

Status Seeking and Career Choice: Influence of Social Values on Youth Aspirations.

Pilar Beneito^a

(Universitat de València and ERI-CES)

Abstract

The socioeconomic status of the young, inherited from their parents, may affect major life decisions such as the career choice. In turn, social norms and values in a community may condition their members' behavioral responses to their rank in the social ladder. In this paper I argue and show that, in the time and place of my analysis, the degree of conservatism in a neighborhood indicates a more pronounced status-seeking behavior, and interplays with the students' status-rank in determining their choices for college enrolment. I use administrative data for students entering a large university area from 2014-2018, and match the district of the student's family with official data sources for electoral results and other demographic and socioeconomic indicators. I construct an individual level index of relative social-status deprivation, and analyse students' enrolment preferences across 120 college degrees that I classify into *prestigious*, *high-earning* and *academically-selective* categories. I find that, conditional on ability, low-status students are less likely to enrol in degrees within those categories; however, conservative social values make them more inclined towards prestigious and high-earning careers, though not towards academically selective ones. My paper contributes to the literature pointing to aspirations, and their direction, as socially shaped.

Keywords: Social status, aspirations, social values, ideology, career choice.

JEL classification: O1.

^a pilar.beneito@uv.es

I thankfully acknowledge the Universitat de València and the Universitat Politècnica de València for providing the data. I also acknowledge the comments of participants at the Royal Economic Society Annual Meeting 2022, LESE conference 2022, Encuentro de Economía Aplicada 2024, as well as financial support from Generalitat Valenciana (CIPROM/2022/029).

1 Introduction

The socioeconomic status of the young, inherited from their parents, conditions the educational, economic and informational opportunities that they face when making major life decisions such as the career choice. Aspirations for a particular style of future life are also strongly molded by such family inherited constraints, as well as deeply influenced by the individuals' social environment. Although the former set of determinants has received considerable attention in the literature (e.g., Chowdry et al., 2013, Carneiro and Heckman, 2002, Lochner and Monge-Naranjo, 2011, Murphy et al. 2019, Hoxbi and Turner 2015, McGuigan et al, 2016, Dynarsky et al. 2018) the role of aspirations and, in particular, the influence of social values in shaping such aspirations is quite more recent and incomplete (Appadurai, 2004; Ray 1998, 2006; Genicot and Ray 2017; for a recent survey, see Genicot and Ray, 2020). Since an individual cannot choose the parents to which she is born, the analysis of the ambient distribution that may help counterbalance such allocated inheritance, particularly when disadvantageous, may provide light on possible ways to scape some forms of poverty traps.

In this paper I investigate how status aspirations of low status students as revealed in their college choices differ depending on the social values of the neighbourhood where they live. I provide arguments and evidence to show that the degree of conservatism in a neighbourhood proxies for a more pronounced status-seeking behaviour of the residents in that neighbourhood. In particular, I exploit variation across postal districts on the share of conservative votes in the general elections of 2016 in Spain, and match this information with administrative data for students entering a large university area from 2014 to 2018. Using the university administrative data, I use student-level information on the parents' economic and educational background to construct an individual level index of relative social-status deprivation, and analyse students' enrolment preferences for careers that might be considered as status-conferring. In particular, I classify 120 college degrees into *prestigious*, *high-earning* and *academically-selective* categories. I combine the university administrative data with official data sources for demographic and socioeconomic indicators at the postal code (district, henceforth) level. These additional sources of information serve both to control for district-level income and education, among other sociodemographic factors, as well as to construct instruments that I use to identify the causal effect of the share of conservatism in a district.

Poverty imposes a number of *external* (material) constraints to important decisions taken by individuals, with a young's choice of career among the most relevant of the choices that can be made in the course of a life. Recently, behavioural theories have emphasized the existence of *internal* constraints, derived from psychological factors, that may add to such external constraints reinforcing the disadvantageous position of the poor (e.g., Banerjee and Mullainathan, 2010 or Mani, Mullainathan, Shafir, and Zhao, 2013).

The contribution of Appadurai (2004) has become fundamental to understand the correlation between poverty and one relevant of such internal constraints, namely, a 'failure' to aspire. His main insight is that aspiration is a capacity that is socially shaped (a 'navigational capacity', in his words), which is nurtured from the repeated experimentation and interaction with members of the social network of the individual. According to his view, the poor lack quite more experiences in their direct networks of reference, and, consequently, develop a lower capacity to aspire. This generates a vicious cycle by which the poor do not aspire, and because they do not aspire they remain poor (and without aspirations), creating a poverty-aspiration trap.

The theoretical contributions on aspirations, although still in an emerging stage, have started to be noticeable, and have incorporated the notion of aspiration into formal models of individuals' decisions (e.g., Bogliacino and Ortoleva, 2013; Dalton, Ghosal and Mani, 2016; and the already mentioned above). This rapid growing literature in economics has been recently surveyed and discussed by La Ferrara (2019). Genicot and Ray (2020) provide also a general perspective on the concept of aspirations and emphasize the role of the ambient society in which the individual is located as a fundamental determinant of aspirations. In Genicot and Ray (2020)'s words, p. 30.12, "*They (individuals) see the lives of others, and by imagining those lives for themselves, they cannot help but make comparisons, thereby defining their own reference points.*"

Other authors as Corneo and Jeanne (2001), Stark (2006), and Bogliacino and Ortoleva (2013), also connect aspirations with the social environment, and model the effect of inequality on aspirations and, ultimately, on growth in the presence of status seeking. In Mookherjee, Napel, and Ray (2010) the degree of exposure to people with different income matters to shape parents' aspirations for their children. The question to disentangle is whether the observation of people with higher socioeconomic status (SES, henceforth) act as an stimulus or generates frustration. In other words, the question is whether a *keeping up with the Joneses* effect or a *small-fish-in a big pond* effect dominates one another (see,

e.g., the theory of steem based peer pressure of Adriani and Sonderegger, 2019). As La Ferrara (2019) points out, the role of social pressure, stereotypes, and norms is not yet sufficiently incorporated into the analysis of aspirations. In her words, p. 1698, "*What aspirations would be "acceptable" from a social standpoint?*".

If the theoretical contributions in this line of research are still emerging, the empirical contributions on the role of aspirations and their connection with the social environment of the individual are almost absent. My paper is a contribution in this line, with a particular focus on social status aspirations. More specifically, I look into the youngs' preferences for college degrees that are either socially prestigious, high-earning, or academically selective, that is, that constitute routes to achieve SES in life, and connect the relative position of the individual in the SES distribution of her neighbourhood with the status-seeking behaviour in that neighbourhood.

In this paper I merge and use five data sources. Firstly, the student level data are administrative records from the University of Valencia (UV), and the Polytechnic University of Valencia (UPV). Secondly, I construct a series of district level variables coming from the National Institute of Statistics (INE, *Estadística Experimental*), the official statistical office of the region of Valencia (*Portal Estadístico de la Generalitat Valenciana*, GVA), and the opinion survey of the Municipality of Valencia (*Baròmetre Municipal d'Opinió Ciutadana*, Ayuntamiento de Valencia).

The primary data source in the paper are the administrative records for students registering in the first year of any of the college degrees offered by the UV and UPV from academic year 2013-2014 to 2017-2018. These two universities represent the entire offer of public college degrees in Valencia (around 120 degrees), and jointly they account for the bulk of the university students in the region entering the university in a year (above 10,000 students per year).

The university administrative records contain two pieces of information that fit well into the goals of this paper. Firstly, the administrative records contain information on students' preferences for degrees beyond the one where they finally enrol. Access to a given degree in the university is based on degree and year specific admission cutoffs that a student' entrance grade must overpass. When students pre-register they mark by order of preferences the degrees where they would like to enrol. All the alternatives marked in the pre-registration form are, of course, conditional preferences, since students mark these options after knowing their final entrance grade and the entry cutoff of each degree,

which is also publicly known in advance. However, the first option marked by students is a better approximation to their true (conditional) preferences. This piece of information in the dataset, that is, the degree students wish to enter beyond the one they finally entered, helps identify better how their preferences are shaped. This is a piece of information that is not broadly available in most empirical papers in this subject matter, what makes of this dataset an attractive one for the type of analysis intended in this paper.

Secondly, the administrative records contain information at the individual level for students' parental socioeconomic background, including education and occupation of father and mother, separately. In addition to this, the data source approximates quite enough the population of students in a neighbourhood entering the university during the 5 years of my analysis, so that the parental information of all the students in a neighbourhood that have accessed the university can give a good account of the prevailing level of education and occupational structure of a neighbourhood. This allows me to construct an individual-level indicator of SES deprivation and also to determine the relative position of each student in the SES distribution within her neighbourhood, which I do following Stark (2006). This is in contrast with other studies that use indirect or more aggregated information on parental education, income or occupation, and are thus not able to determine the relative position of the student in the distribution of SES (e.g., Campbell, Macmillan, Murphy and Wyness, 2020)

A fundamental obstacle to the empirical assessment of how social views may affect individuals' behavioural responses is the difficulty to get hold of a measure of them. In this paper, I proxy the social status-seeking behaviour in the neighbourhood where student reside by the political ideology of the adults in the neighbourhood. In particular, I exploit across-districts variation in official data for the share of conservative votes of the general elections in Spain in 2016. The use of political elections results as indicators for social norms or values has a precedent in a number of recent studies that have suggested the electoral turnout in political elections as an indicator of social image concerns of a social group (e.g., Gerber, Green, and Larimer, 2008; Funk, 2010; Della Vigna, List, Malmendier, and Rao, 2016). The idea is that voting, which represents a civic right and obligation, signals that the individual is civic minded and contributing to society. It follows that social image concerns are then expressed in terms of higher turnout rates.

In this paper, I focus on a specific form of social concerns, which is the value given and the seek for social status, and go a step further showing that the conservatism share

proxies for this particular form of social behaviour better than the turnout share. In particular, I first provide theoretical and already existing evidence to support the degree of conservatism as a proxy for status-seeking behaviour. Then, using the opinion survey of the Municipality of Valencia, I offer new evidence that conservatism, in the region and time of my analysis, correlates with a higher social value given to status while turnout rates correlate with social concerns that do not take necessarily the form of status seeking concerns.

This paper offers several findings of interest. Firstly, and as a side-finding but compelling enough, the municipal survey-data shows that residents in the more conservative neighbourhoods of the city of Valencia are more likely to declare that social status is a factor important for happiness in life, and they also declare that physical appearance matters for life satisfaction, after controlling for a set of respondents' and neighbourhood fixed effects. In addition, in more conservative neighbourhoods people are more likely to rank factors such as social prestige, high-earnings, social orientation of a profession (social order, helping others, improve society) and familiar tradition as reasons for their individual professional choices. I also find that turnout rates correlate significantly with the social orientation of professions as a reason for such individual choices, but not with social prestige, high-earnings or familiar tradition.

Secondly, I find that, conditional on ability and other individual and neighbourhood-level traits, low SES students are less likely to choose status-conferring careers, a result that is in line with previous findings connecting SES and aspirations (e.g., La Ferrara, 2019, and Campbell et al. 2020). However, and this is the central result of my paper, low SES students in neighborhoods with higher conservative share are appreciably more likely to choose prestigious and high-earning careers than their low SES counterparts in low conservative neighbourhoods. The political orientation of the neighbourhood, however, does not seem to exert any differential response in terms of academically selective careers. In other words, low SES students in status-seeking ambients are more inclined towards prestigious and high-earning careers than otherwise, though not towards academically selective ones. This latter result can be attributed to the fact that this third category of degrees has a more fuzzy connection with the widely spread consideration of social status.

Finally, I explore the heterogeneity of my results by within-district SES inequality and by student gender. I further conclude that the above mentioned effects are more pronounced in districts with more skewed distributions of SES, and also more marked

in boys than in girls. All my results remain robust across estimation specifications, to field-specific fixed effects, district-level demographic and economic controls, alternative constructions for the main variables of interest, and to the estimation method. In this latter respect, to address endogeneity concerns in the district-level conservative share variable, I implement a control-function approach using the share of blanc ballots of the elections of 2016 and the number of music-dance schools in the district as instruments, which turn out to be non-weak and valid instruments in estimation.

