

Do Tuition Subsidies Raise Political Participation?

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Motivation

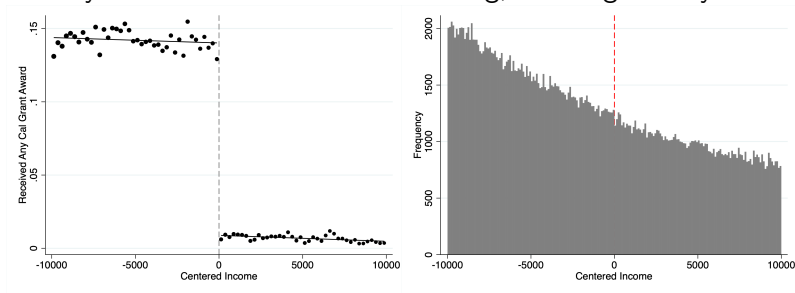
- ▶ Civic externalities motivate education expenditures, policy (Smith, 1776; Mann, 1848; Friedman, 1962)
 - ▶ Contributes to the electorate's understanding of policy
 - ▶ Encourages people to productively participate in politics
- ▶ Key Question: Do tuition subsidies impact voter turnout and meaningfully change the composition of the electorate?
 - ▶ Largest education cleavage in politics is college completion
 - ▶ 235 billion dollars dispersed in US financial aid annually
- ▶ We use CA data & thresholds in financial aid rules to show...
 1. Cal Grants raise voter turnout by 3-12 pp
 2. Pell Grants have a similar per-dollar impact
 3. Tuition subsidies have large enough effects to sway elections

Our Identification Strategy and Contribution

- ▶ COLA-adjusted income thresholds enable an RD design
 - ▶ Income limits announced after tax returns are filed (post-2016)
 - ▶ Thresholds vary based on year, family structure, etc.
- ▶ Why use data from California?
 1. Scale: Millions of grant aid recipients, large-scale programs
 2. Data: 16 million FAFSAs linked to 20 million voter records
 3. External Validity: Results generalize to the Pell Grant
- ▶ How does this advance extant research?
 1. No consensus on civic externalities of education spending (Kam & Palmer, 2008; Henderson & Chatfield, 2011; Willeck & Mendelberg, 2022; Scott, 2022; Bell et al., 2024)
 2. Exogenous instruments for education spending are rare (Dee, 2004; Berinsky & Lenz, 2011; Doyle & Skinner, 2017)

RD Validity and First Stage

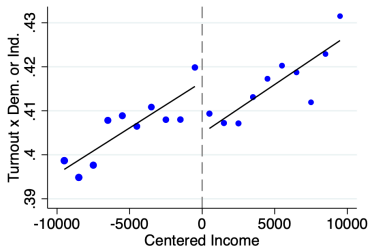
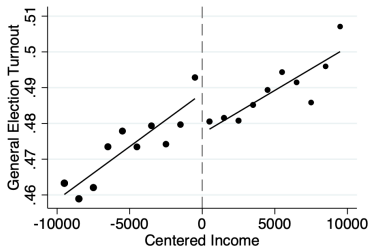
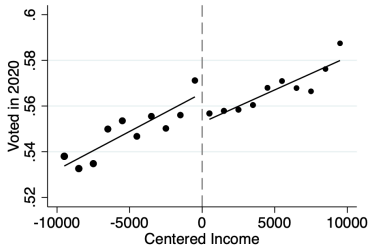
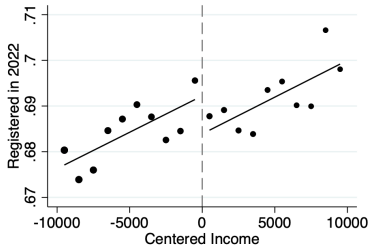
- ▶ Key Point: Income limits are binding, enabling a fuzzy RD



- ▶ Covariate and predicted outcomes tests (18 total) → 1 to 3 rejections at the MSE optimal bandwidth with a 90% CI
- ▶ McCrary test → Cannot reject the null of a smooth density

Results: RD Graph

- ▶ Key Point: Cal Grants raise turnout, mostly on the left



Results: Cal Grant

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Measure of Participation	Baseline	Effect	SE
Registered in 2022	≈68.5	+6.34**	2.85
Voted in 2020 Election	≈56.0	+9.85***	3.05
Post-Treatment Turnout	≈48.0	+8.55***	2.77

