Temperature, effort, and achievement:

Evidence from a large-scale standardized exam in Brazil

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Abstract

Standardized exams are a popular measure of education quality. However, there is increasing concern and evidence on the negative effects of external factors, such as pollution and temperature, on exam performance. In our paper, we provide the first empirical evidence on how the exam stakes affect the sensitivity of performance to temperature. We explore a unique context in which the stakes of a large-scale standardized exam change from relatively low to high. We use within-individual variations in exam scores of millions of exam takers in Brazil and temperature across two exam days. We find that a one standard deviation increase in temperature during the exam decreases the average exam score by 0.036 s.d. Exploring time and geographical variation on exam stakes, we find that the higher the stakes, the smaller the effects of temperature on exam performance. Our results suggest that effort is an important channel through which temperature affects exam performance. In a high-stakes environment, exam takers exert more effort, counterbalancing an otherwise important temperature effect in a low-stakes setting.

1 Introduction

Standardized exams are a popular measure of education quality and a widely used resource allocation criterion. That includes government financial transfers to schools, teacher's compensation, college seats, and financial aid. Worldwide, standardized tests are preferable measures to compare test-takers across different contexts and across time. It is also a cheap and effective signal available, especially to high-achieving low-income students in, for example, college applications in the US (Hyman, 2017). Standardized tests, on the other hand, have received increasing push-back due to scores being sensitive to an array of demographics, psychological and context-specific characteristics such as gender, socioemotional skills, pollution, and temperature.[1]

There is increasing academic and public attention towards the effects of temperature on exam performance and its consequence on human capital accumulation. The literature findings on adverse effects of temperature are especially relevant in high spatial temperature variability contexts without universal air conditioning coverage, like in the US, Brazil, India, or China. However, the perceived importance of an exam to individuals' outcomes directly determines students' incentives to exert effort and, therefore, their ability to respond to unexpected external shocks. Whether high- or low-stakes contexts drive the current evidence on the effects of temperature on cognitive performance remains an open question.

This paper provides the first empirical evidence on how exam stakes interact with the effects of temperature on performance. Using individual-level data on millions of exam takers in a national high school exam administered yearly in Brazil, we estimate the effects of transitory temperature shocks on exam scores and how it interacts with the exam stakes. For instance, Park (2020) develops a model on how heat increases the disutility of effort. In a low-stakes environment, a significant portion of the reduction in performance can be

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[1]See Borghans et al. (2016); Ebenstein et al. (2016); Graff Zivin et al. (2018); Reardon et al. (2018).

due to reduced effort. In a high-stakes environment, test takers have incentives to maximize effort. In such cases, the effects of temperature on scores are more likely due to temperature effects on cognitive performance, conditional on effort.

Our empirical strategy can distinguish between effort and cognitive effects by exploring a unique context in which a standardized exam varies its stakes gradually. We use data on a national high school exam largely used for college admissions. Over time, the national exam gained importance as institutions gradually moved to this centralized admissions system. Before this system was available, the exam was also used for college admissions, providing bonus points and less commonly used as a necessary admissions criteria. Universities across the country joined the centralized system at different points in time. When a university adopts this centralized system, this national exam becomes a necessary (or exclusive) admission criteria.

Our identification strategy leverages the fact individuals take different subject exams on two consecutive days to identify the effects of temperature on performance. This allows us to control for time-invariant individual characteristics such as exam preparation and general ability. With this strategy, we identify the causal impact of transitory temperature shocks on exam scores. As exogenous variation in exam stakes, we use temporal and geographical variation in the number of universities adopting the centralized admissions system. Although this is a national policy, we also explore a context-specific fact that college attainment costs (e.g., pecuniary and non-pecuniary) increase with distance to the university. For instance, in Brazil, about 90 percent of students attend college in their home state.

Our findings suggest that effort is an important channel through which temperature affects exam performance. First, our baseline results show a negative average impact of high temperature on exam scores – a one standard deviation increase in temperature decreases exam score by 0.036 s.d. The effects are non-linear, especially when the temperature increases to the high 30s. When we interact temperature with the proportion of universities in a

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locality using the national exam as a mandatory admission criterion, we find that the higher the stakes, the smaller the effects of temperature on exam performance. This suggests that, in a high-stakes environment, exam takers exert more effort, counterbalancing an otherwise large effect of temperature if stakes were lower.

Our paper contributes to the extensive literature on determinants of achievement and, also, to a small but growing literature on weather shocks and performance. Current evidence shows that high temperatures harm exam performance, with cumulative consequences on learning. Studies directly related to ours estimate the short-term, contemporaneous effects of temperature on performance. Park (2020) finds a negative effect of temperature on test performance, with persistent longer-term impact on educational attainment. Using high-stakes college entrance exams, Graff Zivin et al. (2020) exploit temperature shocks on the exam day and find negative effects on college entrance exam scores and the probability of joining first-tier colleges in China. Another branch of this literature estimates the effects of prolonged exposure to heat. In the US context, Park et al. (2020) find a negative impact of a hot year on learning. Based on the total number of hot days in the year before the exam, Garg et al. (2020) find a negative impact of temperature on performance, mediated by an agricultural mechanism.

Our study contributes to the literature in several ways. Our findings on the average effects of temperature during the exam on performance improve over previous work confounded by grade manipulation (Park, 2020) or concentrated on top achieving students accepted at universities (Graff Zivin et al., 2020). In the Brazilian context, our paper directly relates to Li and Patel (2021), who also estimate temperature effects on exam performance in the same context and using the same exam data as ours. Our and their study were developed independently and they differ substantially: While our paper finds a negative, statistically, and economically significant effect, their paper finds negligible and insignificant results.[2]

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[2]A detailed discussion on the differences between our study and theirs is provided in Appendix D.

Most importantly, we are the first to explore variation in stakes in the same nationwide standardized exam, providing first evidence on how effort mitigates the harmful effects of heat. While Park (2020) provides important theoretical predictions, they could not test the proposed mechanisms due to lack of variation in exam stakes. Exploiting a unique context in which exam stakes vary over time across municipalities, we can empirically distinguish between the theoretically suggested cognitive and effort mechanisms. This evidence particularly informs policy using standardized test scores to allocate resources, especially when performance is more likely affected by external factors. For places with higher temperature variability, allocating resources based on individual performance on standardized exams can exacerbate inequality.

This paper proceeds as follows. In section 2, we describe the institutional background in Brazil. Section 3 formulates the conceptual model, and in section 4 we describe the data. We discuss our identification strategy in Section 5 and provide results in Section 6. Section 8 concludes.

2   Context

Admissions to public universities in Brazil rely exclusively on entrance exam scores. Until 2009, universities had their specific admissions process and entrance exams (the *Vestibular*), and students applied directly to the institutions of interest. Institutions often provided bonus points based on performance on the *Exame Nacional do Ensino Mèdio* (ENEM, National High School Evaluation Exam), marginally increasing one's chance of acceptance.

ENEM is a non-mandatory national exam initially created as a high school evaluation but mostly taken by people interested in college.[3] The exam is administered once a year in

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[3]In the socio-economic survey administered to all exam takers, 88% ranked "college application" as the most important reason for taking the ENEM, on a scale of 1 to 5. About 80% also listed "obtaining financial aid for college" as a relevant factor.

several localities across all states. Registration costs 68 *reais* ($\approx$ 18 USD) and a fee waiver is an option to low-income applicants. Anyone can take the exam, from high school seniors to adults of any age pursuing tertiary education or interested in obtaining a certificate equivalent to a high-school diploma. The test works as a self-assessment tool, and students' scores reveal their chances to get into college and specific majors. Applicants can use their scores to apply to public universities and get federal financial aid to access private institutions (scholarships or student credit). From its creation in 1998 until the 2009 reformulation, ENEM was considered less relevant to public university admissions than the universities' exams, the *Vestibulares*.

In 2008, the federal government conducted a comprehensive college admissions reform by reformulating the ENEM and creating a centralized university admission system (SISU, *Sistema de Seleção Unificada*). ENEM was reformulated to be more rigorous, and its content aimed to reflect the national mandatory high school curriculum. It became a two-day exam consisting of four modules, totaling 180 items, plus one essay. Final scores are calculated based on Item Response Theory, which allows score comparisons over time. October of 2009 was the first time the new ENEM was administered. Students could use 2009 ENEM scores to apply for the first SISU edition in January 2010. The process repeats once every year.

As of January of 2010, colleges participating in SISU could offer seats to students taking the ENEM score as the only criteria, assigning their preferred weights to each exam module and essay. All state and federal institutions were allowed to join the system. Although adoption was not mandatory, universities had the incentive to lower their costs by transferring their admissions process to the federal government. Voluntary college adhesion to this centralized system increased over time. Participation increased from 25 colleges in 2010 to 92 in 2017.[4] As a result, the introduction of SISU was a significant push to establish ENEM as

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[4]These statistics exclude the adoption of SISU by federal institutes of education. These institutes provide a mix of secondary and tertiary education and provide different types of degrees. In our analysis, we only account for the adoption of SISU by federal and state universities and colleges.

a high-stakes exam, becoming an important criterion to grant or deny admission to college among participating institutions.[5]

Applicants from all over the country can apply to a university through SISU. However, individuals in Brazil have high mobility costs for college purposes. Only about 10% of college students nationwide attend out-of-state colleges, and about half are from the same municipality the university is located (Machado and Szerman, 2021). Therefore, even though SISU can induce people to apply to universities outside their residence locality, we assume that individuals living close to campus are more affected by the policy than individuals living elsewhere.

3 Theoretical Framework

This section describes a model that captures the effect of temperature and exam stakes on scores. We build on the setup in Park (2020). We modify it to fit our context and add additional proofs for our main hypothesis.

Suppose that exam takers gain utility $U(w, e, a)$, where w is future wages, e is the effort made during the exam, and a is the temperature during the exam. We assume that (i) higher future wages increase utility $\left(\frac{\partial U}{\partial w} > 0\right)$, (ii) exerting effort is costly $\left(\frac{\partial U}{\partial e} < 0\right)$, and (iii) a higher temperature gives discomfort and decreases utility $\left(\frac{\partial U}{\partial a} < 0\right)$. We also assume the diminishing marginal returns to future wages $\left(\frac{\partial^2 U}{\partial w^2} < 0\right)$ and the convex cost of effort to utility $\left(\frac{\partial^2 U}{\partial e^2} < 0\right)$.

We further assume that the disutility from the effort and temperature during the exam and the utility from future wages are separable: $U(w, e, a) = u_1(e, a) + u_2(w)$. This is plausible since future wages are not realized on the exam dates but later in their lives. This assumption implies that the effort level or temperature during the exam do not affect how

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[5]Universities could offer all or partial seats through SISU. In some cases, universities adopted SISU as one admissions criteria, with additional college-specific exams.

an increase in future wages improves utility, reflected in $\frac{\partial^2 U}{\partial w \partial e} = 0$ and $\frac{\partial^2 U}{\partial w \partial a} = 0$. Moreover, we assume a higher effort cost under a hotter environment, $\frac{\partial^2 U}{\partial e \partial a} < 0$, which is consistent with findings in previous studies (reviewed in Lim et al., 2008).

Future wages are determined by exam score y and exam stakes s as $w = w(y, s)$. We assume a positive relationship between exam score and future wages, $\frac{\partial w}{\partial y} > 0$. The exam score is a function of effort and temperature during the exam: $y = y(e, a)$. For its derivatives, we assume that (i) effort increases scores $\left(\frac{\partial y}{\partial e} > 0\right)$, (ii) the effort effect diminishes $\left(\frac{\partial^2 y}{\partial e^2} < 0\right)$.

