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## **Abstract:**

Educational interventions are often narrowly targeted and temporary, and evaluations often focus on the short-run impacts of the intervention. Insofar as the positive effects of educational interventions fadeout over time, however, such assessments may be misleading. In this paper, we develop a simple statistical framework to empirically assess the persistence of treatment effects in education. To begin, we present a simple model of student learning that incorporates permanent as well as transitory learning gains. Using this model, we demonstrate how the parameter of interest – the persistence of a particular measurable education input – can be recovered via instrumental variables as a particular local average treatment effect. We initially motivate this strategy in the context of teacher quality, but then generalize the model to consider educational interventions more generally. Using administrative data that links students and teachers, we construct measures of teacher effectiveness and then estimate the persistence of these teacher value-added measures on student test scores. We find that teacher-induced gains in math and reading achievement quickly erode. In most cases, our point estimates suggest a one-year persistence of about one-fifth and rule out a one-year persistence rate higher than one-third.

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## 1. Introduction

Educational interventions are often narrowly targeted and temporary, such as class size reductions in kindergarten or summer school in selected elementary grades. Because of financial, political and logistical constraints, evaluations of such programs often focus exclusively on the short-run impacts of the intervention. Insofar as the treatment effects are immediate and permanent, short-term evaluations will provide a good indication of the long-run impacts of the intervention. However, prior research such as the Currie and Thomas work on Head Start (1995) suggests that the positive effects of educational interventions may fadeout over time. Failure to account for this fadeout can dramatically change the assessment of the program impact and/or cost effectiveness.

Unfortunately, advocates and policymakers often neglect to consider the persistence of particular interventions in calculating expected benefits. This is particularly true in the area of teacher effectiveness. In recent years, there has been a virtual explosion in interest among researchers and policymakers on the extent to which teacher performance varies across individuals and schools, and a number of districts and states are experimenting with ways to use teacher “value-added” measures in the design of hiring, certification, compensation, tenure and accountability policies. An oft-cited claim is that matching a student with a stream of good teachers (one standard deviation above the average teacher) for five years in a row would be enough to completely eliminate the achievement gap between poor and non-poor students (Rivkin, Hanushek and Kain 2005). This prognosis, however, depends crucially on the persistence of teacher effects.

In this paper, we develop a simple statistical framework to empirically assess the persistence of treatment effects in education. To begin, we present a simple model of student learning that incorporates permanent as well as transitory learning gains. Using this model, we demonstrate how the parameter of interest – the persistence of a particular measurable education input – can be recovered via instrumental variables as a particular local average treatment effect (Imbens and Angrist 1994). We initially motivate this strategy in the context of teacher quality, but then generalize the model to consider educational interventions more generally.

The focus of this paper on the persistence of teacher effects is distinct from another concern – namely, that teacher value-added measures estimated from observational data are biased indicators of true teacher contributions to student learning due to the non-random sorting of students and teachers. Fade out of measured teacher effectiveness is likely even if one could obtain a completely unbiased measure of teacher performance. Indeed, as we discuss in more detail below, it is likely that any bias in our value-added measures stemming from non-random sorting will lead our estimates, which are already quite small, to *overstate* persistence.

While many researchers address the issue of bias arising in the estimation of teacher effects, only a few empirical papers have explicitly explored the persistence of teacher-induced learning gains or other educational interventions. Our paper extends the persistence literature by developing a generalized framework that allows comparison of persistence across education programs and relative to sensible benchmarks. We provide a method to estimate persistence that is intuitive and computationally simpler than earlier models such as Lockwood et al. (2007).

Using an administrative data set that links teachers to student achievement scores, we construct measures of teacher value-added and estimate the persistence of value-added effects on student test scores. We find that gains in math and reading test scores due to the teacher quickly erode. In most cases, our point estimates suggest a one-year persistence of about one-fifth and rule out a one-year persistence rate higher than one-third. Our results are robust to a number of specification checks and suggest that this depreciation applies to almost all student groups. Comparisons with the general persistence of student ability suggest teacher influence is only a third as persistent as student knowledge and skills in general. Further estimates suggest that about one-eighth of the original student gains from a high value-added teacher persist over two years.

There are many reasons why measured teacher effects might fade out. Some reasons may not be a source of concern – e.g., if contemporaneous achievement tests do not perfectly capture the knowledge a student has learned in prior years. Other reasons, such as the student’s quickly forgetting material that was taught in one period, may be more troubling. Still other reasons, such as compensating behavior on the part of teachers and parents, raise complicated questions about the organization of schools and the design of curriculum and instruction. While we are not able to identify the specific causes of fadeout in our analysis, we discuss the potential causes and how they would impact the interpretation of our estimates.

In general, our evidence suggests that even if value-added models of teacher quality are econometrically modified to work well in measuring one period gains, the results will still be misleading in policy evaluation if that single period measure is taken as an indication of the long-run increase in knowledge. This is not to say that teacher-

induced learning gains are less persistent than other common educational interventions (we view this as an open question), but rather to emphasize that a fair analysis should measure the benefits of long-run as opposed to transitory gains in student knowledge.

The remainder of the paper proceeds as follows. Section 2 discusses the motivation for examining the persistence of teacher value-added, section 3 introduces the statistical model of student learning, section 4 outlines the data, section 5 presents the results, section 6 contains a short discussion, while section 7 concludes.

## 2. Background

### A. Teacher value-added

Despite a widespread belief among education practitioners and the public about the important role of teachers in promoting student achievement, an initial generation of research widely confirmed the Coleman Report's conclusion that there was little association between measurable teacher characteristics and student achievement (Coleman et al. 1966). Indeed, with the exception of a notable improvement in teacher performance associated with the first year or two of experience (Hanushek 1997) researchers were left to justify why schools and teachers "don't seem to matter" (Goldhaber and Brewer 1997).

More recently, the growing availability of longitudinal, student achievement data linked to teachers has allowed researchers to calculate sophisticated value-added models that attempt to isolate an individual teacher's contribution to student learning. These studies consistently find substantial variation in teacher effectiveness. For example, the findings of Rockoff (2004) and Rivkin, Hanushek and Kain (2005) both suggest a one

standard deviation increase in teacher quality improves student math scores at least 0.1-0.15 standard deviations. Aaronson, Barrow and Sander (2007) find similar results using high school data. In comparison, this suggests that a one standard deviation increase in teacher quality, as measured by value-added, improves contemporary student test scores as much as a 4-5 student decrease in class size.

The results of these studies have led many researchers and policymakers to promote policies to increase the effectiveness of classroom teachers, such as compensation policy and tenure reviews (Doran and Izumi 2004, McCaffrey et al. 2004). Given the poor record of single year test scores (Kane and Staiger 2002) or even principal evaluations (Jacob and Lefgren 2008) in differentiating among certain regions of the teacher quality distribution, the increasing use of value-added measures seems likely wherever the data requirements can be met.

