest pre-university schooling.

The HILDA survey is prime for analyzing the policy for two reasons. First, given its wide age and geographical distribution, the sample covers Australians attending university both before and after the policy at a relatively even distribution. To further mitigate any potential education-survivability bias from extremely old respondents and avoid the income-contingent loan after 1989 from confounding the results, I limit the sample to people who reached the age of 18, the typical university-entrance age, between 1963 and 1989. In this restricted sample, 34.93% of respondents were university-age before and 65.07% after the introduction of the policy.

Second, while most population-representative surveys contain questions on the respondents' educational backgrounds, HILDA is unique in that it contains educational attainment datapoints alongside a wide array of other statistics, such as respondent's later-life

occupational status and the state where the respondent completed their highest pre-university education. The specificity enables matching the national-level indices with individual-level data.

The final sample consists of 7,203 individual responses to enrollment in higher education with an indicator mean of 0.793 with a standard deviation of 0.405; 7,198 responses to the question on bachelor's degree completion with a mean of 0.267 and standard deviation of 0.442; and 7,194 responses to diploma completion with a mean of 0.534 and a 0.499 standard deviation.

Table 2. HILDA Summary Statistics (1963-1989)

	Sample Size (*i*)			Full Sample	Free Higher Education	
	Full	Policy	Pre-Policy		Present	Absent
Descriptive Features						
Female	7203	4366	2837	.531	.531	.531
				(.499)	(.499)	(.499)
Year in which respondent was 18	7203	4366	2837	1976.925	1981.083	1970.526
				(7.627)	(4.263)	(7.22)
If ever university-entrance-age (18) during policy (*IfFreeEd*)	7203	4366	2837	.606	1	0
				(.489)	(0)	(0)
Real GDP per capita	7203	4366	2837	22302.21	23811.41	19979.64
				(3094.22)	(1725.13)	(3290.94)
If Torres Strait Islander or Indigenous	7202	4365	2837	.019	.022	.014
				(.137)	(.148)	(.116)
If born in non-English-speaking cntry	7202	4366	2836	.142	.141	.144
				(.349)	(.348)	(.351)
Outcomes						
If ever enrolled in higher education	7203	4366	2837	.793	.822	.748
				(.405)	(.383)	(.434)
If obtained a bachelor's degree	7198	4364	2834	.267	.282	.244
				(.442)	(.450)	(.430)
If obtained a diploma	7196	4361	2833	.534	.556	.499
				(.499)	(.497)	(.500)
If completed Grade 10	7190	4360	2830	.873	.905	.823
				(.333)	(.293)	(.382)
Disposable Income	7203	4366	2837	49447.19	51691	44455.13
				(44012.55)	(41830.64)	(46492.3)
Respondent's Occupational Status	7203	4366	2837	37.79	44.509	28.980
				(30.59)	(29.015)	(30.859)
Controls						
University Teaching Capacity in Resp's State of Schooling	4790	2827	1963	.115	.096	.089
				(.031)	(.016)	(.048)
CAE Teaching Capacity in Resp's State of Schooling	2886	2114	772	.072	.066	.089
				(.029)	(.010)	(.048)
If the eldest child in the family	7200	4364	2836	.309	.296	.329
				(.462)	(.456)	(.470)
If mother completed higher ed	6996	4068	2628	.450	.305	.247
				(.221)	(.460)	(.432)
If father completed higher education	6584	3997	2587	.502	.527	.462
				(.500)	(.499)	(.499)
If mother employed when resp. 14	7101	4292	2809	.492	.533	.429
				(.500)	(.499)	(.495)
If father employed when resp. 14	7130	4318	2812	.921	.920	.922
				(.269)	(.271)	(.267)
Father's occupational status	7091	4291	2800	42.088	42.826	40.958
				(22.963)	(23.365)	(22.288)
Mother's occupational status	6947	4216	2731	30.880	32.898	27.763
				(25.805)	(26.000)	(25.192)

Figure 3. Distribution of Respondents by Higher Education Enrollment and Degree Completion
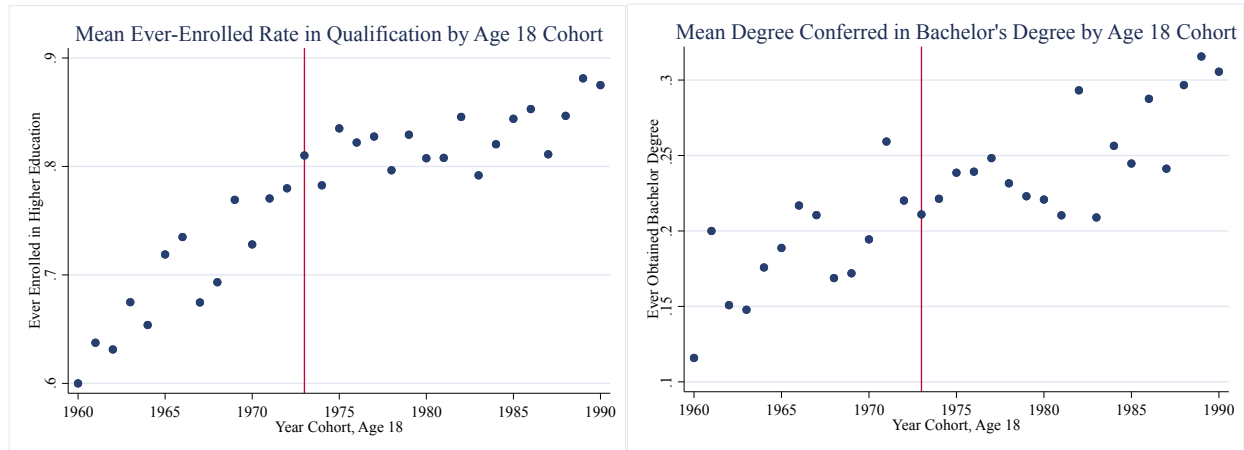
4.2.1. Key Variables of the HILDA Dataset

<u>Ever Enrolled in Higher Education</u>

Higher education is defined as any post-secondary qualifications, including but not limited to diploma, bachelor's degree, and post-graduate diploma. The Survey does not provide information on the specific level of education or institution the individuals enrolled. This study sets $IfEnrolledHigherEd_i = 1$ if the individual has completed an advanced diploma, associate diploma, or full diploma. The study does not include post-graduate diploma because those are typically for individuals after completing a bachelor's degree.

<u>Ever Attained a Bachelor's Degree or Diploma</u>

The bachelor's degree completion variables are defined using two dimensions. First, the number of bachelor's or honours bachelor's degree the individual has obtained, setting $IfCompleteUG_i = 1$ if the individual has received one or more degrees. Second, I capture any missing value by letting $IfCompleteUG_i = 1$ if the individual indicates bachelor as their highest level of education. Diploma completion is defined in the same manner, setting $IfCompleteDiploma_i = 1$ if the individual has completed an advanced, associate diploma, or full diploma. The study does not include post-graduate diploma because those are typically for individuals after completing bachelor.

The Year of Age-18 and Real GDP Per Capita

Let $IfFreeEd_i$ serve as the indicator for exposure to free university policy, where $IfFreeEd_i = 1$ if the respondent i reached the typical university-entrance age, 18, during the policy enactment (1974-89). A student's observed age-18 year is computed by adding 18 to their recorded birth year. To isolate the relationship between age cohort and academic decisions and sweep out any year-related confounders, I control for the year as a continuous variable from 1 in 1963 to 26 in 1989 and account for the economic cycle using Australia's real gross domestic product per capita $RealGDP_{pc_i}$ in the year of which the participant reaches 18 years of age.

Teacher-Student Ratio for Respondent's State of Secondary Schooling

I match the teacher-student ratio from the national dataset with the HILDA Survey based on the state where the individual acquired their highest level of secondary schooling.[3] I choose to match at the level of secondary schooling because the alternative matching unit – the university at which the individual acquired their highest tertiary qualification – is subject to 2 measurement errors: 1) individuals may have attended multiple higher education institutions but this unit only captures the university where they acquired their highest level of qualification; and 2) this variable would be a missing value for individuals who did not enroll or did not graduate from higher education. As a result, the university-level teacher-student ratio would only have data for individuals who *graduated* from the institution. This data set-up therefore leads me to prefer the *state-level teacher-student ratio* to capture the state-average per-student resources.

I acknowledge that the *state-level ratio* may not be the most accurate proxy for understanding the allocation of teaching resources per student since it is not matched based on the state of the individual's bachelor's degree or diploma enrollment and is therefore subject to

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[3] Secondary school is the Australian-British terminology for middle and high school.

measurement errors. Nevertheless, most Australian students stay within their high school state

for their higher education: as of 1971, only 5.28% university students were interstate (Australian

Bureau of Statistics, 1972). The *state-level teacher-student ratio* therefore should not differ much

from the actual *by-university* or *by-college teacher-student ratio.*

Control Variables

The study controls for gender, parents' completion of some form of higher education,

whether parents were employed when participant was 14, alongside participants' indigenous

identity, birth order, if they were born in a non-English-speaking country, and the state of highest

secondary schooling. These controls are all encoded as dummy variables. In addition to the

common controls, the study also accounts for the participant parents' occupational

socioeconomic status ranked on a continuous scale from 0 to 100, with 0 denoting the lowest

possible social status, such as unskilled labourers, and 100 as highest status such as surgeons.

The status ranking is based on the 2006 Australian Socioeconomic Index, an internationally

comparable scale (McMillan et al., 2009).

Summary statistics for the restricted sample are shown in *Table 2*, broken up by exposure

to the free education policy. Echoing the significant increases at national level, I observe sizable

differences across all outcome variables between the treated and control samples as shown in the

last two columns. Individuals under the free education period were 7.4 pp more likely to enroll in

higher education, 3.8 pp more likely to complete a bachelor's degree, and 5.7 pp more likely to

finish a diploma degree. However, as I show later in regressions, the impacts vary significantly

by demographical groups and are more complex than its initial appearance.

5. National Trends

5.1. New Enrollment and Degrees Conferred at Universities and Colleges

From a descriptive lens, new enrolment increased substantially at both universities and colleges of advanced education upon the introduction of the free higher education policy. *Panel 1* illustrates three notable discontinuities.

