By Dr. Michael P. Lillis and Dr. Robert G. Tian

Dr. Michael P. Lillis received his Ph.D. in 1993 from the State University of New York at Buffalo. He has published several research articles on decision making and organizational justice. In addition, he has a variety of consulting experience with both large and small organizations in the private and public sectors. He is currently an associate professor and director of Academic Field Placement in the Business Department at Medaille College in Buffalo (NY). He may be reached by email at mlillis@medaille.edu and by telephone at 716/880-2320.

Dr. Robert Guang Tian earned his Ph.D. from York University (Ontario), with a post-doctoral MBA from Wilfrid Laurier University (Ontario). He has received awards for published papers and for service from organizations in Canada, China and the United States. His peer-reviewed publications have looked at consumer behavior and cross-cultural studies in marketing.

- Both authors are associate professors of business administration at Medaille College (NY). The authors thank the students who took the microeconomics classes in the spring semester of 2005–2006 academic year for their help in research and data collection.

The Impact of Cost on College Choice:

Beyond the Means of the Economically Disadvantaged

ABSTRACT

This study examines the impact of the costs of college and student financial support in the college choice process, especially as it relates to the economically disadvantaged. Although higher education research has given some significant consideration to the role of socioeconomic status on educational choice, this paper investigates both the validity of prior assertions in that regard and explores a variety of other factors related to college choice. Using a questionnaire designed for systematic description and comparison of students' college-going behavior, patterns of decision-making are described across various groups of students. These patterns are used as a basis for making inferences about the college choice process and for conceptual commentary on issues related to the examination of educational policy. Results point to the need to remove financial barriers for low- and middle-income groups and to identify ways of ensuring equal educational opportunity of college choice, regardless of class distinctions.

Introduction

As competition heats up in the education services industry both in the U.S. and internationally, higher education institutions have become increasingly interested in the perceived affordability of the price of tuition and other associated costs. A 2002 Noel-Levitz survey of 330 colleges and universities revealed that 36 percent of institutions emphasize affordability as part of their recruitment strategy, compared to a mere 18 percent the year prior (PRNewswire, 2003). Although much of this may have been precipitated by a slumping economy and post-September 11 fears, colleges continue to find an increased need to emphasize affordability in their message to prospective students.

Institutional concerns regarding affordability are well founded. Tuition and fees at four-year public and private schools continue on a steady pace upward with average tuition and fees growing by 36 percent in private four-year institutions and by 51 percent in public four-year institutions in a ten-year period ending in 2004 (College Board, 2004). Additionally, tuition has run more than 100 percent ahead of the Consumer Price Index (CPI) since 1981, while at the same time median family income has risen only 27 percent (Boehner, 2004). Moreover, student financial aid continues to reach unprecedented levels, nearly doubling over the past decade and reaching almost $135 billion by the end of 2006 (St. John, 2006). These trends have elevated concerns that a college education is being priced beyond the means of low- and middle-income families. It should be of no surprise, then, that students increasingly find themselves faced with an economic disadvantage, struggling to keep pace with this disturbing trend.

In response to rising apprehension levels, the United States Congress passed the College Access and Opportunity Act in 2006. In an effort to stem the tide of spiraling education costs, one of the key provisions in this Act includes the creation of a College Affordability Index. The index is determined by taking the percentage increase in tuition and fees over the last three academic years, divided by the percentage increase in the CPI over those same three years. In addition to providing students with information about college affordability, any institution with an excessive spike in cost would be asked to provide justification to the public about the causes of tuition increases, as well as strategies that would be used to help hold down tuition in the future. Although this provision does attempt to hold institutions accountable for any hyper-inflated cost increases, it still does not alleviate the growing financial burden to consumers in the higher education marketplace. As such, the disparity between the costs of an education and family disposable income continues to grow.

Background

Contemporary models of college choice behavior have taken into account a variety of factors that influence a student's decision as to which college to attend. For example, researchers at a microeconomic level examine how the influence of personal and family background characteristics, actual and expected market conditions, and economic incentives interact to shape student choices. More sophisticated analyses emphasize the heterogeneity of the subjects studied (academic aptitude, family resources, etc.) and the interactions among these varied characteristics. In fact, the literature has devoted considerable attention to this topic, identifying numerous factors that have been influential in the college choice process, including: economic, academic, geographic, cultural, and even political considerations (Boatwright & Ching, 1992; Paa & McWhirter, 2000; St. John et al. 2005; Teachman & Paasch, 1998; Wilson & Wilson, 1992; Zuker 2006).

