

1 Class differences in social networks: Evidence from a referral 1
2 experiment 2

3 Manuel Munoz*, Ernesto Reuben[†], Reha Tuncer[‡] 3

4 June 20, 2025 4

5 **Abstract** 5

6 Lorem Ipsum ([Beaman, Keleher, & Magruder, 2018](#)) 6

7 **JEL Classification:** C93, D03, D83, J24 7

8 **Keywords:** productivity beliefs, referrals, field experiment, skill identification, social 8
9 class 9

*Luxembourg Institute of Socio-Economic Research

[†]Division of Social Science, New York University Abu Dhabi

[‡]University of Luxembourg

1 Introduction

Equally qualified individuals face different labor market outcomes depending on their socioeconomic status (Stansbury & Rodriguez, 2024). A key driver of this inequality is due to differences in social capital.¹ Because it correlates strongly with labor market income, the most important facet of social capital is the share of high-SES connections among low-SES individuals (Chetty et al., 2022b). A lack of social capital means lack of access to individuals with influential (higher paid) jobs and job opportunities. In economic terms, it implies having worse outcomes when using one’s network to find jobs conditional on the capacity on leveraging one’s social network.²

Referral hiring, the formal or informal process where firms ask workers to recommend qualified candidates for job opportunities, is a common labor market practice which makes evident the role of differences in social capital. As referrals originate from the networks of referrers, the composition of referrer networks becomes a crucial channel that propagates inequality: Similar individuals across socio-demographic characteristics form connections at higher rates (McPherson, Smith-Lovin, & Cook, 2001), making across SES (low-to-high) connections less likely than same-SES connections (Chetty et al., 2022b). Referrals will thus reflect similarities in socio-demographic characteristics present in networks even in the absence of biases in the referral procedure, i.e., referring at random from one’s network according to some productivity criteria.

Yet, experimental evidence shows referrals can be biased even under substantial pay-for-performance incentives beyond what is attributable to differences in network compositions, at least for the case of gender (Beaman et al., 2018; Hederos, Sandberg, Kvissberg, & Polano, 2025). A similar bias against low-SES may further exacerbate outcomes of low-SES individuals: If job information are in the hands of a select few high-SES which

¹See for example Bourdieu (1986); Loury (1977) for pioneering work on the relationship between social position and human capital acquisition.

²See for example Lin, Ensel, and Vaughn (1981); Mouw (2003) for differential outcomes while using contacts in job search, and Pedulla and Pager (2019); Smith (2005) specifically for the effects of race conditional on network use.

low-SES have already limited network access to (social capital hypothesis), and high-SES referrers are biased against low-SES, referring other high-SES at higher rates than their network composition, we should expect referral hiring to further disadvantage low-SES.

The empirical question we answer in this paper is whether referrers are biased against low-SES peers after accounting for differences in the network SES composition. We also evaluate the causal impact of two different incentive structures on referral behavior.

In this study, we study inequalities related to SES combining a university-wide cross-sectional network data set comprising over 4,500 students in which classroom interactions are recorded along with individual attributes. We focus on the role of SES in referrals by experimentally investigating whether individuals who are asked to refer a peer tend to refer a same-SES candidate. We also explore potential mechanisms behind referral patterns by randomizing participants into two different incentive structures. To this end, we conducted a lab-in-the-field experiment with 734 students in a Colombian university. Participants were instructed to refer a qualified student for tasks similar to the math and reading parts of the national university entry exam (equivalent of SAT in US system). To incentivize participants to refer qualified candidates, we set earnings dependent on referred candidates' actual university entry exam scores.

Referral hiring in the labor market can range from firm-level formal referral programs asking employees to bring candidates to simply passing on job opportunities between network members (Topa, 2019). As our participants are students at the university and refer based on exam scores, we abstract away from formal referral programs with defined job openings. Our setting instead resembles situations where contacts share opportunities with each other without the need for the referred candidate to take any action and without revealing the identity of the referrer. This eliminates reputational concerns as there is no hiring firm, and puts a lower bound on the expected reciprocity for the referrer in combination with pay-for-performance incentives (Bandiera, Barankay, & Rasul, 2009; Witte, 2021). At the same time, referring based on university entry exam scores are still an objective, widely accepted measure of ability, and we show evidence that referrers in our setting not only possess accurate information about these signals but are also able

to screen more productive individuals from their university network.

In a university setting, class attendance provides essential opportunities for face-to-face interaction between students. On the one hand, this reduces network segregation by providing ample opportunities to meet across-SES, because of the exposure to an equal or higher level of high-SES compared to the population (Chetty et al., 2022a).³ On the other hand, as students take more and more classes together, their similarities across all observable characteristics tend to increase (Kossinets & Watts, 2009), which should drive the high- and low-SES networks to segregate. Our setting is ideal to study these opposing forces: First, The very high level of income inequality and existence of deeply rooted historical groups in Colombia makes SES differences extremely visible in access to tertiary education, where the rich and poor typically select into different institutions (Jaramillo-Echeverri & Álvarez, 2023). Yet, thanks to the particular standing of the institution we have chosen for this study (Figure 1), all SES groups including both low- and high-SES mix together in this university. Second, using administrative data, we are able to reconstruct 734 participants' complete university network based on the number of common courses they have taken together with other students. This allows directly identifying the individual characteristics of those getting referrals among all possible candidates, as well as descriptive characterizations of similarity (e.g., in same-SES share) in student networks as a function of the number of classes taken.

We find strong evidence that networks of high- and low-SES participants exhibit same-SES bias. Both groups are connected at higher rates with their own SES group than what would be at random given actual group shares at the university (Figure 7). As students take more courses together within the same program, their networks dwindle in size (Figures 8a and 8b), and become more homogenous in SES-shares (Figure 9). We identify selection into academic programs as a key mechanism. The private university where our study took place implements exogenous cost-based program pricing and does

³In a different sample from the same university population, Díaz, Munoz, Reuben, and Tuncer (2025) show this holds true for the highest-SES individuals at this institution, accounting for about 6% of their sample but less than 5% of Colombian high-school graduates Fergusson and Flórez (2021a).

not offer SES-based price reductions. These result in programs with very large cost differences within the same university (Figure 10). We find that average yearly fee paid per student increases with SES, and the high-SES share in the most expensive program at the university, medicine, drives the network segregation across SES (Figure 11).

Do segregated networks account for all the differences in SES referral rates across SES groups? Although same-SES referrals are 17% more common than is suggested by referrer networks, controlling for these, we find no general SES-bias against beyond what is attributable to network composition. Regardless of SES, participants refer productive individuals, and referred candidates are characterized by a very high number of courses taken together. The latter underlies the impact of program selection, where smaller and more homogenous parts of the networks are activated for referrals made in our setting. Our treatment randomized participants across two different incentive schemes by adding a substantial monetary bonus (\$25) for the referred candidate on top of the pay-for-performance incentives. We provide evidence that treatment incentives did not change the referral behavior across the same-SES referral rate, the number of courses taken together with the referral candidate, and the candidate’s exam scores.

This paper contributes to the literature on referral experiments by solving the challenge of observing the entire referral network. Earlier research could only compare referrals made across different incentive structures or experimental instructions and make according conclusions. For example, when participants are paid on the basis of their referred candidate’s productivity instead of receiving a fixed finder’s fee (Beaman & Magruder, 2012), or when participants are restricted to refer either a male or female candidate instead of freely (Beaman et al., 2018). Pallais and Sands (2016) recruited a random sample of nonreferred workers to compare with referred ones, but none of the previous studies could provide a direct comparison of the referral choice set with those who were selected by participants. Closest to our work is the work of Hederos et al. (2025), who elicited friendship networks by asking referrers to name 5 friends. Their findings suggest only half of those who were referred were from the elicited friendship network, and thus is not a complete observation of the referral choice set. Although

commonplace, censored elicitation methods also result in underestimating network effects (Griffith, 2022) and may suffer from biases in recall. We are able to take our analysis one step further by asking for referrals from the enrollment network, where we have complete information on every single connection that may or may not get a referral. This allows us to neatly separate the effect of the network composition from any potential biases stemming from the referral procedure itself.

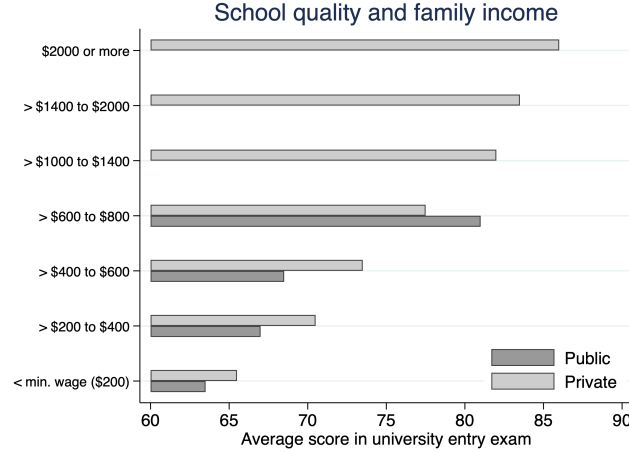
Second, we build upon to the earlier work on SES-biases in referrals. To our knowledge, the first to study SES-biases in referrals are Díaz et al. (2025), and our study is conceptually the closest to theirs. Drawing from a similar sample from the same institution, Díaz et al. (2025) focus on referrals from first year students made within mixed-program classrooms, and find no evidence for an aggregate bias against low-SES. We also find no aggregate bias against low-SES in referrals. Our setup differs as we sample from students who completed their first year and impose no limits on referring from a classroom. This has several implications: We find that referrals in our setup go to individuals within the same program, and that programs have different SES-shares which become more even more accentuated as students take more courses together. While networks drive inequality in referral outcomes because of the institutional environment in our sample, we have no reason to believe first year student networks in Díaz et al. (2025) have similar levels of segregation to begin with. Following the recent evidence, implementing more mixed-program courses which allow for across-SES mixing can be a clear policy goal (Alan, Duysak, Kubilay, & Mumcu, 2023; Rohrer, Keller, & Elwert, 2021).

Finally, we contribute to the growing literature on SES differences in the labor market, expliciting the role of networks as a driver of inequality. Stansbury and Rodriguez (2024) find that low-SES researchers coauthor more often with other low-SES, and have networks that have lower values which can explain why

The remainder of the paper is organized as follows. Section 2 begins with the background and setting in Colombia. In Section 3 we present the design of the experiment. In Section 4 we describe the data and procedures. Section 5 discusses the results of the

147 experiment. Section 6 concludes. The Appendix presents additional tables and figures 147
 148 as well as the experiment instructions. 148

Figure 1: Income, performance, and university choice in Colombia



Note: This figure shows the average score national university entry exam by family income and type of higher education institution. With average student score in the 65-70 band, the private university where we conducted this experiment caters to low- and high-SES students. Figure reproduced from [Fergusson and Flórez \(2021b\)](#).