Although primarily related to the literature on aspirations and their social dimension, my paper is also related to other well known lines of research. The first of these is the line of research that studies social status concerns as one important incentive of social and economic behaviour. In Harsanyi's, (1980), words, social status is probably the most important motivating force of social behaviour apart from economic payoffs. The recognition that individuals care about their relative position or their status in society appeared already in the work of Veblen (1965, earlier published in 1899). A survey of the former works on social status and economic performance can be found in Weiss and Fershtman, (1998). Other more recent works have related inequality and aspirations with growth in presence of status seeking (e.g., the above mentioned works of Corneo and Jeanne, 2001; Stark, 2006; and Bogliacino and Ortoleva, 2013).

Since socioeconomic status concerns may be understood as a particular manifestation of social image concerns, my paper is also related to the research that analyses peer pressure induced behaviours in presence of social image concerns (see, e.g., Ellingsen and Johannesson, 2007; 2008; Bénabou and Tirole, 2006 and 2011; Bursztyn and Jensen, 2017; Adriani and Sonderegger, 2019). Social concerns introduce an interdependence between the actions chosen by individuals who belong to the same social group. The literature has dealt with these social concerns (like social status, esteem, or popularity) by introducing them explicitly into the individual's utility function. In fact, in my analysis below I borrow the framework laid out by Bursztyn and Jensen (2017), who, in turn, adapt the framework of Bénabou and Tirole (2006). In their setting it is assumed that the utility function of the individual depends on the expectations that others hold as about the individual's type, conditional on observing her behaviour. This framework helps organize the elements that I include in the empirical setting.

Finally, my paper could also be considered a piece of evidence that relates to the literature stressing the influence of social norms on individual behaviour (e.g., Elster,

1989; Benjamin, Choi and Strickland, 2010; Kranton, 2016) and on the cultural and intergenerational transmission of pro-social values (Bisin and Verdier, 2001; Tabellini, 2008, Adriani and Sonderegger 2009 and 2018; or Adriani, Matheson, and Sonderegger, 2018).

The rest of the paper is organized as follows. Section 2 presents a conceptual and empirical framework that sets up the main pieces of the analysis. Section 3 describes the data sources, institutional setting, the classification of degrees into status-seeking categories, as well as the socio-economic and educational description of the region where my analysis is framed. Section 4 discusses and presents evidence of the association between the conservative ideology and status-seeking behaviour. Section 5 presents the main results, with Section 6 presenting some heterogeneous results by inequality and gender. Finally, Section 7 concludes.

2 Conceptual and empirical framework

2.1 Conceptual framework

To help organize the elements that I include in the estimation setting below, I borrow the framework laid out by Bursztyn and Jensen (2017), who, in turn, adapt the framework of Bénabou and Tirole (2006). It is assumed that the utility function of the individual exhibits social image concerns, that is, it depends on the expectations that others hold as about the individual's type, conditional on observing her behaviour. In their setting, an individual i with reference group j undertakes an action a_i that reveals information about i 's type $\sigma_i \in \{l, h\}$, with l being "low" type and h being "high" type. Type h is considered more socially desirable than type l . The social image term, in the authors' words, S_{ij} in i 's utility function is:

$$S_{ij} = \lambda_{ij} E_i(w_j) Pr_{-i}(\sigma_i = h | a_i) \quad (1)$$

where the terms refer to the following concepts:

- $Pr_{-i}(\sigma_i = h | a_i)$ stands for the probability that other members of the reference group update their view of the individual i 's type h when i chooses action a_i .

- $E_i(w_j)$ is i 's expectation about the social desirability, w_j , of being seen as type h by the reference group.
- λ_{ij} captures how much individual i cares about being seen as type h by the reference group j .

Equation ?? above is equation (1) in Bursztyn and Jensen (2017), p.133. The authors state that not necessarily the individual values positively to be seen as others as type h , since she may either be a *conformist* ($\lambda_{ij} > 0$) or a *contrarian* ($\lambda_{ij} < 0$).

In my paper, social image concerns take the specific form of SES concerns, and types l and h refer to low- and high-status, respectively. I also re-interpret and adapt Equation ?? to my setting as follows:

- Action a_i refers to student i 's choice of a status-conferring career.
- $Pr_{-i}(\sigma_i = h \mid a_i, s_i)$ can be thought as also conditional on i 's current status, s_j . That is, the probability that others update (change) the view they hold of an individual i is likely to be higher the lower the initial SES of the individual (i.e., s_j before a_i is realised). Thus, I re-define σ_i as the perceived SES-level of i by their group j , while s_j is the true initial status of individual i .
- The term $E_i(w_j)$, i 's expectation about the social desirability of being seen as type h , is expected to increase in neighbourhoods with higher SES-seeking behaviour (approximated in my setting by the degree of districts' conservatism, denoted N_j). This is so because a higher SES-seeking behaviour increases both the social desirability of status, w_j , and the individual's expectation about how her group values it.
- We could understand λ_{ij} in a broader sense as the individual i 's reaction to SES concerns in her neighbourhood. That is, it is not only how much the individual i cares about being seen as high SES type, but also all those individual traits that may determine i 's capacity to react to her SES concerns. Among these individual traits we can mention the initial status s_j , the own ability of the individual (which I denote b_i), or gender. First, low s_j might in principle affect negatively the individuals' capacity to seek for SES, since for low SES it is more difficult to access to the informational and life-experiences set that higher SES individuals have (lower

navigational capacity to aspire, in Appadurni’s, 2004, words). Second, higher b_i individuals, for instance, high-ability students, are more aware of their higher possibilities and are expected to be more likely to hold any type of aspirations. Finally, for personal traits as gender, I do not have any *a priori* (Thal, 2020, however, finds that status seeking behaviour is more pronounced among men).

We can understand all the above elements as embedded in an individual’s random utility function, and formalise the probability that a student i chooses action a (a status conferring career), as:

$$Prob(a_i = 1) = F\left(\lambda_{ij}(s_i, b_i, \mu_i) E_i[w_j(N_j)] Pr_{-i}(\sigma_i = h \mid a_i, s_i) + (B_i - C_i)\right) + \epsilon_i \quad (2)$$

where B_i and C_i are benefits and costs, respectively, associated to action a_i other than SES-concerns, S_{ij} , and where N_j stands for the share of conservatism in a neighbourhood, which proxies for SES-status behaviour of the individual’s reference group.

2.2 Empirical framework

I estimate below a reduced form version of Equation ?? as a linear probability model, where I define as the dependent variable a binary indicator a_{ij} that takes the value 1 if the student i of neighbourhood j chooses a status-conferring career and 0 if otherwise. The reduced form estimation equation can be written as:

$$a_{ij} = \alpha + \lambda s_i + \beta N_{ij} + \gamma s_i \times N_j + \beta_1 b_i + \beta_2 \mu_i + \beta_3 \eta_j + \beta_4 f_a + \beta_5 \tau + \epsilon_{ij} \quad (3)$$

Equation ?? gathers the main empirical variables that I construct and include in the econometric setting below: i) a_{ij} is a binary indicator equal to 1 if the student chooses a status-conferring degree, and 0 otherwise; ii) s_i denotes the socioeconomic status (SES) of the student, for which I construct both an absolute index and a relative index of SES deprivation (SSD henceforth); iii) N_{ij} stands for the degree of conservatism in the student’s neighbourhood; iv) b_i is the student’s ability, which I approximate by the student’s entrance grade; v) μ_i captures other student’s traits as age and gender; vi) η_j gathers neighbourhood demographic and socioeconomic covariates, whose effect is partialled out

to let us identify the effect of N_{ij} ; namely, average income, main sources of income, average educational levels, population, number of private schools, and percentage of young/elderly population in the neighbourhood; vii) f_a refers to a set of five dummy variables in which the 120 degrees are classified, to control for field preferences of students and other field-specific traits; viii) finally, τ stands for cohort (year) specific effects, and ϵ_{ij} is the error term of the equation.

In this paper I use five data sources that I match by the neighbourhood (district, henceforth) as defined by the postal code of the students' residence. These sources are: i) the University of Valencia (UV) and the Polytechnic University of Valencia (UPV), containing the individual level data for students and their families' socioeconomic background; ii) the National Institute of Statistics (INE, *Estadística Experimental*), from which we extract official data for basic demographic and economic variables at the census-unit level that we match with the district of the student's family; iii) the official statistical office of the region of Valencia (*Portal Estadístico de la Generalitat Valenciana*, GVA), from which I obtain the electoral results and other district-level variables described below. iv) The municipal opinion survey of the Municipality of Valencia (*Baròmetre Municipal d'Opinió Ciutadana*, Ayuntamiento de Valencia). In the following sections, I describe these data sources, and how I use them. I also detail the main variables of the analysis and analyse some basic descriptives.¹

3 Data, institutional setting and neighbourhoods.

In this section I present with detail the sources of data used in the paper, discuss the institutional and regional framework, explain the construction of the variables used in the analysis, and offer basic descriptives of the main variables of the paper. I then devote a separate section to present and motivate the use of the share of conservatism in a neighbourhood as the proxy for status-seeking behaviour.

¹Portal Estadístico de la Generalitat Valenciana, GVA: <http://www.pegv.gva.es/es>, last accessed June 2020. INE, *Estadística Experimental*, <https://www.ine.es/experimental/experimental.htm>, last accessed June 2020. Baròmetre Municipal d'Opinió Ciutadana, Ayuntamiento de Valencia, <http://www.valencia.es/ayuntamiento/catalogo.nsf>, last accessed June 2020.

3.1 Students' administrative data and institutional setting

The primary data source used in this paper is administrative data from the two major, and unique, public universities in the region of Valencia, in Spain: the University of Valencia (UV, henceforth), and the University Polytechnic of Valencia (UPV, henceforth).

The University of Valencia, with more than 50,000 students in 2016, is one of the largest public universities in Spain, and offers a wide range of around 70 undergraduate 4-year degrees (6-year for Medicine), in all areas of study: humanities, social sciences, experimental sciences, health and some technical degrees. On the other hand, the University Polytechnic of Valencia (UPV), offers around 50 undergraduate 4- and 5-year degrees to more than 35,000 students in Engineering, Architecture, Computing and other technical degrees. The administrative records from the UV and the UPV refers to all students enrolling in the first year of any of their degrees from academic year 2013-2014 to academic year 2017-2018. For all these students we received anonymised information on their individual entrance grades, the educational level and employment status of their father and mother, the student's family district (postal code) of residence, as well as certain demographic characteristics such as gender and age.

The two universities UV and UPV constitute the whole offer of public university degrees in the region of Valencia. This implies that in our dataset we observe the great majority of students in the region entering college during the sample years. This is so because movility of college students across regions in Spain it is not the common practice at the undergraduate level. In fact, according to official data, around 75% of a students' cohort entering college in a given year in the region of Valencia choose a public university in the region.² This low inter-regional movility of students implies that the dataset contains information on the great majority of the students in a district who enter the university in a given year. This makes the dataset (university dataset, henceforth) particularly interesting for the sake of this paper since it allows me to establish the relative position of each each student's SES with respect to that of their peers in a neighborhood. To this end, I discard the information of students in UV and UPV coming from other regions since in these cases the number of students per district would be anecdotal.

²The Valencian universities are the third after Madrid (79%) and Catalonia (77%) in terms of the percentage of their own region' students that they absorb (Spanish Ministry of Science and Innovation, MICIN, <https://www.ciencia.gob.es/stfls/MICINN/Universidades/Ficheros/Estadisticas/datos-y-cifras-SUE-2018-19.pdf>, pp.30-31, last accessed May 2020.)

Table ?? displays some basic descriptives of the university dataset. The whole number of students during the 5 years of the sample window (2014-2018) is 51,665, which gives an average of around 10,000 students per year. The entrance grades (on a 5-14 scale) have an average of around 9, slightly higher in the case of female students every year. Students in Spain gain entry to university on the basis of their entrance grade and the specific admission cutoff established by each university for each degree and year.³

The whole university' offer, for which I have all the entrant students during the period, amounts to 120 college degrees. The academic year in Spanish universities starts in September. When students finish their entrance examinations in July, they pre-register for the degree they wish to enter. In the pre-registration form students state not only their first best, but also the degrees they wish to enter in case the first option is not assigned. Both these are, of course, conditional preferences, since students mark these options after knowing their final entrance grade and the entry cutoff of each degree, which is also publicly known in advance.⁴ However, between the two, the first option marked by students is a better approximation to their true preferences. This piece of information in the dataset, that is, the degree students wish to enter rather than the one they finally entered, helps identify better how their preferences are shaped. In addition, this is a piece of information that is not broadly available in most empirical papers in this subject matter, what makes of this dataset an attractive one for the type of analysis intended in this paper.