For many academic institutions, getting to know what prospective students and their families have come to expect from a college has become an increasingly important tool for remaining competitive. As reported by Hamrick and Stage (2004), the college choice process is laden with class-based patterns characterized among students and parents by different senses of entitlement, different expectations and values, as well as the resources individual families are able to mobilize. To that end, colleges are organizing many of their resources in support of a wide-ranging social stratification. Some of the more prestigious colleges and universities have changed their financial aid policies to allow students from low-income families to attend these high-cost, elite institutions. Other institutions have updated their campuses to better accommodate an increasingly diverse student population. Many of these efforts represent an institution's attempt to better align itself with both an ever-widening class structure and the related expectation levels of these divergent groups.

This study examines relations between education costs (specifically tuition, room and board, and transportation costs) on college choice, that is, the decision about whether students would apply to a specific institution over other alternatives. Of particular interest is to what extent the impact of college costs vary as a function of students' financial circumstances. The data used in this study does not consider whether students applied or were admitted to a particular college. Rather, the present study looks at how college costs might influence students' decisions to apply to a college that they may or may not have considered as part of their choice set.

Hypotheses

Previous studies have found that costs are an important criterion in the college choice process. According to St. John (2003) rising college prices have left low-income students with little choice but to take out loans, attend less expensive colleges or not attend college at all. Furthermore, as St. John points out, the gap between the college participation rates of lower- and upper- income students continues to widen each year, even as federal and state governments increase their commitments to funding higher education. Sevier (1993) studied college-bound high school juniors and reported that total costs of attending college was one of the most important factors in choosing a college. In another study, Carter (1999) reported that lower socio-economic status (SES) students tend to be constrained by their financial circumstances in that they attend less expensive institutions closer to their homes. Recently, the Advisory Committee on Student Financial Assistance (ACSFA) (2002) estimated that 4 million college-qualified low-income and middle-income students will be left behind in the next decade. From this discussion, the following hypotheses are derived:

H1: Costs (tuition and room and board) will have a significant impact on both the likelihood of a student to apply to a college and the perceived number of applicants.

H2: Cost savings (transportation and room and board) that come from an ability to commute a short distance to college have a significant impact on a student's likelihood to apply to a college.

H3: Family affluence will attenuate the relationship between costs and a student's likelihood of applying to a college.

In addition to the costs of going to college, an institution's academic reputation has been identified as a key predictor of students' choice of colleges. For example, Spies (1978) reported that academic reputation of the institution was more important than financial considerations when selecting a college. More recently, in a specific case study conducted by the Office of Student Affairs Research, the University of Texas at Austin, Hanson, Norman & Williams (1998) found that the three most important positive factors for students to enroll in the university are the national academic reputation, the quality of educational majors available and the prestige of the university. Clearly, although cost-related factors likely influence students' choice behavior, academic reputation may carry more weight in college choice decisions. Hence:

H4: An institution's reputation will attenuate the relationship between higher costs (tuition and room and board) and the likelihood of a student applying to a college.

In a number of studies, financial aid has also been shown to play a key role in the college choice process (Hossler, Braxton, and Coopersmith, 1989; Hossler, Schmit, and Vesper, 1999; McDonough, 1997). According to Hossler (2000), 80 percent of high school students consider the availability of financial aid an important criterion when making decisions about which college or university to attend. In another study by Kim (2004), different types of financial aid were found to increase the probability of attending first-choice institutions, particularly for white and Asian-American students. In contrast, Latino and African-American students failed to take advantage of financial aid, suggesting a lack of access to information about the availability of financial aid programs to these groups. Despite the potential for disparate impact of financial aid on certain racial groups, it is generally expected that those who are most in need of financial aid are most likely to be influenced by it. A recent analysis of class differences (Paulsen & St. John, 2002) revealed that working-class students were more negatively affected by inadequate loan and work-study aid than higher income groups. Clearly, in this study, sensitivity to financial factors differs across social classes. This leads to the following hypotheses:

H5: Sensitivity to institutional support (financial aid availability and scholarship availability) will moderate the impact of college costs on college choice behavior (likelihood of a student applying to a college and the perceived number of applicants.)

