

Online Appendices for “The Effects of Alignment of Educational Expectations and Occupational Aspirations on Labor Market Outcomes: Evidence from NLSY79”

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A. Family Background and Alignment

It is possible that our findings are driven by over-alignment students' coming from wealthier backgrounds and better outcomes may not be the result of being over-aligned but by coming from higher income families with more educated parents. Thus we tested the concern about the extent to which family background affects alignment status. To do this, we added interaction terms between alignment measures and family characteristics such as parental education and family income. Results are summarized in Online Appendix Tables 1 and 2. Online Appendix Table 1 indicates that family characteristics do not affect individual's educational attainment if they are over-aligned. Online Appendix Table 2 provides only limited evidence that external family characteristics interplay with over-alignment status. For example, over-aligned individuals have no differences in log wages or number of weeks worked when interacted with family characteristics. Out of eight estimated interaction coefficients for over-aligned individuals, only two coefficients are statistically significant. Among over-aligned young adults, family income only affects hourly wages and parental education is only related to occupation prestige.

B. Alignment or Higher Educational Expectation

Results indicate that having high educational expectations, whether aligned or not, appeared to be beneficial in the labor market, with the returns being most apparent in ones 30s and into ones 40s. We conducted additional analyses to examine whether it is higher educational expectations that drove the positive outcomes. As the commonality between over-aligned and high-aligned is that they both contain students with high educational expectations, we focused on individuals who have higher educational expectations (i.e., having college or above) and re-estimated equation (2). Results in Online Appendix Table 3 indicate that, when we take into account occupational aspirations as well, these two groups exhibit different labor market trajectories. In particular, over-aligned individuals are predicted to have higher wages and more prestigious occupations, whereas outcomes for high-aligned individuals are not statistically different from those of under-aligned individuals. Therefore, we argue that this paper is about the alignment of educational expectations and occupational aspirations rather than simply a study of educational expectations.

Online Appendix Table 1 *Estimated Effect of Misalignment on Degree Completion with Family Characteristics Interactions*

VARIABLES	HS or Less	2-year College	4-year College	Grad School / Professional
	(1)	(2)	(3)	(4)
Female	-0.127*** (0.032)	0.066** (0.022)	0.028 (0.037)	0.073* (0.033)
Parental Ed > HS	-0.072+ (0.044)	0.031 (0.031)	0.035 (0.047)	0.054 (0.041)
Family Income	-0.024 (0.028)	-0.009 (0.018)	0.070+ (0.036)	0.079* (0.033)
Cognitive Skills	-0.185*** (0.012)	0.019* (0.009)	0.127*** (0.012)	0.189*** (0.011)
Non-cognitive Skills	-0.017+ (0.009)	0.001 (0.007)	0.012 (0.008)	0.015+ (0.008)
Over-aligned	-0.080 (0.255)	-0.155 (0.188)	0.495+ (0.277)	0.528* (0.263)
High-aligned	-0.104 (0.242)	0.056 (0.165)	0.445+ (0.268)	0.399 (0.254)
Low-aligned	-0.034 (0.347)	-0.103 (0.244)	0.373 (0.448)	0.270 (0.405)
Over-aligned × Parental Ed	-0.044 (0.056)	-0.139** (0.045)	0.018 (0.054)	0.081 (0.050)
Over-aligned × Family Income	-0.022 (0.040)	0.026 (0.030)	-0.059 (0.043)	-0.053 (0.041)
High-aligned × Parental Ed	-0.026 (0.054)	-0.082* (0.040)	0.048 (0.052)	0.050 (0.048)
High-aligned × Family Income	-0.021 (0.038)	-0.004 (0.026)	-0.043 (0.042)	-0.031 (0.040)
Low-aligned × Parental Ed	0.116 (0.133)	0.000 (.)	0.000 (.)	-0.008 (0.113)
Low-aligned × Family Income	0.014 (0.055)	0.005 (0.039)	-0.058 (0.072)	-0.040 (0.065)
Observations	2,541	2,505	2,499	2,513

Note. The dependent variable is a measure of whether the individual received a degree in high school or less in column 1, two-year college in column 2, four-year college in column 3, and advanced degree (graduate school, professional program) in column 4 in the unweighted sample. Each model is estimated by logit regression and marginal effects are reported. Robust standard errors are in parentheses. The regression also controls for gender-by-race indicators, number of siblings, age, and urbanicity fixed effects.

+ $p < 0.10$. * $p < 0.05$. ** $p < 0.01$. *** $p < 0.001$.

