## Sorting, peers and achievement of Aboriginal students in British Columbia<sup>1</sup>

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October 2009

## Abstract

We use administrative data on students in grades 4 and 7 in British Columbia to examine the extent to which differences in school environment contribute to the achievement gap between Aboriginal and non-Aboriginal students as measured by standardized test scores. We find that segregation of Aboriginal and non-Aboriginal students is substantial, and that differences in the distribution of these two groups across schools account for roughly half the overall achievement gap on the Foundation Skills Assessment tests in grade 7. The substantial school-level segregation of Aboriginal and non-Aboriginal student across schools means that Aboriginal students on average have a higher proportion of peers who are themselves Aboriginal, as well as a higher proportion of peers in special education. We estimate the effect of peer composition on value-added exam outcomes, using longitudinal data on multiple cohorts of students together with school-by-grade fixed effects to account for endogenous selection into schools. We find that having a greater proportion of Aboriginal peers, if anything, improves the achievement of Aboriginal students.

JEL Codes: 121

OLL COGCO. IL

Keywords: Aboriginal education, peer effects

<sup>&</sup>lt;sup>1</sup> Edudata Canada provided the data used in this research, assembled from B.C. Ministry of Education records by Maria Trache. Funding for this project provided by Human Resources and Skills Development Canada through the Canadian Skills and Labour Market Research Network and by Simon Fraser University's Community Trust Endowment Fund is gratefully acknowledged. Michele Battisti provided excellent research assistance. Corresponding author: Jane Friesen (friesen@sfu.ca).