

DISTRIBUTIONAL EFFECTS OF A \$2,000 COLLEGE TUITION SUBSIDY

	Type 1	Type 2	Type 3	Type 4
Mean expected present value of lifetime utility at age 16:				
No subsidy	413,911	391,162	225,026	286,311
Subsidy	419,628	392,372	226,313	288,109
Gross gain	5,717	1,210	1,287	1,798
Net gain:				
Subsidy to all types*	3,513	-994	-917	-406
Subsidy to types 2, 3, and 4 [†]	-1,134	76	153	664
Subsidy to types 3 and 4 [‡]	-862	-862	425	936

* The per capita cost of the subsidy program is \$2,204.

[†] The per capita cost of the subsidy program is \$1,134.

[‡] The per capita cost of the subsidy program is \$862.