

# The effect of School Choice on the Distribution of Immigrants among Public Schools and Neighborhoods

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## Introduction

- In Spain a high proportion of students attend the public school in their district
- School choice mechanisms do not allow individuals to really choose
- Individuals are ultimately assigned to the school in their district
- Segregation in neighborhoods will map into segregation in schools
- The link will affect the level of segregation since the composition of neighborhoods is not exogenous

- Families choose where they live conditioned by:
  - exogenous characteristics of the neighborhood (location, ..)
  - endogenous characteristics of the neighborhood:
    - housing prices
    - neighbors
  
- but also..
  - school resources per pupil
  - school peers
  - school prices

## **Purpose of the project**

- Analyze how the link between neighborhood of residency and of school enrollment and how breaking this link affects the segregation in neighborhoods and schools

## Related literature

Most inspired by the US education finance system

- Fernández and Rogerson (1995, 1996, 2002): political economy analysis of how the different school finance systems affect school resource in the different districts (homogeneous neighborhoods)
- Nechyba (1996, 2000, 2001)
  - heterogeneous housing
  - multiple jurisdictions who choose school resources
  - households with different abilities and wealth
  - education process is affected by resources and peers
  - private school market

Equilibrium in private school, housing, political economy and location

# Ingredients of the model

- Individuals differ in income levels and in relative preferences for consumption and housing
- There are immigrants who are concentrated at the lower end of the income distribution
- Two neighborhoods with good and bad exogenous characteristics
- Neighborhoods with richer neighbors will be preferred
- Schools with richer peers will be preferred
- Homogeneous school resources



Initially good neighborhoods will become even more valuable when education is linked to residence. Segregation in income (and culture) will be increased and reinforced.

- What happens if individuals don't have a priority to enter their district school?

Problem: the number of seats in a school is fixed and supply may be smaller than demand...

- **Randomly decide who enters**

This would make the residence decision independent of school choice

- **Give priority to those who live in the district with lowest mean income**

This would reverse the relationship, increasing the value of the initially worse neighborhood, reducing the segregation due to neighborhood exogenous characteristics

The existence of private schools also reduces the link between residence and school, but is not available to everyone since its costly

- Analyze what happens in the presence of private schools
  - reduction in the attendance from middle class??
  - increase in attendance by high class??
  - reduction in public school resources??



# Conclusions

