

**DETERMINANTS OF UNIVERSITY CHOICE: A STUDY ON ECONOMICS  
DEPARTMENTS IN TURKEY**

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**Abstract**

This study examines determinants of university choice in Turkey using school level data. Regression results show that tuition, the population of the city in which the university is located, academic performance of the university and language of instruction are important determinants of university choice. The results also reveal that the impact of tuition is higher for public university students, while private university students care more about academic performance than do their counterparts in public universities.

**Keywords:** University choice, Turkey, school fees, quality

# **DETERMINANTS OF UNIVERSITY CHOICE: A STUDY ON ECONOMICS DEPARTMENTS IN TURKEY**

## **Introduction**

People around the world generally have much better access to higher education nowadays than in the past. Simply, there are more institutions offering more places to more people. As a result, prospective students and their families are increasingly able to choose from among a range of alternatives. This availability of alternatives has led to increased competition among universities, and information about students' selection criteria has become valuable for university administrations and policy makers

In the light of these developments, the issue of the determinants of university choice has attracted considerable attention from academics from different fields, particularly in the West. Studies examining other parts of the world, however, are limited, probably because of data limitations. The aim of this study is to make a contribution to filling this gap. In this regard, school characteristics that affect students' choice of economics departments in Turkey are examined. Although the focus of the study is limited to economics departments in Turkey, the findings are in accordance with the other studies in this realm and therefore are applicable to other fields and countries.

The rest of this paper is organized as follows. Section II reviews the literature on the determinants of school choice with a specific emphasis on school characteristics. Next follows an overview of the university system in Turkey, which is necessary to interpret the data. Section IV describes the model and the data used in the study. Empirical findings are presented and discussed in Section V. A final section concludes the study.

## **Determinants of university choice: Literature Review**

A student who graduates from a high school should decide whether to attend a university or not. If she chooses to continue her education in a university, then she has to decide which university to attend. This study concentrates on the latter decision. Specifically, the focus is placed on students' choices among alternative universities or, more specifically, the determinants of this choice.

The determinants of a student's choice as to which university to attend are widely examined by scholars from different disciplines. In these studies, the factors affecting students' choice can be classified in two broad categories: the characteristics of the prospective student (consumer) and those of the school (product). All studies in the literature concentrate on either one or both of these aspects, depending on the aim of the researcher and data limitations.

*Student characteristics* are a set of variables related to students and/or to the others which has an influence on them. For instance, 'income' or the socioeconomic status of a student and/or her family are found as important determinants on school choice in many studies (Heller, 1997; Chapman, 1981; Hearn, 1984). The academic achievement of the student as measured by high school grades and/or aptitude test scores is another (Chapman, 1981, Braxton, 1990). Gender (Paulsen, 1990; McDonough, 1997) and race (Hearn, 1984; McDonough, 1997) can also be added as other determinants students. Studies show also that students do not decide in isolation, their parents, relatives, friends, teachers and others have an impact on their school selection. (Oosterbeek et al., 1992; Chapman, 1981; Hossler et al. 1999).

*School characteristics* refers to services provided by universities that meet the expectations of students and cost of these services. Potential students have expectations about their educational experience, like a safe and clean campus with cultural, athletic and social activities, high quality teaching and administrative services, etc. They also expect both pecuniary (good salary, for instance) and/or non-pecuniary (like higher social status) returns after they graduate from a university. A student typically makes her choice from alternatives by comparing these future prospects and the services provided by the university with the costs.

The influence of school characteristics is examined broadly in university choice studies. Costs are taken into account in almost all of these studies as an influential factor, with school fees being the cost item mentioned most frequently. As expected, researchers have found a negative relationship between fees and demand for schools (Leslie & Brinkman, 1988; Heller, 1997; Long, 2004; McDuff, 2007). Accordingly, financial aid that reduces the costs shouldered by students is found to be an important factor influencing school choice in the reverse direction (Leslie & Fife, 1974). However, there are also studies that indicate countervailing results regarding costs. Soo & Elliot (2008) find that the fees charged do not influence the decision of the students. Briggs & Wilson (2007) show costs ranked only 20<sup>th</sup> in order of importance from among 22 factors.

The impact of school fees varies with other factors. Bezmen & Depken (1998) find that the demand for private universities is more price sensitive than public ones. Heller (1997) shows that low-income students are more sensitive to price changes than those are higher income students. Long's (2004) study, which examines how university choices made by students changed between 1972 and 1992, notes that the role of price during the time period declined. The study also indicates that the relative importance of price depends on the income and quality of the student, as measured by their SAT score.

