

# Impact of financial aid in vocational and college enrollment

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## Abstract

We aimed to evaluate the impact of governmental financial aid in vocational and college enrollment, solving the endogenous process in the application to benefits. Using a two-step instrumental variables procedure, we found that college financial aid increases college enrollment by 30%. Being selected to college financial aid reduces the probability of vocational enrollment, although only vocational financial aid does increase this probability, which may be understood as a substitution effect.

**Key words:** Financial aid, enrollment, higher education, vocational, college.

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