In addition to the financial support that comes from institutions, students obtain varying levels of financial support from their families as well. A number of studies have investigated the relationship between family income and the student decision making process (Boatwright & Ching, 1992; Chenoweth & Galliher, 2004; Hamrick & Stage, 2004; Hossler et al. 1999; Hu & Hossler, 2000; Sowell 1989). Moreover, a number of researchers have found that low-income students may be more sensitive to price than students from families with higher incomes (Leslie and Brinkman, 1987; McPherson and Schapiro,1991; St. John, 1990; and St. John and Neoll, 1989) However, despite a family's ability to help finance higher education, students are sometimes expected to pay for the cost to attend college on their own. Because of the varying impact of college costs on different income groups, it is expected that students who pay their own way are likely to be even more sensitive to economic issues than those students who receive financial support from their families. Hence the following hypothesis:

H6: Sensitivity to institutional support will be amplified when students pay for college themselves as opposed to when college is being paid by someone else.

The Study Process and the Methodology

This investigation represents a case study about American students' choice of college. The research sample was collected in spring of 2006 by 35 undergraduate students who participated in this study as part of a term project for an introductory course in microeconomics at a small private college of approximately 3,000 students. Students were instructed to administer questionnaires to 10 college students. There were no restrictions as to which college they drew their sample from, however students were instructed to ensure that there were no duplicate respondents. Of the 350 student questionnaires collected, 61 of them were incomplete and were excluded from data analysis.

The final sample of 289 undergraduate students included 156 males and 143 females. Of these subjects 58 were freshmen, 118 were sophomores, 75 were juniors, and 38 were seniors. Subjects were asked to select a category that best represented their financial situation. This resulted in the following stratification of respondents: 6 affluent, 17 very rich, 44 rich, 186 well-to-do, 20 poor, 1 very poor, and 15 other. To better examine the proposed correlates of college choice, this data was combined into three income classification levels: upper income (affluent, very rich, rich and well-to-do), lower income (poor and very poor) and middle income (other). The vast majority of respondents, 87 percent, were Caucasian, while only 7 percent were African American, 2 percent Latino/Hispanic, 2 percent Asian and 2 percent Native Americans. Although ethnicity is a major variable of interest in college choice research, an insufficient sample size among ethnic groups limited the analysis of potential race group effects.

The survey included 34 questions and was divided into four sections. *Section one* included three questions and asked respondents to identify the six most important factors that affect their choice of college, the top three colleges or universities that they wanted to attend, and the major reasons for choosing those colleges or universities. *Section two* included 21 questions that focused on tuition, cost of room and board, scholarships, financial aid and distance the college was from home. For each of these topics, respondents were asked if the

Table 1. Frequency of College Choice Factors Identified by Survey Respondents

Factors	Tuition	Location	Major/ courses	School Size	Campus Environment	Sports	Class Size	Financial Aid	Academic Reputation	Other Factors*	Total
# of Responses	233	214	167	144	140	128	88	70	67	274	1525

* These factors include Dorm Life (65), Faculty (38), Distance from Home (36), Girl/Boy Ratio (31), Friends (28), Job Placement (22), Family and Parents (21), Safety (8), Diversity (5), Alumni (3), Application Fee (2), Transferring Credits (1), and others (14).

possibility of applying to the college or their perceived number of applicants was higher or lower if considering the educational reputation and if not considering the educational reputation of the college. Items in this section were measured on a five-point Likert scale (strongly agree to strongly disagree). *Section three* included nine questions requesting specific personal information from the respondent, including gender, age, family financial situation, religious background, ethnic background, year and major. *Section four* asked respondents to provide any additional information about their choice of college.

In an effort to stimulate additional thoughts about the college choice process, students were also asked to conduct structured interviews with two students from a college or university, two parents of college students, and one college administrator. This yielded interviews with 75 students, 75 parents and 35 college administrators. *Student interviews* included questions related to factors that influenced their choice of college, opportunity costs for attending college, financial support, expected outcomes from attending college, reasons for commuting/dorming, and contentment with their current choice of college. *Parent interview*s included questions related to the ability of a high school student to independently decide which college to attend, the extent of their influence on their child's choice of college, other factors that they believe influenced their child's choice of college, their opportunity costs for sending their child to college, and whether they financially support their child's college education. *Administrator interviews* included questions related to factors that they believe influence a student's choice of college, economic benefits students get from attending college, their understanding of the nature of the relationship between the student and the college, and factors that they believe influence college enrollment.