Panel 1. Enrollment & Graduation, of University-Aged Population & Out of Enrolled Cohort
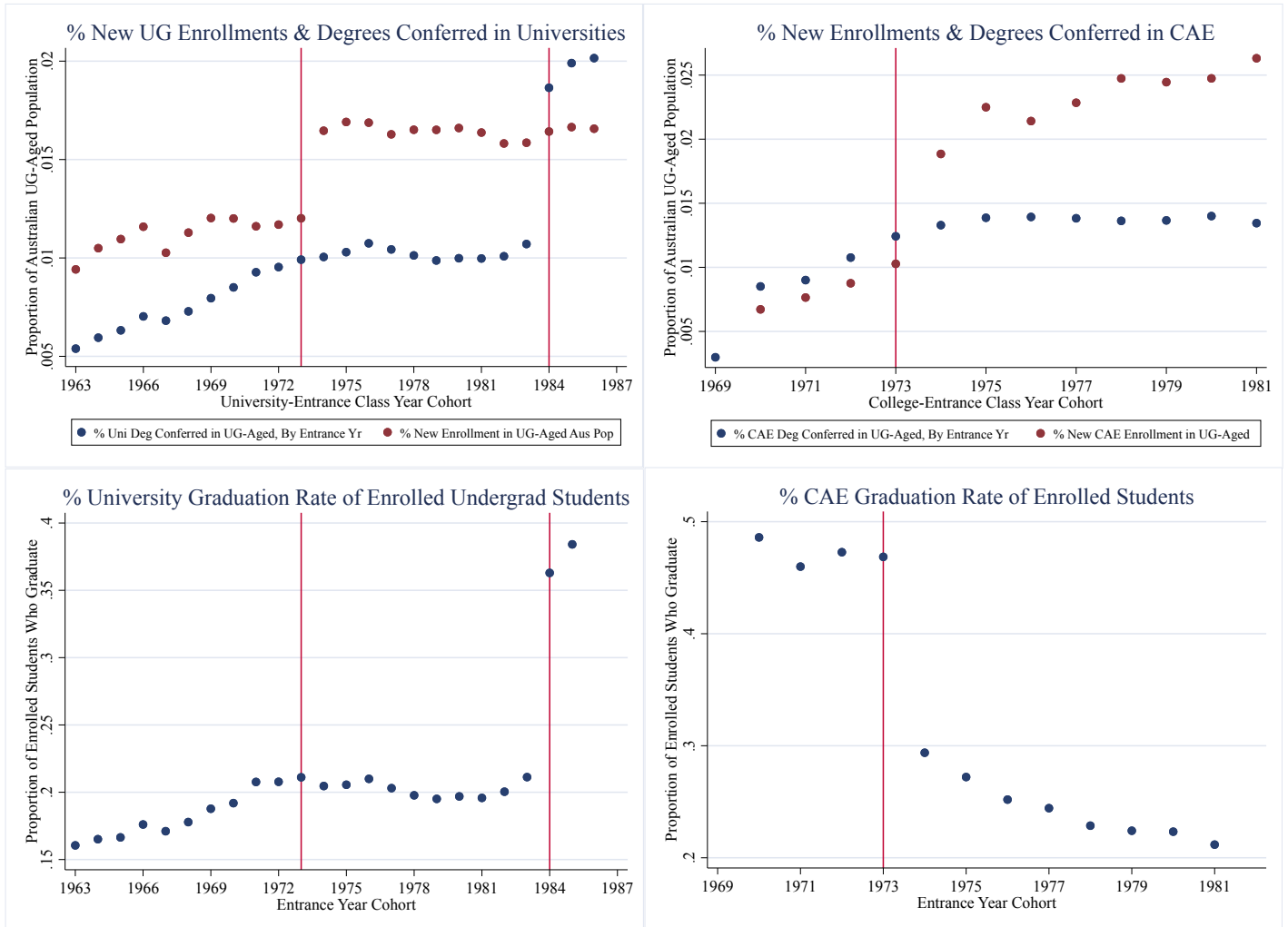
First, upon the introduction of policy, new enrollment increased substantially at both universities and colleges of advanced education at statistically significant margins confirmed by the structural break test with p-values = 0. Between 1973 and 1974, the share of Australian

youths enrolling at universities for the first time increased by 36.7% (0.44 pp).[4] Similarly for

colleges, the share of youths enrolling rose at even larger margin by 84.3% (0.86 pp). This

increase in new enrollment in periods of declining tuition aligns with existing literature on

England and Germany (Hübner, 2012; Minor, 2023; Dearden et al., 2014).

Second, while new enrollment jumped significantly, the graduation rate for enrolled

students dropped significantly at colleges of advanced education. Comparing students who

started college in 1973 against 1974, the 1974 cohort's graduation rate almost halved from

46.86% to 29.38%.[5] The discontinuity is statistically significant and confirmed by structural

break test. Furthermore, this decline did not stop after 1974 but continued to deepen over the

1975 to 1980 cohorts though at a slower rate. Juxtaposed against increased enrollment, these

trends imply a higher dropout rate at colleges of advanced education.

While graduation declined significantly at colleges, this study does not observe an

equally sized discontinuity in the graduation rates of enrolled university students between 1973

and 1974. Nevertheless, the year is still a turning point for graduation where it transitions from

an increasing to decreasing trend. The turning point is statistically significant at the 10% level

under the structural break test. This observation runs along a similar vein as Angrist et al. (2016)

who find that free tuition delayed degree completion.

Third, degree completion of bachelor's degrees at universities skyrocketed for the 1984

college-entrance cohort, jumping by 15.17 pp from 21.12% to 36.29%. The discontinuity started

among the 1984 cohort likely because in 1987, the Parliament imposed a $250AUD Higher

Education Administrative Charge upon all university students and started debating the

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[4] Defined as Australian citizens aged between 15 and 24. Such a broad category is used because the Census dataset
divides age distribution by 15 – 19 as a category, and 20 – 24 as a separate category.
[5] Due to missing data, I only have complete enrollment and degrees conferred figures for CAE over 1970-80.

reintroduction of tuition fees (Macintyre et al., 2017, p.14). Given the 3-year-bachelor setup of Australian universities, the 1984 cohort was deciding whether to graduate, dropout, or re-enroll for a fourth year in 1987 (Australian Government, 2024). While previous cohorts did not feel the pressure to graduate in three years, the 1984 cohort may have felt threatened by the looming fee re-introduction, resulting in a 71.7% (15.17 pp) increase in graduation. This explanation is consistent with existing literature that associates tuition increase with higher degree completion rates (Bietenbeck et al., 2023; Garibaldi et al., 2012; Azmat & Simion, 2018) and quicker speed of degree completion (Angrist et al., 2016).

5.2.By-Gender Trends of Enrollment and Graduation

Panel 2 illustrates a by-gender breakdown of new enrollment and graduation rates. While both universities and colleges experience a discontinuous jump in new enrollment, they differ in composition. For universities, male and female new enrollment moved mostly in sync, both exhibiting substantial increases over 1973-74 although jumps were greater for men. Male new enrollment increased by 0.52 pp between 1973-74, compared to a 0.367 pp increase among the females. Nevertheless, the difference quickly dissipates in the ensuing years as females caught up while males declined consistently.

For colleges of advanced education, the female initial enrollment response seemed much larger than their male counterparts. Females started on a substantially lower new enrollment rate in 1973 at 0.624%, but their new enrollment rate more than doubled to 1.739% in 1974. The 1.115 percentage point increase is more than double of their male counterparts' 0.52 percentage point increase. Furthermore, female college students' response to tuition changes is persistent across time, eventually overtaking male student new enrollment in 1977 as illustrated in *Panel 2*.

24

This gender difference could be interpreted as females displaying a stronger price elasticity especially in the event of decreasing tuition at colleges of advanced education. The relatively higher price responsiveness of females echoes existing literature on women being more price-sensitive in general than men (Awawda et al., 2022) and Lörz, Schindler and Walter's (2011) analysis of Germany that suggests that women are more risk averse with a heavier emphasis on costs and success probabilities when deciding whether to pursue higher education.

Panel 2. Enrollment & Graduation, Broken Down By Gender
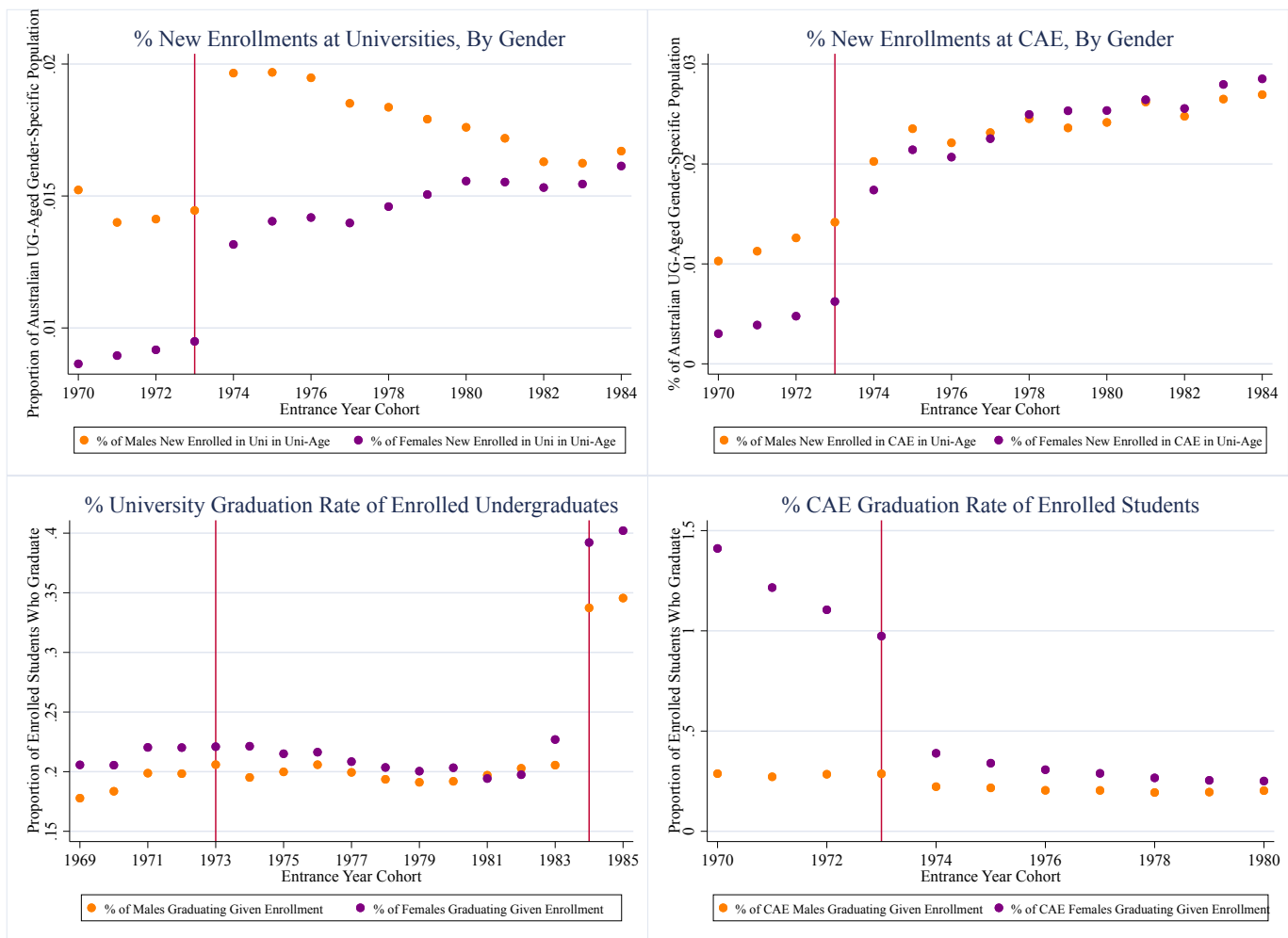
In terms of graduation over 1973-74, the university graduation rates among already-enrolled undergraduates do not vary much across genders, but the CAE graduation rate showcases a substantial decline for women but not for men. This sharp decline could be

interpreted as a consequence of the increases in new female enrollment. *Figure 4* confirms this observation: graduating numbers have remained roughly constant, with small increases over 1973 – 1976 and then plateauing.

*Figure 4. Number of Graduating Students at Colleges of Advanced Education*
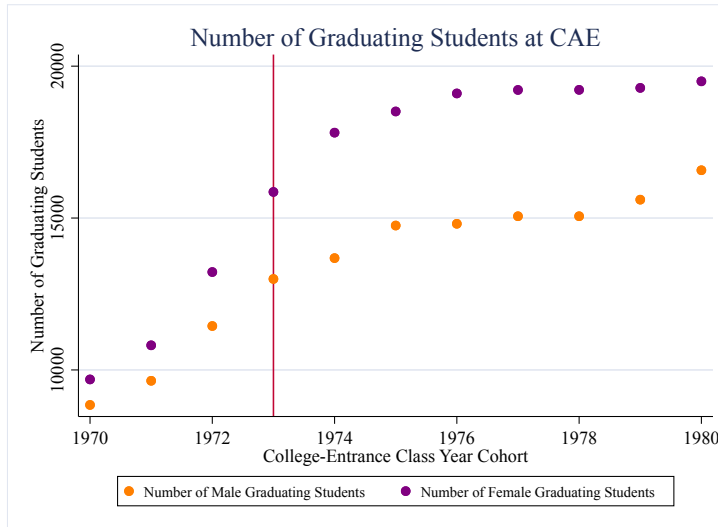
In terms of the graduation discontinuity in 1984, the substantial increase in *Panel 1* seems to be driven by both female and male increases. Female university students seemed more responsive to the information shock, increasing by 16.53 pp from 22.69% to 39.22% graduation rate within one year, compared to their male counterparts' 13.18 pp increase.

