How Does Your Kindergarten Classroom Affect Your Earnings? Evidence From Project Star

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ABSTRACT

In Project STAR, 11,571 students in Tennessee and their teachers were randomly assigned to different classrooms within their schools from kindergarten to third grade. This paper evaluates the long-term impacts of STAR using administrative records. We obtain five results. First, kindergarten test scores are highly correlated with outcomes such as earnings at age 27, college attendance, home ownership, and retirement savings. Second, students in small classes are significantly more likely to attend college and exhibit improvements on other outcomes. Class size does not have a significant effect on earnings at age 27, but this effect is imprecisely estimated. Third, students who had a more experienced teacher in kindergarten have higher earnings. Fourth, an analysis of variance reveals significant classroom effects on earnings. Students who were randomly assigned to higher quality classrooms in grades K-3 - as measured by classmates’ end-of-class test scores - have higher earnings, college attendance rates, and other outcomes. Finally, the effects of class quality fade out on test scores in later grades but gains in non-cognitive measures persist.