However, this research measuring the specific contribution of teachers to student achievement is only one strand of a broader literature utilizing value-added estimation. The cumulative nature of knowledge suggests that a current test score is in fact a function of student characteristics combined with the characteristics and policy innovations of all schools and classrooms the student has been in to date. This creates a serious risk that unmeasured past factors will bias estimates of any non-experimental intervention. The most common response since Boardman and Murnane (1979) has been the value-added approach whereby the researcher accounts for the past achievement of a student, either by using a within student model differenced across time, or by controlling for a lagged test score measure. This type of specification was widely believed to substantially reduce the chance of bias due to historical omitted variables (Hanushek 2003).

A number of recent studies (Andrabi et al. 2008, McCaffrey et al. 2004, Rothstein 2007, Todd and Wolpin 2003, 2006) have highlighted the strong assumptions of the value-added teacher model and suggested they are unlikely to hold in observational settings. The most important of these assumptions in our present context is that the assignment of students to teachers is random. Indeed given random assignment of students to teachers, many of the uncertainties regarding precise functional form become less important. If students are not assigned randomly to teachers, positive outcomes attributed to a given teacher may simply result from teaching better students. In particular, Rothstein (2007) raises disturbing questions about the validity of current teacher value-added measurements, showing that the current performance of students can be predicted by the value-added of their future teachers.

However, in a recent attempt to validate observationally derived value-added methods with experimental data, Kane and Staiger (2008) were unable to reject the hypothesis that the observational estimates were unbiased predictions of student achievement in many specifications. Indeed, one common result seems to be that models which control for lagged test scores, such as our model, tend to perform better than gains models. While we are still concerned about the possible consistency of our value-added estimates in the presence of possible non-random matching of students to teachers, we will argue that at a minimum our estimates still present a useful upper bound to the true persistence of teacher effects on student achievement.



## B. Persistence

While there are a host of possible explanations for the fade-out of teacher influence, or other educational intervention, it is useful to classify them into two groups; those that involve mismeasurement of student knowledge and those that involve structural elements of the educational system. The first class of explanations centers on the proxy nature of test scores as reflections of true student knowledge. That is, test scores mismeasure student knowledge both in one period and over time for a variety of reasons. If tests fail to measure knowledge in a cumulative fashion then knowledge may falsely appear to fadeout as an artifact of test structure. For example, to the extent that the knowledge and skills involved in geometry and algebra are largely distinct, then the effect of an excellent Algebra teacher may appear to fadeout in the following year when the student is tested on geometry. In this case, the apparent fadeout would not be real in the sense of a loss of knowledge or skills, but would rather be an artifact of the test construction. On the other hand, certain test management skills may be persistently helpful in taking multiple choice tests, but may have no social value beyond that narrow application. Teacher cheating to raise student test scores, such as that observed by Jacob and Levitt (2003) in Chicago would also fall under this heading.

The second class of explanations involves actual changes to student knowledge as a consequence of student, family, and school behavior. For example, students may forget some of the information that they learned in earlier classes. This may be due to the way in which this material was taught (e.g., through a focus on memorization rather than deeper, conceptual understanding). Even in the best case, some forgetting may be inevitable due

to physiological constraints, which could be compounded by a lack of complementary investment on the part of students.

This class of explanations also includes possible compensatory actions taken by school teachers and administrators as suggested by Rothstein (2007). To the extent that teachers target their curriculum and instruction to the median student ability level in their class, or perhaps even to those students who are below some minimum threshold, a student that enters a class further ahead may regress to the classroom median over the course of the school year. Similarly, if teachers and administrators dynamically select students for remedial programs on the basis of annual performance, then the provision of supplemental services to lower-achieving students may generate observed fadeout. In both of the examples above, the fadeout would be generated by the catching up of certain students rather than the falling back of others.

Despite the multiple channels by which fadeout might occur, Todd and Wolpin (2003) note that most early value-added studies implicitly make a strong assumption by restricting the rate of decay of an input induced achievement gain to either zero or a constant. More importantly, the model as commonly specified does not recognize that the rate of decay might depend on the nature of the input. This is important since previous research on the long-term impacts of educational interventions suggest decay may vary widely by type of program. For example, long-term follow up studies of some programs the Tennessee class size experiment (Nye, Hedges and Konstantopoulos 1999; Krueger and Whitmore 2001) or the Perry preschool project (Barnett 1985) suggest that both had enduring measurable effects, in the latter case decades after the intervention. On the other hand, evaluations of other similar programs such as head start (Currie and Thomas 1995)

or grade retention for sixth graders (Jacob and Lefgren 2004) find no measurable effects on students a few years later. Furthermore, these studies provide no systematic way to think about comparing persistence across programs, or to test hypotheses about persistence. Most commonly, persistence is inferred as the informal ratio of coefficients from separate regressions.

Much of the early research on teacher value-added also fails to consider the importance of persistence either as an absolute policy parameter or relative to other programs. Counterfactual comparisons, such as the Rivkin, Hanushek and Kain (2005) five good teachers scenario assume perfect persistence of student gains due to teacher quality and treat test score increases from this source as equivalent to those due to increased parental investment or innate student ability.

The first paper to explicitly consider the issue of persistence in the effect of teachers on student achievement was a study by McCaffery et al. (2004). Although their primary objective is to test the stability of teacher value-added models to various modeling assumptions, they also provide parameter estimates from a general model that explicitly considers the one and two year persistence of teacher effects on math scores for a sample of 678 third through fifth graders from five schools in a large suburban district. Their results suggest one year persistence of 0.2 to 0.3 and two year persistence of 0.1. However, due to the small sample the standard errors on each of these parameter estimates was approximately 0.2.

In a later article, Lockwood et al. (2007) produce a Bayesian formulation of this same model which they use to estimate persistence measures for a cohort of approximately 10,000 students from a large urban school district over five years. Using

this computationally demanding methodology they produce persistence estimates that are in all cases below 0.25 with relatively small confidence intervals that exclude zero and appear very similar for both reading and mathematics. They also note that use of models which assume perfect persistence produce significantly different teacher value-added estimates.

These results have combined with a general increase in both the academic interest in and the policy relevance of teacher value-added measures to produce a new group of contemporary papers that recognize the importance of persistence although it is not the primary focus of their research. For example, Kane and Staiger (2008) use a combination of experimental and non-experimental data from Los Angeles to examine the degree of bias present in value-added estimates due to non-random assignment of students to teachers. They note that coefficient ratios taken from their results imply a one year math persistence of one-half and a language arts persistence of 60-70 percent. Similarly, Rothstein (2007) mentions the importance of measuring fadeout and presents evidence of two-year persistence rates of approximately one-half in “classroom effects” for a cohort of North Carolina students.

Our paper goes beyond this literature in by considering a generalized framework that allows comparison of persistence measures across education programs and relative to sensible benchmarks. It provides a method to estimate persistence that is intuitive and computationally simpler than earlier models such as Lockwood et al. (2007). Furthermore we use multiple cohorts to allow us to disentangle one year classroom shocks from teacher effects.

