

Abstract

The main question of this study is whether the demand for higher education is relatively sensitive to tuition fee changes or is price inelastic. There is no definite answer in the literature. Approximately 52% of the estimates show it to be insignificant, 43% rate it as statistically negative, and approximately 5% are statistically positive. In a quantitative survey of 562 estimates reported in 48 studies, it has been found that large increases in tuition fees have a disproportionately negative impact on enrollment when potential publication bias and method heterogeneity are taken into account. The publication bias tests show that negative results are more preferable among researchers, because it is well supported by theory (when prices increase demand decreases). The results also suggest that four aspects of study design are especially effective in explaining the differences across primary studies: (1) the longer time period negatively associated with the price c of demand for higher education, (2) while the cross sectional estimations have reported more negative results, panel data estimations have reported fewer negative results, (3) controlling for endogeneity is crucial, (4) while controlling for unemployment rate has no clear conclusive impact, controlling for income is not significantly associated with the price elasticity of the demand for higher education.