

Table A1: Rate of Return To Education by Level of Schooling Attainment

	Full Sample		Female		Male	
	Non-Kibbutzim	Kibbutzim	Non-Kibbutzim	Kibbutzim	Non-Kibbutzim	Kibbutzim
	(1)	(2)	(3)	(4)	(5)	(6)
High School Completion	0.026*** (0.002)	0.025*** (0.007)	0.020*** (0.003)	0.009 (0.011)	0.024*** (0.003)	0.032*** (0.009)
Matriculation Certificate	0.231*** (0.003)	0.273*** (0.007)	0.209*** (0.004)	0.238*** (0.010)	0.236*** (0.004)	0.291*** (0.010)
Post-Secondary Certificate	0.233*** (0.003)	0.201*** (0.010)	0.191*** (0.004)	0.165*** (0.015)	0.247*** (0.004)	0.221*** (0.013)
Undergraduate Degree	0.521*** (0.002)	0.553*** (0.007)	0.471*** (0.003)	0.492*** (0.010)	0.551*** (0.003)	0.592*** (0.009)
Master Degree	0.626*** (0.002)	0.656*** (0.007)	0.580*** (0.003)	0.593*** (0.010)	0.660*** (0.004)	0.701*** (0.010)
PhD Degree	0.508*** (0.006)	0.456*** (0.014)	0.576*** (0.008)	0.492*** (0.021)	0.433*** (0.009)	0.418*** (0.020)
Observation	554,452	89,713	256,393	41,847	298,059	47,866

Note—This table presents results from OLS regressions where the dependent variable is the natural log of wages of individuals aged 30-45. In rows 2, 4, 6 the regressions run for all kibbutzim that were reformed by 2010 and in rows 1, 3, 5 for non kibbutzim members. Wages are measured in New Israeli 2010 shekels per month. 1 US dollar is currently equal to approximately 3.7 shekels. Outliers are members with wages below 3890 shekels or those who worked less than 8 months. All the regressions include control variables: age, age squared, gender, number of siblings, a set of ethnic dummies (origin from Africa/Asia, Europe/America, immigrants from FSU, Ethiopia, Israel and other countries).

\* Standard errors clustered by kibbutz are presented in parentheses. \*\*\*, \*\*, \* indicate significance at the 1%, 5%, and 10% levels, respectively.\*10%.

Table A2: Balancing Tests of Individuals' Characteristics, by Gender, Treatment Group, Pre- and Post- Reform

	Pre-Reform Individuals Aged 22-27 in 1995, 1996				Post-Reform Individuals Aged 22-27 in 2001, 2002			
	Proportions		Balancing Tests (T-C)		Proportions		Balancing Tests (T-C)	
	Treatment	Control	Coeff	<i>p-val</i>	Treatment	Control	Coeff	<i>p-val</i>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Male</b>								
Age	24.375 [1.654]	24.308 [1.663]	0.067	<i>0.436</i>	24.595 [1.731]	24.490 [1.647]	0.105	<i>0.238</i>
Number of Siblings	2.767 [1.234]	2.824 [1.382]	-0.057	<i>0.614</i>	2.702 [1.205]	2.555 [0.963]	0.147	<i>0.194</i>
Ethnic Origin: Africa/Asia	0.164 [0.370]	0.183 [0.387]	-0.019	<i>0.540</i>	0.086 [0.280]	0.109 [0.312]	-0.024	<i>0.297</i>
Ethnic Origin: Ethiopia	0.000 [0.000]	0.005 [0.071]	-0.005	<i>0.318</i>	0.000 [0.000]	0.003 [0.058]	-0.003	<i>0.318</i>
Ethnic Origin: FSU Countries	0.035 [0.184]	0.022 [0.146]	0.013	<i>0.279</i>	0.013 [0.111]	0.012 [0.109]	0.001	<i>0.886</i>
Ethnic Origin: Europe/America	0.178 [0.383]	0.158 [0.365]	0.020	<i>0.642</i>	0.150 [0.357]	0.111 [0.314]	0.039	<i>0.194</i>
Ethnic Origin: Israel	0.570 [0.496]	0.557 [0.497]	0.012	<i>0.847</i>	0.671 [0.470]	0.667 [0.472]	0.004	<i>0.935</i>
Ethnic Origin: Other	0.054 [0.226]	0.075 [0.263]	-0.021	<i>0.469</i>	0.080 [0.272]	0.097 [0.297]	-0.017	<i>0.571</i>
Observations	574	601	-	-	560	586	-	-
<b>Female</b>								
Age	24.356 [1.680]	24.533 [1.675]	-0.178	<i>0.090*</i>	24.546 [1.686]	24.510 [1.740]	0.036	<i>0.758</i>
Number of Siblings	2.746 [1.360]	2.681 [1.166]	0.065	<i>0.536</i>	2.576 [1.123]	2.679 [1.099]	-0.103	<i>0.345</i>
Ethnic Origin: Africa/Asia	0.180 [0.385]	0.158 [0.365]	0.022	<i>0.505</i>	0.101 [0.302]	0.104 [0.305]	-0.003	<i>0.875</i>
Ethnic Origin: Ethiopia	0.000 [0.000]	0.000 [0.000]	0.000	<i>1.000</i>	0.000 [0.000]	0.010 [0.100]	-0.010	<i>0.212</i>
Ethnic Origin: FSU Countries	0.028 [0.166]	0.028 [0.166]	-0.000	<i>1.000</i>	0.022 [0.145]	0.033 [0.178]	-0.011	<i>0.318</i>
Ethnic Origin: Europe/America	0.180 [0.385]	0.168 [0.374]	0.012	<i>0.790</i>	0.185 [0.389]	0.124 [0.330]	0.061	<i>0.090*</i>
Ethnic Origin: Israel	0.553 [0.498]	0.547 [0.498]	0.006	<i>0.926</i>	0.632 [0.483]	0.657 [0.475]	-0.024	<i>0.602</i>
Ethnic Origin: Other	0.059 [0.235]	0.099 [0.299]	-0.040	<i>0.197</i>	0.060 [0.238]	0.073 [0.261]	-0.013	<i>0.494</i>
Observations	461	495	-	-	465	492	-	-
Kibbutzim	32	29	-	-	32	29	-	-