Across genders and institutions, the increase in new enrollment is juxtaposed against relatively stagnant, if not declining, rates of graduation. These contrasting trends of rising enrollment and declining graduation could be explained in three ways. First, the free education policy removed the price pressure of higher education which might have reduced students' incentives to graduate on-time or even not to graduate, echoing previous studies by Angrist et al. (2016) and Garibaldi et al. (2012) on delayed graduation. Second, the policy might have lowered the quality of higher education, undermining students' academic performances and thereby increasing likelihood of dropout. Third, when greater proportion of the general population enrolls in higher education, the average quality of students may decline given diminishing marginal

returns. The discontinuities provide some preliminary evidence supporting the first hypothesis; the following section then explores the second and third hypotheses.

5.3. Educational Resources and Quality

Panel 3. Teaching-Student Ratio, National (Universities vs CAE), State, and Universities
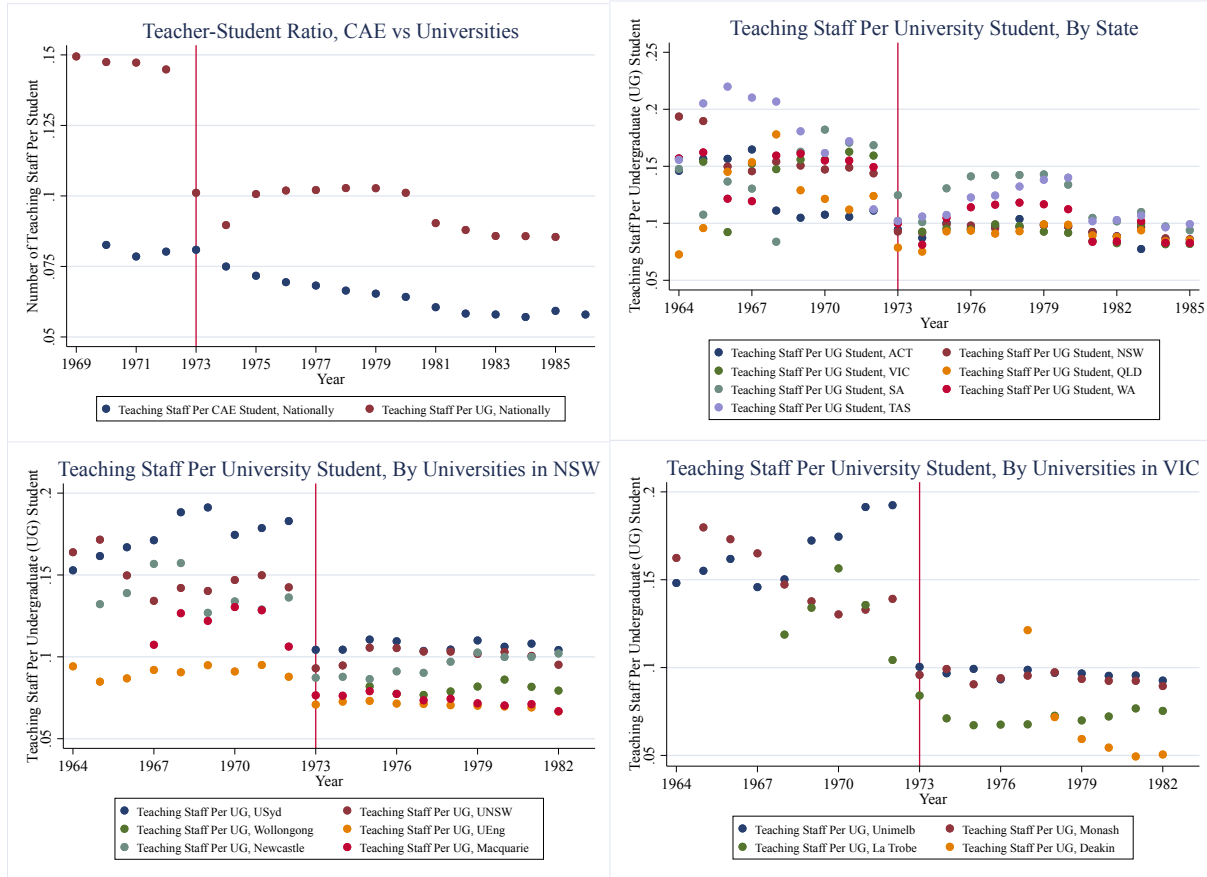

Using teaching staff as a proxy for quality of education, *Panel 3* illustrates that the teacher-student ratio decreased sharply in 1973 at national, state, and university levels as confirmed by structural break tests with p-values = 0. A deeper dive into the raw data suggests that the decrease was driven by a combination of the booming enrollment and a hiring freeze for part-time teaching staff members in 1973 to less than a third of the 1972 levels (Australian Bureau of Statistics, 1974). The Year Books that recorded the statistics did not explain why the

hiring freeze occurred, but a hypothesis is that the universities may be decreasing hiring in anticipation that their overall budget might decrease in 1974 due to the policy.

The decrease in teaching staff per student nevertheless reflects a drop in the accessibility of teachers for students accompanying the entrance of free education. *Figure 5* confirm this observation of declining per-student institutional resource. Unrelated to the hiring of teachers, the current outlay graph was on a consistent upward trend before 1974 but started to decline and then plateau after 1974. Coupled with *Panel 3,* these figures tell a common story of decreasing per-student educational resources accompanying the rises in enrollment and declines in degree completion. To confirm whether the declining resources has influenced student graduation and to explore other impact of the policy, this study now progresses to the quasi-experimental design.

Figure 5. Inflation-Adjusted State Government Current Outlay on Universities
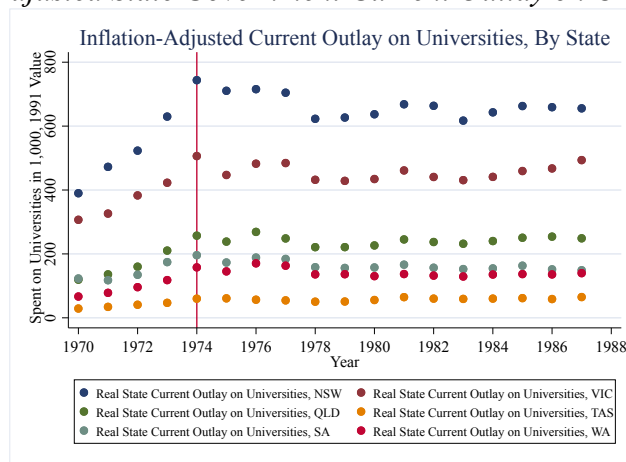
6. Empirical Setup

6.1. Estimating Enrollment Decisions

Higher education decisions have been known to have an established connection with personal characteristics such as gender (Lörz, Schindler & Walter, 2011), indigenous identity (Nakata et al., 2019; Gore et al., 2017), immigrant status (Mantovani et al., 2018), and the eldest child (Kuba et al., 2018; Booth & Kee, 2009). Gender, in particular, has long possessed a strong

predictive power over educational enrollment and attainment. Until recently, women have been found to enroll in higher education at lower frequency; tend to avoid disciplines such as engineering; and households were less willing to spend on their daughters' higher education compared to sons (Wan, 2017; Tusiime et al., 2017; Lörz & Mühleck, 2019).

Beyond these personal controls for exogeneity, parental characteristics also play a significant role in predicting individual's higher education decisions. Hotz et al. (2018) find that children of wealthier families are more likely to pursue and graduate from college than their poorer counterparts. Similarly, Dearden et al. (2008) explore the distributional impact of higher education price reforms and suggest that parental income and anticipated graduate lifetime earnings have significant influence over students' decisions to pursue higher education.

Parents' educational attainments also affect students' decisions of enrolling and finishing higher education (Suhonen & Kahunen, 2019). Children with parents possessing more financial liquidity and resources are found to face lower implicit schooling cost and thus more likely to pursue postsecondary qualifications (Christian, 2007; Keane & Wolpin, 2001).

Since the free education policy was an exogenous national policy available to all individuals in 1974, there is no clear control group that allows me to separate the enrollment and graduation decisions from a general trend. I therefore attempt to control for the time trend in two ways. First, I set year as a continuous variable yr_{int}, designed as $yr_{int} = yr_{actual} - 1962$ – such that $yr_{int} = 1$ in 1963, $yr_{int} = 2$ in 1964, etc.. Second, I control for Australia's gross domestic product per capita each year, $RealGDP_{pc_i}$, to control for the macroeconomic condition, especially given GDP's established negative correlation with students' enrollment and graduation decisions (Dellas & Sakellaris, 2003; Adamopoulou & Tanzi, 2017).

I set the 1974 enactment as the cutoff to examine the discontinuity between individuals enrolled at universities before and after the introduction of the policy. The discontinuity design follows the trend of educational scholars leveraging exogenous changes to isolate and estimate the treatment effect of tuition changes on students' schooling with fixed effect or state dummies (Cornwell et al., 2006; Bahrs & Siedler, 2019). I start with the following regression:

(1.0) $\Pr(IfEnrolledHigherEd_i = 1|X_i)$
$$= \Phi(\beta_0 + \beta_1 IfFreeEd_i + \beta_2 IfFemale_i + \beta_3 IfFemale_i \times IfFreeEd_i + \beta_4 Yr_{int}$$
$$+ \beta_5 RealGDP_{pc_i} + \beta_6 IfMomCompletedHighEd_i + \beta_7 IfDadCompletedHighEd_i$$
$$+ \beta_8 IfMomEmployed_i + \beta_9 IfDadEmployed_i + \beta_{10} MomOccupStatus_i$$
$$+ \beta_{11} DadOccupStatus_i + \beta_{11} IfEldestChild_i + \beta_{12} IfIndigenous_i$$
$$+ \beta_{13} IfImmigrant_i + u_i)$$

(1.1) $\Pr(IfEnrolledHigherEd_i = 1|X_i)$
$$= \Phi(\beta_0 + \beta_1 IfFreeEd_i + \beta_2 IfFemale_i + \beta_3 IfFemale_i \times IfFreeEd_i + \beta_4 Yr_{int}$$
$$+ \beta_5 RealGDP_{pc_i} + \beta_6 IfMomCompletedHighEd_i + \beta_7 IfDadCompletedHighEd_i$$
$$+ \beta_8 IfMomEmployed_i + \beta_9 IfDadEmployed_i + \beta_{10} MomOccupStatus_i$$
$$+ \beta_{11} DadOccupStatus_i + \beta_{12} MomOccupStatus_i \times IfFreeEd_i$$
$$+ \beta_{13} DadOccupStatus_i \times IfFreeEd_i + \beta_{14} IfEldestChild_i + \beta_{15} IfIndigenous_i$$
$$+ \beta_{16} IfImmigrant_i + u_i)$$

where $\Pr(IfEnrolledHigherEd_i = 1)$ refers to the likelihood of enrollment for individual *i,* and $IfFreeEd_i$ denotes the individual's exposure to the free education policy defined as whether they reached 18 years old, the typical university/college-entrance age, throughout the course of the policy (1974-89). u_i is the error term. β_1 captures the estimated impact of the policy on enrollment of the male baseline population, with β_3 illustrating the impact on females, β_{11} the impact on children based on mothers' occupational status and β_{12} the impact on participants with fathers of different occupational status.

For the coefficient estimates to resemble a causal effect, the model must assume that exposure to the free education policy between 1974 and 1989 is not related to any unobserved factors of educational attainment after controlling for time-invariant determinants – namely, $\mathbb{E}[y_i u_i | X_i] = 0$, where X_i refers to the controls and y_i the outcome of interest.

