

Table 1: Correlogram of continuous features

	Household Income	HOME	Parental Inv.	Birthweight	Maternal Degree
Household Income <sup>a</sup>					
HOME	0.32****				
Parental Inv. <sup>b</sup>	0.24****	0.26****			
Birthweight	0.10****	0.13****	0.08****		
Maternal Degree <sup>c</sup>	0.46****	0.46****	0.24****	0.19****	
Welfare <sup>d</sup>	0.39****	0.38****	0.22****	0.13****	0.40****

*Notes:* p < .0001 ‘\*\*\*\*’, p < .001 ‘\*\*\*’, p < .01 ‘\*\*’, p < .05 ‘\*’

a: Sum of net monthly salaries in HUF

b: Monthly average spending (HUF) on extra classes, textbooks, transportation, school trips

c: Degree levels ranging from 0 (none) to 10 (doctoral)

d: Subjective evaluation on a scale of 5

	VIF
Household Income	1.44
HOME	1.29
Parental Investments	1.08
Birthweight	1.03
Maternal Degree	1.46
Welfare level	1.27

Table 2: Variance Inflation Factors

Table 3: VAM of Parental Separation Effect on Final Grades

	<i>Dependent variable:</i>						
	Final Grade in 2009						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Separated between 2006 and 2008	−0.050* (0.027)	−0.046* (0.027)	−0.035 (0.027)	−0.024 (0.026)	−0.003 (0.033)	−0.002 (0.033)	−0.003 (0.033)
Separated before 2006	−0.038** (0.015)	−0.044*** (0.015)	−0.027* (0.016)	−0.019 (0.015)	−0.019 (0.019)	−0.016 (0.019)	−0.019 (0.019)
<i>Control variables:</i>							
2006 Final Grade	✓	✓	✓	✓	✓	✓	✓
Student Characteristics		✓	✓	✓	✓	✓	✓
Home Environment			✓	✓	✓	✓	✓
School FE				✓	✓	✓	✓
SES					✓	✓	✓
PSI						✓	✓
Residential Mobility							✓
Observations	6,667	6,553	6,529	6,363	4,682	4,637	4,637
Adjusted R <sup>2</sup>	0.339	0.360	0.365	0.412	0.436	0.436	0.436

*Note:*

\*p<0.1; \*\*p<0.05; \*\*\*p<0.01

	AdjRsqr	AIC	BIC
No Covariates	0.34	11248.14	11282.16
+ Student Characteristics	0.36	10876.79	10958.25
+ Home environment	0.36	10790.58	10885.56
+ School FE	0.41	9931.51	10120.74
+ SES	0.44	7089.03	7359.99
+ PSI	0.44	6993.93	7270.93
+ Residential Mobility	0.44	6994.00	7277.44

Table 4: Penalization Statistics

Group	Time	ATT
2007	2007	0.078
2007	2008	0.082
2007	2009	0.098
2008	2007	0.005
2008	2008	-0.089
2008	2009	-0.020
2009	2007	0.016
2009	2008	-0.018
2009	2009	0.074

Table 5: Unconditional Group-time Average Treatment Effects

*Notes:*

Observations = 28438

Covariates: None

P-value for pre-test of parallel trends assumption: 0.99628.

Group	Time	ATT
2007	2007	-0.070
2007	2008	-0.212
2007	2009	-0.307
2008	2007	-0.130
2008	2008	-0.156
2008	2009	-0.132
2009	2007	-0.107
2009	2008	-0.090
2009	2009	0.038

Table 6: Conditional Group-time Average Treatment Effects

*Notes:*

Observations = 27886

Covariates: Student Characteristics

P-value for pre-test of parallel trends assumption: 0.04986.

Group	Time	ATT
2007	2007	-0.026
2007	2008	-0.135
2007	2009	-0.206
2008	2007	-0.083
2008	2008	-0.115
2008	2009	-0.078
2009	2007	-0.060
2009	2008	-0.064
2009	2009	0.061

Table 7: Conditional Group-time Average Treatment Effects

Notes:

Observations = 27787

Covariates: Student Characteristics + Home Environment

P-value for pre-test of parallel trends assumption: 0.35431.

