

Ethnic Clustering in Schools and Early Career Outcomes

This study examines the impact of ethnic clustering during compulsory schooling on the career paths of ethnic minority students. We observe whether students upon completing compulsory school join an academic track, a vocational education, a transition year or no further education. We find that a higher share of foreign language speakers in a cohort increases the probability of these students entering vocational at the expense of academic education. Peers speaking the same foreign language as the student observed also increase the student's chances to join vocational education, but at the expense of a transition year. Ethnic clustering of foreign language speakers also leads to lower projected earnings. We show that both language acquisition and ethnic networks are important mechanisms.