ONLINE APPENDIX:

Table A1: Construction of the Analysis Sample

Analysis Sample Period-Academic Years	2005-2006 to 2010-2011
Total Number of Students Who Took the HSAP Tests for the First Time	N=268,420
Fraction of Students with Valid HSAP Scores	95.4 % (N=256,174)
Fraction of Students with HSAP Scores in Tenth Grade (conditional on valid scores)	87.5 % (N=224,115)
Fraction of Students Who Had Never Enrolled in Twelfth Grade (conditional on valid scores in tenth grade)	18.4 % (N=41,231)

Table A2: Regression Discontinuity Validation Tests-by Race

	Female	Free Lunch	Composite Test Score (Middle Sch.)
	Coefficients (Standard Errors)		
	(1)	(2)	(3)
Panel A: Blacks			
Failing the Exit Exam	-0.009	-0.002	0.011
	(0.014)	(0.013)	(0.011)
Sample Size	68,284	68,284	62,244
Panel B: Whites			
Failing the Exit Exam	-0.008	0.010	-0.001
	(0.018)	(0.018)	(0.018)
Sample Size	71,198	71,198	60,839

NOTES: The sample is restricted to students who scored within 30 points of the exit exam passing cutoff in their first attempt. Standard errors are clustered at the school level. All specifications use a local cubic polynomial with a uniform kernel and control for cohort fixed effects.

Table A3: Regression Discontinuity Estimates of Failing the Initial Exam on Adult Crime and Economic Self-Sufficiency: Local Linear Regression

	Adult Crime		Food Stamp Receipt		TANF Receipt	
	Coefficients (Standard Errors)					
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: Blacks						
Failing the Exit Exam	0.023**	0.022**	0.019	0.022**	0.001	0.002
	(0.011)	(0.010)	(0.013)	(0.011)	(0.008)	(0.008)
Optimal Bandwidth	12.05	13.00	14.21	12.26	15.33	13.94
Sample Size	36,323	36,323	41,480	36,323	43,456	39,236
Panel B: Whites						
Failing the Exit Exam	-0.005	-0.006	-0.002	-0.007	0.004	0.004
	(0.011)	(0.011)	(0.019)	(0.015)	(0.006)	(0.006)
Optimal Bandwidth	13.63	14.28	15.73	14.13	18.66	17.35
Sample Size	29,806	32,137	34,102	32,137	41,176	39,282
p-value-Test of Equal Coefficients ($\beta_b = \beta_w$)		0.06		0.12		0.84
Controls:						
Cohort Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Covariates	No	Yes	No	Yes	No	Yes

NOTES: Optimal bandwidth selector in all columns is based on one common mean squared error, as described in Calonico et al. (2019), with a triangular kernel. Standard errors are clustered at the school level. Covariates include indicators for gender, free/reduced lunch and age student was first found in public school, and composite test score (missing values set to sample mean and a separate indicator for missing value is added). The dependent variable in Columns 1 and 2 takes the value one if individual was ever arrested as adult at age 22 or younger while, in Columns 3-6, it takes the value one if individual ever enrolled in social programs (food stamps/SNAP and TANF) as an adult.

* significant at 10%, ** significant at 5%, *** significant at 1%.

Table A4: Robustness Checks-Regression Discontinuity Estimates of Failing the Initial Exam on Adult Crime and Food Stamps/SNAP Assistance: Alternative Bandwidths and Different Polynomial Orders

	Adult Crime			Food Stamp Receipt		
	Local Linear Regression Index=[-10, 10]	Local Quadratic Regression Index=[-15, 15]	Local Quadratic Regression Index=[-20, 20]	Local Linear Regression Index=[-10, 10]	Local Quadratic Regression Index=[-15, 15]	Local Quadratic Regression Index=[-20, 20]
	Coefficients (Standard Errors)					
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: Blacks						
Failing the Exit Exam	0.028***	0.029**	0.020**	0.019**	0.024*	0.022**
	(0.009)	(0.011)	(0.010)	(0.010)	(0.013)	(0.011)
Sample Size	31,497	43,456	53,973	31,497	43,456	53,973
Panel B: Whites						
Failing the Exit Exam	0.001	-0.006	-0.009	-0.011	-0.008	-0.005
	(0.011)	(0.015)	(0.012)	(0.013)	(0.017)	(0.015)
Sample Size	22,788	34,102	46,809	22,788	34,102	46,809