The cost of attending a university does not consist only of fees, and other cost items are also found to be influential in the studies. Distance from home is another cost element which has a

negative relationship with school choice (Soutar & Turner, 2002; Jepsen & Montgomery, 2009; Briggs & Wilson, 2007; Keskinen et al., 2008). By attending a university close to home, students may save on accommodation or transportation costs. For example, Jepsen & Montgomery's (2009) study suggests that an additional three miles (about five kilometers) from home results in a 14 percent drop in college enrollment. Against this, however, Briggs & Wilson (2007) found accommodation to have only a minor impact on school choice.

Another broad category of school characteristics is 'quality'. The perceived quality of a university is related to the services what universities offer. Since the better quality universities offer services that bring long and short term returns, they are more likely to be preferred by prospective students. Therefore, various factors that refer to the quality of a university are always included in university choice models.

Keskinen et al. (2008) stress that teaching and the research characteristics of the department comprise an influential factor in decision making. Soutar & Turner (2002) show that the major determinants of university choice for school-leavers in Western Australia were course suitability, academic reputation, job prospects offered by a qualification from the university and teaching quality. Soo & Elliot (2008) found that quality of education is positively related to number of applicants. Isherwood (1991) found reputation of the college as one of the major determinates of English-speaking students' college choice, in Quebec. McDuff (2007) indicates that quality is an important determinant of school choice and that students in the US are willing to accept large tuition fee increases in exchange for a higher quality education.

Even though the majority of studies indicate a positive relationship between quality and school choice, some studies find opposing or conflicting results. For instance, Briggs & Wilson (2007) found no statistically significant relationship between the two for the years 1972 and 1982. Oosterbeek et al. (1992) find that earnings prospects are not a particularly important factor in the choice of a specific university, and therefore express doubt about the value for a university of increasing fees in order to improve the quality of its courses.

Finally, location is handled in university choice studies not only as a cost but also as a quality item. Students assign values to certain characteristics of the location. Studies show that students prefer socially and culturally active big cities, like London (Soo & Elliot, 2008) or Amsterdam (Oosterbeek et al., 1992), as well as locations where they have family and friends (Keskinen et al. 2008).

School choice literature for the countries other than the Western world is very limited. All of the studies cited above build on the data of one or more Western countries. Only one relevant study (Yamamoto, 2006) is found for Turkey. This study, based on survey data collected from the students of a private university and concerned with the limited number of variables that influence school choice decision of students mentioned in the literature, focuses on the

importance of university entrance exam score and the influence of family in university selection.

### **The university system in Turkey**

The higher education system in Turkey is basically formed upon the 1981 Law on Higher Education. This law centralized the university system and all higher education institutions tied to the Council of Higher Education (*Yükseköğretim Kurulu*, YÖK), a governmental body that regulates tertiary education in the country. Following the introduction of the 1981 law, all post-high school institutions (universities, academies, conservatories, vocational schools, etc.) were converted to universities or units tied to these universities (YÖK, 2010).

One of the major achievements of the 1981 law was a major improvement in access to higher education, achieved by increasing the supply of higher education services. The increase, which is still continuing, has had four sources. First has been the opening of new public universities. The Turkish higher education system has always been dominated by public universities. In 1982, there were just 27 public universities, a number that by 2011 had reached 103. The second source has been the distance education system, established with the 1981 law. The distance education system in Turkey was initiated in 1982 by Anadolu University, the only university qualified for distance education until recent years. Parallel to developments in telecommunication technology through which the education was transmitted, especially TV broadcasting, the number of students enrolled in the distance education system rocketed from 40 thousand in 1984 to 1.7 million in 2011 (Günay & Günay, 2011). The third source of increased access has been the system of secondary programs now available at many universities. With the law enacted in 1992, universities were permitted to program a second 'shift' of courses. In this secondary program, students follow the same curriculum and receive the same final qualification as the regular program students, but the starting hours of the lectures are later and tuition fees higher than those of the regular program. The final source has been the establishment of private universities. Even though the number of students enrolled to private universities comprises only a modest proportion of the total figure for all tertiary education students, it is a growing and increasingly important share. Some 25 years after the establishment of the first private university (in 1984), such institutions now number over 60.