Note—This table presents means and means-difference of characteristics of individuals in treatment kibbutzim (reformed early 1998, 1999) and control kibbutzim (reformed late 2004, 2005) who are aged 22-27 at the beginning of the follow-up periods: pre-reform, 1995, 1996 (untreated) and post-reform, 2001, 2002 (treated). Columns 1-3 present pre-reform means of treatment and control groups and the difference between them, respectively. Columns 5-7 present post-reform means of treatment and control groups and the difference between them, respectively. All estimated coefficients are based on a regression of the characteristics as a dependent variable and the treatment indicator is the explanatory variable.

\* Standard deviations presented in brackets. p-values in italics. Difference in means significant at \*\*\*1% \*\*5% \*10%.

Table A3: Tel-Aviv as a Control Group, Balancing Tests of Individuals' Characteristics, by Treatment Group, Pre- and Post- Reform

	Pre-Reform Individuals Aged 22-27 in 1995				Post-Reform Individuals Aged 22-27 in 2001			
	Proportions		Balancing Tests (T-C)		Proportions		Balancing Tests (T-C)	
	Treatment	Control	Coeff	<i>p-val</i>	Treatment	Control	Coeff	<i>p-val</i>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Male	0.550 (0.498)	0.524 (0.499)	0.026	<i>0.018**</i>	0.551 (0.498)	0.536 (0.499)	0.016	<i>0.286</i>
Age	24.474 (1.663)	24.346 (1.680)	0.128	<i>0.012**</i>	24.563 (1.708)	24.480 (1.684)	0.083	<i>0.174</i>
Number of Siblings	2.754 (1.282)	2.471 (1.684)	0.284	<i>0.000***</i>	2.661 (1.179)	2.270 (1.505)	0.391	<i>0.000***</i>
Ethnic Origin: Africa/Asia	0.166 (0.372)	0.360 (0.480)	-0.194	<i>0.000***</i>	0.098 (0.297)	0.230 (0.421)	-0.132	<i>0.000***</i>
Ethnic Origin: Ethiopia	0.000 (0.000)	0.001 (0.032)	-0.001	<i>0.317</i>	0.000 (0.000)	0.002 (0.047)	-0.001	<i>0.315</i>
Ethnic Origin: FSU Countries	0.030 (0.171)	0.081 (0.273)	-0.051	<i>0.000***</i>	0.014 (0.119)	0.115 (0.319)	-0.101	<i>0.000***</i>
Ethnic Origin: Europe/America	0.179 (0.384)	0.151 (0.359)	0.028	<i>0.396</i>	0.168 (0.374)	0.117 (0.322)	0.05	<i>0.064*</i>
Ethnic Origin: Israel	0.572 (0.495)	0.391 (0.488)	0.181	<i>0.000***</i>	0.655 (0.476)	0.518 (0.500)	0.137	<i>0.000***</i>
Ethnic Origin: Other	0.053 (0.225)	0.016 (0.127)	0.037	<i>0.020**</i>	0.065 (0.247)	0.018 (0.132)	0.047	<i>0.000***</i>
Observations	1035	42,955	-	-	1025	46,532	-	-
Kibbutzim	32	-	-	-	32	-	-	-

Note—This table presents means and means-difference of characteristics of individuals who are aged 22-27 at the beginning of the follow-up periods: pre-reform, 1995 (untreated) and post-reform, 2001 (treated). The treatment group consists of individuals who lived in kibbutzim that reformed in 1998, 1999. The control group consists of individuals who lived in Tel-Aviv. Columns 1-3 present pre-reform means of treatment and control groups and the difference between them, respectively. Columns 5-7 present post-reform means of treatment and control groups and the difference between them, respectively. All estimated coefficients are based on a regression of the characteristics as a dependent variable and the treatment indicator is the explanatory variable.

\* Standard deviations presented in brackets. p-values in italics. Difference in means significant at \*\*\*1% \*\*5% \*10%.

Table A4: Tel-Aviv as a Control Group, Outcomes Means and Treatment-Control Differences, Pre- and Post- Reform

	Pre-Reform				Post-Reform			
	Individuals Aged 22-27 in 1995, 1996		Individuals Aged 22-27 in 2001, 2002		Individuals Aged 22-27 in 1995, 1996		Individuals Aged 22-27 in 2001, 2002	
	Treatment	Control	Difference (T-C)		Treatment	Control	Difference (T-C)	
			Coeff	<i>p-val</i>			Coeff	<i>p-val</i>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Any Field	0.044 [0.204]	0.110 [0.313]	-0.066 <i>0.000***</i>		0.116 [0.320]	0.145 [0.352]	-0.029 <i>0.003***</i>	
Humanities Any Field	0.015 [0.120]	0.025 [0.156]	-0.010 <i>0.003***</i>		0.016 [0.127]	0.023 [0.150]	-0.007 <i>0.085*</i>	
Social Sciences Any Field	0.020 [0.141]	0.059 [0.236]	-0.039 <i>0.000***</i>		0.041 [0.199]	0.076 [0.264]	-0.034 <i>0.000***</i>	
Economics, Business Law	0.011 [0.103]	0.042 [0.200]	-0.031 <i>0.000***</i>		0.013 [0.115]	0.047 [0.211]	-0.033 <i>0.000***</i>	
Sciences Any Field	0.009 [0.093]	0.026 [0.158]	-0.017 <i>0.000***</i>		0.058 [0.235]	0.046 [0.210]	0.012 <i>0.077*</i>	
Bio, Chem, Pre-Health Sci	0.002 [0.044]	0.007 [0.086]	-0.005 <i>0.000***</i>		0.018 [0.134]	0.007 [0.086]	0.011 <i>0.024**</i>	
Math, Eng, Phys, Comp Sci, Stat	0.007 [0.082]	0.018 [0.134]	-0.011 <i>0.000***</i>		0.040 [0.197]	0.039 [0.193]	0.002 <i>0.787</i>	
Computer Science	0.002 [0.044]	0.004 [0.060]	-0.002 <i>0.241</i>		0.020 [0.141]	0.017 [0.130]	0.003 <i>0.477</i>	
Engineering	0.004 [0.062]	0.008 [0.092]	-0.005 <i>0.010***</i>		0.021 [0.144]	0.016 [0.127]	0.005 <i>0.276</i>	
Observations	1,033	43,036	-	-	1,043	46,548	-	-
Kibbutzim	32	-	-	-	32	-	-	-