NOTES: All specifications use local polynomials with a uniform kernel. Standard errors are clustered at the school level. Covariates include indicators for gender, free/reduced lunch and age student was first found in public school, composite test score (missing values set to sample mean and a separate indicator for missing value is added) and test year fixed effects. The dependent variable in Columns 1-3 takes the value one if individual was ever arrested as adult at age 22 or younger, while, in Columns 4-6, it takes the value one if individual ever enrolled in food stamps/SNAP as an adult.

Table A5: Robustness Checks-Regression Discontinuity Estimates of Failing the Initial Exam on Adult Crime and Food Stamps/SNAP Assistance: Alternative Specifications

	Adult Crime			Food Stamp Receipt		
	Add School Fixed Effects	Include Subject-Specific Running Variables	Donut-RD Exclude Index=[-1,2]	Add School Fixed Effects	Include Subject-Specific Running Variables	Donut-RD Exclude Index=[-1,2]
	Coefficients (Standard Errors)					
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: Blacks						
Failing the Exit Exam	0.028**	0.030***	0.044**	0.023*	0.024**	0.035*
	(0.011)	(0.011)	(0.020)	(0.012)	(0.012)	(0.020)
Sample Size	68,284	68,284	62,354	68,284	68,284	62,354
Panel B: Whites						
Failing the Exit Exam	-0.009	-0.008	-0.002	0.000	-0.000	-0.003
	(0.014)	(0.014)	(0.020)	(0.017)	(0.017)	(0.024)
Sample Size	71,198	71,198	67,131	71,198	71,198	67,131

NOTES: The sample is restricted to students who scored within 30 points of the exit exam passing cutoff in their first attempt. Standard errors are clustered at the school level. All specifications use a local cubic polynomial with a uniform kernel. Covariates include indicators gender, free/reduced lunch, and age student was first found in public school, composite test score (missing values set to sample mean and a separate indicator for missing value is added) and year fixed effects. Columns (1) and (4) control for school fixed effects in the specifications for adult criminal involvement and enrollment in food stamps/SNAP, respectively. Columns (2) and (5) include subject-specific running variables as additional controls and finally, Columns (3) and (6) present the baseline results using donut-RD models, where we remove observations very close to the passing cutoff.

* significant at 10%, ** significant at 5%, *** significant at 1%.

Table A6: Robustness Checks-Regression Discontinuity Estimates of Failing the Initial Exam on Adult Crime: Different Inference Procedures

	Local Cubic Regression			Local Linear Regression		
	SE Clustered at the Index Level	SE Clustered Two Way	Robust SE	Robust SE-Nearest Neighbor Estimator	SE with Coverage Error Opt. Bandwidth	Honest CI
	Coefficients (Standard Errors)					
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: Blacks						
Failing the Exit Exam	0.031**	0.031**	0.031**	0.023**	0.022*	0.024**
	(0.013)	(0.012)	(0.012)	(0.010)	(0.012)	[0.004, 0.043]
Sample Size	68,284	68,284	68,284	36,323	28,298	36,323
Panel B: Whites						
Failing the Exit Exam	-0.007	-0.007	-0.007	-0.006	-0.006	-0.005
	(0.011)	(0.011)	(0.014)	(0.010)	(0.013)	[-0.025, 0.015]
Sample Size	71,198	71,198	71,198	32,137	22,788	32,137

NOTES: The specifications in Columns (1)-(3) use a local cubic polynomial with a bandwidth of 30 index points and a uniform kernel. Columns (4)-(6) present the results using a local linear specification with a triangular kernel. Column (4) uses the MSE-optimal bandwidth, while Column (5) displays the standard errors using the coverage error (CER) optimal bandwidth. The outcome variable in the last column is residualized adult crime which is constructed by partialling out the effects of predetermined characteristics within the MSE-optimal bandwidth.

* significant at 10%, ** significant at 5%, *** significant at 1%.