I therefore incorporate a vector of state of highest schooling dummies, denoted as S_i, to account for the individual's school- and state environment which may influence their enrollment decisions. Namely, a better school or a more well-resourced district or state would likely breed more students going to higher education in comparison to a less well-off region. For example, 66% of 24–64-year-olds in the Australia Capital Territory have a post-high-school qualification, compared to 40% in Tasmania, a state with less academic resources (OECD, 2022). Past literature accounts for this difference by using school- and district-level fixed effects or adding a measure of high-school graduates from the state (Hemelt and Marcotte, 2008; Garlick, 2019).

$$
\begin{aligned}
(1.2) \quad & \Pr(IfEnrolledHighEd_i = 1|\boldsymbol{X_i}) \\
& = \Phi(\beta_0 + \beta_1 IfFreeEd_i + \beta_2 IfFemale_i + \beta_3 IfFemale_i \times IfFreeEd_i + \beta_4 Yr_{int} \\
& \quad + \beta_5 RealGDP_{pc_i} + \beta_6 IfMomCompletedHighEd_i + \beta_7 IfDadCompletedHighEd_i \\
& \quad + \beta_8 IfMomEmployed_i + \beta_9 IfDadEmployed_i + \beta_{10} MomOccupStatus_i \\
& \quad + \beta_{11} DadOccupStatus_i + \beta_{12} MomOccupStatus_i \times IfFreeEd_i \\
& \quad + \beta_{13} DadOccupStatus_i \times IfFreeEd_i + \beta_{14} IfEldestChild_i + \beta_{15} IfIndigenous_i \\
& \quad + \beta_{16} IfImmigrant_i + \boldsymbol{State_i} + u_i)
\end{aligned}
$$

6.2. Estimating Graduation Decisions

Following the enrollment analysis, I explore the impact of the policy on individuals' graduation decisions in a similar manner at both the bachelor's degree and the diploma level. I distinguish between the levels of qualification for two reasons. First, the process of completing a diploma differs from that of bachelor's degrees. Diplomas fall between a high school and a university degree as a vocational-oriented sub-baccalaureate, yielding different levels of human capital returns and vocational benefits compared to a bachelor's degree (Crissey & Bauman, 2010). The factors determining whether individuals graduate would therefore be likely different.

Second, bachelor and diploma were typically taught at different institutions, and institutional differences could significantly impact students' graduation decisions. In Hemelt and Marcotte (2008), the scholars find that students are more sensitive to fluctuations in tuition at a

teaching-focused institution compared to research-intensive universities. In the context of Australia, the diploma-granting colleges were typically more vocational, teaching-heavy, and housed an average of 1,410 students. In comparison, universities were substantially larger with an average enrollment of 8389 students in 1973, and were much more research-intensive (Australian Bureau of Statistics, 1974; Abbott & Doucouliagos, 2003, p.7; Archer, 1967). These distinctions may impact student outcomes (Australian Government, 2023).

In addition to the diploma-degree distinction, I also add the teacher-student ratio as a control given its role as an indicator for quality. While public consensus believes that a higher teacher-student ratio implies better teaching quality and thereby higher performance and graduation rates, existing literature provides mixed results on its relationship with student performance in higher education, suggesting ambiguous or even negligible impact on student cognitive performance and graduation (McDonald, 2013; Bound & Turner, 2007).

I include both state-level teacher-student ratio and the state of highest schooling dummies because they control for different components of the environment where the individual grew up. Representing per-student resources in the state at the time when the individual turned 18, the teacher-student ratio is time-variant, while the dummies capture time-invariant characteristics of the state. This distinction ensures the two variables are not subject to multicollinearity:

(2.0) $Pr(IfObtainedBachelor_i = 1 | \boldsymbol{X_i})$
$$= \Phi(\beta_0 + \beta_1 IfFreeEd_i + \beta_2 IfFemale_i + \beta_3 IfFemale_i \times IfFreeEd_i + \beta_4 Yr_{int}$$
$$+ \beta_5 RealGDP_{pc_i} + \beta_6 IfMomCompletedHighEd_i + \beta_7 IfDadCompletedHighEd_i$$
$$+ \beta_8 IfMomEmployed_i + \beta_9 IfDadEmployed_i + \beta_{10} MomOccupStatus_i$$
$$+ \beta_{11} DadOccupStatus_i + \beta_{12} UniTeacherStu_i + \beta_{13} IfEldestChild_i$$
$$+ \beta_{14} IfIndigenous_i + \beta_{15} IfImmigrant_i + \boldsymbol{State_i} + u_i)$$

(2.1) $Pr(IfObtainedBachelor_i = 1|\boldsymbol{X_i})$

$\quad = \Phi(\beta_0 + \beta_1 IfFreeEd_i + \beta_2 IfFemale_i + \beta_3 IfFemale_i \times IfFreeEd_i + \beta_4 Yr_{int}$
$\quad + \beta_5 RealGDP_{pc_i} + \beta_6 IfMomCompletedHighEd_i + \beta_7 IfDadCompletedHighEd_i$
$\quad + \beta_8 IfMomEmployed_i + \beta_9 IfDadEmployed_i + \beta_{10} MomOccupStatus_i$
$\quad + \beta_{11} DadOccupStatus_i + \beta_{12} MomOccupStatus_i \times IfFreeEd_i$
$\quad + \beta_{13} DadOccupStatus_i \times IfFreeEd_i + \beta_{14} UniTeacherStu_i + \beta_{15} IfEldestChild_i$
$\quad + \beta_{16} IfIndigenous_i + \beta_{17} IfImmigrant_i + \boldsymbol{State_i} + u_i)$

For diplomas, I do not have the national statistics on the number of teaching staff broken

down by each college of advanced education, institute of technology, or technical college, so the

model on diploma is limited to using the state-level teacher-student ratio:

(3.0) $Pr(IfObtainedDiploma_i = 1|\boldsymbol{X_i})$

$\quad = \Phi(\beta_0 + \beta_1 IfFreeEd_i + \beta_2 IfFemale_i + \beta_3 IfFemale_i \times IfFreeEd_i + \beta_4 Yr_{int}$
$\quad + \beta_5 RealGDP_{pc_i} + \beta_6 IfMomCompletedHighEd_i + \beta_7 IfDadCompletedHighEd_i$
$\quad + \beta_8 IfMomEmployed_i + \beta_9 IfDadEmployed_i + \beta_{10} MomOccupStatus_i$
$\quad + \beta_{11} DadOccupStatus_i + \beta_{12} DipTeacherStu_i + \beta_{13} IfEldestChild_i$
$\quad + \beta_{14} IfIndigenous_i + \beta_{15} IfImmigrant_i + \boldsymbol{State_i} + u_i)$

(3.1) $Pr(IfObtainedDiploma_i = 1|\boldsymbol{X_i})$

$\quad = \Phi(\beta_0 + \beta_1 IfFreeEd_i + \beta_2 IfFemale_i + \beta_3 IfFemale_i \times IfFreeEd_i + \beta_4 Yr_{int}$
$\quad + \beta_5 RealGDP_{pc_i} + \beta_6 IfMomCompletedHighEd_i + \beta_7 IfDadCompletedHighEd_i$
$\quad + \beta_8 IfMomEmployed_i + \beta_9 IfDadEmployed_i + \beta_{10} MomOccupStatus_i$
$\quad + \beta_{11} DadOccupStatus_i + \beta_{12} MomOccupStatus_i \times IfFreeEd_i$
$\quad + \beta_{13} DadOccupStatus_i \times IfFreeEd_i + \beta_{14} DipTeacherStu_i + \beta_{15} IfEldestChild_i$
$\quad + \beta_{16} IfIndigenous_i + \beta_{17} IfImmigrant_i + \boldsymbol{State_i} + u_i)$

6.3. Estimating Later-Life Occupational Status and Income

To explore whether the policy impacts in enrollment and graduation translated to long-

run changes in human capital, I draw upon ordinary least square design using the dependent

variables of later-life occupational status and disposable income. Based on the human capital

theory, I know that the tuition change likely has two channels of "effect": first, impacting higher

education enrollment and/or degree completion which then affects occupation and income;

second, through other unobserved determinants. I therefore test both for the "total effect" of the

free education policy (4.0) and the by-channel impact (4.1). Let $\boldsymbol{C}$ represent a vector of control

variables consisting of Yr_{int}, $RealGDP_{pc_i}$, $IfMomCompletedHighEd_i$,

$IfDadCompletedHighEd_i$, $IfMomEmployed_i$, $IfDadEmployed_i$, $MomOccupStatus_i$,

$DadOccupStatus_i$, $IfIndigenous_i$, $IfEldestChild_i$, and $IfImmigrant_i$:

(4.0) $OccupStatus_i$
$$= \beta_0 + \beta_1 IfFreeEd_i + \beta_2 IfFemale_i + \beta_3 IfFemale_i \times IfFreeEd_i + \gamma C_i + State_i + u_i$$

(4.1) $OccupStatus_i$
$$= \beta_0 + \beta_1 IfFreeEd_i + \beta_2 IfFemale_i + \beta_3 IfFemale_i \times IfFreeEd_i$$
$$+ \beta_4 IfEnrolledHigherEd_i + \beta_5 IfObtainedBachelor_i + \beta_6 IfObtainedDiploma_i$$
$$+ \beta_7 IfEnrolledHighEd_i \times IfFreeEd_i + \beta_8 IfObtainedBachelor_i \times IfFreeEd_i$$
$$+ \beta_9 IfObtainedDiploma_i \times IfFreeEd_i + \gamma C_i + State_{school_i} + u_i$$

(5.0) $Income_i = \beta_0 + \beta_1 IfFreeEd_i + \beta_2 IfFemale_i + \beta_3 IfFemale_i \times IfFreeEd_i + \gamma C_i + State_i + u_i$

(5.1) $Income_i = \beta_0 + \beta_1 IfFreeEd_i + \beta_2 IfFemale_i + \beta_3 IfFemale_i \times IfFreeEd_i$
$$+ \beta_4 IfEnrolledHighEd_i + \beta_5 IfObtainedBachelor_i + \beta_6 IfObtainedDiploma_i$$
$$+ \beta_7 IfEnrolledHighEd_i \times IfFreeEd_i + \beta_8 IfObtainedBachelor_i \times IfFreeEd_i$$
$$+ \beta_9 IfObtainedDiploma_i \times IfFreeEd_i + \beta_{10} OccupStatus_i + \gamma C_i + State_i + u_i$$

Similar to enrollment and degree completion estimations, I use dummies to control for

respondent's state of highest schooling – where the individuals grew up before higher education.

Through these dummies, I hope to capture any state-specific factors that might have influenced

them during their teenage years and isolate the effect of the policy.[6]

7. Individual Results

The individual-level results largely align with the national trends, both finding a large

enrollment increase especially among female students. However, the regressions tell a more

complex, heterogeneous impact of the policy, suggesting a significant enrollment impact on

females but no impact on male students. The enrollment and graduation models from 7.1 to 7.3.

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[6] Results are similar with no variation in statistical significance if the empirical design also controls for the state of current residence dummies. The main regression did not include the design with both dummies because it risks "overcontrolling", since the free education policy might influence subsequent migration decisions. See Appendix 2 for the regression estimates including both state of highest schooling and state of current residence dummies.

are population-weighted probit models using robust standard errors. I report average marginal

effects. The later-life models in 7.4. are ordinary least square regressions using robust standard

errors. Standard errors are recorded in parentheses, with asterisks denoting statistical significance

levels: * p<0.10, ** p<0.05, *** p<0.01.

7.1. Policy Impact on Enrollment in Higher Education

Between column (1) and (2) of *Table 3*, I lost 1,132 observations – 18.6% of the column

(1) sample – because the state of highest schooling dummy is defined on the condition that the

individual has completed their education in Australia. As a result, the lost 1,132 samples consist

of individuals who did not go to school in Australia – essentially, people who spent their teenage

years overseas. Despite the significant reduction in the sample size to only include "Australia-

grown" individuals, the magnitude or direction of the coefficient estimates do not vary

substantially, suggesting a stable pattern of enrollment across the upbringing environments.

Between column (2) and (3) of *Table 3*, I lost 542 observations for not completing up to Grade

10 education. I chose Grade 10 as the restriction boundary given its role as the cutoff year where

students decide to pursue the U.S.-high-school-equivalent curriculum that typically leads to

university education, or pivot to vocational education that usually culminates in a diploma

(Department of Foreign Affairs and Trade, n.d.).[7] Although the loss of 542 seems small, the

change fits the contextual background since children are required by law to enroll in education

until 15 – the average age of students in Grade 10. Therefore, Grade 10 would be the first year

where students can voluntarily decide to complete or not (Public Record Office Victoria, n.d.).

