Old Boys' Clubs and Upward Mobility Among the Educational Elite

Valerie Michelman, University of Chicago
Joseph Price, Brigham Young University
Seth Zimmerman, Yale SOM

October 22nd, 2021

Valerie Michelman

- PhD candidate at the Harris School
- On the job market this year
- JMP: **“Sex, Drugs, and R&D: Missing Innovation from Regulating Female Enrollment in Clinical Trials”**
- https://sites.google.com/view/valeriemichelman/home

Motivation

We take on two questions:

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This paper: evidence from Harvard undergrads in "Greatest Generation" cohorts

- Important, because we rely on universities to provide paths to upward mobility
  e.g. Zimmerman 2019; Chetty et al. 2020
- Convenient, because lives of Harvard students are richly, publicly documented

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- Extend descriptive analysis across 20th century

Three facts about Harvard in the early 20th century

> *Snobbish separation of the students on lines of wealth [...] would destroy the chief value of the College as a place for the training of character.*

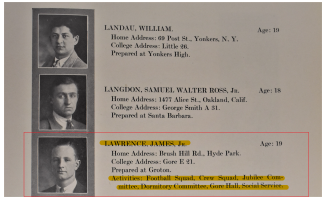
– Harvard President Lawrence Lowell, 1902

1. Central goal of Harvard admins: on-campus interaction between economically diverse students
2. Students compete for membership in exclusive social groups known as final clubs
3. Important determinant of social status: whether you went to private feeder school

Academic, social, and career outcomes for 1919-1935 entering classes

1. Harvard Archives
   - In school: high school backround, social activities, grades
   - Long run: detailed biographical accounts 25 years later

Figure: Freshman year



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College Address: Little 66.
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LANGDON, SAMUEL WALTER ROSS, Jr. Age: 18
Home Address: 1477 Alice St., Oakland, Calif.
College Address: George Smith A 31.
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LAWRENCE, JAMES, Jr. Age: 19
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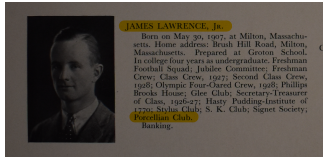
Figure: Senior year



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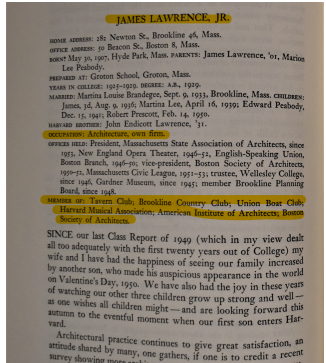
Banking.

Figure: 25 years later



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HOME ADDRESS: 282 Newton St., Brookline 46, Mass.
OFFICE ADDRESS: 50 Beacon St., Boston 8, Mass.
BORN: May 30, 1907, Hyde Park, Mass. PARENTS: James Lawrence, '01, Marion Lee Peabody.
PREPARED AT: Groton School, Groton, Mass.
YEARS IN COLLEGE: 1925–1929. DEGREE: A.B., 1929.
MARRIED: Martina Louise Brandegee, Sept. 9, 1933, Brookline, Mass. CHILDREN: James, 3d, Aug. 9, 1936; Martina Lee, April 16, 1939; Edward Peabody, Dec. 15, 1941; Robert Prescott, Feb. 14, 1950.
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OCCUPATION: Architecture, own firm.
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2. US Census 1910-1940

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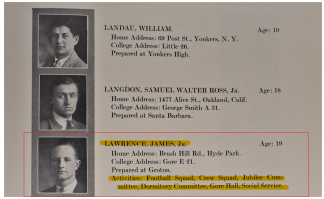

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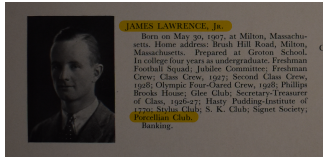