Table A7: Robustness Checks-Regression Discontinuity Estimates of Failing the Initial Exam on Food Stamps/SNAP Assistance: Different Inference Procedures

	Local Cubic Regression			Local Linear Regression		
	SE Clustered at the Index Level	SE Clustered Two Way	Robust SE	Robust SE-Nearest Neighbor Estimator	SE with Coverage Error Opt. Bandwidth	Honest CI
	Coefficients (Standard Errors)					
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: Blacks						
Failing the Exit Exam	0.024***	0.024***	0.024**	0.023**	0.022*	0.022**
	(0.009)	(0.009)	(0.012)	(0.010)	(0.012)	[0.003, 0.042]
Sample Size	68,284	68,284	68,284	34,057	28,298	36,323
Panel B: Whites						
Failing the Exit Exam	0.000	0.000	0.000	-0.006	-0.007	-0.006
	(0.028)	(0.028)	(0.017)	(0.013)	(0.017)	[-0.031, 0.019]
Sample Size	71,198	71,198	71,198	26,957	22,788	32,137

NOTES: The specifications in Columns (1)-(3) use a local cubic polynomial with a bandwidth of 30 index points and a uniform kernel. Columns (4)-(6) present the results using a local linear specification with a triangular kernel. Column (4) uses the MSE-optimal bandwidth, while Column (5) displays the standard errors using the coverage error (CER) optimal bandwidth. The outcome variable in the last column is residualized food stamps/SNAP receipt which is constructed by partialling out the effects of predetermined characteristics within the MSE-optimal bandwidth.

* significant at 10%, ** significant at 5%, *** significant at 1%.

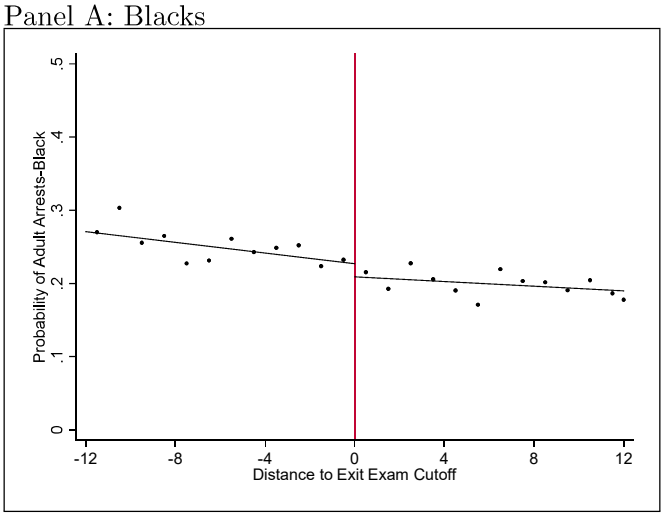
Table A8: Robustness Checks-Regression Discontinuity Estimates of Failing the Initial Exit Exam on Medium- and Long-Run Outcomes: Add More Recent Tenth Grade Cohorts

	Adult Crime	Food Stamps Receipt	Enrolled in 11th Grade	Graduated from HS in 4 Years
	Coefficients (Standard Errors)			
	(1)	(2)	(3)	(4)
Panel A: Blacks				
Failing the Exit Exam	0.025**	0.020**	-0.013	-0.035***
	(0.011)	(0.010)	(0.010)	(0.011)
Sample Size	95,860	95,860	95,860	95,860
Panel B: Whites				
Failing the Exit Exam	-0.012	-0.003	-0.016	-0.033**
	(0.013)	(0.014)	(0.014)	(0.014)
Sample Size	100,857	100,857	100,857	100,857

NOTES: The sample is restricted to students who scored within 30 points of the exit exam passing cutoff in their first attempt Standard errors are clustered at the school level. All specifications use a local cubic polynomial with a uniform kernel. Covariates include indicators gender, free/reduced lunch, and age student was first found in public school, composite test score (missing values set to sample mean and a separate indicator for missing value is added) and year fixed effects. The research sample includes students enrolled in regular classes in grade 10 between the 2005-2006 and 2012-2013 academic years.

* significant at 10%, ** significant at 5%, *** significant at 1%.