Findings and Discussion

In part one of the survey, subjects were asked to identify the six most important factors that influence their choice of college. Table 1 reports the frequency of each factor identified by survey respondents. Findings reveal that students are influenced most by tuition and location when making a decision about which college to attend. Interestingly, although these two dimensions are important, students are also influenced strongly by academic aspects of a college, most notably: the availability of a particular major or coursework (167), academic reputation of the college (67), quality of faculty (38) and opportunities for job placement (22). Additionally, students report being strongly influenced by several aspects of campus life, such as: school size (144), campus environment (140), availability of sports (128), class size (88), dorm life (65), girl/boy ratio (31), friends (28), safety (8) and diversity (5). These results reveal that a multiplicity of factors influence students' ultimate decision as to which college to attend.

H1 & H2: The Effects of College Costs.

To confirm the effects of economic factors as predicted in Hypothesis 1, mean scores were compared for each of the hypothesized relationships. Table 2 presents the means and standard deviations of both high- and low-cost conditions for each variable pairing. A paired t-test procedure was used to test the difference between high- and low-cost scores. The last column of the table summarizes the resulting t-statistic with a corresponding p-level. As seen in the table, differences in high and low cost scores were statistically significant and lend support to Hypothesis 1. In the high-cost condition, subjects were less likely to apply and expected there to be a fewer number of applicants than they did under the low-cost condition.

Next, to test the hypothesis regarding the relationship between cost savings (transportation and room and board) that come from commuting a short distance and student choice behavior, a one sample t-test was conducted. If cost savings positively impact a student's likelihood of applying to a college close to home, then on average, responses would be significantly higher from an "Indifferent" response. Thus, on a five-point scale, mean differences would need to be large enough to be significantly different from 3.0, (i.e., an "Indifferent" response). Results, presented in Table 3, reveal that perceived commuter savings are statistically significant and positively impact the likelihood of students applying to colleges close to home. This lends support to Hypothesis 2.

Table 2. Mean College Cost by Likelihood of Applying and Perceived Number of Applicants

Hypothesized Relationship	Low Costs		High Costs		Diff	t	n	p
	Mean	SD	Mean	SD				
Tuition & likelihood of applying	3.43	.86	2.77	.90	.66	-7.052	287	.000
Tuition & perceived # applicants	3.48	.75	2.79	.80	.69	-8.561	284	.000
Room/Board & likelihood of applying	3.31	.80	2.96	.80	.35	-4.304	286	.000
Room/Board & perceived # applicants	3.37	.71	2.96	.70	.41	-5.648	286	.000

H3: Moderating Effect of Family Affluence.

This study also examined how family affluence is likely to affect the relationship between college costs (tuition and room and board) and college choice (likelihood to apply and perceived number of applicants). More specifically as family affluence increases, it is expected that the difference between students in lower-income and higher-income families will magnify. Figure 1 reveals the affluence-application likelihood relationships for high and low/middle income groups. Consistent with the predicted outcome, likelihood scores show increasing disparity between high and low/middle income groups with increasing tuition costs. With high tuition costs, affluent students are much more likely to apply to college than poor students. Conversely, under conditions of low tuition costs, affluent students are less likely to apply than poor students. This interaction pattern suggests that differences

Table 3. Mean Commuting Savings by Likelihood of Applying to a College Close to Home

Cost Savings	Mean	SD	t	df	Sig.	Mean Difference
Transportation costs	3.21	.96	3.80	288	.000	.21
Room & Board Costs	3.28	.93	5.11	288	.000	.28

in college application likelihoods exist, most noticeably at the ends of family income distribution levels.

To further investigate this pattern of results, a two-way mixed analysis of variance with one within-subjects factor and one between-groups factor was conducted. Cost is a within-subjects factor because each subject's choice behavior is observed under both high-cost and low-cost conditions. Income is a between-groups factor because it subdivides the sample into two discrete subgroups; each subject has only one of two possible affluence levels (low/middle or high). Table 4 presents main and interactions effects for both high- and low-cost conditions. Consistent with Hypothesis 1, there is a significant main effect for cost (tuition and room and board) on college choice behavior (likelihood of applying and perceived number of applicants). Furthermore, as predicted in Hypothesis 3, family affluence attenuates the relationship between tuition costs and a student's likelihood of applying to a college (F=4.088, p=.044). More specifically, as tuition costs increase, affluent students exhibited a larger difference in their likelihood to apply to a college than their low/middle income counterparts. Unexpectedly, however, affluence had no additional interaction effects.

