

Quantifying the Perceived Value of Elite Schooling: Effort, Selection, and Investment

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Abstract

Evaluation of education policy hinges on quantifying the value of better schooling. In centralized school choice systems, students devote most of their effort to improving admission test performance, as test scores largely determine access to desirable schools. This study turns to admission exam effort to quantify the value families place on school quality. I employ a policy rule that classifies students as eligible or ineligible for elite schools within the high school admission process in the Mexico City Metropolitan Area, and analyze the difference in test scores at the policy threshold. I find that elite eligibility status raises entrance exam test scores by 0.10 standard deviations, a magnitude that is large when benchmarked against prior evaluations of the same exam, but modest when compared to the 1.8 standard deviations higher test scores required for admission to elite schools.

Keywords: effort, regression discontinuity design, test scores, retaking.

JEL classification: I21, I25, I28.

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