Panel A: Blacks



Panel B: Whites

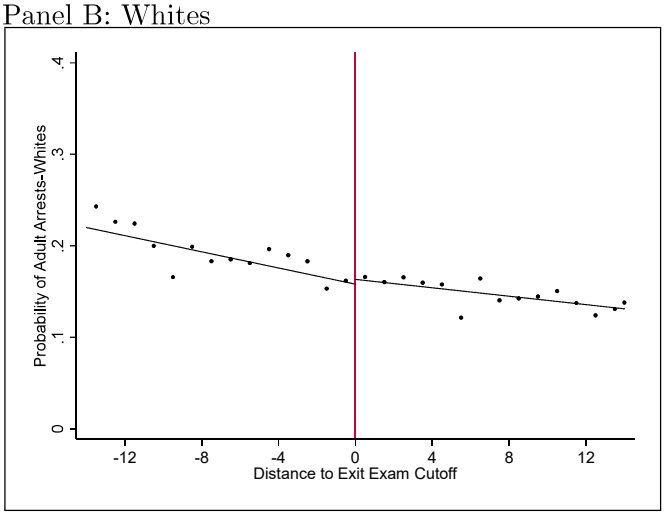
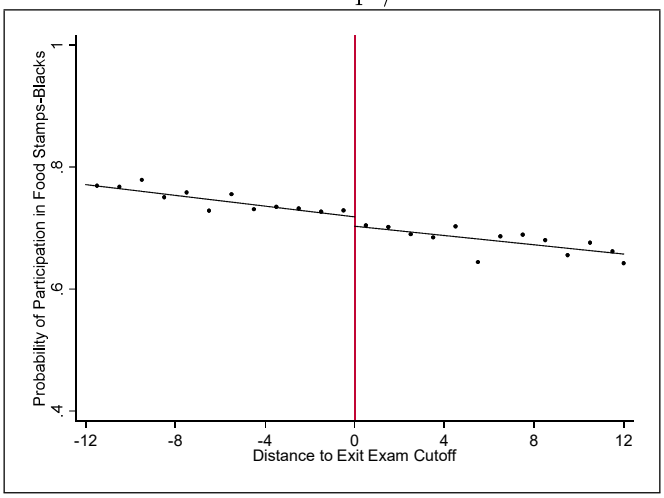


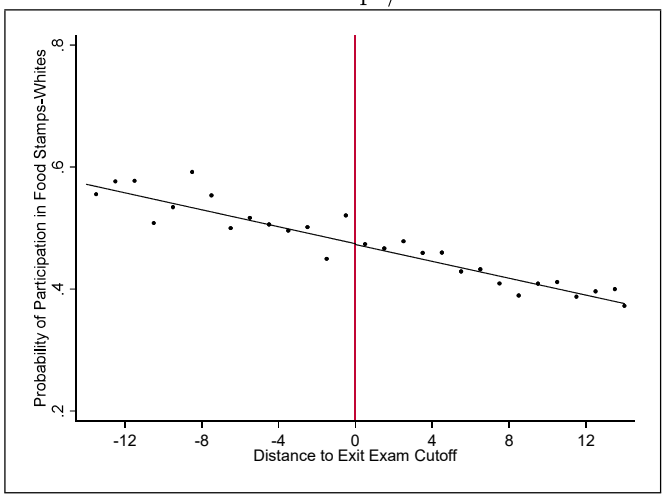
Figure A1: Probability of Being Arrested as an Adult and Distance to the Exit Exam Passing Cutoff-Local Linear Regression using the MSE-optimal bandwidth

NOTES: The vertical lines denote the exit exam passing cutoff (centered at 0). Each circle represents the unconditional mean of adult crime computed using quantile-spaced bins, based on the distance to exit exam passing cutoff. The solid lines are fitted values of probability of adult arrest from a local linear regression using the MSE optimal bandwidth.