Turnout by Partisanship	Baseline	Effect	SE
Turnout x Dem/Ind	≈40.5	+8.91***	2.77
Turnout x Republican	≈7.5	-0.36	1.50

Note: * ($p < 0.1$), ** ($p < 0.05$), *** ($p < 0.01$)

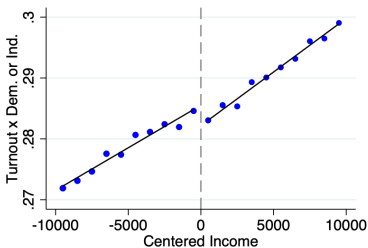
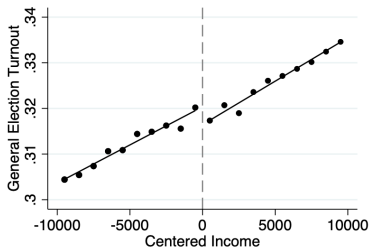
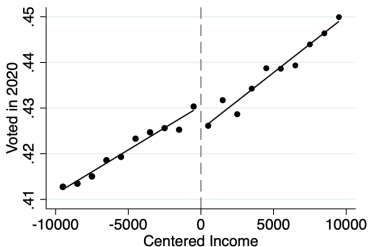
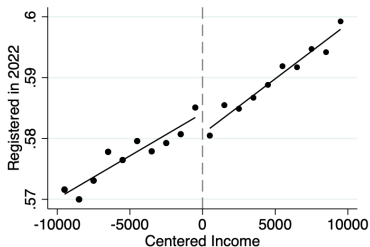
All values are measured in percentage points (pp)

These are 2SLS estimates of the effect *per Cal Grant awarded*

Local linear estimate w/ 10,000 dollar bandwidth, uniform kernel

The Pell Grant and Generalizability

- ▶ Key Point: Pell Grants have similar effects (0.5 pp per \$1,000)

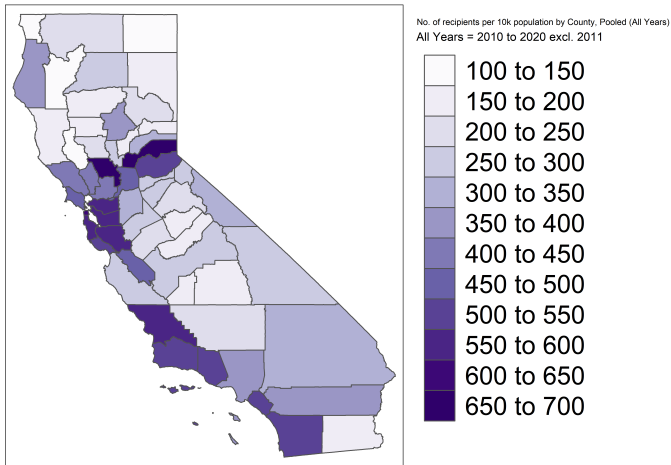


Potential Mechanisms

- ▶ We use HTE and intermediate outcomes to test mechanisms
 - ▶ Evidence supports peer socialization, mixed on reciprocity
1. Reciprocity: Students reward social transfers with votes
 - X Null effects during COVID-19 remote instruction
 - X Higher turnout regardless of who is on the ballot
 2. Socialization: Students interact more with peers on campus
 - ✓ Strongest effects within 2 years of award receipt
 - ✓ Financial aid sharply increases on-campus residence
 - ✓ Null effects during remote instruction under COVID
 3. Income Effects: Grants work like positive income shocks
 - ✓ Strongest effects within 2 years of award receipt
 - X Partisanship does not shift to the right
 4. Civic Trust: Receiving grant aid raises faith in government
 - ✓ New voters lean toward the Democratic Party
 - X No heterogeneity by race/ethnicity

Policy Implications

- ▶ We track Cal Grant recipients to see where they vote/live



Policy Implications and Conclusion

- ▶ We calculate the macro-level externalities using our estimates
- ▶ Key Result: Effects are large enough to sway national elections

California Results	w/o Cal Grant	Actual	Effect
Total Turnout	68.72	69.75	+1.03
Biden 2020 Margin	+28.63	+29.16	+0.53

National Results	w/o Pell Grant	Actual	Effect
Total Turnout	66.08	66.80	+0.72
Biden 2020 Margin	+3.75	+4.46	+0.71

Note: All outcomes measured in percentage points

- ▶ Tuition subsidies can have civic externalities, even with null labor market effects
- ▶ Partisanship poses tough questions about how to value them