

Comment on Goals and Gaps: Educational Careers of Immigrant Children

Rebecca Diamond

Stanford GSB and NBER

The children of immigrants have some of the highest levels of intergenerational mobility. Immigrant kids do as well or better than kids with native-born parents, holding fixed parental income. This is true in the US (Abramitsky et al, 2020) and Europe (Bolotnyy and Bratu (2018), Hermansen (2016).) However, the income levels of immigrant parents fall below the average incomes of native-born parents. This leads the children of immigrants to have lower average levels of human capital and adult earnings, than those of children born to natives. More broadly, immigrant families likely have less knowledge of how to best utilize the educational system, in addition to fewer resources to devote to their children's human capital investments.

Carlana, La Ferrara, and Paolo (2020) (CLP) study the differences in education choices between children of immigrants and natives in Italy. They document that immigrant students are about 7 percentage points more likely to select a vocational high school versus a technical or academically focused high school at the end of middle school, relative to native students.¹ This gap declines to about 4.1 percentage points, but persists, when controlling for students' prior test scores and proxies for parental education and income. Different education tracks in the Italian school system lead students down very different education and occupation paths. Student choosing the vocational school have substantially lower probabilities of going to college and higher college dropout rates than students attending technical or academic high schools.

One lens to interpret these different high school paths is to view them as revealed preferences. Both immigrants and natives have the option to enroll in the more academically rigorous high schools, but the immigrants *choose* the less rigorous vocational schools more often.² If immigrant and native students were equally informed about the costs and benefits of these different types of schools, then immigrants choosing vocational schools at higher rates would be efficient outcome. These schools would maximize immigrant students' utilities and should not be viewed as "sub-optimal choices." Indeed, this logic has motivated many school districts to move towards centralized school choice mechanisms, enabling families and students more control over the schools their children attend (Abdulkadiroglu et al, 2017).

However, immigrant and native students might not be equally informed about the expected payoffs of going to a vocational versus academic school. If immigrant students have misperceptions about their ability to succeed at the more rigorous schools, interventions that provide information and support around these high stakes decisions, such as the choice of high

¹ I will refer to academic vs. vocational schools throughout the rest of this comment. However, when I refer to academic schools, I mean the pooled combination of academic and technical schools.

² There are no binding capacity constraints, so all students who want a given track of high school are able to access it.

school track, could substantially improve the utility of students. This is the question that CLP seek to answer.

CLP use a large-scale randomized controlled trial that provided tutoring and career counseling to immigrant students that had previously scored highly on standardized exams. This intervention occurred in middle school, prior to students' high school selections. The career counseling included 13 different meetings. Some of these meetings focused on discussing students' aspirations and perceived barriers to success. Others focused on providing information about the Italian education system. The tutoring part of the intervention focused on providing study skills across range of school subjects. These sessions did not focus on improving students' knowledge or cognitive skills per se. Treated students who scored worse on their prior standardized exams received a larger number of tutoring sessions. This variation led to sharp cutoffs in the amount of tutoring treated students received based on prior exam scores.

CLP find large effects of this intervention on immigrant students' high school track choices and grade retention. They find that treated students enroll in academic high schools at the same rate as native students, holding fixed prior standardized test scores. This fully closes the baseline gap of about 5 percentage points. Interestingly, these effects are essentially all driven by boys. Immigrant girls were already choosing academic high schools at nearly the same rates as native girls with comparable prior test scores.

To investigate whether career counseling or the tutoring treatments are driving their results, they use an RDD design around the amount of tutoring treated students received. They find no differences in treatment effects when the number of tutoring sessions increases. This suggests that the main mechanism driving these effects is the career counseling. Obviously, it's possible that the extensive margin of getting any tutoring at all may contribute to the treatment effects as well. Looking at data on personality and cognitive skills, they find corroborating evidence that career counseling was the key mechanism driving their results. Students reported increased aspirations and reduced perceptions that barriers such as financial constraints, prejudice, or family plans would limit their choices. They also find that teachers' perceptions change. Teachers of treated students are 17 percentage points more likely to recommend an academic high school to these students.

CLP make a key contribution to a small, growing literature on the role of perceptions and barriers in choice behavior and their impacts on inequality. CLP show that differences in aspirations and perceptions are the key drivers of the immigrant-native high school track gap. Standard revealed preferences arguments would have concluded immigrants' core preferences were different from those of natives. For example, Abdulkadiroglu et al (2017) study high school choice in New York City and use revealed preference to find that racial minorities do not want to go to high schools that have higher shares of white students. Taking these preferences as given, they would conclude that moving racial minority students to high schools with higher percentages of white students would make these minority students worse off. CLP's results

question this logic. Indeed, other work by Abdulkadiroglu et al (2018) show that increasing school choice through issuing vouchers to disadvantaged students in Louisiana *lowered* treated students' academic achievements. Their results suggest voucher access allowed many low quality private schools to enter the choice sets of these disadvantaged students.

Recent work by Bergman et al (2020) studying low-income households' neighborhood choices also points to barriers and perceptions being a key driver of neighborhood income and racial segregation. Bergman et al also use an RCT to provided counseling and support to housing voucher recipients to help them search for an apartment in a high opportunity area. These relatively modest interventions have a huge impact on moving housing voucher holders to high opportunity neighborhoods. Again, revealed preference would have suggested that these voucher holders preferred to live in lower opportunity neighborhoods (possibly due to other compensation differentials.)

Handel et al (2020) finds similar types of results in the context of choosing health insurance plans. They look at the types of health insurance plans offered and selected by all households in the Netherlands. They show that less educated households are more likely to choose health insurance plans that are clearly suboptimal choices for their health and financial situations. The complexity of evaluating health insurance acts as a larger barrier to making good choices for households less skilled and that have fewer financial resources. Future work in economics analyzing choice behavior will need to confront the possibility that barriers and perceptions are key drivers of perceived "preference" differences across the socio-economic spectrum. Carlana, La Ferrara, and Paolo (2020) is paving the way.

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