Note—This table presents means and means-difference of outcomes of individuals who are aged 22-27 at the beginning of the follow-up periods: pre-reform, 1995 (untreated) and post-reform, 2001 (treated). The treatment group consists of individuals who lived in kibbutzim that reformed in 1998, 1999. The control group consists of individuals who lived in Tel-Aviv. Columns 1-3 present pre-reform means of treatment and control groups and the difference between them, respectively. Columns 5-7 present post-reform means of treatment and control groups and the difference between them, respectively. The dependent variable is an indicator of whether the student completed a BA degree in the areas of study indicated by the outcome. All estimated coefficients are based on a regression of the outcomes as a dependent variable and the treatment indicator is the explanatory variable.

\* Standard deviations presented in brackets. p-values in italics. Difference in means significant at \*\*\*1% \*\*5% \*10%.

**Table A5: Tel-Aviv as a Control Group, Effect of Pay Reform on BA Degree Attainment by Field of Study and Gender**  
(Sample: Individuals Aged 22-27 in 1995 and in 2001)

		BA by Field of Study								
		Humanities			Social Sciences			Sciences		
	Any Field	Humanities Any Field	Social Sciences Any Field	Economics, Business, Law	Sciences Any Field	Biol, Chem, Pre-Health Sci	Math, Eng, Phys, Comp Sci, Stat	Computer Science	Engineering	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>Male</b>										
Panel A. Cross Section Regressions Pre-Reform	-0.054*** (0.013)	-0.001 (0.004)	-0.037*** (0.009)	-0.032*** (0.009)	-0.016* (0.008)	-0.002 (0.002)	-0.013* (0.008)	-0.002 (0.005)	-0.005 (0.006)	
Mean of Dependent Var. (Control)	0.085	0.009	0.05	0.042	0.026	0.002	0.024	0.005	0.012	
Post-Reform	-0.023* (0.013)	-0.002 (0.004)	-0.030*** (0.009)	-0.027*** (0.008)	0.008 (0.008)	0.004* (0.002)	0.004 (0.008)	-0.001 (0.005)	0.010* (0.005)	
Mean of Dependent Var. (Control)	0.113	0.009	0.056	0.043	0.049	0.003	0.046	0.021	0.021	
Panel B. Difference-in-Differences										
Simple	0.031* (0.018)	-0.001 (0.006)	0.008 (0.013)	0.004 (0.012)	0.024** (0.011)	0.006** (0.003)	0.018 (0.011)	0.001 (0.007)	0.015** (0.008)	
Controlled	0.030* (0.018)	0.000 (0.006)	0.007 (0.014)	0.004 (0.012)	0.024** (0.012)	0.006** (0.003)	0.017 (0.011)	0.002 (0.007)	0.015* (0.008)	
Observations	48,627	48,627	48,627	48,627	48,627	48,627	48,627	48,627	48,627	
<b>Female</b>										
Panel C. Cross Section Regressions Pre-Reform	-0.079*** (0.017)	-0.021** (0.009)	-0.040*** (0.013)	-0.030*** (0.010)	-0.019** (0.009)	-0.009* (0.005)	-0.010 (0.007)	-0.002 (0.004)	-0.004 (0.004)	
Mean of Dependent Var. (Control)	0.137	0.042	0.07	0.041	0.025	0.013	0.012	0.002	0.004	
Post-Reform	-0.034** (0.017)	-0.012 (0.009)	-0.039*** (0.013)	-0.040*** (0.010)	0.017* (0.009)	0.019*** (0.005)	-0.003 (0.007)	0.007* (0.004)	-0.002 (0.004)	
Mean of Dependent Var. (Control)	0.182	0.04	0.099	0.051	0.043	0.013	0.030	0.012	0.011	
Panel D. Difference-in-Differences										
Simple	0.044* (0.024)	0.009 (0.013)	0.001 (0.018)	-0.010 (0.014)	0.035*** (0.012)	0.028*** (0.007)	0.007 (0.010)	0.009 (0.006)	0.002 (0.006)	
Controlled	0.043* (0.024)	0.004 (0.013)	0.001 (0.019)	-0.008 (0.014)	0.038*** (0.012)	0.030*** (0.008)	0.008 (0.010)	0.010* (0.006)	0.000 (0.006)	
Observations	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033	

Note—This table presents the estimated coefficients of interest of difference-in-differences regressions, comparing individuals aged 22-27 in pre/post reform period (See Figure 1). The treatment group consists of kibbutzim that reformed in 1998, 1999. The control group consists of kibbutzim that reformed in 2004, 2005. The dependent variable is an indicator of whether the student completed a BA in the areas of study indicated by the outcome. The simple difference-in-differences regressions includes only cohort dummies. The controlled difference-in-differences regressions includes cohort dummies, kibbutz fixed effects and the following student demographic controls: number of siblings, a set of ethnic dummies (origin from Africa/Asia, Europe/America, immigrants from FSU, Ethiopia, Israel and other countries). \*\*\*, \*\*, \* indicate significance at the 1%, 5%, and 10% levels, respectively. \* Standard errors clustered by kibbutz are presented in parentheses.