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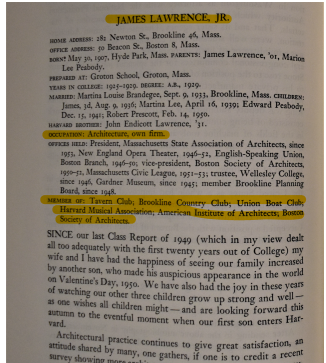

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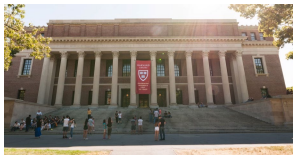
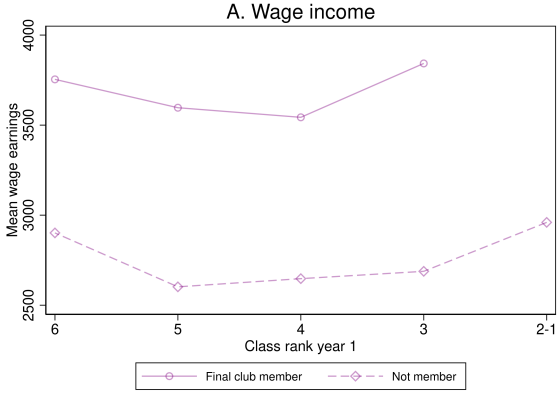
Few low-SES or high achievers at the top of the social ladder

	All students	Selective final clubs
		
Private feeder share	24%	73%
Public feeder share	23%	1.2%
Jewish name share	7%	0%
High grades share	24%	9%

Social success $>$ academic success

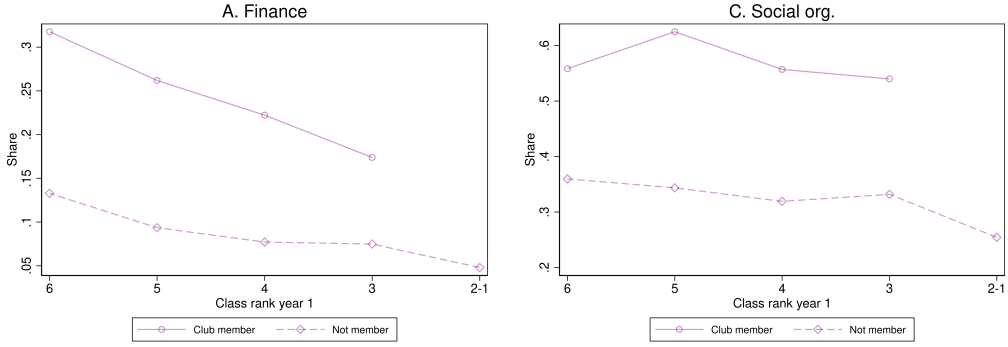
Social success > academic success



Points with N<20 not displayed. Top two groups are pooled.

- Weak relationship between grades, income
- Selective final club members earn 32% more than non-members

Social success → other adult outcomes



Source: 25th Reunion class reports. Points with N<20 not displayed. Top two groups are pooled.

Social success premium persists within HS, legacy status, family

- What about selection?
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- Final club premium does not reflect selection on family, social engagement
  - Does not rule out selection within families; e.g. on social skill

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Do interactions with high-status peers shape high-stakes outcomes?

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Approach: use random residential assignment

- Tests the general proposition that social interactions at college matter
- Evaluates actual policy Harvard used to promote cross-group interactions

Room randomization and residential integration

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- Assignment process:
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- Hard to combine w/ Census data due to sample size limits

Higher-status peers $\rightarrow$ more social success

$$\underbrace{Y_i}_{\text{College social outcomes}} = \beta_0 + \beta_1 \underbrace{RP_{p(i)}}_{\text{nbd price rank}} + \underbrace{\theta_{r(i)} + \tau_{h(i)}}_{\text{block and HS FEs}} + e_i \qquad (1)$$

