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Editor: Gabriel Heller Sahlgren

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Editor's Pick

Long Run Effects of Free School Choice: College Attainment, Employment, Earnings, and Social Outcomes at Adulthood

By: Victor Lavy

NBER Working Paper No. 20843

New version: <http://www.nber.org/papers/w20843>

Earlier version (free): http://www.cesifo-group.de/dms/ifodoc/docs/Akad Conf/CFP CONF/CFP CONF 2014/Conf-ee14-Hanushek/Papers/ee14_Lavy.pdf.

Most research on in the economics of education has focused on educational outcomes, especially test scores. In the past decade, however, a growing literature has begun to analyse the impact on overall well being later in life. In the school choice literature, however, the focus has mostly been on the impact of attending a specific school rather than the overall effect as a result of choice and competition. Furthermore, no one has hitherto been able to analyse the impact of choice and competition on social outcomes in adult life, including employment prospects and earnings.

In this paper, Professor Victor Lavy provides the first ever estimates in this respect. He analyses a school choice experiment at the secondary level in Tel-Aviv, Israel, which started in 1994. The experiment was the first move towards school choice since the Israeli government's decision to enforce compulsory integration via bussing in 1968. The idea behind the experiment was to ensure that poorer kids had access to better schools, stimulate higher achievement via competition, and facilitate a better match between pupils and schools. In 1996, the programme was expanded to another district, and again in 1998, and, finally, in 1999 it included the whole city of Tel-Aviv.

The author's previous research found that the programme had a systemic positive impact on test scores at the end of upper-secondary school on all pupils subjected to the programme. In the new study, he extends this research to also look at later outcomes in life, using rigorous econometric methods to separate causation from correlation. He finds that school choice has important positive effects on a range of longer-term outcomes. First, it increases post-secondary schooling enrolment and years of schooling. The gains were mostly in academic colleges and teacher colleges, among more disadvantaged pupils and in university enrolment and years of university schooling among pupils from higher socio-economic backgrounds.

Most important, however, he finds that being subjected to the school choice programme increased earnings by 7-12 per cent at the age of 28-30. These are sizable gains and can be explained by the improvements in test scores at the end of high school. Furthermore, he finds that school choice also had a strong negative impact on disability transfers and the proportion of pupils eligible for such transfers. However, there were no effects on marriage and fertility outcomes.

The conclusion is that the end of bussing and the introduction of school choice in Tel-Aviv had significantly positive outcomes among pupils also in adulthood. It is important to note that the programme involved a strong increase in choice opportunities given the baseline situation of bussing. In contrast, in England and other western countries, parents most often have the opportunity to move houses in order to change schools prior to the introduction of such programmes. If residential-based school choice also generates positive outcomes, which there is some evidence to suggest, it could perhaps explain why hitherto school choice plans in Europe and America have mostly had small-to-medium positive effects. Moving from bussing to school choice is a much larger step than moving from choice via the mortgage to the slight increases in choice opportunities that school choice programmes can offer in severely supply-restricted school markets. This in turn suggests that expansions of school choice are unlikely to generate large increases in outcomes, unless we simultaneously implement more radical measures to sever the link between residence and school.

Effects of Policy and Practice – Developed World

Experimentally Estimated Impacts of School Vouchers on College Enrolment and Degree Attainment

By: Matthew M. Chingos and Paul Peterson

Journal of Public Economics, volume 122

Published version:

<http://www.sciencedirect.com/science/article/pii/S0047272714002461#>

Working paper version (free):

<http://www.hks.harvard.edu/pepg/PDF/Papers/PEPG12-10.pdf>

This paper provides the first experimental estimates of the long-term impacts of a voucher to attend private school by linking data from a privately sponsored voucher initiative in New York City, which awarded the scholarships by lottery to low-income families, to administrative records on college enrolment and degree attainment. The authors find no significant effects on college enrolment or four-year degree attainment of the offer of a voucher. However, they do find substantial, marginally significant impacts for minority students and large, significant impacts for the children of women born in the United States. Negative point estimates for the children of non-minority and foreign-born mothers are not statistically significant at conventional levels. The information needed to match students to administrative data on postsecondary outcomes was available for 99% of the sample. The authors find evidence of substantial bias due to attrition in the original evaluation, which relied on data collected at follow-up sessions.