The key assumption in this model is that, when the exam stakes increase, the marginal effect of exam scores on future wages increases as well: $\frac{\partial^2 w}{\partial s \partial y} > 0$. In college admissions, which directly influences future wages, exams can be more or less important in determining the likelihood of acceptance. This relative importance of an exam to specific individual outcomes defines an exam as low or high stakes. When the exam is low-stakes (e.g., exam scores have a lower impact on college admissions), the indirect effect of exam scores on future wages is relatively small. On the other hand, when the exam is high-stakes (e.g., exam scores have a higher impact on college admission), the indirect effect of exam scores on future wages is relatively high.

Given the above notation, we express the utility maximization problem as

$$\max_{e} \quad U(w(y(e, a), s), e, a).$$

The first order condition is

$$\frac{\partial U}{\partial w}\frac{\partial w}{\partial y}\frac{\partial y}{\partial e^*} + \frac{\partial U}{\partial e^*} = 0,$$

which captures the trade-off between the benefit and cost of increasing effort. While making more effort increases exam scores and future wages, it exhausts the exam taker, decreasing utility. At the optimal effort level, these two counteracting effects are balanced. To guarantee the existence and the uniqueness of the solution in this maximization problem, we assume

that the objective function is globally concave in the effort level: $\frac{\partial U}{\partial w}\frac{\partial^2 w}{\partial y^2}\left(\frac{\partial y}{\partial e}\right)^2 + \frac{\partial U}{\partial w}\frac{\partial w}{\partial y}\frac{\partial^2 y}{\partial e^2} + \frac{\partial^2 U}{\partial e^2} < 0$.

We can derive the effect of temperature on exam scores from $y = y(e, a)$, evaluated at the optimal effort e^*:

$$\frac{dy}{da} = \frac{\partial y}{\partial e^*}\frac{\partial e^*}{\partial a} + \frac{\partial y}{\partial a}.$$

This equation shows two paths from temperature to exam scores: The first path is through a change in effort, and the second path is the direct effect on performance. Note that the sign of $\frac{\partial e^*}{\partial a}$ is undetermined. Under a higher temperature, while effort costs may decrease effort level (due to $\frac{\partial^2 U}{\partial e \partial a} < 0$), exam takers might increase their effort level to compensate for the negative heat effect on performance. We provide proof that the total effect of temperature on exam scores is negative $(\frac{dy}{da} < 0)$.[6] This result provides us with the following testable hypothesis:

Hypothesis 1 *The increase in temperature negatively impacts exam scores.*

We now derive the effect of a change in stakes on the response of exam scores to temperature, evaluated at e^*:

$$\begin{aligned}
\frac{d}{ds}\frac{dy}{da} &= \frac{\partial^2 y}{\partial e^{*2}}\frac{\partial e^*}{\partial s}\frac{\partial e^*}{\partial a} + \frac{\partial y}{\partial e^*}\frac{\partial^2 e^*}{\partial s \partial a} + \frac{\partial y^2}{\partial a \partial e^*}\frac{\partial e^*}{\partial s} \\
&= \left(\frac{\partial^2 y}{\partial e^{*2}}\frac{\partial e^*}{\partial a} + \frac{\partial y^2}{\partial a \partial e^*}\right)\frac{\partial e^*}{\partial s} + \frac{\partial y}{\partial e^*}\frac{\partial^2 e^*}{\partial s \partial a}.
\end{aligned}$$

The increase in s affects $\frac{dy}{da}$ through two channels. The first channel is the change in the level of e^*. The second channel is the change in the temperature effect on the effort level.

The sign of $\frac{d}{ds}\frac{dy}{da}$ is undetermined. Note that, if stakes are sufficiently high, exam takers might sufficiently compensate for the temperature effect. That is, $\frac{d}{ds}\frac{dy}{da} > 0$ if $\frac{\partial^2 e^*}{\partial s \partial a}$ is sufficiently large and positive.

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[6]The proof is provided in Appendix A.

This gives us the following hypothesis:

Hypothesis 2 *The increase in exam stakes mitigates the negative effect of temperature on exam scores.*

We empirically test these two hypotheses and provide estimates of the temperature effects on exam scores and the mitigating effects of increasing exam stakes.

4   Data description

In this section, we provide information on datasets and descriptive statistics. We use three datasets: (i) individual data on the national exam (ENEM); (ii) university-campus-level information on the adoption of the centralized system, SISU; (iii) municipal data on weather.

4.1   ENEM and SISU data

ENEM (*Exame Nacional do Ensino Médio* - National High School Exam) is the primary outcome data. It covers the universe of exam takers in Brazil from 2010 to 2016, averaging 1.5 million people per year.

The Ministry of Education maintains a publicly available database.[7] It contains information on exam takers collected at the time of registration and their subsequent exam scores. The data includes information on IRT-based final scores in the four subjects - natural sciences, social sciences, Portuguese (language), and mathematics. It also contains demographic and socioeconomic information on exam takers, such as age and household income. The data provides information on the municipality where each exam taker took ENEM. We use this geographic information to link the exam outcome data to the weather data described in the following subsection.

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[7]INEP - *Instituto Nacional de Estudos e Pesquisas Educacionais Anísio Teixeira*

We restrict the population of exam takers to students in their last year of high school, who compose about 20% of exam takers. We keep applicants that were present and not eliminated from the exam.[8] We also restrict the population to applicants that are 16 to 20 years old. The resulting data covers about 8 million high-school seniors distributed across roughly 28,000 high schools taking the national exam from 2010 to 2016 in about 1,800 municipalities in Brazil (out of $\approx$ 5,600 municipalities total).[9]

Figure 1: Exam locations - municipality centroid
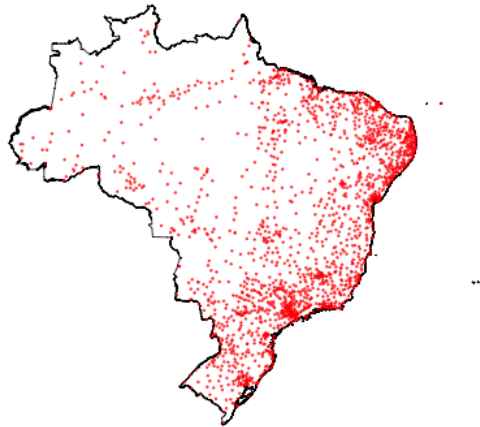
Note: The figure shows the municipalities with exam locations. The dots represent the municipality centroid. The one red dot off the continent refers to Fernando de Noronha, a state-district administered by the state of Pernambuco, Brazil. A municipality can have more than one exam site, but we do not have information on the exact exam location.

Figure 1 shows the distribution of exam location across the country. They spread across the country and are more concentrated in more populated areas. Exams are administered on two consecutive days, Saturday and Sunday. Table 1 summarizes the types of exams by day and the amount of time exam takers have available. Each multiple-choice exam has 45

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[8]For example, students can be eliminated from the exam if they are caught cheating.

[9]The exam is not administered in every municipality, and students living in other places often take the exam in the nearest available municipality.

items. Exams are paper-based, and students can choose whichever exam-question order to follow.

Table 1: Details on the structure of the exam

	Exams	Exam start	Max. duration
Day 1	Social Sciences, Natural Sciences	1pm*	4h30min
Day 2	Portuguese, Mathematics and Essay	1pm*	5h30min

Note: (*) The start time refers to the Brasilia timezone. During the time of the exam, Brazil is under four different time zones. In some areas, students start the exam at 10 am, 11 am, and 12 pm local time. We adjust the temperature at the time of the exam for each municipality to reflect the hours the students are actually taking the exam. All exam takers need to be at the exam location at least one hour before the exam starts, which is strictly enforced. We exclude from the sample exam takers that, for religious reasons, cannot start the exam until 7 pm. These individuals arrived at the exam location at the same time as everyone else, and they wait in a room with no external communication until they can start the exam.

The ENEM is composed of four multiple-choice exams and an essay. We focus on the scores from the four exams - mathematics, natural sciences, social sciences, and Portuguese.[10] The government computes the scores based on Item Response Theory, and thus the exam does not have a universal minimum or maximum. Scores are officially normalized to have a mean of 500 and a standard deviation of 100 for comparison over time. Figure 2 shows the distribution of scores in the four exams.

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[10] We choose not to use essay scores in the main analyses for the following reasons: (i) Since the essay is not a multiple-choice exam, we expect the nature of the exam to be different from other subjects; (ii) Since humans grade the essays, the temperature can affect grading (Park, 2020), which prevents us from isolating the temperature effect on exam takers' performance. Regression results that include essay scores and how they differ from our main analysis will be discussed in a robustness check.

Figure 2: Distribution of exam scores

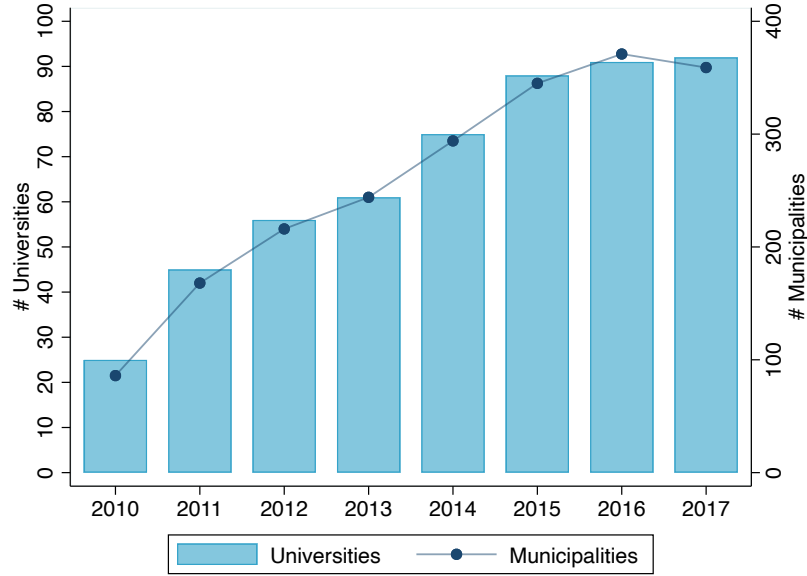(a) Average across exams

(b) By exam subject
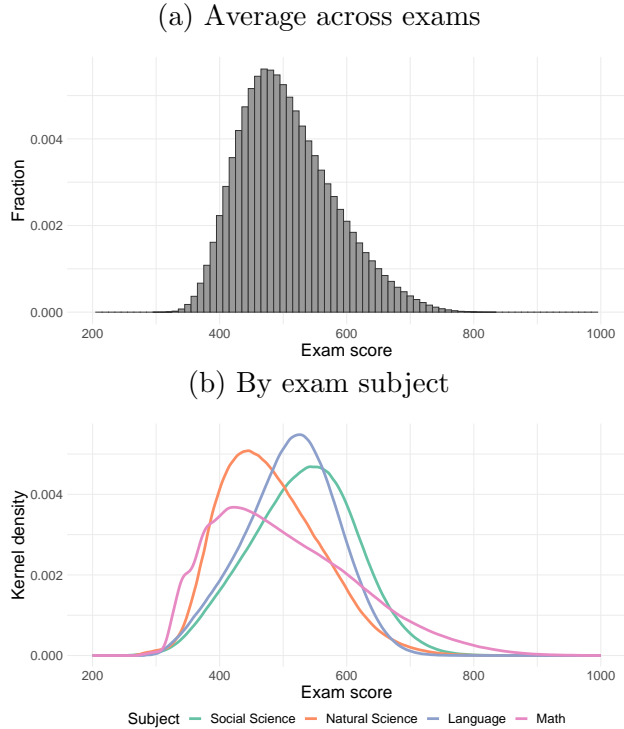
Note: This figure shows the histogram of the score in the ENEM for all subjected pooled (Panel (a)) and kernel density (Panel (b)) for each exam - science, social science, language, and math - for 2010-2016 data. The observation is at the student-exam level.