Online Appendix Table 2 *Estimated Effect of Misalignment on Labor Market Outcomes with Family Characteristics Interactions*

VARIABLES	Log	Hourly	Weeks	Occupation
	Wages	Wages	Worked	Prestige
	(1)	(2)	(3)	(6)
Over-aligned	0.005 (0.244)	-7.161 (5.201)	-4.466 (4.890)	-3.595 (5.356)
High-aligned	0.433 ⁺ (0.221)	4.704 (3.938)	0.655 (4.276)	2.036 (5.391)
Low-aligned	0.046 (0.231)	2.041 (3.261)	-4.460 (5.289)	-1.696 (5.022)
Over-aligned × Parental Ed	0.027 (0.058)	1.416 (1.179)	-1.232 (1.042)	2.934* (1.421)
Over-aligned × Family Income	0.020 (0.038)	1.758* (0.835)	0.409 (0.771)	1.047 (0.842)
High-aligned × Parental Ed	0.031 (0.055)	0.329 (0.983)	-1.107 (1.008)	0.354 (1.377)
High-aligned × Family Income	-0.060 ⁺ (0.035)	-0.503 (0.630)	-0.395 (0.674)	0.251 (0.848)
Low-aligned × Parental Ed	0.072 (0.098)	-0.206 (1.474)	3.874* (1.686)	4.197 ⁺ (2.307)
Low-aligned × Family Income	-0.020 (0.037)	-0.476 (0.531)	0.386 (0.859)	-0.073 (0.807)
Female	-0.204*** (0.031)	-2.249*** (0.479)	-4.497*** (0.635)	3.995*** (0.742)
Cognitive Skills	0.170*** (0.010)	2.596*** (0.172)	1.731*** (0.213)	4.236*** (0.248)
Non-cognitive Skills	0.041*** (0.009)	0.686*** (0.164)	0.171 (0.168)	0.841*** (0.207)
Demographic	O	O	O	O
Observations	28,330	28,330	35,135	24,195

Note. The dependent variable is log of real hourly wages in column 1, real hourly wages in column 2, the number of weeks worked in column 3, whether an individual is employed in column 4, whether an individual completed more education than is required for the occupation in column 5, and occupational prestige scores in column 6 in the unweighted sample. Models 4 and 5 are estimated by logit regression and marginal effects are reported. Model 5 excludes observations prior to 1988. Real hourly wages less than \$3 and greater than \$200 are excluded. Observations are restricted to individuals who are not enrolled in schooling. Robust standard errors are in parentheses. The regression also controls for gender-by-race indicators, parental education, log average family income, number of siblings, age, and year and urbanicity fixed effects.

⁺ $p < 0.10$. * $p < 0.05$. ** $p < 0.01$. *** $p < 0.001$.

Online Appendix Table 3 *Estimated Effect of Misalignment on Labor Market Outcomes by Educational Expectations and Achieved*

VARIABLES	Log	Hourly	Weeks	Occupation
	Wages	Wages	Worked	Prestige
	(1)	(2)	(3)	(6)
Panel A: Education Expected- College or More				
Over-aligned	0.064*	1.494*	0.008	2.248**
	(0.032)	(0.639)	(0.581)	(0.771)
High-aligned	0.009	-0.123	-0.319	1.744*
	(0.031)	(0.602)	(0.555)	(0.758)
Observations	16,247	16,247	20,752	14,035
Panel B: Education Attained- College or More				
Over-aligned	0.086*	2.433**	0.588	2.423*
	(0.040)	(0.798)	(0.612)	(0.950)
High-aligned	0.023	0.082	0.527	1.898*
	(0.038)	(0.721)	(0.594)	(0.906)
Low-aligned	-0.086	-1.118	0.399	-1.549
	(0.058)	(1.007)	(0.986)	(1.461)
Observations	10,387	10,387	14,043	9,090
Panel C: Education Attained- High School or Less				
Over-aligned	0.069*	0.918*	0.446	1.528*
	(0.029)	(0.462)	(0.652)	(0.632)
High-aligned	0.026	0.519	-0.288	0.750
	(0.029)	(0.498)	(0.586)	(0.641)
Low-aligned	-0.010	-0.218	0.934 ⁺	-0.588
	(0.023)	(0.301)	(0.564)	(0.524)
Observations	17,943	17,943	21,092	15,105

Note. The dependent variable is log of real hourly wages in column 1, real hourly wages in column 2, the number of weeks worked in column 3, whether an individual is employed in column 4, whether an individual completed more education than is required for the occupation in column 5, and occupational prestige scores in column 6 in the unweighted sample. Models 4 and 5 are estimated by logit regression and marginal effects are reported. Model 5 excludes observations prior to 1988. Real hourly wages less than \$3 and greater than \$200 are excluded. Observations are restricted to individuals who are not enrolled in schooling. Robust standard errors are in parentheses. The regression also controls for gender-by-race indicators, parental education, log average family income, number of siblings, age, and year and urbanicity fixed effects.

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