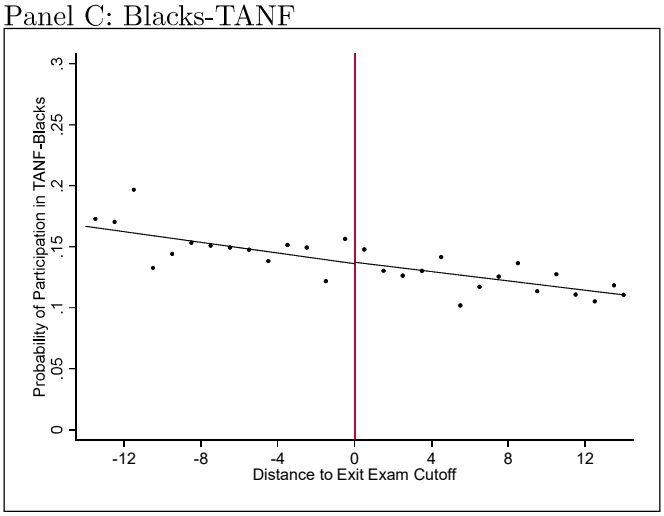
Panel A: Blacks-Food Stamps/SNAP



Panel B: Whites-Food Stamps/SNAP



Panel C: Blacks-TANF



Panel D: Whites-TANF

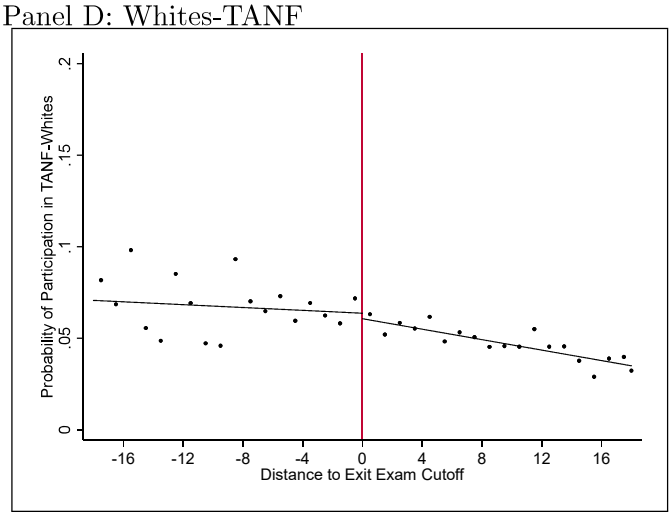
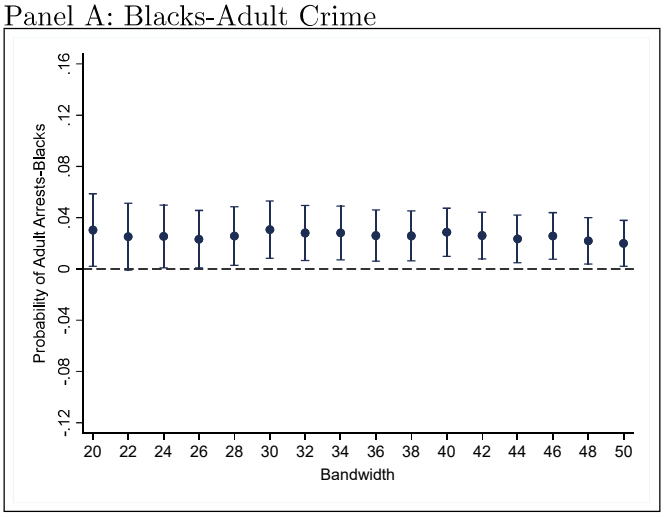


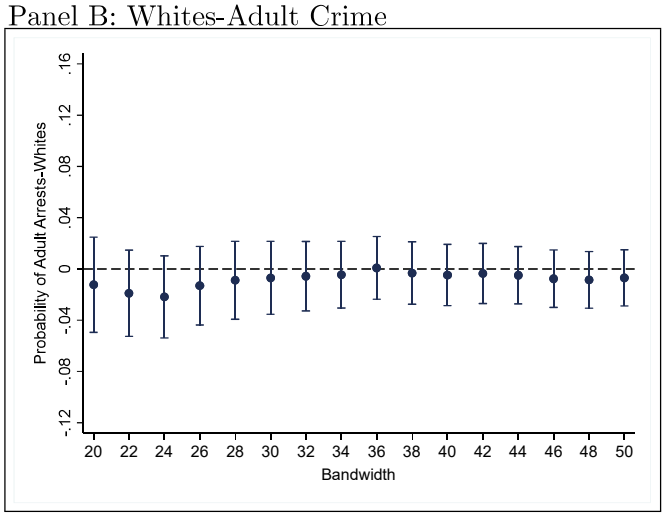
Figure A2: Probability of Participation in Food Stamps/SNAP and TANF as an Adult and Distance to the Exit Exam Passing Cutoff-Local Linear Regression using the MSE-optimal bandwidth

NOTES: The vertical lines denote the exit exam passing cutoff (centered at 0). Each circle represents the unconditional mean of enrollment in social programs (food stamps/SNAP and TANF) computed using quantile-spaced bins, based on the distance to exit exam passing cutoff. The solid lines are fitted values of probability of participation in food stamps/SNAP as an adult from a local linear regression using the MSE optimal bandwidth.

