The impact of low-income priority points on school choice and student performance

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Abstract: Many countries use centralized school choice procedures to assign pupils to schools. To address excess demand for a particular school, ties are broken according to priority points that are granted based on various criteria, such as families' socio-demographics (e.g., low-income status). Low-income priority points are granted conditional on pupil's household per capita income. We exploit sharp discontinuities in the low-income points eligibility formula to identify the impact of low-income priority points on student outcomes. We use comprehensive administrative data on parents' applications and admission to schools in the Region of Madrid in 2010/11 and 2011/12. We match this data with student standardized test scores and survey data to estimate the impact of student academic performance and school satisfaction on Grade 3 and 6.