Task 1: Labor Market Outcomes of Graduates

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Literature suggest that a better quality university possitively affects its graduate's earnings. To measure universities' quality one can use entry standards, fee differentials, faculty salary, among others. In this study, to generate a ranking of universities we want to rank them acording to the stimated fixed effect on average income of the graduates, adding controls.Following the steps, I generated the "classic" rank using "reghdfe" in Stata, that I then included in the outcome equation. Preliminary results suggest that higher-ranked universities would have positive and significant, but small, effect on their graduates' incomes.

The task included generating a value added ranking. I wondered whether I needed to estimate a value added model in order to generate a value added ranking; in that case, it would be more useful to use ENAHO panel data. On the other hand, if someone tells me that it would have been easier just to do a weighted average instead of a estimation, I could say that the weight provided by ENAHO adjust by population, but does not prevent a bias against universities operating in poorer areas.

The following path would be generate a ranking of universities using the altenatives methodologies, graph and compare the results, finally include the choosen ranking in the output equation.