

# The Impact of Employer Education Assistance on Enrollment

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## Abstract

Policymakers incentivized university enrollment through the creation of Section 127 of the United States Internal Revenue Code. This policy provides a tax deduction to employers that provide financial assistance for employee education. This paper finds that before and after extensive correction, the policy fails to increase enrollment meaningfully. Evidence from 1992 through 2017 indicates adverse linear and total effects of interest. H-1B policy is explored as a correction variable and emerges as a comparatively preferred policy tool. Results are validated using vector autoregression (VAR), dynamic ordinary least squares (DOLS), and instrumental variable (IV) analysis.

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