The ministry of education provides publicly available information on the number of universities adopting SISU. The dataset contains yearly major-college level information on the number of seats offered through the system. We merge this information with the Census of Higher Education, which includes the universe of majors and colleges. Figure 3 shows the number of universities adopting SISU (left-axis) and the number of municipalities with at least one campus (right-axis) adopting SISU. As described in detail later in the paper, we use this information as time and geographic variation in the importance (stakes) of ENEM.

4.2 Weather data

For weather information, we use the Princeton Global Meteorological Forcing Dataset for land surface modeling. Details of the dataset are provided in Sheffield et al. (2006).

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Figure 3: Number of universities and municipalities with a university adopting SISU

The Princeton data provides 3-hourly weather information such as temperature, humidity, and daily rainfall on a 0.25-degree global grid. Exploiting its temporal resolution, we create weather variables covering the exam period. In our main analysis, following previous studies in the literature, we focus on the effects of temperature during exams on exam performance.

We use two different temperature measures. One is dry-bulb temperature, which we call "temperature" henceforth. This is the temperature one would usually refer to in daily life. The other is wet-bulb (WB) temperature. Wet-bulb temperature captures the interaction effect of temperature and humidity. It is calculated based on dry-bulb temperature, air pressure, and specific humidity. This measure has been used to represent heat stress danger and thermal comfort, for instance, in the climate science and biology fields (Budd, 2008; Liljegren et al., 2008). Several recent economic studies, such as Adhvaryu et al. (2020) and Geruso and Spears (2018), have used wet-bulb temperature to analyze the interactions

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between temperature and humidity.[11]

Figure 4 shows the distributions of the two temperature measures. Comparing both graphs, we see that temperatures are on average high (28^oC), while the wet-bulb measurement is, on average, 5^oC cooler.

Figure 4: Temperature histograms (^oC)

(a) Temperature

(b) Wet-bulb (WB) temperature
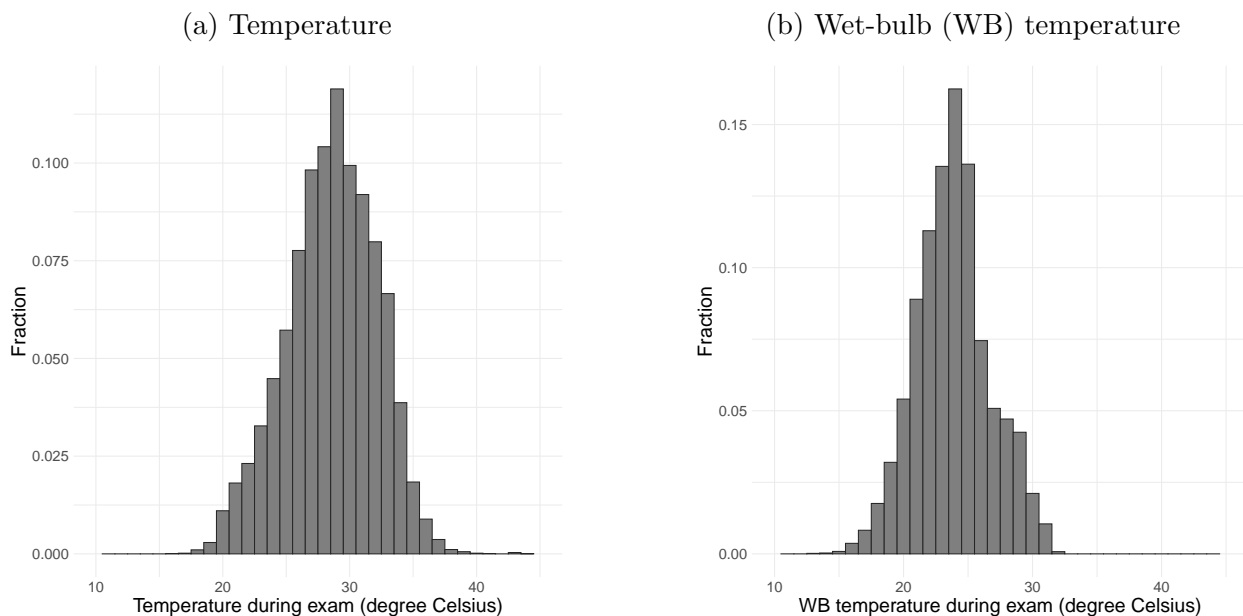
Note: This figure shows the histograms of the average temperature during the exam over the two exam days. The observation is at the exam-day/municipality/year level.

4.3 Summary statistics

Table 2 shows summary statistics for the sub-population of exam takers and set of municipalities used in our analysis. High-school seniors taking the exam are, on average, 17-18 years old, and 77% attend public high schools (either federal, state, or municipal). Note that the number of high school seniors taking ENEM increased over time. One possibility for this increase is the introduction of SISU, which affects the importance of ENEM, inducing

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[11]For more details about the weather data, how to create the weather variables covering the exam period, and how to calculate wet-bulb temperature, refer to Appendix B.

more people to take the exam.[12] We discuss further the possibility of selection bias due to exam take-up induced by SISU.

Table 2: Summary Statistics

|	Mean	SD	Min	Max
Raw exam score	506.47	90.57	252.90	1,008.30
Temperature (degree C)	27.68	3.68	16.15	43.97
Wet-bulb Temperature (degree C)	23.17	2.83	12.83	32.22
Precipitation (mm/day)	0.03	0.05	0	0.46
Female	0.59	0.49	0	1
Age	17.52	0.83	16	20
High-income HH	0.39	0.49	0	1
High school type				
Federal HS	0.02	0.14	0	1
State HS	0.74	0.44	0	1
Municipal HS	0.01	0.10	0	1
Private HS	0.23	0.42	0	1
Gini coefficient	0.54	0.06	0.33	0.80
Share of poor	12.78	12.78	0.19	74.20
Education Development Indicator	0.66	0.08	0.27	0.81
Year				
2010	0.11	0.32	0	1
2011	0.13	0.34	0	1
2012	0.14	0.34	0	1
2013	0.15	0.35	0	1
2014	0.16	0.36	0	1
2015	0.15	0.36	0	1
2016	0.16	0.37	0	1
SISU ratio (weighted, all, km)	0.44	0.22	0.03	0.93

Note: The unit of observation is subject-student. The number of observations is 32,392,992. When we include the variable, type of high schools an exam taker is from, due to a few missing values, the number of observations is 32,392,960. A household is high-income if the household's income (a categorical variable based on multiples of the minimum wage per household) is above the median income category.

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[12]Other reasons are not directly related to this study, such as the introduction of affirmative action and other policies that provided incentives to pursue higher education, along with the potential increases in the returns to schooling, population increase, and so on.

5 Empirical Strategy

We start from the descriptive fact that temperature and scores are negatively correlated (Figure 5). Previous findings on the relationship between temperature and economic development suggest that much of this negative correlation is likely due to other indirect channels through which temperature can affect test scores.[13] Our identification strategy aims to identify the direct effects of temperature during the exam on exam performance.

Figure 5: Unconditional correlation between ENEM mean score and temperature.
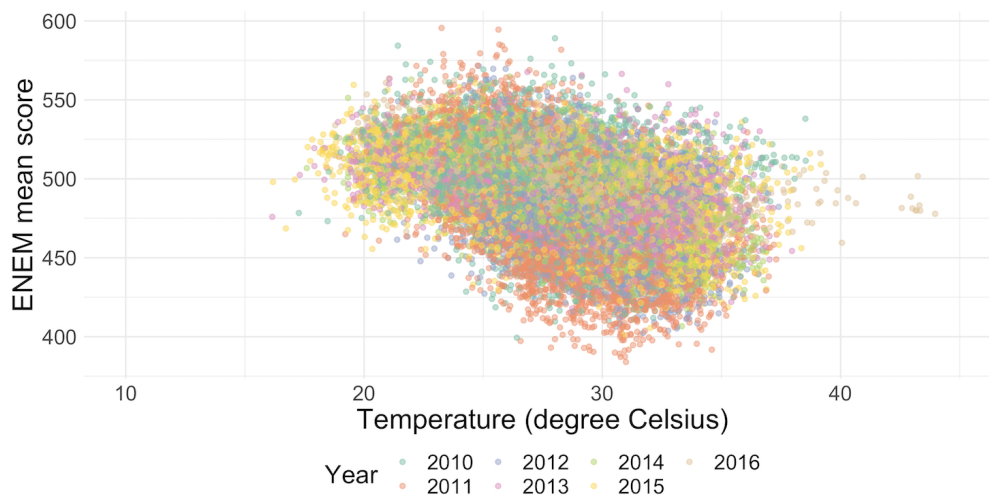
Note: The figure shows the relationship between average temperature (in Celsius) and average mean test scores at the municipality level. Mean scores are calculated as the simple average of the four multiple-choice exams, excluding the essay.

We estimate the impact of temperature on exam performance by exploring variation in local temperature experienced by the same individual across two exam days. Figure 6 illustrates yearly variations in temperature, from 2010 to 2016. The figure shows that temperature varies across municipalities every year (panel (a)) and the two exam days in a given municipality per year (panel (b)). The cross-day variation in temperature is used to identify the effect of temperature on exam scores while controlling for individual-specific factors.

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[13]See Park et al. (2020) for evidence on learning or Dell et al. (2014) for evidence related to institutional capacities.

Figure 6: Distribution of temperatures per year: pooled and difference between day 2 and day 1

(a) Pooled temperature

(b) Difference (Day 2 - Day 1)
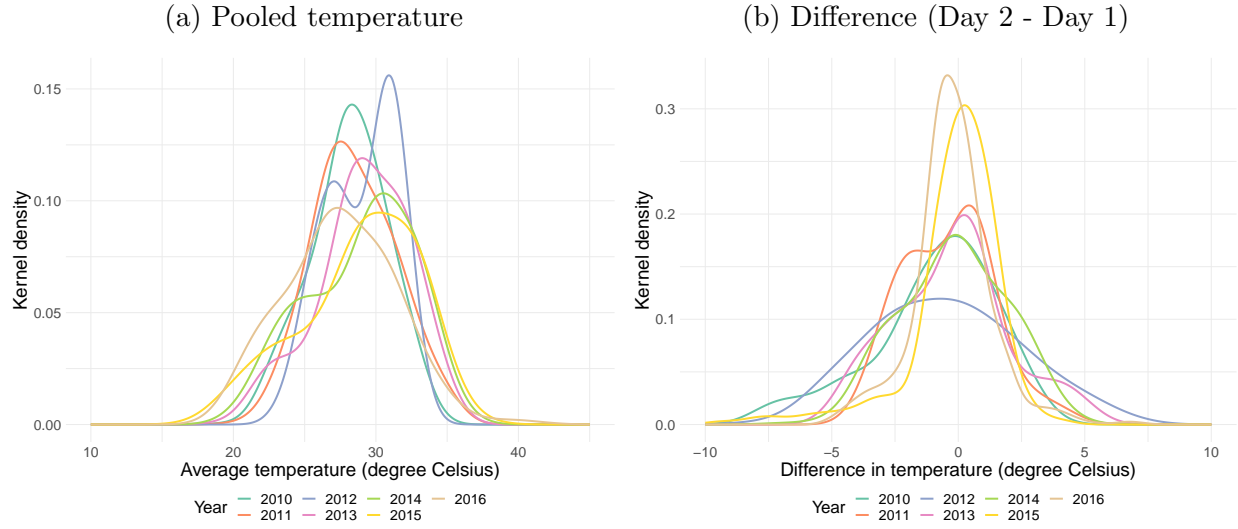
Note: The figure shows the municipality level variation in temperature (a) pooling the two days within a year, (b) the difference from day 1 to day 2 per year, in Celsius.

Another important source of variation relies on temperature differences between two exam days across years within the same municipality. Figure 7 explores the within-municipality variation across years for two different years in our period of analysis, 2013 and 2016.[14] These observed yearly municipality level variations in temperatures across exam days rule out the possibility that the temperature difference across exam days is correlated with municipal characteristics such as long-run climate.