Table ?? shows descriptives for the 5 specialization areas in which we can classify the 120 degrees offered by UV and UPV, and which follow the classification used in the reports by the Board of Principals of the Spanish Universities (CRUE).⁵ These areas are: Experimental Sciences, Humanities, Health, Social Sciences and Technical Degrees. The table shows the percentage of students either choosing as their first-best option or

³The entrance grade is computed as the weighted average of a university access exam (40%) and the grades obtained by the student over the two last years of high school (60%). The university access exam is standardized at the regional level, and has two parts. The first part comprises general subjects, is compulsory for enrolment in any Spanish university. In the second part, students tackle subjects specifically related to the field of study they want to apply for; they can gain a maximum of 4 extra points from this part. In total, students can achieve a maximum of 14 points for the entry score, which will determine their eligibility for a particular university degree.

⁴The cutoffs are published in advance to the registration period, but they are finally adjusted each year to reach the demand-supply equilibrium of posts available for each degree. The entrance grade of the marginal student in a degree translates into the starting cutoff the following year.

⁵<http://www.crue.org/SitePages/La-Universidad-Espanola-en-Cifras.aspx>

enrolling in a degree within each of the 5 areas, and at the end of each row the table displays the percentage of "matches", defined as cases in which the student made it to enter in their first-best degree. The figures are displayed separately by gender in all cases. Social sciences appear as the most populated area, and also where the female-male gap is larger in favour of women. On the other hand, Technical careers exhibit a huge unbalance in favour of male students. As regards the math between first-best options and final enrolment, it is below 60% in all cases, suggesting that effective enrolment may be a biased indicator of true preferences.

The classification of careers that focuses our attention is rather the one offered in the bottom part of Table ??, with which I aim to capture alternative career' *tracks* that may bestow socioeconomic status. Before commenting the figures, in the following lines I briefly explain how this classification is made.

3.1.1 Status conferring careers

According to the US National Center for Educational Statistics' glossary: "Socioeconomic status (SES) can be defined as an economic and sociological combined total measure of a person's work experience and of an individual's or family's economic and social position in relation to others. When analyzing a family's SES, the household income, earners' education, and occupation are examined, as well as combined income, whereas for an individual's SES their own attributes are assessed." ⁶ In this definition of SES, there are several ideas worth emphasising. Firstly, SES is understood as a position in relation to others, which points to the social dimension of this concept: there is no SES to talk about if the individual is not a member of a society or group where her merits are recognised. Secondly, an individual' SES is, on the one hand, that of her family, but on the one hand, it is also the success or recognition that individually she might achieve. Finally, SES is defined in terms of income, education, and the prestige of the occupation hold, with these three dimensions tightly correlated. Taking into consideration these ideas, I define three alternative though not competing categories of careers that might be considered as pathways to obtain social recognition: i) Socially Prestigious careers; ii) High-Earning careers; iii) Academically selective careers.

⁶National Center for Educational Statistics, <http://nces.ed.gov/programs/coe/glossary/s.asp>, last accessed March 2008

Prestigious-Classical careers.

Social prestige of a particular occupation refers to the consensual admiration and respect that it holds in a society. The word "consensual" is essential in this case, implying that a career that was very new or relatively unknown would not be viewed, by definition, as socially prestigious.

The task of classifying degrees according to the social prestige that they convey is challenging for several reasons. Firstly, a considerable number of new college degrees have emerged over the last years in many universities worldwide. Many of these are not recognised as leading to a prestigious career later on in life, both because they are relatively new careers, unknown by the adults in many instances, and/or because it is not clearly identified which is the final occupations to which they lead.⁷

Secondly, the existing attempts to provide prestige rankings refer to occupations rather than degrees (e.g. the international socioeconomic index ISEI of Ganzeboom, Harry and Treiman, 2003, or the measures of occupational prestige of NORC at the University of Chicago). This complicates further the task of classifying degrees instead of occupations, since occupations considered socially prestigious (e.g. chief manager of a big company) may be the result, in turn, of different educational tracks.

Finally, the social consideration of a career as prestigious is, to a large extent, nationally or locally defined. In the case of Spain, the Spanish Center for Sociological Research (CIS) asks people about the occupations that are considered most valuable in society, with professions as doctor or engineer standing out in the ranking. The specific question, however, it is not about prestige but rather about how the society *values* a given profession. For example, "nurse" is rated as a highly valued profession because of its social usefulness, but it probably would not be rated as an occupation conferring high social standing. Lobera and Torres (2014) study also in Spain the professions most clearly associated to high social prestige, which they observe to be quite stable over time, and point out to the following six professions: doctor, scientist, professor, engineer, lawyer and judge.⁸ Again in this ranking, "professor" or "scientist" can not be easily linked to a

⁷In an article appearing in the Spanish media in June 2017, the University of Deusto presented the results of a survey concluding that students are very conservative choosing their careers, and that they discard the careers "*of the future*" ill-advised by their parents, <https://www.diariovasco.com/sociedad/educacion/201706/27/jovenes-descartan-carreras-futuro-20170627074221.html>, last accessed 30 May 2020.

⁸The authors analyse the Survey of Social Perception of Science and Technology, 2014, of the Spanish

particular or well defined list of university degrees.

Taking into account these considerations, I define here a college degree as prestigious if it is so in a classical sense, that is, those degrees that are both generally well known and associated to high occupational positions in society. Joining these two criteria, and considering the occupations highly ranked in the Spanish surveys mentioned above, I classify as *Classical-Prestigious* degrees the following in my dataset: Medicine, (including also Odontology and Pharmacy), Engineering (classical engineering tracks), Architecture and Law. The Appendix at the end contains the full list of these degrees in UV and UPV.

High-Earning careers.

The second input into the SES production function is income. In Spain, it is not common practice that universities publish, on an individual basis, lists of their degrees with the highest-earnings. Neither there are substantial and acknowledged differences of the expected earnings of graduates among different universities or regions, at least for bachelor degrees. Thus, students' choices in general are not expected to be driven by the information of a particular university leading to higher earnings than another. Instead, the information comes from general knowledge and information about the post-degree earnings in several occupations. In 2018, the Spanish *Ministry of Science, Innovation and Universities* presented a report with information about the earnings as of 2018 of Spanish students graduated in 2014.⁹ The classification of the Ministry is based on the contribution base for tax. Alternatively, information appearing in the specialised media is probably a more readily available source from which the students gather information about the careers with the highest expected earnings. I have consulted the lists published in three of these sources, and accessed the latest news appearing on the newspapers about the careers at the top positions of the earnings distribution.¹⁰

Using the information from the list published by the Ministry and the consulted publi-

Foundation for Science and Technology (FECYT) (Encuesta de Percepción Social de la Ciencia y la Tecnología, EPSCT2014). The study was part of the project CSO2012-35688 of the National R&D Plan of the Spanish Government.

⁹'Inserción laboral de los egresados universitarios', <http://www.ciencia.gob.es/portal/site/MICINN>, *Estadísticas e Informes*, last accessed May 2020.

¹⁰Some of the several sources and webs providing information on highly paid jobs in Spain are: <https://forbes.es/empresas/8820/las-10-profesiones-mejor-pagadas-en-espana/>, last accessed May 2020; Informe Anual ESADE-Infojobs: <https://nosotros.infojobs.net/prensa/informes>; <https://www.mentedidactica.com/carreras-universitarias/>, last accessed May 2020.

cations, I construct a list of the careers that rank among the 20 top-earning careers in at least one of the consulted sources, and define as high-earning careers in my dataset those which appear in such a list. At the top of the list, careers already appearing in the list of Prestigious-classics appear again, such as Medicine and some classic Engineering degrees, but we find also relatively new ones as Computing and Big-Data Analysis, or other not ranked as particularly prestigious as Physics, Maths or Biotechnology. The Appendix at the end provides the full list of careers of UV and UPV that fall into the *High-Earning* category.

Academically selective careers.

Academically selective careers refer to those degrees where acceptance is subject to high academic standards, usually in the form of high admission cutoffs. As explained above, students in Spain gain entry to university on the basis of their entrance grades (ranging from 5 to 14) and the specific admission cutoff established by each university for each degree and year. The UV and UPV, as most Spanish universities, set entrance grades markedly high for academically demanding degrees, such as medicine, biotechnology or physics, joint with the so-called high-performing groups in careers otherwise subject to average entrance grades (such as special groups within Business, Law, or the UV's degree in Journalism), and the double-degrees, which are in general highly demanded.

Students view these degrees as those where only the top students gain access, becoming, beyond their intrinsic interest, degrees that signal the individual merit or success of a student. I consider this as a way for students concerned about social pressure to signal their individual value, and so, an alternative way to seek for social recognition. However, this sort of recognition is probably not as directly intended to attain SES as the classifications above described, since the social consensus about the occupational prestige or associated earnings of these careers is more unclear. In fact, I rather use here academically selective choices for comparison reasons, that is, as an alternative that students with academic aspirations might choose even if SES concerns are absent.

I consider two alternative ways to classify a student's choice as academically selective. Firstly, I classify a student's choice as academically selective if she 'overmatches' in the sense proposed by Campbell, Macmillan, Murphy and Wyness (2010). More specifically, I first define a choice as academically selective if the percentile ranking of the student's entrance grade and the percentile ranking of the median entrance grades of students in

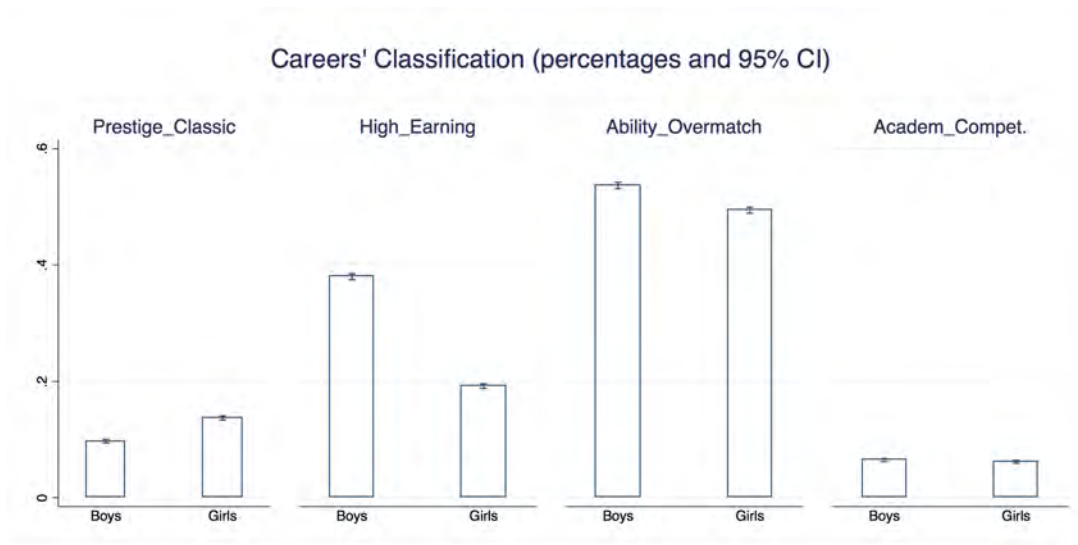


Figure 1: *Careers Classification. Percentages.*

a degree is positive (definition AC-1, henceforth). Second, I simply consider a degree as academically selective if its entrance cutoff is set above 12 on the 5-14 scale (definition AC-2, henceforth).

The bottom part of Table ?? and Figure ?? display some descriptives regarding the three classifications above mentioned, which I apply both to the students' first best and to the degrees where students get finally enrolled. Prestigious and AC-2 degrees cover a lower share of the sample observations, and do not exhibit marked gender differences, if any in favour of female students. However, the difference is clear and significant in the case of high-earning careers and AC-1 (overmatch) cases, particularly so in the former case.

3.2 Neighbourhoods: definition and socioeconomic characteristics.

The Valencian region is the most populated of the three provinces of the Valencian Autonomous Community, in the East Coast of Spain. The metropolitan center, where universities are located, is the city of Valencia, with around 790,000 inhabitants and accounting for near a third of the total population of the region. The number of municipalities in the region is 266, with an average size of around 13,590 inhabitants. More than 70% of the municipalities have less than 5,000 inhabitants. Table ?? displays some basic descriptives on the demographic and socioeconomic traits of the sample data. The number of

Table 2: Districts: Demographic, Economic and Educational indicators.