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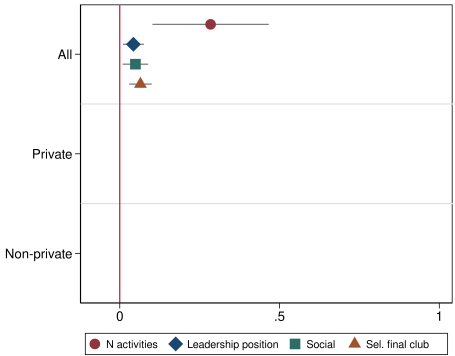

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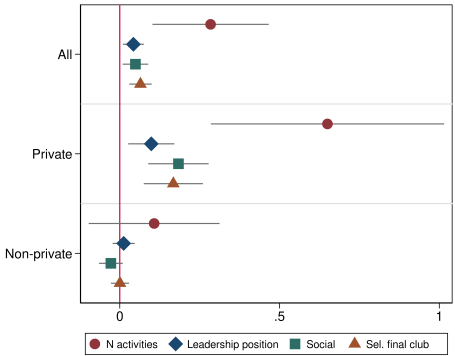

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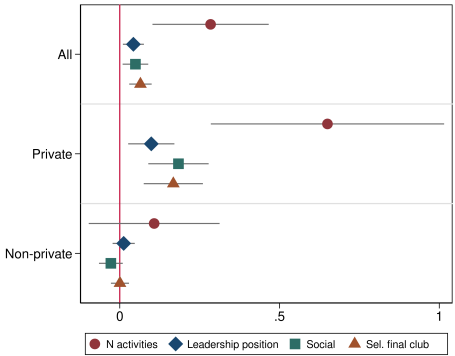

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- But only for private HS students
- 50 pp peer rank change →
  - activity count ↑ 19%
  - freshman leadership ↑ 35-50%
  - final club membership ↑ 38%

Higher-status peers → bigger gaps in adult social outcomes

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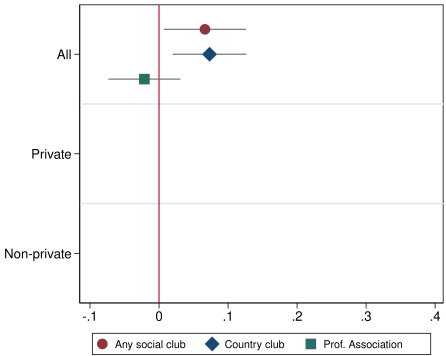

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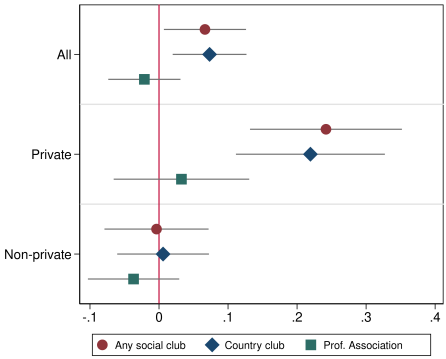

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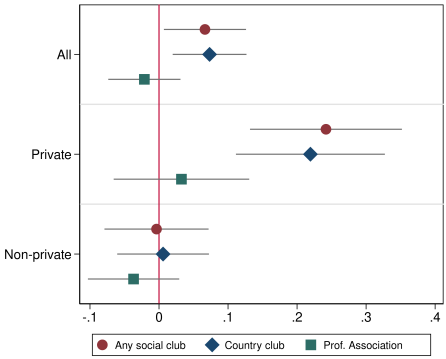

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Higher-status peers $\rightarrow$ more segregated career paths

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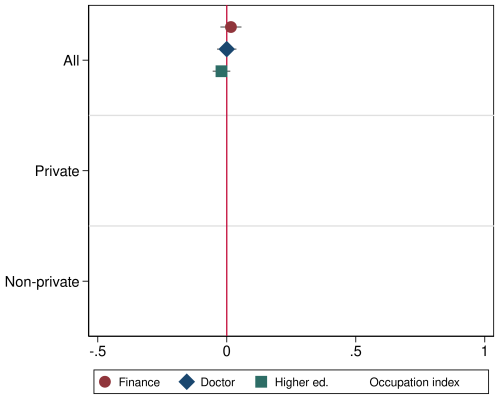

