

KNOWING WHO YOU ARE: THE EFFECT OF FEEDBACK ON SHORT AND LONG TERM OUTCOMES¹

Sofoklis Goulas ^a, Rigissa Megalokonomou ^b

^a University of North Carolina at Chapel Hill, USA

^b The University of Queensland, Brisbane, Queensland, Australia

Corresponding email: r.megalokonomou@uq.edu.au

Abstract

We studied the effect of disclosing relative performance information (feedback) on students' performance in high-school, on subsequent university enrolment, and on expected subsequent earnings. We exploit a large-scale natural experiment in which students in some cohorts receive information about their relative performance within their schools and across the nation. Using unique primary data, we find an asymmetric response to feedback: high-achieving students improve their final-year performance by 0.15 of a standard deviation, whereas the final year performance of low-achieving students drops by 0.3 of a standard deviation. The results are more pronounced for females, indicating greater sensitivity to feedback. We also documented the long-term effects of feedback: high-achieving students reduced their repetition rate for the national exams; they enrolled into university departments that are more prestigious by 0.15 of a standard deviation and their expected annual earnings increase by 0.17 of a standard deviation. By contrast, the results for low-achieving students are negative. We provide suggestive evidence that feedback encourages students from low-income neighbourhoods to enroll in university and to study in higher-quality programs, which may, in the long run, reduce income inequality.

Keywords: Feedback, Relative Performance, University Admission, Rank, Gender Differences, Income Inequality
