

Abstract:

We investigate the effect of high stakes exam periods on math test scores of German primary and secondary students. In our setting, stakes are high during the final grades in primary and secondary education because student performance at these grades determines subsequent educational or labor market success. Our difference-in-differences estimates reveal substantial high stakes effects: on average, students nearing the final grades of their primary or secondary education experience a 0.20 s.d. gain in math scores. As high stakes effects only develop towards the end of a schooling level, there are potentially large gains from better motivating students right upon enrollment into new schools.