

Information, Heterogeneous Updating & Higher Education Decisions: Experimental Evidence from India

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Abstract

I randomize information on population earnings to a sample of 12th grade students, drawn from schools affiliated with a large public state university in India, who at the time were six months away from making a decision regarding college attendance and college track (technical, academic, vocational) conditional on attendance. Upon the receipt of potentially new information, students revise beliefs regarding own-wages in the direction of the information, though the average extent of updating is small and masks substantial sub-group heterogeneity. Additionally, subsequent changes in enrollment intentions and intentions to borrow for higher education are in line with both the extent and direction of wage belief updating. A portion of the heterogeneity in wage belief updating can be explained by initial misperceptions regarding population earnings, and baseline relevance of earnings to enrollment intentions. Yet a substantial portion remains unexplained, consistent with substantial heterogeneity in updating heuristics, at the individual level. From a policy standpoint, these findings point to the limited capacity of information campaigns based on population-level aggregates to induce, on average, large changes in individual priors and help to rationalize a number of recent papers that find heterogeneous impacts of information provision on education outcomes.

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