

Test-Optional Admissions

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 - ▶ Endogenous test-prep effort (e.g. muddled information; multitasking; ...)

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 - ▶ Borghesan (2023): (1) SAT is informative and not more biased than other measures; (2) dropping it in equilibrium would harm elite colleges; not help minorities.

Aside: uncertainty about what the college wants

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 - Empirically, not clear that this has worked out so far.

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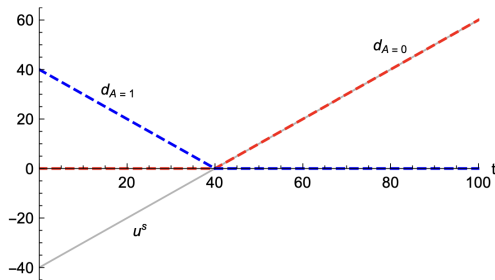


Figure 1 – Disagreement cost from accepting ($A = 1$) and rejecting ($A = 0$) an student.

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 - ▶ Journalism and litigation worse for colleges if there are obvious cases.

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 - ▶ If run by a single elite college, why not make scores "1" or "0"? (Compare AP exams).
 - ▶ U.S. has competing private exam firms, unlike other countries w/ college entrance exams.

Comments: oligopoly

- Empirical DiD lit is about individual colleges dropping exams; this paper is about all of them.
- Are SAT-optional decisions by colleges strategic complements?
 - ▶ If apps costly, not using SAT scores can induce more apps.
 - ▶ Value of taking SAT falls if fewer colleges use it.
 - ▶ If test-prep costly, then a college, j , going test-optional can reduce returns to effort for people who like j .
- Is world in 2023 very different from 2018? Maybe we want model with multiple eqba?

Conclusions

- This paper: colleges are designing the information that society uses to judge them, at some cost.
 - ▶ My view: worth pursuing this channel!
 - ▶ Empirical lit: SAT-optional hasn't increased diversity or ability of entering class so far.
 - ▶ This suggests that we should look for alternative explanations.
 - ▶ Seems very plausible that colleges are trying to hide info used to make decisions.
 - ▶ This paper shows how to get this story to work in equilibrium without fooling people.
 - Disagreement costs: RF for threat of bad press, litigation, legislation, ...
 - ▶ Maybe we (empiricists) should think more about info design, e.g. how would we know if this is going on?
- A lot of interesting stories involve multiple firms:
 - ▶ Many questions for next paper...