**Table A6: Tel-Aviv as a Control Group, Effect of Pay Reform on Expected Wages, Full, Men and Female Samples**  
(Sample: Individuals Aged 22-27 in 1995 and in 2001)

		BA Degree by Expected Wages								
		Expected Wages			Field of Studies With Expected Wages Above 3rd Quartile			Field of Studies With Expected Wages Above Median		
	All	Male	Female	All	Male	Female	All	Male	Female	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Panel A. Cross Section Regressions										
Pre-Reform	-336.1*** (75.55)	-399.6*** (119.5)	-268.7*** (84.8)	-0.026*** (0.006)	-0.021*** (0.008)	-0.031*** (0.010)	-0.037*** (0.008)	-0.036*** (0.011)	-0.038*** (0.013)	
Post-Reform	72.74 (75.14)	76.74 (118.6)	61.98 (84.5)	0.000 (0.006)	0.007 (0.008)	-0.008 (0.010)	0.003 (0.008)	-0.003 (0.010)	0.011 (0.013)	
Panel B. Difference-in-Differences										
Simple	408.8*** (106.6)	476.3*** (168.4)	330.7*** (119.7)	0.026*** (0.009)	0.028** (0.012)	0.023* (0.014)	0.040*** (0.011)	0.034** (0.015)	0.049*** (0.018)	
Controlled	402.0*** (107.2)	471.2*** (171.3)	345.9*** (120.9)	0.025*** (0.009)	0.027** (0.012)	0.025* (0.014)	0.040*** (0.011)	0.033** (0.015)	0.049*** (0.018)	
Observations	91,563	48,579	42,984	91,563	48,579	42,984	91,563	48,579	42,984	

Note—This table presents the estimated coefficients of interest of difference-in-differences regressions, comparing cohorts of individuals aged 22-27 in pre/post reform period (See Figure 1). The treatment group consists of kibbutzim that reformed in 1998, 1999. The control group consists of individuals who lived in Tel-Aviv. In columns 1-3 the dependent variable is continuous and the measurement unit is New Israeli Shekels per month. 1 US dollar is currently equal to approximately 3.7 shekels. the dependent variable in columns 4-9 is an indicator of whether the student completed BA in a field of study with expected wages between the different quartiles. The simple difference-in-differences regressions include only cohort dummies. The controlled difference-in-differences regressions include cohort dummies, kibbutz fixed effects and the following student demographic controls: gender, number of siblings, a set of ethnic dummies (origin from Africa/Asia, Europe/America, immigrants from FSU, Ethiopia, Israel and other countries).  
\* Standard errors clustered by kibbutz are presented in parentheses. \*\*\*, \*\*, \* indicate significance at the 1%, 5%, and 10% levels, respectively.

Table A7: Tel-Aviv as a Control Group, Treatment-Control Differences, by Eligibility for High School Matriculation Certificate

(Sample: Individuals Aged 22-27 in 2001)

	Individuals' With a Matriculation Certificate				Individuals' Without a Matriculation Certificate			
	Treatment Mean	Control Mean	Treatment-Control Difference	Controlled Difference	Treatment Mean	Control Mean	Treatment-Control Difference	Controlled Difference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A. BA Degree by Field of Study								
Any Field	0.236 (0.425)	0.281 (0.449)	-0.045** (0.021)	-0.033 (0.023)	0.059 (0.237)	0.066 (0.248)	-0.007 (0.013)	-0.007 (0.013)
Humanities Any Field	0.032 (0.176)	0.045 (0.207)	-0.013 (0.009)	-0.012 (0.008)	0.008 (0.090)	0.010 (0.099)	-0.002 (0.004)	-0.003 (0.004)
Social Sciences Any Field	0.072 (0.258)	0.141 (0.348)	-0.069*** (0.010)	-0.063*** (0.011)	0.032 (0.177)	0.043 (0.203)	-0.011 (0.009)	-0.011 (0.008)
Economics, Business, Law	0.024 (0.153)	0.087 (0.282)	-0.063*** (0.006)	-0.058*** (0.007)	0.013 (0.115)	0.025 (0.157)	-0.012* (0.006)	-0.013** (0.006)
Sciences Any Field	0.133 (0.340)	0.095 (0.294)	0.037** (0.018)	0.041** (0.018)	0.019 (0.136)	0.013 (0.112)	0.006 (0.007)	0.007 (0.007)
Bio, Chem, Pre-Health Sci	0.032 (0.176)	0.015 (0.123)	0.017* (0.009)	0.017* (0.009)	0.013 (0.115)	0.002 (0.047)	0.011* (0.006)	0.011* (0.006)
Math, Eng, Phys, Comp Sci, Stat	0.101 (0.301)	0.080 (0.271)	0.021 (0.014)	0.024* (0.014)	0.005 (0.073)	0.011 (0.102)	-0.005 (0.004)	-0.005 (0.004)
Computer Science	0.050 (0.219)	0.036 (0.186)	0.014 (0.010)	0.016 (0.010)	0.003 (0.052)	0.004 (0.065)	-0.002 (0.003)	-0.001 (0.003)
Engineering	0.050 (0.219)	0.034 (0.180)	0.017 (0.013)	0.019 (0.012)	0.005 (0.073)	0.005 (0.074)	-0.000 (0.004)	-0.000 (0.004)
Panel B. BA Degree by Expected Wages								
Expected wage	9139.175 (5860.354)	9409.642 (5751.018)	-270.467 (287.581)	-138.132 (293.216)	6940.887 (2045.333)	7104.407 (2630.392)	-163.520* (92.223)	-161.359* (92.515)
Above 75'th Percentile	0.088 (0.283)	0.068 (0.252)	0.020 (0.014)	0.022 (0.014)	0.005 (0.073)	0.009 (0.093)	-0.003 (0.004)	-0.003 (0.004)
Above 50'th Percentile	0.125 (0.331)	0.161 (0.368)	-0.036** (0.015)	-0.028* (0.015)	0.019 (0.136)	0.035 (0.185)	-0.016** (0.007)	-0.017** (0.007)
Observations	377	20197			371	10984		