These developments in the expansion of higher education in Turkey saw the total number of universities increase from 27 in 1982 to 165 in 2011 and the gross enrollment rate in higher education increase more than six-fold between 1980 and 2008, with the number of students enrolled to a higher institution rising from 322 thousand in 1984 to 2.1 million in 2011 (Günay & Günay, 2011). This increase, it should be noted, is primarily due to the explosion of

distance learning at Anadolu University. According to the figures quoted, non-distance learning student numbers rose by a little more than a third between 1984 and 2011, a period in which the general population rose by about a half. Despite the developments in supply, therefore, the number of high school graduates who apply to be accepted for (on-campus) university courses remains much higher than the total student quotas of the universities. In 2010, only 55 percent of the 1.6 million applicants were placed in a higher education program (Günay & Günay, 2011).

The limited supply in on-campus higher education in Turkey is allocated among prospective students through a centrally administrated examinations system organized by a governmental body, the Student Selection and Placement Center (*Ölçme, Seçme ve Yerleştirme Merkezi*, ÖSYM). For prospective undergraduates, the university entrance examination system is a two-stage process consisting of two tests, the Transition to Higher Education Examination (*Yükseköğretime Geçiş Sınavı*, YGS) and Undergraduate Placement Examination (*Lisans Yerleştirme Sınavı*, LYS). Applicants qualify for the LYS by passing the initial YGS, whose scores are also used both for application to the (two-year programs at) post-secondary vocational schools and in calculating total composite scores, along with high school grade-point averages, for admission to the undergraduate programs. The aim of the central placement is to place the candidates in programs according to their list of preferences, as is compatible with their scores. The final selection and placement of students in higher education institutions is thus dependent on the composite scores of the candidates, the personal preferences they have listed, and the quotas and prerequisites of the programs. The central placement procedure admitting students on the results of the examination system is carried out through an iterative computing routine. Each candidate can be placed in one program only.

Another major change enacted by the 1981 Law related to university fees. Previously, university students had not made any financial contribution to the higher education they received. This law introduced school fees, starting from the 1984-85 academic year. Currently, tuition fees in public universities are centrally determined and set by subject, regardless of institution. Fees for secondary program are about three times higher than those for the regular program. However, fees in public universities are low (50 to 500 dollars per academic year, depending on the program) and student contributions make up just five percent of the costs (Gürüz, 2008: 151). In the case of private universities, the basic sources of finance are donations and student fees. In some universities the contribution of the students reaches 95 percent of total costs (YÖK, 2007), while the fees for some programs are as high as 12,000 dollars.

The main language of instruction in Turkish universities is Turkish. However, some universities use other languages, mainly English, in all or 30 percent of their course programs. For these, students need first to attain internally (university) set scores from international English language proficiency exams (such as TOEFL or IELTS), or pass internally organized exams, for which the universities offer one-year language preparatory classes (YÖK, 2010). The caché and international access associated with English means that the highest ranked universities (and courses) tend also to be those offering English-medium instruction. This factor is also considered here.

### **Model and data**

The objective of this paper is to determine the impact of school characteristics on students' university choices. Based on the literature, the characteristics are grouped into two categories: cost and quality. 'Cost' refers to expenses born during the period of university education, like school fees, accommodation and other living costs. Students (and their families) who pay these costs expect universities in return to provide services that will meet their demands and expectations, like higher economic and social status after graduation. The courses, facilities, etc. offered by universities to meet these demands are referred to here as 'quality characteristics'. University selection is made after a subjective evaluation of the relevant data about these characteristics.

Cost data is usually easily accessible by decision makers. Universities announce their fees in advance. Information about living costs like rents, dormitory fees and transportation costs can also be obtained easily enough. However, data on quality characteristics is more problematic. It is not easy for students and/or their families to evaluate whether what the university offers will meet their demands. Even if they know how to evaluate the quality it is not easy to access the relevant data. Therefore, decision makers usually use hearsay and other ad hoc, proxy data for their evaluations. Based on these information forms and restrictions, the following model is used to determine the impact of school characteristics in university choice decisions

$$Score_i = \beta_0 + \beta_1 Tuition_i + \beta_2 Language_i + \beta_3 Institution_i + \beta_4 Population_i + \beta_5 Age_i + \beta_6 Rank_i + u$$

Where

*Score* = the minimum entrance score in 2010,

*Tuition* = annual tuition fees (in national currency)

*Language* = 1 if the teaching language is other than Turkish (usually English), 0 otherwise,

*Institution* = 1 if it is a state university, 0 otherwise,

*Population* = population of the city the university located,

*Age* = age of the university,

*Rank* = rank of the university in URAP Quality Ranking based on teaching and research performance

The data employed covers the Economics Faculty bachelor degree programs of 67 public and 24 private universities.