The signs of the controls, such as the female indicator, real GDP, birth order, parents'

completion of higher education, and parents' occupational status, are consistent with past work.

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[7] The Australian curriculum is structured as 4 years of junior school (U.S. middle school equivalent) from Grade 7 to 10, and then 2 years of senior school (U.S. high school equivalent) for Grade 11-12 (Australian Government, n.d.).

Table 3. Likelihood of Enrolling in Higher Education

	Table 3: Outcome = Likelihood of Enrolling in Higher Education			
	Full Sample (1)	**Full Sample (2)**	**Full Sample, State Dummies**	**Sample Restricted to Grade 10 Completes, State Dummies**
Main				
$IfFreeEd_i$	-0.0227	0.0411	0.0237	-0.0257
	(0.0238)	(0.0356)	(0.0348)	(0.0356)
$IfFemale_i \times IfFreeEd_i$	0.0884***	0.0910***	0.0988***	0.102***
	(0.0242)	(0.0241)	(0.0251)	(0.0260)
$DadOccupStatus_i \times IfFreeEd_i$		-0.00102	-0.000962	-0.000541
		(0.000623)	(0.000662)	(0.000651)
$MomOccupStatus_i \times IfFreeEd_i$		-0.00105**	-0.00122**	-0.000633
		(0.000519)	(0.000557)	(0.000542)
Control				
$IfFemale_i$	-0.0890***	-0.0918***	-0.0982***	-0.109***
	(0.0187)	(0.0188)	(0.0192)	(0.0206)
Yr_{int}	-0.00758	-0.00781	-0.00635	-0.00309
	(0.00547)	(0.00542)	(0.00574)	(0.00583)
$RealGDP_{pc_i}$	0.0000286**	0.0000292**	0.0000260**	0.0000166
	(0.0000123)	(0.0000122)	(0.0000131)	(0.0000134)
$IfMomCompletedHigherEd$	0.0703***	0.0711***	0.0805***	0.0755***
	(0.0161)	(0.0160)	(0.0167)	(0.0163)
$IfDadCompletedHigherEd_i$	0.0468***	0.0471***	0.0381***	0.0256**
	(0.0124)	(0.0124)	(0.0130)	(0.0130)
$IfMomEmployed_i$	0.00987	0.00956	-0.00829	-0.0108
	(0.0125)	(0.0125)	(0.0133)	(0.0135)
$IfDadEmployed_i$	0.0195	0.0178	0.0154	0.0241
	(0.0283)	(0.0273)	(0.0264)	(0.0280)
$DadOccupStatus_i$	0.00196***	0.00257***	0.00235***	0.00159***
	(0.000316)	(0.000499)	(0.000522)	(0.000521)
$MomOccupStatus_i$	0.00144***	0.00208***	0.00242***	0.00168***
	(0.000292)	(0.000412)	(0.000453)	(0.000449)
$IfEldestChild_i$	0.0277**	0.0270**	0.0352***	0.0274**
	(0.0131)	(0.0130)	(0.0136)	(0.0135)
$IfIndigenous_i$	-0.0823*	-0.0821*	-0.0754	-0.0833*
	(0.0453)	(0.0453)	(0.0469)	(0.0489)
$IfImmigrant_i$	0.0112	0.0137	0.00971	-0.00303
	(0.0187)	(0.0183)	(0.0285)	(0.0287)
State Dummy?	No	No	Yes	Yes

Observations	6070	6070	4938	4396
Pseudo R-squared	0.0802	0.0822	0.0838	0.0721

Across all four columns of *Table 3*, gender serves as a consistently positive predictor of higher education enrollment. Being female is associated with a statistically significant increase of around 8.84-9.10 pp in an individual's likelihood of enrollment under the free education policy. In columns (3) and (4), the effect size becomes even larger, hovering between 9.88 and 10.2 pp after controlling for state time-invariant characteristics and restricting the sample to students who have completed Grade 10. The female premium aligns with the substantial increases in female new enrollment at the national level and appears particularly contrasting against their male counterparts who do not display any discernible association with the policy.

The female premium could be interpreted as women demonstrating a higher price elasticity of higher education demand and therefore being more responsive to the policy-induced tuition changes. This interpretation aligns with Minor's (2023) study of the German free university policy where he finds that female enrollment is more sensitive to the introduction of tuition fees. Lörz et al. (2011) also echo this interpretation, suggesting that women tend to evaluate higher education enrollment with a more risk-averse lens and place a heavier emphasis on study costs and success probabilities compared to their male counterparts.

Note that the female free education premium exists against the backdrop of significant gender enrollment gap. As reflected by the coefficient estimates for the control $IfFemale_i$, this study finds that women on average were around 8.90-10.9 pp less likely to enroll in higher education compared to men in absence of the policy. This pattern of gender disparity pattern has long been a trend across numerous studies, where families were more willing to invest in their sons' education rather than daughters (Wan, 2017; Tusiime et al., 2017; Lörz & Mühleck, 2019).

The female premium under the free education policy compensates for this persistent gender enrollment gap. Across all four columns of *Table 3*, the positive estimates for $IfFemale_i \times IfFreeEd_i$ are roughly the same size as the negative estimates for $IfFemale_i$, significantly reducing or even cancelling out the gender enrollment gap to close to zero. This observation carries important implications for it highlights that fee elimination carries a statistically significant positive impact in bridging the gender enrollment gap, making the overall likelihood of enrollment statistically identical between men and women.

A potential critique is that the policy's impact on bridging gender enrollment and enrollment gap may be more attributable to the time trend rather than the policy, given the rise of gender equality movements during that era (Broderick, 2011). The regression cannot rule out the potential role of changing gender norms in underpinning this change in female higher education enrollment, but it attempts to account for the time trend by including the control Yr_{int}. I find that the year trend estimates are statistically indistinguishable from zero.

I also experiment with incorporating an additional interaction control, $IfFemale_i \times Yr_{int}$, and do not notice any discernible changes in the regression estimates (Appendix 3). I am not using the specification with $IfFemale_i \times Yr_{int}$ as the main model because $IfFemale_i \times Yr_{int}$ and $IfFemale_i \times IfFreeEd_i$ are extremely multicollinear with a pairwise correlation of 0.8296. The multicollinearity likely arises from how I defined $IfFreeEd_i$ based on the year individuals turned 18 years of age.

The national trends in **Section 5.2 *Panel 2*** also supports my observation that the female premium is likely not a product of the gender equality time trend but an impact of the policy. A clear discontinuity exists for female enrollment between 1973-74 when the policy first started.

The estimated effects of other determinants, such as parents' occupational status, are generally not distinguishable from zero after restricting the sample to Grade 10 completes (column 3). For example, *Table 3* column (2) and (3) provide weak evidence for mother's occupational status being a statistically significant predictor of enrollment. A 10-unit decrease in mother's occupational status index is associated with a 1.05 to 1.22 percentage point increase in the individual's likelihood of enrolling in higher education under the policy. To contextualize, a 10-point increase in the index characterizes the difference in socioeconomic status between a waiter (36.5) and an accounting clerk (45.5) and could distinguish someone as upper- rather than lower-middle income (McMillan et al., 2009).

There are multiple implications of such findings. The mother and father's occupational status indices serve as a proxy for parents' income (McMillan et al., 2009). Juxtaposed against the control $MomOccupStatus_i$, the study finds that students from high income families are still more likely to enroll in higher education, but the policy held a small counteracting impact. The negative coefficient on the occupational-status free-education interaction term seems to indicate that the policy disproportionately benefitted low-income students more but not at a substantial size. However, the estimated effect of father's occupational status is statistically indistinguishable from zero across all columns of *Table 3*. It is not clear to me why a single parent's occupational status would hold a stronger predictive power than the other.[8] The ambiguous estimated effects of family income proxies necessitate further research before rushing to conclude any by-income distributional impact of the free education policy.

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[8] To explore whether this "special" role of mother's occupational status is related to gender, I interacted female with all control variables and incorporated these interaction controls into the regression model (1.2). Results are presented in Appendix 3. I cannot conclude any statistically discernible role of mothers specifically for females.

The state of highest schooling dummies do not seem to be statistically significant or improving the sample fit. Based on this observation, I find no evidence that the enrollment impact of the policy differs by state.

7.2. Policy Impact on Ever Receiving a Bachelor's Degree

Table 4 differs from *Table 3 (Enrollment Estimation)* in that there is no loss of observations between column (1) and column (2) after the addition of the state of highest schooling dummy. This is because the state teacher-student ratio is defined partially relying on the state of highest schooling dummy, as elaborated in **Section 4.2**. Therefore, the inclusion of the teacher-student ratio would have removed any observations with missing values for state.

Note that the sample size for *Table 4* is much smaller than for *Table 3*, because I only have information on the *state-level teacher-student ratio* between 1963-85 rather than *Table 3*'s sample of 1963-89. The dropped observations between *Table 4* columns (1/2) and (3) consist of individuals who completed some middle or high school but did not pursue further education. The broad scope of the $IfEnrolled_i$ variable – being inclusive of enrollment in all types of higher education – explains why only 849 observations (20.76% of the column 1 sample) were dropped.

Echoing the enrollment results, *Table 4* also presents evidence for the presence of a *gender difference*. Compared to the baseline, being female is associated with an increase of 8.02 pp of graduating during the free education period at the 1% confidence interval. The *female premium* persists even after including state dummies and limiting the sample to conditional on enrollment in higher education without significant changes, albeit at a slightly smaller magnitude of 7.21 pp but still statistically significant at 5%.

	Table 4: Outcome = Likelihood of Ever Receiving a Bachelor's Degree[9]			
	Full Sample (1)	Full Sample (2)	Full Sample, State Dummies	Sample Restricted to Enrollees in Higher Ed, State Dummies
Main				
$IfFreeEd_i$	-0.0456	-0.0330	-0.0261	-0.0428
	(0.0333)	(0.0439)	(0.0443)	(0.0543)
$IfFemale_i \times IfFreeEd_i$	0.0802***	0.0808***	0.0829***	0.0721**
	(0.0273)	(0.0273)	(0.0272)	(0.0339)
$DadOccupStatus_i \times IfFreeEd_i$		-0.0000369	0.0000955	-0.000356
		(0.000643)	(0.000645)	(0.000787)
$MomOccupStatus_i \times IfFreeEd_i$		-0.000371	-0.000369	-0.000256
		(0.000560)	(0.000560)	(0.000689)
Control				
$IfFemale_i$	-0.0364*	-0.0372*	-0.0381*	-0.0109
	(0.0208)	(0.0210)	(0.0210)	(0.0265)
Yr_{int}	-0.00496	-0.00495	-0.00427	-0.00338
	(0.00591)	(0.00590)	(0.00587)	(0.00742)
$IfMomCompletedHigherEd$	0.0993***	0.0997***	0.0985***	0.0974***
	(0.0165)	(0.0165)	(0.0165)	(0.0203)
$IfDadCompletedHigherEd_i$	0.00728	0.00755	0.00833	0.00128
	(0.0149)	(0.0149)	(0.0148)	(0.0183)
$IfMomEmployed_i$	-0.0289**	-0.0289**	-0.0300**	-0.0329*
	(0.0141)	(0.0141)	(0.0141)	(0.0174)
$IfDadEmployed_i$	0.0244	0.0240	0.0251	0.0289
	(0.0291)	(0.0292)	(0.0288)	(0.0362)
$DadOccupStatus_i$	0.00341***	0.00343***	0.00340***	0.00341***
	(0.000326)	(0.000507)	(0.000509)	(0.000624)
$MomOccupStatus_i$	0.00198***	0.00221***	0.00218***	0.00199***
	(0.000312)	(0.000453)	(0.000455)	(0.000562)
$StateTeacherStudent_i$	-0.280	-0.279	-0.0218	-0.00737
	(0.317)	(0.318)	(0.371)	(0.470)
$IfEldestChild_i$	0.0466***	0.0467***	0.0492***	0.0536***
	(0.0141)	(0.0141)	(0.0141)	(0.0174)
State Dummy?	No	No	Yes	Yes
Observations	4089	4089	4089	3241
Pseudo R-squared	0.1061	0.1063	0.1094	0.0864

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[9] I have not reported real GDP, indigenous identity, and immigrant status in *Table 4*. For their estimates, please see appendix 4.