149 2 Background and Setting 149

150 Our study takes place at UNAB, a medium-sized private university in Bucaramanga, 150
 151 Colombia with approximately 6,000 enrolled students. The university’s student body 151
 152 is remarkably diverse with about 35% of the students classified as low-SES, and 15% 152
 153 high-SES. Diversity at this institution provides a unique research setting as Colombian 153
 154 society is highly unequal and generally characterized by limited interaction between 154
 155 social classes, with different socioeconomic groups separated by education and geographic 155
 156 residence.⁴ Despite significant financial barriers, many lower and middle-SES families 156

⁴Colombia has consistently ranked as one of the most unequal countries in Latin America ([World Bank, 2024](#)), with the richest decile earning 50 times more than the poorest decile ([United Nations, 2023](#)). This economic disparity is reflected by a highly stratified society with significant class inequalities and

157 prioritize university education for their children ([Hudson & Library of Congress, 2010](#), 157
158 p. 103), and UNAB represents one of the few environments in Colombia where sustained 158
159 inter-SES contact occurs naturally (see Figure 1). 159

160 In 1994, Colombia introduced a nationwide classification system dividing the popu- 160
161 lation into 6 strata based on housing characteristics and neighborhood amenities.⁵ We 161
162 use this classification as the measure of SES in our experiment: Students in strata 1 to 162
163 2 are categorized as low-SES, strata 3 to 4 as middle-SES and those in strata 5 to 6 as 163
164 high-SES. 164

165 We invited via email all 4,417 UNAB undergraduate students who had at the time of 165
166 recruitment completed their first year at the university to participate in our experiment. 166
167 837 students who joined (19%) vary in terms of their academic programs, SES, and 167
168 progress in their studies. This setup provides a unique opportunity for collaborative 168
169 inter-class contact on equal status, whose positive effects on reducing discrimination are 169
170 casually documented ([Lowe, 2021](#); [Mousa, 2020](#); [Rao, 2019](#)). 170

171 Undergraduate programs at UNAB are spread across two semesters, with each indi- 171
172 vidual course lasting one semester. Students take between 5 to 7 courses per semester, 172
173 with programs lasting anywhere between 4 to 12 semesters (2 to 6 years). Medicine, 173
174 the largest program by size at UNAB, lasts for 12 semesters, followed by engineering 174
175 programs at 10 semesters. Most remaining programs lasting for about 8 to 10 semesters, 175
176 with specialized programs for immediate entry into the workforce lasting only 4. 176

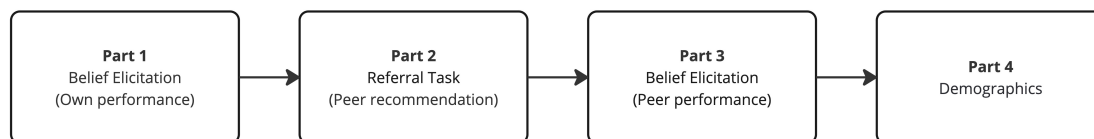
limited class mobility ([Angulo, Gaviria, Pérez, & Azevedo, 2012](#); [García, Rodríguez, Sánchez, & Bedoya, 2015](#)).

⁵Initially designed for utility subsidies from higher strata (5 and 6) to support lower strata (1 to 3), it now extends to university fees and social program eligibility. Stratum 4 neither receives subsidies nor pays extra taxes. This stratification system largely aligns with and potentially reinforces existing social class divisions ([Guevara S & Shields, 2019](#); [Uribe-Mallarino, 2008](#)).

3 Design

We designed an experiment to assess peer referral behavior from an SES perspective and to causally evaluate the effect of different incentive structures on referrals. The study design consists of a single online experiment organized at the university level (see Figure 2). The instructions are provided in Appendix B.

Figure 2: Experiment Timeline



Note: Participants first report beliefs about their own national university entry exam performance, then recommend peers for each academic area. In the final part, they report beliefs about their recommendations' performance and provide demographic information. This order is implemented for all participants.

3.1 Productivity measures

To establish an objective basis for referral productivity, we use national university entry exam scores (SABER 11). These scores provide pre-existing, comparable measures of ability across two domains relevant for the labor market. By using existing administrative data, we eliminate the need for additional testing and ensure that all eligible students have comparable productivity measures. The scores we use in this experiment comprise of critical reading and mathematics parts.

Critical reading evaluates competencies necessary to understand, interpret, and evaluate texts found in everyday life and broad academic fields (e.g., history). This measures students' ability to comprehend and critically evaluate written material. Mathematics assesses students' competency in using undergraduate level mathematical tools (e.g., reasoning in proportions, financial literacy). This captures quantitative reasoning and problem-solving abilities.

For each area, we calculate percentile rankings based on the distribution of scores among all currently enrolled UNAB students, providing a standardized measure of relative performance within the university population.

3.2 Referral task

After eliciting beliefs about their own performance, participants engage in incentivized peer recommendations. For both test areas (critical reading and mathematics), participants recommend one peer they believe excels in that domain. We first present an example question from the relevant test area to clarify what skills are being assessed. Participants then type the name of their recommended peer, with the system providing autocomplete suggestions from enrolled students who have taken the test (see Figure 3).

Figure 3: Referral task interface

Your recommendation

We are interested in your recommendation of the person you consider best to solve similar problems to those in the **Math test**.

- * Only someone with whom you have taken at least one class...
- * We will not contact your recommendation...

Please write the name of your recommendation:

John
John Lennon (Music - 2018)
John Stuart Mill (Law - 2020)

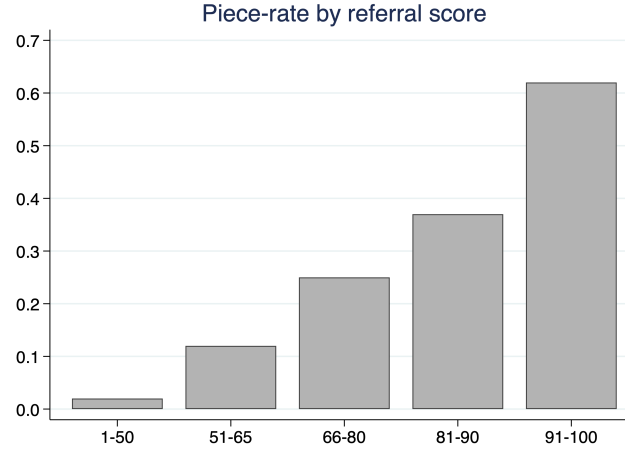
Note: This illustration shows how the system provides suggestions from enrolled students with their program and year of study from the administrative database.

Participants can only recommend students with whom they have taken at least one class during their university studies. This requirement ensures that referrals are based on actual peer interactions and overlap with the enrollment network that we construct. The order in which participants make recommendations across the two areas is randomized.

We incentivize referrals using a productivity-based payment scheme. Referrers earn increasing monetary rewards as the percentile ranking of their recommendation increases (see Figure 4). We multiply the piece rate coefficient associated to the percentile rank

with the actual test scores of the recommendation to calculate earnings. This payment structure provides strong incentives to screen for highly ranked peers, with potential earnings up to \$60 per recommendation.⁶

Figure 4: Referral incentives



Note: This figure shows how the piece rate coefficient increases as a function of the referral ranking in the university, providing incrementally higher rewards for higher ranked peers.

3.3 Treatment variation

We implement a between-subjects treatment that varies whether the recommended peer also receives payment. In the **Baseline** treatment, only the referrer can earn money based on their recommendation's productivity. The **Bonus** treatment adds an additional fixed payment of \$25 to any peer who is recommended in the randomly selected area for payment. This payment is independent of the peer's actual productivity (see Figure 1).

Participants are informed about their treatment condition before making recommendations through both video and text instructions. The treatment is assigned at the individual level, allowing us to compare referral outcomes across conditions.

⁶Due to the selection into the university, the actual test score distribution has limited variance. Below a certain threshold students cannot qualify for the institution and choose a lower ranked university, and above a certain threshold they have better options to choose from.

Table 1: Incentive structure by treatment

	Baseline	Bonus
Referrer (sender)	Productivity-based	Productivity-based
Recommendation (receiver)	No payment	Fixed reward

3.4 Belief elicitation

We elicit incentivized beliefs at two points in the experiment. First, before making referrals, participants report their beliefs about their own percentile ranking in each test area. Second, after making each referral, participants report their beliefs about their recommendedation’s percentile ranking. For both belief elicitation tasks, participants earn \$5 if their guess is within 7 percentiles of the true value. This tolerance level is expected to balance precision with the difficulty of the task.

4 Sample, Incentives, and Procedure

We invited all 4,417 UNAB undergraduate students who had at the time of recruitment completed their first year at the university to participate in our experiment. A total of 837 students took part in the data collection with a 19% response rate. Our final sample consists of 734 individuals who referred peers with whom they have taken at least one class together, resulting in an 88% success rate for the sample. We randomly allocated half of the participants into either **Baseline** or **Bonus** treatments. Table 2 presents key demographic characteristics and academic performance indicators across treatments (see Appendix Table A.1 for selection). The sample is well-balanced between the **Baseline** and **Bonus** conditions and we observe no statistically significant differences in any of the reported variables (all p values > 0.1). Our sample is characterized by a majority of middle-SES students with about one-tenth of the sample being high-SES students. The test scores and GPA distributions are balanced. On average, participants took 3.8 courses together with their network, and the average network consisted of 175 peers.

Table 2: Balance between treatments

	Baseline	Bonus	<i>p</i>
Reading score	64.712	65.693	0.134
Math score	67.366	67.597	0.780
GPA	4.003	4.021	0.445
Connections	173.40	176.88	0.574
Courses taken	3.939	3.719	0.443
Low-SES	0.419	0.401	0.615
Middle-SES	0.492	0.506	0.714
High-SES	0.089	0.094	0.824
Observations	382	352	734

Note: This table presents balance tests between **Baseline** and **Bonus** conditions. *p*-values for binary outcomes are from two-sample tests of proportions; for continuous variables, from two-sample *t*-tests with unequal variances. All reported *p*-values are two-tailed. Reading and math scores are in original scale units out of 100. GPA is grade point average out of 5. Connections refers to the average number of network members. Low-SES, Med-SES, and High-SES indicate SES categories based on strata.

245 The experiment was conducted online through Qualtrics, with participants recruited 245
246 from active UNAB students. To manage budget constraints while maintaining sufficient 246
247 incentives, we randomly selected one in ten participants for payment. Selected partici- 247
248 pants received a fixed payment of \$17 for completion, plus potential earnings from one 248
249 randomly selected belief question (up to \$5) and one randomly selected recommendation 249
250 question (up to \$60), for maximum total earnings of \$82. The average time to complete 250
251 the survey was 30 minutes, with an average compensation of \$80 for one in ten par- 251
252 ticipants randomly selected for payment. Payment processing occurred through online 252
253 banking platform Nequi within 15 business days of participation. 253

5 Results

5.1 Network characteristics

We begin by describing the characteristic features of the “enrollment network” for all participants. This data set pairwise associates every participant in our sample with another university student if they have taken at least one course together at the time of the data collection. By doing so, we construct the entire referral choice set for participants. We include in this data set both the participant’s and their potential candidate’s individual characteristics, as well as the number of common courses they have taken together. In Figure 5, we describe the evolution of the enrollment network across the average number of network connections in network and the number of common courses taken with network members as participants progress through semesters.