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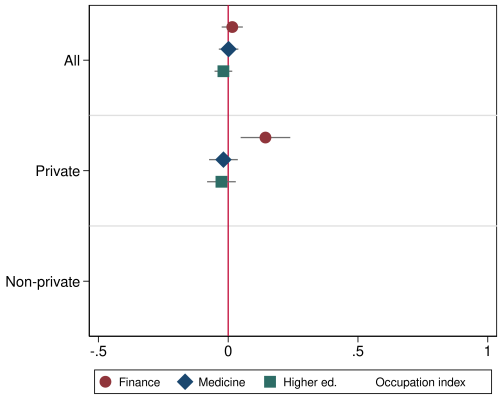

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  - Away from medicine, higher ed

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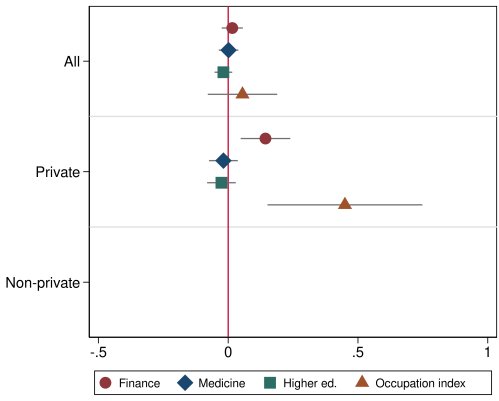

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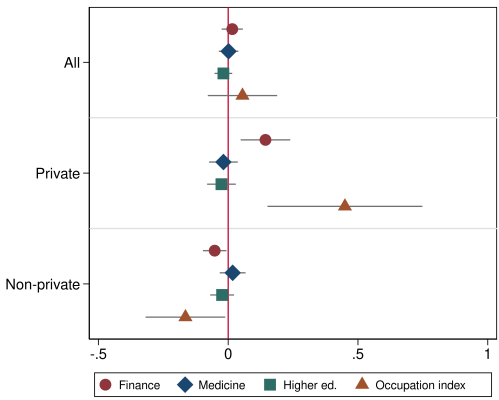

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- Other students: opposite direction

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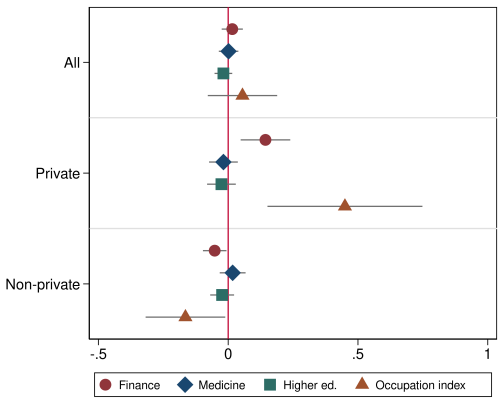

- Full-sample effects ≈0
- Private feeder students:
  - → finance careers
  - Away from medicine, higher ed
- Occupation score: standardized share of private HS students in occupation
- Other students: opposite direction
- 50 pp peer rank change → 40% increase in finance

Summary

1. High achievers, low-SES students $\sim$ completely absent from old boys' clubs
2. Social success premium = high, academic success premium = low
3. Exposure to high-status peers $\rightarrow$
   - Increased chance of joining exclusive social groups;
   - Long run shifts in career and social outcomes...