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[14]Maps of the temperature differences across two exam days for all of the years in our data are provided in Figure E.1.

Figure 7: Variation in temperature during exam from day one to day two, for 2013 and 2016

(a) 2013   (b) 2016
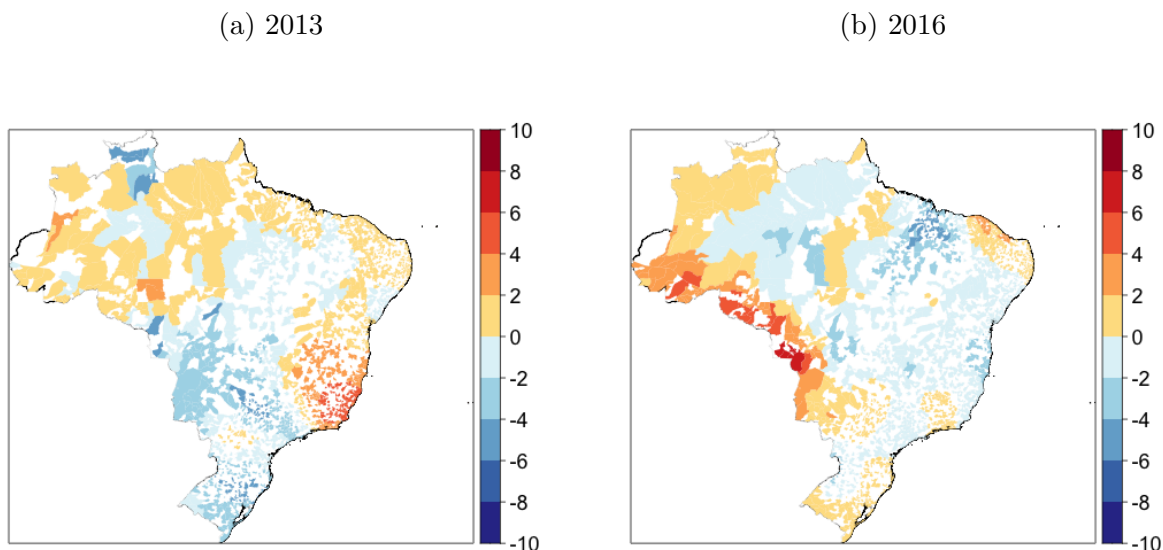
Note: The figure shows municipality-level variation in temperature from day 1 to day 2 (difference = day 2 − day 1) for 2013 and 2016. Cross-day variations for all years are showed in the appendix (E.1). Municipalities that did not have an exam site are displayed on the map in white.

Next, we formally introduce our empirical strategy. First, we describe our strategy to identify the impact of temperature on exam scores. Second, we explain how we identify the effects of temperature interacted with the degree of exam stakes.

5.1   Estimating the effects of temperature on exam scores

Our empirical model exploits the temperature variation described above to assess the effect of temperature on exam scores. Let Y_{imsdt} be the standardized exam score of a student i in a municipality m on a subject s that was taken on a day d in year t. Raw exam scores are standardized to have mean 0 and standard deviation 1 within subject-year. Also, let $f(T_{mdt})$ be a transformation of temperature T_{mdt}. As T_{mdt}, we use the dry-bulb temperature and the wet-bulb temperature during exams. The function f can be parametric (e.g., linear function of T_{mdt}) or non-parametric (e.g., 2^oC bins of temperature). Precipitation on the exam days is included in the regressions (X_{mdt}). This variable is intended to account for

the possibility that rainfall exam takers experience while heading for exam sites affects their discomfort level, affecting their exam performance. Fixed effects included in the regression are student fixed effects (μ_i), subject fixed effects (η_s), and exam date fixed effects (τ_{dt}). The error term is represented as ϵ_{imsdt}.

Our regression equation is:

$$Y_{imsdt} = f(T_{mdt}) + X'_{mdt}\beta + \mu_i + \eta_s + \tau_{dt} + \varepsilon_{imsdt}. \tag{1}$$

The necessary identification condition is that the temperature variables, T_{mdt}, are uncorrelated with the error term, conditional on the included covariates. One potential concern is that long-run average temperature can be correlated with human capital in municipalities. If, for instance, warmer areas tend to have more low-performance students, then the correlation between heat on the exam date and students' exam performance can be spurious. In Equation (1), we exclude this possibility by including individual fixed effects, which controls for both unobserved municipality-level and individual-level confounders. Additionally, subject fixed effects control for persistent common differences in performance across different specific exams. Exam-date controls for average differences in mean performance between the two days and average changes in temperature due to climate cycles/change.

Another concern is that we do not have data on air conditioning usage during the exam, which can bias down our results since air conditioners could mitigate the effects of higher temperatures. Based on institutional knowledge, air conditioning coverage in exam locations is likely to be low and concentrated in more developed areas, on which we provide some evidence below. Nonetheless, in our robustness exercises, we control for the possibility of time-varying factors, which also accounts for a potential increased air conditioning use.

Although we cannot provide conclusive evidence regarding air conditioning, we provide some information regarding classroom conditions in high schools. To the best of our knowl-

edge, high school classrooms are used as most exam sites for ENEM. For high schools, a 2019 national survey administered to school teachers asked them to report classroom conditions related to natural ventilation and temperature.[15] Based on teachers' reports, about 50% of schools have less than adequate ventilation. As for temperature, 67.4% of classrooms have less than adequate temperature. Although the temperature question does not specify air conditioning usage, the high share of classrooms with inadequate ventilation and uncomfortable temperature suggests that most high schools do not use an air conditioning system.

Additionally, we assessed information on AC coverage in households nationwide. For instance, in 2019, 16% of households in Brazil reported having air conditioners. Moreover, virtually no household has central air conditioning: 99.5% report having a window, portable, or a split unit.[16] This supports the idea that the diffusion of air conditioners is limited in Brazil.

5.2 Estimating the effects of temperature on exam scores, interacted with the degree of exam stakes

Our study also investigates a mechanism behind the relationship between temperature and exam scores. For this purpose, we include an interaction term between temperature and the stakes of the ENEM in our main estimation equation and analyze how the temperature effect changes as ENEM stakes vary. Specifically, we run the following regression:

$$Y_{imsdt} = f(T_{mdt}) + \theta\left(f(T_{mdt}) \times H_{mt}\right) + \mu_i + \delta_s + \tau_d + \epsilon_{ismdt}, \tag{2}$$

where H_{mt} is a proxy for the ENEM stakes.

---

[15]Teacher module, SAEB 2019 - Sistema de Avaliação da Educacão Básica (Saeb). Questions relative to ventilation and temperature are based on a scale of 1 (Inadequate) to 4 (Adequate). We interpret answers less than 4 (adequate) as less than adequate.

[16]Source: ELETROBRAS. Relatório de resultados do Procel 2020: ano base 2019. Rio de Janeiro: PROCEL, 2020.

The variable H_{mt} measures the proportion of universities adopting SISU at a municipality, weighted by the geographic distance between municipalities. As previously discussed, SISU is a centralized university admission system. While all state and federal universities were allowed to participate in the system, adoption was not mandatory, and the timing of adoption varies across universities. When a university adopts SISU, ENEM becomes a necessary, and often the sole, criterion for college admissions. Therefore, SISU adoption increases the stakes of ENEM for students applying for college. The centralized admissions system allows people from all over the country to apply to any university offering seats through SISU. The main information a student needs to provide to apply to a college within the system is their ENEM score.

Our identification strategy relies on the high migration costs for college purposes. In Brazil, there are limited options for students interested in attending university outside their hometown. The market for college financial aid does not cover living expenses. Housing provided by universities is rare and often allocated to low-income applicants. Therefore, moving to another state to attend a college is expensive, which might explain the vast majority of college students attending universities in their home state.

Given the high mobility costs, SISU adoption by a university can differently impact applicants living in different places. We expect applicants who reside closer to the adopting university to be more affected by the adoption than a student living further from that university. To capture this variation induced by distance to college, we create a municipality-level variable based on the proportion of universities adopting SISU nationwide, with larger weights to municipalities closer to the municipality where a student takes the ENEM.

We use the following formula to construct H_{mt}, which we call "SISU ratio" henceforth:

$$H_{mt} = \frac{\sum_{n \in \text{all municipalities in Brazil}} w_{nm}(\# \text{ universities adopting SISU})_{nt}}{\sum_{n \in \text{all municipalities in Brazil}} w_{nm}(\# \text{ universities})_{nt}} \tag{3}$$

where w_{nm} are weights defined as $w_{nm} = \frac{1}{1+(\text{Distance between } n \text{ and } m \text{ (km)})}$.[17]

Our empirical strategy exploits the substantial variation in this ratio across years (based on the proportion of universities adopting SISU) and across municipalities (based on the distances across municipalities with and without adopting colleges). Summary statistics for the SISU ratio are shown in Table 2. Figure 8 shows the SISU ratio distributions by year. The figure illustrates the increase in the SISU ratio over time, consistent with more universities adopting SISU in later years (Figure 3).

Figure 8: Distribution of the SISU ratio in each year
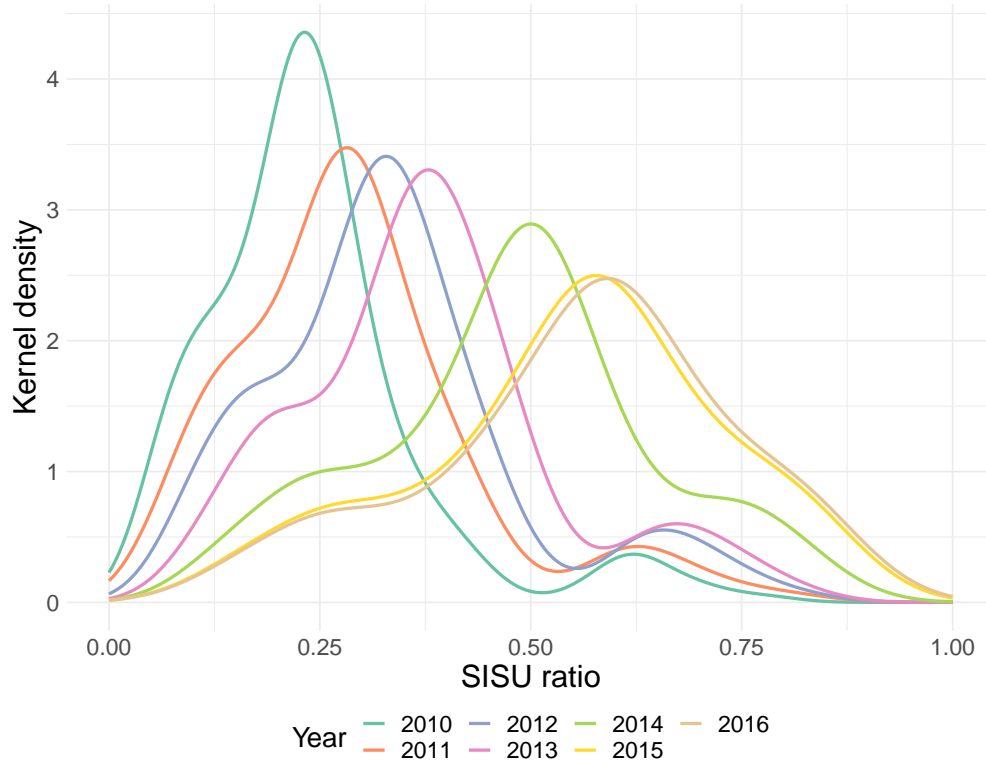
Note: The figure shows the distribution of the SISU ratios by year. The unit of observation is municipality-year. The construction of the variable is described in detail in the main text.

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[17]How to calculate H_{mt} is illustrated in Appendix C with a toy example.