The *female premium* appears particularly stark in light of the baseline free education indicator, $IfFreeEd_i$. Denoting men with parents of zero occupational status indices, I fail to find any evidence supporting that the policy yielded a discernible impact on these individuals' likelihood of ever obtaining a bachelor's degree. I may even extend this observation to argue that this study fails to find evidence for the policy's impact over all male bachelor's degree attainment, since the interaction terms of parents' occupation status and free education yield no statistically significant impact on bachelor's degree attainment.

These estimates suggest that the policy left a positive impact on the bachelor graduation outcomes for female students but a much more ambiguous, if not negligible, influence over men. Notably, this female graduation premium is against the contextual backdrop of a persistent gap in male and female degree attainment. As shown in columns (1) and (2) of *Table 4*, the female control, $IfFemale_i$, is 3.64-3.81 pp lower in individual's likelihood of completing a bachelor's degree. Although this weakly significant effect dissipates to null after restricting the sample to only individuals who have ever enrolled in higher education, the estimates indicate that among the general population, there exists a gender attainment gap that disadvantages women.

In consideration of both the *female premium* and *gender attainment gap,* the aggregate effect of the policy on women seems much more ambiguous given the noise in the coefficient estimates. Given the significant standard errors, the estimates contain significant variability, making it difficult to conclude whether the impact of the policy has fully bridged the negative attainment gap or not. More research is needed to clarify the relationship between the policy and degree attainment specifically in this gendered lens.

This study also does not find any statistically significant impact of the free education policy on individual bachelor's degree completion in relation to parents' occupational status. The

estimated effects of parents' occupational status interactions are not distinguishable from zero, precluding me from establishing any kind of conclusion in regard to the distributional impact of the policy on degree attainment. This finding aligns with previous literature on the distributional impact of tuition changes that suggests students from different income do not experience national-level higher education tuition reforms heterogeneously (Bietenbeck et al., 2023). As shown through the controls, higher income students are still more likely to graduate from attain a bachelor's degree, and the policy does not seem to change this narrative.

Table 4 also invite further inquiry into the role of teacher-student ratio in driving degree completion outcomes conditional on enrollment in higher education. In **National Trends**, I posited that the number of degrees conferred declined perhaps because per-student resources fell sharply. However, I cannot identify any statistically significant effect of the teacher-student ratio on individuals' likelihood of ever obtaining a bachelor's degree under this empirical design.

Nevertheless, the estimates are very noisy with standard errors as large as ten times the size of the coefficient estimate (refer to $StateTeacherStudent_i$ in column 3 and 4). Given such variability of the estimates, I cannot reject the possibility of teacher-student ratio as yielding a positive or negative effect upon individuals' likelihood of ever obtaining a bachelor's degree. This observation aligns with past works which describe increases in class size as having ambiguous, if not null, impact on learning (Bettinger & Long, 2018; Arias & Walker, 2004).

The ambiguous estimate for the teacher-student ratio sheds light on the need for more refined models to identify the real impact of per-student expenditure and resource on graduation. The current specification (*Table 4*) cannot accurately identify the exact impact for two reasons. First, the specification does not have information on university enrollment but only has broad "higher education" enrollment datapoints. As a result, I cannot limit column (4) to focus on the

graduation rate among the enrolled university population. While I have data on by-university teacher-student ratio for individuals who completed their degree, I do not have information for the *dropped-out* population. The specification therefore struggles to accurately model how each institution's expenditure and allocation of resources might have affected their students.

Despite the ambiguities in the *teacher-student ratio* variable, other controls in this model present some interesting patterns. For example, variables related to mothers consistently have a much stronger predictive power compared to fathers. Both mother's completion of higher education and mother's employment status when the child was 14 serve as strong predictor for the child's likelihood of obtaining a bachelor's degree. In contrast, the coefficient estimates for father are not statistically distinguishable from zero. This observation echoes Marks's (2007) study where he evaluates mother and father's comparative influences using samples from 30 countries and finds that mothers consistently hold a stronger, if not equivalent, impact over their children's educational and occupational attainment.

Surprisingly, the coefficient estimates for whether mother is employed when the respondent was 14 years old are consistently negative at a statistically significant margin. Interpreted on its own, the negative coefficients feeds into the popular notions that maternal employment takes time away from caring for their children and therefore negatively affects children's educational outcomes. The gender-role distinction between mother and father aligns with Bettinger, Hægeland and Rege's findings on stay-at-home parents (2014): mother's reduced labor force participation holds a significant positive treatment effect on children's tenth-grade GPA. However, this estimate may also be a reflection of a rise in the number of single mothers as the society grew to become more accepting to children born out of wedlock. Further research is needed to test these hypotheses.

7.3. Policy Impact on Diploma Attainment

Similar to the narrative on university graduation, gender again serves as a positive predictor of the policy's impact on diploma completion, but this time with significantly less statistical power. *Table 4* reports the estimated effects on individuals' probability of completing a diploma degree. For each of the column, I find no statistically significant impact of the policy upon male but a weakly positive impact on female likelihood of obtaining diploma. The weakly positive correlation dissipates to null after restricting the general sample to only students who have enrolled in higher education. I therefore cannot reject whether the policy yielded a positive or negative – if any – effect on individuals' diploma attainment by gender.

Despite the statistical variations in significance across the columns, one consistent observation emerges: the gender diploma completion gap seems to dissipate after the introduction of the policy. Interpreting the main independent variables in relation to the gender control $IfFemale_i$, I notice that the negative estimates for $IfFemale_i$ are either around the same size as the estimate for the female free-education interaction variable $IfFemale_i \times IfFreeEd_i$ such that they roughly cancel out each other (columns 1 and 2), or both estimates are statistically indistinguishable from zero (column 3).

While gender becomes less significant, parents' occupation reemerges. Echoing previous analysis in **Section 7.1** which interprets the policy as benefitting individuals with lower mother occupational status index disproportionately, this model also finds that individuals with lower father occupational status are more likely to graduate with a diploma at a statistically significant margin as a result of the free education policy. For every one unit decrease in father's occupational status index, the policy is estimated to increase the individuals' likelihood of attaining a diploma by around 0.340 to 0.369 pp. Surprisingly, the estimate for mother's

	Table 5: Outcome = If Ever Received a Diploma[10]			
	Full Sample (1)	Full Sample (2)	Full Sample, State Dummies	Sample Restricted to Enrollees in Higher Ed, State Dummies
Main				
$IfFreeEd_i$	-0.0342	0.0648	0.0784	0.0773
	(0.0532)	(0.0698)	(0.0700)	(0.0714)
$IfFemale_i \times IfFreeEd_i$	0.0868*	0.0902*	0.0845*	0.0276
	(0.0488)	(0.0488)	(0.0487)	(0.0503)
$DadOccupStatus_i \times IfFreeEd_i$		-0.00340***	-0.00369***	-0.00343***
		(0.00116)	(0.00115)	(0.00115)
$MomOccupStatus_i \times IfFreeEd_i$		0.00135	0.00130	0.00228**
		(0.00107)	(0.00106)	(0.00107)
Control				
$IfFemale_i$	-0.102**	-0.104**	-0.0992**	-0.0261
	(0.0414)	(0.0415)	(0.0414)	(0.0433)
Yr_{int}	0.0173	0.0163	0.0164	0.00502
	(0.0172)	(0.0171)	(0.0171)	(0.0178)
$IfMomCompletedHigherEd$	0.0346	0.0331	0.0308	-0.0160
	(0.0285)	(0.0284)	(0.0284)	(0.0277)
$IfDadCompletedHigherEd_i$	0.0576**	0.0540**	0.0510**	0.0308
	(0.0238)	(0.0238)	(0.0237)	(0.0242)
$IfMomEmployed_i$	0.0141	0.0143	0.0151	0.0333
	(0.0229)	(0.0228)	(0.0228)	(0.0229)
$IfDadEmployed_i$	-0.0265	-0.0238	-0.0126	-0.0496
	(0.0466)	(0.0466)	(0.0466)	(0.0480)
$DadOccupStatus_i$	-0.00106*	0.00145	0.00171*	0.000428
	(0.000551)	(0.00103)	(0.00102)	(0.00104)
$MomOccupStatus_i$	0.000724	-0.000224	-0.000146	-0.00206**
	(0.000532)	(0.000971)	(0.000966)	(0.000973)
$StateTeacherStudent_i$	0.775**	0.775**	0.630	0.466
	(0.387)	(0.385)	(0.452)	(0.482)
State Dummy?	No	No	Yes	No
Observations	2480	2480	2480	2037
Pseudo R-squared	0.0120	0.0152	0.0228	0.0266

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[10] I have not reported real GDP, indigenous identity, birth order, and immigrant status. For their estimates, please see appendix 4.

occupational index become weakly positive after limiting the sample to only students who enrolled in higher education. Further research is needed to understand this change.

The overall estimated effect of parents' occupational status still remains negative even after accounting for the mother's index. One possible interpretation is that the policy disproportionately benefitted educational attainment of students from low-income families, consistent with the initial goal of the policy in "opening doors" to students who historically could not access higher education. This finding is consistent with prior studies that suggests fee variations as affecting low-income students at larger margins (Hotz et al., 2018; Dearden et al., 2008; McPherson & Schapiro, 1991).

The statistical differences after including the state dummies shed light on the regional variability of diploma completion rates. Notably, the addition of state dummies substantially increases the fit of the model from 0.0152 in pseudo-R-squared to 0.0228. Although 0.0228 still indicates a relatively weak fit, this increase in model fit is accompanied by a series of changes in the coefficient estimates in column (3) and (4). The negative impact of the female indicator becomes smaller in (3) and dissipates to null in (4), and the teacher-student ratio changes from statistically positive to negligible in impact. The variations highlight a potential heterogeneity in the college-level education dynamics across the states. The state disparity may have stemmed from the nature of these diploma-granting colleges as state-created institutions, different from the federal-supported university system (Commonwealth Bureau of Statistics, 1969).

7.4. Policy Impact on Later-Life Occupational Status and Income

Given the substantial increases in female enrollment and bachelor's degree attainment, to what extent did these changes translate into long-term impact on human capital development? By assessing the impact through the respondent's later-life occupational index and disposable

income at the time of survey collection, this study finds evidence for a significant positive impact

on individuals' occupational status but fails to identify any discernible impact on income.

Later-Life Occupational Status

As shown in *Table 5*, the free education indicator, $IfFreeEd_i$, serves as a statistically

significant and positive predictor of individuals' later-life occupational status index. Relying on

an intent-to-treat framework, being university-entrance age (18) during the course of the policy

(1974-89) is associated with an increase of 7.148 units in later-life occupational status index.

Given **Section 7.1-3**, I know this estimated effect contains at least two channels of impact on

individuals' occupational status: 1) the fee elimination impacting enrollment in higher education,

which then possibly influence occupational status; 2) the fee elimination changing degree

attainment at either the bachelor or diploma level, which may later influence individuals' status.

After I break the free education indicator into components in column (2), however,

bachelor's degree completion is the only statistically significant determinant of the policy's

impact on occupational status. The coefficient estimate, 7.328, seems to absorb most – but not all

– of the predictive power of the column (1) $IfFreeEd_i$ indicator. I cannot find evidence for any

discernible policy-induced influence from the other higher education determinants: higher

education enrollment and diploma attainment. These estimates are also generally noisy.

A similar pattern exists among the controls, where bachelor attainment has a strong

positive correlation with the status index while diploma attainment's estimate is statistically

indistinguishable from zero. These baseline estimates suggest that enrolling in higher education

(6.544) and obtaining a bachelor's degree (22.73) are associated with higher occupational status.