### 3. A Statistical Model

This section outlines a simple model of student learning that incorporates permanent as well as transitory learning gains. Our goal is to explicitly illustrate how learning in one period is related to knowledge in subsequent periods. Using this model, we demonstrate how the parameter of interest, the persistence of a particular measurable education input, can be recovered via instrumental variables as a particular local average treatment effect (Imbens and Angrist 1994). We initially motivate this strategy in the context of teacher quality, but then generalize the model to consider educational interventions.

#### A. Base Model

In order to control for past student experiences, education researchers often employ empirical strategies that regress current achievement on lagged achievement, namely

$$(1) \quad Y_t = \beta Y_{t-1} + \varepsilon_t,$$

with the common result that the OLS estimate of beta is less than one. This result is typically given one of two interpretations. One explanation is that the lagged achievement score is measured with error due to factors such as guessing, test conditions, or variation in the set of tested concepts. A second explanation involves the depreciation or decay of knowledge over time, which is typically assumed to be constant.

In order to explore the persistence of knowledge, it is useful to more carefully articulate the learning process underlying these test scores. To begin, suppose that true

knowledge in any period is a linear combination of what we describe as “long-term” and “short-term” knowledge, which we label with the subscripts l and s. With a t subscript to identify time period, this leads to the following representation:

$$(2). \quad Y_t = y_{l,t} + y_{s,t}.$$

As the name suggests, long-term knowledge remains with an individual for multiple periods, but is allowed to decay over time. Specifically, we assume that it evolves according to the following process:

$$(3) \quad y_{l,t} = \delta y_{l,t-1} + \theta_{l,t} + \eta_{l,t},$$

where  $\delta$  indicates the rate of decay and is assumed to be less than one in order to make  $y_l$  stationary.<sup>1</sup> The second term,  $\theta_{l,t}$ , represents a teacher’s contribution to long-term knowledge in period t. The final term,  $\eta_{l,t}$ , represents idiosyncratic factors affecting long-term knowledge.

In contrast, short-term knowledge reflects skills and information a student has in one period that decay entirely by the next period.<sup>2</sup> Short-run knowledge evolves according to the following process:

$$(4) \quad y_{s,t} = \theta_{s,t} + \eta_{s,t},$$

which mirrors equation (3) above when  $\delta$ , the persistence of long-term knowledge, is zero. Here, the term  $\theta_{s,t}$  represents a teacher’s contribution to the stock of short-term knowledge and  $\eta_{s,t}$  captures other factors that affect short-term performance.

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<sup>1</sup> This assumption can be relaxed if we restrict our attention to time-series processes of finite duration. In such a case, the variance of  $y_{l,t}$  would tend to increase over time.

<sup>2</sup> The same piece of information may be included as a function of either long-term or short-term knowledge. For example, a math algorithm used repeatedly over the course of a school year may enter long-term knowledge. Conversely, the same math algorithm, briefly shown immediately prior to the administration of an exam, could be considered short-term knowledge.

The same factors that affect the stock of long-term knowledge could also impact the amount of short-term knowledge. For example, a teacher may help students to internalize some concepts, while only briefly presenting others immediately prior to an exam. The former concepts likely form part of long-term knowledge while the latter would be quickly forgotten. Thus it is likely a given teacher affects both long and short-term knowledge, though perhaps to different degrees.

While they may suggest different underlying reasons for knowledge fade-out, observed variation in knowledge due to measurement error and observed variation due to the presence of short-run (perfectly depreciable) knowledge are observationally equivalent in this model. For example, both a teacher cheating on behalf of students and a teacher who effectively helps students internalize a concept which is tested in only a single year would appear to increase short-term as opposed to long-term knowledge, but so would a student deterministically forgetting material of a particular nature.<sup>3</sup> Consequently the model and our persistence estimates do not directly distinguish between short-run knowledge that is a consequence of limitations in the ability to measure achievement and short-run knowledge that would have real social value if the student retained it.

In most empirical contexts, the researcher only observes the total of long- and short-run knowledge,  $Y_t = y_{l,t} + y_{s,t}$ , as is the case when one can only observe a single test score. For simplicity we initially assume that  $\theta_{l,t}$ ,  $\eta_{l,t}$ ,  $\theta_{s,t}$ , and  $\eta_{s,t}$  are independently

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<sup>3</sup> This presupposes that understanding the concept does not facilitate the learning of a more advanced concept which is subsequently tested. For example, even though simple addition may only be tested in early grades, mastery of such material would facilitate the learning of more advanced methods.

and identically distributed, although we will relax this assumption later.<sup>4</sup> It is then straightforward to show that when considering this composite test score in the typical “value-added” regression model given by equation (1), the OLS estimate of  $\beta$  converges to:

$$(5) \quad p \lim(\hat{\beta}_{OLS}) = \delta \frac{\sigma_{y_t}^2}{\sigma_{y_t}^2 + \sigma_{y_s}^2} = \delta \frac{\sigma_{\theta_t}^2 + \sigma_{\eta_t}^2}{(1-\delta)(\sigma_{\theta_s}^2 + \sigma_{\eta_s}^2) + \sigma_{\theta_t}^2 + \sigma_{\eta_t}^2}.$$

Thus, OLS identifies the persistence of long-run knowledge multiplied by the fraction of variance in total knowledge attributable to long-run knowledge. In other words, one might say that the OLS coefficient measures the average persistence of observed knowledge. The formula above also illustrates the standard attenuation bias result if we reinterpret short-term knowledge as measurement error.

This model allows us to leverage different identification strategies to recover alternative parameters of the data generating process. Suppose, for example, that we estimate equation (3) using instrumental variables with a first-stage relationship given by:

$$(6) \quad Y_{t-1} = \pi Y_{t-2} + v_t,$$

where lagged achievement is regressed on twice-lagged achievement. We will refer to the estimate of  $\beta$  from this identification strategy as  $\hat{\beta}_{LR}$ , where the subscript is an abbreviation for long-run. It is again straightforward to show that this estimate converges to:

$$(7) \quad p \lim(\hat{\beta}_{LR}) = \delta,$$

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<sup>4</sup> Note that both the process for long-run and short-run knowledge accumulation are stationary implying children have no upward learning trajectory. This is clearly unrealistic. The processes, however, can be reinterpreted as deviations from an upward trend.



which is simply the persistence of long-run knowledge. Our estimates suggest that this persistence is close to one.