Figure 1. Effect on Affluence on College Applications

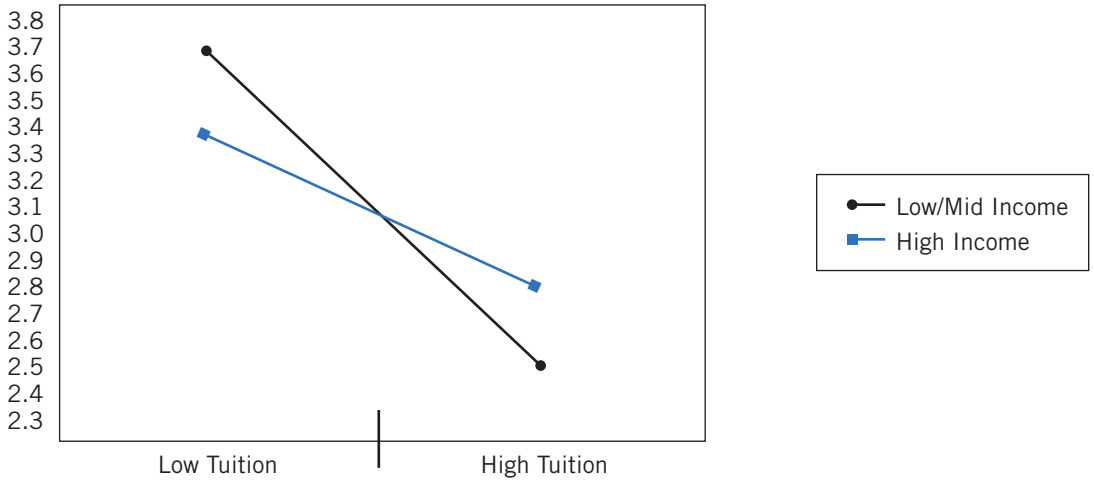


Table 4. Means and F Values for Affluence Level

Variables (n)	Low Costs		High Costs		Diff	Source	Within Subject F(p)	Between Subject F(p)
Tuition Costs	**Mean**	**SD**	**Mean**	**SD**				
Likelihood of applying								
Low/Mid Income (36)	3.67	.85	2.50	.77	1.17	Cost	38.511 (.000)	
High Income (252)	3.40	.86	2.80	.91	.60	Cost * Income	4.088 (.044)	
						Income		.066 (.798)
Perceived # applicants								
Low Income (36)	3.51	.64	2.82	.73	.69	Cost	32.295 (.000)	
High Income (249)	3.48	.77	2.78	.82	.70	Cost *Income	.000 (.995)	
						Income		.000 (.995)
Room &Board								
Likelihood of applying								
Low Income (36)	3.42	.89	3.00	.90	.27	Cost	9.342 (.002)	
High Income (251)	3.30	.78	2.95	.79	.16	Cost * Income	.079(.779)	
						Income		1.602 (.207)
Perceived # applicants								
Low Income (36)	3.38	.70	2.83	.77	.55	Cost	18.423 (.000)	
High Income (251)	3.37	.73	2.98	.69	.39	Cost *Income	.547 (.460)	
						Income		1.062 (.304)

H4: Moderating Effect of Institutional Reputation.

The effects of the intuitional reputation manipulation were analyzed using a paired t-test procedure. For each cost (tuition and room and board) and outcome (likelihood of applying and perceived number of applicants) pairing, respondents were asked to both consider an institution's reputation and not to consider an institution's reputation when giving their response. Table 5 presents the means and standard deviations of both institutional reputation conditions for each variable pairing. As seen in the table, differences in reputation scores were significant across all high cost conditions, lending support to Hypothesis 4. In this situation, its likely that students are willing to pay a higher cost when the choice involves an institution with a stronger reputation. However, institutional reputation failed to attenuate the relationship among two of the four variable parings in the low-cost condition. Thus, when lower costs prevail, it is likely that a subject gives less consideration to the reputation of an institution in their college choice behavior.

H5: Moderating Effect of Institutional Support.

This study also examined how sensitivity to institutional support affects the college costs/college choice relationship. For the purpose of conducting a two group comparison, subjects were sorted into two groups: 1) *Support Sensitive Subjects* are those subjects who've indicated that institutional support (i.e. financial aid and or scholarship) strongly influences their college choice (i.e., strongly agree or agree) and, 2) *Support Impervious Subjects* are those subjects who've indicated that institutional support does not impact their college choice (i.e., disagree or strongly disagree). As seen in Figure 2, support sensitive subjects are much more noticeably impacted by tuition costs. Specifically, when institutional support is made available, support sensitive subjects are much more likely to apply to a low-tuition college than a high-tuition college in comparison to their support impervious counterparts.