The data for *Score* is obtained from the OSYM 2011 Guide General University Selection and Placement Exam. *Score* refers to the minimum score required to enter a program. Since the supply (the number of places available on a course) is a given, higher scores indicates higher demand.

*Tuition*, which is the major direct cost of education, is the fee charged by universities to students. As indicated, there are two tariffs in public universities: a lower fee, 313 TL (Turkish Lira), for regular programs, and higher fee, 1115 TL for secondary programs. As mentioned, the minimum entrance scores for regular programs are higher than the (equivalent) secondary programs. Private university fees are much higher than public ones, ranging between 14,500 and 31,000 TL in the sample used here. The majority of the students pay this amount, although a limited number of students benefit from scholarships, based on university entrance exam scores, and pay no fee or 25 or 50 percent of the full fee. Of course, students aiming to win these scholarships need to have obtained much higher scores than the regular students. Therefore, for some universities, depending on the availability of secondary programs and scholarship schemes, more than one *Tuition* and *Score* datum is used.

*Language* refers to the medium of instruction used in the university. Following the global spread and intensification of social and economic relations among nations in recent decades, learning a foreign language, particularly English, has gained much importance. Worldwide, the increased and increasing demand for English has forced education systems and their institutions to change policies and curricula. Many schools in Turkey, including universities, have adopted English as part or full medium of instruction. Therefore language is included in this model as a quality indicator affecting school choice in Turkey.

*Age* and *Rank* are introduced as two other references used to evaluate the quality of a university. *Age* refers simply to the age of a university, while *Rank* refers to the rank of a university in the (2010) Social Science Ranking of Turkish Universities created by URAP (University Ranking by Academic Performance). In collaboration with Middle East Technical University Informatics Institute, the URAP Research Laboratory, evaluates and ranks the quality of higher education institutions according to academic performance. Since there is no specific ranking for economics departments, the Social Sciences ranking is used as an approximation to evaluate the academic performances of economics departments. An additional restriction of this data is the unavailability of data for three recently established private universities due to the lack of an academic performance history. In this study, it is expected that students evaluate the age of a university and its academic ranking as quality indicators, preferring older (positive relationship with *Score*) and higher ranked (since a lower number means higher rank, negative relationship with *Score*) universities.

The source of the *Population* data is the Turkish Statistics Institute's (TUIK) population census in 2010. *Population* can be considered both as a cost and quality variable. On the one hand, the size of the city in which a university is situated is related to accommodation and other living costs, which is another major cost item in education. A student that prefers a university in his/her hometown and stays with his/her family can save substantially on these costs. On the other hand, big cities are attractive for university students who consider social life and the expansion of cultural horizons to be an integral part of their higher education experience. Big cities also provide better opportunities for employment after graduation. Students tend to evaluate the university and the city as a whole, preferring big cities that offer numerous opportunities. A large proportion of prospective students grow up in large cities, of course, so these people can benefit from both the cost and quality aspects of education in this regard. Therefore, whatever the rationale, we can expect a higher demand in the cities with higher populations.

Descriptive statistics for the data are given separately for all, public and private universities in Table 1. A comparison of public and private universities shows that mean *Tuition* is not only higher in private universities than in public universities but also has higher standard errors, because of the scholarship schemes referred to. Data also show that private universities usually offer programs in English, are much younger, located in much bigger cities and have relatively higher academic performance. For all data, skewness is positive for all variables except institution. However, the signs change when data is evaluated with respect to institution type. Skewness and kurtosis values do reject the normality hypothesis for all variables at one percent level. Since we have 182 observations one would expect the Central Limit Theorem to apply and deviation from the normality should not be a serious concern.