Most importantly, consider what happens if we instrument lagged knowledge,  $Y_{t-1}$ , with the lagged teacher's contribution (value-added) to total lagged knowledge. The first stage is given by:

$$(8) \quad Y_{t-1} = \pi\Theta_{t-1} + v_t,$$

where the teacher's total contribution to lagged knowledge is a combination of her contribution to long- and short-run lagged knowledge,  $\Theta_{t-1} = \theta_{l,t-1} + \theta_{s,t-1}$ . In this case, the second stage estimate, which we refer to as  $\hat{\beta}_{VA}$  converges to:

$$(9) \quad p \lim(\hat{\beta}_{VA}) = \delta \frac{\sigma_{\theta_l}^2}{\sigma_{\theta_l}^2 + \sigma_{\theta_s}^2}.$$

The interpretation of this estimator becomes simpler if we think about the dual role of teacher quality in our model. Observed teacher value-added varies for two reasons: the teacher's contribution to long-term knowledge and her contribution to short-term knowledge. Given our estimates of  $\delta$  are roughly equal to one,  $\hat{\beta}_{VA}$  approximates the fraction of variation in teacher quality attributable to long-term knowledge creation.

Fundamentally, the differences in persistence identified by the three estimation procedures above are a consequence of different sources of identifying variation. For example, estimation of  $\hat{\beta}_{OLS}$  generates a persistence measure that reflects all sources of variation in knowledge, from barking dogs to parental attributes to policy initiatives. On the other hand, an instrumental variables strategy isolates variation in past test scores due to a particular factor or intervention. Consequently, the estimated persistence of

achievement gains can vary depending on the chosen instrument, as each identifies a different local average treatment effect. In our example,  $\hat{\beta}_{VA}$  measures the persistence in test scores due to variation in teacher value-added in isolation from other sources of test score variation while  $\hat{\beta}_{LR}$  measures the persistence of long-run knowledge, that is achievement differences due to prior knowledge.

This suggests a straightforward generalization: to identify the coefficient on lagged test score using an instrumental variable strategy, one can use any factor that is orthogonal to  $\varepsilon_t$  as an instrument for  $y_{it-1}$  in identifying  $\beta$ . Thus, for *any* educational intervention for which assignment is uncorrelated to the residual, one can recover the persistence of treatment-induced learning gains by instrumenting lagged performance with lagged treatment assignment. Within the framework above, suppose that  $\theta_{lt} = \gamma_l treat_t$  and  $\theta_{st} = \gamma_s treat_t$ , where  $\gamma_l$  and  $\gamma_s$  reflect the treatment's impact on long and short-term knowledge respectively.<sup>5</sup> In this case, instrumenting lagged observed knowledge with lagged treatment assignment yields an estimator which converges to the following:

$$(10) \quad p \lim \left( \hat{\beta}_{TREAT} \right) = \delta \frac{\gamma_l}{\gamma_l + \gamma_s} .$$

The estimator reflects the persistence of long-term knowledge multiplied by the fraction of the treatment-related test score increase attributable to gains in long-term knowledge.

Beyond the assurance that we are recovering the parameter of interest, our approach has a number of advantages over the informal examination of coefficient ratios often used to think about persistence. First, it is computationally simple and provides a

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<sup>5</sup> While *treat* could be a binary assignment status indicator, it could also specify a continuous policy variable such as educational spending or class size.

straightforward way to conduct inference on persistence measures through standard t- and f-tests.<sup>6</sup> Second, the estimates of  $\hat{\beta}_{LR}$  and  $\hat{\beta}_{OLS}$  serve as intuitive benchmarks in understanding the relative importance of teacher value-added in creating long-term knowledge. They allow us to examine the persistence of policy induced learning shocks relative to the respective effects of transformative learning and a “business as usual” index of educational persistence. Furthermore, because these benchmarks are similar to those of other studies they give us some confidence that our results are not driven by a test scaling effect. Finally, the methodology can be applied to compare persistence among policy treatments including those that may be continuous or on different scales such as hours of tutoring versus number of students in a class.

## B. Extensions

Returning to our examination of the persistence of teacher-induced learning gains, we relax some assumptions regarding our data generating process to highlight alternative interpretations of our estimates as well as threats to identification. First, consider a setting in which an intervention’s effect on long and short-term knowledge are not independent. In that case  $\hat{\beta}_{VA}$  converges to:

$$(11) \quad p \lim(\hat{\beta}_{VA}) = \delta \frac{\sigma_{\theta_l}^2 + \text{cov}(\theta_l, \theta_s)}{\sigma_{\theta_l}^2 + \sigma_{\theta_s}^2 + 2 \text{cov}(\theta_l, \theta_s)} = \delta \frac{\text{cov}(\theta_l, \Theta)}{\sigma_{\Theta}^2}.$$

While  $\delta$  maintains the same interpretation, the remainder of the expression is equivalent to the coefficient from a bivariate regression of  $\theta_l$  on  $\Theta$ . In other words, it captures the

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<sup>6</sup> In our framework a test of the hypothesis that different educational interventions have different rates of persistence can be implemented as a standard test of over-identifying restrictions.

rate at which a teacher's impact on long-term knowledge increases with the teacher's contribution to total measured knowledge.

Another interesting consequence of relaxing this independence assumption is that  $\beta_{VA}$  need not be positive. In fact, if  $\text{cov}(\theta_l, \theta_s) < -\sigma_{\theta_l}^2$ ,  $\beta_{VA}$  will be negative. This can only be true if  $\sigma_{\theta_l}^2 < \sigma_{\theta_s}^2$ . This would happen if observed value-added captured primarily a teacher's ability to induce short-term gains in achievement and this is negatively correlated to a teacher's ability to raise long-term achievement. Although this is an extreme case, it is clearly possible and serves to highlight the importance of understanding the long-run impacts of teacher value-added.<sup>7</sup>

Although, relaxing the independence assumption does not violate any of the restrictions for satisfactory instrumental variables identification,  $\beta_{VA}$  can no longer be interpreted as a true persistence measure. Instead, it identifies the extent to which teacher-induced achievement gains predict subsequent achievement.

However, there are some threats to identification that we initially ruled out by assumption. For example, suppose that  $\text{cov}(\theta_{l,t}, \eta_{l,t}) \neq 0$ , as would occur if school administrators systematically allocate children with unobserved high learning to the best teachers. The opposite could occur if principals assign the best teachers to children with the lowest learning potential. In either case the effect on our estimate depends on the sign of the covariance, since:

$$(12) \quad p \lim(\hat{\beta}_{VA}) = \delta \frac{\sigma_{\theta_l}^2 + \text{cov}(\theta_l, \eta_l)}{\sigma_{\theta_l}^2 + \sigma_{\theta_s}^2}.$$

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<sup>7</sup> Jacob and Levitt (2003) find evidence of teacher cheating in Chicago. This cheating, which led to large observed performance increases, was correlated to poor actual performance in the classroom.

If students with the best idiosyncratic learning shocks are matched with high quality teachers, the estimated degree of persistence will be biased upwards. In the context of standard instrumental variables estimation, lagged teacher quality fails to satisfy the necessary exclusion restriction because it affects later achievement through its correlation with unobserved educational inputs. To address this concern, we show the sensitivity of our persistence measures to the inclusion of student-level covariates, which would be captured in the  $\eta_i$  term.