To further investigate this pattern of results, a two-way mixed analysis of variance with one within-subjects factor and one between-groups factor was conducted. Table 6 presents main and interactions effects for both college costs (tuition and room and board) and institutional support (financial aid and scholarships). As predicted in Hypothesis 5, sensitivity to institutional support attenuates the relationship between costs and college choice behavior (a student's likelihood of applying to a college and the perceived number of applicants). More specifically, as tuition and room and board costs increase, students who are sensitive to institutional support exhibited a larger difference in their likelihood to apply to a college than their less support sensitive counterparts.

Table 5. Mean Likelihood of Applying and Perceived Number of Applicants by Institutional Reputation

Variables (n)	Without Reputation		With Reputation		Diff	t	n	p
	Mean	SD	Mean	SD				
Tuition and Likelihood of applying								
Low-Cost Condition	3.44	1.07	3.42	1.02	.02	-.223	288	.824
High-Cost Condition	2.54	1.06	2.99	1.01	-.45	-7.371	288	.000
Tuition and Perceived # applicants								
Low-Cost Condition	3.56	.94	3.39	.96	.17	-2.402	288	.017
High-Cost Condition	2.54	1.01	3.03	.99	-.49	-6.927	285	.000
Room/Board & Likelihood of applying								
Low-Cost Condition	3.24	1.00	3.37	.90	-.13	2.07	288	.039
High-Cost Condition	2.88	.97	3.02	.92	-.14	-2.343	288	.020
Room/Board & Perceived # applicants								
Lost-Cost Condition	3.35	.86	3.38	.89	-.03	.420	288	.675
High-Cost Condition	2.88	.89	3.05	.88	-.17	-2.778	288	.006

H6: Effects of Self Pay.

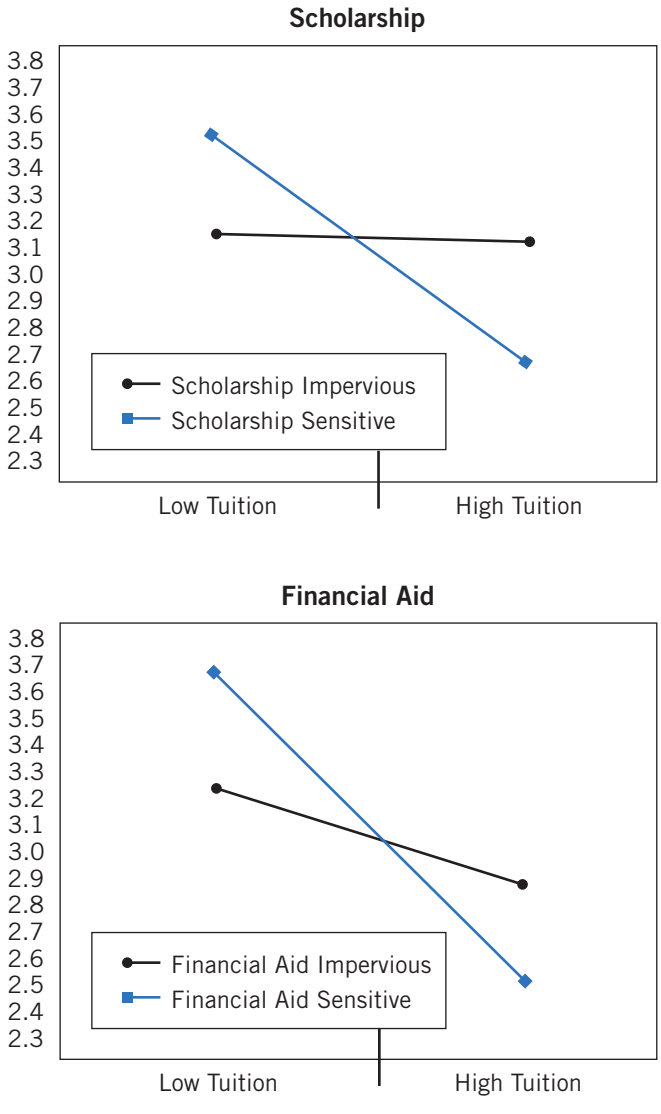
This study also considered the effects of family support on student sensitivity to institutional support. Table 7 presents the means and standard deviations of both other and self-pay conditions. An independent samples t-test procedure was used to test the difference between other and self scores. The last column of the table summarizes the resulting t-statistic with a corresponding p-level. As seen in the table, differences in sensitivity for institutional support between other and self-pay conditions were statistically significant and lend support to Hypothesis 6. Subjects who pay their own way are more likely to be influenced by financial aid and scholarships when choosing a college than subjects whose costs are paid by someone else.

