

## **[ERA-8] The Effect of School-Based Diversity on Long-Term Economic Opportunity: Evidence from Education and Workforce Data in Maryland**

Created: 10/24/2018

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<b>Status:</b>	Under Review
<b>Project Title:</b>	The Effect of School-Based Diversity on Long-Term Economic Opportunity: Evidence from Education and Workforce Data in Maryland
<b>Abstract or Brief Description:</b>	Over the last several decades, there has been a large shift in demographics of the U.S., particularly in urban communities, raising questions about the effects of increased diversity on both short-term schooling outcomes -- where debates regarding inclusion and integration largely have played out -- and long-term economic opportunity. This project will examine how school-based diversity -- defined by the racial, ethnic, and language composition within schools -- predicts college enrollment and persistence, and wages. To do so, we will use K-12 education data from MSDE, higher education data from MHEC, and wage data from DLLR. We also will leverage several identification strategies, including exploiting within-school variation over time, to limit sources of bias due to non-random sorting of students to schools.
<b>Research Project Question:</b>	What is the effect of diversity based on race, ethnicity, native language, and country of origin on longer-term economic opportunity, as measured by college going, college graduation, and wages?
<b>Research Agenda Questions:</b>	2. Are Maryland students academically prepared to enter postsecondary institutions and complete their programs in a timely manner?
<b>Benefit to the State of Maryland:</b>	The findings of this study will help to disentangle the roles of student, school, and neighborhood demographic characteristics to help policy makers determine the best areas in which to intervene.
<b>Explanation of Cross-Sector Qualities:</b>	This project focuses on data from K-12, higher education, and labor.
<b>Proposed Center Output:</b>	This project is expected to result in the following MLDS Center products: (1) Research series presentation(s) (2) Research report(s).
<b>Estimated Timeline for the Proposed Project:</b>	Roughly two years
<b>Plans for Further Development:</b>	We plan to submit results to academic conferences (e.g., American Educational Research Association, Association for Education Finance and Policy, Association for Public Policy and Management) and academic journals (e.g., Education Evaluation and Policy Analysis, Education Finance and Policy).
<b>Researcher Applicant Name:</b>	Dr. David Blazar

<b>Researcher Email Address:</b>	<a href="mailto:dblazar@umd.edu">dblazar@umd.edu</a>
<b>Researcher Organization:</b>	University of Maryland College Park
<b>Researcher Phone Number:</b>	6175498909
<b>Research Applicant Background and Qualifications:</b>	Dr. Blazar is a member of the MLDS research team. He is an Assistant Professor of Education Policy and Economics at the University of Maryland College Park. He received his doctorate in Quantitative Policy Analysis in Education (focus in economics) at the Harvard Graduate School of Education.
<b>Grant Funds:</b>	Yes, I plan to apply for grant funds for this project.
<b>Description of Grant Program:</b>	<p>The Russell Sage Foundation is the principal American foundation devoted exclusively to research in the social sciences. The foundation serves as a research center for academics and journalists, a funding source for studies by scholars at other academic and research institutions, and an active member of the nation's social science community. The foundation also publishes books and a journal that derive from the work of its grantees and visiting scholars.</p> <p>RSF funds research projects in four principal programs—Behavioral Economics; the Future of Work; Race, Ethnicity, and Immigration; and Social Inequality—and in a number of special initiatives. RSF also hosts working groups that develop and cultivate original social science research in new or understudied fields.</p>
<b>Name of Grantor:</b>	Russell Sage Foundation
<b>RFP or Grant Program Information:</b>	<a href="http://www.russellsage.org/research/funding/race-ethnicity-immigration">http://www.russellsage.org/research/funding/race-ethnicity-immigration</a>
<b>Amount of Grant Funds Sought / Awarded:</b>	Roughly \$175,000
<b>Grant Application Date:</b>	11/30/2018
<b>Letter of Support:</b>	Yes
<b>Intent to Proceed Without Grant:</b>	Yes

# **The Effect of School-Based Diversity on Long-Term Economic Opportunity:**

## **Evidence from Education and Workforce Data in Maryland**

David Blazar (Principal Investigator)

With research support from Casey Archer and Francisco Lagos

*University of Maryland, College Park*

Funding Competition: Russell Sage Foundation (due November 30)

Duration: Two Years

Budget: Max. \$175,000

### **Significance and Background**

Over the last several decades, there has been a large shift in demographics of the U.S., particularly in urban communities, raising questions about the effects of increased diversity on both short-term schooling outcomes -- where debates regarding inclusion and integration largely have played out -- and long-term economic opportunity. In Maryland, the minority student population has grown substantially, from roughly 40% non-white in 1990 to roughly 60% non-white in 2017.