Note—This table presents means, means-difference and standard deviations (in parentheses) of outcomes of individuals who are aged 22-27 in 2001. The treatment group consists of individuals who lived in kibbutzim that reformed in 1998, 1999. The control group consists of individuals who lived in Tel-Aviv. In Panel A the dependent variable is an indicator of whether the student completed a BA in the areas of study indicated by the outcome. In Panel B the dependent variable is an indicator of whether the student completed a BA in a field of study with expected wages between the different quartiles. The outcome "Expected Wages" is continuous, and the measurement unit is New Israeli Shekels per month. 1 US dollar is currently equal to approximately 3.7 shekels. The simple difference regressions include only cohort dummies. The controlled difference regressions include cohort dummies, kibbutz fixed effects and the following student demographic controls: gender, number of siblings, a set of ethnic dummies (origin from Africa/Asia, Europe/America, immigrants from FSU, Ethiopia, Israel and other countries)

\* Standard errors clustered by kibbutz are presented in parentheses. \*\* , \* indicate significance at the 1%, 5%, and 10% levels, respectively.

Table A8: Tel-Aviv as a Control Group, Treatment-Control Differences, by Level of High School Math Matriculation Study Program

(Sample: Individuals Aged 22-27 in 2001)

	Advance				Basic and Intermediate			
	Treatment Mean (1)	Control Mean (2)	Treatment-Control Difference (3)	Controlled Difference (4)	Treatment Mean (5)	Control Mean (6)	Treatment-Control Difference (7)	Controlled Difference (8)
Panel A. BA Degree by Field of Study								
Any Field	0.384 (0.489)	0.396 (0.489)	-0.012 (0.035)	0.000 (0.038)	0.118 (0.323)	0.167 (0.373)	-0.049*** (0.015)	-0.042*** (0.015)
Humanities Any Field	0.035 (0.185)	0.024 (0.152)	0.011 (0.020)	0.013 (0.020)	0.018 (0.134)	0.034 (0.182)	-0.016*** (0.005)	-0.015*** (0.005)
Social Sciences Any Field	0.081 (0.275)	0.144 (0.351)	-0.063** (0.024)	-0.058** (0.025)	0.048 (0.215)	0.099 (0.298)	-0.050*** (0.007)	-0.046*** (0.008)
Economics, Business, Law	0.047 (0.212)	0.114 (0.317)	-0.067*** (0.021)	-0.066*** (0.021)	0.015 (0.122)	0.056 (0.229)	-0.041*** (0.005)	-0.038*** (0.005)
Sciences Any Field	0.267 (0.445)	0.228 (0.419)	0.040 (0.036)	0.046 (0.037)	0.051 (0.221)	0.034 (0.181)	0.017* (0.009)	0.019* (0.010)
Biology, Chemistry, Pre-Health Sci	0.023 (0.152)	0.017 (0.128)	0.007 (0.015)	0.006 (0.014)	0.023 (0.149)	0.009 (0.097)	0.013* (0.007)	0.014** (0.007)
Math, Eng, Physics, Comp Sci, Stat	0.244 (0.432)	0.211 (0.408)	0.034 (0.037)	0.040 (0.037)	0.029 (0.167)	0.025 (0.155)	0.004 (0.007)	0.004 (0.007)
Computer Science	0.116 (0.322)	0.094 (0.292)	0.022 (0.032)	0.027 (0.032)	0.015 (0.122)	0.011 (0.104)	0.004 (0.005)	0.004 (0.005)
Engineering	0.105 (0.308)	0.090 (0.286)	0.015 (0.036)	0.015 (0.035)	0.018 (0.134)	0.010 (0.102)	0.008 (0.005)	0.008 (0.005)
Panel B. BA Degree by Expected Wages								
Expected wage	11997.431 (8063.540)	11977.969 (7927.074)	19.461 (669.296)	144.138 (679.301)	7535.890 (3548.436)	7923.231 (3847.326)	-387.341** (162.332)	-340.351** (165.330)
Above 75'th Percentile	0.221 (0.417)	0.183 (0.386)	0.038 (0.038)	0.041 (0.038)	0.024 (0.154)	0.020 (0.140)	0.004 (0.007)	0.004 (0.007)
Above 50'th Percentile	0.291 (0.457)	0.309 (0.462)	-0.018 (0.040)	-0.014 (0.041)	0.044 (0.205)	0.078 (0.269)	-0.035*** (0.009)	-0.032*** (0.009)
Observations	86	5190	.	.	662	25979		

Note—This table presents means, means-difference and standard deviations (in parentheses) of outcomes of individuals who are aged 22-27 in 2001. The treatment group consists of individuals who lived in kibbutzim that reformed in 1998, 1999. The control group consists of individuals who lived in Tel-Aviv. In Panel A the dependent variable is an indicator of whether the student completed a BA in the areas of study indicated by the outcome. In Panel B the dependent variable is an indicator of whether the student completed a BA in a field of study with expected wages between the different quartiles. The outcome “Expected Wages” is continuous, and the measurement unit is New Israeli Shekels per month. 1 US dollar is currently equal to approximately 3.7 shekels. The simple difference regressions include only cohort dummies. The controlled difference regressions include cohort dummies, kibbutz fixed effects and the following student demographic controls: gender, number of siblings, a set of ethnic dummies (origin from Africa/Asia, Europe/America, immigrants from FSU, Ethiopia, Israel and other countries).

\* Standard errors clustered by kibbutz are presented in parentheses. \*\* , \* indicate significance at the 1%, 5%, and 10% levels, respectively.



