

Do concerns about being popular keep students from making scholastic investments?

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In “[How does peer pressure affect educational investments?](#)” authors Leonardo Bursztyn and Robert Jensen (National Bureau of Economic Research, working paper no. 20714, November 2014) present results from a field experiment designed to record the effects of peer pressure on students’ decisions to invest in their educational future. In four low-performing, low-income Los Angeles high schools, 11th-grade students were offered the opportunity to participate in a free, online course to help prepare for the SAT, a college admission test. The experiment included both honors or advanced placement classes and nonhonors or regular classes. Some students were told their peers would know who decided to sign up while others were told their peers would be unaware of their choice to sign up or not.

Findings show that privacy was an important factor in students’ decisions to sign up for the SAT preparatory course; results varied greatly depending upon the classroom setting. In nonhonors classes, signups were reduced by 11 percentage points when students believed others in the class would know whether they signed up. In honors classes, however, signup rates were not affected by whether the signups were public or private.

The study continued with a set of students who were taking exactly two honors classes per day. Bursztyn and Jensen’s study shows that making signups public rather than private decreases signup rates by 25 percentage points among these two-honors-classes students when they’re in nonhonors classes; the signup rate among their “no-honors” peers is low. In comparison, making the decision public increases signup rates by 25 percentage points when this particular set of honors students were among their peers in one of their honors classes; in these classes, the signup rate among their “all-honors” peers is higher.

Bursztyn and Jensen’s findings show that peer pressure and social acceptance was a major factor among honors students’ choice to sign up for a free SAT preparatory course even though that choice could have an impact on their educational future.

This fact has further relevance because many scholastic efforts or investments will be observable to peers, such as asking a question in class, asking for help from peers, or participating in extra counseling offered by teachers or peers. Students in nonhonors classes who feel it is important to be popular and are driven by peer pressure conform to the prevailing norm when their choices are made public rather than private, whereas students who don’t feel these concerns are not affected. Also noteworthy is the fact that the majority of the sampling was Hispanic students in low-income areas where the choice to take the SAT preparatory course may indicate the desire to attend college. Peer pressure can also have a positive effect on students: honors students who were among their peers in honors classes were positively affected by peer pressure and the desire to fit in.