Another potential problem is that teacher value-added may be correlated over time for an individual student. If this correlation is positive (i.e. motivated parents request effective teachers every period), the measure of persistence will be biased upwards. One can test the importance of this problem, however, by seeing how the coefficient estimates change when we control for current teacher effectiveness.

#### 4. Data

##### A. The Sample

To measure the persistence of teacher-induced learning gains, we use data from the 1998-9 to 2004-5 school years for a mid-size school district located in the western United States.<sup>8</sup> The elemental unit of observation is the individual student, for whom common demographic information such as race, ethnicity, free lunch and special education status, as well as standardized achievement test scores is available. We can track these students over time and link them to each of their teachers, creating a panel of

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<sup>8</sup> The district has requested to remain anonymous.

student level observations. This allows us to calculate a value-added measure of teacher effectiveness specific to each student to use in our regressions.

In this district, students in grades 1-6 take a set of “Core” exams in reading and math. These multiple-choice, criterion-referenced exams cover topics that are closely linked to the district learning objectives. While student achievement results have not been directly linked to rewards or sanctions until recently, the results of the Core exams are distributed to parents via teacher conferences or the mail and published annually. Our methodology requires a lagged year of test scores to capture the student’s prior performance and a further lag to serve as a potential instrument for long-run student ability. This leads us to restrict the sample to grades 3-6 which have twice lagged achievement test scores available. Because this district uses tracking by ability groups for some mathematics instruction, we restrict math scores to untracked classrooms. Furthermore, sixth grade math classes use different evaluation measures based on the students math level, and are thus excluded from the analysis.

There may be some concern that the available test scores do not have the nice psychometric properties of the normal curve equivalent or grade equivalent measures often used in educational studies. It is likely that the different grade test score measures are not directly comparable in a strict adding up sense. To account for this, we use a normalized test score measure, scaled to report standard deviation units relative to the district, as the outcome variable, and also show that robustness checks with percentile ranked scores yield similar results. Furthermore, in contrast to informal measures of persistence, our methodology provides a scaling feature in the form of the  $\hat{\beta}_{LR}$  and  $\hat{\beta}_{OLS}$  benchmark estimates. These allow us to compare persistence due to teacher value-added

with other sorts of persistence measured in terms of the same tests and hence the same scale. Also, the agreement of these benchmark estimates with those in the literature suggests that scaling does not appreciably affect our conclusions.

The summary statistics of Table 1 show that although the Grade 3-6 students in the district are predominantly white (76 percent), there is a reasonable degree of heterogeneity in other dimensions. For example, close to half of all students in the district (44 percent) receive free or reduced price lunch, and about 10 percent have limited English proficiency.<sup>9</sup> Although we do not use teacher characteristics in the analysis, along observable dimensions the teachers constitute a fairly close representation of elementary school teachers nationwide.

#### B. Estimating teacher value-added.

To measure the persistence of teacher-induced learning gains we must first estimate teacher value-added. Consider a learning equation of the following form.

$$(13) \quad test_{ijt} = \beta test_{it-1} + X_{it}\Gamma + \theta_j + \eta_{jt} + \varepsilon_{ijt},$$

where  $test_{it}$  is a test score for individual  $i$  in period  $t$ ,  $X_{it}$  is a set of potentially time varying covariates,  $\theta_j$  captures teacher value-added,  $\eta_{jt}$  reflects period specific classroom factors that affect performance (e.g., test administered on a hot day or unusually good chemistry between the teacher and students), and  $\varepsilon_{it}$  is a mean zero residual.

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<sup>9</sup> Achievement levels in the district are almost exactly at the average of the nation, with students scoring at the 49<sup>th</sup> percentile on the Stanford Achievement Test.

There are two concerns regarding our estimates of teacher value-added. The first, discussed earlier, is that the value-added measures may be inconsistent due to the non-random assignment of students to teachers. The second is that the imprecision of our estimates may affect the implementation of our strategy. Standard fixed effects estimation of teacher value-added rely on test score variation due to classroom-specific learning shocks,  $\eta_{jt}$ , as well as student specific residuals,  $\varepsilon_{ijt}$ . Because of this, the estimation error in teacher value-added will be correlated to contemporaneous student achievement and fail to satisfy the necessary exclusion restrictions for consistent instrumental variables identification.

To avoid this problem, we estimate the value-added of a student's teacher that does not incorporate information from that student's cohort. Specifically, we estimate a separate regression for each year by grade cell, and recording the teacher value-added estimates. In each regression, we control for a linear measure of the student's prior achievement in the subject along with the student's age, race, gender, free-lunch eligibility, special education placement, limited English proficiency status, and then measures of class size and school fixed effects. Then for each student we compute an average of his teacher's value-added measures across all years in which that student was *not* in the teacher's classroom. The estimation error of the resulting value-added measures will be uncorrelated to unobserved classroom-specific determinants of the reference student's achievement.

Table 2 presents summary measures of these value-added metrics. Although they are approximately mean zero by design, the dispersion for our normalized scores is close to that found in previous studies such as Rockoff (2004) and Aaronson, Barrow and



Sander (2007). As discussed later, the results of our estimation are robust to various specifications of the initial value-added equation. And as previously suggested, it is likely that non-random sorting of students to teachers will bias our estimates upwards, leading us to overstate persistence.

## 5. Results

This section presents the results of our estimation of the persistence of teacher value-added induced learning. Table 3 considers the baseline case where we examine persistence after one year in a specification with the full student and classroom controls including race, gender, free lunch eligibility, special education status and limited English status as well as school and year fixed effects. We also control for grade fixed effects and allow the slopes of all covariates and instruments to vary by grade (the coefficient on lagged achievement is constrained to be the same for all students). Instrumental Variables estimates of long-run learning persistence use twice lagged test scores and an indicator for a missing twice lagged score as excluded instruments. Estimates of the persistence of teacher value-added use the previously calculated value-added measures interacted with grade dummies as excluded instruments.

Our estimate of the general persistence of knowledge from the least squares regression procedure is 0.66 for reading and 0.62 for math, suggesting that two-thirds of a general gain in student level test scores is likely to persist after a year.<sup>10</sup> Due to the presence of demographic controls, this estimate differs subtly from  $\hat{\beta}_{OLS}$ , the measure of persistence from all sources detailed in our statistical model. Namely, the above estimate

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<sup>10</sup> This estimate of persistence from all sources is comparable to that of other recent studies such as Todd and Wolpin (2006) and Sass (2006).

captures only the persistence due to sources of variation orthogonal to the included demographic controls. In practice, the difference is minor, as regressions that omit all controls except year and grade effects provide coefficient estimates of 0.72 for reading and 0.67 for math. In contrast, the estimate of  $\hat{\beta}_{LR}$ , suggests that variation in test scores caused by prior (long-run) learning is almost completely maintained.

