

Merit-Aid and the Distribution of Entering Students Across Ontario Universities

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March 2010

Abstract

Tuition levels at Ontario universities have risen along with the value of merit-based entry scholarships provided by the nineteen institutions in this relatively closed system. We use data on entering students from 1994 through 2005 and find that merit awards have at most a small effect on a university's share of academically strong registrants. Such aid, however, is strongly associated with an increase in the ratio of students from low-income neighbourhoods to students from high-income neighbourhoods. Finally, although more advantaged students are more likely to attend university, merit aid is not strongly skewed towards the more advantaged conditional upon registration.

JEL Classification: Health Education and Welfare
Keywords: University, Merit Scholarships