Interview Results.

Interviews were given to further probe the factors that influence college choice in the eyes of three important stakeholders: students, parents and faculty/administrators. Some of the results of these interviews are presented in Table 8. As seen in the table, there are several similarities and differences among respondent groups. All three groups identified the same three factors as *most* influential: cost, major and location. Other common factors include college reputation and athletics. While students and administrators identified campus/class size as an important determinant, parents suggest that the campus environment is strongly influential as well (14 percent of respondents). Based on additional questioning of each respondent, it is reasonable to suggest that the campus environment is a fairly broad term, but one which is likely influenced by the size of a campus or classroom.

Interestingly, several factors identified as the most important by some respondents are identified as the least important by others. For example, 24 percent of students and 21 percent of parents suggest that cost is one of the *least* important factors that influence choice of college. In contrast,

Figure 2. Effect of Institutional Support Sensitivity on Likelihood of College Applicants



a number of students and parents identified cost as one of the *most* important, 19 percent and 25 percent, respectively. This kind of disparity is consistent with our survey findings that reveal that students vary in their sensitivity to institutional support. Just as sensitivity exists on the support side, it is reasonable to expect that such sensitivities exist on the cost side as well. For some, cost is the most important factor in the college choice process while others are willing to spare no expense when it comes to educational costs. Similarly, although many students, parents and faculty/administrators do not take into account the location of a college, many make it a top priority. Clearly, educational choices are framed within the context of individual priorities and expected outcomes.

Conclusion and Implications

This study focused on examining the ways in which the effects of financial factors on students' choices differ across various

Table 6. Means and F Values for Institutional Support Sensitivity

Variables (n)	Low Costs		High Costs		Diff	Source	Within Subject F(p)	Between Subject F(p)
Tuition Costs	**Mean**	**SD**	**Mean**	**SD**				
Likelihood of applying								
Financial Aid Impervious (107)	3.25	.93	2.86	.87	.39	Cost	53.508 (.000)	
High Income (252)	3.70	.87	2.52	.88	1.18	Cost * Financial Aid	7.326 (.001)	
						Financial Aid		1.467 (.232)
Likelihood of applying								
Scholarship Impervious (48)	3.16	1.03	3.12	1.03	.04	Cost	21.593 (.000)	
Scholarship Sensitive (166)	3.55	.82	2.64	.82	.91	Cost * Scholarship	6.176 (.002)	
						Scholarship		.329 (.720)
Perceived # applicants								
Financial Aid Impervious (107)	3.48	.78	2.89	.78	.59	Cost	21.593 (.000)	
Financial Aid Sensitive (92)	3.57	.76	2.70	.86	.87	Cost * Financial Aid	6.176 (.002)	
						Financial Aid		.329 (.720)
Perceived # applicants								
Scholarship Impervious (46)	3.19	.76	3.04	.71	.15	Cost	35.293 (.000)	
Scholarship Sensitive (166)	3.59	.74	2.71	.82	.88	Cost * Scholarship	5.824 (.003)	
						Scholarship		.318 (.728)
Room &Board								
Likelihood of applying								
Financial Aid Impervious (107)	3.20	.87	3.13	.84	.07	Cost	20.590 (.000)	
Financial Aid Sensitive (92)	3.41	.81	2.82	.86	.59	Cost * Financial Aid	3.841 (.023)	
						Financial Aid		.485 (.616)
Likelihood of applying								
Scholarship Impervious (48)	3.11	.91	3.17	.83	-.06	Cost	6.266(.013)	
Scholarship Sensitive (165)	3.40	.78	2.86	.83	.54	Cost * Scholarship	3.933 (0.21)	
						Scholarship		.018 (.982)
Perceived # applicants								
Financial Aid Impervious (107)	3.27	.81	3.09	.63	.18	Cost	33.822 (.000)	
Financial Aid Sensitive (92)	3.50	.78	2.86	.83	.54	Cost * Financial Aid	3.076 (.048)	
						Financial Aid		1.319 (.269)
Perceived # applicants								
Scholarship Impervious (48)	3.33	.83	3.00	.64	.33	Cost	17.716 (.000)	
Scholarship Sensitive (165)	3.45	.74	2.91	.74	.54	Cost * Scholarship	2.902 (.057)	
						Scholarship		.581 (.560)