Figure 5: Network size and courses taken together by time spent at the university

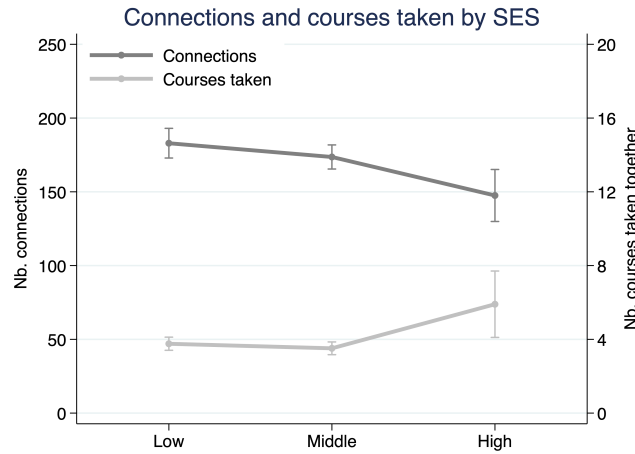


Note: This figure displays the average number of connections in blue and the average number of classes they have taken together with their connections in grey across semesters spent. The data shows an increase in the number of classes taken together as students progress in their programs, with the connections peaking around 7 semesters and dropping as certain students finish their bachelor’s.

Are enrollment networks different across SES groups? We look at how the number of

connections (network size) and number of courses taken together (tie strength) change across SES groups in Figure 6. Low- and middle-SES students have larger networks but take fewer courses together with network members, while high-SES students have smaller, “denser” networks. Specifically, both low- and middle-SES students have significantly larger networks than high-SES students ($t = 3.03, p = .003$ and $t = 2.49, p = .013$, respectively), but high-SES take significantly more courses with their network members than both low- ($t = -3.70, p < .001$) and middle-SES ($t = -4.20, p < .001$).

Figure 6: Network size and courses taken together by SES



Note: This figure displays the average number of connections and the average number of classes taken together across SES groups. The data shows a decrease in the number of connections with SES, and an associated increase in the number of classes taken together.

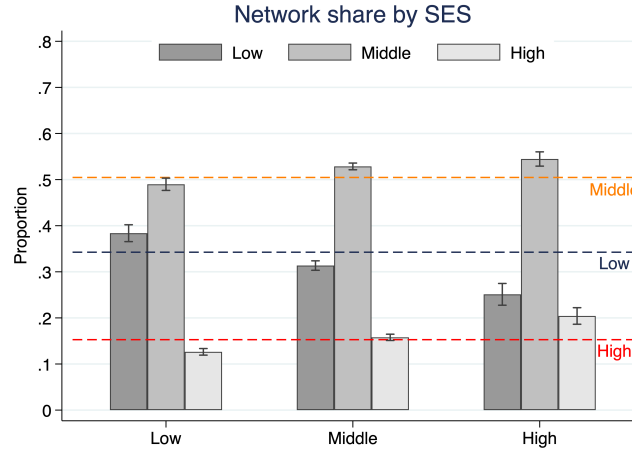
5.2 SES diversity in networks

What are diversity related consequences of SES-driven differences across networks? In terms of network compositions, SES groups may connect at different rates with other SES groups than at random (Figure 7).⁷ Our results reveal modest deviations from

⁷Because we estimate the share of SES groups in every individual network, we get very precise estimates of the actual means. However, it is important to note that these are not independent observations for each network. Estimates are precise because each network is a draw with replacement from the same pool of university population, from which we calculate the proportion of SES groups per individual

277 university-wide SES composition across groups. Low-SES students have networks with 277
 278 38.4% low-SES peers compared to the university average of 34.3%, middle-SES students 278
 279 connect with 52.9% middle-SES peers versus the university average of 50.5%, and high- 279
 280 SES students show 20.4% high-SES connections compared to the university average of 280
 281 15.3%. 281

Figure 7: Network shares of SES groups



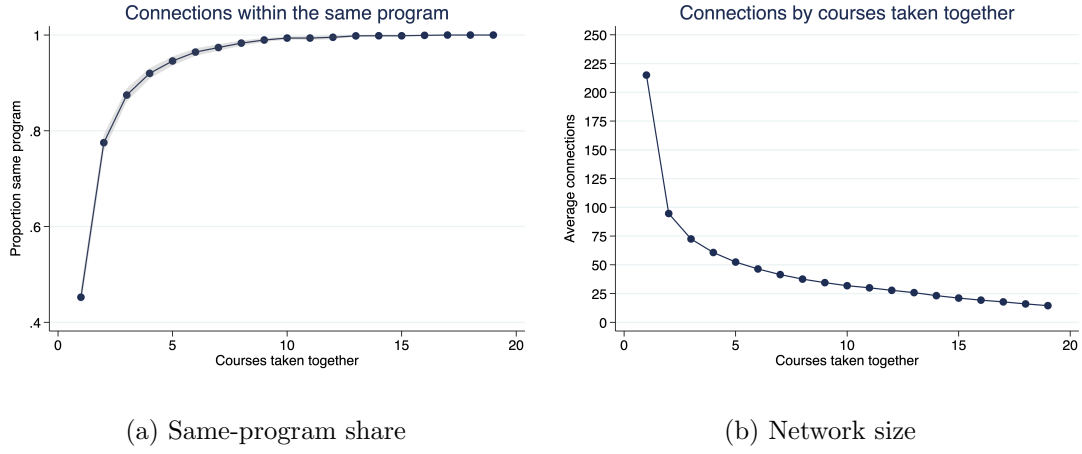
Note: This figure compares the network shares of SES groups in the networks of low-, middle-, and high-SES participants. Horizontal lines plot the university-wide shares of each SES group (Low: 35%, Mid: 51%, High: 14%). While the share of low-SES peers in the network decreases as the SES of the group increases, the share of high-SES peers in the network increases.

282 At the same time, we observe much larger differences between SES groups in how 282
 283 they connect on average with others. Low-SES students connect with other low-SES stu- 283
 284 dents at higher rates than middle-SES students (38.4% vs 31.4%) and high-SES students 284
 285 (38.4% vs 25.1%). Conversely, high-SES students connect more with other high-SES stu- 285
 286 dents than both low-SES students (20.4% vs 12.6%) and middle-SES students (20.4% vs 286
 287 15.8%). Middle-SES students are in between the two extreme patterns, connecting with 287
 network, and take the average over an SES group. Pooling over SES groups who are connected with
 similar others systematically reduces variance (similar to resampling in bootstrapping). For this reason
 we choose not reporting test results in certain sections including this one and focus on describing the
 relationships between SES groups.

middle-SES peers at higher rates than low-SES students (52.9% vs 49.0%) but lower rates than high-SES students (52.9% vs 54.5%). These findings indicate SES-based network segregation, with same-SES homophily patterns across groups.

So far we have looked at the entire network without considering the intensity of connections between students. In our network data set, this variable amounts to the number of classes taken together with peers. As we will see in the next section, referrals go to peers with whom participants have taken on average 14 courses with, implying the intensity of the connection matters. We begin by dissecting what the intensity means in our context. As students take more courses together, the proportion of peers from the same academic program quickly goes beyond 95% (see Figure 8a). Similarly, the average network size drops very quickly from above 210 to below 50 (see Figure 8b). Both results indicate that actual referral considerations originate from a much smaller pool of individuals from the same academic program.

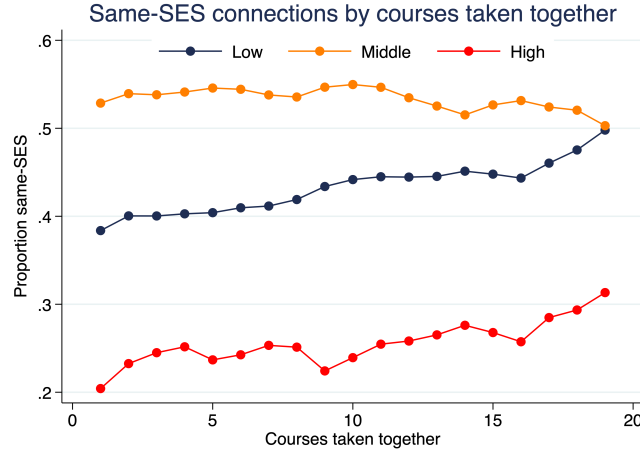
Figure 8: Network characteristics and courses taken together



Note: The left panel illustrates the share of connections within the same program as a function of the number of courses taken together. The right panel shows the average network size as a function of the number of courses taken together. Taking more than 5 courses together with a network member means on average 90% chance to be in the same program. Similarly, past 5 courses together, the average network size dwindles by 80%, from more than 210 individuals to below 50.

301 What are the diversity implications of increasing the intensity of connections between 301
 302 students? As students take more courses together with peers, the share of same-SES 302
 303 peers in the networks of low- and high-SES increases while the share of middle-SES 303
 304 declines (see Figure 9). Both increases are substantial, amounting to 50% for high-, and 304
 305 30% for low-SES. Combining these with the earlier result that beyond 5 courses taken 305
 306 together network members are almost entirely within the same program, these suggest 306
 307 program selection may have strong consequences for SES diversity in our setting. 307

Figure 9: Network size and courses taken together by courses taken

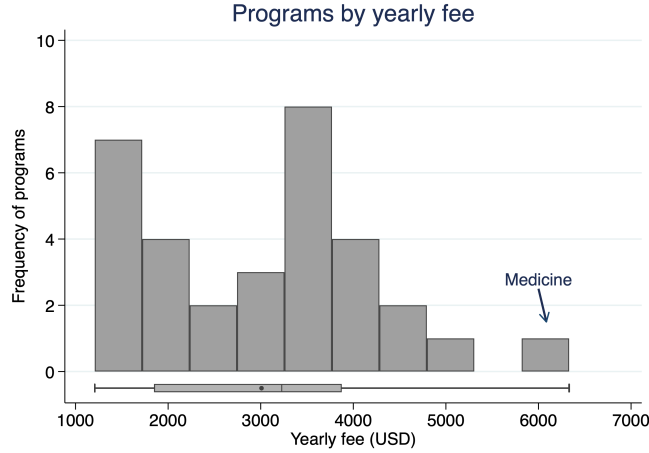


Note: This figure illustrates the shares of same-SES connections for low-, middle-, and high-SES as a function of the average number of courses taken together with network members. Low- and high-SES networks both become more homogenous as the average number of courses taken together with their connections increase.

5.3 Program selection and SES diversity

Academic programs at this university are priced based on how much they cost, and typically less than 5% of students receive any kind of scholarship (Díaz et al., 2025). Based on these, we first calculate how much every program at the university is expected to cost students per year (see Figure 10). Considering that net minimum montly wage stands at \$200 and the average Colombian salary around \$350, the cost difference between programs are large enough to make an impact of program selection. Is it the case that SES groups select into programs with financial considerations?