Table.1. Descriptive Statistics								
All Universities								
Variable	Mean	Median	Minimum	Maximum	Std. Dev.	C.V.	Skewness	Ex. kurtosis
score	347.684	331.665	224.057	529.915	58.4802	0.168199	0.868496	0.757770
institution	0.678756	1.00000	0.000000	1.00000	0.468169	0.689744	-0.765628	-1.41381
tuition	2622.22	313.000	0.000000	31000.0	5017.52	1.91347	2.70487	7.89238
language	0.290155	0.000000	0.000000	1.00000	0.455014	1.56817	0.924764	-1.14481
population	4214.37	1481.00	74.0000	13256.0	5056.62	1.19985	1.08432	-0.555160
age	21.0363	19.0000	2.00000	85.0000	17.1575	0.815614	1.49792	2.41548
rank	50.1538	48.0000	1.00000	120.000	31.2272	0.622628	0.339979	-0.871098
Public Universities								
Variable	Mean	Median	Minimum	Maximum	Std. Dev.	C.V.	Skewness	Ex. kurtosis
score	341.437	326.464	269.181	515.929	46.8284	0.137151	1.47359	2.28273
tuition	685.794	313.000	313.000	1155.00	419.837	0.612190	0.230524	-1.94686
language	0.122137	0.000000	0.000000	1.00000	0.328701	2.69124	2.30795	3.32663
population	2029.69	765.000	74.0000	13256.0	3426.34	1.68811	2.68293	5.98542
age	24.9084	19.0000	4.00000	85.0000	19.2268	0.771899	1.06123	0.891373
rank	51.3817	46.0000	1.00000	120.000	32.8290	0.638925	0.408407	-0.996303
Private Universities								
Variable	Mean	Median	Minimum	Maximum	Std. Dev.	C.V.	Skewness	Ex. kurtosis
score	360.883	363.066	224.057	529.915	76.3552	0.211579	0.178823	-0.591944
tuition	6713.69	7676.25	0.000000	31000.0	7334.72	1.09250	0.920891	0.508754
language	0.645161	1.00000	0.000000	1.00000	0.482370	0.747674	-0.606780	-1.63182
population	8830.39	13256.0	1235.00	13256.0	4853.32	0.549616	-0.253710	-1.75228
age	12.8548	14.0000	2.00000	27.0000	6.20641	0.482808	-0.150954	-0.0700513
rank	47.0000	57.0000	2.00000	97.0000	26.7163	0.568432	-0.190361	-1.02642

Pairwise correlation coefficient estimates are given in Table 2. The signs of correlation coefficients of *Score* are the same in all versions and are in accordance with expectations. Correlations among independent variables are low with the exception of the relatively high correlation between rank and age, indicating a positive relationship between age of the university and its academic reputation, as expected.

Table 2. Correlation coefficients							
All Universities							
institution	tuition	language	population	age	rank	score	
1.0000	-0.5624	-0.5381	-0.6296	0.3289	0.0632	-0.1557	institution
	1.0000	0.3172	0.3881	-0.1508	-0.1257	-0.2675	tuition
		1.0000	0.4024	-0.0807	-0.3323	0.3837	language
			1.0000	0.0900	-0.2254	0.4175	population
				1.0000	-0.6800	0.3704	age
					1.0000	-0.5542	rank
						1.0000	score
Public Universities							
	tuition	language	population	age	rank	score	
	1.0000	-0.1917	-0.1482	-0.0655	0.0747	-0.3888	tuition
		1.0000	0.4512	0.1965	-0.3608	0.5478	language
			1.0000	0.4727	-0.5055	0.7396	population
				1.0000	-0.7838	0.6331	age
					1.0000	-0.7063	rank
						1.0000	score
Private Universities							
	tuition	language	population	age	rank	score	
	1.0000	0.0455	0.0890	0.2282	-0.2569	-0.5565	tuition
		1.0000	-0.2659	-0.0941	-0.3644	0.1942	language
			1.0000	0.4899	0.3768	0.1199	population
				1.0000	-0.4774	0.2460	age

					1.0000	-0.3528	rank
						1.0000	score

## Results

Model 1 in Table 3 gives least squares estimates. Breusch-Pagan and White heteroscedasticity tests reported here show that estimated models had heteroscedastic disturbances, as expected in any cross-section data. Therefore, heteroscedasticity-robust standard errors are used in estimations. Regression results show that all coefficients except *Age* are significant. Considering the results of Model 1 and relatively high correlation with *Ranking* in Model 2 the variable *Age* is dropped. Neither the signs nor coefficients of the variables are much changed, which holds also for goodness of fit indicators. In the new model all coefficients are significant.

All estimates are consistent with expectations. Both models show that tuition has a negative impact on school demand. However, the coefficient of *Tuition* is very low. Also students and their families care about quality of the education provided by the universities. A single step upward movement in ranking increases minimum entrance score by 0.85 units, indicating that academic performance of universities has an impact on school choice. Estimates also show that English as a medium of instruction is highly regarded. The minimum entrance score for economics departments using English language instruction is about 37 points higher than for the Turkish language only departments, which shows that students/families in Turkey markedly prefer these departments. Also, a low but positive relationship is found between the population of the city where the university is located and university demand, indicating either the attractiveness of big cities for students or a preference of students to stay with their families during their university education in order to save on accommodation and other living costs.