   ... but tends to further segregate these groups

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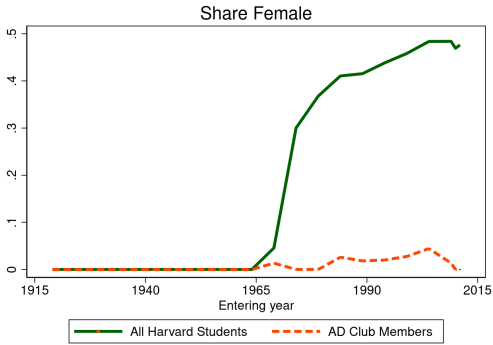
- **Social interactions shaped access to post-war economic elite, but did not provide a path for underrepresented groups**

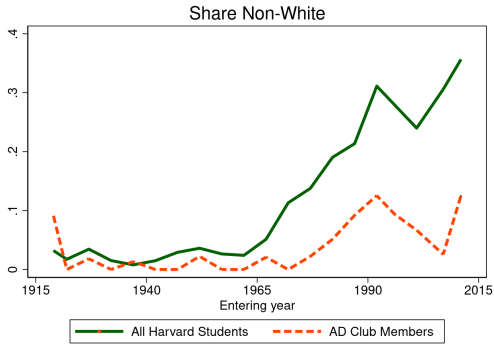
How much have things changed?

- Harvard has changed a lot since the 1930s
- Has "old boys' club" dynamic changed?
  - Who joins?
  - Relationship to career outcomes?
- Extend descriptive analysis through present
- Focus on A.D. club– have membership data over full period

How much have things changed?

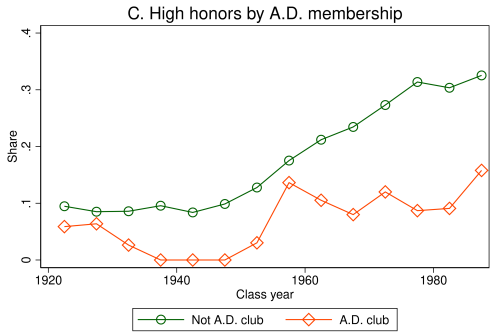
- Result 1: Harvard diversifies, but A.D. club does not

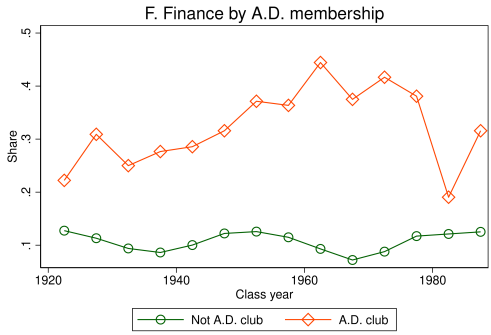




How much have things changed?

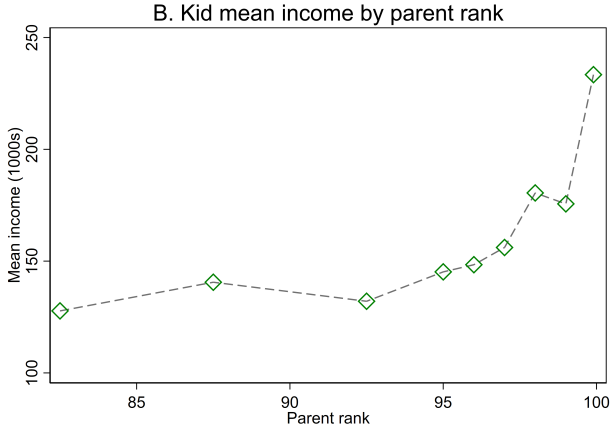
- Result 2: the "social path" to finance still exists





How much have things changed?

- Result 3: at Ivy+ universities, children from richest families earn more than others



Data from Chetty et al. (2020) on age 32-34 earnings outcomes for Ivy+ students in 1980-82 birth cohorts.

How should this change my mind?