Is There an Educational Penalty for Being Suspended from School?

By: Deborah A. Clobb-Clark, Sonja C. Kassenboehmer, Trinh Le, Duncan McVicar, and Rong Zhang

Education Economics, forthcoming

Published version:

<http://www.tandfonline.com/doi/full/10.1080/09645292.2014.980398#.VMJ4oHa0f8o>

Working paper version (free):

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2364166

Suspension from school is a commonly used, yet controversial, school disciplinary measure. This paper uses unique survey data to estimate the impact of suspension on the educational outcomes of those suspended. It finds that while suspension is strongly associated with educational outcomes, the relationship is unlikely to be causal, but rather likely stems from differences in the characteristics of those suspended compared to those not suspended. Moreover, there is no evidence that suspension is associated with larger educational penalties for young people from disadvantaged family backgrounds compared to those from more advantaged family backgrounds. These results hold regardless of whether self-reported suspension or mother-reported suspension is considered. The absence of a clear negative causal impact of suspension on educational outcomes suggests that suspension may continue to play a role in school discipline without harming the educational prospects of those sanctioned.

Curricular Tracking and Central Examinations: Counterbalancing the Impact of Social Background on Student Achievement in 36 Countries

By: Thijs Bol, Jacqueline Witschge, Herman G. Van de Werfhorst, and Jaap Dronkers

Social Forces, volume 92

Published version: <http://sf.oxfordjournals.org/content/92/4/1545>

Working paper version (free):

http://mpa.ub.uni-muenchen.de/44675/1/MPRA_paper_44675.pdf

Tracked educational systems are associated with greater social inequality in children's educational achievement. Until now, research has assumed that the impact of tracking on the inequality of educational opportunity is independent of other educational institutional features. Using data from the 2009 PISA survey, the authors study how central examinations affect the association between tracking and inequality. They find that parental socioeconomic status has a larger effect on student achievement in systems without central examinations, whereas in systems with central examinations, this relationship is attenuated. They argue that central examinations help hold schools accountable for their performance, which (1) encourages schools to allocate students to tracks on the basis of more objective indicators and (2) makes it likely for schools to invest more in lower-track students. Thus, central exams attenuate the stronger impact of parental status on children's performance in tracked educational systems.

The Effect of Education on Religion: Evidence from Compulsory Schooling Laws

By: Daniel M. Hungerman

Journal of Economic Behaviour and Organization, volume 104

Published version:

<http://www.sciencedirect.com/science/article/pii/S0167268113002321>

Working paper version (free):

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1820085

For over a century, social scientists have debated how educational attainment impacts religious belief. In this paper, the author uses Canadian compulsory schooling laws to identify the relationship between completed schooling and later religiosity. He finds that higher levels of education lead to lower levels of religious affiliation later in life. An additional year of education leads to a 4-percentage-point decline in the likelihood that an individual identifies with any religious tradition. This is a reasonably large effect: extrapolating the results to the broader population would suggest that increases in schooling could explain most of the large rise in non-affiliation in Canada in recent decades.

Effects of Policy and Practice – Developing World

Education, HIV, and Early Fertility: Experimental Evidence from Kenya

By: Esther Duflo, Pascaline Dupas, and Michael Kremer

NBER Working Paper No. 20784

Free version: http://web.stanford.edu/~pdupas/DDK_EducFertHIV.pdf

A seven-year randomized evaluation suggests education subsidies reduce adolescent girls' dropout, pregnancy, and marriage but not sexually transmitted infection (STI). The government's HIV curriculum, which stresses abstinence until marriage, does not reduce pregnancy or STI. Both programs combined reduce STI more, but cut dropout and pregnancy less, than education subsidies alone. These results are inconsistent with a model of schooling and sexual behavior in which both pregnancy and STI are determined by one factor (unprotected sex), but consistent with a two-factor model in which choices between committed and casual relationships also affect these outcomes.

