

Beyond Truth-Telling: Preference Estimation with Centralized School Choice and College Admissions†

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Introduction

- ◀ Gale-Shapley deferred acceptance (DA) becomes the leading centralized mechanism for the placement of students to public schools at every education level. One main reason is strategy-proofness.
- ◀ Is it reasonable to assume the submitted rank-ordered lists (ROLs) reveal students' true preferences over schools?
- ◀ The truth-telling assumption can be restrictive when students face only limited uncertainty. e.g. Schools rank students by test scores, students with a low test score might skip the highly selective schools in their ROLs.
- ◀ The analysis focus on the student-proposing Gale-Shapley deferred acceptance (DA)

Contributions

- ◀ The paper examines the implications of the truth-telling assumption in the situation with limited uncertainty.
- ◀ The paper proposes a set of novel empirical approaches that are theoretically founded, based on different identifying assumptions: weak truth-telling(WTT), stability and undominated strategies. It also provides statistical tests to guide the choice between these identifying assumptions.
- ◀ The paper evaluates the performance of each approach based on simulated and real-life data. It illustrate the main theoretical results with Monte Carlo simulations. And it applies the empirical approaches to school choice data from Paris.

Discussion

- ◀ The theoretical and empirical results show that it can be rather restrictive to assume truth-telling. Instead, stability provides rich identifying information but weaker than WTT.
- ◀ Bonus point: the paper provides tests for different assumptions. Conditional on parametric assumption of the model.
- ◀ In table 7 it summarizes different features which make each assumption more plausible. Nice guidance for empirical work.
- ◀ Concrete theoretical foundations plus novel empirical approaches. Can extend to settings other than school choice.