The Impact of Information on Selective and Less-Selective Schools in Chile

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Sector(s): Education

Sample: 1,727 students

Target group: Students

Outcome of interest: Enrollment and attendance

Intervention type: Information

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Research Papers: The Effects of Financial Aid and Returns Information in Selective and Less Sele...

Partner organization(s): Por Una Carrera

Economic models of education often assume that students have complete information about the costs and benefits of attending school to aid in their decision-making. However, recent research has challenged this assumption and shown that providing information to students and parents about the benefits of investing in higher education can lead to higher levels of enrollment, attendance, and grades. Researchers conducted a randomized evaluation to test the impact of providing information to students on enrollment at different quality schools. Students who were provided information applied to and enrolled in different types of schools. However, overall a greater number of students did not enroll in school despite receiving information.

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Economic models of education often assume students have complete information about the costs and benefits of attending school to aid in their decision-making. However, recent research has shown that providing information to students and parents about the benefits of investing in higher education can lead to higher levels of enrollment, attendance, and grades.[1] Information about the returns to higher education may be especially impactful in developing countries where students encounter a two-tiered system with selective and less-selective schools. For example, Chile's education system has a tier of merit-based schools, most of which are high-quality schools. The less-selective tier of schools often have lower eligibility requirements and vary significantly in quality. Much of the existing literature on the impact of information focuses on selective schools or does not differentiate between selective and less selective schools.

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The Chilean education system divides schools into selective and less selective systems. The selective system consists of about 33 schools, including the oldest, traditional public universities as well as some private and public-private universities. Selective

schools, which require students to have high GPAs and college entry exam scores, are oversubscribed. The 129 less selective schools include some private universities, the majority of professional institutions, and all technical colleges. Less-selective schools have a decentralized application process and lower or no college entry exam requirements. By 2012, 27 percent of students attended selective schools while 33 percent attended less-selective universities. When applying to selective or less-selective schools, Grade 12 students (high school seniors) apply for specific career paths within schools and often rely on a combination of scholarships, grants, and government loans to finance their education.

Researchers focused on Grade 12 students from relatively poor neighborhoods in Santiago. On average, the students were about 17.5 years old, 95 percent had an idea of their career preferences, and 80 percent also had a sense of where they would like to attend school for their chosen career. About 75 percent expected to earn over CLP 600,000 (US$1,178) per month which is 1.6 times more than the median monthly wage in 2013 among young adults.



Students taking an exam in a classroom in Chile

Photo credit: Research team

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Researchers partnered with a Chilean NGO, Por Una Carrera, to conduct a randomized evaluation to test the impact of providing information to students on enrollment at selective and less- selective schools.

Researchers and NGO staff visited career fairs and collected email addresses from Grade 12 students. Students received emails with online surveys which asked about career and school preferences. Between November 2013 and February 2014, while students were applying to post-secondary schools and financial aid, researchers emailed students with information tailored to

match their baseline career and schooling preferences. Researchers randomly assigned 1,727 students to one of three groups:

- *Comparison:* Students received an email with a link to a publicly accessible website with general information on careers, loans, scholarships, eligibility criteria, and financing options.
- *Financial Aid:* Students received the website link, information about general financial aid options, as well as personalized information about financial aid based on their preferences at baseline.
- *Economic Returns:* Half of the students who received the financial aid treatment also received information about average monthly wages and employability rates for recent graduates who attended selective and less-selective schools. Information was tailored for each student based on his or her baseline career preferences.

Researchers measured the impact of providing information on two main outcomes: the type of school (selective vs. less-selective) students chose and the number of students enrolling in each type of school.

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Students provided with information applied to and enrolled in different types of schools compared to those who did not receive information. However, overall enrollment in selective and less-selective schools did not increase among students who received the informational emails.

Type of School: Students who received the informational emails and who were ineligible to enroll in selective schools changed the type of less-selective school they enrolled in . The economic returns group was 6 percentage points more likely to enroll (in a less selective school) compared to the group who received no information at all (base of 61 percent) . In particular, students who received informational emails were more likely to enroll in schools suggested in the emails and these schools tended to be of higher quality than the schools in which students in the comparison group enrolled.

Results suggest that students chose schools and careers with lower expected wages, possibly because students who received informational emails moved away from enrolling in private universities and towards enrolling in professional schools. These students might experience improved welfare as they shifted towards shorter, less expensive programs that also have financial aid opportunities.

Number of Students: Providing students with information about financial aid or financial aid and economic returns did not have an impact on application to or enrollment in higher education. The researchers suggest that one reason providing information did not impact access to selective schools is the fact that they are already oversubscribed. Well-performing students may already know they are eligible for the selective schools and lower scoring students may know they do not meet the requirements to apply.

While information was tailored for each student, the relative cost for each email was low when compared to other interventions. Researchers estimate the cost of the financial aid treatment to be about US$1.50 per student and the cost of the economic returns treatment to be about US$2.68 per student.

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1. Jensen, Robert. 2010. "The (perceived) returns to education and the demand for schooling." *Quarterly Journal of Economics* 125(2): 515-548.