

## Mini-grant-Funded Research

### **The Economics of Voluntary Disclosure in SAT Scores**

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An increasing number of colleges have made reporting SAT I (the two-part standardized verbal and math test) scores voluntary. These schools argue that the test score differentials in the SAT are not a result of aptitude differences but rather biases in the test that favors particular groups. The game theoretic models of voluntary disclosure suggests that if revealing SAT scores is voluntary and slightly costly, only those students with the low SAT scores will withhold their scores (i.e., the “unraveling” equilibrium). All others will reveal their scores to avoid the assumption that they have extremely low scores. Using proprietary admissions data from a college with such a policy, we find that

this trend generally holds for students with very high SAT scores—even conditional on observables, these students submit their SAT scores. Yet, applicants with relatively low SAT scores are less likely to withhold their scores than students with midrange SAT scores.

In addition to testing the theory of voluntary disclosure, two other trends in education policy and practice motivate this research. The first is the paradox represented by this trend toward making standardized test scores optional in college admissions paired with the increased reliance on standardized testing in other education arenas, such as the estimated \$500 million per year test preparation industry and President Bush’s education reform agenda. That agenda includes the No Child Left Behind Act of 2001, which requires states to develop a grade by grade standardized testing system as a measure of accountability.

The second motivating policy issue for our research is the ongoing policy

challenge in higher education that seeks to equalize college access, particularly among those students historically most underrepresented. The differential effect on college access of making SAT scores optional in the admission process has not been thoroughly evaluated. After conditioning on observables, we find evidence that female applicants are still more likely to not submit their SAT scores, but we find very little evidence that the same is true for minorities.

### **The Educational Progress of Immigrant Children: California in Perspective**

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Twenty percent of children under age 18 in the United States had at least one immigrant parent in 2000. In California, by contrast, the share was more than double at nearly 50 percent. Since

immigrant youth will probably comprise the majority of California's workforce, understanding the determinants of immigrants' educational attainment is imperative. In studies funded by a W.E. Upjohn Institute for Employment Research Mini-Grant, I examined student enrollment and achievement in California and national data.

Analyses find that California's first generation immigrants, especially Mexicans and other Hispanics, are at greatest risk of being ill-prepared to navigate the education-driven American labor market. These findings buttress the importance of targeting resources on the limited-English proficient population. English language learners need to be brought "up-to-speed" linguistically so that they can handle the challenging courses necessary to successfully complete their careers and to prepare for postsecondary schooling.

These studies represent a first pass at isolating the effect of generational status on student achievement. Future work needs to examine how mediating influences such as parental engagement in schooling, family socioeconomic characteristics, and school inputs vary across race and ethnic groups within and across generations.

### **Single Mothers Working at Night: Standard Work, Child Care Subsidies, and Implications for Welfare Reform**

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Working outside the "standard" weekday hours of 8 a.m. to 6 p.m. between Monday and Friday is an increasingly common practice in the United States. For example, in 1995, 34.3 percent of all female workers in the United States were nonstandard workers. The investigation of nonstandard work is important for a number of reasons. First, workers engaged in nonstandard work are more likely to be assigned to routine jobs and to receive less training and fewer promotions than others. Consequently, these workers tend to earn less and are less likely than standard workers

to have health insurance and pension benefits. Second, nonstandard work is linked to a number of adverse outcomes for parents and children, such as work and family conflicts, marital instability, health problems for both parents and children, and poor educational outcomes for children. Finally, the majority of nonstandard workers work such schedules involuntarily and view their employment during nonstandard hours as an accommodation to labor market needs, not as a personal preference.

With the passage of welfare reform in 1996, child care assistance has become a significant tool for helping welfare recipients move into the workforce and for helping other low-income families stay off welfare. Almost eight years after the welfare reform bill, Congress now debates legislation to reauthorize welfare reform, and child care funding remains a key issue. However, little is known about whether child care subsidies have in fact played a role in increasing employment among welfare recipients, or in general, among low income individuals in the post-welfare reform period. Even less is known about the effect of these subsidies on standard/nonstandard employment decisions of these individuals.

Since the passage of welfare reform, the employment rate of single mothers has continued to rise. However, leaving welfare does not necessarily mean gaining adequate work and increasing economic self-sufficiency. Over three-quarters (78 percent) of employed low-income single mothers are concentrated in typically low-wage and low-benefit occupations. These occupations typically demand a greater number of hours outside the standard weekday times of 8 a.m. to 6 p.m. Welfare reform might have been successful so far in helping welfare participants secure entry-level jobs. However, there is a great deal of concern over the possibility that many former welfare recipients who have gone to work are having difficulty finding stable employment and are working at jobs with low wages and few benefits. I examine the capability of child care subsidies to help mothers find jobs with conventional or standard schedules, the kind of jobs that usually pay higher wages, provide

better benefits, and lead to long-term economic self-sufficiency of parents. My research also provides insight into whether the effect of child care subsidies on standard employment differs between welfare recipients and nonrecipients. This investigation is particularly important because many states give priority to families leaving welfare for child care assistance.

The empirical analysis uses data from the 1999 National Survey of America's Families (NSAF), conducted by the Urban Institute. Results suggest that child care subsidy receipt is associated with a 6.9-percentage-point increase in the probability of single mothers' working at standard jobs. When the effect of subsidy receipt is allowed to differ between welfare recipients and nonrecipients, results indicate that welfare recipients who are offered a child care subsidy are 14 percentage points more likely to work at standard jobs than others. Among nonrecipients, child care subsidy receipt increases standard work probability by only 1.8 percentage points. These findings underscore the important role of child care subsidies in helping low-income parents, especially welfare recipients, find jobs with conventional or standard schedules. The findings also point to the need for a substantial increase in the child care funding in the new welfare reform bill in order to enable TANF participants to achieve real economic security in the long term.

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