Elite Schools and Opting In: Effects of College Selectivity on Career and Family Outcomes

Discussion

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Reiteration

$$Y_i = \beta_0 + \beta_1 SAT_j + \beta_2 X_{1i} + \beta_3 X_{2i} + \epsilon_i$$

- X_{1i} - observed, X_{2i} - unobserved and incorporated in the error term
  - Sub-category
- Problem arises if X_{2i} is correlated with X_{1i} and is predictive for Y_i.
- Because students can anticipate these admission decisions when they decide where to submit their applications, information about their ability (and perceived chances of admission) as well as (unconstrained) preferences will be incorporated into their application choices
- Matched students of **the same gender** who applied to, were accepted to, and were rejected from similar colleges

$$Y_i = \beta_0 + \beta_1 SAT_j + \beta_2 X_{1i} + \beta_3 X_{2i} + \epsilon_i$$

- Identification assumption: Conditional on application acceptance, enrollment is uncorrelated with the unobservables that are correlated with outcome of interest (it's like $Y_i(0)$), it's like an omitted variable

Discussion

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