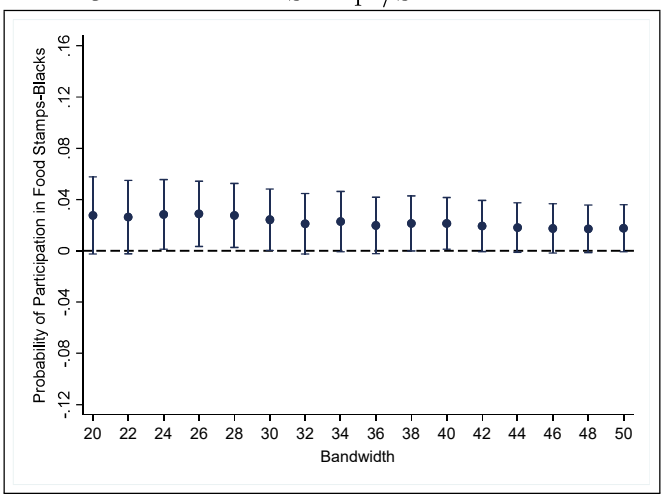
Panel A: Blacks-Adult Crime



Panel B: Whites-Adult Crime



Panel C: Blacks-Food Stamps/SNAP



Panel D: Whites-Food Stamps/SNAP

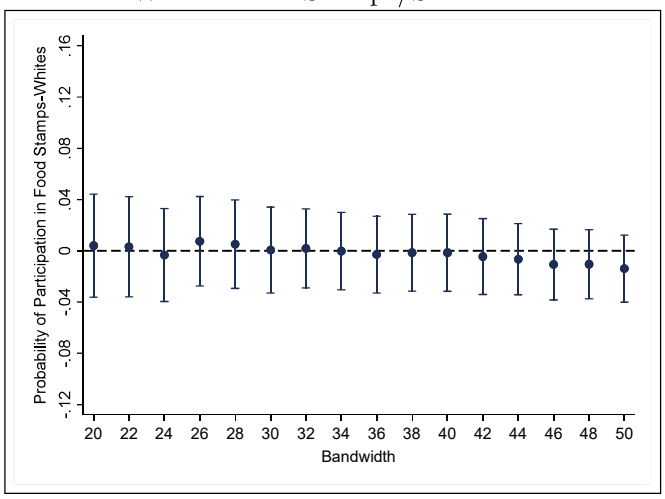
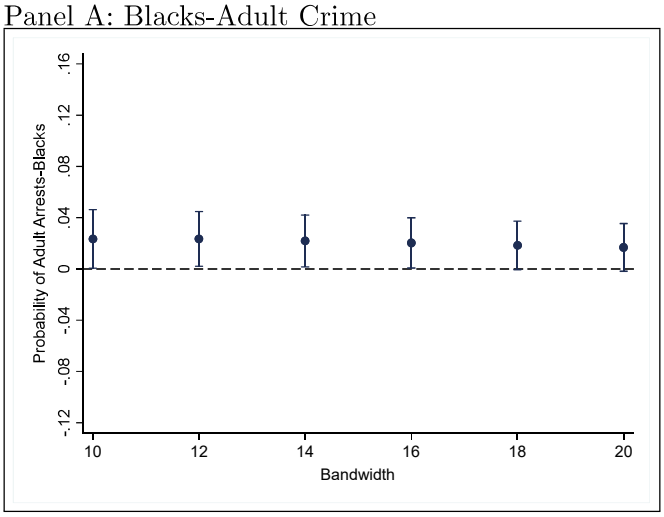


