TABLE 5
Parameter estimates for the education choice model

	A	B	C
Wage	0·134	0·168	0·357
	0·043	*0·045*	*0·100*
PROGRESA grant	3·334	2·794	—
	1·124	*0·796*	—
Parameter in terminal function $\ln(\alpha_1)$	5·876	5·886	6·59
	0·115	*0·113*	*0·175*
Parameter in terminal function $\ln(\alpha_2)$	−1·276	−1·286	−1·62
	0·025	*0·024*	*0·089*
Poor	0·676	0·105	0·431
	0·154	*0·215*	*0·274*
Ineligible individual in a PROGRESA village		−1·079	
		0·261	
Father's Education - Default is less than primary			
Primary	−0·462	−0·509	−0·486
	0·120	*0·123*	*0·217*
Secondary	−0·746	−0·803	−0·959
	0·147	*0·150*	*0·261*
Preparatoria	−1·794	−1·819	−2·176
	0·323	*0·328*	*0·558*
Mother's Education - Default is less than primary			
Primary	−0·488	−0·488	−0·870
	0·123	*0·126*	*0·233*
Secondary	−0·624	−0·613	−1·119
	0·143	*0·145*	*0·254*
Preparatoria	−1·576	−1·681	−2·158
	0·351	*0·355*	*0·645*
Indigenous	−0·783	−0·777	−1·018
	0·132	*0·135*	*0·241*
Availability of Primary 1998	3·600	3·765	3·092
	0·285	*0·295*	*0·499*
Availability of Secondary 1998	−0·030	−0·074	0·789
	0·193	*0·197*	*0·425*
Kilometer to closest secondary school 98	0·0003	0·0003	0·00078
	0·00005	*0·00005*	*0·00014*
Cost of attending secondary	0·007	0·007	0·013
	0·001	*0·001*	*0·0033*
Age	2·291	2·249	2·903
	0·160	*0·157*	*0·354*
Prior years of education	−2·785	−2·896	−3·621
	0·256	*0·261*	*0·621*
Discount rate	0·95	0·96	0·975
Log-Likelihood	−23,403·98	−23,395·31	−8862·34

State dummies included *Notes* as in Table 3.

LR test: equal effect of grant and wage χ_1^2	18·66	16·14	
p-value	*0·0*	*0·0*	