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*Editor: Gabriel Heller-Sahlgren*



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## Editor's Pick

### **The Impacts of Neighbourhoods on Intergenerational Mobility I: Childhood Exposure Effects**

*By: Raj Chetty and Nathaniel Hendren*

**Quarterly Journal of Economics (forthcoming)**

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

The extent to which the neighbourhoods in which children live affect their outcomes is a hotly debated issue in the social sciences. The issue is also relevant for education interventions to the extent they affect neighbourhood formation (and/or interact with other policies targeting neighbourhoods specifically).

While it is true that many studies find a positive correlation between the quality of neighbourhood and individuals' outcomes, it is far from clear that these studies reflect the causal impact of neighbourhood quality. For example, it is plausible that people select into different neighbourhoods depending on their background and other characteristics. Indeed, experimental [evidence](#) from the Moving to Opportunity (MTO) programme in America tended to find little or no causal effects of neighbourhoods on adults' outcomes, highlighting the importance of good research design when analysing neighbourhood effects.

Recently, however, new [evidence](#) has found that children who moved to better neighbourhoods as part of MTO benefited considerably, in terms of schooling and labour-market outcomes. Yet such positive effects are only apparent if children moved before the age of 13, suggesting that neighbourhood effects operate primarily in childhood. Still, the external validity of these effects beyond the relatively few children moving as part of MTO has been uncertain.

In this paper, the authors present new evidence of neighbourhood effects from a quasi-experimental study of more than seven million US families, exploiting variation in the age of children when their parents decided to move in order to obtain causal estimates. The assumption is that the age of children at which parents decide to move is unrelated to the quality of the neighbourhood, which the authors show is likely to hold.

And similarly to the MTO findings, the authors show that children who move to better-quality neighbourhoods – as measured by the outcomes of children of permanent residents in these neighbourhoods – are more likely to go to college when they are between 18 and 23. Similarly, they are more likely to be employed and have higher earnings later in life. Importantly, the impact appears to be linear: every year of exposure to a better neighbourhood increases the likelihood of attending college and earnings by about four per cent.

Overall, the paper shows that the quality of neighbourhoods does in fact matter for children's schooling and economic outcomes later in life – and that the external validity of this impact is considerable (at least in the American context). Certainly, we



do not know why these neighbourhood effects emerge; the performance of children of permanent residents is likely to be affected by a wide-range of characteristics (although recent research indicates that [school quality](#) is unlikely to be an important mechanism). Further research is necessary to establish the exact mechanisms explaining the results.

Still, the findings carry important implications for education policy. Indeed, school-admission policies may have a considerably impact on neighbourhood formation, as they affect [house prices](#) and ultimately the probability of [gentrification](#). Policies that decrease the link between housing and school choice therefore appear to decrease [residential segregation](#), suggesting that education policy has an important role to play for the purposes of securing greater social mobility via neighbourhood effects.



## Effects of Policy and Practice – Developed World

### How Much Does Teacher Quality Vary Across Teacher Preparation Programs? Reanalyses from 6 States

*By: Paul T. von Hippel and Laura Bellows*

**Economics of Education Review (June 2018)**

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

At least sixteen US states have taken steps toward holding teacher preparation programs (TPPs) accountable for teacher value-added to student test scores. Yet it is unclear whether teacher quality differences between TPPs are large enough to make an accountability system worthwhile. Several statistical practices can make differences between TPPs appear larger and more significant than they are. The authors reanalyse TPP evaluations from 6 states—New York, Louisiana, Missouri, Washington, Texas, and Florida—using appropriate methods implemented by our new caterpillar command for Stata. Their results show that teacher quality differences between most TPPs are negligible – 0.01–0.03 standard deviations in student test scores – even in states where larger differences were reported previously. While ranking all a state's TPPs is not useful, in some states and subjects they can find a single TPP whose teachers are significantly above or below average. Such exceptional TPPs may reward further study.

### Do Teaching Practices Impact Socio-emotional Skills?

*By: Václav Korbek and Michal Paulus*

**Education Economics (June 2018)**

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

Recent studies emphasise the importance of socio-emotional skills, but little is known about how everyday classroom practices impact development of these skills. Using data from the Czech Republic, the authors show that modern practices such as working in small groups improve these skills. Intrinsic motivation and self-confidence are particularly positively affected. Moreover, modern practices have no adverse effects on test scores. On the other hand, standard practices such as lecturing and memorizing have no impact on socio-emotional skills or test scores. Their results highlight that changing the composition of teaching practices slightly can have a substantial positive impact on socio-emotional skills.