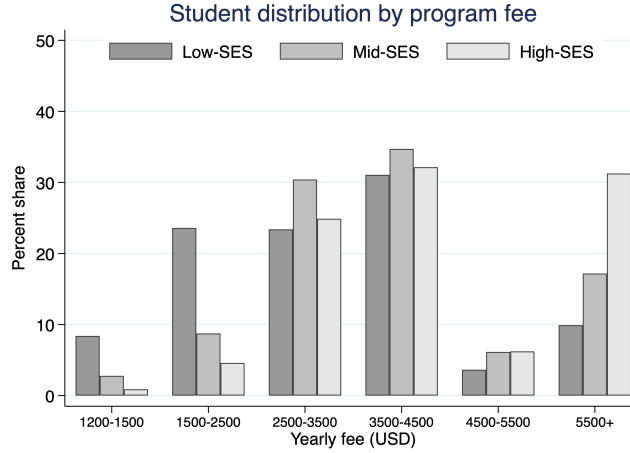
Figure 10: Programs sorted by fee



Note: This figure illustrates the distribution of programs at the university by their average yearly fee. The average yearly fee stands at \$3000, and medicine is an outlier at \$6000.

We look at how SES groups are distributed across programs to see evidence of SES-based selection (see Figure 11). Indeed, low-SES students select into more affordable programs, followed by middle-SES students. High-SES students sort almost exclusively into above-average costing programs, with a third selecting into medicine and creating a very skewed distribution. The distributions are significantly different across all pairwise comparisons: low-SES vs. middle-SES (Kolmogorov-Smirnov test $D = 33.89, p < 0.001$), low-SES vs. high-SES ($D = 31.31, p < 0.001$), and middle-SES vs. high-SES ($D = 31.31, p < 0.001$). With this finding, program selection could be the reason why low- and high-SES networks tend to segregate as the number of courses taken increases. The next section characterizes the referrals, and we will return to the diversity implications of program selection once we propose an understanding of how referrals were made.

Figure 11: Programs sorted by fee



Note: This figure illustrates the distribution of each SES group across programs sorted by fee. the majority of low-SES select into programs with below average cost, while high-SES select into programs with above average cost. Medicine accounts for a third of all high-SES students at this university.

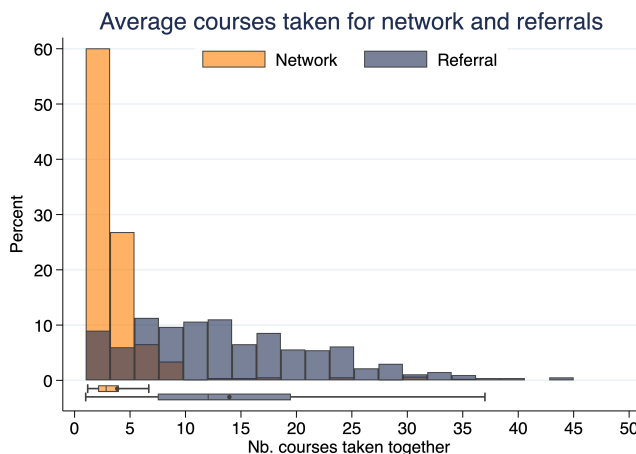
5.4 Characterizing referrals

We observe 1342 referrals from our 734 participants in our final data set. More than 90% of these consist from participants referring for both areas of the national entry exam (see Appendix Table A.2). While participants made one referral for Math and Reading parts of the exam, about 70% of these referrals went to two separate individuals. We compare the outcomes across areas for unique referrals in Appendix Table A.3 and all referrals in Appendix Table A.4. In both cases, we find no meaningful differences between referrals made Math or Reading areas of the entry exam. As referrals in both exam areas come from the same referrer network, we pool referrals per participant and report their average in terms of outcomes in our main analysis to avoid unintentionally increasing the statistical power of our tests when making comparisons.

What are the characteristics of the individuals who receive referrals, and how do they compare to others in the enrollment network? Because we have an entire pool of potential candidates with one referral chosen from it, we compare the distributions for our variables

of interest between the referred and non-referred students. First, referrals go to peers with whom the referrer has taken around 14 courses with on average, compared to almost 4 on average with others in their network (see Figure 12). This difference of 10.1 courses is significant ($t = 34.98$, $p < 0.001$), indicating that referrers choose individuals with whom they have stronger ties. While the median referral recipient has taken 12 courses together with the referrer, the median network member has shared only 2.8 courses. The interquartile range for referrals spans from 7.5 to 19.5 courses, compared to just 2.1 to 4.0 courses for the broader network, highlighting the concentration of referrals among peers with high social proximity and within same program (93%).

Figure 12: Courses taken together with network members and referrals

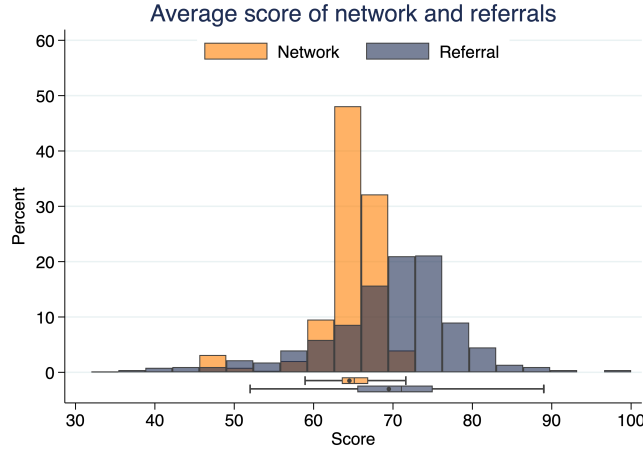


Note: This figure compares the distributions of the number of courses taken together between referrers and their network members (orange) versus referrers and their chosen referral recipients (dark blue) for all 734 participants. 75% of referral recipients having taken more than 7.5 courses together with the referrer, compared to only 25% of network members. The distributions are significantly different (Kolmogorov-Smirnov test $D = 33.37$, $p < 0.001$).

Second, we examine entry exam score differences between referred students and the broader network. Referrals go to peers with an average score of 69.5 points, compared to 64.5 points for other network members (see Figure 13). This difference of 5 points is significant ($t = 18.97$, $p < 0.001$), indicating that referrers choose higher-performing peers.

While the median referral recipient scores 71 points, the median network member scores 65.1 points. The interquartile range for referrals spans from 65.5 to 75 points, compared to 63.5 to 66.9 points for the broader network, highlighting the clear concentration of referrals among higher performing peers.

Figure 13: Entry exam scores of network members and referrals



Note: This figure compares the distributions of entry exam scores (Math and Reading average) between referrers' network members (orange) versus their chosen referral recipients (dark blue) for all 734 participants. 75% of referral recipients score above 65.5 points compared to only 25% of network members scoring above 66.9 points. The distributions are significantly different (Kolmogorov-Smirnov test $D = 71.16$, $p < 0.001$).

5.5 Effect of the Bonus treatment

Do referred individuals have different outcomes across treatments? We compare the performance, number of courses taken together, and SES shares of referred individuals between the **Baseline** and **Bonus** treatments in Table 3. While performance of referrals across Reading, Math, and GPA are similar across treatments, middle- and high-SES shares have significant differences. We find that referrals under the **Bonus** condition referred a higher proportion of high-SES individuals (13.5% vs 8.8%, $p = 0.041$) and a lower proportion of middle-SES individuals on average (47.0% vs 53.7%, $p = 0.072$). However, these differences do not appear to stem from systematic behavioral changes by

any particular SES group of referrers, and the overall patterns remain largely consistent across treatments. The similarities in academic performance and number of courses taken together suggest that the core selection criteria, i.e., academic merit and social proximity, remain unchanged between conditions. For this reason, in the remainder of the paper, we report pooled results combining the averages of referral outcomes across treatments.

Table 3: Characteristics of referrals by treatment condition

	Baseline Referred	Bonus Referred	<i>p</i>
Reading score	67.806	67.210	0.308
Math score	70.784	70.155	0.406
GPA	4.155	4.149	0.799
Courses taken	13.840	14.065	0.723
Low-SES	0.376	0.395	0.593
Middle-SES	0.537	0.470	0.072
High-SES	0.088	0.135	0.041
Observations	382	352	

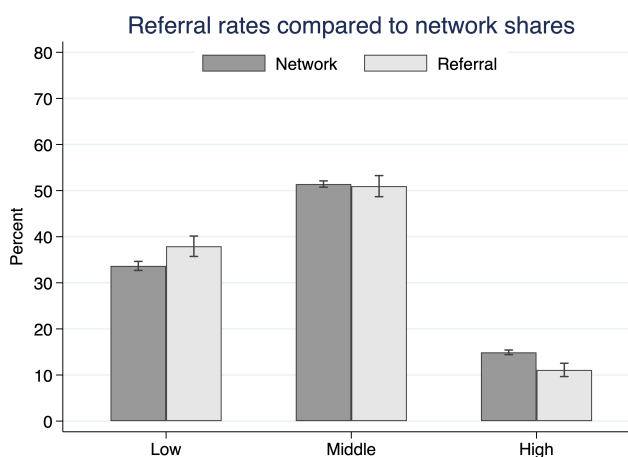
Note: This table compares the characteristics of network members who were referred under baseline vs bonus treatment conditions. *p*-values for binary outcomes are from two-sample tests of proportions; for continuous variables, from two-sample *t*-tests with unequal variances. All reported *p*-values are two-tailed. Reading and math scores are raw test scores out of 100. GPA is grade point average out of 5. Courses taken is the number of courses participant has taken with their referral. Low-SES, Med-SES, and High-SES are binary variables indicating the share of participants in estrato 1-2, 3-4, or 5-6, respectively. Both columns include only network members who were actually nominated for referral in each treatment condition.

5.6 Referral SES composition

We first examine the overall SES-compositions in referral selection. Referrals to low-SES peers constitute 37.9% of all referrals, compared to 33.7% low-SES representation in individual networks (see Figure 14). This represents a modest over-representation

of 4.3 percentage points. For middle-SES students, referrals constitute 51.0% versus 51.4% network representation, showing virtually no difference (-0.5 pp.). High-SES referrals account for 11.1% compared to 14.9% network share, an under-representation of 3.8 percentage points. While these patterns suggest some deviation from proportional representation - with slight over-referral to low-SES peers and under-referral to high-SES peers - the magnitudes are relatively modest. Overall, referral compositions are largely balanced and closely mirror the underlying network structure, with the largest deviation being less than 5 percentage points for any SES group.

Figure 14: Referral patterns compared to network composition

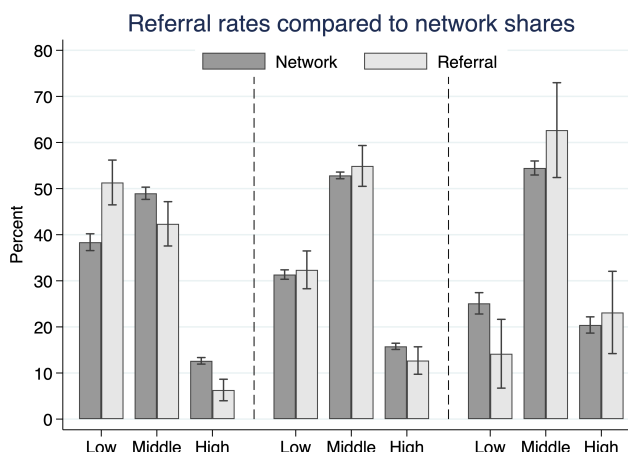


Note: This figure compares the average SES composition of referrers' networks (dark gray) to the SES composition of referrals (light gray). Error bars represent 95% confidence intervals.

