

Impact of Targeted Financial Support Program for High School Students in Japan

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This paper studies a targeted financial support program by Japanese government that provided education cost relief for senior high school students in 2010. After 2010, the program began covering all costs for public high school tuition and partially supporting private high school tuition, depending on the household income. In this paper, we examine the impacts of this policy on the educational tuition's burden education-related expenditures, and all expenditures. We focus on low income households, where the impact of the policy is expected to be higher. We use the data of the national survey on consumption from the Ministry of Internal Affairs and Communications in 2009 and 2014, which provide detailed records for household characteristics and monthly consumption expenditure. We apply the regression discontinuity approach with clear identification strategies based on the age of students and household income. Our preliminary results indicate that the policy has limited impacted household behavior, especially for liquidity-constrained households. We suggest that the program should be improved to modify the domestic educational gap between the high and low income households in the long run

JEL classifications: D12, A21, D04

Keywords: Educational financial aid, Senior high school, Regression discontinuity

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