	Mean	S.d.	Min	Max
Source: University sample:				
N. Districts	233			
N. Municipalities	198			
Population per district	13842	17437	158	79335
Students per year / district	135	85	1	386
Tertiary Education-Women (mothers)	34.02	15.83	0	100
Tertiary Education-Men (fathers)	31.78	16.64	0	100
Source: National Statistics Office (INE)^a:				
Population per municipality:	13590	58922	175	790755
Under 18 y.o (%)	17.28	3.00	6.3	26.3
Over 65 y.o (%)	19.60	4.75	8.6	38.7
Income per household (annual) ^b	24812.36	1262.70	7341	15559
Household size (members)	2.54	0.12	1.87	3.02
<i>Households % whose main income source is:</i>				
Wages	60.02	9.56	0	85.9
Retirement benefits	21.90	6.13	0	39.8
Unemployment benefits	3.011	0.85	0	5.8
Other benefits	4.29	1.19	0	9.5
Other sources	9.68	3.35	0	23.2

^aOfficial data taken at the census-unit level and/or municipality level for all Valencian units and then matched to the district (postal-code) level. ^bNational average income per household (2016): 26,730. Source: INE, *Estadística Experimental* (data for 2016).

municipalities in my dataset is 198, with the missing municipalities corresponding to very small municipalities that have not sent students to neither the UV or the UPV during the sample period.

Throughout the paper, I use the term *districts* to refer to the postal-code delimited neighborhoods, since in the university data students report the postal-code of familiar residence. For estimation purposes, I count on 233 districts, which send on average 135 students per year to either the UV or the UPV.

The educational figures on Table ?? are sample averages for the parents of the students in the university dataset. The values are quite comparable to official data for educational

levels in the region, thus suggesting that the university sample is quite representative of the educational composition of the region.¹¹

[HERE: maps to describe/illustrate further the region and its characteristics. *Pending*]

3.3 Social Status Deprivation Index

Using the students' individual information provided by the university dataset I construct an individual measure of a student' SES that is based on the educational levels and occupational categories of her parents. This individual, and absolute, measure is then used to construct a SES deprivation index (SSD henceforth) following Stark (2006). The latter, as I explain below, is based on the relative position that a student occupies in the SES distribution in her neighborhood, and it is the central and preferred measure of SES that I later use in the estimation setting.

The information about the education of students' parents is organised in 5-levels: illiteracy, no education, primary, secondary, and tertiary. As regards the parents' occupations, these are classified in 9-levels, based on the National Statistics Classification of Occupations¹², which are broadly comparable to other countries' classifications (e.g., NS-SEC for the UK). Ideally, one would like to count on information on income of the student's household, but this kind of information is neither available in my dataset nor in many of the applications where a measure of SES needs to be constructed.¹³

As a result, for each student in my sample I count on four variables to construct the SES indicator: father education, mother education, father occupation, mother occupa-

¹¹De la Fuente and Doménech, 2018, using official data from the Census-2011 of the National Statistics Office (INE), extended to 2016 using data from the Labour Force Survey, (*Encuesta de Población Activa, EPA*) provide percentages of tertiary education of around 21.5% in the Valencian region, and around 23.8% for Spain (averaged over 2015, 2016, and 2017) for 25+ year-olds. My sample values for Valencia are higher to theirs, but in line with the OECD average values for Spain (35 % for 25-64 year-olds, *Education at a Glance, 2016*). The age composition of the population of reference in each case may explain part of the difference. Also, parents of those students coming to the university have possibly higher educational levels than the average. In any case, the information contained in the university dataset about parents' educational levels in a neighborhood is closer to the family background of a student's peers, and thus, a better measure of the potential influences received by the youth whose decisions I analyse here.

¹²Clasificación Nacional de Ocupaciones, CNO-11, INE. <https://www.ine.es/daco/daco42/clasificaciones/>

¹³For instance, Campbell, Macmillan, Murphy and Wyness, 2020, construct a measure of students' socio-economic status using indirect information on income consisting on whether a student was eligible for free school meals at age 16, alongside a set of variables that describe the neighborhood in which they live at that age. Although I also count here on information of the neighborhood, such as average income, I rule out such an approach since I aim at constructing a measure that points out the position of the student within her neighborhood.

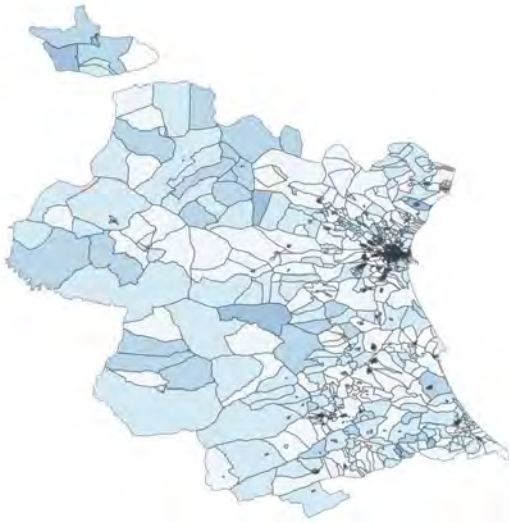


Figure 2: *MAPS. Conservative Districts and Socio-Demographic Traits. [Pending]*

tion. I use these four variables in a *factor analysis* using principal components, which retains two factors and indicate that, as expected, there is indeed a common construct behind the four variables.¹⁴ In addition, the four educational and occupational variables display a Cronbach’s alpha (reliability coefficient) of 0.7, which stands within the range of acceptably high values (see, e.g., the OECD *Handbook on Constructing Composite Indicators*, 2008). I construct a summative SES index, for which the standardised four variables of education and occupations are summed and averaged (divided by 4). This is the absolute SES index to which I refer throughout the paper, and that I will use to construct the relative SSD indicator explained below.¹⁵

Social Status Deprivation Index (SSD)

The absolute index is valid to assert if a student is a low- or high- SES student, but it does not reveal where in the distribution of SES within a neighborhood is the student located. To this purpose, I follow the proposal of Stark (2006) and, using the absolute SES index, I construct a relative index that is to be interpreted as SES-deprivation (SSD, henceforth). The deprivation index increases with a rise in the share of neighbors with higher status than the reference individual and also with a rise in the status of these neighbors.

To be more specific, consider that s_i is the absolute SES index for a student i . The fraction of students in a district (neighbors) whose SES is above s_i is given by $1 - F_j(s_i)$, where F_j is the c.d.f of SES in a district j . Stark (2006) proposes to weight this fraction (which is the SES deprivation index proposed by Corneo and Jeanne, 2001) by the mean excess SES (wealth, in his paper) of an individual’s neighbors, which can be written as $E(s_{-i} - s_i | s_{-i} > s_i)$ where subscript $-i$ denotes individual i ’ neighbors. Thus, the SSD index for individual i in a given year (year subscripts omitted) is defined as:

$$SSD_i = [1 - F_j(s_i)] E(s_{-i} - s_i | s_{-i} > s_i) \quad (4)$$

¹⁴The factor analysis retains 2 factors, with factor 1 positively weighting in all four indicators (weights: 0.4996, 0.4995, 0.748, 0.740 for father’ and mother’ education and occupation, respectively).

¹⁵The SES index correlation with the Factor 1 of the principal components analysis is very high (0.98), and using this factor as a measure of SES produces almost no differences in my estimations below.

Stark (2006) gives an intuitive example (p. 172) to illustrate how his measure is more sensitive to all the rank-related information than only the fraction $1 - F_j(s_i)$ proposed by Corneo and Jeanne (2001). In a population where two individuals have wealth levels 100 and 100, no individual should be expected to act in any way to improve his social status, and $1 - F_j(s_i) = 0$. If, alternatively, the wealth levels are 100 and 101, the second individual has $1 - F_j(s_i) = 0$ and the first, with $1 - F_j(s_i) = 1/2$, can secure a status gain if his level rises to 101. If incomes become 100 and 200, again the second individual has $1 - F_j(s_i) = 0$, and the first has $1 - F_j(s_i) = 1/2$, but it is unlikely that the first individual will be indifferent between having 100 in a (100, 200) population and having 100 in a (100, 101) population.

Figure ?? shows the distribution of both the absolute and the relative index of SSD. For ease of interpretation, the graph shows the negative of the SES index (thus, to be interpreted as an absolute index of social status deprivation). Negative values have to be interpreted as SES above the average, and the other way around for positive values. The correlation of both indexes is very high (0.93), with the relative measure showing higher frequencies around the average of 0, and a smoother behaviour on the left side of the distribution.

4 Conservatism and SES-seeking behaviour.

A first fundamental obstacle to the empirical assessment of how social image concerns may affect individuals' behavioural responses is the difficulty to get hold of a measure of it. One possibility, based on a number of recent studies, could be using available information on electoral turnout in political elections as an indicator of social image concerns of a social group (e.g., Gerber, Green, and Larimer, 2008; Funk, 2010; Della Vigna, List, Malmendier, and Rao, 2016). The idea is that voting, which represents a civic right and obligation, signals that the individual is civic minded and contributing to society. It follows that social image concerns are then expressed in terms of higher turnout rates.

However, social image (in a general sense) and SES concerns, although most probably correlated, do not necessarily induce the same type of responses.¹⁶ In this paper, I am

¹⁶Social image concerns may induce minority students to avoid doing well in school to gain their peers acceptance (Fordham and Ogbu, 1986, and Austen-Smith and Fryer, 2005). Also, social image concerns may explain social behaviours as altruism and charitable giving (Della Vigna, List, and Malmendier, 2012). See, e.g., Burszтын and Jensen (2017) for a more complete list of examples in this regard.

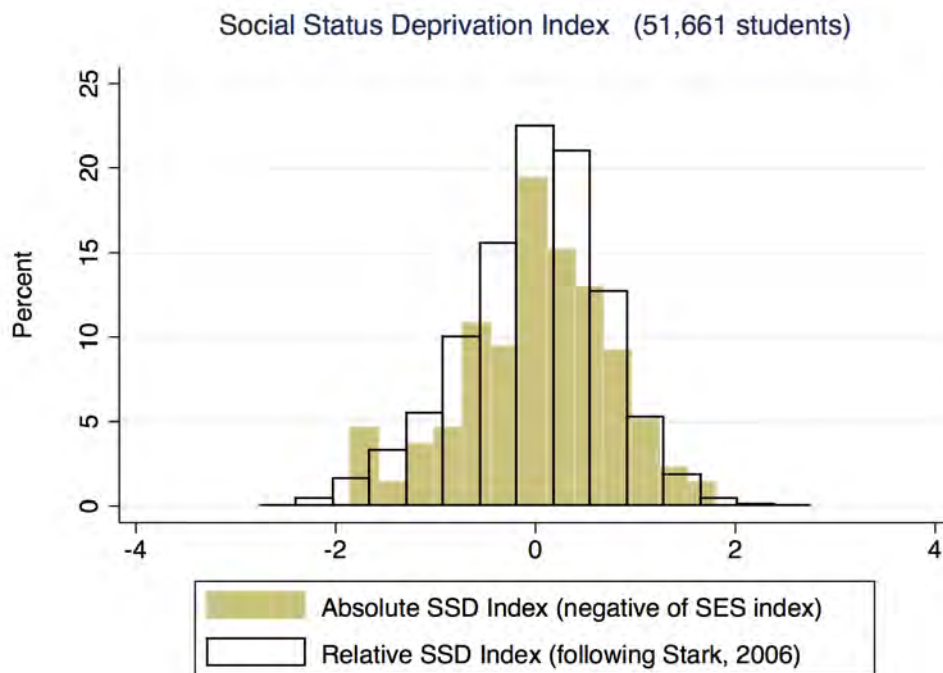


Figure 3: *Social Status Deprivation, SSD, Indexes: Absolute and Relative.*

interested on a particular type of social image concerns, which is the seek of socioeconomic status in a neighborhood, understood as a social norm of behaviour (SES-seeking, henceforth). I put forward the degree of conservatism in a neighborhood as an indicator of a more pronounced SES-seeking behaviour of their inhabitants, and I measure it as the conservative parties' share in the neighborhood in recent general elections.

In the following lines I argue why the conservative share in a neighborhood can be viewed as a valid indicator of SES-seeking behaviour. First, I briefly sketch the connection between conservatism and SES that a number of studies have established. Second, using data from a sociological survey conducted in the city of Valencia by the municipality, I present a brandnew piece of evidence connecting SES-seeking attitudes with the conservative share of the city districts.