**Tuition Fees and Student Effort at University**

*By: Costas Meghir, Mårten Palme, Emilia Simeonova*

**Economics of Education Review (June 2018)**

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

This paper presents theoretical and empirical evidence that an increase in tuition fees may boost university students' academic effort. We examine the tuition fee rise introduced in 2012 by Spanish universities, where students register and pay for their chosen modules and fees increase each time students retake a module until they pass it. Data refer to students of economics, business and medicine at the University of Valencia during 2010–2014. The fact that some students pay fees in full while others are exempt from payment provides an identifying source of variation that we exploit using a flexible difference-in-differences methodology.



## Effects of Policy and Practice – Developing World

### **Combining Pre-school Teacher Training with Parenting Education: A Cluster-randomized Controlled Trial**

*By: Berk Özler, Lia C.H.Fernald, Patricia Kariger, Christin McConnell, Michelle Neuman, and Eduardo Fraga*

**Journal of Development Economics (July 2018)**

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

The authors used a randomized, controlled study to evaluate a government program in Malawi, which aimed to support child development by improving quality in community-based, informal preschools through teacher training, financial incentives, and group-based parenting support. Children in the integrated intervention arm (teacher training and parenting) had significantly higher scores in assessments of language and socio-emotional development than children in preschools receiving teacher training alone at the 18-month follow-up. There were significant improvements in classroom organization and teacher behaviour at the preschools in the teacher-training only arm, but these did not translate into improved child outcomes at 18 months. The authors found no effects of any intervention on child assessments at the 36-month follow-up. Our findings suggest that, in resource-poor settings with informal preschools, programs that integrate parenting support with preschools may be more (cost-) effective for improving child outcomes than programs focusing simply on improving classroom quality.

### **Parents' Beliefs About Their Children's Academic Ability: Implications for Educational Investments**

*By: Rebecca Dizon-Ross*

**NBER Working Paper No. 24610**

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

Information about children's school performance appears to be readily available. Do frictions prevent parents, particularly low-income parents, from acting on this information when making decisions? The author conducts a field experiment in Malawi to test this. She finds that parents' baseline beliefs about their children's academic performance are inaccurate. Providing parents with clear and digestible academic performance information causes them to update their beliefs and correspondingly adjust their investments: they increase the school enrolment of their higher-performing children, decrease the enrolment of their lower-performing children, and choose educational inputs that are more closely matched to their children's academic level. These effects demonstrate the presence of important frictions preventing the use of available information, with heterogeneity analysis suggesting the frictions are worse among the poor.



## General Education

### **The Long-Term Spill-over Effects of Changes in the Return to Schooling**

*By: Ran Abramitzky, Victor Lavy, and Santiago Pérez*

**NBER Working Paper No. 24515**

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

The authors study the short and long-term spill-over effects of a pay reform that substantially increased the returns to schooling in Israeli kibbutzim. This pay reform, which induced kibbutz students to improve their academic achievements during high school, spilled over to non-kibbutz members who attended schools with these kibbutz students. In the short run, peers of kibbutz students improved their high school outcomes and shifted to courses with higher financial returns. In the medium and long run, peers completed more years of postsecondary schooling and increased their earnings. The authors discuss three main spill-over channels: diversion of teachers' instruction time towards peers, peer effects from improved schooling performance of kibbutz students, and the transmission of information about the returns to schooling. While each of these channels likely contributed to improving the outcomes of peers, they provide suggestive evidence that the estimates are more consistent with the effects operating mainly through transmission of information.

### **Education and Mortality: Evidence from a Social Experiment**

*By: Arlette Simo Fotsoa, Anne Solaz, Mbaye Diene, and Roger Tsafack Nanfossoe*

**American Economic Journal: Applied Economics (April 2018)**

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

The authors examine the effects on mortality and health due to a major Swedish educational reform that increased the years of compulsory schooling. Using the gradual phase-in of the reform between 1949 and 1962 across municipalities, they estimate insignificant effects of the reform on mortality in the affected cohort. From the confidence intervals, they can rule out effects larger than 1–1.4 months of increased life expectancy. They find no significant impacts on mortality for individuals of low socioeconomic status backgrounds, on deaths that are more likely to be affected by behaviour, on hospitalisations, and consumption of prescribed drugs.