Table A9: Balancing Tests of Individuals' Characteristics, by Treatment Group, Pre- and Post- Reform

	Pre-Reform Individuals Aged 23-28 in 1995, 1996				Post-Reform Individuals Aged 23-28 in 2001, 2002			
	Proportions		Balancing Tests (T-C)		Proportions		Balancing Tests (T-C)	
	Treatment	Control	Coeff	<i>p-val</i>	Treatment	Control	Coeff	<i>p-val</i>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Male	0.564 [0.496]	0.543 [0.498]	0.021	<i>0.318</i>	0.550 [0.498]	0.551 [0.498]	-0.001	<i>0.964</i>
Age	25.346 [1.686]	25.242 [1.697]	0.105	<i>0.134</i>	25.476 [1.670]	25.485 [1.728]	-0.010	<i>0.894</i>
Number of Siblings	2.815 [1.337]	2.775 [1.299]	0.040	<i>0.667</i>	2.662 [1.202]	2.625 [1.010]	0.037	<i>0.717</i>
Ethnic Origin: Africa/Asia	0.178 [0.383]	0.194 [0.395]	-0.015	<i>0.629</i>	0.104 [0.303]	0.102 [0.303]	0.002	<i>0.912</i>
Ethnic Origin: Ethiopia	0.000 [0.000]	0.002 [0.043]	-0.002	<i>0.318</i>	0.000 [0.000]	0.005 [0.074]	-0.005	<i>0.212</i>
Ethnic Origin: FSU Countries	0.031 [0.173]	0.023 [0.149]	0.008	<i>0.424</i>	0.014 [0.117]	0.024 [0.152]	-0.010	<i>0.153</i>
Ethnic Origin: Europe/America	0.171 [0.377]	0.170 [0.376]	0.001	<i>0.980</i>	0.165 [0.371]	0.125 [0.330]	0.040	<i>0.153</i>
Ethnic Origin: Israel	0.560 [0.497]	0.530 [0.499]	0.030	<i>0.623</i>	0.654 [0.476]	0.658 [0.475]	-0.004	<i>0.916</i>
Ethnic Origin: Other	0.060 [0.238]	0.082 [0.275]	-0.022	<i>0.464</i>	0.065 [0.247]	0.086 [0.281]	-0.021	<i>0.294</i>
Observations	999	1059	-	-	1009	1100	-	-
Kibbutzim	32	29	-	-	32	29	-	-

Note—This table presents means and means-difference of characteristics of individuals in treatment kibbutzim (reformed early 1998, 1999) and control kibbutzim (reformed late 2004, 2005) who are aged 23-28 at the beginning of the follow-up periods: pre-reform, 1995, 1996 (untreated) and post-reform, 2001, 2002 (treated). Columns 1-3 present pre-reform means of treatment and control groups and the difference between them, respectively. Columns 5-7 present post-reform means of treatment and control groups and the difference between them, respectively. All estimated coefficients are based on a regression of the characteristics as a dependent variable and the treatment indicator as the explanatory variable.

\* Standard deviations presented in brackets. *p*-values in italics. Difference in means significant at \*\*\*1% \*\*5% \*10%.

Table A10: Outcomes Means and Treatment-Control Differences, Pre- and Post-Reform

	Pre-Reform Individuals Aged 23-28 in 1995, 1996				Post-Reform Individuals Aged 23-28 in 2001, 2002			
	Treatment	Control	Difference (T-C)		Treatment	Control	Difference (T-C)	
			Coeff	<i>p-val</i>			Coeff	<i>p-val</i>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Any Field	0.046 [0.210]	0.055 [0.228]	-0.009 <i>0.134</i>		0.141 [0.348]	0.111 [0.314]	0.030* <i>0.051*</i>	
Humanities Any Field	0.013 [0.113]	0.019 [0.136]	-0.006 <i>0.230</i>		0.018 [0.132]	0.024 [0.152]	-0.006 <i>0.392</i>	
Social Sciences Any Field	0.020 [0.140]	0.015 [0.122]	0.005 <i>0.318</i>		0.051 [0.219]	0.054 [0.225]	-0.003 <i>0.739</i>	
Economics, Business, Law	0.009 [0.095]	0.008 [0.087]	0.001 <i>0.803</i>		0.016 [0.125]	0.025 [0.155]	-0.009 <i>0.134</i>	
Sciences Any Field	0.013 [0.113]	0.021 [0.143]	-0.008 <i>0.110</i>		0.072 [0.259]	0.034 [0.180]	0.039*** <i>0.000***</i>	
Bio, Chem, Pre-Health Sci	0.009 [0.095]	0.011 [0.106]	-0.002 <i>0.689</i>		0.024 [0.152]	0.009 [0.095]	0.015** <i>0.012**</i>	
Math, Eng, Phys, Comp Sci, Stat	0.004 [0.063]	0.009 [0.097]	-0.005 <i>0.102</i>		0.049 [0.215]	0.025 [0.155]	0.024*** <i>0.002***</i>	
Computer Science	0.001 [0.032]	0.001 [0.031]	0.000 <i>1.000</i>		0.025 [0.156]	0.006 [0.080]	0.018*** <i>0.000***</i>	
Engineering	0.002 [0.045]	0.005 [0.069]	-0.003 <i>0.318</i>		0.028 [0.164]	0.016 [0.127]	0.011* <i>0.097*</i>	
Observations	999	1059	-	-	1009	1100	-	-
Kibbutzim	32	29	-	-	32	29	-	-

Note—This table presents means and means-difference of outcomes of individuals in treatment kibbutzim (reformed early 1998, 1999) and control kibbutzim (reformed late 2004, 2005) who are aged 23-28 at the beginning of the follow-up periods: pre-reform, 1995, 1996 (untreated) and post-reform, 2001, 2002 (treated). Columns 1-3 present pre-reform means of treatment and control groups and the difference between them, respectively. Columns 5-7 present post-reform means of treatment and control groups and the difference between them, respectively. The dependent variable is an indicator of whether the student completed a BA degree in the areas of study indicated by the outcome. All estimated coefficients are based on a regression of the outcomes as a dependent variable and the treatment indicator as the explanatory variable.