1. **College peer effects matter in the long run.**
   - Many papers show short-run impacts of college peers; we elevate this.
     Sacerdote 2001; Zimmerman 2003; Stinebrickner & Stinebrickner 2006; ...; Jones & Kofoed 2020
   - Finance literature shows college networks matter; we show access is unequal
     Cohen et al. 2008, 2011; Fracassi & Tate 2012; Shue 2013

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2. **Social component of elite higher education is key.**
   - Social path to post-war elite unavailable to lower-status students, religious minorities
     Abramitzky et al. 2014, 2020; Baltzell 1964; Zweigenhaft & Domhoff 1982; Davidson et al. 1995
   - Much econ work on academic mismatch; may want to think about social mismatch
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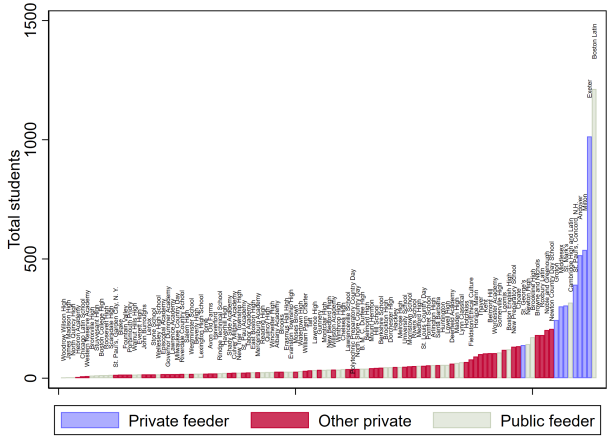
3. **Social cohesion is hard to build when the stakes are high.**
   - "Contact hypothesis": cooperative intergroup interactions $\rightarrow$ social cohesion
   - Borne out in low- or medium-stakes settings
     Rao 2019; Carrell et al. 2019; Lowe 2020; Mousa 2020
   - May be harder to do in high-stakes settings

Counts by high school

Figure: Counts by HS

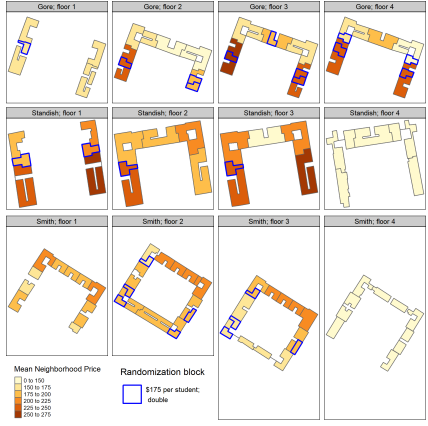


(Back)

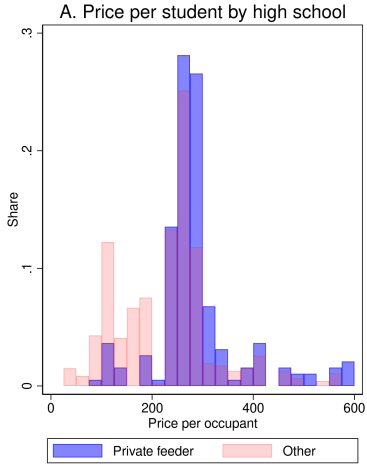
Room randomization and residential integration