When compared against these baselines, the achievement gains due to a high value-added teacher are more ephemeral, with point estimates suggesting that only about one-fifth of the initial gain is preserved after the first year. However, our results also statistically reject the hypothesis of zero persistence at conventional significance levels.<sup>11</sup> For the latter two coefficient estimates, the table also reports the F-statistic of the instruments used in the first stage. In all cases, the instruments have sufficient power to make a weak instruments problem unlikely.

Table 4 considers the persistence of achievement after two years. The estimation strategy is analogous to that of Table 3, except that the coefficient of interest is now that of the second lag of student test scores. All instruments are also lagged an additional year. In all cases, most of the gains that persist in the first year continue in the second.<sup>12</sup> In reading, persistence in test score increases from all sources and persistence of gains due to teacher value-added drop 6-9 percentage points from their one year levels. Math scores drop by 3-6 percentage points. In both cases the drop in persistence of gains from teacher value-added appears to be slightly larger, although not distinguishable statistically. Long-term learning continues to demonstrate nearly perfect persistence.

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<sup>11</sup> Reported standard errors are corrected for classroom level clustering.

<sup>12</sup> There is a sample disparity between the 1 year and 2 year persistence estimates since the latter do not contain third graders due to the need for an additional lag of test scores.

It is slightly surprising that after losing four-fifths of the gains from teacher value-added in the first year, students in the next year only lose a few percentage points. This suggests that our data-generating model is a good approximation to the actual learning environment in that much of the achievement gain maintained beyond the first year may be permanent. However, most of the overall gain attributed to value-added is still a temporary one-period increase.

These results are largely consistent with the published evidence on persistence presented by McCaffery et al. (2004) and Lockwood et al. (2007). Both find one- and two- year persistence measures between 0.1 and 0.3. However, our estimates are smaller than those of contemporary papers by Rothstein (2007) and Kane and Staiger (2008), which both suggest persistence rates of one-half or greater.

Table 5 presents a series of robustness checks for our estimation of  $\hat{\beta}_{VA}$ . The primary obstacle to identifying a true measure of the persistence of teacher value-added is the possible non-random assignment of students to teachers, both contemporaneously, and in prior years. Although we attempt to deal with this possibility with a value-added model and the inclusion of student and peer characteristics in the regression, it is still possible that we fail to account for systematic variation in the assignment of students to teachers. Row (2) of Table 5 presents estimates of the persistence of value-added when all controls except for school, grade and year fixed effects are dropped from the regression model. In all cases the coefficient estimates increase, suggesting that there is positive selection on observables. This matches with our priors that the assignment system may favor highly invested parents by assigning their students to better teachers. However, if there exists a positive selection on unobservables that is not controlled for by

our estimation strategy, then  $\hat{\beta}_{VA}$  is actually an upper bound for the true effect. Thus the most likely identification failure suggests an even lower persistence than we find in Tables 3 and 4.

The remainder of the table suggests that our estimates are quite robust to changes in the regression model. Row 3 adds contemporary classroom fixed effects with only a slight attenuation of the estimated coefficients, suggesting that principals are not likely compensating students for past teacher assignments. The next three rows consider the impact of modifying the procedure for estimating teacher value-added measures. The first uses a gains specification as opposed to lag specification of value-added while the second further normalizes those gains by the initial score and the third uses only students in the middle of the achievement distribution to calculate teacher value-added to minimize the possible influence of outliers. This last check produces a large increase in the coefficient for the two-year persistence of math scores. Otherwise all the estimates represent only small deviations from the baseline. The final specification check measures all test performance in percentiles of the district distribution and finds the same substantial persistence pattern.

There seems to be a clear pattern of evidence for small, non-zero levels of teacher value-added persistence. However, these measured effects are averages across a heterogeneous population of students. Table 6 considers the degree to which the persistence estimates differ across years, grades and some student characteristics. For each characteristic group, we present a chi-squared statistics for a test of the null hypothesis that the coefficients are equal across all groups.

The first panel considers the symmetry of persistence for negative versus positive teacher shocks. In other words, it examines whether the test score consequences of having an uncommonly bad teacher are more lasting than the benefits of having an exceptionally good teacher. We are unable to reject equal persistence values for both sides of the teacher distribution.<sup>13</sup>

The next panel considers differences across test years. Thus the row for the year 1999 captures the one-year persistence of knowledge gained in the 1998 school year and so forth. While the hypothesis of coefficient inequality is formally rejected for the one-year math persistence only, there appears to be a cross year pattern for all other test score categories. In general, the 1999, 2002-3 and 2005 have measured effects near the baseline, 2004 has effects well above the baseline and 2000 and 2001 have widely ranging estimated effects including some negative estimates. While it is certainly possible that this is due to actual changes in the persistence across years it also seems possible that some of the difference may be due to differences in the test instrument or institutional factors across years.

The third panel considers cross grade differences. In reading, we reject the hypothesis that persistence is the same across grades, while we fail to reject this hypothesis for math persistence. The pattern of coefficients is consistent with the case in which the carryover in curriculum from one grade to the next may vary across grades. No matter how good the teacher is, if they are not teaching knowledge that will play a

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<sup>13</sup> To perform this comparison, we divide teachers into terciles on the basis of their value-added. When examining the impact of being assigned a teacher in the top third, we instrument lagged value-added with a dummy variable that takes on a value of 1 if prior year teacher was in the top third of the value-added distribution. We include in the second stage a dummy variable indicating whether the prior year teacher was in the bottom third. Thus we exploit only variation due to assignment to a teacher in the top third of value-added *relative* to the middle third (the omitted category). When looking at the impact of assignment to a poor teacher, we do the opposite.

direct role in the next year's exams we will see little persistence. Furthermore, the large significant coefficient on the one-year reading persistence for fourth graders, and the two year persistence coefficient for fifth graders suggests that the third grade reading curriculum presents greater opportunities for teachers to convey long-run knowledge than the curricula of other grades. To the degree that math algorithms tend to have more general long-term uses compared to what students may do in a reading class, this is not surprising.

The final four panels of the table consider the heterogeneity of persistence across groups of students with different observable characteristics. In all cases, students eligible for free lunch had lower estimated persistence measures than ineligible students, although the difference is only significant for one-year math scores. Although this appears to suggest that disadvantaged students derive less persistent benefits from teacher value-added, the following two panels suggest the true situation is much more complicated. Minority students, for example, have a statistically significant advantage in measured persistence for reading scores, while limited English proficient students have a negative point estimate of persistence (although we can not reject the hypothesis of no persistence) for teacher value-added using math scores, but no such disparity in reading. There is no apparent pattern of differing results across gender groups.