6 Results

6.1 How do temperature shocks affect test scores?

First, we estimate Equation (1) when $f(T_{mdt})$ is linear, reported in Table 3. The estimates show a negative impact of high temperature on exam scores. Column (1) contains results using the dry-bulb temperature as the temperature measurement. The point estimate is negative and statistically significant, indicating that exam scores are lower when students take the exam under higher temperatures. A one standard deviation increase in temperature (3.679^{o}C or 6.622^{o}F) reduces exam scores by 0.036 standard deviations.

Table 3: Regression results: Linear function of temperature, using ENEM Z-score

VARIABLES	(1) Z-score	(2) Z-score	(3) Z-score
Temp. during exam	-0.0097***	-0.0097***	
	(0.0011)	(0.0010)	
WB during exam			-0.0115***
			(0.0012)
Precipitation (m/day) on exam day		0.0066	
		(0.0314)	
Observations	32,392,992	32,392,992	32,392,992
R-squared	0.750	0.750	0.750
Subject FE	Yes	Yes	Yes
Individual FE	Yes	Yes	Yes
Exam date FE	Yes	Yes	Yes
Std. dev. of temperature var.	3.679	3.679	2.834

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Note: This table presents estimates for the linear effects of temperature on exam scores. The unit of observation is subject-student-year. The dependent variable is the Z-scores of exams in each subject-year. WB stands for wet-bulb temperature. Standard errors are clustered at the municipality level.

In column (2), we include precipitation on the exam day as an additional variable in the regression. This does not change the point estimate for dry-bulb temperature, indicating

that rainfall has only a negligible impact on exam scores.

In column (3), instead of dry-bulb temperature, we use wet-bulb temperature, which considers the interaction between temperature and humidity. The result is qualitatively and quantitatively similar to the ones using the dry-bulb temperature. Estimates are negative and statistically significant. We find that a one standard deviation increase in wet-bulb temperature (2.834^oC or 5.098^oF) reduces exam scores by 0.032 standard deviations. Whereas we proceed with our discussions based on the results with dry-bulb temperature, the overall implications are similar if the estimates based on wet-bulb temperature are used.

Figure 9 shows regression results for the non-parametric case, in which flexible temperature effects are allowed using binned temperature. Consistent with the results based on the linear specification, the figure illustrates the negative impact of high temperature on exam scores. Our results are consistent with patterns found by Graff Zivin et al. (2020) using a similar non-parametric specification.[18] The estimates also suggest a non-linear effect of temperature on scores. Relative to the reference bin (28-30 ^oC), standardized exam scores increase by 0.05 in the 24-26 ^oC bin. Meanwhile, they decrease only by 0.02 in the 32-34 ^oC bin.

---

[18]Note that Graff Zivin et al. (2020) relies on county variation from the average to identify their effects of interest. In contrast, our paper relies on within-individual variation across two exam days.

Figure 9: Regression results: temperature and exam Z-scores
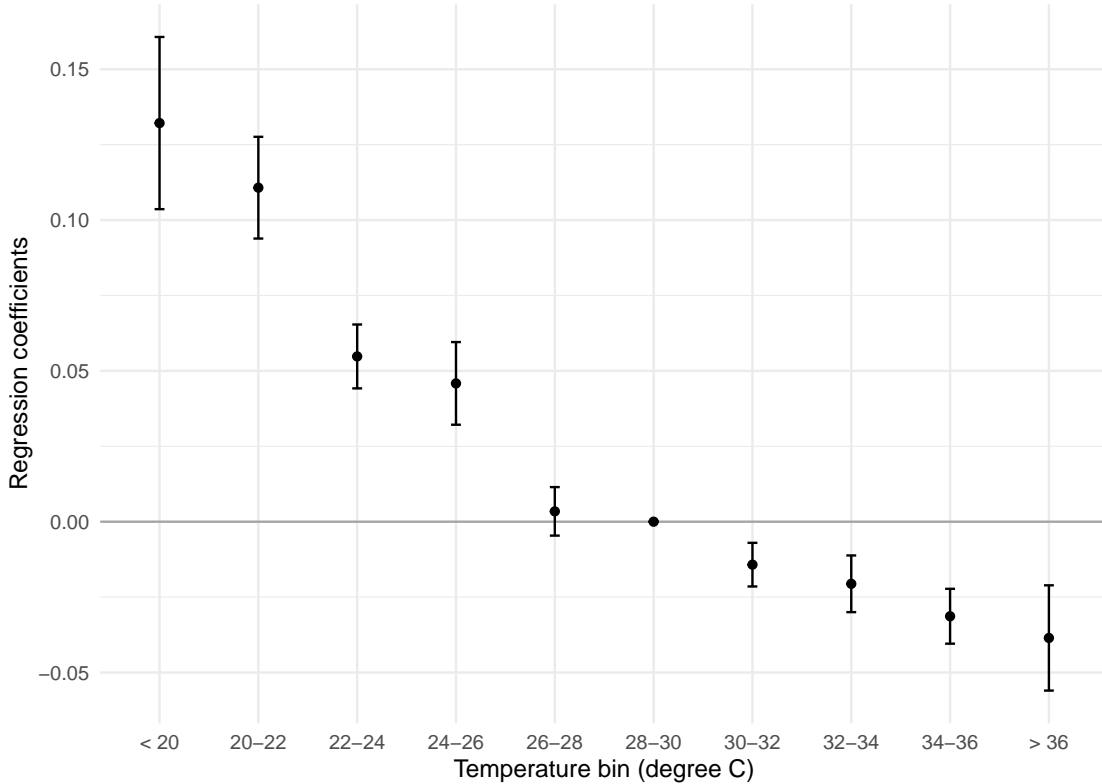
Note: The figure shows estimates of the effects of temperature on Z-scores using a flexible temperature functional form. The unit of observation is subject-student-year. The dependent variable is the Z-scores of exams in each subject-year. Error bars indicate 95% confidence intervals. Precipitation on the exam days, exam-date fixed effects, subject fixed effects, and individual fixed effects are included in the regression. Standard errors are clustered at the municipality level.

The negative and economically important effects of temperature on exam scores are consistent with previous findings in the literature, both qualitatively and quantitatively. For example, Park (2020) finds a decrease in 0.13 standard deviations in scores if a student takes an exam under a temperature above 90 °F (or above 32 °C) compared to a temperature below 70 °F (or below 21 °C). In our study, the increase in temperature from the 20-22 °C bin to the 30-32 °C bin decreases the exam score by 0.13 standard deviations. They also find that the magnitude of the negative impact of high temperature becomes stable above 80 °F (or above 27 °C). Potential mechanisms they suggest include (i) extremely hot temperatures are rare in their study, which can undermine the power of a statistical test, and (ii) exam scores

may be adjusted by graders' compensatory responses. Neither of them explains our non-linear results for the following reasons: First, in our setting, many municipalities experience high temperatures. Second, our outcome variables are based on scores from multiple-choice questions, ruling out compensatory behaviors by graders.

Studying the same context of ours and using the same exam data, Li and Patel (2021) find economically and statistically insignificant null impacts of temperature on exam scores. The distinct average effects of temperature on performance are explained mainly by, first, different temperature data and frequency. Our paper uses temperature during the exam, whereas their use daily average temperature. Second, their paper selects exam takers 14 to 22 years old, including high-school seniors and individuals who decided to take (or retake) the exam one or more years after graduating from high school. Instead, we restrict our analysis to high school seniors in our empirical analyses. Since ENEM is used for college admissions, high-school seniors are most likely taking the exam for the first time. Third, they use all exam scores, mixing scores on both multiple-choice and essay types of exams. A more detailed discussion on the differences between our study and theirs is provided in Appendix D.

6.2 How does the temperature effect interact with the exam stakes?

In the previous subsection, we reported findings on the negative impact of high temperature on exam scores. We now use regression equation (2) to analyze how the exam stakes interact with the temperature effect. The coefficient estimates indicate how the temperature effect on exam scores changes as the exam stakes increase. The regression results with linear temperature effects are shown in Table 4, column (1). Columns (2)-(4) refer to our robustness check, which we will discuss in detail in the next section.

Table 4: Regression results: Interaction effects of temperature and ENEM stakes on exam Z-score

| VARIABLES	(1) Z-score	(2) Z-score	(3) Z-score	(4) Z-score	(5) Z-score
Temp. × SISU ratio	0.0254***	0.0246***	0.0252***	0.0186***	0.0180***
	(0.0047)	(0.0048)	(0.0051)	(0.0048)	(0.0048)
Observations	32,392,992	32,392,960	32,392,992	32,392,992	32,392,960
R-squared	0.750	0.750	0.750	0.750	0.750
Subject FE	Yes	Yes	Yes	Yes	Yes
Individual FE	Yes	Yes	Yes	Yes	Yes
Exam date FE	Yes	Yes	Yes	Yes	Yes
Ind. Var. Interactions	No	Yes	No	No	Yes
Mun. Var. Interactions	No	No	Yes	No	Yes
Year Interactions	No	No	No	Yes	Yes
Std. dev. of ratio	0.220	0.220	0.220	0.220	0.220
Average temperature effect	-0.0097	-0.0097	-0.0097	-0.0097	-0.0097

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Notes: Average temperature effect is the estimated coefficient $\widehat{\alpha}$ from a regression equation, $Y_{imsdt} = \alpha T_{mdt} + X'_{mdt}\beta + \mu_i + \eta_s + \tau_{dt} + \varepsilon_{imsdt}$. Precipitation on exam days is controlled for in all regressions. Standard errors are clustered at the municipality level.

Estimates indicate both economically and statistically significant impacts of ENEM stakes on temperature effects. For instance, when the SISU ratio increases from zero to one, the temperature effects change by 0.0254. Alternatively, increasing the SISU ratio by a one standard deviation (0.220), the temperature effect on Z-scores decreases in magnitude by 0.0056.

The attenuating effects of SISU are more evident when we allow for a flexible effect of temperature on scores, given the non-linear relationship found in the previous section. Figure 10 shows the regression results using binned temperature, illustrating how temperature effects differ depending on the SISU ratio. As the ratio increases (more universities adopt SISU), the temperature effects across bins become smaller in magnitude.

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Figure 10: Regression coefficients of temperature × SISU adoption ratio
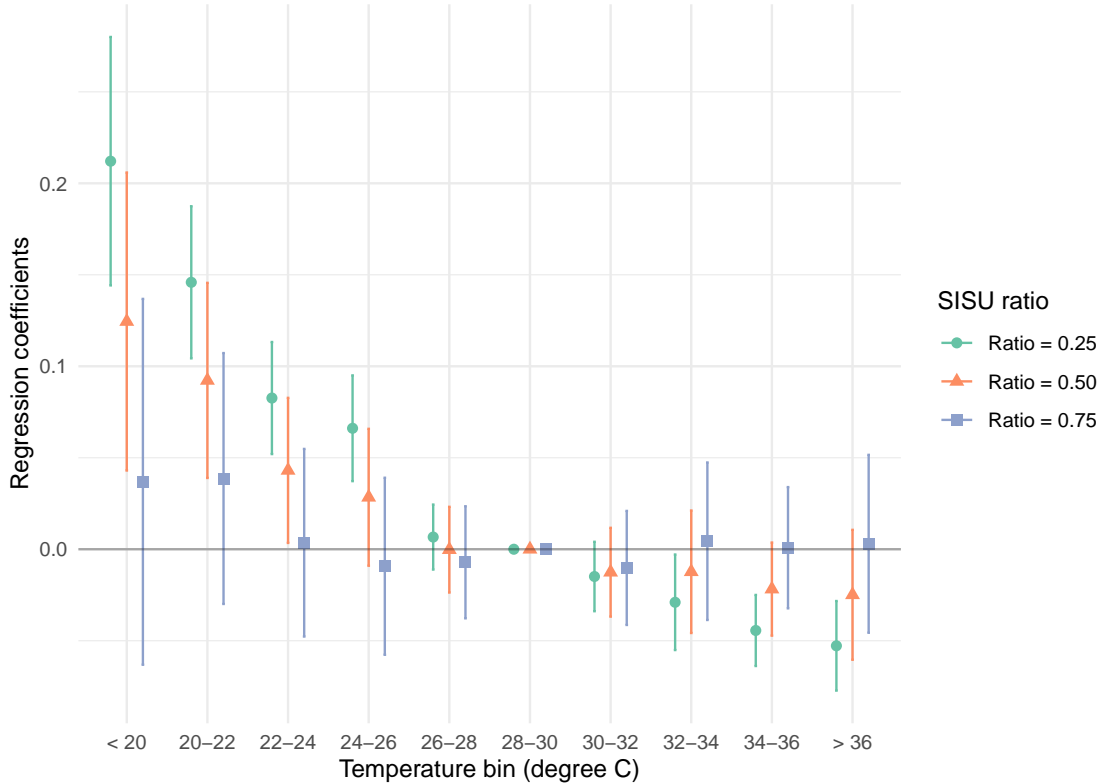
Notes: Effects are calculated based on point estimates from regressions of Z-scores on temperature and its interaction with SISU adoption ratio. Error bars indicate 95% confidence intervals. Municipalities whose distance from the municipality where a student took ENEM is less than 60km are used, and the inverse of the distance between municipalities is used as weights. Precipitation is controlled for in all regressions. Standard errors are clustered at the municipality level.