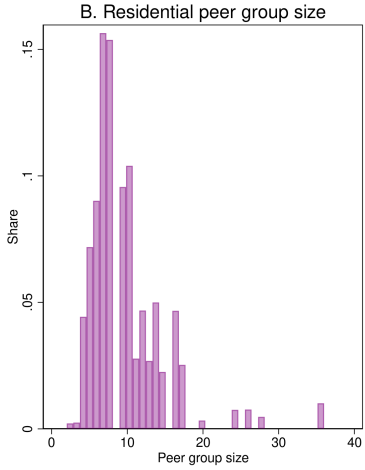
(a) Rooms by price per student

(b) Neighborhoods by mean price per student

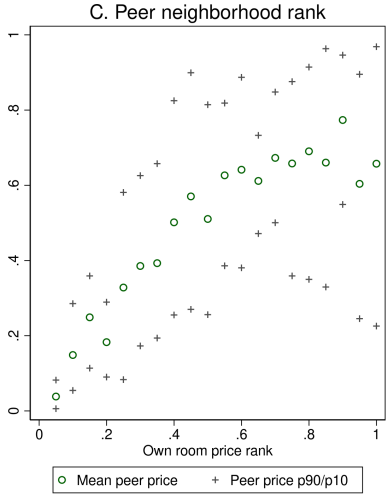


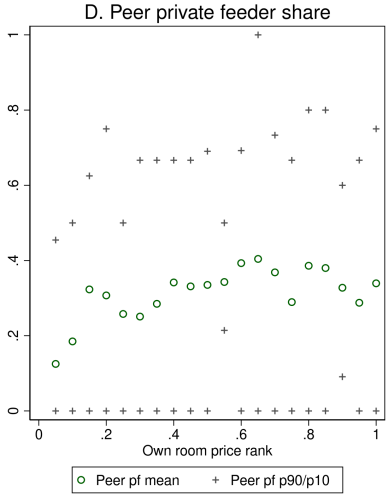
Room and neighborhood characteristics





Peer neighborhood characteristics

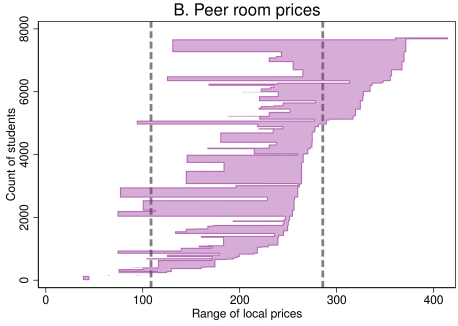


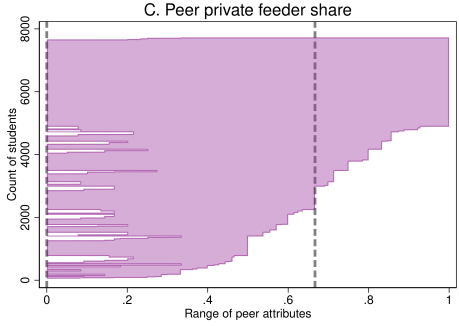


(Back)

Wide variation in peer group attributes within randomization block

- 24% of nbd price variation; 68% of private feeder share variation are within-block





(Back)

Randomization $\rightarrow$ balance on observables

$$\underbrace{Y_i}_{\text{Own attributes}} = \beta_0 + \beta_1 \underbrace{RP_{p(i)}}_{\text{nbd price rank}} + e_i \quad (1)$$

(Back)

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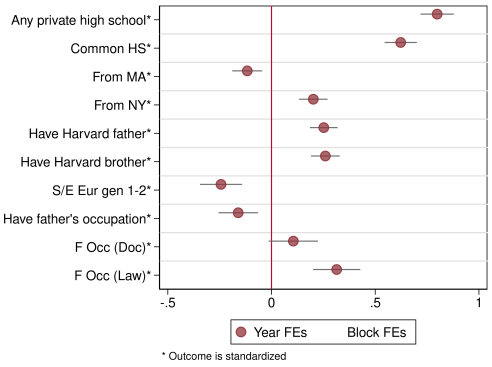

- Students in high-price nbds come from high-status backgrounds

(Back)

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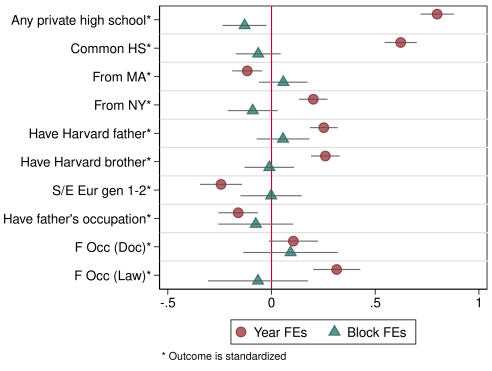