\* Standard deviations presented in brackets. *p*-values in italics. Difference in means significant at \*\*\*1% \*\*5% \*10%.

Table A11: Effect of Pay Reform on BA Degree Attainment, by Field of Study  
(Sample: Individuals Aged 23-28 in 1995, 1996 and in 2001, 2002)

		BA Degree by Field of Study								
		Humanities			Social Sciences			Sciences		
Any Field	Humanities Any Field	Social Sciences Any Field	Economics, Business, Law	Sciences Any Field	Bio, Chem, Pre-Health Sci	Math, Eng, Phys, Comp Sci, Stat	Computer Science	Engineering		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
Panel A. Cross Section Regressions										
Pre-Reform	-0.009 (0.012)	-0.006 (0.006)	0.001 (0.005)	-0.008 (0.008)	-0.002 (0.005)	-0.005 (0.006)	0.000 (0.004)	-0.003 (0.005)		
Mean of Dependent Var. (Control)	-0.009	-0.006	0.001	-0.008	-0.002	-0.005	0.000	-0.003		
Post-Reform	0.030** (0.012)	-0.006 (0.006)	-0.009* (0.005)	0.039*** (0.008)	0.015*** (0.005)	0.024*** (0.006)	0.018*** (0.004)	0.011** (0.005)		
Mean of Dependent Var. (Control)	0.111	0.024	0.025	0.034	0.009	0.025	0.006	0.016		
Panel B. Difference-in-Differences										
Simple	0.038** (0.017)	0.000 (0.008)	-0.010 (0.007)	0.046*** (0.011)	0.017** (0.007)	0.029*** (0.009)	0.018*** (0.006)	0.014** (0.007)		
Controlled	0.035** (0.018)	-0.001 (0.008)	-0.011 (0.007)	0.044*** (0.011)	0.017** (0.007)	0.028*** (0.009)	0.018*** (0.006)	0.012* (0.007)		
Observations	4167	4167	4167	4167	4167	4167	4167	4167		

Note-This table presents the estimated coefficients of interest of difference-in-differences regressions, comparing cohorts of individuals aged 23-28 in pre/post reform period. The treatment and the control groups consists of individuals who lived in early (1998, 1999) and late (2004, 2005) reformed kibbutzim, respectively (See Figure 1). The dependent variable is an indicator of whether the student completed a BA in the areas of study indicated by the outcome. The simple difference-in-differences regressions include only cohort dummies. The controlled difference-in-differences regressions include cohort dummies, kibbutz fixed effects and the following student demographic controls: gender, number of siblings, a set of ethnic dummies (origin from Africa/Asia, Europe/America, immigrants from FSU, Ethiopia, Israel, and other countries).

\* Standard deviations presented in brackets. p-values in italics. Difference in means significant at \*\*\*1% \*\*5% \*10%.

Table A12: Effect of Pay Reform on BA Degree Attainment by Field of Study and Gender

(Sample: Individuals Aged 23-28 in 1995, 1996 and in 2001, 2002)

	BA by Field of Study								
	Humanities			Social Sciences			Sciences		
	Any Field	Humanities Any Field	Social Sciences Any Field	Economics, Business, Law	Sciences Any Field	Bio, Chem, Pre-Health Sci	Math, Eng, Phys, Comp Sci, Stat	Computer Science	Engineering
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>Male</b>									
Panel A. Cross Section Regressions									
Pre-Reform	-0.005 (0.014)	-0.005 (0.005)	-0.005 (0.009)	-0.002 (0.007)	0.005 (0.010)	0.004 (0.004)	0.002 (0.009)	0.002 (0.006)	0.000 (0.007)
Mean of Dependent Var. (Control)	0.030	0.010	0.014	0.010	0.005	0.002	0.003	0.000	0.003
Post-Reform	0.046*** (0.014)	0.004 (0.005)	-0.002 (0.009)	-0.007 (0.007)	0.044*** (0.010)	0.007* (0.004)	0.037*** (0.009)	0.022*** (0.006)	0.027*** (0.007)
Mean of Dependent Var. (Control)	0.071	0.007	0.036	0.025	0.028	0.002	0.026	0.007	0.015
Panel B. Difference-in-Differences									
Simple	0.051*** (0.020)	0.009 (0.008)	0.003 (0.013)	-0.005 (0.010)	0.039*** (0.014)	0.004 (0.005)	0.035*** (0.013)	0.021*** (0.008)	0.026** (0.010)
Controlled	0.048** (0.020)	0.010 (0.008)	0.003 (0.013)	-0.005 (0.011)	0.034** (0.014)	0.003 (0.006)	0.032** (0.013)	0.020** (0.008)	0.024** (0.011)
Observations	2299	2299	2299	2299	2299	2299	2299	2299	2299
<b>Female</b>									
Panel C. Cross Section Regressions									
Pre-Reform	-0.011 (0.021)	-0.006 (0.011)	0.018 (0.014)	0.005 (0.007)	-0.023* (0.013)	-0.009 (0.010)	-0.014 (0.009)	-0.002 (0.005)	-0.006 (0.006)
Mean of Dependent Var. (Control)	0.085	0.029	0.017	0.004	0.039	0.023	0.017	0.002	0.006
Post-Reform	0.010 (0.021)	-0.018 (0.011)	-0.004 (0.014)	-0.011 (0.007)	0.032** (0.013)	0.024** (0.010)	0.009 (0.009)	0.014** (0.005)	-0.007 (0.006)
Mean of Dependent Var. (Control)	0.160	0.045	0.075	0.024	0.040	0.018	0.022	0.006	0.018
Panel D. Difference-in-Differences									
Simple	0.021 (0.030)	-0.012 (0.016)	-0.022 (0.020)	-0.016 (0.010)	0.055*** (0.019)	0.033** (0.014)	0.023* (0.012)	0.016** (0.008)	-0.001 (0.009)
Controlled	0.023 (0.031)	-0.015 (0.016)	-0.020 (0.020)	-0.017 (0.011)	0.058*** (0.019)	0.032** (0.014)	0.026** (0.013)	0.019** (0.008)	-0.000 (0.009)
Observations	1868	1868	1868	1868	1868	1868	1868	1868	1868