Based on the theoretical model, these results suggest that the increase in ENEM stakes induces students to exert more effort, attenuating the adverse effects of high temperature on performance. To put this result in perspective with the main ones, the changes due to SISU adoption correspond, on average, to a 57% reduction in the effect of temperature on exam scores. In the lowest bin, the temperature effect decreases by 82.6% if the SISU ratio increases from 0.25 to 0.75.

Our results shed light on a mechanism behind the effect of temperature on cognitive performance: temperature affects the level of effort, which changes the outputs of cognitive tasks. Exploiting the staggered adoption of SISU, we provide the first empirical evidence

that the increase in exam stakes mitigates the temperature effect.

7   Robustness checks

One potential concern is that the SISU ratio for each municipality may be capturing other factors that can affect the relationship between temperature and exam scores. We consider three possibilities: (i) selection bias; (ii) endogenous SISU adoption; (iii) time-varying factors.

First, SISU adoption can change the composition of exam takers. As described before, SISU adoption increases the stakes of ENEM as ENEM becomes a necessary condition for college admissions. In turn, this change in stakes can induce more students to register and take the exam. For example, if students induced to take ENEM are less affected by temperature, the observed results could be partially attributed to this compositional effect. To deal with the possibility that temperature effects might differ based on students' characteristics, we add to the regression equation interaction terms of temperature and individual-level variables. We include an indicator of high-income households (above median income) and the type of high school (federal, state, municipal, and private).

Second, SISU adoption by universities can be endogenous. SISU may be adopted in regions with better education systems and with high-quality educational infrastructure. Exam takers in these regions can be less affected by temperature. If this is the case, then the positive coefficients of the interaction between temperature and SISU adoption ratio could be caused by the municipality-level factors correlated with SISU adoption. To investigate this concern, we include interaction terms of temperature and municipality-level variables. The municipality-level variables include Gini coefficients, poverty rate, and education index.

Finally, there may be omitted time-varying factors. Over time, more universities may adopt SISU at the same time that exam sites may install air conditioners, which can also

reduce the temperature effect on exam scores. To account for this possibility and other time-varying factors, we include interactions between temperature and year dummies.

Equation (4) is the regression equation including all interaction terms described above. We show results for each added separately as well as together. Each time, our coefficient of interest is θ, the coefficient capturing how SISU adoption affects individual responses to temperature. Estimation results are shown in Table 4, columns (2) to (5).[19]

$$
\begin{aligned}
Y_{imsdt} \\
&= f(T_{mdt}) + \theta\left(f(T_{mdt}) \times H_{mt}\right) \\
&\quad + \gamma_1\left(f(T_{mdt}) \times X_{imt}\right) + \gamma_2\left(f(T_{mdt}) \times Z_{mt}\right) + \gamma_3\left(f(T_{mdt}) \times \sum_{t=2010}^{t=2016} Year_t\right) \quad (4) \\
&\quad + \mu_i + \delta_s + \tau_d + \epsilon_{ismdt},
\end{aligned}
$$

Table 4 shows that the interaction terms have limited effects on the estimated coefficient of the main interaction term between temperature and the SISU adoption ratio. First, including interactions between temperature and individual-level variables (column (2)) and municipality-level variables (column (3)) barely changes the estimates of interest.

Including the interactions with year-dummies makes the coefficient of interest smaller (column (4)). These smaller estimates could be due to an increase in air conditioner installation or other time-varying factors correlated with SISU adoption. We cannot address these potential confounders. Still, the mitigating effect of the SISU ratio remains statistically and economically significant. An increase in the SISU ratio by a one standard deviation reduces the temperature effect by 42%. The fact that the SISU still mitigates the temperature effect significantly even after including the interactions with year-dummies suggests that the

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[19]This table only shows the estimate of the coefficient on the interaction between temperature and the SISU ratio. Table F.1 provides estimates of all interaction terms used in the regressions.

results in Table 4 capture effects of non-SISU factors to some extent but not entirely.

Another robustness check we conduct investigates if our results are driven by how we construct the SISU ratio. For this, we attempt two changes. First, we change the municipalities used to calculate the SISU ratio. In our main estimates, all municipalities in Brazil are included in the calculations of the SISU ratio. That assumes that all exam takers demanding higher education, that is, taking the ENEM, can be potentially affected by any university adopting SISU. However, it is possible that only universities in neighboring municipalities may affect exam takers.

Alternatively, we use the proportion of universities adopting SISU in neighboring municipalities to calculate the ratio. The set $\mathcal{M}_m$ represents the set of municipalities included in this calculation, for which we use two definitions: (i) municipalities within 60km from a municipality m, and (ii) in the same microregion (defined mainly by a commuting zone) as m. We provide estimates with and without distance weighting to calculate the ratio. We also change the unit of distance to calculate the weights from kilometers to meters and also to miles. Specifically, we use the following formula:

$$
H_{mt} = \begin{cases} 0 & \text{if there is no university in any municipalities in } \mathcal{M}_m \\ \frac{\sum_{n \in \mathcal{M}_m} w_{nm}(\text{\# universities adopting SISU})}{\sum_{n \in \mathcal{M}_m} w_{nm}(\text{\# universities})} & \text{otherwise.} \end{cases}
$$

We expect the different measures to change the estimates' magnitudes since a fraction of exam takers that were previously considered treated to some extent are now treated by a SISU ratio equal to zero. Our robustness check relies on the qualitative interpretation of the coefficients of interest. Results in Tables F.2 and F.3 show qualitatively similar results that SISU mitigates the effects of temperature, which supports the robustness of our empirical results.

8   Conclusion

This paper evaluates an important channel through which temperature affects exam scores: effort. Our theoretical framework suggests that temperature can affect performance through the cognitive and effort channels. We derive two hypotheses. One is that temperature negatively affects exam scores. The other is that these adverse effects are lower as the exam stakes increase, mitigated by compensatory changes in effort. Our identification strategy exploits within-individual variation in temperature across two consecutive exam days. Using data on millions of exam takers in a national standardized exam in Brazil, we estimate the differential effects of temperature by exam stakes. A unique feature of the Brazilian context provides variation in stakes, where a national exam's stakes increased from relatively low to high.

Our paper provides the first evidence on how exam stakes mitigate the effects of temperature on exam scores. First, we show that that temperature negatively impacts exam scores. Our baseline effects are comparable to other studies in China and the US. When exploiting the variation in exam stakes, we find that the higher the stakes, the lower the effects of temperature, suggesting that effort mitigates the effects of temperature on performance.

The understanding that low-stakes exams are affected by motivation and effort during the exam is largely discussed in the literature (see Finn (2015) for a review). Our paper shows that the harmful effects of temperature on performance are less of a concern if stakes are sufficiently high, such as when admissions to selective universities are exclusively based on one exam's outcome. On the other hand, students have lower incentives to compensate for the negative effects of temperature when exams are not directly linked to their outcomes. These findings are particularly relevant since test scores are widely used to allocate financial resources to schools, college seats, teacher's bonuses, and rank countries. Negative effects of temperature can result in inaccurate rankings and translate into unequal redistribution of

resources or biased cross-country evaluations. The extent to which these effects might generate bias depends on how it relates to demographic and socioeconomic status, an important topic for future research.

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A   Proof of $\frac{dy}{da} < 0$

Remember that the first order condition (FOC) is

$$\frac{\partial U}{\partial w} \frac{\partial w}{\partial y} \frac{\partial y}{\partial e^*} + \frac{\partial U}{\partial e^*} = 0.$$

Using the implicit function theorem on the FOC, we get

$$\frac{\partial e^*}{\partial a} = -\frac{\frac{\partial y}{\partial a} \frac{\partial y}{\partial e^*} (\frac{\partial w}{\partial y})^2 \frac{\partial^2 U}{\partial w^2} + \frac{\partial w}{\partial y} \frac{\partial^2 y}{\partial e^* \partial a} \frac{\partial U}{\partial w} + \frac{\partial y}{\partial a} \frac{\partial y}{\partial e^*} \frac{\partial^2 w}{\partial y^2} \frac{\partial U}{\partial w} + \frac{\partial^2 U}{\partial e^* \partial a}}{(\frac{\partial y}{\partial e^*})^2 \left((\frac{\partial w}{\partial y})^2 \frac{\partial^2 U}{\partial w^2} + \frac{\partial^2 w}{\partial y^2} \frac{\partial U}{\partial w} \right) + \frac{\partial^2 y}{\partial e^{*2}} \frac{\partial w}{\partial y} \frac{\partial U}{\partial w} + \frac{\partial^2 U}{\partial e^{*2}}}.$$

Substituting this into $\frac{dy}{da} = \frac{\partial y}{\partial e^*} \frac{\partial e^*}{\partial a} + \frac{\partial y}{\partial a}$, we obtain

$$\frac{dy}{da} = -\frac{\partial y}{\partial e^*} \frac{\frac{\partial y}{\partial a} \frac{\partial y}{\partial e^*} (\frac{\partial w}{\partial y})^2 \frac{\partial^2 U}{\partial w^2} + \frac{\partial w}{\partial y} \frac{\partial^2 y}{\partial e^* \partial a} \frac{\partial U}{\partial w} + \frac{\partial y}{\partial a} \frac{\partial y}{\partial e^*} \frac{\partial^2 w}{\partial y^2} \frac{\partial U}{\partial w} + \frac{\partial^2 U}{\partial e^* \partial a}}{(\frac{\partial y}{\partial e^*})^2 \left((\frac{\partial w}{\partial y})^2 \frac{\partial^2 U}{\partial w^2} + \frac{\partial^2 w}{\partial y^2} \frac{\partial U}{\partial w} \right) + \frac{\partial^2 y}{\partial e^{*2}} \frac{\partial w}{\partial y} \frac{\partial U}{\partial w} + \frac{\partial^2 U}{\partial e^{*2}}} + \frac{\partial y}{\partial a}$$

$$= \frac{-\frac{\partial y}{\partial e^*} \left(\frac{\partial w}{\partial y} \frac{\partial^2 y}{\partial e^* \partial a} \frac{\partial U}{\partial w} + \frac{\partial^2 U}{\partial e^* \partial a} \right) + \frac{\partial y}{\partial a} \left(\frac{\partial^2 y}{\partial e^{*2}} \frac{\partial w}{\partial y} \frac{\partial U}{\partial w} + \frac{\partial^2 U}{\partial e^{*2}} \right)}{(\frac{\partial y}{\partial e^*})^2 \left((\frac{\partial w}{\partial y})^2 \frac{\partial^2 U}{\partial w^2} + \frac{\partial^2 w}{\partial y^2} \frac{\partial U}{\partial w} \right) + \frac{\partial^2 y}{\partial e^{*2}} \frac{\partial w}{\partial y} \frac{\partial U}{\partial w} + \frac{\partial^2 U}{\partial e^{*2}}}$$

$$= \frac{-\frac{\partial y}{\partial e^*} \left(\frac{\partial w}{\partial y} \frac{\partial^2 y}{\partial e^* \partial a} \frac{\partial U}{\partial w} + \frac{\partial^2 U}{\partial e^* \partial a} \right) + \frac{\partial y}{\partial a} \left(\frac{\partial^2 y}{\partial e^{*2}} \frac{\partial w}{\partial y} \frac{\partial U}{\partial w} + \frac{\partial^2 U}{\partial e^{*2}} \right)}{(\frac{\partial y}{\partial e^*})^2 (\frac{\partial w}{\partial y})^2 \frac{\partial^2 U}{\partial w^2} + \left((\frac{\partial y}{\partial e^*})^2 \frac{\partial^2 w}{\partial y^2} \frac{\partial U}{\partial w} + \frac{\partial^2 y}{\partial e^{*2}} \frac{\partial w}{\partial y} \frac{\partial U}{\partial w} + \frac{\partial^2 U}{\partial e^{*2}} \right)} < 0.$$