The coefficients on the interaction terms highlight that the association between obtaining a

bachelor's degree and later-life occupational status is stronger under the no-fee policy. These

Table 5: Later-Life Occupational Status and Income Regressions

	Outcome = Occupational Status		Outcome = Later-Life Income	
	With State Dummies	**With Dummies and Free Ed Indicator in Channels**	**With State Dummies**	**With Dummies and Free Ed Indicator in Channels**
Main				
$IfFreeEd_i$	7.148***	4.993**	-619.2	846.6
	(1.674)	(1.992)	(3384.6)	(3262.8)
$IfFemale_i \times IfFreeEd_i$	4.181**	1.390	-1984.0	-2437.0
	(1.842)	(1.692)	(3359.8)	(3281.1)
$IfEnrolledHigherEd_i \times IfFreeEd_i$		2.723		-958.4
		(2.466)		(5720.7)
$IfObtainedBachelor_i \times IfFreeEd_i$		7.328***		-180.1
		(2.359)		(4423.5)
$IfObtainedDiploma_i \times IfFreeEd_i$		-0.347		888.2
		(2.187)		(5254.8)
Control				
$IfFemale_i$	-5.637***	-4.167***	-22452.9***	-22275.6***
	(1.478)	(1.408)	(2850.2)	(2725.5)
$IfEnrolledHigherEd_i$		6.544***		9300.1*
		(1.975)		(5272.8)
$IfObtainedBachelor_i$		22.73***		7010.9
		(2.042)		(4423.9)
$IfObtainedDiploma_i$		2.763		-7027.8
		(1.847)		(4812.3)
Yr_{int_i}	-1.478***	-1.365***	-32.11	-74.68
	(0.403)	(0.361)	(468.5)	(463.5)
$RealGDP_{pc_i}$	0.00506***	0.00452***	0.151	0.191
	(0.000924)	(0.000836)	(1.026)	(1.017)
$IfDadCompletedHigherE$	0.271	-0.00326	-1478.0	-1442.0
	(0.981)	(0.883)	(1698.0)	(1721.2)
$IfMomCompletedHigher$	1.242	-2.183**	196.9	-822.1
	(1.248)	(1.109)	(1740.8)	(1706.9)
$DadOccupStatus_i$	0.214***	0.0935***	182.1***	150.3***
	(0.0231)	(0.0212)	(50.97)	(53.69)
$MomOccupStatus_i$	0.125***	0.0552***	8.287	-9.510
	(0.0228)	(0.0204)	(34.14)	(33.56)
$OccupStatus_i$			613.3***	548.6***
			(29.35)	(35.79)
State Dummy?	Yes	Yes	Yes	Yes
Observations	4953	4947	4953	4947
Adjusted R-squared	0.138	0.306	0.248	0.257

observations align with Jepsen et al. (2014) and Kane and Rouse's (1993) study where bachelor's degree are found to yield a stronger labor-market return than diploma degrees.

Interestingly, the free education indicator $IfFreeEd_i$ is still a statistically significant predictor even after I "overcontrol" and separate out the policy's impact into enrollment and attainment by adding the educational outcome interactions such as $IfEnrolledHigherEd_i \times IfFreeEd_i$. As illustrated in column (2), the estimate suggests that the policy has a spillover effect that is not captured by its relationship with higher education enrollment or degree attainment, presenting an opportunity for further research. Other controls of the model work as expected based on past literature, such as the individual occupational status's positive correlation with parents' occupational status and negative correlation with being female.

Disposable Income

As shown in *Table 6,* the estimated effect of the policy on individuals' disposable income is statistically indistinguishable from zero, both in terms of the policy's "total effect" (column 1) and after breaking down into enrollment and degree completion channels (column 2). Although the study fails to reject whether the policy has any impact upon individuals' later-life income, other controls act as strong predictors in accordance with my expectation based on existing literature. For example, being female is associated with earning around $22452.9 less than men, consistent with previous studies on gender earnings gap (Goldin et al., 2017).

I therefore do not find evidence for whether the positive increases in enrollment have translated to changes in disposable income. In particular, the estimate finds negligible impact of enrolling in higher education or graduating with diploma. Synthesizing this insight with national statistics, the study can confirm that the policy has substantially increased enrollment and

educational attainment of women but cannot arrive at a conclusion for whether it has impacted individuals' long-run human capital, particularly from an income lens.

8. Limitations

This study is a first attempt to understand the short- and long-term impact of Australia's free higher education policy (1974-89). By using both descriptive and quasi-experimental lenses, this study strives to disentangle the complex influences of the national policy. This study is not without problems, and much can be improved through continuing research on this topic.

First, the study finds significant increases in female enrollment and bachelor's degree attainment associated with the free education policy but cannot rule out the hypothesis that the rise may be more attributable to the macro-level changes in gender norms and gender equality movements. While I controlled for year in the empirical design, this may not isolate all influences of the gender norms from the estimates. Nevertheless, the regression findings are echoed in the national trends which indicate a clear discontinuity in female enrollment and degree completion upon the policy's introduction in 1974. The abrupt change between 1973-74 supports my hypothesis that the policy yielded a substantial effect on women but also sheds light on the potential for further inquiry into the interplay between gender and tuition pricing.

Second, I illustrate that the policy left a more ambiguous impact on degree completion through both descriptive and quasi-experimental lenses, but the descriptive trends face a significant missing data issue especially for the colleges of advanced education. I only have consistent data on the numbers of teaching staff, enrolled students, and degrees conferred at CAE between 1970-80 due to changes in the units of record by the Australian Bureau of Statistics. Future research could re-assess and validate the policy relationship given more data at hand.

Third, the study's quasi-experimental estimation does not distinguish between enrollment in universities versus colleges of advanced education. The individual-level data source, HILDA, does not have information on whether individuals enrolled in colleges or universities but only on whether an individual has ever enrolled in a course of higher education. This data is insufficient for predicting whether the enrollment was at universities or colleges of advanced education because I only know the graduating population. Furthermore, the colleges of advanced education "drifted" to become more like universities in the late 1970s, offering university-equivalent numbers of bachelor's degrees (Harman, 1977).

This blurred distinction between colleges (CAE) and universities implies that there may be a measurement error in my imputation of teacher-student ratio. In the study, I used the teacher-student ratio of universities in the estimation of bachelor's degree attainment and used that of CAE to estimate diploma attainment. However, since some CAE also offered bachelor's degree, some of their teaching staff might also be applicable to the bachelor's degree estimation but was not included in this study's empirical specification due to the lack of data.

Similarly, I also lack complete data on university-level teacher-student ratio which precluded me from identifying the role of per-student resource in mediating the policy's impact on degree attainment. The HILDA dataset only provides institutional information for individuals who completed their degree and only for the institution at which they completed their highest level of qualification. Using the university-level ratio therefore would impose two problems. First, a measurement error since the individual's undergraduate institution may differ from the recorded university at which the respondents acquired their highest qualification. Second, a severe missing data problem since the variable does not account for drop-out students from the

enrolment estimation. Future researchers with more refined data could explore the distinction between university versus CAE enrollment in greater depths.

Finally, the estimation may be subject to a national-level data measurement error in **Section 5.1** since I defined all undergraduate graduation rates by assuming that individuals are enrolled in a 3-year curriculum. Under this identifying assumption, a student graduating in 1979 is categorized as part of the 1976 entrance class. While 3-year curriculums are indeed the majority, there are two groups of students who I fail to account in this assumption: 1) delayed graduations, and 2) honours students whose programs are 4-years in length. Future studies could establish a more sensitive model to explore the policy impact with these intricacies in mind. Accompanied by the national trends of stagnant graduation figures, the study necessitates better model specification to investigate the impact of the free education policy on different types of higher education enrollment, degree completion, and human capital development.

9. Conclusion

This study investigates how changes in university's prices impacted Australian students' decisions of enrollment, degree completion, and later-life occupational status and disposable income. Existing studies primarily focus on the introduction or increases in tuition but not the removal of tuition. Moreover, the few national-level studies predominantly draw upon Germany and the United Kingdom samples, limiting the research's cross-cultural applicability (Minor, 2023; Bahrs & Siedler, 2019; Dearden et al., 2014; Denning, 2017).

It provides one of the first evidence for the impact of Australia's almost two-decade-long national free tuition policy on individuals' higher education enrollment, bachelor's degree attainment, diploma completion, and later-life economic outcomes. Using both descriptive national trends and individual-level regression discontinuity design, this study finds that the 1974

policy has significantly increased female higher education enrollments, left an ambiguous impact on female bachelor's degree attainment, and substantially improved low-income students' diploma completion. Over the long-run, individuals' exposure to the free education policy as a university-aged young adult and attainment of bachelor's degree during the policy period act as significant positive predictors for their later-life occupational status. However, the study does not find sufficient evidence to establish any relationship between the policy and later-life income.

My findings can be cross-referenced with existing literature pertaining to tuition pricing at a national scale. The literature provided me with pointers to potential variables worth special attention throughout the course of my analysis, specifically by highlighting the importance of gender and parents' occupational status. For example, my observation of women as the disproportionate "winner" of the policy echoes previous studies by Minor (2023) and Lörz et al. (2011) who find that female enrollment and degree completion tend to be more price-sensitive than their male counterparts. My research then extends these theories by exploring the impact of national-level tuition changes in a new geography: Australia.

This study thereby informs education policymaking from two perspectives. From a macroscopic level, the study sheds light on the complexity of the free education policy and illustrates the need to carefully consider the efficiency and efficacy of broad-based tuition policy instruments when imagining bridges for universal access to higher education. From a more grounded perspective, the study highlights the roles of families and gender in determining how the policy may impact students. While this study cannot definitively explain the complete impact of the policy, it offers an innovative glimpse into the different facets of the policy impact and hopefully prompts future dialogue on leveraging tuition pricing changes to make higher education accessible to all.

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11. Appendices
Appendix 1: Number of Universities and Colleges of Advanced Education Across Time
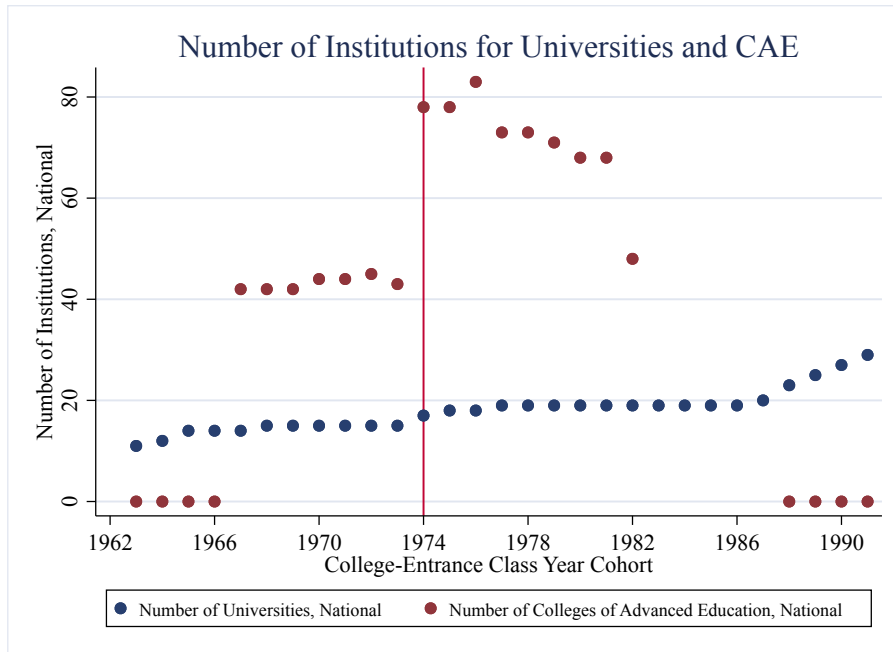
Appendix 2: Controlling For Two State Dummies (Only Main Results Presented)