Conservatism and SES-seeking behaviour: literature based underpinnings.

Political identity can be defined as a person's self-conception and ideology regarding

the fundamental goals and ideals of a social system (Grove, Remy, and Zeigler, 1974). Conservatism, in particular, "is a political and social philosophy promoting traditional social institutions in the context of culture and civilization. The central tenets of conservatism include tradition, organic society, hierarchy, authority, and property rights", (Heywood, 2012, p. 68). Conservative political ideology is identified with the preference for social stability and sensitivity to status maintenance and its exhibition. Political identity is then a strong informative source of how individuals understand one's position in society and, thus, aspirations.

In a recent paper, entitled "*The desire for social status and economic conservatism among affluent Americans*", Thal (2020) shows that the desire for social status by affluent Americans strongly correlates with their level of conservatism. Using a large and representative survey dataset, the author constructs a scale of social status desire and an *Economic Conservatism Index*, and document a strong and robust correlation between the two. The author also provides experimental and observational evidence that the degree of conservatism increases among those who are exposed to evidence of others' success on social media, such as exhibitions of upper-class lifestyle in sites like Facebook, Instagram, and Twitter. His work establishes a clear link between SES-seeking behaviour and conservatism, and also documents that socially successful people exhibit flaunt attitudes to make their success visible to others.¹⁷

A second line of research pointing to a clear relationship between conservatism and SES-seeking behaviour is provided by the analysis of consumers' patterns. Kim, Park, and Dubois (2018), for example, provide evidence that consumers' conservative political ideology activates sensitivity to a status-maintenance goal, increasing luxury consumption. According to the authors, "conservatives' desire for luxury goods stems from the goal of maintaining status and offer insights into how luxury brands can effectively tailor their communications to audiences with a conservative ideology" (p.132).¹⁸ According to the

¹⁷Thal (2020) tries to establish an implicit causal direction from status desire to conservatism, though the paper is not particularly clear in how this causal direction is identified; rather, the work documents a clear and strong correlation between conservatism and status seeking behaviour.

¹⁸The association between status (more precisely, income, as one of the fundamentals of status) and the desire to make it visible to others is long rooted. Veblen (1965) in "The Theory of the Leisure Class", (published originally in 1899) coined the term *conspicuous consumption* to describe the advertisement of one's income and wealth through lavish spending on visible items. Heffetz (2004) provides a brief survey and references to the recent literature on conspicuous consumption. Further, Heffetz (2011) finds that income elasticities can be predicted from the sociocultural visibility of consumer expenditures (in line with the old idea of signaling-by-consuming).

authors, people’s views on status stem from their broader social beliefs, the core of which is political ideology (Ball and Dagger 2006). Building on the finding that conservative ideology emphasizes the need to sustain the current social order, they posit that political conservatism increases the importance of status maintenance.

Conservatism is also associated with a strong desire to be viewed as members of a social group. Kidwell, Farmer, and Hardesty (2013), for instance, demonstrated that conservatives are more likely to exhibit recycling participation if it highlights adherence to the social norms of the in-group.¹⁹

In this paper, I use available electoral results data on Spain to proxy for the degree of conservatism in a district. In particular, I use the share of votes gathered by the conservative party in the general Spanish elections of 2016 at the census-unit level in the Valencian region, which I aggregate up to the district level to make the match with the districts of the university dataset. Before presenting the estimation results, I briefly describe the electoral information and provide a piece of evidence of the connection between conservatism and SES-seeking behaviour of Valencian’s citizens, using data from a sociological survey conducted by the municipality of the city in 2019.

Conservatism and SES-seeking behaviour: electoral data and survey evidence.

During the period of analysis in this paper, that is, from 2014 to 2018, Spanish citizens went through two general elections, one in 2015 and then again in 2016. In 2019, Spanish people voted again, twice over the year. For all these elections official results are available at the census-unit level and upwards. I use in this paper the district-level for all the districts of the Valencian region, and I match this information with the university dataset.²⁰

In Spain, the political party widely identified with the right-wing conservative ideology is the Popular Party (PP party, henceforth). Table ?? shows the electoral results of 2015, 2016 and 2019 (November). The far-right party (Vox), also identified with a conservative ideology, is considered to have a more pronounced populist bias, and it gathered a negligible share of the total votes in 2015 and 2016. In 2019, its share considerably increased,

¹⁹The authors conclude that ”Join the fight-recycle today!” was a more effective slogan than a ”Make a difference-recycle today!” slogan to encourage conservative people to recycling participation.

²⁰NUTS-4 levels.

up to around 12%, an increase that is thought to come mostly at the cost of the PP party, which lost around 17% points in 2019.

For discussion and comparison reasons, I also present in Table ?? the turnout rate in all three elections, with stable levels ranging from nearly 75% in 2016 to around 77% in 2015. A curious result in the data is that the turnout rate correlates positively with the so-called right-wing parties (far-right Vox, conservative PP, and liberal-centre-right *Ciudadanos*), and negatively with the left-wing parties. If, as documented by the above mentioned studies, a higher turnout come out in societies with higher social image concerns, this could be suggesting that the so-called right-wing parties share such type of social concerns. In the estimation section below I use the results for 2016. The reason is that political ideology remains quite stable over the years of the study 2014-2018, with 2016 representing the midpoint over the period.²¹

²¹In exploratory work, I tried also with: i) the average of the electoral results of 2015-2016, ii) the values of 2015, and iii) using the electoral results of 2015 for years 2014-15 and the results of 2016 for 2016-18, obtaining, as expected, fairly equal results.

Table 3: General Elections Results for the Valencian Region Districts.

	Conservative (Far-right: Vox)	Conservative (Right: PP)	Liberal (Ciudadanos)	Socialist (PSOE)	Far-left Populist (Podemos)	Other	Turnout
Elections 2015							
Share	0.29	30.15	15.29	18.34	27.35	7.96	77.31
Minimum	0	17.74	2.15	9.03	7.52	2.38	67.03
Maximum	1.7	56.98	26.07	50.00	45.92	22.16	91.66
Std. deviation	0.17	4.62	2.91	4.21	3.41	1.70	3.06
Elections 2016							
Share	0.25	33.95	14.59	19.74	28.04	2.80	74.92
Minimum	0	11.42	0	10.98	6.12	6.12	66.88
Maximum	0.50	57.89	24.75	60.00	49.27	49.27	89.52
Std. deviation	0.13	4.97	2.46	3.79	0.64	0.64	3.30
Elections 2019							
Share	11.71	17.62	17.74	27.12	14.95	10.85	76.25
Minimum	3.24	3.70	0	16.96	3.70	2.19	67.68
Maximum	21.19	46.15	21.04	70.37	32.32	33.98	89.90
Std. deviation	2.31	3.48	2.61	4.06	3.13	3.66	3.14
Correlation with turnout							
Elections 2015	0.270***	0.256***	0.140***	-0.211***	-0.163***	-0.102***	1
Elections 2016	0.247***	0.335***	0.046***	-0.259***	-0.104***	-0.562***	1
Elections 2019	0.014***	0.445***	0.010**	-0.259***	-0.170***	-0.005	1

*** p-value<0.01. Official results taken at the district (postal-code) level. Figures shown in the table are averages for all the region.

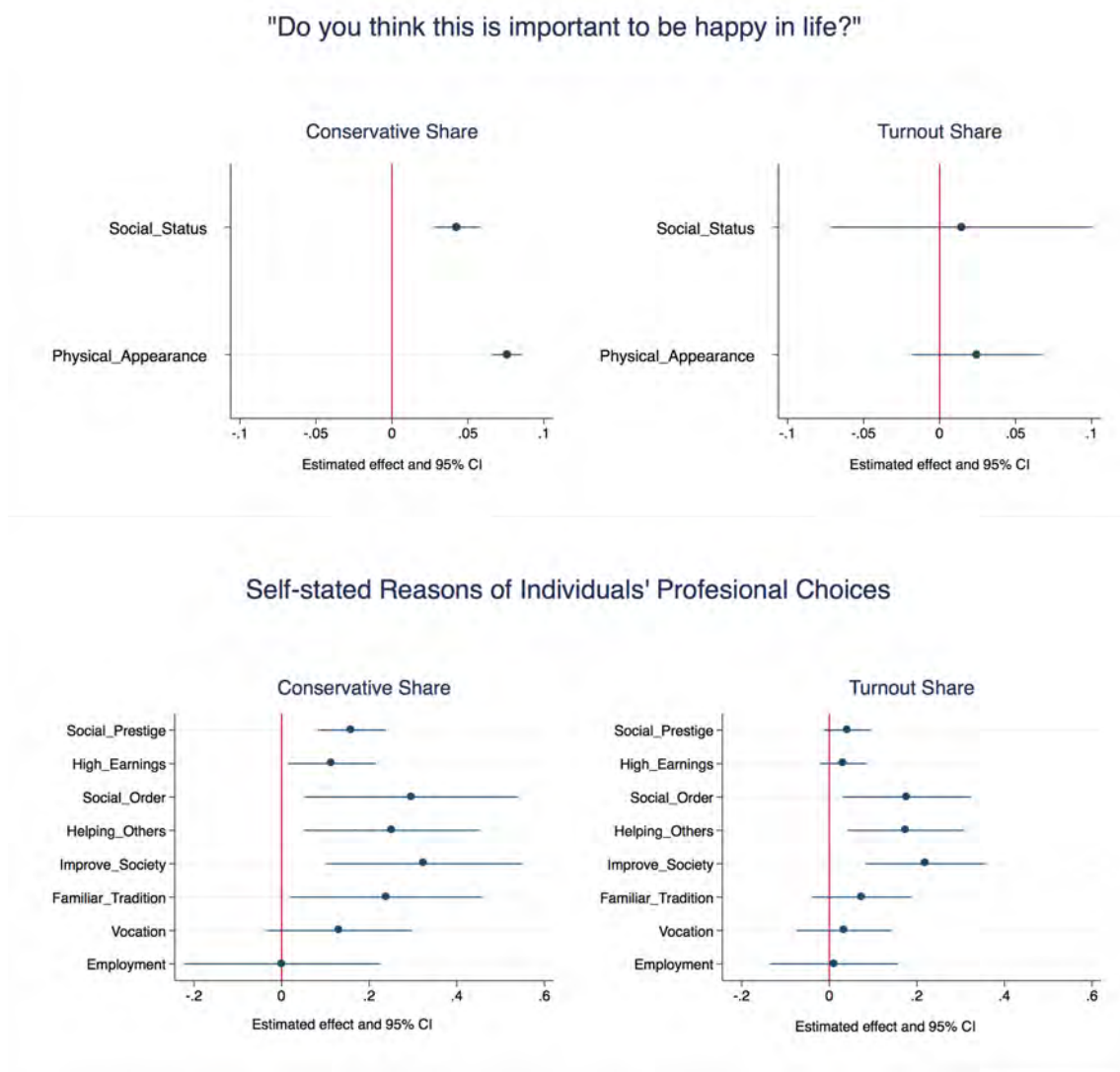


Figure 4: *The figures show the estimated partial correlations of the districts' conservative and turnout shares with the importance given by individuals to different factors of life-happiness and reasons for choosing their professional career (on a rank scale from 1-to-5: low-to-high importance). Every factor on the vertical axis is the dependent variable of a separate equation estimated by LS. In all the 10 regressions, both student-level and district-level demographics are partialled out: age and gender of the respondent, as well as income, population, and age composition of the district. Source: Municipal Barometer of Valencia City, December and February 2019 (above and below figures, respectively). The survey is designed to be representative by city areas (19 areas defined by the municipality) in terms of age, gender and occupation. N=2300 individuals surveyed (only 950 answer to the question in the bottom-graph, the rest declare no profession or don't know/don't answer). Conservative party and turnout share are official data of the Spanish General Elections of 2016.*

To investigate further the idea that conservatism in a neighbourhood correlates with a higher SES-seeking behaviour of their inhabitants, I explore the information contained in the sociological opinion survey conducted by the municipality of the city of Valencia. The survey is passed to a sample of $N=2300$ inhabitants and is designed to be representative by district, age and gender. Every wave of the survey, that is repeated several times each year from 2014 (CHECK), differs in the list of questions being asked. The questionnaires of December and February of 2019 contained two questions of great interest for the sake of this paper. The first, asks directly to respondents: "*Do you consider the following factor is important to be happy in life?*", including social prestige and physical appearance among the possible answers. The second presented a list of reasons that might be behind the professional career chosen by the individual. I use the individual answers to these questions, and match the electoral results of 2016 at the district level. For the second question, 950 respondents answered while the rest declared no profession or don't know/don't answer.