The Role of Information on Students' Career Choice and School Effort: Experimental Evidence from Bogotá, Colombia

By: Leonarda Bonilla, Nicolas L. Bottan, and Andrés Ham

Working Paper

Free version:

<http://publish.illinois.edu/andresham/files/2015/01/informationrct.pdf>

This paper estimates the effect of providing information on returns to higher education and funding programs on students' knowledge of institutions, career choices, and school effort. While most studies analyse the role of information at lower educational levels in poor countries, the authors argue that access to higher education is more relevant in middle-income countries with extensive coverage of basic education. Therefore, they target 120 urban public schools in Bogotá, Colombia; and randomly select 60 schools to receive an informational talk. Students attending their final year of high school are surveyed before and after exposure to evaluate how information affects their higher education decisions. The findings reveal that information raises awareness of funding institutions among all treated students but that its effect on other outcomes is heterogeneous. In particular, young women, students with favorable socioeconomic conditions, and highly motivated students seem to benefit the most from this type of intervention.

Improving Early-grade Literacy in East Africa: Experimental Evidence from Kenya and Uganda

By: Adrienne M. Lucas, Patrick J. McEwan, Moses Ngware, and Moses Oketch

Journal of Policy Analysis and Management, volume 33

Published version:

<http://onlinelibrary.wiley.com/doi/10.1002/pam.21782/abstract>

Working paper version (free):

<http://academics.wellesley.edu/Economics/mcewan/PDF/RTL.pdf>

Primary school enrolments have increased rapidly in sub-Saharan Africa, spurring concerns about low levels of learning. This paper analyses field experiments in Kenya and Uganda that assessed whether the Reading to Learn intervention, implemented by the Aga Khan Foundation in both countries, improved early-grade literacy as measured by common assessments. The authors find that Ugandan literacy (in Lango) increased by 0.2 standard deviations. They find a smaller effect (0.08) on a Swahili literacy test in Kenya. They find no evidence that differential effects are explained by baseline differences across countries in student test scores, classroom attributes, or implementation fidelity. A plausible explanation that cannot be directly tested is differential effective exposure to the literacy treatment in the tested languages. Students in Kenya were tested in Swahili, which is not necessarily the main language of instruction in primary schools, despite official policy.

General Education

What High-Achieving Low-Income Students Know About College

By: Caroline Hoxby and Sarah Turner

NBER Working Paper No. 20861

Free version:

http://economics.virginia.edu/sites/economics.virginia.edu/files/ppHoxby_Turner.pdf

Previous work shows that low-income higher achievers tend not to apply to selective colleges despite being extremely likely to be admitted with financial aid so generous that they would pay less than they do to attend the non-selective schools they usually attend. The Expanding College Opportunities project is a randomised controlled trial that provides such students with individualised information about the college application process and colleges' net prices. In other work, the authors show that the informational intervention substantially raises students' probability of applying to, being admitted at, enrolling at, and progressing at selective colleges. In this study, they show that the intervention actually changes students' informedness on key topics such as the cost of college, the availability of the curricula and peers they seek, and the different types of colleges available to them. They highlight topics on which the control students, who experienced no intervention, are seriously misinformed.

Determinants of the International Mobility of Students

By: Michel Beine, Romain Noël, and Lionel Ragot

Economics of Education Review, Volume 41

Published version:

<http://www.sciencedirect.com/science/article/pii/S0272775714000338>

Working paper version (free):

http://www.cepii.fr/PDF_PUB/wp/2013/wp2013-30.pdf

This paper analyses the determinants of the choice of location of international students. Building on the documented trends in international migration of students, the authors identify the various factors associated to the attraction of migrants as well as the costs of moving abroad. Using new data capturing the number of students from a large set of origin countries studying in a set of 13 OECD countries, they assess the importance of the various factors identified in the theory. They find support for a significant network effect in the migration of students, a result so far undocumented in the literature. The authors also find a significant role for cost factors such as housing prices and for attractiveness variables such as the reported quality of universities. In contrast, they do not find an important role for registration fees.