For the last inequality, we use the assumption that the utility function is globally concave in the effort level: $\frac{\partial U}{\partial w} \frac{\partial^2 w}{\partial y^2} \left(\frac{\partial y}{\partial e^*} \right)^2 + \frac{\partial U}{\partial w} \frac{\partial w}{\partial y} \frac{\partial^2 y}{\partial e^{*2}} + \frac{\partial^2 U}{\partial e^{*2}} < 0.$

B   Construction of weather-related variables

We use the Princeton Meteorological Forcing Dataset to obtain weather information. This reanalysis dataset combines the climate model information and observational data from various sources, such as weather stations and satellite images. This allows us to use weather information in remote places where observational data tends to be scarce. The Princeton Me-

teorological Forcing Dataset is a 3-hourly dataset: weather information each day is recorded at 0 am, 3 am, ..., 9 pm at Greenwich time zone. Also, the weather information is recorded on a 0.25-degree global grid. For details on the dataset, see Sheffield et al. (2006).

We use dry-bulb temperature, specific humidity, air pressure, and rainfall information in the dataset. To obtain each of these variables at each municipality where an exam is held, we use measures at four grid points surrounding municipality centroids and take their weighted average, with the inverse distance between the centroids and each of the four grid points as a weight. For weather variables other than precipitation during exams, we calculate the average of temperature measures from the latest time before the start-time of exams and the earliest time after the end-time of exams. For example, in Brasilia in 2016, the exam on the first day started at 1:30 pm and ended at 5:30 pm at the local time. In this case, we take the average of the temperatures at 12 pm, 3 pm, and 6 pm at the local time and use it as a temperature measurement on a particular day. For precipitation, we use the precipitation on the "exam day" in the weather dataset. This measure is the precipitation from 9 pm on the previous day to 9 pm on the exam day, as is provided by the dataset.

In the analyses, we use two different measures for temperature: dry-bulb temperature and wet-bulb temperature. Dry-bulb temperature is directly obtained from the Princeton Meteorological Forcing Dataset, and the wet-bulb temperature is calculated based on dry-bulb temperature, specific humidity, and air pressure, using the following formula (Geruso and Spears, 2018):

$$T_{wb} = T_{db} * \left[atan(0.151977 * (R + 8.313658)^{1/2}\right] + atan(T_{db} + R)$$

$$- atan(R - 1.676331) + 0.00391838 R^{3/2} * atan(0.023101 R) - 4.686035$$

$$R = 0.263 * p * s * \left[\exp \left(\frac{17.67 T_{db}}{T_{db} + 243.5} \right) \right]^{-1},$$

where T_{wb} is wet bulb temperature (°C), T_{db} is dry-bulb temperature (°C), R is relative humidity (%), p is air pressure (Pa), and s is specific humidity.

C Illustration of how to construct the exam stakes variable

Remember that the SISU ratio is calculated based on the following formula:

$$H_{mt} = \frac{\sum_{n \in \text{all municipalities in Brazil}} w_{nm}(\# \text{ universities adopting SISU})_{nt}}{\sum_{n \in \text{all municipalities in Brazil}} w_{nm}(\# \text{ universities})_{nt}}$$

where w_{nm} are weights defined as $w_{nm} = \frac{1}{1+(\text{Distance between } n \text{ and } m \text{ (km)})}$. Here we provide a toy example to illustrate the calculation of this variable.

Suppose that there are three municipalities (A, B, and C) and four universities, one in A and C and two in B (Figure C.1). We consider a situation where one university in B adopts SISU (panel (a)). In this case, the SISU ratio for the municipality A, H_{At}, is calculated as

$$\begin{aligned} H_{At} &= \frac{w_{AA} \cdot 0 + w_{AB} \cdot 1 + w_{AC} \cdot 0}{w_{AA} \cdot 1 + w_{AB} \cdot 2 + w_{AC} \cdot 1} \\ &= \frac{\frac{1}{1+0} \cdot 0 + \frac{1}{1+2} \cdot 1 + \frac{1}{1+10} \cdot 0}{\frac{1}{1+0} \cdot 1 + \frac{1}{1+2} \cdot 2 + \frac{1}{1+10} \cdot 1} \\ &\approx 0.19. \end{aligned}$$

Now suppose that the university in the municipality A adopts SISU as well (panel B). We expect that this increases the stakes of ENEM for students in A since ENEM becomes more important for admission for the university in A. Therefore, we expect that H_{At} increases

due to the SISU adoption. If we calculate H_{At} in this new situation, we obtain

$$H_{At} = \frac{\frac{1}{1+0} \cdot 1 + \frac{1}{1+2} \cdot 1 + \frac{1}{1+10} \cdot 0}{\frac{1}{1+0} \cdot 1 + \frac{1}{1+2} \cdot 2 + \frac{1}{1+10} \cdot 1}$$

$$\approx 0.76.$$

This is higher than the SISU ratio in the previous situation, which is consistent with our expectation.

Figure C.1: Illustration of ENEM stakes variable H_{mt}

(a) $H_{mt} \approx 0.19$ (b) $H_{mt} \approx 0.76$
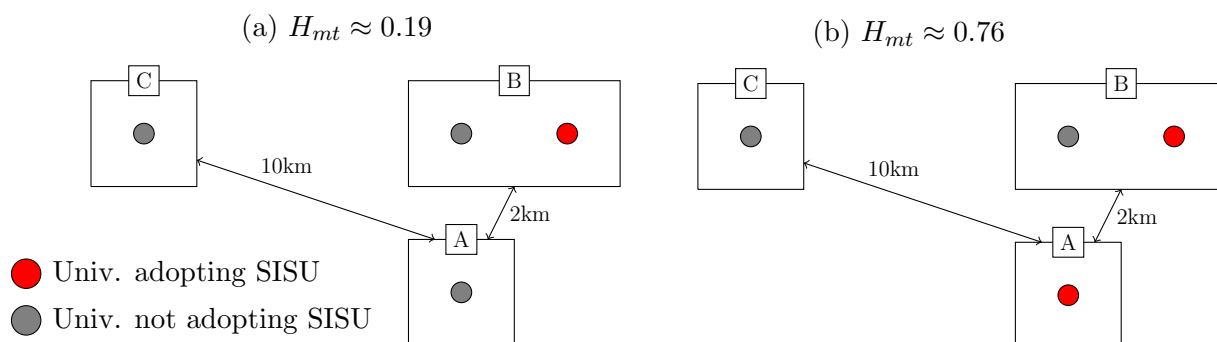
D   Robustness check based on differences to Li and Patel (2021)

Our paper was developed in parallel and without knowledge of the work by Li and Patel (2021). In their paper, they also estimate the effects of temperature on ENEM. Our paper performs a similar exercise, but we also estimate the differential effects of temperature by varying degrees of exam stakes. For the average temperature effects, using the same data and the econometric specification as ours, they find positive and statistically significant but economically negligible impacts of temperature on exam scores. This section compares our results to theirs and performs additional robustness checks by adopting some of their design decisions.

First, we demonstrate where the main differences in estimates come from. We estimate the effects of temperature on exam scores using data from 2012 to 2016 (Table D.1). Second, as a robustness check, we will use our preferred time frame, 2010 to 2016, and discuss how different sampling restrictions affect our results (Table D.2).

In table D.1, columns (1) to (4), we use high school seniors in the analyses, and we vary the temperature measurement. In columns (5) to (8), we restrict the population by ages 14 to 22. In columns (1) and (2), we use temperature during the exam. Estimates in columns (1) are the closest to our paper's main specification, only varying the time frame. Estimates are slightly smaller than our original results, showing the results are not driven by the first couple of years of SISU adoption. As discussed above, by 2012, 60 universities had already adopted SISU, increasing the average perceived ENEM stakes relative to 2010 when only 25 universities had adopted SISU. But there is still a negative effect of temperature on exam scores, both economically and statistically significant. In column (2), we include essay scores, and the estimate drops to almost a third compared to column (1). Columns (3) and (4) uses the daily average temperature. Both columns show that using average daily temperature substantially reduces the estimates. Using both the essay score and average daily temperature (column 4), we see statistically and economically insignificant effects.

From columns (5) to (8), using exam takers between ages 14 and 22, the estimates are considerably smaller compared to columns (1) to (4), when we used high school seniors. One possibility is that the stakes are higher for older students taking the exam for the second or more time, lowering the average temperature effects. Column (8) replicates all specifications used by Li and Patel (2021) and shows a negligible and statistically insignificant temperature effect.[20]

Now, in table D.2, using the same time frame as in our main specification, we see

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[20]We cannot precisely replicate the regression results in Li and Patel (2021). We believe the main reason is that we use weather information from a reanalysis dataset, which integrates data from various sources, such as weather stations and satellite observations. Instead, they use data collected from weather stations.

that adopting the same sampling criteria as in Li and Patel (2021) substantially reduces our estimates. Including an essay seems to be the most important factor in reducing the estimates, comparing columns (1) and (2). Using average daily temperature is the second most important factor (comparing columns (1) and (3)), followed by including high-school graduates, comparing columns (1) and (5). In column (8), the combination of all results in an estimative that is negligible and statistically insignificant. For reasons explained above, we consider our main estimates the preferred ones.

Table D.1: Regression results: Comparison with results in Li and Patel (2021) (data between 2012 and 2016)

VARIABLES	(1) Z-score	(2) Z-score	(3) Z-score	(4) Z-score	(5) Z-score	(6) Z-score	(7) Z-score	(8) Z-score
Temp. during exam	-0.0085*** (0.0010)	-0.0031*** (0.0007)				-0.0005 (0.0006)		
Temp. on exam day			-0.0036*** (0.0008)	0.0003 (0.0009)	-0.0055*** (0.0008)		-0.0028*** (0.0007)	0.0011 (0.0009)
Observations	24,459,856	30,574,820	24,459,856	30,574,820	73,807,204	92,259,005	73,807,204	92,259,005
R-squared	0.738	0.679	0.738	0.679	0.725	0.665	0.725	0.665
Sample	HS senior	HS senior	HS senior	HS senior	Ages 14-22	Ages 14-22	Ages 14-22	Ages 14-22
Essay included	No	Yes	No	Yes	No	Yes	No	Yes
Subject FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Individual FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Exam date FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Std. dev. of temperature var.	3.917	3.917	3.356	3.356	3.875	3.875	3.315	3.315

Robust standard errors in parentheses
*** $p<0.01$, ** $p<0.05$, * $p<0.1$

Note: we use the sample between 2012 and 2016. Standard errors are clustered at the municipality level.

