Family Preferences and Horizontal Differentiation in Urban School Choice Markets

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Abstract: Many urban public school systems in the United States allow families to pick among schools differentiated by academic theme. For example, New York City students can choose to attend high schools focused on topics as varied as health sciences, journalism, and performing arts. While some of these themed programs were introduced in order to promote racial integration, we do not have evidence on the implications of this type of curricular differentiation for school segregation. In this paper, I investigate the impact of curricular themes on cross-school segregation and student outcomes in New York City high schools. I estimate a structural model using data on student applications to determine how families trade off curricular themes and other school characteristics in the application process. I find that all demographic groups, but particularly white and Asian applicants, tend to prefer Humanities and Interdisciplinary programs, the most general curricular theme, to more specialized themes. Using the model to compare the baseline assignment to a counterfactual assignment in which all programs are Humanities and Interdisciplinary, I find that curricular differentiation does not reduce segregation or white flight, and if anything, slightly increases them. I also find that while the average applicant prefers their counterfactual assignment, a substantial minority of applicants, including half of all Black applicants, prefer their status quo assignment, suggesting that the optimal distribution of high school capacity across themes involves more general theme seats, and fewer but still some specialized theme seats. Finally, to provide a more complete picture of the trade-offs involved in offering curricular differentiation, I use random and quasi-random variation in the school assignment process to identify whether being assigned to one's preferred curricular theme improves high school outcomes.[1]