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Editor's Pick

Gentrification and Failing Schools: The Unintended Consequences of School Choice under NCLB

By: Stephen B. Billings, Eric J. Brunner, and Stephen L. Ross

Review of Economics and Statistics (March 2018)

[Published version](#)

[Working paper version \(free\)](#)

In the past decade, school choice interventions have emerged as one of the most hotly debated topics in education policy worldwide. A key aim behind such interventions is to loosen the connection behind housing and school choice that exists in systems using residential proximity as a tiebreaker admissions rule for oversubscribed schools. Such systems enable more advantaged families to move closer to, and obtain places at schools, they prefer, whereas less advantaged families do not have the resources necessary to exercise such choice. Many hope that increased choice opportunities among the less advantaged coupled with alternative tiebreakers, such as lotteries, could ameliorate this fundamental inequality in the education system.

However, the effects of targeted choice interventions on school access depend fundamentally on design. Indeed, without careful design, the interventions may provide opportunities for advantaged families to manipulate the system in their favour – which in turn may thwart the goals of the policies.

This paper provides a striking analysis of such unintended consequences, focusing on school-choice provisions in the 2002 No Child Left Behind (NCLB) Act in America. NCLB was one of the most radical education reforms at the federal level in the US, requiring all states to administer standardised tests to identify poorly performing schools. If schools that receive federal (Title 1) funding fail to meet so-called 'adequate yearly progress' for two years in a row, the districts must provide their pupils with opportunities to attend non-failing schools. In practice, these opportunities have often been ensured by giving the pupils improved odds in lotteries for oversubscribed schools.

While such provisions are designed to enable pupils stuck in poor schools to attend better ones, they may also create incentives for families to move into the attendance zones of failing schools merely to take advantage of the improved odds to get in elsewhere. Indeed, theoretical evidence suggests that voucher programmes targeted to low-performing districts should induce high-income households to move to those districts to take advantage of lower house prices (partly due to lower school quality) as well as the voucher, thereby increasing housing prices and gentrification – but at the same time also reducing residential income stratification.

To test these predictions, the authors analyse data from Charlotte-Mecklenburg school district in North Carolina, investigating how house prices, homebuyer income, and school choices are affected when failing schools force districts to offer pupils residing in their attendance zones improved odds to get in to oversubscribed schools elsewhere in the district. They compare neighbourhoods bisected by recently re-drawn attendance boundaries, before and after schools fail to achieve adequate yearly progress the second time.

The authors find that school failures that trigger the NCLB choice provision increase house prices, homebuyer income, and the probability of attending magnet schools – which draw pupils from different attendance zones – in the most desirable parts of the failings schools' attendance zones. Furthermore, they find that the increase in



the likelihood of attending magnet schools only applies to new residents; original residents do not benefit from the intervention in this respect. In other words, the targeted choice interventions mostly benefited more advantaged households outside the failing schools' attendance zones – in sharp contrast to the motivations behind their introduction.

Overall, the paper clearly shows how well meaning yet poorly designed choice reforms may end up not directly benefiting the pupils they target, highlighting the importance of clear thinking around the incentives created by policymakers when implementing such reforms.

At the same time, the paper also verifies the idea that even poorly-designed choice programmes may reduce residential income stratification and improve neighbourhood quality, in line with prior theoretical modelling. Other [research](#) also suggests such outcomes may benefit poorer pupils in the longer term through 'neighbourhood effects', suggesting that the impact of choice on residential stratification may carry indirect benefits in this sense as well. However, the extent to which such effects mitigated the unintended consequences found in the paper needs further research to be established.



Effects of Policy and Practice – Developed World

The Impact of Education on Family Formation: Quasi-Experimental Evidence from the UK

By: Michael Geruso and Heather Royer

NBER Working Paper No. 24332

[Published version](#)

[Manuscript version \(free\)](#)

The authors examine the impact of educational attainment on fertility and mating market outcomes. Using a regression discontinuity design, they exploit an extension of the compulsory schooling age from 15 to 16 in 1972 in the UK. The change was binding for a quarter of the population. Simple plots of the raw data show substantially lower teen fertility rates across the threshold of the reform, but no impacts on abortions and no impact on completed fertility by age 45. In the mating market, the reform induced both men and women to marry more educated mates, consistent with positive assortative mating. They show that timing of the teen fertility reduction coincided with the timing of the extra induced schooling and that the probability of marrying a peer in the same academic cohort rose. These results suggest that school attendance may have important direct effects, in addition to and separate from the human capital effects of education.

Ending to What End? The Impact of the Termination of Court-Desegregation Orders on Residential Segregation and School Dropout Rates

By: David D. Liebowitz

Educational Evaluation and Policy Analysis (March 2018)

[Published version \(free\)](#)

In the early 1990s, the Supreme Court established standards to facilitate the release of school districts from racial desegregation orders. Over the next two decades, federal courts declared almost half of all districts under court order in 1991 to be “unitary”—that is, to have met their obligations to eliminate dual systems of education. The author leverages a comprehensive dataset of all districts that were under court order in 1991 to assess the national effects of the termination of desegregation orders on indices of residential-racial segregation and high-school dropout rates. The author concludes that the release from court orders moderately increased the short-term rates of Hispanic–White residential segregation. Furthermore, the declaration of districts as unitary increased rates of 16- to 19-year-old school dropouts by around 1 percentage point for Blacks, particularly those residing outside the South, and 3 percentage points for Hispanics.



