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Replication Project Part 1

Summary

This paper is an econometrics evaluation of winning Columbian’s PACES voucher lottery longer-run effects on high-school graduation rate. Unlike, the first research which specifically shows the short-run effects on winners’ years of school completed, grade repetition, test scores, probability of working than did losers, this paper rather focuses on the longer-term effects on high-school graduation rate after seven years. The general research question can be summarized as: What is the seven years period effect of Colombia’s PACES voucher program on high-school graduation rate? The table 1 reports summary statistics drawn from 4,044 application forms completed by applicants who applied in 1994 to enter private school in sixth grade in 1995 in Bogota´.

The data used in this paper is an administrative and 1994 cross section data from Colombia’s centralized college entrance examinations, the ICFES taken by 90 percent of all graduating high-school seniors. The full sample is comprised of 4044 application forms. Of these applicants, 59 percent were awarded vouchers. Applicants were almost 13 years old, on average, and about evenly split between boys and girls. Roughly 88 percent of applicants came from households with a telephone or access to a telephone. About 9.5 percent of applicants had invalid birth dates. Among applicants with valid birth dates, 97 percent reported valid ID numbers. Voucher winners were 1 percentage point less likely to have a valid ID, although this difference is not significantly different from zero, as can be seen in column 3, row 2 of Table 1. The results of restricting the sample to those with valid birth dates embedded in their ID numbers, reported in column 4, show an even smaller voucher effect, which is also statistically insignificant. Voucher winners and losers had similar demographic characteristics, except possibly for a small age difference. These contrasts can be seen in the remaining rows of Table 1. The age differences by voucher status appear to be driven by a few outlying observations, probably due to incorrectly coded ID numbers among losers. The age gap falls when the sample is limited to those with valid ID numbers, though it remains marginally significant. The experiment controls for age when estimating voucher effects.