Then, we examine referral patterns by referrer SES to identify potential SES biases across groups. Figure 15 reveals mixed patterns of deviation from network composition that vary by referrer SES. Most patterns show modest deviations from network composition, with differences typically ranging from 1-6 percentage points. However, at the very extremes, i.e., low-SES to high-SES connections and vice versa, we observe the the largest discrepancies between network share (which were already biased toward same-SES connections to begin with) and referral rates. Low-SES referrers show the strongest same-SES preference, referring 12.9 percentage points more to low-SES students than

393 their network composition would suggest, while under-referring to high-SES recipients 393
 394 by 6.3 percentage points. Conversely, high-SES referrers under-refer to low-SES stu- 394
 395 dents by 10.9 percentage points compared to their network composition. Middle-SES 395
 396 referrers show the most balanced patterns, with deviations generally under 3 percent- 396
 397 age points across all recipient groups. These findings indicate that cross-SES referral 397
 398 patterns - particularly between the most socioeconomically distant groups - show the 398
 399 largest departures from network availability, suggesting that when SES differences are 399
 400 most pronounced, referral behavior diverges most from underlying network structure. 400

Figure 15: Referral patterns by referrer SES compared to network composition



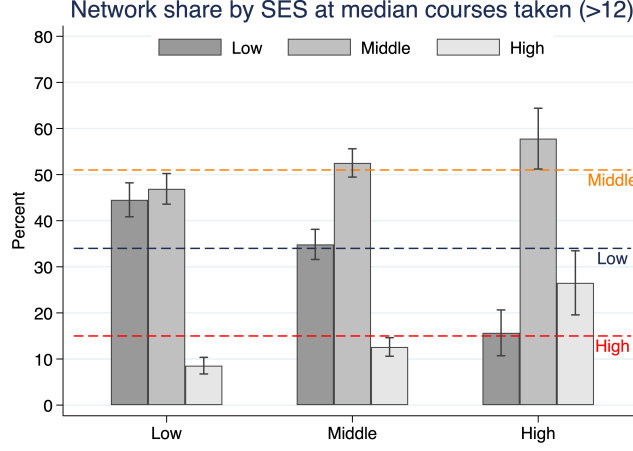
Note: This figure compares the average SES composition of referrers' networks (dark gray) to the SES composition of referrals (light gray) for each SES group. The panels show referral patterns for low-SES (left), middle-SES (center), and high-SES referrers (right). Error bars represent 95% confidence intervals.

5.7 Ex post referral choice sets

402 We now shed more light on the referral behavior after having characterized how refer- 402
 403 rals were made. Particularly interesting is that referrals go to peers with whom the 403
 404 median participant took 12 courses, with an average of 14. By restricting the networks 404
 405 for courses taken above the median, we can get a snapshot of how the referral choice 405

set actually looked for participants before making referral decisions. As discussed in
 Section 5.2, taking more courses with network members increases the share of same-SES
 individuals for both low- and high-SES students, and we had explored program selection
 as a potential mechanism. In Figure 16, we show the effects of network segregation
 on *ex post* referral choice sets for each SES group. Network compositions above the
 median number of courses taken reveal strong segregation effects: Low-SES networks
 contain 44.5% low-SES peers, higher than the 35% university-wide share by 9.5 percent-
 age points. Conversely, high-SES are under-represented in low-SES networks at only
 8.6% average share, compared to the 14% population share (-5.4 pp.). At the other ex-
 treme, high-SES networks show the reverse pattern with average low-SES share dropping
 to just 15.7%, a 19.3 percentage point decrease relative to the university average. High-
 SES students have a same-SES concentration at 26.5%, doubling their 14% population
 share ($+12.5$ pp.). Middle-SES networks remain relatively balanced and closely track
 population proportions across all SES groups. Taken together, these suggest observed
 referral rates of SES groups may follow the network compositions above median number
 of courses taken together. We will test this formally by setting up a choice model where
 we can take into account individual differences in network compositions across SES, and
 try to identify SES biases that go beyond SES groups' availability in the choice sets.

Figure 16: Network size and courses taken together by courses taken



Note: This figure compares the network shares of SES groups in the networks of low-, middle-, and high-SES participants above the median number of courses taken together with peers. Horizontal lines plot the university-wide shares of each SES group (Low: 35%, Mid: 51%, High: 14%). Low- and high-SES networks both become same-SES dominated at the expense of each other while middle-SES networks remain balanced. Error bars represent 95% confidence intervals.

5.8 Identifying the SES bias in referrals

We model a single referral outcome from candidates that are mutually exclusive, where our the dependent variable outcome is multinomial distributed. Our design leverages the enrollment network to generate dataset which includes alternative-specific variables for each referral decision, i.e., SES, courses taken together with the participant making the referral, as well as entry exam scores for not just the chosen alternative but all referral candidates. Using a conditional logit model on these data, we can identify whether an SES group has an aggregate bias controlling for each individual's unique enrollment network composition.

We follow an additive random utility model framework where individual i and alternative j have utility U_{ij} that is the sum of a deterministic component, V_{ij} , that depends on regressors and unknown parameters, and an unobserved random component ε_{ij} :

We observe the outcome $y_i = j$ if alternative j has the highest utility of the alterna-

437 tives. The probability that the outcome for individual i is alternative j , conditional on 437
 438 the regressors, is: 438

$$p_{ij} = \Pr(y_i = j) = \Pr(U_{ij} \geq U_{ik}), \quad \text{for all } k \quad (1)$$

439 The CL model specifies that the probability of individual i choosing alternative j 439
 440 from choice set C_i is given by: 440

$$p_{ij} = \frac{\exp(x'_{ij}\beta)}{\sum_{l \in C_i} \exp(x'_{il}\beta)}, \quad j \in C_i \quad (2)$$

441 where x_{ij} are alternative-specific regressors, i.e., characteristics of potential referees 441
 442 that vary across alternatives. 442

443 In our context, individual i chooses to refer candidate j from their enrollment net- 443
 444 work C_i . The alternative-specific regressors include SES and entry exam scores of the 444
 445 referral candidate, and the number of courses taken together with the participant mak- 445
 446 ing the referral. Conditional logit structure eliminates participant-specific factors that 446
 447 might influence both network formation and referral decisions, allowing us to identify 447
 448 preferences within each participant's realized network. 448

449 For causal identification of SES bias, we require two identifying assumptions. Specif- 449
 450 ically: 450

- 451 1. **Conditional exogeneity:** Both SES and the number of courses taken together 451
 452 could be endogenous due to program selection. High-SES students sort into ex- 452
 453 pensive programs while low-SES students choose affordable programs, creating 453
 454 systematic SES variation across enrollment networks. Similarly, the number of 454
 455 courses taken together reflects program selection decisions that may correlate with 455
 456 unobserved referral preferences. However, conditional on the realized enrollment 456
 457 network, the remaining variation in both SES and the number of courses taken 457
 458 together across referral candidates must be independent of unobserved factors af- 458
 459 fecting referral decisions. In the robustness checks, we show that being in the 459

same program with the referrer does not impact our SES bias estimates, although it reduces the coefficient on the number of courses taken together.

2. Complete choice set specification and independence of irrelevant alternatives: Administrative data captures the complete enrollment network, with all peers who took at least one course with individual i and represent the true choice set for referral decisions (unless participants have potential referral candidates with whom they never took classes). The independence of irrelevant alternatives (IIA) assumption requires that choices between any two alternatives be independent of other options in the choice set, which could be problematic if, e.g., peers within the same SES group are viewed as close substitutes. This concern does not apply to our setting because the design of our experiment ensures that choice sets are fixed by enrollment rather than arbitrary inclusion/exclusion of alternatives that create IIA violations.

Under these assumptions, the conditional logit framework controls for individual heterogeneity in program selection (absorbed by conditioning on choice sets), selection into programs based on observable characteristics (through alternative-specific variables), and choice set composition effects (through the multinomial structure). Therefore, β should identify the causal effect of referral candidate SES on referral probability, holding constant the number of courses taken together and the entry exam scores of candidates. A significant coefficient will then indicate taste-based discrimination.

We pool participants by their SES group, and estimate the above described conditional fixed effects logit model once for low-, middle-, and high-SES referrers. We standardize entry exam scores and the number of courses taken together at the individual network level. For each referrer's network, we first calculate the mean and standard deviation for both measures. We then compute the average of these means and standard deviations across all 734 referrers. Each referral candidate's entry exam score and the number of courses they haven taken with the referrer is standardized using these network-level statistics. The standardization formula is $z_i = (x - \bar{X}_i)/\sigma_i$, where \bar{X}_i and

σ_i are the average of network means and standard deviations for C_i .

We describe our first set of findings in Table 4. To begin with, the variance explained by all three models are extremely low, suggesting the role of potential SES biases in referrals that go beyond the network structure must be limited. Regardless, controlling for network composition, low-SES participants are more likely to refer other low-SES, and are less likely to refer high-SES relative to the probability of referring middle-SES peers. In contrast, we find that high-SES participants are less likely to refer other low-SES, relative to the probability of referring middle-SES peers.

Table 4: SES bias in referral decisions by referrer SES group

	Referrer SES		
	Low (1)	Middle (2)	High (3)
Low-SES candidate	0.453*** (0.109)	-0.019 (0.098)	-0.710** (0.333)
High-SES candidate	-0.584*** (0.211)	-0.255* (0.145)	0.001 (0.261)
χ^2	33.47	3.18	4.94
Observations	110,142	127,088	19,767
Individuals	301	366	67

Note: Individual-level clustered standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$. Each column represents a separate conditional logit regression estimated on the subsample of referrers from the indicated SES group. Coefficients represent log-odds of referring candidates from the specified SES group relative to referring middle-SES candidates. All models include individual fixed effects that control for each referrer's choice set composition.

We proceed by adding the standardized number of courses taken together as a control in our specification and describe the results in Table 5. A one standard deviation increase in the number of courses taken together proves to be highly significant across all models,

with coefficients ranging from 0.856 to 1.049, indicating that stronger social connections substantially increase the probability of referral. The high χ^2 statistics suggest that these models explain considerably more variance than specifications without this control, highlighting the importance of courses taken together in referral decisions. Nevertheless, low-SES participants still show a strong same-SES bias relative to referring middle-SES peers at the average number of courses taken together. This same-SES bias is not observed among middle-SES or high-SES referrers, who also display no statistically significant bias toward low-SES candidates. None referrer group shows a positive bias for high-SES candidates relative to middle-SES candidates.

