

Macro Roundup Article

Headline: [Marginal Returns to Public Universities](#)

Article Link: <https://www.nber.org/papers/w32296>

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Tweet: Data from public universities in Texas show students whose test scores marginally qualify for their target 4-year state college have higher educational attainment and eventually earn 10% more than counterparts whose scores marginally fail to qualify.

Summary: I use administrative admission records spanning all 35 public universities in Texas, which collectively enroll 10 percent of American public university students, to systematically identify and employ decentralized cutoffs in SAT/ACT scores that generate discontinuities in admission and enrollment. The typical marginally admitted student completes an additional year of education in the four-year sector, is 12 percentage points more likely to earn a bachelor's degree, and eventually earns 5-10 percent more than [a] marginally rejected but otherwise identical counterpart. I derive tight bounds on separate effects for students on the extensive margin of the four-year sector versus those who would fall back to a less-preferred four-year school if rejected. These results revealed a dominant role for the extensive margin in driving the average marginal returns. Related: The Misguided War On The SAT and Diversifying Society's Leaders? The Determinants and Causal Effects of Admission to Highly Selective Private Colleges and How Ivy League Schools Tilt Your Odds in the Lottery of Life

Primary Topic: Education

Topics: Academic paper, College, Database, Education, Test Scores, Wages/Income, Weekly, Workforce

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