A large theoretical literature exists on the effects of diversity in and out of school, as does a smaller but robust “peer effects” literature documenting how peers in a classroom or school impact a students’ own academic experiences. However, much less is known about the long-term effects of diversity, and how exposure to students who are similar to or different from oneself impact college-going, college graduation, and success in the labor market. The theoretical literature suggests that strong communities of peers likely provide additional access to resources and increased social capital that should, in turn, improve long-term opportunity. To our knowledge, this hypothesis has not been tested. Further, given mixed findings on the short-term effects of peers -- with some studies showing that access to peers with higher socioeconomic status can improve test-score performance, and others showing that outcomes improve most when students are in learning environments with others like them -- we see a critical need to expand this literature base.

### **Research Question**

Specifically, we ask: *What is the effect of diversity based on race, ethnicity, native language, and country of origin on longer-term economic opportunity, as measured by college going, college graduation, and wages?*

### **Research Design and Methods**

To answer our research question, we propose using cross-sector, longitudinal data from the Maryland Longitudinal Data System (MLDS) Center.

**Measures.** Because we are interested primarily in the economic consequences of racial-, ethnic-, and language-based diversity, our primary outcome measure of interest is wages captured in the Department of Labor, Licensing, and Regulation (DLLR) data. Because the wage data are

censored non-randomly, we also will capture outcomes in college, recognizing that attainment of a college degree increasingly is a prerequisite for entry into the middle class. Our main predictors of interest come from the Maryland State Department of Education (MSDE) data, and include: school-level averages of demographic characteristics (i.e., percent black, percent Latinx, percent ELL), the percent of students in a school similar to each individual (based on the same characteristics), and the percent of students in a school that are different from an individual.

**Design.** Our main concern for identification -- that is, establishing *causal* relationships -- is the non-random sorting of students to schools. We propose three approaches to limit biases due to self-selection. First, we will examine how within-school changes in demographics and diversity relate to changes in outcomes. This school fixed effects approach is common in the economics “peer effects” literature. Second, we will leverage plausibly exogenous variation in school composition due to a policy shock in Prince George’s County, which consolidated schools in 2009. Third, pending approval from the MLDS governing board to use these data, we will draw on school lotteries from oversubscribed schools in Baltimore City (and possibly other districts in Maryland).

## **MLDS Research Agenda**

This proposal is responsive to the following question on the MLDS Center research agenda:

- *Are Maryland students academically prepared to enter postsecondary institutions and complete their programs in a timely manner?*

## **Evaluation of a state or federal education program**

This work evaluates Maryland public high schools (e.g., their ability to educate students in schools serving minority populations and prepare students for college and career).

## **Cross-sector**

This research is cross-sector by incorporating data from Maryland pre-k through 12 public school students, data on college enrollments and degrees, and workforce earnings.

## **Benefit to the State of Maryland**

The findings of this study will help to disentangle the roles of student, school, and neighborhood demographic characteristics to help policy makers determine the best areas in which to intervene.

## **Available Resources**

As a team, we have substantial capacity to complete this work. The investigators on this project have ample experience with data cleaning, statistical analysis, and dissemination of results both to academic and policy audiences. Funding from the Russell Sage Foundation would provide effort support for the PI doctoral students working on the project.

## **Center Product and Further Development**

- **MLDS Center products.** This project is expected to result in the following MLDS Center products:
  - (1) Research series presentation(s)
  - (2) Research report(s).
- **Further development.** We plan to submit results to academic conferences (e.g., American Educational Research Association, Association for Education Finance and Policy, Association for Public Policy and Management) and academic journals (e.g., *Education Evaluation and Policy Analysis*, *Education Finance and Policy*).