Table D.2: Regression results: Comparison with results in Li and Patel (2021) (data between 2010 and 2016)

VARIABLES	(1) Z-score	(2) Z-score	(3) Z-score	(4) Z-score	(5) Z-score	(6) Z-score	(7) Z-score	(8) Z-score
Temp. during exam	-0.0097*** (0.0011)	-0.0032*** (0.0007)			-0.0069*** (0.0009)	-0.0003 (0.0006)		
Temp. on exam day			-0.0052*** (0.0009)	-0.0016* (0.0009)			-0.0039*** (0.0008)	0.0004 (0.0008)
Observations	32,392,992	40,491,240	32,392,992	40,491,240	92,976,512	116,220,640	92,976,512	116,220,640
R-squared	0.750	0.677	0.750	0.677	0.736	0.665	0.736	0.665
Sample	HS senior	HS senior	HS senior	HS senior	Ages 14-22	Ages 14-22	Ages 14-22	Ages 14-22
Essay included	No	Yes	No	Yes	No	Yes	No	Yes
Subject FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Individual FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Exam date FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Std. dev. of temperature var.	3.716	3.716	3.210	3.210	3.714	3.714	3.204	3.204

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Note: we use the sample between 2010 and 2016. Standard errors are clustered at the municipality level.

E Appendix figures

Figure E.1: Variation in temperature during exam from day one to day two, from 2010 and
2016

(a) 2010   (b) 2011   (c) 2012

(d) 2013   (e) 2014   (f) 2015

(g) 2016
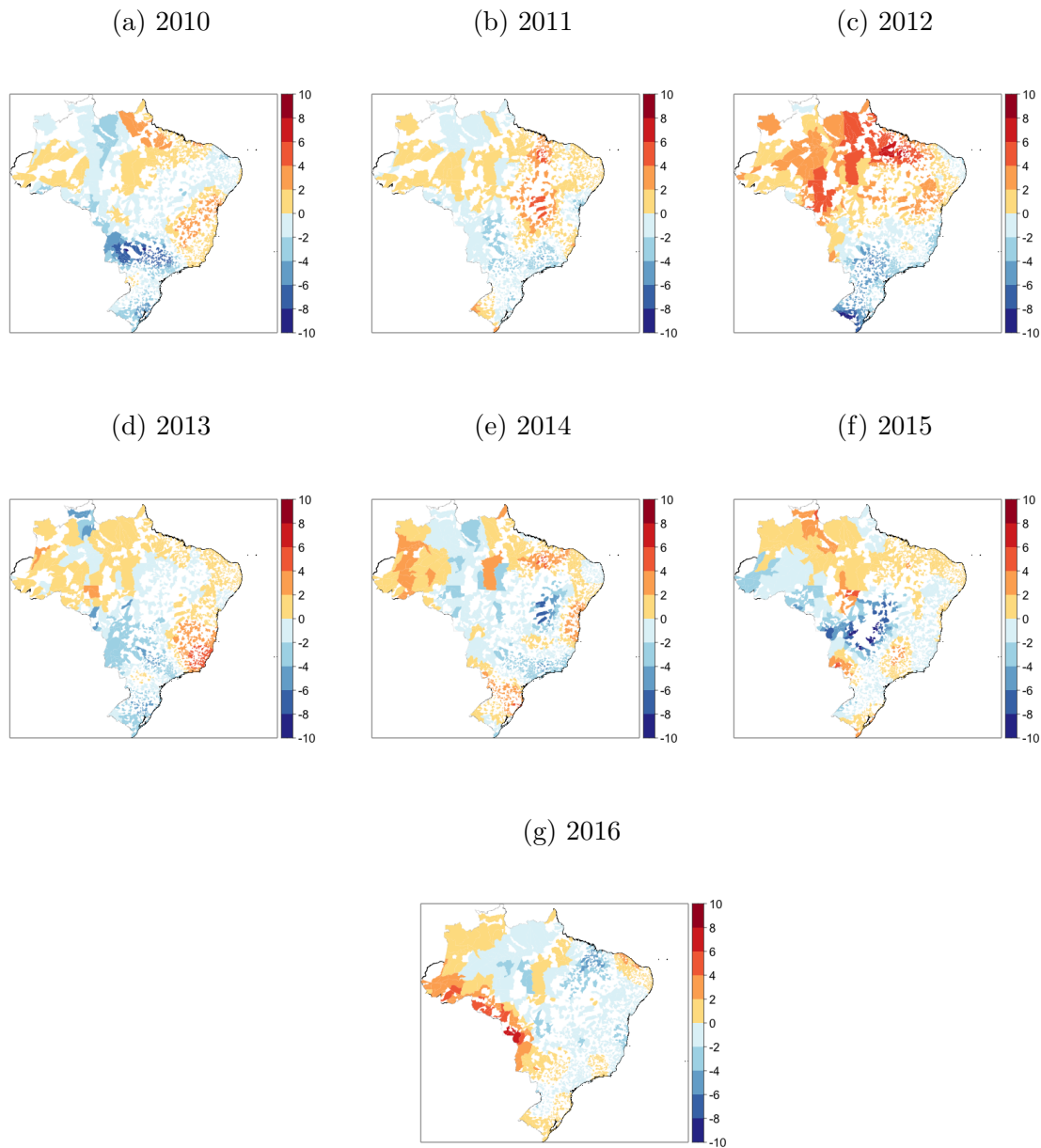
Notes: The figure shows the municipality level variation in temperature from day 1 to day 2 (difference
= day 2 − day 1) from 2010 to 2016. In the municipalities with white color, nobody in our sample took
ENEM in the year.

F Appendix tables

Table F.1: Regression results: Interaction effects of temperature and ENEM stakes and other potentially confounding factors on exam z-score

VARIABLES	(1) Z-score	(2) Z-score	(3) Z-score	(4) Z-score	(5) Z-score
Temp. $\times$ SISU ratio	0.0254***	0.0246***	0.0252***	0.0186***	0.0180***
	(0.0047)	(0.0048)	(0.0051)	(0.0048)	(0.0048)
Temp. $\times$ High Inc		-0.0061***			-0.0058***
		(0.0007)			(0.0005)
Temp. $\times$ State HS		-0.0106***			-0.0105***
		(0.0015)			(0.0015)
Temp. $\times$ Mun HS		-0.0195***			-0.0180***
		(0.0034)			(0.0031)
Temp. $\times$ Pri HS		-0.0026*			-0.0009
		(0.0015)			(0.0013)
Temp. $\times$ Gini			-0.0011		-0.0019
			(0.0018)		(0.0018)
Temp. $\times$ Percent Poor			-0.0012		-0.0000
			(0.0018)		(0.0017)
Temp. $\times$ Education Index			-0.0034**		-0.0028**
			(0.0014)		(0.0014)
Temp. $\times$ 2011				-0.0017	-0.0020
				(0.0020)	(0.0020)
Temp. $\times$ 2012				-0.0052***	-0.0055***
				(0.0019)	(0.0020)
Temp. $\times$ 2013				0.0033***	0.0037***
				(0.0013)	(0.0011)
Temp. $\times$ 2014				-0.0028	-0.0027
				(0.0021)	(0.0021)
Temp. $\times$ 2015				0.0135***	0.0141***
				(0.0024)	(0.0027)
Temp. $\times$ 2016				0.0071*	0.0063
				(0.0039)	(0.0041)
Observations	32,392,992	32,392,960	32,392,992	32,392,992	32,392,960
R-squared	0.750	0.750	0.750	0.750	0.750
Subject FE	Yes	Yes	Yes	Yes	Yes
Individual FE	Yes	Yes	Yes	Yes	Yes
Exam date FE	Yes	Yes	Yes	Yes	Yes
Std. dev. of ratio	0.220	0.220	0.220	0.220	0.220
Average temperature effect	-0.00968	-0.00968	-0.00968	-0.00968	-0.00968

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Notes: Individual-level variables interacted with temperature are an indicator of above-median-income household and the type of students' high school (federal, private, state, or municipal). Municipality-level variables interacted with temperature are the Gini coefficient, the poverty rate, and the education index, which are standardized (mean 0 and sd 1). Precipitation on exam days is controlled for in all regressions. Average temperature effect is the estimated coefficient $\hat{\alpha}$ from a regression equation, $Y_{imsdt} = \alpha T_{mdt} + X'_{mdt}\beta + \mu_i + \eta_s + \tau_{dt} + \varepsilon_{imsdt}$. Standard errors are clustered at the municipality level.

Table F.2: Robustness checks by varying the municipalities is included to calculate SISU ratios

VARIABLES	(1) Z-score	(2) Z-score	(3) Z-score	(4) Z-score	(5) Z-score
Temp. × SISU ratio (weighted, all)	0.0254*** (0.0047)				
Temp. × SISU ratio (unweighted, 60km)		0.0109*** (0.0016)			
Temp. × SISU ratio (weighted, 60km)			0.0088*** (0.0018)		
Temp. × SISU ratio (unweighted, CZ)				0.0075*** (0.0013)	
Temp. × SISU ratio (weighted, CZ)					0.0076*** (0.0016)
Observations	32,392,992	32,392,992	32,392,992	32,392,992	32,392,992
R-squared	0.750	0.750	0.750	0.750	0.750
Subject FE	Yes	Yes	Yes	Yes	Yes
Individual FE	Yes	Yes	Yes	Yes	Yes
Exam date FE	Yes	Yes	Yes	Yes	Yes
Std. dev. of ratio	0.220	0.349	0.381	0.378	0.399
Average temperature effect	-0.0097	-0.0097	-0.0097	-0.0097	-0.0097

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Notes: The variable "SISU ratio" is the proportion of universities adopting SISU, with different municipalities used for calculations. For column (1), all municipalities in Brazil are used. For columns (2) and (3), municipalities whose distance from the municipality where a student took ENEM is less than 60km are used. For columns (4) and (5), municipalities that belong to the same commuting zone as the municipality where a student took ENEM are used. For columns (2) and (4), the weights were not used, and for columns (1), (3), and (5), the inverse of the distance (km) between municipalities is used as weights. Precipitation on exam days is controlled for in all regressions. Average temperature effect is the estimated coefficient $\widehat{\alpha}$ from a regression equation, $Y_{imsdt} = \alpha T_{mdt} + X'_{mdt}\beta + \mu_i + \eta_s + \tau_{dt} + \varepsilon_{imsdt}$. Standard errors are clustered at the municipality level.

Table F.3: Robustness checks by different distance units used to calculate SISU ratios

VARIABLES	(1) Z-score	(2) Z-score	(3) Z-score
Temp. × SISU ratio (all, km)	0.0254***		
	(0.0047)		
Temp. × SISU ratio (all, mile)		0.0316***	
		(0.0056)	
Temp. × SISU ratio (all, meter)			0.0117***
			(0.0025)
Observations	32,392,992	32,392,992	32,392,992
R-squared	0.750	0.750	0.750
Subject FE	Yes	Yes	Yes
Individual FE	Yes	Yes	Yes
Exam date FE	Yes	Yes	Yes
Std. dev. of ratio	0.220	0.196	0.337
Average temperature effect	-0.0097	-0.0097	-0.0097

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Notes: The variable "SISU ratio" is the proportion of universities adopting SISU, with different weights used for calculations. For column (1), kilometer distances are used as weights. For column (2), mile distances are used as weights. For column (3), meter distances are used as weights. Precipitation on exam days is controlled for in all regressions. Average temperature effect is the estimated coefficient $\widehat{\alpha}$ from a regression equation, $Y_{imsdt} = \alpha T_{mdt} + X'_{mdt}\beta + \mu_i + \eta_s + \tau_{dt} + \varepsilon_{imsdt}$. Standard errors are clustered at the municipality level.