Figure ?? shows the point estimates and confidence intervals of the partial correlations between the districts' conservative share, on the one hand, and the turnout rate, on the other hand, (left-hand and right-hand figures, respectively) and the importance given by individuals to different factors of life-happiness and reasons for choosing their professional career (on a rank scale from 1-to-5: low-to-high importance). Every factor on the vertical axis is the dependent variable (1-5 scale) of a separate equation estimated by LS. In all the 10 regressions, both respondent-level and district-level demographics are partialled out: age and gender of the respondent, as well as income, population, and age composition of the district.

Quite interestingly, a higher conservative share in a neighbourhood correlates positively and significantly with respondents declarations that social status is a factor important for happiness in life. In addition, the conservative share also correlates with responses declaring that physical appearance matters for life satisfaction. The turnout share shows also a positive correlation with these answers, but it is considerably smaller and non significant.

In addition, the bottom half figures show that in more conservative neighbourhoods people is more likely to rank factors such as social prestige, high-earnings, social orientation of the profession (social order, helping others, improve society) and familiar tradition as reasons for their individual professional choices. The turnout share, in line with the existing literature supporting its association with social concerns, exhibits a significant

correlation with factors pointing to a social contribution of the chosen profession, but not in particular with social prestige, high earnings and familiar tradition.

The piece of evidence just provided supports two important propositions hold in this paper. First, that conservatism in a neighbourhood correlates with a more pronounced SES-seeking behaviour, and it is likely to predict career choices more SES oriented. Second, that the conservative share contains information beyond a turnout rate indicator, which, although could be associated to a general pro-social behaviour, is however not necessarily connected to SES. To my knowledge, this is the first attempt to provide real-data based evidence on the connection between conservatism (and also turnout) with explicitly self-stated SES concerns.

5 Estimation Results

Equation ?? represents the basic estimation model, which I apply to estimate separately prestigious careers, high-earning careers, and academically selective careers, respectively. I start running LS regressions (i.e., linear probability model, LPM) estimation. A first econometric concern refers to the likely endogeneity of the conservatism share variable. One main reason for this concern is parental location sorting. If it was the case that parents with higher preference for social status move to more conservative neighbourhoods, then the conservative share variable N_{ij} could be measuring the student's parents attitude, rather than the social ambient in the neighbourhood. Although the SSD variable controls to a large extent for family SES, it could be the case for instance that, for a same degree of measured SES, some parents' professions locate more within particular neighbourhoods.

To explore such endogeneity concerns, I implement a control function approach based on a first-stage estimation of N_{ij} on two instruments that prove to be not-weak but orthogonal to the error term in equation ?. These are the share of blanc ballot papers in the election of 2016, and the number of dance schools in the neighbourhood. This first-stage regression can be written as:

$$N_{ij} = \delta_0 + \delta_1 \text{ blancBallots}_j + \delta_2 \text{ danceSchools}_j + \phi \mathbf{x}_{ij} + v_{ij} \quad (5)$$

Where \mathbf{x}_{ij} is a vector containing all the rest of r.h.s variables in Equation ???. From the estimation of equation ??, \hat{v}_{ij} is retrieved and plugged it into the LPM equation ??? to absorb the endogeneity of N_{ij} . Significance of \hat{v}_{ij} in the estimation of the main equation leads to reject exogeneity, and, if this is the case, its inclusion corrects the endogeneity bias.²²

Tables ?? to ?? display the main estimation results for prestigious, high-earning and academically selective careers, respectively. In Table ?? columns 1 to 3 display the results for the first-best choices of students, first without district controls, then with them, and finally using IV through the control function to deal with endogeneity of the conservative share variable. These columns correspond to my preferred (baseline) specification. Columns 4 to 6 display the same set of results for the degrees where finally students get enrolled. In all these 6 columns, the relative SSD is used. Then, for comparisons reasons, in columns 7 and 8, the results using the absolute SSD are also displayed (with district controls and IVs).

The main focus is on the three first estimated coefficients in each column. Firstly, we observe a negative and significant estimate for the SSD index, a result that is robust in magnitude and significance across all columns in Table ?. Then, a first interesting conclusion is that lower SES students tend to be less likely to opt for classically prestigious careers, for a same individual academic ability (entry grade). Secondly, the higher the degree of conservatism in a district the higher the likelihood that young students in that district choose prestigious careers. The coefficient increases quite appreciably when IV are used, thus indicating the existence of attenuation bias in the non-instrumented estimation. This result lines up with our working hypothesis that districts with a more conservative political ideology are also districts where status-seeking attitudes are more pronounced, thus explaining a greater preference for status conferring careers. Thirdly, and constituting the central result in the paper, the interaction term between the student's SSD and the conservative share in the student's district is positive and strongly significant in columns 1 to 3. The positive sign is maintained across all specifications in the table, while the estimated magnitude and significance is larger when the student's first-best choice and the relative SSD measures are used.

²²One additional advantage of this two-stage control function approach is that it controls adequately for the endogeneity of a regressor even if it enters more than once in the main equation, for instance, in form of an interaction term with other regressor. Thus, it becomes convenient in my setting, since N_{ij} enters independently and also interacted with s_i .

The estimated interaction effect between SSD_i and N_{ij} in column 3 suggest that the social views of the district may counter act the initial lower predisposition of low SES youngs to choose a prestigious career. If we consider two equally able students in a neighbourhood without status-seeking ambient (zero conservative share), the former on the average of the SES distribution (zero deprivation) and the second at the upper end of the SES deprivation distribution (SSD around 2.5), the second is around 10 percent less likely to prefer a classical-prestigious career. However, if the second student moves to a neighbourhood where 50% of the adult population vote conservative, such negative probability differential halves, and it would completely disappear if the share was 100%. Alternatively, my results suggest that districts in the sample average of the conservative share (around 35%) make their young in the 90 decile of the SSD distribution to be as likely as the average-SSD young of no conservative districts to choose prestigious careers.

The results for the final enrolment decisions of students in columns 4 to 6 confirm the results of the first three columns, although both the magnitude and the significance of the estimated effects for the SSD index and the interaction effect are somewhat lower in this case. The adjusted R-squared at the bottom indicates that variation in the the first-best choice dependent variable (columns 1 to 3) is better explained by the r.h.s variables than the final-enrolment variable. Finally, the results in columns 7 and 8 are the equivalent to columns 3 and 6 but using instead the individual absolute measure of SSD. The use of the absolute SSD indicator in column 7 renders somewhat smaller though broadly comparable estimated coefficients than those in column 3; in column 8, with final enrolment as the dependent variable and the absolute SSD index, the interaction effect does not render statistical significance.

The IV-control function estimation (columns 3, 6, 7, and 8) leads to rejection of the null of exogeneity in all the cases. The instruments (blanc votes and dance schools) are accepted as strong since the first stage F-statistic (Weakness of Instruments, in the table) exceeds the rule of thumb cutoff of 10 proposed by Staiger and Stock (1997); the orthogonality of the instruments is also accepted according to the Sargan test. Standard errors are bootstrapped and clustered at the district level to account for the additional variance introduced in estimation when plugging the first-stage residuals. The IV-control function estimation increases quite enough the estimated coefficient of the conservative share variable, N_{ij} , thus indicating that some attenuation bias is at work in the un-

instrumented estimation.²³

Other results in Table ?? deserve some comment. One expected result is the positive sign of the coefficient on the student's entry grade, which would be indicating that the higher the ability of the student the higher the probability that she seeks for social recognition choosing prestigious careers. A second, less anticipated result, is the lower likelihood of girls to choose these sort of careers. This last result, however, would be in line with the finding of Thal (2020) who finds that the preference for status is higher among men than women. Finally, loan receivers (an indicator of low income in the family) is associated with a lower probability of choosing these careers, in line with the above mentioned results for the SSD index.

Next, Table ?? displays the results for high-earning careers. The IV-control approach in this case does not lead to rejection of the null of exogeneity; thus, although the tests for exogeneity, weakness and validity of IVs are provided in the table, the estimation results correspond to the LPM results. As in Table ??, in columns 1 and 2 the dependent variable is constructed from the first-best choice of students and the relative SSD is used; then, in columns 3 and 4, I use the final enrolment information, and columns 5 and 6 repeat both sets of results with the absolute SSD index.

According to the results in the table, higher SES deprivation seems to induce lower probability of choosing a high-earning career, an effect that is this time stronger when using the final enrolment degree as dependent variable. Also, the conservative share of the district has a smaller estimated impact than in the case of prestigious careers, and even non significant in column 2 when the full set of district controls are included. However, the interaction of the SSD index and the district's conservative share is also here positive and statistically significant, and quantitatively higher than the cross effect obtained in Table ?. This would be indicating that districts with high conservative ideology instills a higher preference for high-earning careers particularly on those that suffer higher deprivation. In this case, it is enough with moving from a zero-conservative district to a 20-percent-conservative district to observe that the baseline negative effect of one unit increase in the SSD index cancels out.

These results just commented are robust across columns in Table ??, though in this

²³To save space, I do not present here the first stage estimation results. Both the share of blank ballots and the number dance schools in the district exhibit a negative sign, thus indicating negative correlation with the conservative share in the district.

case I do not obtain lower results with the final enrolment variable. Finally, as it happens with the prestigious careers, female students are less likely to choose high-earning careers, a result that is confirmed by Campbell, et al. (2020) for the UK. Similarly, loan receivers are also less likely to aspire in terms of earnings, while students tend to do so more as their entry grade is better.

Let's look now at Table ??, where we look at the probability that students aspire in terms of academically selective careers. As above explained, I construct in this case two binary indicators to measure such aspiration. The first one (results in columns 1 to 6) takes the value 1 if the student overmatches in the sense described by Campbell et al. (2020), that is, if the quintile of the student's entry grade exceeds the quintile of the degree admission cutoff. The second measure (columns 7 and 8) is directly a binary indicator for selective degrees, defined as those with a degree cutoff equal to or higher than 12 (on the 0-14 scale).

The result in Table ?? that catches our attention the most is the relatively small and strongly non significant effect of the interaction term between S_i and N_{ij} . The result is robust across all specifications in the table. The SSD index still suggests a negative marginal likelihood to choose selective degrees (although small and only marginally significant), while the district's conservative share also increases the likelihood of these choices, in a similar way to the results found in Table ?. However, it seems that a more conservative (/status-seeking) ambient in a district does not push deprived students towards academically selective careers. One interpretation for this is that, actually, although selective careers are probably highly valued among the young as signals of successful students, this is not the wide perception of adults who, in most of the cases, ignore or are ill informed about relatively new and academically selective careers. In other words, the conservative share in a district reflects their adults' ideology and status-seeking attitudes, and it very likely determines the way in which the understanding of status spreads among the young in that district. Under such plausible hypothesis, the non-significant interaction between S_i and N_{ij} in this case could be suggesting that academically selective degrees are not socially understood as status conferring careers. On the other hand, this result also acts as a sort of placebo test, in the sense that it also suggests that our conservative share measure indeed proxies for status seeking behaviour and not for higher informational or similar general effects spilling-over in districts with higher social interactions.

A result that also deserves some comment in Table ?? is the negative sign of the entry

grade coefficient in columns 1 to 6, while positive in columns 7 and 8. The negative sign is explained by the way in which Campbell et al. (2020) construct their match variable: the higher the entry grade of a student, the higher/lower the probability that she under/overmatch. The most straightforward binary indicator in columns 7 and 8, however, render a positive association between the entry grade and the probability of choosing an academically selective degree, as it would be expected. Finally, the results point out that female students are less likely to aspire also in terms of academically selective careers.

6 Heterogeneity of results: inequality and gender.

In this section we look at heterogeneous results related to two dimensions: the inequality of SES within a district, and gender. With inequality I refer here to the within district dispersion of the SES distribution. How a more polarized population, in terms of status, might impact the way in which low SES individuals react? Adriani and Sonderegger (2019), for instance, in a theoretical framework explaining esteem based peer pressure, find that more dispersed peer distributions strengthen the incentives of social signaling.