Even though the level of significance is lower for *Institution* than the other variables, this is also found to be another determinant of school choice. As discussed above in evaluating data, private universities have certain characteristics that differ widely from public universities and which may cause differing demand structures. Considering this, Model 2 is extended by introducing *Institution* in the interactive form with other variables (Model 3). A Chow test for structural difference with respect to *Institution* indicates that two different demand functions should be formed for private and state universities. Model 3, which is formed on this basis, shows that coefficients of *Tuition* and *Ranking* in state university demand functions are significantly different from those of private universities. Regression results indicate that the prospective students of public universities care more about costs (*Tuition*) while private university students are more concerned with academic performance (*Ranking*). Clearly, this might be explained by the income differences between the students of these universities.

Since public university students typically come from lower income families than their private university counterparts, it is to be expected that this group will be more price sensitive. No significant difference is found between the two groups with regard to *Language* and *Population*.

<b>Table 3: Regression Estimates</b>				
	<b>Coefficient</b>	<b>Model 1</b>	<b>Model 2</b>	<b>Model 3</b>
<b>Constant</b>	$\beta_0$	397.787*** (15.6072)	399.154*** (14.5406)	435.985*** (23.6522)
<b>Institution</b>	$\beta_1$	-21.9367* (11.8862)	-21.1994* (11.0482)	-57.8885** (24.4671)
<b>Tuition</b>	$\beta_2$	-0.00691*** (0.000963751)	-0.006928*** (0.000963115)	-0.007414*** (0.000757783)
<b>Language</b>	$\beta_3$	37.0035*** (8.86103)	36.7033*** (8.90359)	31.9170** (14.2666)
<b>Population</b>	$\beta_4$	0.00350921*** (0.000841032)	0.00355696*** (0.000793235)	0.00399357** (0.00158463)
<b>Rank</b>	$\beta_5$	-0.827503*** (0.130067)	-0.845986*** (0.0864374)	-1.58922*** (0.282957)
<b>Age</b>	$\beta_6$	0.0484994 (0.216156)		
<b>Own*Tuition</b>	$\beta_7$			-0.0222013*** (0.00435889)
<b>Own*Language</b>	$\beta_8$			-9.48920 (18.5730)
<b>Own*Population</b>	$\beta_9$			0.00171521 (0.00191257)
<b>Own*Ranking</b>	$\beta_{10}$			0.992220*** (0.290897)
<b>R<sup>2</sup></b>		0.683989	0.683910	0.744465
<b>Adjusted R<sup>2</sup></b>		0.673155	0.674930	0.731094
<b>SE of Reg.</b>		33.20423	33.11391	30.11775
<b>F</b>		66.35444	76.23029	57.67714
<b>Pr(F)</b>		1.60e-42	3.29e-42	2.35e-47
<b>log L</b>		-892.1650	-892.1878	-872.8351
<b>Akaike Criterion</b>		1798.330	1796.376	1765.670
<b>Schwarz criterion</b>		1820.758	1815.600	1797.710
<b>Hannan-Quinn</b>		1807.422	1804.169	1778.659
<b>Breusch-Pagan</b>		102.596	99.944866	104.971
<b>Pr(BP)</b>		7.20449e-020	0.000000	1.54779e-018
<b>White</b>		103.401	99.781100	105.368
<b>Pr(White)</b>		1.66728e-010	0.000000	1.61731e-011
<b>Chow F(5,172)</b>				9.01013
<b>Pr(Chow)</b>				0.0000

## Conclusion

The subject of the determinants of school choice has long attracted significant scholarly attraction in the West. However, evidence from other parts of the world is still limited. This

study attempts to contribute to filling this gap by examining the determinants of school choice for Economics departments in Turkey.

The wide range of determinants examined in the school choice literature can be grouped into two broad categories, student and school characteristics, of which the latter comprises the focus of this study. School characteristics basically refer to the service provided by universities and the cost of these services. Analysis of school level data here shows that Turkish students' choices are negatively related with cost items, while positively correlated with service quality. Regression results indicate that students prefer universities with a good academic reputation, that are located in bigger cities and in which instruction is in English. They also want to receive these services without paying too much.

Regression results also indicate that public university students are more price sensitive than private university students, while private university students care more about academic performance, as might be anticipated from the income differences between the two groups. All of these findings are consistent with many other studies in this field, implying that Turkish students' behavior is not much different from their counterparts in the West.

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