

## COLLEGE ADMISSIONS

The [recent scandal](#) of rich and famous people buying places for their children at elite colleges has led to a renewed public conversation about the system of legacy preference in admissions at many top US universities. We invited our US panel to express their views on the likely effects of legacies on potentially high-achieving applicants from less advantaged backgrounds and on wider society.

We asked the experts whether they agreed or disagreed with the following statements, and, if so, how strongly and with what degree of confidence:

*(a) The admission of children of alumni and donors at elite private colleges and universities crowds out applicants with greater academic potential.*

*(b) The net effect of admitting children of alumni and donors (including any impact on donations and any losses of other high potential applicants) is likely to be a reduction in the contribution of colleges and universities to society.*

### **Crowding out**

Of our 42 experts, 38 participated in this survey. On the first statement, weighted by each expert's confidence in their response, 43% strongly agreed, 45% agreed, 9% were uncertain, and 3% disagreed. In other words, a substantial majority of respondents consider that applicants with greater academic potential are being crowded out. Nevertheless, it is worth noting some of the uncertainty indicated in the short comments that the experts are able to include when they participate in the survey.

Among those who agreed with the statement, Christopher Udry at Northwestern commented: 'This is almost by definition. Of course, we don't know what would actually happen in the absence of these preferences.' And Joseph Altonji at Yale thought that the system: 'Crowds out students with greater academic potential, but not necessarily greater potential to impact society.'

Among those who said that they were uncertain about the effects, two pointed out that ending legacies could have an impact on the numbers of students that colleges are able to enroll. Robert Hall at Stanford stated that: 'Total capacity of elite higher education is endogenous, so a limit on favoritism to donors would cut capacity as well as allocating it to top kids.' And Robert Shimer at Chicago added: 'Class size is not fixed. Without donors, class sizes may well be smaller.'

Larry Samuelson at Yale, the only respondent to disagree with the statement, argued that: 'Even legacies must meet standards, and cases in which unqualified students are admitted are sufficiently few as to have little effect.'

### **Net social effects**

On the second statement, opinions were much more mixed. Weighted by each expert's confidence in their response, 3% strongly agreed, 33% agreed, 40% were uncertain, and 24% disagreed. Again, there was a great deal of variety in the comments.

Among those who agreed that the net effect of legacy preference is likely to be a reduction in universities' social contribution, Judith Chevalier at Yale commented: 'Obviously, lots of unknowns. For example, elasticity of donations with respect to child admission is unknown.' And Richard Schmalensee noted that: 'Since donations do matter, this is a harder call.'

Also agreeing with the statement, William Nordhaus at Yale said: 'Hard to know how well colleges weigh contributions from different sources.' Richard Thaler at Chicago added: 'Of course we are guessing, but Caltech gets by without legacies and the schools that do this the most tend to be the richest.'

Among those who were uncertain about the net effects, two were concerned about the potential damage to public perceptions of higher education, alluding to broader concerns about social cohesion. David Autor at MIT observed: 'There are clear costs and benefits, But the optics are terrible, which degrades public faith in ostensibly meritocratic institutions.' Michael Greenstone at Chicago added: 'Too many unknowns but I worry about the effects on the country's social fabric, which is very likely beyond measurement but nevertheless important.'

Robert Hall at Stanford mentioned another notable preference in college admissions beyond legacies: 'One could also think about the much larger effect of the big fraction of capacity allocated to athletes.'

Among those who disagreed with the statement, two pointed to the substantial contribution to society made by top universities. Darrell Duffie at Stanford remarked: 'I rely to some extent on revealed preference, based on the goals of the elite schools to produce and disseminate knowledge.' Steven Kaplan at Chicago concluded that: 'US research universities are the most successful in the world. They have made the world much better off in many ways.'

## **Evidence**

Pete Klenow at Stanford provided links to related research evidence. One study of the ['child cycle of alumni giving'](#) finds that donations increase when the children of alumni are in their early teens, and then drop to below their original level when the children are turned down.' Another study of [the missing 'one-offs'](#) shows that vast majority of very high-achieving students in low-income families do not apply to any selective college or university.

All comments made by the experts are in the full survey results.

Romesh Vaitilingam  
@econromesh  
May 2019