To check such a possibility, I re-estimate my preferred specifications in Tables ?? to ??, that is, columns 3, 2, and 3, respectively, and differentiate between districts with a mean SSD one standard deviation above and one standard deviation below the overall sample mean. Figure ?? shows that the former type of districts exhibit a quasi bi-modal distribution in the SSD index.

To the sake of exposition, I display the results of this estimation in Figure ?. The figure plots the point estimate of the separate effects of S_i and N_{ij} , and their interaction, both for low and highly dispersion SES distributions, and for the three types of status conferring careers considered. The interaction effect shows that the pushing effect of a conservative ambient on low SES students towards prestigious and high-earning careers occurs in more dispersed districts, while the effect is not significant in districts with low dispersion. Again, for academically selective careers, there is no such pushing effect of the degree of conservatism in any type of district. Thus, it seems that in more polarized societies, where the differences between the rich and the poor are probably more evident to everyone, more deprived students tend to seek for status conferring careers to a higher

Table 4: Classical-Prestigious Careers

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	First-best choice Relative SSD LPM	First-best choice Relative SSD LPM	First-best choice Relative SSD IV, control function	Final Enrolment Relative SSD LPM	Final Enrolment Relative SSD LPM	Final Enrolment Relative SSD IV, control function	First-best choice Absolute SSD IV, control function	Final Enrolment Absolute SSD IV, control function
SES Deprivation (SSD_i)	-0.043*** (0.013)	-0.042*** (0.013)	-0.042*** (0.013)	-0.031** (0.015)	-0.030** (0.014)	-0.030** (0.015)	-0.035*** (0.013)	-0.027* (0.015)
Conserv.Share (N_{ij})	0.199*** (0.036)	0.181*** (0.037)	0.459*** (0.140)	0.249*** (0.035)	0.204*** (0.038)	0.478*** (0.144)	0.477*** (0.134)	0.504*** (0.139)
$SSD_i \times N_{ij}$	0.118*** (0.037)	0.112*** (0.036)	0.112*** (0.036)	0.079* (0.042)	0.072* (0.042)	0.072* (0.043)	0.087** (0.038)	0.058 (0.043)
Entry grade	0.016*** (0.001)	0.016*** (0.001)	0.016*** (0.001)	0.017*** (0.001)	0.017*** (0.001)	0.017*** (0.001)	0.016*** (0.001)	0.017*** (0.001)
Female	-0.011*** (0.003)	-0.011*** (0.003)	-0.011*** (0.003)	-0.013*** (0.003)	-0.013*** (0.003)	-0.013*** (0.003)	-0.011*** (0.003)	-0.013*** (0.003)
Loan receiver	-0.028*** (0.003)	-0.026*** (0.003)	-0.025*** (0.003)	-0.037*** (0.003)	-0.034*** (0.003)	-0.034*** (0.003)	-0.025*** (0.003)	-0.033*** (0.003)
Field: Experimental	0.014*** (0.005)	0.014*** (0.005)	0.014*** (0.005)	-0.028*** (0.002)	-0.028*** (0.002)	-0.028*** (0.002)	0.015*** (0.005)	-0.028*** (0.002)
Field: Health	0.447*** (0.008)	0.447*** (0.008)	0.447*** (0.008)	0.379*** (0.009)	0.379*** (0.009)	0.379*** (0.009)	0.447*** (0.008)	0.378*** (0.009)
Field: Social Sciences	0.097*** (0.003)	0.098*** (0.003)	0.097*** (0.003)	0.124*** (0.004)	0.124*** (0.004)	0.124*** (0.004)	0.097*** (0.003)	0.124*** (0.004)
Field: Technological	0.006** (0.003)	0.006** (0.003)	0.005* (0.003)	0.029*** (0.003)	0.029*** (0.003)	0.028*** (0.003)	0.005* (0.003)	0.028*** (0.003)
Constant	-0.197*** (0.015)	-0.179 (0.143)	-0.131 (0.168)	-0.229*** (0.016)	-0.176 (0.149)	-0.128 (0.167)	-0.190 (0.164)	-0.157 (0.171)
District level controls	No	Yes	Yes	No	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Wu-Hausman test (p-value)			-0.303** (0.035)			-0.299** (0.044)	-0.338** (0.014)	-0.337** (0.018)
Weakness of Instruments (p-value)			26.69 (0.000)			26.69 (0.000)	26.91 (0.000)	26.91 (0.000)
Sargan Test (p-value)			0.12 (0.727)			0.12 (0.727)	0.42 (0.516)	0.31 (0.577)
Observations	51,665	51,665	51,665	51,665	51,665	51,665	52,329	52,329
R-squared	0.179	0.180	0.180	0.143	0.144	0.144	0.179	0.144

Bootstrap clustered errors at the district level in parentheses *** p<0.01, ** p<0.05, * p<0.1. District level controls: average income, average educational levels by gender, population, proportion of population below 18-y-o. and above 65-y-o., share of households whose first income source are wages, share of households whose first income source are unemployment benefits, and number of private schools in the district.

Table 5: High-Earning Careers

	(1)	(2)	(3)	(4)	(5)	(6)
	First-best choice Relative SSD LPM	First-best choice Relative SSD LPM	Final Enrolment Relative SSD LPM	Final Enrolment Relative SSD LPM	First-best choice Absolute SSD LPM	Final Enrolment Absolute SSD LPM
SES Deprivation (SSD_i)	-0.026* (0.015)	-0.027* (0.015)	-0.052** (0.021)	-0.052** (0.021)	-0.022 (0.014)	-0.046** (0.021)
Conserv.Share (N_{ij})	-0.088*** (0.033)	-0.033 (0.040)	0.051* (0.031)	0.085** (0.036)	-0.026 (0.040)	0.094** (0.039)
$SSD_i \times N_{ij}$	0.143*** (0.044)	0.147*** (0.044)	0.204*** (0.061)	0.202*** (0.061)	0.133*** (0.041)	0.179*** (0.063)
Entry grade	0.020*** (0.001)	0.020*** (0.001)	0.013*** (0.001)	0.013*** (0.001)	0.021*** (0.001)	0.013*** (0.001)
Female	-0.041*** (0.004)	-0.042*** (0.003)	-0.051*** (0.004)	-0.051*** (0.004)	-0.042*** (0.003)	-0.051*** (0.004)
Loan receiver	-0.021*** (0.004)	-0.022*** (0.004)	-0.038*** (0.004)	-0.038*** (0.004)	-0.023*** (0.004)	-0.037*** (0.004)
Field: Experimental	0.310*** (0.008)	0.310*** (0.008)	0.343*** (0.007)	0.343*** (0.007)	0.310*** (0.008)	0.343*** (0.007)
Field: Health	0.365*** (0.008)	0.365*** (0.008)	0.258*** (0.009)	0.258*** (0.009)	0.364*** (0.009)	0.258*** (0.009)
Field: Social Sciences	-0.005* (0.003)	-0.005* (0.003)	0.182*** (0.004)	0.182*** (0.004)	-0.005* (0.003)	0.182*** (0.004)
Field: Technological	0.597*** (0.007)	0.597*** (0.007)	0.689*** (0.007)	0.689*** (0.007)	0.598*** (0.007)	0.689*** (0.007)
Constant	-0.128*** (0.018)	-0.041 (0.139)	-0.109*** (0.018)	-0.073 (0.120)	-0.182 (0.140)	-0.249* (0.131)
District level controls	No	Yes	No	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Wu-Hausman Test ^a (p-value)	0.061 (0.704)	0.061 (0.704)	-0.267 (0.149)	-0.267 (0.149)	0.054 (0.749)	-0.320 (0.164)
Weakness of Instruments (p-value)	26.69 (0.000)	26.69 (0.000)	26.69 (0.000)	26.69 (0.000)	26.91 (0.000)	26.91 (0.000)
Sargan Test (p-value)	1.15 (0.284)	1.15 (0.284)	0.04 (0.839)	0.04 (0.839)	1.29 (0.256)	0.07 (0.793)
Observations	51,665	51,665	51,665	51,665	52,329	52,329
R-squared	0.391	0.392	0.291	0.291	0.393	0.292

Clustered errors at the district level in parentheses *** p<0.01, ** p<0.05, * p<0.1. District level controls: average income, average educational levels by gender, population, proportion of population below 18-y-o. and above 65-y-o., share of households whose first income source are wages, share of households whose first income source are unemployment benefits, and number of private schools in the district. ^a LPM estimated if the Wu-Hausman Tests does not reject exogeneity (non significance of the control function - first stage residuals - included in the regression).

Table 6: Student-Degree Overmatch and Academically Selective Degrees (admission grade above 12 over 14).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	First-best choice	First-best choice	Final Enrollment	Final Enrollment	First-best choice	Final Enrollment	First-best choice	Final Enrollment
	Overmatch	Overmatch	Overmatch	Overmatch	Overmatch	Overmatch	Relative SSD	Selective degree
	Relative SSD	Relative SSD	Relative SSD	Relative SSD	Absolute SSD	Absolute SSD	Relative SSD	Absolute SSD
SES Deprivation (SSD_i)	-0.050*	-0.045*	-0.033	-0.030	-0.043*	-0.034*	-0.013	-0.013
	(0.026)	(0.026)	(0.020)	(0.020)	(0.025)	(0.020)	(0.010)	(0.008)
Conserv.Share (N_j)	0.180***	0.112**	0.203***	0.118**	0.085*	0.104*	0.028	0.076***
	(0.054)	(0.050)	(0.046)	(0.056)	(0.047)	(0.053)	(0.021)	(0.021)
$SSD_i \times N_j$	0.082	0.055	0.051	0.041	0.044	0.051	0.017	0.026
	(0.079)	(0.079)	(0.059)	(0.059)	(0.075)	(0.057)	(0.028)	(0.023)
Entry grade	-0.085***	-0.086***	-0.053***	-0.053***	-0.086***	-0.053***	0.027***	0.037***
	(0.001)	(0.001)	(0.002)	(0.002)	(0.001)	(0.002)	(0.001)	(0.001)
Female	-0.017***	-0.017***	-0.034***	-0.034***	-0.017***	-0.034***	-0.001	-0.007***
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.002)	(0.002)
Loan receiver	0.008	0.015***	-0.010*	-0.006	0.016***	-0.007	-0.002	-0.020***
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.002)	(0.002)
Field: Experimental	0.190***	0.190***	0.196***	0.196***	0.190***	0.195***	0.114***	0.138***
	(0.010)	(0.010)	(0.011)	(0.011)	(0.010)	(0.011)	(0.006)	(0.007)
Field: Health	0.249***	0.249***	0.323***	0.323***	0.249***	0.323***	0.177***	0.186***
	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)	(0.009)	(0.005)	(0.007)
Field: Social Sciences	-0.007	-0.007	0.017**	0.018**	-0.007	0.017*	-0.003**	-0.000
	(0.007)	(0.007)	(0.009)	(0.009)	(0.007)	(0.007)	(0.002)	(0.002)
Field: Technological	0.049***	0.046***	0.031***	0.030***	0.046***	0.029***	0.065***	0.017***
	(0.008)	(0.008)	(0.011)	(0.011)	(0.008)	(0.011)	(0.002)	(0.003)
Constant	1.353***	1.408***	1.000***	0.786***	1.440***	0.838***	-0.332***	-0.229**
	(0.026)	(0.241)	(0.025)	(0.216)	(0.220)	(0.204)	(0.096)	(0.094)
District controls	No	Yes	(3)	No	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	(3)	Yes	Yes	Yes	Yes	Yes
Wu-Hausman test		-0.349		0.096	-0.320	0.120	-0.013	-0.013
(p-value)		(0.193)		(0.685)	(0.164)	(0.579)	(0.175)	(0.115)
Weakness		26.69		26.69	26.91	26.91	26.69	26.69
(p-value)		(0.000)		(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Sargan Test		0.04		0.18	0.01	0.10	0.94	0.17
(p-value)		(0.848)		(0.668)	(0.912)	(0.747)	(0.334)	(0.681)
Observations	52 329	52 329	52 329	52 329	52 329	52 329	52 329	52 329
R-squared	0.190	0.193	0.145	0.146	0.192	0.146	0.180	0.214

Clustered errors at the district level in parentheses *** p<0.01, ** p<0.05, * p<0.1. District level controls: average income, average educational levels by gender, population, proportion of population below 18-y.o., and above 65-y.o., share of households whose first income source are wages, share of households whose first income source are unemployment benefits, and number of private schools in the district.
^a LPM estimated if the Wu-Hausman Tests does not reject exogeneity (non significance of the control function - first stage residuals - included in the regression).