- Students in high-price nbds come from high-status backgrounds
- Adding controls for occupancy and own-room price kills this relationship

(Back)

Higher priced peer neighborhood $\rightarrow$ higher status peers

$$\underbrace{Y_i}_{\text{Peer attributes}} = \beta_0 + \beta_1 \underbrace{RP_{p(i)}}_{\text{nbd price rank}} + e_i \tag{2}$$

(Back)

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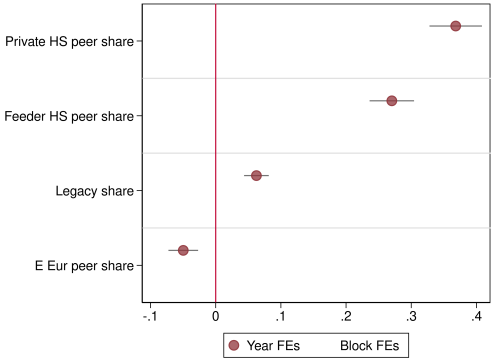

(Back)

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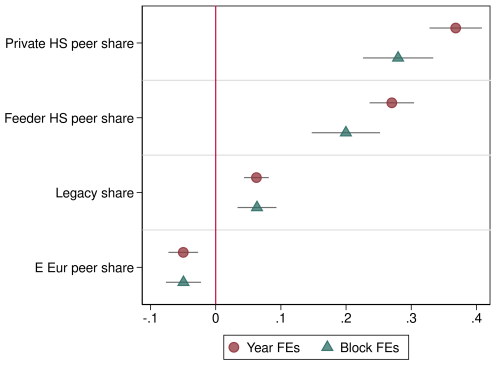

- 50 percentile ↑ in nbd price rank →
  - Peer priv. feeder share ↑ 10pp (40%)
  - Peer legacy share ↑ 3.2pp (44%)
  - Peer immigrant share ↓ 2.3pp (24%)

(Back)

Higher-status peers $\rightarrow$ similar academic outcomes

$$\underbrace{Y_i}_{\text{Academic outcomes}} = \beta_0 + \beta_1 \underbrace{RP_{p(i)}}_{\text{nbd price rank}} + \underbrace{\theta_{r(i)} + \tau_{h(i)}}_{\text{block and HS FEs}} + e_i \qquad (2)$$

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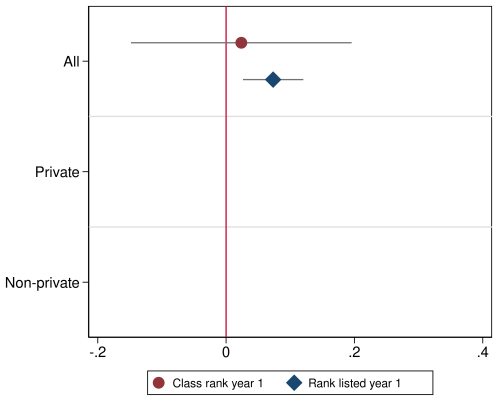

- No effect on academic rank group
- Some effect on having a rank group → not failing or incomplete

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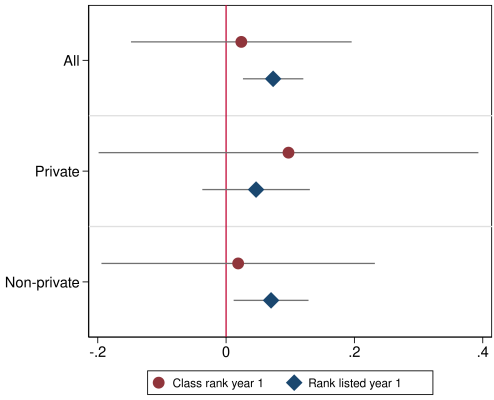

- No effect on academic rank group
- Some effect on having a rank group → not failing or incomplete
- Effects similar by HS type