Table 5: SES bias in referral decisions by referrer SES group

	Referrer SES		
	Low (1)	Middle (2)	High (3)
Low-SES candidate	0.348*** (0.123)	-0.064 (0.115)	-0.489 (0.337)
High-SES candidate	-0.366 (0.223)	-0.165 (0.157)	-0.140 (0.286)
Courses taken (z-score)	0.856*** (0.035)	0.931*** (0.037)	1.049*** (0.126)
χ^2	626.15	636.10	71.43
Observations	110,142	127,088	19,767
Individuals	301	366	67

Note: Individual-level clustered standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$. Each column represents a separate conditional logit regression estimated on the subsample of referrers from the indicated SES group. Coefficients represent log-odds of referring candidates from the specified SES group relative to referring middle-SES candidates. All models include individual fixed effects that control for each referrer's choice set composition.

We add standardized entry exam scores (Math and Reading average) as a second control variable and describe our results in Table 6. A one standard deviation increase in the entry exam score proves highly significant across all models, with coefficients ranging from 0.587 to 0.883. This shows merit-based considerations due to the incentive structure of the experiment remained central to referral decisions. The slightly higher χ^2 statistics compared to the earlier specification suggests that entry exam scores improve model fit. The inclusion of standardized entry exam scores strengthens SES biases. Low-SES referrers maintain their same-SES bias, with now a significant negative bias against high-SES. Middle-SES referrers, previously showing no SES bias, now show marginal negative bias against high-SES. Finally, high-SES referrers exhibit marginal negative bias against low-SES candidates.

The evidence of a biases becoming significant when controlling for entry exam scores has a nuanced interpretation. While at the university-level, low-SES typically score lower in the entry exam, low-SES students appearing in high-SES networks are positively selected, scoring about 0.14 standard deviations higher than middle-SES students. Controlling for performance thus removes this positive selection and reveals the “pure” SES bias that was previously underestimated by above average performance of low-SES. Vice versa, high-SES in low-SES networks perform 0.12 standard deviations better than middle-SES students. The same bias was underestimated as high-SES candidates’ better performance relative to middle-SES in the same networks provided a meritocratic justification for getting more referrals. Controlling for exam scores reveal that both high- and low-SES referrers have negative SES bias towards one another that operates independently of - and counter to - performance-based considerations. What makes interpretation difficult is that while biased against low-SES, high-SES referrers do not under any specification display a positive bias towards their in-group. For this final reason, we do not dig any further in this direction.

To conclude, we conduct joint significance tests, testing whether low- and high-SES regression coefficients are jointly different from middle-SES for each regression specification. For low-SES referrers, the joint test remains highly significant across all three

537 specifications ($\chi^2 = 10.20$, $p = 0.006$ in the final model), indicating persistent SES bias 537
 538 across all specifications. In contrast, middle-SES referrers display no significant joint 538
 539 SES bias in any specification, with the test becoming increasingly non-significant as 539
 540 controls are added ($\chi^2 = 4.13$, $p = 0.127$ in the final model). High-SES referrers simi- 540
 541 larly show no significant joint SES bias across all three models ($\chi^2 = 4.28$, $p = 0.118$ in 541
 542 the final model). These results suggest that SES bias in referrals is primarily driven by 542
 543 low-SES. There is no sufficient evidence to conclude that middle- and high-SES referrers 543
 544 systematically discriminate against other-SES peers once we take into account the large 544
 545 differences in their network compositions due to program selection. 545

Table 6: SES bias in referral decisions by referrer SES group with academic performance controls

	Referrer SES		
	Low (1)	Middle (2)	High (3)
Low-SES candidate	0.242** (0.123)	-0.159 (0.114)	-0.600* (0.327)
High-SES candidate	-0.445** (0.222)	-0.274* (0.157)	-0.345 (0.287)
Courses taken (z-score)	0.859*** (0.036)	0.948*** (0.038)	1.043*** (0.118)
Entry exam (candidate z-score)	0.607*** (0.052)	0.587*** (0.047)	0.883*** (0.111)
χ^2	789.87	756.06	120.54
Observations	110,142	127,088	19,767
Individuals	301	366	67

Note: Individual-level clustered standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$. Each column represents a separate conditional logit regression estimated on the subsample of referrers from the indicated SES group. Coefficients represent log-odds of referring candidates from the specified SES group relative to referring middle-SES candidates. All models include individual fixed effects that control for each referrer's choice set composition.

References

- Alan, S., Duysak, E., Kubilay, E., & Mumcu, I. (2023). Social Exclusion and Ethnic Segregation in Schools: The Role of Teachers' Ethnic Prejudice. *The Review of Economics and Statistics*, 105(5), 1039–1054. doi: 10.1162/rest_a_01111
- Angulo, R., Gaviria, A., Páez, G. N., & Azevedo, J. P. (2012). Movilidad social en colombia. *Documentos CEDE*.
- Bandiera, O., Barankay, I., & Rasul, I. (2009). Social connections and incentives in the workplace: Evidence from personnel data. *Econometrica*, 77(4), 1047–1094.
- Beaman, L., Keleher, N., & Magruder, J. (2018). Do Job Networks Disadvantage Women? Evidence from a Recruitment Experiment in Malawi. *Journal of Labor Economics*, 36(1), 121–157. doi: 10.1086/693869
- Beaman, L., & Magruder, J. (2012). Who Gets the Job Referral? Evidence from a Social Networks Experiment. *American Economic Review*, 102(7), 3574–3593. doi: 10.1257/aer.102.7.3574
- Bourdieu, P. (1986). The forms of capital. In J. Richardson (Ed.), *Handbook of theory and research for the sociology of education* (pp. 241–258). New York: Greenwood Press.
- Chetty, R., Jackson, M. O., Kuchler, T., Stroebe, J., Hendren, N., Fluegge, R. B., ... Wernerfelt, N. (2022a). Social capital II: Determinants of economic connectedness. *Nature*, 608(7921), 122–134. doi: 10.1038/s41586-022-04997-3
- Chetty, R., Jackson, M. O., Kuchler, T., Stroebe, J., Hendren, N., Fluegge, R. B., ... Wernerfelt, N. (2022b). Social capital I: Measurement and associations with economic mobility. *Nature*, 608(7921), 108–121. doi: 10.1038/s41586-022-04996-4
- Díaz, J., Munoz, M., Reuben, E., & Tuncer, R. (2025, March). *Peer skill identification and social class: Evidence from a referral field experiment*. (Working Paper)
- Fergusson, L., & Flórez, S. A. (2021a). Desigualdad educativa en colombia. In J. C. Cárdenas, L. Fergusson, & M. García-Villegas (Eds.), *La quinta puerta: De cómo la educación en colombia agudiza las desigualdades en lugar de remediarlas*

(pp. 81–114). Bogotá: Ariel.

Fergusson, L., & Flórez, S. A. (2021b). Distinción escolar. In J. C. Cárdenas, L. Fergusson, & M. García-Villegas (Eds.), *La quinta puerta: De cómo la educación en colombia agudiza las desigualdades en lugar de remediarlas* (pp. 81–114). Bogotá: Ariel.

García, S., Rodríguez, C., Sánchez, F., & Bedoya, J. G. (2015). La lotería de la cuna: La movilidad social a través de la educación en los municipios de colombia. *Documentos CEDE*.

Griffith, A. (2022). Name Your Friends, but Only Five? The Importance of Censoring in Peer Effects Estimates Using Social Network Data. *Journal of Labor Economics*. doi: 10.1086/717935

Guevara S, J. D., & Shields, R. (2019). Spatializing stratification: Bogotá. *Ardeth. A Magazine on the Power of the Project*(4), 223–236.

Hederos, K., Sandberg, A., Kvissberg, L., & Polano, E. (2025). Gender homophily in job referrals: Evidence from a field study among university students. *Labour Economics*, 92, 102662.

Hudson, R. A., & Library of Congress (Eds.). (2010). *Colombia: a country study* (5th ed.). Washington, D.C: Federal Research Division, Library of Congress: For sale by the Supt. of Docs., U.S. G.P.O. Retrieved from the Library of Congress, <https://www.loc.gov/item/2010009203/>.

Jaramillo-Echeverri, J., & Álvarez, A. (2023). *The Persistence of Segregation in Education: Evidence from Historical Elites and Ethnic Surnames in Colombia* (SSRN Scholarly Paper No. 4575894). Rochester, NY: Social Science Research Network. doi: 10.2139/ssrn.4575894

Kossinets, G., & Watts, D. J. (2009). Origins of homophily in an evolving social network. *American Journal of Sociology*, 115(2), 405–450. Retrieved from <https://www.journals.uchicago.edu/doi/abs/10.1086/599247> doi: 10.1086/599247

Lin, N., Ensel, W. M., & Vaughn, J. C. (1981). Social Resources and Strength of Ties: Structural Factors in Occupational Status Attainment. *American Sociological*

604 *Review*, 46(4), 393–405. doi: 10.2307/2095260 604
 605 Loury, G. C. (1977). A dynamic theory of racial income differences. In P. A. Wallace 605
 606 & A. M. LaMond (Eds.), *Women, minorities, and employment discrimination* 606
 607 (pp. 153–186). Lexington, MA: Lexington Books. (Originally published as Dis- 607
 608 cussion Paper 225, Northwestern University, Center for Mathematical Studies in 608
 609 Economics and Management Science, 1976) 609
 610 Lowe, M. (2021). Types of contact: A field experiment on collaborative and adversarial 610
 611 caste integration. *American Economic Review*, 111(6), 1807–1844. 611
 612 McPherson, M., Smith-Lovin, L., & Cook, J. M. (2001). Birds of a feather: Homophily 612
 613 in social networks. *Annual review of sociology*, 27(1), 415–444. 613
 614 Mousa, S. (2020). Building social cohesion between christians and muslims through 614
 615 soccer in post-isis iraq. *Science*, 369(6505), 866–870. 615
 616 Mouw, T. (2003). Social Capital and Finding a Job: Do Contacts Matter? *American* 616
 617 *Sociological Review*, 68(6), 868–898. doi: 10.1177/000312240306800604 617
 618 Pallais, A., & Sands, E. G. (2016). Why the Referential Treatment? Evidence from 618
 619 Field Experiments on Referrals. *Journal of Political Economy*, 124(6), 1793–1828. 619
 620 doi: 10.1086/688850 620
 621 Pedulla, D. S., & Pager, D. (2019). Race and networks in the job search process. 621
 622 *American Sociological Review*, 84, 983–1012. doi: 10.1177/0003122419883255 622
 623 Rao, G. (2019). Familiarity does not breed contempt: Generosity, discrimination, and 623
 624 diversity in delhi schools. *American Economic Review*, 109(3), 774–809. 624
 625 Rohrer, J. M., Keller, T., & Elwert, F. (2021). Proximity can induce diverse friendships: 625
 626 A large randomized classroom experiment. *PLOS ONE*, 16(8), e0255097. doi: 626
 627 10.1371/journal.pone.0255097 627
 628 Smith, S. S. (2005). “Don’t put my name on it”: Social Capital Activation and Job- 628
 629 Finding Assistance among the Black Urban Poor. *American Journal of Sociology*, 629
 630 111(1), 1–57. doi: 10.1086/428814 630
 631 Stansbury, A., & Rodriguez, K. (2024). The class gap in career progression: Evidence 631
 632 from US academia. *Working Paper*. 632