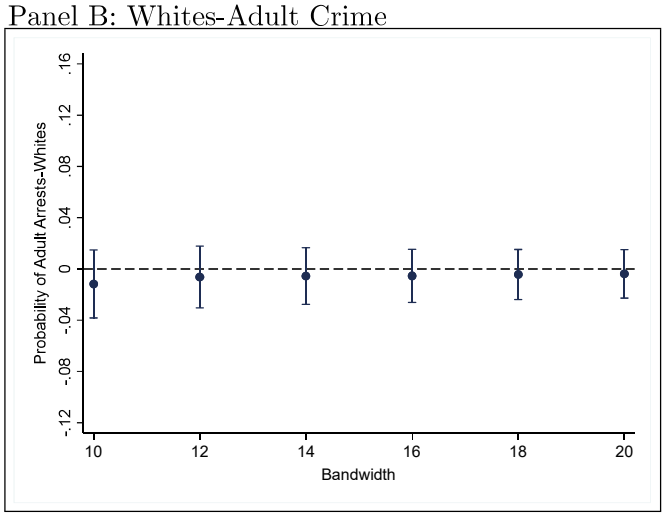
Figure A3: Adult Outcomes and Distance to the Exit Exam Passing Cutoff-Local Cubic Regression Using Different Bandwidths

NOTES: All estimates are obtained from a local cubic polynomial using alternative bandwidths, over a range from 20 to 50 index points by incrementally adding two index points, with a uniform kernel. The height of the bars from each point represents the bounds of the 95% confidence interval. Standard errors are clustered at the school level.

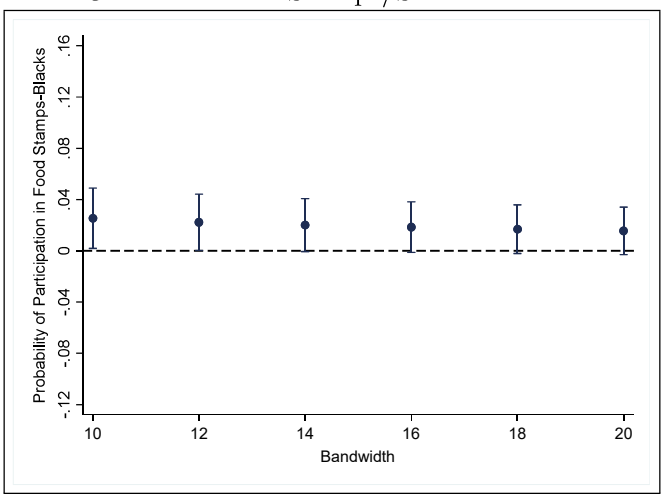
Panel A: Blacks-Adult Crime



Panel B: Whites-Adult Crime



Panel C: Blacks-Food Stamps/SNAP



Panel D: Whites-Food Stamps/SNAP

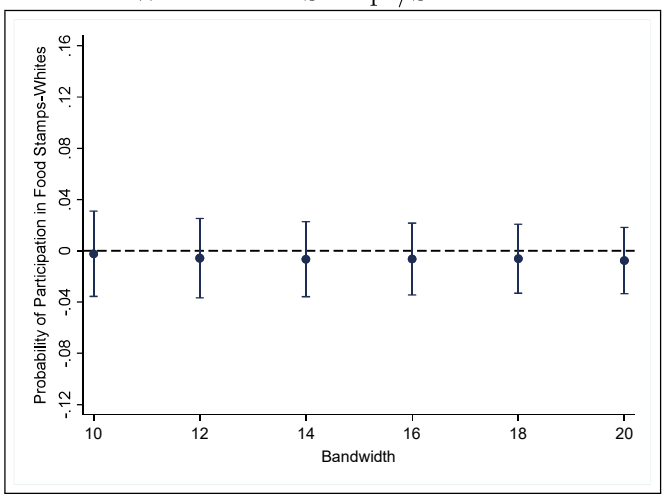


Figure A4: Adult Outcomes and Distance to the Exit Exam Passing Cutoff-Local Linear Regression Using Different Bandwidths

NOTES: All estimates are obtained from a local linear specification using alternative bandwidths, over a range from 10 to 20 index points by incrementally adding two index points, with a triangular kernel. The height of the bars from each point represents the bounds of the 95% confidence interval. Standard errors are clustered at the school level.