

Abstract: This study investigates the effect of disclosure of school-level test results on the stratification of elementary school and the widening disparity in the academic ability of students between schools. Using the event that the school-level test scores were first disclosed in October 2014 in Matsue City in Japan, I estimate the change of the effect of test scores on housing rent in the school district before and after the disclosure by using difference in differences method. I find that school-level test score has a significantly positive effect on housing rents of apartments intended for a family after the school-level test scores were disclosed, but test score does not have a significant effect on housing rents before disclosure. I also find that the relative standard deviation of test scores after disclosure become larger than before disclosure. These results suggest the disparity in the academic ability of students between schools may expand through increased housing rents after disclosure of school-level test results.