Note—This table presents the estimated coefficients of interest of difference-in-differences regressions, comparing individuals aged 23-28 in pre/post reform period (See Figure 1). The treatment group consists of kibbutzim that reformed in 1998, 1999. The control group consists of kibbutzim that reformed in 2004, 2005. The dependent variable is an indicator of whether the student completed a BA in the areas of study indicated by the outcome. The simple difference-in-differences regressions include only cohort dummies. The controlled difference-in-differences regressions include cohort dummies, kibbutz fixed effects and the following student demographic controls: number of siblings, a set of ethnic dummies (origin from Africa/Asia, Europe/America, immigrants from FSU, Ethiopia, Israel and other countries).

\* Standard errors clustered by kibbutz are presented in parentheses. \*\*\*, \*\*, \* indicate significance at the 1%, 5%, and 10% levels, respectively.

Table A13: Effect of Pay Reform on BA Degree Attainment by Expected Wages and Gender

(Sample: Individuals Aged 23-28 in 1995, 1996 and in 2001, 2002)

	BA Degree by Expected Wages								
	Expected Wages			Field of Studies With Expected Wages Above 3rd Quartile			Field of Studies With Expected Wages Above Median		
	All (1)	Male (2)	Female (3)	All (4)	Male (5)	Female (6)	All (7)	Male (8)	Female (9)
Panel A. Cross Section Regressions									
Pre-Reform	-52.400 (94.370)	-28.390 (146.600)	-80.970 (107.900)	-0.006 (0.0007)	-0.002 (0.010)	-0.012 (0.011)	-0.008 (0.010)	-0.005 (0.012)	-0.012 (0.017)
Post-Reform	375.600*** (93.270)	558.400*** (145.300)	152.100 (106.300)	0.018** (0.0007)	0.030*** (0.010)	0.002 (0.011)	0.035*** (0.010)	0.034*** (0.012)	0.036** (0.016)
Panel B. Difference-in-Differences									
Simple	428.000*** (132.700)	586.800*** (206.400)	233.100 (151.500)	0.024** (0.010)	0.032** (0.014)	0.013 (0.015)	0.043*** (0.014)	0.039** (0.017)	0.048** (0.023)
Controlled	406.900*** (134.300)	550.300*** (210.000)	277.200* (154.300)	0.023** (0.011)	0.031** (0.014)	0.017 (0.015)	0.042*** (0.014)	0.036** (0.017)	0.054** (0.024)
Observations	4167	2299	1868	4167	2299	1868	4167	2299	1868

Note—This table presents the estimated coefficients of interest of difference-in-differences regressions, comparing cohorts of individuals aged 23-28 in pre/post reform period (See Figure 1). The treatment group consists of kibbutzim that reformed in 1998, 1999. The control group consists of kibbutzim that reformed in 2004, 2005. In columns 1-3, the dependent variable is continuous and the measurement unit is New Israeli Shekels per month. 1 US dollar is currently equal to approximately 3.7 shekels. The dependent variable in columns 4-9 is an indicator of whether the student completed a BA in a field of study with expected wages between the different quartiles. The simple difference-in-differences regressions include only cohort dummies. The controlled difference-in-differences regressions include cohort dummies, kibbutz fixed effects and the following student demographic controls: gender, number of siblings, a set of ethnic dummies (origin from Africa/Asia, Europe/America, immigrants from FSU, Ethiopia, Israel and other countries).

\* Standard errors clustered by kibbutz are presented in parentheses. \*\* , \* indicate significance at the 1%, 5%, and 10% levels, respectively.

Table A14: Placebo Experiments, Using Older Unaffected Cohort in Difference-In-Differences Estimation  
 (Sample: Individuals Aged 23-28 in 1989, 1990 and in 1995, 1996)

	BA Degree by Field of Study								
	Humanities			Social Sciences			Sciences		
	Any Field	Humanities Any Field	Social Sciences Any Field	Economics, Business, Law	Sciences Any Field	Bio, Chem, Pre-Health Sci	Math, Eng, Phys, Comp Sci, Stat	Computer Science	Engineering
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Simple Difference-in-Differences	0.010 (0.015)	-0.015** (0.007)	0.017* (0.009)	0.010 (0.006)	0.009 (0.010)	0.010 (0.007)	-0.001 (0.007)	0.004 (0.003)	-0.007 (0.006)
Controlled Difference-in-Differences	0.005 (0.015)	-0.015** (0.008)	0.013 (0.009)	0.009 (0.006)	0.008 (0.010)	0.009 (0.007)	-0.002 (0.008)	0.004 (0.003)	-0.008 (0.006)
Observations	3749	3749	3749	3749	3749	3749	3749	3749	3749

Note—This table presents difference-in-differences and controlled difference-in-differences coefficients of a placebo experiment that compares cohorts of individuals aged 23-28 in two pre-reform periods. The treatment group consists of kibbutzim that reformed in 1998, 1999. The control group includes kibbutzim that reformed in 2004, 2005. The dependent variable is an indicator of whether the student completed a BA in the areas of study indicated by the outcome. The simple difference-in-differences regressions include only cohort dummies. The controlled difference-in-differences regressions include cohort dummies, kibbutz fixed effects and the following student demographic controls: gender, number of siblings, a set of ethnic dummies (origin from Africa/Asia, Europe/America, immigrants from FSU, Ethiopia, Israel, and other countries).

\* Standard errors clustered by kibbutz are presented in parentheses. \*\* , \* \* indicate significance at the 1%, 5%, and 10% levels, respectively.