

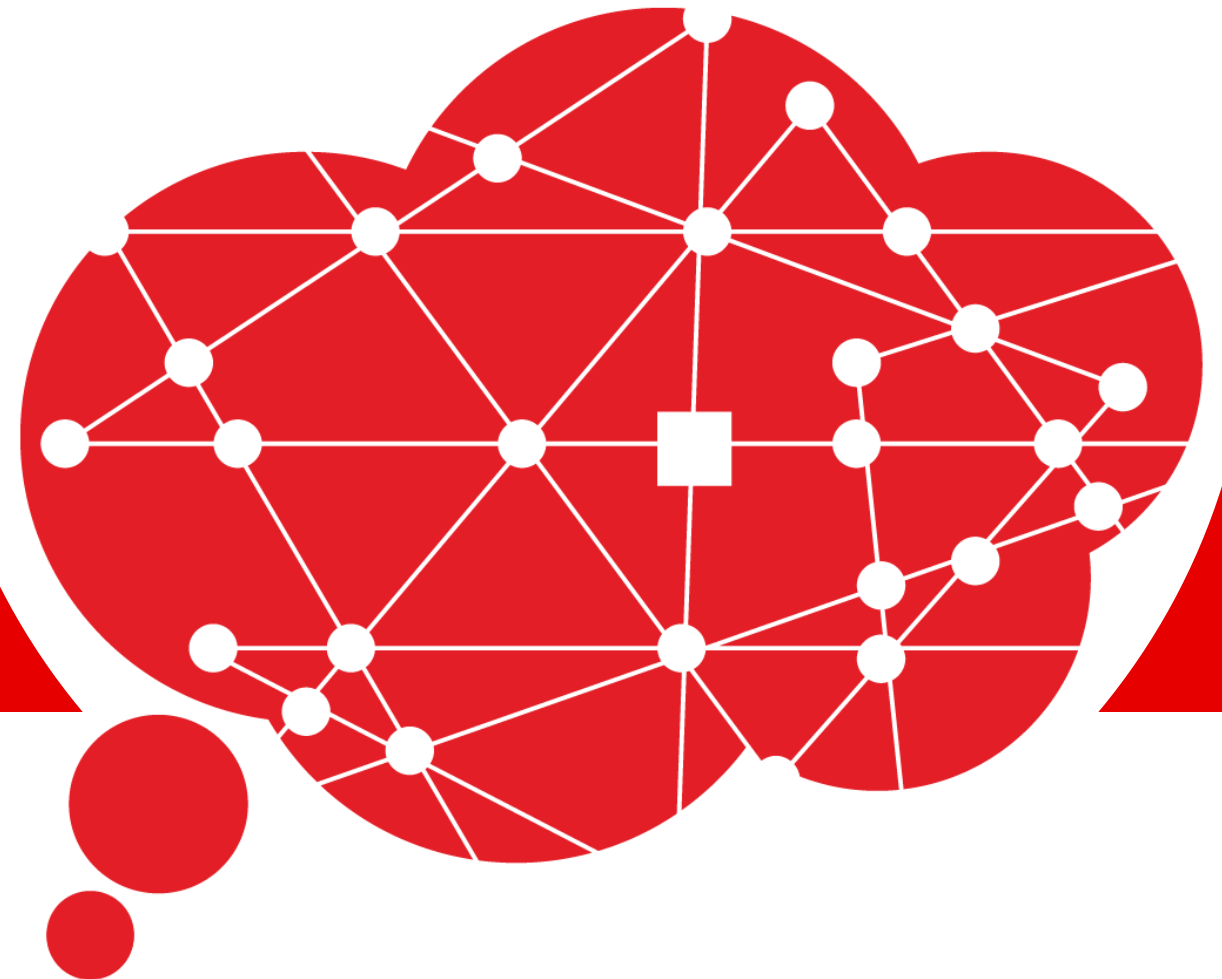
# The Impact of Education on Social Mobility – the Danish case

**Avenir Suisse Think Tank Summit 2019**

International Roundtable on Equality and  
Inequality

22<sup>nd</sup> January 2019

Stina Vrang Elias  
Managing Director  
The Think Tank DEA



# Agenda

1. The Think Tank DEA
2. The Danish context
3. Policy tool 1: The potential of early childhood investment
4. Policy tool 2: The potential of student grants
5. The Norwegian reform



# About us



**Investments of society**



**Education**



**Research**



**Innovation**



**Value creation**



# The Danish context

- Nordic welfare state
- Highest income mobility within the OECD
- World's highest pct. of cohort attending early childhood education and day care
- Education is tax-paid – from elementary school to university
- High level of financial aid for students



# But...

- No decrease in share of marginalised youth
- Signs of decreasing income mobility



# Policy tool 1: Early childhood development

- The Heckmann Curve: High ROI of early childhood investment
- The Heckmann Equation: Invest + Develop + Sustain = Gain
  - **Invest** in educational and developmental resources for disadvantaged families to provide equal access to successful early human development
  - **Develop** early development of cognitive and social skills in children from birth to age five
  - **Sustain** early development with effective education through to adulthood
  - **Gain** a more capable, productive and valuable workforce that pays dividends to society



# Policy tool 2: Student grants

- Social mobility has not improved significantly
- The balance between investment in the quality of the study programmes and student grants is tipping
- Is student grants the right tool?



# The Norwegian reform

- Before 2002: 30 % student grants + 70 % loans
- Reform 2002: All financial aid is given as loans. 40 % can be forgiven if students complete the coursework for which they received aid
- "Effects" – evaluation 2013: (a) increased bachelor production, (b) decreased completion time and (c) no increased inequity in enrolment
- NB: Student grants reform was part of greater reform complex
- Status 2019: Some graduates from "poor" background are using more time to pay back loans