How I Met Your Mother: The Effect of School Desegregation on Birth Outcomes

By: Menghan Shen

Economics of Education Review (April 2018)

[Published version \(free\)](#)

This paper assesses the effects of court-ordered school desegregation on biracial births, a measure of racial integration. Using birth certificate data, the author presents a multiple difference-in-differences approach that exploits variation in the timing of school desegregation in different counties. Among black mothers in non-Southern counties, the author finds that school desegregation increases biracial births. The results are robust to county fixed effects, cohort fixed effects, and county-specific cohort trends. This paper contributes to the literature on the determinants of interracial relationships and the importance of school desegregation on demographic outcomes.



Effects of Policy and Practice – Developing World

Do Migrant Students Affect Local Students' Academic Achievements in Urban China?

By: Haining Wang, Zhiming Cheng, and Russell Smyth

Economics of Education Review (April 2018)

[Published version](#)

[Working paper version \(free\)](#)

The authors examine the educational spill-over effects of migrant students on local students' academic achievement in public middle schools in urban China. The identification of peer effects relies on idiosyncratic variation in the proportion of migrant students across classes within schools. They find that the proportion of migrant students in each class has a small, and positive, effect on local students' test scores in Chinese, but has no significant effect on math and English test scores. They also find considerable evidence of heterogeneity in the effects of the proportion of students in the class on local students' test scores across subsamples. Local students toward the bottom of the achievement distribution, local students enrolled in small classes and local students enrolled in lower-ranked schools benefit most in terms of test scores from having a higher proportion of migrant students in their class. The findings have important policy implications for the debate in China about the inclusion of migrant students in urban schools, and for the assignment of educational resources across schools.

The Effect of Education on Mortality and Health: Evidence from a Schooling Expansion in Romania

By: Ofer Malamud, Andreea Mitrut, and Cristian Pop-Eleches

NBER Working Paper No. 24341

[Published version](#)

[Manuscript version \(free\)](#)

This paper examines a schooling expansion in Romania which increased educational attainment for successive cohorts born between 1945 and 1950. The authors use a regression discontinuity design at the day level based on school entry cut-off dates to estimate impacts on mortality with 1994-2016 Vital Statistics data and self-reported health with 2011 Census data. They find that the schooling reform led to significant increases in years of schooling and changes in labour market outcomes but did not affect mortality or self-reported health. These estimates provide new evidence for the causal relationship between education and mortality outside of high-income countries and at lower margins of educational attainment.



General Education

Do Human Capital Decisions Respond to the Returns to Education? Evidence from DACA

By: Elira Kuka, Na'ama Shenhav, and Kevin Shih

NBER Working Paper No. 24315

[Published version](#)

[Manuscript version \(free\)](#)

This paper studies the human capital responses to a large shock in the returns to education for undocumented youth. The authors obtain variation in the benefits of schooling from the enactment of the Deferred Action for Childhood Arrivals (DACA) policy in 2012, which provides work authorization and deferral from deportation for high school educated youth. They implement a difference-in-differences design by comparing DACA eligible to non-eligible individuals over time, and find that DACA had a significant impact on the investment decisions of undocumented youth. High school graduation rates increased by 15 per cent while teenage births declined by 45 per cent. Further, they find that college attendance increased by 25 per cent among women, suggesting that DACA raised aspirations for education above and beyond qualifying for legal status. They find that the same individuals who acquire more schooling also work more (at the same time), counter to the typical intuition that these behaviours are mutually exclusive, indicating that the program generated a large boost in productivity.

School spirit: Exploring the Long-term Effects of the U.S. Temperance Movement on Educational Attainment

By: Andrew Francis-Tan, Cheryl Tan, and Ruha Zhang

Economics of Education Review (February 2018)

[Published version \(free\)](#)

This study examines the long-term consequences of the US temperance movement, one of the largest-scale policy changes impacting alcohol consumption in history. Using a sample of persons born between 1900 and 1925 drawn from nationally representative census microdata, the study investigates the effect of prenatal temperance environment on adult educational outcomes. The quantitative analysis uses proxies for temperance environment: the strength of temperance laws and the density of liquor retailers. In sum, the evidence suggests that men and women exposed to the temperance movement in utero had modestly higher education. The effect on eighth grade completion was weakly significant at best, while the effect on high school completion was robustly significant, though relatively small in magnitude. Estimates imply that the adoption of temperance laws increased the odds of high school completion by about 3–8%, and analogously that the reduction of retail liquor density, to the extent it changed from 1913 to 1921, increased the odds of high school completion by about 4–8%. The findings are consistent with several causal mechanisms including a reduction in foetal alcohol exposure and the adverse developmental outcomes with which it is associated.