



## Informed School Choice Policy

Evidence from a Randomized Control Trial in Chile

### Executive Summary

In 2010, an information intervention targeting Pre-K families in Chile was implemented that sought to teach families about the importance of school quality for long run outcomes when it comes to choosing schools. Through a low-cost intervention, consisting of a video and personalized report cards delivered during parent-teacher meetings, it was found that families shifted their preferences towards higher-quality schools, resulting in a 0.2 standard deviation improvement in student test scores five years later among treated families. The intervention demonstrates providing information in a cost-effective manner can effectively reduce information gaps in education, particularly for disadvantaged families. It also opened the discussion that implementing at-scale policies with supply-side responses could further amplify these positive effects.

Key Information	Policy Implications
<ul style="list-style-type: none"><li><b>Research Question:</b> Can information provision improve school choice decisions and educational outcomes?</li><li><b>Data Source:</b> RCT with 1,832 Pre-K students in Chile, 2010</li><li><b>Methodology:</b> Randomized control trial + structural modeling</li><li><b>Timeline:</b> 2010-2014 (5-year follow-up study)</li></ul>	<ul style="list-style-type: none"><li><b>Primary Recommendation:</b> Implement information interventions at scale</li><li><b>Expected Impact:</b> 0.2 SD improvement in test scores</li><li><b>Implementation:</b> Opening a discussion by presenting a video and handing out a report card in a scheduled parent-teacher meetings</li></ul>

## Background and Context

**The Problem:** In education markets, particularly in developing countries with extensive private provision, families often lack critical information about school quality. This information gap leads to suboptimal school choices, especially among disadvantaged families who may have less access to information about their options or might not understand the importance of choosing a high-quality school in younger grades. Without accurate information about school characteristics, test scores, and their importance for future success, parents cannot make informed decisions that maximize their children's educational opportunities.

**Current State:** Previous research has shown mixed results for information interventions in education. While some studies found positive impacts, others showed no effects, suggesting that the design and context of information provision matter critically. The challenge is to develop



low-cost, scalable interventions that not only provide information but also motivates families to carefully consider school quality when making choices.

## The Intervention and Research Design

The intervention consisted of two components delivered during a scheduled parent-teacher meetings at Pre-K centers of *jardines Integra*:

**1. Motivational Video:** A video that emphasized the returns to investing in school quality and choosing a school carefully. The video:

- Used testimonials from students and parents showing that attending quality schools can improve future opportunities
- Explained how higher education is associated with better job opportunities and higher earnings
- Emphasized that going to a good school helps prepare children for higher education and good jobs
- Featured relatable role model testimonials of people who succeeded through education

**2. Personalized Report Card:** A report card that highlighted:

- Test scores (math and language SIMCE scores) for schools around the neighborhood
- School prices and out-of-pocket costs
- Discussion session for parents to ask questions about the school choice process

**Research Design:** The study randomized this intervention across 1,832 Pre-K students across 2 different regions (Valparaíso, Biobío, and Santiago) and 133 preschools, tracking families school choices and students academic outcomes over five years using administrative data.

## Key Research Findings

**Main Results:** The intervention produced significant and positive effects on multiple dimensions:

- **School Choice Behavior:** Treated families chose schools with higher average test scores and higher value-added measures. Students traveled 0.14 additional kilometers (approximately 0.1 standard deviations) to attend better schools, indicating families were willing to go farther for quality.
- **Academic Outcomes:** Five years after the intervention, students whose families received the information treatment showed a significant **0.2 standard deviation improvement** in standardized test scores (math and language combined). This represents a substantively meaningful gain in educational achievement.



- **Targeted Impact:** The effects were particularly strong for families that had not yet enrolled in a school at the time of the intervention, suggesting the intervention helped reduce information barriers for families with less initial search effort.
- **Cost-Effectiveness:** The intervention required minimal marginal cost, presenting a short video and having a discussion during an existing parent-teacher meetings and low-cost printed materials. This suggests high scalability potential for government implementation.

**Evidence:** These results are based on a rigorous randomized control trial with 1,832 families, controlling for market characteristics (number of schools, test score distributions), municipality fixed effects, and family socioeconomic status. The five-year follow-up provides robust evidence of lasting educational impacts. Additionally, through a structured-model, simulated counterfactual scenarios showed how an at-scale policy, though current capacity constraints on the supply-side might mitigate effects of the policy, several scenarios also show that the supply-side response would be to increase quality, which would lead to an overall positive average treatment effect.

## Policy Recommendations

The findings suggest that simple, well-designed information interventions can generate large returns relative to their cost. We recommend that policymakers should consider integrating such programs into existing school choice processes, particularly in contexts of decentralized or choice-based systems where families must actively select schools. Our recommendations are the following:

- Providing **personalized and accessible information** about school quality. This helps correct previous misconceptions and increases parental engagement.
- **Behavioral framing**, by emphasizing future returns to education. This enhances the perceived importance of school quality and also lead to shifts in parents school choice towards high quality schools.
- **Integration with public Pre-K systems** ensures scalability and equitable reach to disadvantaged populations.

While the short-term benefits are clear, we caution that large-scale implementation would also trigger equilibrium responses, such as capacity constraints and adjustments in school quality or pricing, that must be modeled to anticipate the full policy impact.

## Scaling and Equilibrium Considerations

A central contribution of this research is its analysis of how outcomes might change when the policy is expanded nationally. Using an estimated structural model of school choice and competition, the authors simulate both demand-side and supply-side adjustments. When all families are informed but school capacity remains fixed, the gains in average school quality diminish



by roughly half due to congestion at high-performing schools. However, when supply-side responses are introduced, allowing schools to adjust quality and pricing, the policy's aggregate effects become stronger and more persistent.

This equilibrium perspective highlights the importance of integrating information interventions with complementary policies. Investments that relax capacity constraints, incentivize quality improvements, and maintain affordability for low-income families can magnify the benefits of information provision.

## Implementation and Broader Implications

For policymakers, the Chilean experience provides an example for designing evidence-based information policies in education markets. The intervention's success depended on three key factors: institutional feasibility, credible and locally relevant data, and a behavioral framing that resonated with parents' aspirations for their children. The study demonstrates that even in contexts with extensive school choice, families remain sensitive to better information and can respond with improved decisions.

Future initiatives could adapt similar strategies to modern delivery mechanisms, such as digital platforms, mobile applications, or personalized messaging systems, to further reduce informational barriers. However, such efforts must be paired with safeguards to ensure that increased demand for high-quality schools does not increase inequalities in access.

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### For More Information

**Full Paper:** "Approximating the Equilibrium Effects of Informed School Choice"

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