The Impact of Personalized Information on Informed School Choice in Chile

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Sector(s): Education

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Location: Valparaiso, Biobio, and Santiago regions, Chile

Sample: 133 preschools

Research Papers: Approximating the Equilibrium Effects of Informed School Choice

Partner organization(s): Fundación Integra, Chile Ministry of Education, Fondecyt

Many families, especially those in low-income settings, face difficulties in acquiring information to accurately assess school quality or understand its importance in determining future educational outcomes. Researchers conducted a randomized evaluation to measure the impact of an information program on parental school choice and long-term student achievement. They found that the intervention shifted household school choices of those who were not enrolled before the intervention toward establishments with higher average test scores, higher value add, higher prices, and schools that tend to be further from their homes. Also, for students who were not enrolled in school prior to the intervention, there was an increase in both language and math test scores in the 4th grade, five years after the intervention took place.

Policy issue

Informed consumer demand is an important aspect of well-functioning markets. In the case of the market for educational services, families of lower socioeconomic backgrounds may particularly face difficulties in acquiring information on how to choose the right school for their children, how to accurately access school quality, or why this process is particularly important for their children's future. Research from different contexts suggests that providing information to individual families on the characteristics of schools and what factors influence a school search process could improve outcomes for students. Can personalized information provision to households be a cost-effective and scalable way to inform school choice

Context of the evaluation

The primary schooling system in Chile features a high degree of choice and a large private sector. Parents have the opportunity to sign their child up for a school of their choice sometime before the beginning of the academic school year. Despite the variety in school choices available, students from low-income families tend to attend primary schools with lower average test scores, lower teaching quality, and fewer overall resources.

This evaluation took place at 133 preschools in three of the largest urban regions of Chile: Valparaiso, Biobio, and Santiago. The researchers collaborated with Fundación Integra, one of the two main free Pre-K providers in Chile, to implement the evaluation in their network of schools. The majority of the students in these schools were located in urban areas where families tend to pick

preschools closest to their homes. Parents are required to apply to and sign up for a school when their children transition from a Pre-K institution to a primary school; in the former decentralized admission system, parents needed to directly reach the school they were interested in to request admission. The evaluation took place during the time period in which parents were enrolling their children in primary schools.

A mother being embraced by young child in Chile.

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Details of the intervention

Researchers partnered with "Fundación Integra" to conduct a randomized evaluation to measure the impact of personalized information on school choice and student outcomes. The intervention aimed to increase the awareness of neighborhood school characteristics and the perceived returns to school quality. Preschools were randomly assigned to one of three groups:

1. *Video:* Parents were shown a video during a regular parent-teacher meeting that urged them to think about how their school choice would affect their child's future. The video placed a special emphasis on the instrumental role good schools play in preparing a child for higher education and a good job. The video explained that students needed to do well on standardized tests for higher education and the importance of checking schools' average standardized test scores when comparing schools. Finally, the video also included real-life examples of students and parents from low-income neighborhoods whose school choice helped them succeed.
2. *Video + Report Card*: In addition to the video, parents in this group also received a report card that highlighted test scores and prices of schools in the neighborhoods. In order to indicate relatively "good" and "bad" schools, establishments that

were above the nationwide average test score were signaled in green and schools that had average scores below the mean were highlighted in red.

3. *Comparison Group*: Parents whose children were enrolled in these schools did not receive any additional information other than what they already had access to.

Due to implementation difficulties in tracking schools within the two treatment arms, the final research design looked at the effectiveness of information programs that included a mix of report cards and a video. Researchers measured short-term outcomes including the characteristics of schools that were chosen, such as their price, distance, average test scores, and test score value-added as a proxy for school quality. In the long run, researchers looked at students' standardized test scores in fourth grade, five years after the initial evaluation, using administrative data from the Ministry of Education of Chile (MINEDUC).

Results and policy lessons

School Choice: The intervention shifted parents' choices toward schools that tend to be further from their homes; the intervention also moved parents' choices toward schools with higher average test scores, higher prices, higher value add, when children were not enrolled in school prior to the intervention, which is the group for whom the information would have had the opportunity to affect parents' school choice process. For instance, families who received the information chose schools that were an additional 0.14 kilometers (km) away from their homes compared to families who did not receive the information. For families who had not yet enrolled their children when the program began, this number rose to 0.24 additional km. Students who were not enrolled prior to the intervention and whose parents received the information were 12 percentage points more likely to attend schools with higher out-of-pocket fees. These guardians were also more likely to choose schools with higher average math and language test scores than those who didn't receive the information. Taken together, this information suggests that the intervention encouraged parents to choose schools with higher academic achievement, despite the fact that they can be further away or charge additional out-of-pocket fees.

Overall, although the information did affect school choice, there was no evidence that families who received report cards were more likely to choose green schools over red schools. In fact, families who received report cards were less likely to enroll in a school nearby their PreK institution and thus on the report card. These results suggest that the specific design aspects of the report cards were less important than the overall impact of both the report cards and the video on increasing parents' awareness of the importance of school quality and a careful school choice process.

Long-Term Student Achievement: The researchers also found that students whose parents participated in the information program had 0.13 standard deviations higher math test scores on average in the 4^{tth} grade, five years after the intervention took place. For students who were not enrolled in school prior to the intervention, there was a 0.22 standard deviations increase in both language and math test scores. These results suggest that the intervention increased academic achievement, at least partly due to changes in school choice.

Simulated Scaling Results: The researchers use the results of the experimental evaluation to simulate what would happen if the intervention is scaled; especially, they consider schools' capacity constraints to adjust quality and the number of students they can enroll. This exercise suggested that the equilibrium effects will tend to be raised by increasing supply of school quality once families in poor neighborhoods are exposed to the policy and put more weight on school quality when choosing schools.

Allende, C, and Francisco Gallego and Christopher Neilson. "Approximating the Equilibrium Effects of Informed School Choice." Working Paper, July 2019.