Table 7. Mean Sensitivity to Institutional Support

Institutional Support	Other Pay (n=180)		Self Pay (n=109)		Diff	t	p
	Mean	SD	Mean	SD			
Financial Aid	2.89	1.08	3.17	1.04	-.28	-2.133	.034
Scholarship	3.45	1.02	3.72	1.01	-.27	-2.152	.032

socioeconomic groups. Results from this study contribute to the literature on college choice by offering support for the notion of class-related patterns of choice behavior. An investigation of undergraduates in three distinct income groups revealed findings that are generally consistent with those of earlier research. Findings from this study confirm that lower-income groups are less likely to apply to more expensive institutions, thereby seriously limiting their postsecondary opportunities. A question remains, however, as to whether it is reasonable to allow low- and middle-income groups to have more constrained choices because of their limited financial resources. Moreover, what can policymakers do to ensure equal educational opportunity of college choice, regardless of income level? Ultimately, if leaders can find ways to promote and support diversity in higher education, the postsecondary education system can play a role in the reversal of what has become an increasingly class-based society.

On a more specific level, our research contributes to theory by offering and testing a factor that may help to explain why disparities might exist in the college cost /college choice relationship. One of the important findings from this study is that choosing a college because of costs is also interrelated with students' sensitivity to institutional support. More specifically, the probabilities of applying to a low-cost institution increase when students are more receptive to institutional support. Conversely, support-impervious individuals are much less impacted by the cost of college on their choice behavior. For these individuals, other non-economic factors are more likely to influence their choice of college. Additionally, we observed that financial support from family influences the level of student sensitivity to institutional support.

From a practical point of view, the identification of factors which influence college choice has relevance to a number of applied contexts. For example, with an increased awareness of the economic reality faced by lower- and middle-income groups, federal, state and institutional authorities could be prompted to change their policies and practices to help ensure adequate funding for access to postsecondary education. Furthermore, by educating poor and middle-class students as to the problematic nature of college costs, students are more likely to self-identify and profess their financial plight, thereby placing added pressure on educational institutions. In an increasingly competitive environment, as higher education institutions scramble to identify a source of competitive advantage, competition for recruiting and retaining students with limited financial means will become increasingly important.

A possible limitation of this study is that the results come primarily from one educational institution and therefore may limit the generalizability of these findings. Nonetheless, there is no reason to believe that the choice dynamics associated with students from this sample will not be found elsewhere. Moreover, given that this study focused exclusively on students who attended four-year institutions, it might be useful to explore the impact of college cost and institutional support on student choice behavior in two-year institutions as well. Additionally, considering the disproportionate concentration of different racial groups among lower-income families, it may be beneficial to extend this study to an investigation of potential race-group effects.

Table 8. Interview Results for Student, Parent and Administrator Respondents

Item	Response	Respondent					
		Student		Parent		Faculty/Admin	
		%	n	%	n	%	n
Three most important factors that influenced choice of college.	•Major	21%	(34)	18%	(28)	25%	(17)
	•Location	21%	(34)	20%	(30)	13%	(9)
	•Cost	19%	(31)	25%	(38)	30%	(20)
	•Size	19%	(30)	---	---	10%	(7)
	•Athletics	9%	(14)	9%	(14)	7%	(5)
	•Reputation	5%	(8)	13%	(19)	6%	(4)
	•Dorms	3%	(5)	---	---	---	---
	•Friends	3%	(5)	---	---	---	---
	•Environment	---	---	14%	(22)	1%	(1)
	•Services	---	---	---	---	6%	(4)
Three least important factors that influenced choice of college.	•Cost	24%	(16)	21%	(12)	3%	(1)
	•Friends	18%	(12)	---	---	19%	(6)
	•Athletics	18%	(12)	19%	(11)	13%	(4)
	•Location	15%	(10)	26%	(15)	13%	(4)
	•Size	12%	(8)	29%	(17)	25%	(8)
	•Dorms	9%	(6)	---	---	13%	(4)
	•Party Life	3%	(2)	---	---	---	---
	•None	---	---	3%	(2)	---	---
	•Cafeteria	---	---	1%	(1)	---	---
	•Weather	---	---	---	---	6%	(2)
	•Faculty	---	---	---	---	3%	(1)
	•Environment	---	---	---	---	3%	(1)
	•Diversity	---	---	---	---	3%	(1)

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