## 6. Discussion

After decades of pessimism concerning the lack of connection between the measurement of observable teacher characteristics and student achievement, the use of value-added methods has led to renewed optimism about the ability to measure, reward

and provide incentives for teacher effectiveness. The primary claim of the teacher value-added literature is that teacher quality matters a great deal for student achievement. This claim is based on consistent findings of a large dispersion in teachers' ability to influence contemporary student test scores. However, our results indicate that contemporary teacher value-added measures may overstate the ability of teachers, even exceptional ones, to influence the ultimate level of student knowledge since they conflate variation in short-term and long-term knowledge. Given that a school's objective is to increase the latter, the importance of teacher value-added measures as currently estimated may be substantially less than the teacher value-added literature indicates. Note that this does not mean the average level of teacher value-added is unimportant, rather that the variation in the distribution of existing teacher value-added is less informative than contemporary test gains suggest.

Nevertheless, our results suggest there is some long-run persistence to the gains induced by teacher value-added, even if it is small compared to the persistence of test score gains from all sources. Hence, it seems likely that improving teacher value-added will improve the long-run outcomes of students. Further research comparing the persistence of value-added with other potential educational interventions is needed to better understand the relevant policy tradeoffs.

As discussed earlier, our statistical model will capture knowledge fadeout stemming from a variety of different sources, ranging from poor measurement of student knowledge to structural elements in the education system that lead to real knowledge depreciation. Although it is impossible in the present context to definitively label one or more explanations as verified, we can make some progress in this area. For example,

many of the compensatory theories suggest teachers aim to instruct at a specific, relatively low point on their class distribution or that principals adjust class assignment to compensate for past experiences. Our results, however, provide evidence to suggest that these stories may be a poor fit for explaining fadeout in our district. First, we show that controlling for the quality of the contemporary teacher does not change conclusions about persistence. Also, there is very little correlation in our data between the value-added of students' lagged and twice lagged teachers such as one would expect if there were some sort of cyclical, compensating assignment scheme. Finally, the first panel of Table 6 suggests a symmetrical relationship between student catch-up from below average teachers and fall back from good teachers.

Another potential explanation is that the results are an artifact of test scores that are improperly scaled. However, as mentioned above, the benchmark measures in this paper (i.e., the OLS estimate on lagged achievement and the IV estimate on lagged achievement that uses twice-lagged achievement as the instrument) come from the same test scaling. Given that these measures agree with the broader literature, it does not seem likely that scaling drives the results. In any case, the benchmarks suggest that regardless of test mechanism, student test score changes due to teacher value-added are only one-fifth as persistent as those due to long-run knowledge.

Should the particular explanation for fadeout change how we should think about the policy possibilities of value-added? To examine this, consider under what circumstances exceptional teachers could have widespread and enduring effects in ways that belie our estimates. Three criteria would have to be met: The knowledge that students could obtain from these exceptional teachers would have to be (1) valuable to



the true long-run outcomes of interest (such as wages or future happiness), (2) retained by the student, and (3) not be tested on future exams. To the degree that all three of these conditions exist, the implications of this analysis should be tempered.

While it is certainly possible that these conditions are all met, we believe it is unlikely that the magnitude of fadeout we observe can be completely (or even mostly) explained by these factors. For example, there are few instances in the mathematics of early grades when knowledge is not cumulative. Although fourth grade exams may not include exercises designed to measure subtraction ability, that ability is implicitly tested, for example, in problems that require long division. Furthermore, suppose that teachers are cheating on behalf of students or simply teaching them better techniques for specific test items that have no general meaning outside the test. At that point, the measured knowledge on the test is not socially valuable in some ultimate sense and a value-added policy based on that test score should account for fadeout in the same way it would if the fadeout was due to student forgetfulness.

## 7. Conclusion

In this paper, we develop a simple statistical framework to empirically assess the persistence of treatment effects in education. We present a simple model of student learning that incorporates permanent as well as transitory learning gains, and then demonstrate that an intuitive and computationally simple instrumental variables estimator can recover the persistence parameter.

The econometric framework we use to measure the persistence of teacher induced learning gains is more broadly applicable. It can be used to measure the persistence

of any educational intervention. Relative to the methods previously used, our approach allows simple statistical inference, clear comparison across policies, and clearly relates to the empirical results to the assumed data generating process.

Using administrative data that links teachers to student achievement scores over multiple years, we calculate value-added measures of teacher effectiveness and use the methods outlined above to determine the persistence of teacher effects. We find that teacher-induced test score gains have low persistence relative to the variation in test scores generated by all sources and the variation induced by long-run learning. Our estimates suggest that only about one-fifth of the test score gain from a high value-added teacher remains after a single year. Given our standard errors, we can rule out one-year persistence rates above one-third. After two years, about one-eighth of the original gain persists. The observed fadeout is comparable for both math and reading, and is robust to several specification checks. Furthermore, any positive selection on observables in the teacher-student matching process suggests that our estimates may be overly optimistic.

Previous researchers have referenced a counterfactual world in which a series of high value-added effects for a hypothetical student with a string of good teachers may be simply added together. Given this scenario, researchers and policymakers have advocated the widespread use of such value-added measures in a variety of education policies including teacher compensation and teacher/school accountability. Our results suggest some caution should be taken in focusing on such measures of teacher effectiveness. If value-added test score gains do not persist over time, adding up consecutive gains does not correctly account for the benefits of higher value-added teachers. Of course, the same caution should be attached to any educational intervention.

Hence, the broader implication from this work is that researchers and policymakers should make greater effort to track the long-run impact of education policies and programs.

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**Table 1: Summary Statistics**

Variable	Mean (Std. dev.)
Normalized Reading Score	-0.018 (0.985)
Normalized Math Score	0.026 (0.976)
Reading Percentile Score	0.476 (0.280)
Math Percentile Score	0.489 (0.280)
Student Fraction Male	0.505 (0.500)
Student Fraction Free Lunch	0.436 (0.496)
Student Fraction Minority	0.239 (0.427)
Student Fraction Special Ed.	0.083 (0.276)
Student Fraction Limited English	0.101 (0.301)
Student Age	10.921 (1.157)
Grade 4	0.263 (0.440)
Grade 5	0.246 (0.430)
Grade 6	0.217 (0.412)

Notes: Test scores are normalized relative to the standard deviation for all students in the district.

**Table 2: Summary of Teacher Value-added Measures**

Measure	Mean (Std. Dev.)
Reading normalized value-added of student's Teacher (t-1)	0.016 (0.212)
Math normalized value-added of student's Teacher (t-1)	0.027 (0.294)
Reading normalized value-added of student's Teacher (t-2)	0.011 (0.229)
Math normalized value-added of student's Teacher (t-2)	0.009 (0.304)

Notes: Test scores are normalized relative to the standard deviation for all students in the district.



**Table 3: Estimates of the One-Year Persistence of Achievement**

	Reading			Math		
	$\hat{\beta}_{OLS}$	$\hat{\beta}_{LR}$	$\hat{\beta}_{VA}$	$\hat{\beta}_{OLS}$	$\hat{\beta}_{LR}$	$\hat{\beta}_{VA}$
Prior Year Achievement Coefficient	0.66** (0.01)	0.98** (0.02)	0.22** (0.06)	0.62** (0.01)	0.98** (0.02)	0.19** (0.06)
F-Statistic of Instruments [p-value]	--	1,412 [0.00]	48 [0.00]	--	839 [0.00]	65 [0.00]
Observations	18,240	18,240	18,240	14,182	14,182	14,182
R-Squared	0.59	0.51	0.44	0.51	0.41	0.36

Notes: Reported standard errors in parentheses correct for clustering at the classroom level. \*\* indicates 5% significance, \* 10% significance.