Group	Time	ATT
2007	2007	0.041
2007	2008	-0.005
2007	2009	-0.022
2008	2007	-0.072
2008	2008	-0.052
2008	2009	-0.035
2009	2007	-0.021
2009	2008	-0.026
2009	2009	0.121

Table 8: Conditional Group-time Average Treatment Effects

Notes:

Observations = 27304

Covariates: Student Characteristics + Home Environment + School FE

P-value for pre-test of parallel trends assumption: 0.79911.

Group	Time	ATT
2007	2007	0.075
2007	2008	0.044
2007	2009	0.059
2008	2007	-0.163
2008	2008	0.063
2008	2009	0.201
2009	2007	-0.102
2009	2008	-0.048
2009	2009	0.171

Table 9: Conditional Group-time Average Treatment Effects

Notes:

Observations = 20346

Covariates: Student Characteristics + Home Environment + School FE + SES

P-value for pre-test of parallel trends assumption: 0.19598.

Group	Time	ATT
2007	2007	0.036
2007	2008	0.006
2007	2009	0.027
2008	2007	-0.191
2008	2008	0.068
2008	2009	0.209
2009	2007	-0.103
2009	2008	-0.061
2009	2009	0.171

Table 10: Conditional Group-time Average Treatment Effects

Notes:

Observations = 20236

Covariates: Student Characteristics + Home Environment + School FE + SES + PSI

P-value for pre-test of parallel trends assumption: 0.12362.

Group	Time	ATT
2007	2007	0.029
2007	2008	0.004
2007	2009	0.030
2008	2007	-0.193
2008	2008	0.070
2008	2009	0.212
2009	2007	-0.101
2009	2008	-0.061
2009	2009	0.173

Table 11: Conditional Group-time Average Treatment Effects

Notes:

Observations = 20236

Covariates: Student Characteristics + Home Environment + School FE + SES + PSI + Residential Mobility

P-value for pre-test of parallel trends assumption: 0.11685.

Covariates	ATT	se	PTA
No Covariates	0.080	0.047	0.996
+ Student Characteristics	-0.193	0.053	0.050
+ Home environment	-0.120	0.052	0.354
+ School FE	0.004	0.054	0.799
+ SES	0.066	0.065	0.196
+ PSI	0.033	0.066	0.124
+ Residential Mobility	0.032	0.068	0.117

Table 12: Upper-bound Aggregated Group-time Average Treatment Effects

Group	Time	ATT
2007	2007	0.018
2007	2008	-0.015
2007	2009	0.022
2008	2007	-0.233
2008	2008	0.111
2008	2009	0.207
2009	2007	-0.104
2009	2008	-0.088
2009	2009	0.153

Table 13: Conditional Group-time Average Treatment Effects

Notes:

Observations = 20236

Covariates: Student Characteristics + Home Environment + School FE + SES + PSI + Residential Mobility

P-value for pre-test of parallel trends assumption: 0.04479.

Covariates	ATT	se	PTA
No Covariates	0.063	0.045	0.700
+ Student Characteristics	-0.218	0.056	0.005
+ Home environment	-0.139	0.058	0.081
+ School FE	-0.006	0.058	0.358
+ SES	0.053	0.066	0.080
+ PSI	0.022	0.064	0.055
+ Residential Mobility	0.020	0.069	0.045

Table 14: Lower-bound Aggregated Group-time Average Treatment Effects

Group	Time	ATT
2007	2007	-0.104
2007	2008	-0.135
2007	2009	0.034
2008	2007	-0.278
2008	2008	0.241
2008	2009	0.263
2009	2007	-0.140
2009	2008	-0.068
2009	2009	0.188

Table 15: Conditional Group-time Average Treatment Effects

Notes:

Observations = 20284

Covariates: Student Characteristics + Home Environment + School FE + SES + PSI + Residential Mobility

P-value for pre-test of parallel trends assumption: 0.12081.

Covariates	ATT	se	PTA
No Covariates	0.063	0.048	0.700
+ Student Characteristics	-0.224	0.074	0.051
+ Home environment	-0.163	0.079	0.085
+ School FE	-0.000	0.075	0.326
+ SES	-0.020	0.089	0.232
+ PSI	-0.041	0.085	0.128
+ Residential Mobility	-0.040	0.084	0.121

Table 16: Lower-bound Aggregated Group-time Average Treatment Effects