	Outcome = Occupational Status		
	With State of Highest Schooling Dummy	With State of Highest Schooling & Current Residence Dummies	With Both Dummies and Free Ed Indicator Separated Into Channels
Main			
$IfFreeEd_i$	9.065***	9.033***	4.813**
	(1.468)	(1.465)	(1.998)
$IfFemale_i \times IfFreeEd_i$	1.357	1.394	1.441
	(1.695)	(1.693)	(1.692)
$IfEnrolledHigherEd_i \times IfFreeEd_i$			2.944
			(2.469)
$IfObtainedBachelor_i \times IfFreeEd_i$			7.422***
			(2.359)
$IfObtainedDiploma_i \times IfFreeEd_i$			-0.475
			(2.187)
Control			
$IfFemale_i$	-4.003***	-4.011***	-4.188***
	(1.405)	(1.402)	(1.406)
$IfEnrolledHigherEd_i$	7.971***	7.860***	6.298***
	(1.212)	(1.212)	(1.976)
$IfObtainedBachelor_i$	27.38***	27.30***	22.57***
	(1.114)	(1.116)	(2.041)
$IfObtainedDiploma_i$	2.526**	2.591**	2.908
	(1.023)	(1.024)	(1.849)
yr_{int_i}	-1.389***	-1.375***	-1.349***
	(0.361)	(0.361)	(0.360)
$RealGDP_{pc_i}$	0.00452***	0.00449***	0.00449***
	(0.000838)	(0.000835)	(0.000833)
State of Highest Schooling Dummy	Yes	Yes	Yes
State of Current Residence Dummy	No	Yes	Yes
Constant	-68.57***	-67.76***	-17.38***
	(13.73)	(13.70)	(3.671)
Observations	4947	4947	4947
Adjusted R-squared	0.304	0.304	0.306

	Outcome = Disposable Income		
	With State of Highest Schooling Dummy	With State of Highest Schooling & Current Residence Dummies	With Both Dummies and Free Ed Indicator Separated Into Channels
Main			
$IfFreeEd_i$	494.2	217.0	212.7
	(3470.4)	(3479.5)	(3282.5)
$IfFemale_i \times IfFreeEd_i$	-2416.9	-2117.6	-2124.3
	(3390.7)	(3396.4)	(3287.5)
$IfEnrolledHigherEd_i \times IfFreeEd_i$			-592.3 (5714.9)
$IfObtainedBachelor_i \times IfFreeEd_i$			164.6 (4425.1)
$IfObtainedDiploma_i \times IfFreeEd_i$			814.2 (5269.1)
Control			
$IfFemale_i$	-22294.1***	-22489.7***	-22491.5***
	(2801.4)	(2803.3)	(2729.7)
$IfEnrolledHigherEd_i$	8747.4***	8820.0***	9173.8*
	(2401.0)	(2406.4)	(5275.4)
$IfObtainedBachelor_i$	6890.9***	6508.3**	6415.4
	(2508.7)	(2534.6)	(4442.2)
$IfObtainedDiploma_i$	-6483.3***	-6636.1***	-7135.1
	(2182.1)	(2191.6)	(4835.0)
$RespOccupStatus_i$	548.2***		548.6***
	(36.03)		(35.79)
yr_{int_i}	-69.68	-43.18	-46.90
	(463.6)	(461.3)	(461.2)
$RealGDP_{pc_i}$	0.184	0.136	0.145
	(1.020)	(1.015)	(1.012)
Constant	26640.1	27770.4	27637.2*
	(16992.6)	(16915.9)	(16725.8)
Observations	4947	4947	4947
Adjusted R-squared	0.257	0.259	0.259

Appendix 3: Incorporating $IfFemale_i \times Yr_{int}$ to Table 3 and 4 (Only Main Results)

	Table 3: Outcome = *Likelihood of Enrolling in Higher Education*			
	Full Sample (1)	Full Sample (2)	Full Sample, State Dummies	Sample Restricted to Grade 10 Completes, State Dummies
Main				
$IfFreeEd_i$	-0.0228	0.0406	0.0414	-0.00576
	(0.0265)	(0.0377)	(0.0372)	(0.0379)
$IfFemale_i \times IfFreeEd_i$	0.0885***	0.0918**	0.0654*	0.0660*
	(0.0369)	(0.0374)	(0.0355)	(0.0354)
$DadOccupStatus_i \times IfFreeEd_i$		-0.00102 (0.000623)	-0.000951 (0.000660)	-0.000529 (0.000648)
$MomOccupStatus_i \times IfFreeEd_i$		-0.00105** (0.000519)	-0.00122** (0.000556)	-0.000622 (0.000542)
Control				
$IfFemale_i$	-0.0889***	-0.0912***	-0.122***	-0.138***
	(0.0250)	(0.0252)	(0.0270)	(0.0289)
Yr_{int}	-0.00757	-0.00776	-0.00801	-0.00498
	(0.00553)	(0.00548)	(0.00586)	(0.00595)
$IfFemale_i \times Yr_{int}$	-0.0000135	-0.0000747	0.00303	0.00341
	(0.00240)	(0.00244)	(0.00235)	(0.00235)
State Dummy?	No	No	Yes	Yes
Observations	6070	6070	4938	4396
Pseudo R-squared	0.0802	0.0822	0.0838	0.0721

	Table 4: Outcome = Likelihood of Ever Receiving a Bachelor's Degree			
	Full Sample (1)	Full Sample (2)	Full Sample, State Dummies	Sample Restricted to Enrollees in Higher Ed, State Dummies
Main				
$IfFreeEd_i$	-0.0541	-0.0412	-0.0325	-0.0594
	(0.0422)	(0.0509)	(0.0514)	(0.0625)
$IfFemale_i \times IfFreeEd_i$	0.0963*	0.0964*	0.0952*	0.104
	(0.0550)	(0.0550)	(0.0549)	(0.0668)
$DadOccupStatus_i \times IfFreeEd_i$		-0.0000369 (0.000643)	0.0000955 (0.000645)	-0.000356 (0.000787)
$MomOccupStatus_i \times IfFreeEd_i$		-0.000371 (0.000560)	-0.000369 (0.000560)	-0.000256 (0.000689)
Control				
$IfFemale_i$	-0.0270	-0.0281	-0.0310	0.00832
	(0.0324)	(0.0325)	(0.0324)	(0.0410)
Yr_{int}	-0.00412	-0.00414	-0.00363	-0.00166

	(0.00636)	(0.00636)	(0.00632)	(0.00799)
$IfFemale_i \times Yr_{int}$	-0.00146	-0.00141	-0.00111	-0.00293
	(0.00408)	(0.00408)	(0.00407)	(0.00501)
State Dummy?	No	No	Yes	Yes
Observations	4089	4089	4089	3241
Pseudo R-squared	0.1062	0.1063	0.1095	0.0865

	Outcome = If Ever Received a Diploma			
	Full Sample (1)	Full Sample (2)	Full Sample, State Dummies	Sample Restricted to Enrollees in Higher Ed, State Dummies
Main				
$IfFreeEd_i$	-0.0269	0.0712	0.0851	0.0650
	(0.0628)	(0.0777)	(0.0779)	(0.0790)
$IfFemale_i \times IfFreeEd_i$	0.0732	0.0782	0.0719	0.0514
	(0.0799)	(0.0798)	(0.0795)	(0.0806)
$DadOccupStatus_i \times IfFreeEd_i$		-0.00340*** (0.00116)	-0.00369*** (0.00115)	-0.00344*** (0.00115)
$MomOccupStatus_i \times IfFreeEd_i$		0.00135 (0.00107)	0.00130 (0.00106)	0.00228** (0.00107)
Control				
$IfFemale_i$	-0.119	-0.118	-0.114	0.00315
	(0.0862)	(0.0860)	(0.0858)	(0.0868)
Yr_{int}	0.0163	0.0154	0.0154	0.00666
	(0.0177)	(0.0176)	(0.0176)	(0.0181)
$IfFemale_i \times Yr_{int}$	0.00173	0.00153	0.00159	-0.00304
	(0.00795)	(0.00793)	(0.00791)	(0.00788)
State Dummy?	No	No	Yes	Yes
Observations	2480	2480	2480	2037
Pseudo R-squared	0.0120	0.0152	0.0228	0.0266

Appendix 4: Female Indicator Sensitivity Analysis

	Outcome: Ever Enrolled	Outcome: Bachelor Attainment	Outcome: Diploma Attainment
$IfFreeEd_i$	0.0660*	-0.0286	0.0993
	(0.0385)	(0.0515)	(0.0803)
$IfFemale_i$	0.971**	0.156	0.787
	(0.431)	(0.434)	(1.593)
$IfFemale_i \times IfFreeEd_i$	0.0191	0.0930	0.0470
	(0.0403)	(0.0566)	(0.0899)
$IfFemale_i \times RealGDP_{pc_i}$	-0.0000646**	-0.0000121	-0.0000483
	(0.0000260)	(0.0000263)	(0.0000915)
$IfFemale_i \times IfMomHighEd_i$	0.0649*	0.0703**	0.0672
	(0.0335)	(0.0336)	(0.0572)
$IfFemale_i \times IfDadHighEd_i$	-0.0478*	0.00443	0.00890
	(0.0262)	(0.0296)	(0.0478)
$IfFemale_i \times IfMomEmployed_i$	0.0316	-0.0506*	-0.00227
	(0.0266)	(0.0282)	(0.0456)
$IfFemale_i \times IfDadEmployed_i$	-0.0468	0.0150	-0.0955
	(0.0521)	(0.0576)	(0.0941)
$IfFemale_i \times MomOccupStatus_i$	-0.000483	-0.000560	0.00143
	(0.000623)	(0.000628)	(0.00106)
$IfFemale_i \times DadOccupStatus_i$	0.000440	0.0000452	-0.00000416
	(0.000682)	(0.000677)	(0.00110)
$IfFemale_i \times IfEldestChild_i$	0.0000832	0.0283	-0.0401
	(0.0272)	(0.0284)	(0.0486)
$IfFemale_i \times IfIndigenous_i$	-0.109	-0.0280	-0.0650
	(0.0968)	(0.120)	(0.171)
$IfFemale_i \times IfImmigrant_i$	-0.0114	0.0164	-0.107
	(0.0571)	(0.0606)	(0.104)
State Dummy?	Yes	Yes	Yes
Sample Restriction?	Full Sample	Full Sample	Full Sample
Observations	4938	4089	2480
Pseudo R-squared	0.0885	0.1119	0.0263

Appendix 5: Omitted Variable Estimates

	Table 4: Outcome = Likelihood of Ever Receiving a Bachelor's Degree			
	Full Sample (1)	Full Sample (2)	Full Sample, State Dummies	Sample Restricted to Grade 10 Completes, State Dummies
$RealGDP_{pc_i}$	0.0000138	0.0000140	0.0000134	0.00000774
	(0.0000133)	(0.0000133)	(0.0000132)	(0.0000168)
$IfIndigenous_i$	-0.0671	-0.0664	-0.0590	-0.0396
	(0.0590)	(0.0589)	(0.0589)	(0.0763)
$IfImmigrant_i$	0.0305	0.0314	0.0280	0.0214
	(0.0305)	(0.0305)	(0.0302)	(0.0374)
State Dummy?	No	No	Yes	Yes

	Table 5: Outcome = Likelihood of Ever Receiving a Diploma			
	Full Sample (1)	Full Sample (2)	Full Sample, State Dummies	Sample Restricted to Grade 10 Completes, State Dummies
$RealGDP_{pc_i}$	-0.0000390	-0.0000360	-0.0000355	-0.00000711
	(0.0000462)	(0.0000461)	(0.0000459)	(0.0000477)
$IfEldestChild_i$	0.0284	0.0285	0.0254	0.00869
	(0.0242)	(0.0242)	(0.0242)	(0.0244)
$IfIndigenous_i$	-0.100	-0.102	-0.105	-0.0123
	(0.0866)	(0.0870)	(0.0854)	(0.0842)
$IfImmigrant_i$	0.00219	0.00807	-0.00132	-0.0125
	(0.0521)	(0.0521)	(0.0524)	(0.0524)
State Dummy?	No	No	Yes	Yes