**Table 4: Estimates of the Two-Year Persistence of Achievement**

	Reading			Math		
	$\hat{\beta}_{OLS}$	$\hat{\beta}_{LR}$	$\hat{\beta}_{VA}$	$\hat{\beta}_{OLS}$	$\hat{\beta}_{LR}$	$\hat{\beta}_{VA}$
Two Year Prior Achievement Coefficient	0.60** (0.01)	0.95** (0.03)	0.13** (0.06)	0.59** (0.02)	0.97** (0.04)	0.13 (0.08)
F-Statistic of Instruments [p-value]	--	961 [0.00]	55 [0.00]	--	439 [0.00]	63 [0.00]
Observations	10,216	10,216	10,216	7,104	7,104	7,104
R-Squared	0.54	0.44	0.36	0.49	0.37	0.31

Notes: Reported standard errors in parentheses correct for clustering at the classroom level. \*\* indicates 5% significance, \* 10% significance.

**Table 5: Robustness Checks**

	Reading		Math	
	1 Year Persistence	2 Year Persistence	1 Year Persistence	2 Year Persistence
(1) Baseline	0.22** (0.06)	0.13** (0.06)	0.19** (0.06)	0.13 (0.08)
(2) Controlling <i>Only</i> for Grade, School, and Year in Second Stage	0.32** (0.06)	0.23** (0.06)	0.22** (0.06)	0.19** (0.08)
(3) Controlling for Classroom Fixed Effects in Second Stage	0.19** (0.05)	0.14** (0.06)	0.12** (0.05)	0.11* (0.07)
(4) Value-Added Estimated Using Achievement Gains	0.15** (0.07)	0.11 (0.07)	0.08 (0.07)	0.08 (0.09)
(5) Value-Added Estimated Using Achievement Gains Normalized by Initial Score	0.16** (0.06)	0.10 (0.07)	0.16** (0.07)	0.14* (0.08)
(6) Value-Added Estimated Using Students in Middle of Achievement Distribution	0.15** (0.07)	0.14** (0.06)	0.18** (0.07)	0.24** (0.08)
(7) Test Performance Measured in Percentiles of District Performance	0.17** (0.07)	0.14** (0.05)	0.18** (0.05)	0.14** (0.06)

Notes: Reported standard errors in parentheses correct for clustering at the classroom level. \*\* indicates 5% significance, \* 10% significance.

**Table 6: Heterogeneity of Persistence of Teacher Induced Achievement**

	Reading		Math	
	1 Year Persistence	2 Year Persistence	1 Year Persistence	2 Year Persistence
Baseline	0.22** (0.06)	0.13** (0.06)	0.19** (0.06)	0.13 (0.08)
<i>Positive vs. Negative Teacher Shocks</i>				
Top Third of Teacher Quality Compared to Middle Third	0.16 (0.12)	0.21 (0.13)	0.15 (0.21)	0.15 (0.14)
Bottom Third of Teacher Quality Compared to Middle Third	0.42 (0.16)	0.10 (0.20)	0.15 (0.10)	0.14 (0.17)
$\chi^2$ Equal Coefficients [P-value]	0.99 [0.32]	0.16 [0.69]	0.00 [0.99]	0.00 [0.98]
<i>Year</i>				
1999	0.33** (0.10)	--	0.39** (0.08)	--
2000	-0.08 (0.18)	0.30** (0.14)	-0.21 (0.19)	0.25** (0.10)
2001	0.13 (0.10)	0.00 (0.17)	0.08 (0.13)	0.00 (0.14)
2002	0.31** (0.14)	0.15 (0.10)	0.01 (0.13)	0.16 (0.15)
2003	0.30** (0.12)	0.07 (0.19)	0.32** (0.09)	0.13 (0.15)
2004	0.47** (0.12)	0.16 (0.13)	0.32** (0.14)	0.27** (0.13)
2005	0.37** (0.15)	0.16 (0.17)	0.41** (0.13)	0.02 (0.22)
$\chi^2$ Equal Coefficients [P-value]	9.22 [0.16]	2.07 [0.84]	15.23 [0.02]	3.46 [0.63]
<i>Grade</i>				
Third	0.14 (0.12)	--	0.18 (0.13)	--
Fourth	0.38** (0.09)	0.08 (0.16)	0.23** (0.08)	0.14 (0.13)
Fifth	-0.19 (0.16)	0.28** (0.07)	0.06 (0.18)	0.12 (0.09)

Sixth	0.41** (0.15)	-0.06 (0.12)	--	--
$\chi^2$ Equal Coefficients [P-value]	11.76 [0.01]	6.89 [0.03]	0.76 [0.69]	0.02 [0.88]
<i>Free Lunch Status</i>				
No	0.28** (0.07)	0.21** (0.09)	0.33** (0.07)	0.23** (0.09)
Yes	0.19** (0.09)	0.07 (0.10)	0.03 (0.09)	0.00 (0.12)
$\chi^2$ Equal Coefficients [P-value]	0.53 [0.47]	1.15 [0.28]	6.16 [0.01]	2.40 [0.12]
<i>Minority Status</i>				
No	0.13 (0.08)	0.07 (0.08)	0.20** (0.08)	0.15 (0.09)
Yes	0.45** (0.08)	0.28** (0.11)	0.19* (0.10)	0.04 (0.12)
$\chi^2$ Equal Coefficients [P-value]	8.41 [0.00]	2.45 [0.12]	0.01 [0.94]	0.63 [0.43]
<i>Limited English Proficiency</i>				
No	0.21** (0.07)	0.14** (0.07)	0.22** (0.07)	0.18** (0.08)
Yes	0.27** (0.12)	0.06 (0.20)	-0.02 (0.17)	-0.27 (0.20)
$\chi^2$ Equal Coefficients [P-value]	0.19 [0.67]	0.17 [0.68]	1.63 [0.20]	3.74 [0.05]
<i>Gender</i>				
Female	0.22** (0.08)	0.11 (0.09)	0.19** (0.08)	0.19* (0.10)
Male	0.23** (0.08)	0.16* (0.08)	0.20** (0.08)	0.07 (0.10)
$\chi^2$ Equal Coefficients [P-value]	0.03 [0.85]	0.12 [0.73]	0.03 [0.86]	0.63 [0.43]

Notes: Reported standard errors in parentheses correct for clustering at the classroom level. \*\* indicates 5% significance, \* 10% significance. Figures in brackets are p-values for the chi-square test of coefficient inequality across groups.