633 Topa, G. (2019). Social and spatial networks in labour markets. *Oxford Review of* 633
634 *Economic Policy*, 35(4), 722–745. 634

635 United Nations. (2023). *Social panorama of latin america and the caribbean* 635
636 *2023: labour inclusion as a key axis of inclusive social development.* 636
637 ECLAC and United Nations. Retrieved from [https://www.cepal.org/es/](https://www.cepal.org/es/publicaciones/68702-panorama-social-america-latina-caribe-2023-la-inclusion-laboral-como-eje-central) 637
638 [publicaciones/68702-panorama-social-america-latina-caribe-2023-la](https://www.cepal.org/es/publicaciones/68702-panorama-social-america-latina-caribe-2023-la-inclusion-laboral-como-eje-central) 638
639 [-inclusion-laboral-como-eje-central](https://www.cepal.org/es/publicaciones/68702-panorama-social-america-latina-caribe-2023-la-inclusion-laboral-como-eje-central) 639

640 Uribe-Mallarino, C. (2008). Estratificación social en bogotá: de la política pública a la 640
641 dinámica de la segregación social. *Universitas humanistica*(65), 139–172. 641

642 Witte, M. (2021). Why do workers make job referrals? experimental evidence from 642
643 ethiopia. *Working Paper.* 643

644 World Bank. (2024). *Regional poverty and inequality update spring 2024* 644
645 (Poverty and Equity Global Practice Brief). Washington, D.C.: World 645
646 Bank Group. Retrieved from [http://documents.worldbank.org/curated/en/](http://documents.worldbank.org/curated/en/099070124163525013/P17951815642cf06e1aec4155e4d8868269) 646
647 [099070124163525013/P17951815642cf06e1aec4155e4d8868269](http://documents.worldbank.org/curated/en/099070124163525013/P17951815642cf06e1aec4155e4d8868269) 647

648 **A Additional Figures and Tables**

648

649 **Additional Figures**

649

Table A.1: Selection into the experiment

	University	Sample	<i>p</i>
Reading score	62.651	65.183	0.000
Math score	63.973	67.477	0.000
GPA	3.958	4.012	0.000
Low-SES	0.343	0.410	0.000
Middle-SES	0.505	0.499	0.763
High-SES	0.153	0.091	0.000
Female	0.567	0.530	0.060
Age	21.154	20.651	0.000
Observations	4,417	734	

Note: This table compares characteristics between the university and the experimental sample. *p*-values for binary outcomes (Low-SES, Med-SES, High-SES, Female) are from two-sample tests of proportions; for continuous variables, from two-sample *t*-tests with unequal variances. All reported *p*-values are two-tailed.

Table A.2: Distribution of referrals by area

Area	Only one area	Both areas	Total
Verbal	65	608	673
Math	61	608	669
Total	126	1,216	1,342

Note: The table shows how many referrers made referrals in only one area versus both areas. “Only one area” indicates individuals who made referrals exclusively for one area of the exam. “Both areas” shows individuals who made referrals in both verbal and math areas. The majority of referrers (608) made referrals in both areas.

Table A.3: Referral characteristics by exam area (unique referrals only)

	Reading	Math	<i>p</i>
Reading score	67.733	67.126	0.252
Math score	69.339	71.151	0.008
GPA	4.136	4.136	0.987
Courses taken	13.916	13.019	0.123
Low-SES	0.372	0.385	0.666
Med-SES	0.526	0.518	0.801
High-SES	0.103	0.097	0.781
Observations	487	483	

Note: This table compares characteristics of uniquely referred students by entry exam area for the referral (verbal vs. math). *p*-values are from two-sample t-tests with unequal variances. Referrals in Math area go to peers with significantly higher math scores ($p = 0.008$), while we find no significant differences for Reading scores, GPA, courses taken, or SES composition for referrals across the two areas. Excluding referrals going to the same individuals does not change the outcomes for referrals compared to Appendix Table [A.4](#)

Table A.4: Referral characteristics by academic area

	Reading	Math	<i>p</i>
Reading score	67.85	67.41	0.348
Math score	70.04	71.36	0.029
GPA	4.153	4.153	0.984
Courses taken	14.467	13.822	0.206
Low-SES	37%	38%	0.714
Middle-SES	51%	51%	0.829
High-SES	11%	11%	0.824
Observations	673	669	

Note: This table compares characteristics of referred students by entry exam area for the referral (verbal vs. math). p -values are from two-sample t-tests with unequal variances. Referrals in Math area go to peers with significantly higher math scores ($p = 0.029$), while we find no significant differences for Reading scores, GPA, courses taken, or SES composition for referrals across the two areas.

651 B Experiment 651

652 *We include the English version of the instructions used in Qualtrics. Participansts saw* 652
653 *the Spanish version. Horizontal lines in the text indicate page breaks and clarifying* 653
654 *comments are inside brackets.* 654

655 Consent 655

656 You have been invited to participate in this decision-making study. This study is directed 656
657 by [omitted for anonymous review] and organized with the support of the Social Bee Lab 657
658 (Social Behavior and Experimental Economics Laboratory) at UNAB. 658

659 In this study, we will pay **one (1)** out of every **ten (10)** participants, who will be 659
660 randomly selected. Each selected person will receive a fixed payment of **70,000** (seventy 660
661 thousand pesos) for completing the study. Additionally, they can earn up to **270,000** 661
662 (two hundred and seventy thousand pesos), depending on their decisions. So, in total, 662
663 if you are selected to receive payment, you can earn up to **340,000** (three hundred and 663
664 forty thousand pesos) for completing this study. 664

665 If you are selected, you can claim your payment at any Banco de Bogotá office by 665
666 presenting your ID. Your participation in this study is voluntary and you can leave the 666
667 study at any time. If you withdraw before completing the study, you will not receive 667
668 any payment. 668

669 The estimated duration of this study is 20 minutes. 669

670 The purpose of this study is to understand how people make decisions. For this, we will 670
671 use administrative information from the university such as the SABER 11 test scores of 671
672 various students (including you). Your responses will not be shared with anyone and your 672
673 participation will not affect your academic records. To maintain strict confidentiality, the 673
674 research results will not be associated at any time with information that could personally 674

675 identify you. 675

676 There are no risks associated with your participation in this study beyond everyday risks. 676

677 However, if you wish to report any problems, you can contact Professor [omitted for 677

678 anonymous review]. For questions related to your rights as a research study participant, 678

679 you can contact the IRB office of [omitted for anonymous review]. 679

680 By selecting the option “I want to participate in the study” below, you give your con- 680

681 sent to participate in this study and allow us to compare your responses with some 681

682 administrative records from the university. 682

683 • I want to participate in the study [advances to next page] 683

684 • I do not want to participate in the study 684

685 _____ 685

686 Student Information 686

687 Please write your student code. In case you are enrolled in more than one program 687

688 simultaneously, write the code of the first program you entered: 688

689 [Student ID code] 689

690 What semester are you currently in? 690

691 [Slider ranging from 1 to 11] 691

692 _____ 692

693 [Random assignment to treatment or control] 693

694	Instructions	694
695	The instructions for this study are presented in the following video. Please watch it	695
696	carefully. We will explain your participation and how earnings are determined if you are	696
697	selected to receive payment.	697
698	[Treatment-specific instructions in video format]	698
699	If you want to read the text of the instructions narrated in the video, press the “Read	699
700	instruction text” button. Also know that in each question, there will be a button with	700
701	information that will remind you if that question has earnings and how it is calculated,	701
702	in case you have any doubts.	702
703	<ul style="list-style-type: none"> • I want to read the instructions text [text version below] 	703
704	<hr/>	704
705	In this study, you will respond to three types of questions. First, are the belief questions.	705
706	For belief questions, we will use as reference the results of the SABER 11 test that you	706
707	and other students took to enter the university, focused on three areas of the exam:	707
708	mathematics, reading, and English.	708
709	For each area, we will take the scores of all university students and order them from	709
710	lowest to highest. We will then group them into 100 percentiles. The percentile is a	710
711	position measure that indicates the percentage of students with an exam score that is	711
712	above or below a value.	712
713	For example, if your score in mathematics is in the 20th percentile, it means that 20	713
714	percent of university students have a score lower than yours and the remaining 80 percent	714
715	have a higher score. A sample belief question is: “compared to university students, in	715
716	what percentile is your score for mathematics?”	716
717	If your answer is correct, you can earn 20 thousand pesos. We say your answer is correct	717

718 if the difference between the percentile you suggest and the actual percentile of your 718
719 score is not greater than 7 units. For example, if you have a score that is in the 33rd 719
720 percentile and you say it is in the 38th, the answer is correct because the difference is 720
721 less than 7. But if you answer that it is in the 41st, the difference is greater than 7 and 721
722 the answer is incorrect. 722

723 The second type of questions are recommendation questions and are also based on the 723
724 mathematics, reading, and English areas of the SABER 11 test. We will ask you to think 724
725 about the students with whom you have taken or are taking classes, to recommend from 725
726 among them the person you consider best at solving problems similar to those on the 726
727 SABER 11 test. 727

728 When you start typing the name of your recommended person, the computer will show 728
729 suggestions with the full name, program, and university entry year of different students. 729
730 Choose the person you want to recommend. If the name doesn't appear, check that you 730
731 are writing it correctly. Do not use accents and use 'n' instead of 'ñ'. If it still doesn't 731
732 appear, it may be because that person is not enrolled this semester or because they did 732
733 not take the SABER 11 test. In that case, recommend someone else. 733

734 You can earn up to 250,000 pesos for your recommendation. We will multiply your 734
735 recommended person's score by 100 pesos if they are in the first 50 percentiles. We will 735
736 multiply it by 500 pesos if your recommended person's score is between the 51st and 736
737 65th percentile. If it is between the 66th and 80th percentile, we will multiply your 737
738 recommended person's score by 1000 pesos. If the score is between the 81st and 90th 738
739 percentile, you earn 1500 pesos multiplied by your recommended person's score. And if 739
740 the score is between the 91st and 100th percentile, we will multiply your recommended 740
741 person's score by 2500 pesos to determine the earnings. 741

742 The third type of questions are information questions and focus on aspects of your 742
743 personal life or your relationship with the people you have recommended. 743

744 **Earnings** 744

745 Now we will explain who gets paid for participating and how the earnings for this study 745
746 are assigned. The computer will randomly select one out of every 10 participants to pay 746
747 for their responses. For selected individuals, the computer will randomly choose one of 747
748 the three areas, and from that chosen area, it will pay for one of the belief questions. 748

749 Similarly, the computer will randomly select one of the three areas to pay for one of the 749
750 recommendation questions. 750

751 **Additionally, if you are selected to receive payment, your recommended per-** 751
752 **son in the chosen area will receive a fixed payment of 100 thousand pesos.** 752
753 [Only seen if assigned to the treatment] 753

754 Each person selected to receive payment for this study can earn: up to 20 thousand pesos 754
755 for one of the belief questions, up to 250 thousand pesos for one of the recommendation 755
756 questions, and a fixed payment of 70 thousand pesos for completing the study. 756

757 Selected individuals can earn up to 340 thousand pesos. 757

758

 758

759 [Participants go through all three Subject Areas in randomized order] 759

760 **Subject Areas** 760

761 **Critical Reading** 761

762 For this section, we will use as reference the Critical Reading test from SABER 11, which 762
763 evaluates the necessary competencies to understand, interpret, and evaluate texts that 763
764 can be found in everyday life and in non-specialized academic fields. 764

765 [Clicking shows the example question from SABER 11 below] 765

Although the democratic political tradition dates back to ancient Greece, political thinkers did not address the democratic cause until the 19th century. Until then, democracy had been rejected as the government of the ignorant and unenlightened masses. Today it seems that we have all become democrats without having solid arguments in favor. Liberals, conservatives, socialists, communists, anarchists, and even fascists have rushed to proclaim the virtues of democracy and to show their democratic credentials (Andrew Heywood). According to the text, which political positions identify themselves as democratic?