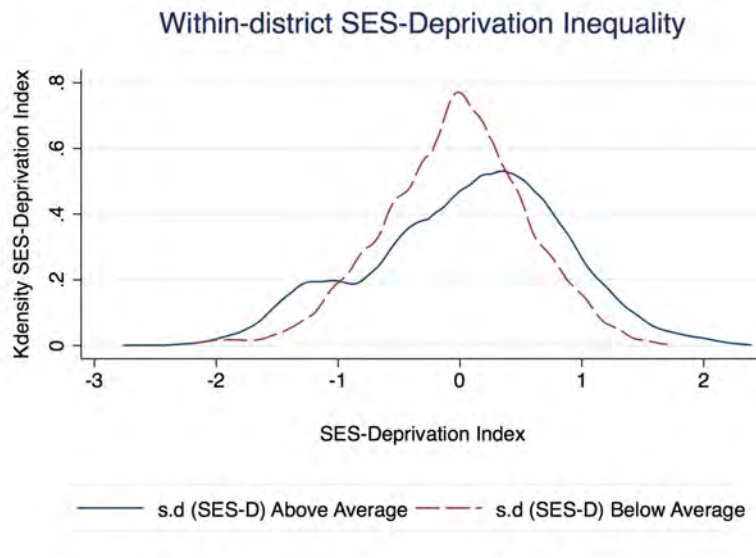


Figure 5: *The figure shows the distribution of the Status Index Deprivation (SES-D) for districts with a standard deviation of SES-D above and below the mean.*

extent than in more equalitarian districts.²⁴

Finally, Figure ?? displays the same sort of results but now differentiating by gender. The results in this case point out that the interaction effects only hold significant for boys, that is, low SES male students respond with a higher likelihood to choose prestigious and high-earning careers in more status-seeking ambients, while no significant effect is found in the case of girls. In academically selective degrees, neither for boys the interaction effect is significant. This result could be explained on the light of the more competitive nature attributed to men: the higher the social status, and probably its exhibition, in a neighbourhood, the higher the response of boys while girls tend to remain more conformists.

²⁴Although not reported here, I also repeated the analysis looking at dispersion of the district income distribution, and the main conclusions hold.

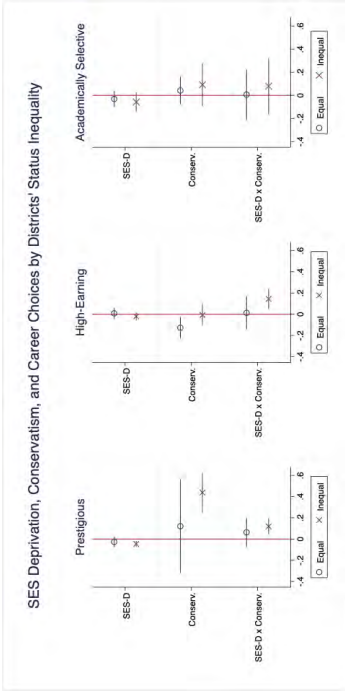


Figure 6: The figure shows the estimated effects by gender and the 95% CI.SES-D stands for the Status Index Deprivation; Conserv. stands for the share of the conservative party in the district. These correspond to the baseline specifications of columns (2) in Tables 1, 2, and 3, run separately for districts with a standard deviation of the absolute-SES measure above and below the median, respectively.

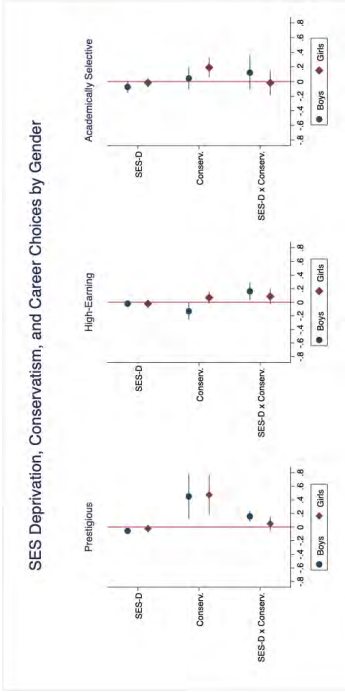


Figure 7: The figure shows the estimated effects by gender and the 95% CI.SES-D stands for the Status Index Deprivation; Conserv. stands for the share of the conservative party in the district. These correspond to the baseline specifications of columns (2) in Tables 1, 2, and 3, run separately for boys and girls.

7 Conclusion

In this paper, I provide evidence that the environment may act as a powerful mechanism to counterbalance poverty limitations. Using administrative data for students entering a large university area from 2014-2018, I analyse students' enrolment preferences across 120 college degrees that I classify into *prestigious*, *high-earning* and *academically-selective* categories. I find that, conditional on ability, low-status students are less likely to enrol in degrees within those categories. However, more status-seeking environments, which I proxy by the conservative ideology of the neighborhood where a student's family resides, make them more inclined towards prestigious and high-earning careers, though not towards academically selective ones. These results are more pronounced in neighbourhoods with a larger dispersion of socioeconomic status, and seem to be particularly clear in the case of male youngs.

My paper contributes to the literature pointing to aspirations, and their direction, as socially shaped. More in particular, my findings suggest that avoiding segregation of the environments where young students evolve may become a channel to counterbalance initial disadvantageous conditions by expanding the set of experiences, information and points of reference of which low-SES individuals typically lack.

References

- Adriani, F., and Sonderegger, S. (2019). "A Theory of Esteem Based Peer Pressure." *Games and Economic Behavior*, 115, 314-335.
- Adriani, F., and Sonderegger, S. (2018). "Signaling about Norms: Socialization under Strategic Uncertainty." *The Scandinavian Journal of Economics*, 120(3), 685-716.
- Adriani, F., and Sonderegger, S. (2009). "Why do Parents Socialize their Children to Behave Pro-socially? An Information-based Theory." *Journal of Public Economics*, 93(11-12), 1119-1124.
- Appadurai, A. (2004). *The Capacity to Aspire: Culture and the Terms of Recognition*. In Y. Rao and M. Walton (Eds), *Culture and Public Action* (pp.59-84). Stanford, CA: Stanford University Press.
- Austen-Smith, D., and Fryer Jr, R. G. (2005). "An Economic Analysis of 'Acting White' ". *The Quarterly Journal of Economics*, 120(2), 551-583.
- Benjamin, D. J., Choi, J. J., and Strickland, A. J. (2010). "Social Identity and Preferences." *American Economic Review*, 100(4), 1913-28.
- Ball, Terence, and Richard Dagger (2006), *Political Ideologies and the Democratic Ideal*. New York: Pearson Longman
- Banerjee, A., and Mullainathan, S. (2010). "The Shape of Temptation: Implications for the Economic Lives of the Poor." (WP No. 15973). National Bureau of Economic Research.
- Bénabou, Roland, and Jean Tirole. (2006) "Incentives and Prosocial Behavior." *American Economic Review* 96(5): 1652-1678.
- Bogliacino, F., and Ortoleva, P. (2013). "The Behavior of Others as a Refer-

ence Point." Columbia Business School Research Paper, (13-55).

Bursztyn, L., and Jensen, R. (2017). "Social Image and Economic Behavior in the Field: Identifying, Understanding, and Shaping Social Pressure." *Annual Review of Economics*, 9: 131-153.

Bisin, A., and Verdier, T. (2001). "The Economics of Cultural Transmission and the Dynamics of Preferences." *Journal of Economic Theory*, 97(2), 298-319.

Campbell, S., Macmillan, L., Murphy, R., and Wyness, G. (2020). "Matching in the Dark? Inequalities in Student to Degree Match" (WP-No. 20-01). Centre for Education Policy and Equalising Opportunities, UCL Institute of Education.

Corneo, Giacomo and Olivier Jeanne. (2001) "Status, the Distribution of Wealth, and Growth." *Scandinavian Journal of Economics* 103: 283-293.

De La Fuente, A., and Domenéch, R. (2018). El nivel educativo de la población en España y sus regiones. Actualización hasta 2016 (BBVA Research-Working Paper No. 18/04).

Della Vigna, S., List, J. A., Malmendier, U., and Rao, G. (2016). "Voting to tell Others." *The Review of Economic Studies*, 84(1): 143-181.

Della Vigna, S., List, J. A., and Malmendier, U. (2012). "Testing for Altruism and Social Pressure in Charitable Giving." *The Quarterly Journal of Economics*, 127(1): 1-56.

Ellingsen, T., and Johannesson, M. (2007). "Paying Respect." *Journal of Economic Perspectives*, 21(4), 135-150.

Ellingsen, T., and Johannesson, M. (2008). "Pride and Prejudice: The Human Side of Incentive Theory." *American Economic Review*, 98(3), 990-1008.

- Elster, J. (1989). "Social Norms and Economic Theory." *Journal of Economic Perspectives*, 3(4), 99-117.
- Fordham, S., and Ogbu, J. U. (1986). "Black Students' School Success: Coping with the Burden of 'Acting White' ". *The Urban Review*, 18(3), 176-206.
- Funk, P. (2010). "Social Incentives and Voter Turnout: evidence from the Swiss Mail Ballot System." *Journal of the European Economic Association*, 8(5), 1077-1103.
- Gerber, A. S., Green, D. P., and Larimer, C. W. (2008). "Social Pressure and Voter Turnout: Evidence from a Large-scale Field Experiment." *American Political Science Review*, 102(1), 33-48.
- Grove, D. John, Richard C. Remy and L. Harmon Zeigler. (1974) "The Effects of Political Ideology and Educational Climates on Student Dissent." *American Politics Quarterly*, 2 (3): 259-75.
- Harsanyi, J. C., (1980). *Essays on Ethics, Social Behaviour, and Scientific Explanation*. D. Reidel Publishing Company, Dordrecht, Holland.
- Heffetz, O. (2004). *Conspicuous Consumption and the Visibility of Consumer Expenditures*. Department of Economics, Princeton University.
- Heffetz, O. (2011). "A Test of Conspicuous Consumption: Visibility and Income Elasticities." *The Review of Economics and Statistics*, 93(4): 1101-1117.
- Heywood Andrew (2012). *Political Ideologies: An Introduction*. Palgrave Macmillan. ISBN 978-0-230-36994-8.
- Kidwell, B., Farmer, A., and Hardesty, D. M. (2013). "Getting Liberals and Conservatives to Go Green: Political Ideology and Congruent Appeals." *Journal of Consumer Research*, 40(2), 350-367.

Kim, J. C., Park, B., and Dubois, D. (2018). "How Consumers' Political Ideology and Status-Maintenance Goals Interact to Shape their Desire for Luxury Goods." *Journal of Marketing*, 82(6): 132-149.

Kranton, R. E. (2016). "Identity Economics: Where do Social Distinctions and Norms Come From?." *American Economic Review*, 106(5), 405-09.

La Ferrara, E. (2019). "Aspirations, Social Norms, and Development." *Journal of the European Economic Association*, 17(6): 1687-1722.

Mani, A., Mullainathan, S., Shafir, E., and Zhao, J. (2013). "Poverty Impedes Cognitive Function." *Science*, 341(6149), 976-980.

OECD (2016). *Education at a Glance 2016*. The OECD indicators. OECD Publishing, Paris. <http://dx.doi.org/10.1787/eag-2016-en>

OECD (2008) Handbook on Constructing Composite Indicators. <http://www.oecd.org/publishing/corrigenda>

Staiger, D., and Stock, J.H. (1997). "Instrumental Variables with Weak Instruments." *Econometrica*, 65(3), 557-586.

Stark, O. (2006). "Status Aspirations, Wealth Inequality, and Economic Growth. Review of Development Economics." 10(1): 171-176.

Tabellini, G. (2008). "The Scope of Cooperation: Values and Incentives." *The Quarterly Journal of Economics*, 123(3), 905-950.

Thal, A. (2020). "The Desire for Social Status and Economic Conservatism among Affluent Americans." *American Political Science Review*, 114(2): 426-442.

Veblen, T. (1965). *The Theory of the Leisure Class* (AM Kelley, Bookseller, New York, earlier published 1899).

Weiss, Y., and Fershtman, C. (1998). "Social Status and Economic Performance: A survey." *European Economic Review*, 42(3-5), 801-820.