



3rd Departmental Seminar (2010-2011)

**“Motive Schools and Endogenous Preferential Treatment
in Centralized Admissions”**

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Abstract

As students' motivations are important to their studies, schools may value applicants' motivations in addition to academic abilities in their admissions decisions. We call schools of this kind motive schools, in contrast to non-motive schools which are concerned only with applicants' academic abilities. In this paper we present a model of centralized admissions in the presence of motive schools. We are interested in whether, or under what circumstances, motive schools would want to know how they are ranked by applicants and correspondingly make best use of this information. We study a game in which each of two schools is allowed to choose either an unscreened policy (hence not informed of how they are ranked) or a screened policy (hence informed). We assume that, by using the latter, a school commits to giving higher priority to applicants who rank it as their top choices. Using as the benchmark the Gale-Shapley deferred acceptance mechanism in which both schools use the unscreened policy, we identify two beneficial effects of using the screened policy. First, a school may squeeze out unmotivated applicants who would otherwise be admitted; as a result it can admit more motivated applicants (the squeezing-out effect). Second, a school may benefit from the screened policy when the other school also uses it, even though the former does not benefit from using this policy alone (the contagious effect). We clarify the relevant conditions under which these effects take place. In general, the use of a screened policy should not be considered as a beggar-thy-neighbor policy --- those not using the policy are not adversely affected by those using it. Our results shed light on the recent reforms of high school admissions systems in America, and are especially relevant to both the so-called old New York City mechanism in which schools can choose between the screened and unscreened programmes, and the old Boston mechanism in which schools are mandated to give applicants who rank them as their top choices priority. This paper also complements our previous work (Chiu and Weng, 2009) on preferential treatment in which non-motive schools are assumed.

All are Welcome