- Only political positions that are not extremist
- The most recent political positions historically
- The majority of existing political positions
- The totality of possible political currents

Mathematics

This section references the Mathematics test from SABER 11, which evaluates people's competencies to face situations that can be resolved using certain mathematical tools.

[Clicking shows the example question from SABER 11 below]

A person living in Colombia has investments in dollars in the United States and knows that the exchange rate of the dollar against the Colombian peso will remain constant this month, with 1 dollar equivalent to 2,000 Colombian pesos. Their investment, in dollars, will yield profits of 3% in the same period. A friend assures them that their profits in pesos will also be 3%. Their friend's statement is:

- Correct. The proportion in which the investment increases in dollars is the same as in pesos.

790	• Incorrect. The exact value of the investment should be known.	790
791	• Correct. 3% is a fixed proportion in either currency.	791
792	• Incorrect. 3% is a larger increase in Colombian pesos.	792
793	<hr/>	793
794	English	794
795	This section uses the English test from SABER 11 as a reference, which evaluates that	795
796	the person demonstrates their communicative abilities in reading and language use in	796
797	this language.	797
798	[Clicking shows the example question from SABER 11 below]	798
799	Complete the conversations by marking the correct option.	799
800	• Conversation 1: I can't eat a cold sandwich. It is horrible!	800
801	– I hope so.	801
802	– I agree.	802
803	– I am not.	803
804	• Conversation 2: It rained a lot last night!	804
805	– Did you accept?	805
806	– Did you understand?	806
807	– Did you sleep?	807
808	<hr/>	808
809	[Following parts are identical for all Subject Areas and are not repeated here for brevity]	809

810	Your Score	810
811	Compared to university students, in which percentile do you think your [Subject Area]	811
812	test score falls (1 is the lowest percentile and 100 the highest)?	812
813	[Clicking shows the explanations below]	813
814	How is a percentile calculated?	814
815	A percentile is a position measurement. To calculate it, we take the test scores for all	815
816	students currently enrolled in the university and order them from lowest to highest. The	816
817	percentile value you choose refers to the percentage of students whose score is below	817
818	yours. For example, if you choose the 20th percentile, you're indicating that 20% of	818
819	students have a score lower than yours and the remaining 80% have a score higher than	819
820	yours.	820
821	What can I earn for this question?	821
822	For your answer, you can earn 20,000 (twenty thousand) PESOS , but only if the	822
823	difference between your response and the correct percentile is less than 7. For example, if	823
824	the percentile where your score falls is 33 and you respond with 38 (or 28), the difference	824
825	is 5 and the answer is considered correct. But if you respond with 41 or more (or 25 or	825
826	less), for example, the difference would be greater than 7 and the answer is incorrect.	826
827	Please move the sphere to indicate which percentile you think your score falls in:	827
828	[Slider with values from 0 to 100]	828
829	<hr/>	829

830 **Recommendation** 830

831 Among the people with whom you have taken any class at the university, who is your 831
832 recommendation for the [Subject Area] test? Please write that person's name in the 832
833 box below: 833

834 **Important:** You will not be considered for payment unless the recommended 834
835 person is someone with whom you have taken at least one class during your 835
836 studies. 836

837 Your response is only a recommendation for the purposes of this study and we will **not** 837
838 contact your recommended person at any time. 838

839 [Clicking shows the explanations below] 839

840 Who can I recommend? 840

841 Your recommendation **must** be someone with whom you have taken (or are taking) a 841
842 class. If not, your answer will not be considered for payment. The person you recommend 842
843 will not be contacted or receive any benefit from your recommendation. 843

844 As you write, you will see up to 7 suggested student names containing the letters you 844
845 have entered. The more you write, the more accurate the suggestions will be. Please 845
846 write **without** accents and use the letter 'n' instead of 'ñ'. If the name of the person 846
847 you're writing doesn't appear, it could be because you made an error while writing the 847
848 name. 848

849 If the name is correct and still doesn't appear, it could be because the student is not en- 849
850 rolled this semester or didn't take the SABER 11 test. In that case, you must recommend 850
851 someone else. 851

852 My earnings for this question? 852

853 For your recommendation, you could receive earnings of up to 250,000 (two hundred and 853
854 fifty thousand) PESOS. The earnings are calculated based on your recommendation's 854
855 score and the percentile of that score compared to other UNAB students, as follows: 855

- 856 • We will multiply your recommendation's score by \$100 (one hundred) pesos if it's 856
857 between the 1st and 50th percentiles 857
- 858 • We will multiply your recommendation's score by \$500 (five hundred) pesos if it's 858
859 between the 51st and 65th percentiles 859
- 860 • We will multiply your recommendation's score by \$1000 (one thousand) pesos if 860
861 it's between the 66th and 80th percentiles 861
- 862 • We will multiply your recommendation's score by \$1500 (one thousand five hun- 862
863 dred) pesos if it's between the 81st and 90th percentiles 863
- 864 • We will multiply your recommendation's score by \$2500 (two thousand five hun- 864
865 dred) pesos if it's between the 91st and 100th percentiles 865

866 This is illustrated in the image below: 866

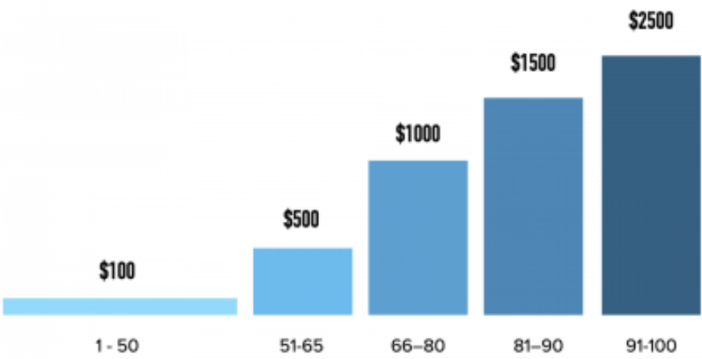


Figure B.1: Earnings for recommendation questions

867 For example, if your recommendation got 54 points and the score is in the 48th percentile, 867

868 you could earn $54 \times 100 = 5400$ PESOS. But, if the same score of 54 points were in the 868
869 98th percentile, you could earn $54 \times 2500 = 135,000$ PESOS. 869

870 [Text field with student name suggestions popping up as participant types] 870

871

 871

872 Relationship with your recommendation 872

873 How close is your relationship with your recommendedation: “[Name of the student 873
874 selected from earlier]”? (0 indicates you are barely acquaintances and 10 means you are 874
875 very close) 875

876 [Slider with values from 0 to 10] 876

877

 877

878 Your recommendation’s score 878

879 Compared to university students, in which percentile do you think [Name of the student 879
880 selected from earlier]’s score falls in the [Subject Area] test (1 is the lowest percentile 880
881 and 100 the highest)? 881

882 [Clicking shows the explanations below] 882

883 How is a percentile calculated? 883

884 A percentile is a position measurement. To calculate it, we take the test scores for all 884
885 students currently enrolled in the university and order them from lowest to highest. The 885
886 percentile value you choose refers to the percentage of students whose score is below 886
887 yours. For example, if you choose the 20th percentile, you’re indicating that 20% of 887
888 students have a score lower than yours and the remaining 80% have a score higher than 888
889 yours. 889

890 What can I earn for this question? 890

891 For your answer, you can earn **20,000 (twenty thousand) PESOS**, but only if the 891
892 difference between your response and the correct percentile is less than 7. For example, 892
893 if the percentile where your recommended person's score falls is 33 and you respond with 893
894 38 (or 28), the difference is 5 and the answer is considered correct. But if you respond 894
895 with 41 or more (or 25 or less), for example, the difference would be greater than 7 and 895
896 the answer is incorrect. 896

897 Please move the sphere to indicate which percentile you think your recommended per- 897
898 son's score falls in: 898

899 [Slider with values from 0 to 100] 899

900 _____ 900

901 Demographic Information 901

902 What is the highest level of education achieved by your father? 902

903 [Primary, High School, University, Graduate Studies, Not Applicable] 903

904 What is the highest level of education achieved by your mother? 904

905 [Primary, High School, University, Graduate Studies, Not Applicable] 905

906 Please indicate the socio-economic group to which your family belongs: 906

907 [Group A (Strata 1 or 2), Group B (Strata 3 or 4), Group C (Strata 5 or 6)] 907

908 _____ 908

909	UNAB Students Distribution	909
910	Thinking about UNAB students, in your opinion, what percentage belongs to each socio-	910
911	economic group? The total must sum to 100%:	911
912	[Group A (Strata 1 or 2) percentage input area]	912
913	[Group B (Strata 3 or 4) percentage input area]	913
914	[Group C (Strata 5 or 6) percentage input area]	914
915	[Shows sum of above percentages]	915
916	<hr/>	916
917	End of the Experiment	917
918	Thank you for participating in this study.	918
919	If you are chosen to receive payment for your participation, you will receive a confirma-	919
920	tion to your UNAB email and a link to fill out a form with your information. The process	920
921	of processing payments is done through Nequi and takes approximately 15 business days,	921
922	counted from the day of your participation.	922
923	[Clicking shows the explanations below]	923
924	Who gets paid and how is it decided?	924
925	The computer will randomly select one out of every ten participants in this study to be	925
926	paid for their decisions.	926
927	For selected individuals, the computer will randomly select one area: mathematics,	927
928	reading, or English, and from that area will select one of the belief questions. If the	928
929	answer to that question is correct, the participant will receive 20,000 pesos.	929

930 The computer will randomly select an area (mathematics, critical reading, or English) to 930
931 pay for one of the recommendation questions. The area chosen for the recommendation 931
932 question is independent of the area chosen for the belief question. The computer will 932
933 take one of the two recommendations you have made for the chosen area. Depending on 933
934 your recommendation's score, you could win up to 250,000 pesos. 934

935 Additionally, people selected to receive payment for their participation will have a fixed 935
936 earnings of 70,000 pesos for completing the study. 936

937 _____ 937

938 **Participation** 938

939 In the future, we will conduct studies similar to this one where people can earn money 939
940 for their participation. The participation in these studies is by invitation only. Please 940
941 indicate if you are interested in being invited to other studies similar to this one: 941

942 [Yes, No] 942