

# 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 eqbm would harm elite colleges; not help minorities.

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  - Empirically, doesn't look like this has worked out so far.

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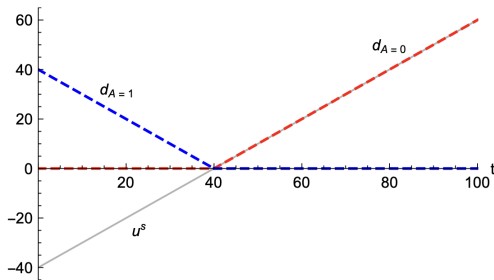


Figure 1 – Disagreement cost from accepting ( $A = 1$ ) and rejecting ( $A = 0$ ) an student.

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



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  - ▶ One exception (see end of this paper): SAT-blind may make some discrimination cases harder.

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- Are SAT-optional decisions by colleges strategic complements?
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  - ▶ 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  $j$ .
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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.

# 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...