

**Table S1.** Sensitivity analyses: Alternate models

	<b>Model S1a</b>	<b>Model S1b</b>	<b>Model S2a</b>	<b>Model S2b</b>	<b>Model S3a</b>	<b>Model S3b</b>
	<b>b (SE)</b>	<b>b (SE)</b>	<b>b (SE)</b>	<b>b (SE)</b>	<b>b (SE)</b>	<b>b (SE)</b>
Intercept	7.70 (0.08)***	7.63 (0.08)***	7.94 (0.15)***	7.83 (0.11)***	7.76 (0.07)***	7.50 (0.08)***
Individual-level variables						
Age <sup>z</sup>	-0.01 (0.07)	0.02 (0.07)	0.02 (0.12)	-0.03 (0.08)	0.07 (0.07)	-0.10 (0.08)
Gender <sup>ref=boys</sup>	-0.14 (0.08)	-0.52 (0.09)***	-0.62 (0.15)***	-0.25 (0.09)**	-	-
School type <sup>ref=high track (Gymnasium)</sup>						
Intermediate track (Realschule)	-	-	-0.39 (0.20)	-0.33 (0.37)*	-0.05 (0.12)	-0.35 (0.13)**
Low track (Hauptschule)	-	-	-0.28 (0.24)	-0.88 (0.16)**	-0.35 (0.17)*	-0.19 (0.21)
Mixed track (Gesamtschule)	-	-	-0.33 (0.21)	-0.32 (0.21)*	-0.11 (0.16)	-0.62 (0.17)***
Performance <sup>1,z</sup>	0.51 (0.05)***	0.46 (0.09)***	0.41 (0.11)***	0.50 (0.07)***	0.45 (0.06)***	0.49 (0.07)***
Class-level variables						
Average class-level performance <sup>2,z</sup>	-0.01 (0.15)	-0.09 (0.18)	0.21 (0.24)	-0.35 (0.19)	-0.16 (0.14)	-0.01 (0.16)
Cross-level interaction term						
Average class-level performance <sup>2,z</sup> x performance <sup>1,z</sup>	-0.47 (0.14)***	-0.23 (0.18)	-0.78 (0.23)***	0.03 (0.14)	-0.48 (0.12)***	-0.13 (0.13)
N Students	2,768	2,428	986	2,003	5,196	5,196
N classes <sup>3</sup>	224	254	109	166	478	478
N schools <sup>3</sup>	111	143	83	122	250	250
$\sigma^2$ classes	0.148	0.160	<0.001	0.201	0.102	0.308
$\sigma^2$ schools	<0.001	<0.001	0.020	<0.001	<0.001	<0.001
$\sigma^2$ residual	3.903	5.002	5.054	4.159	4.314	4.440
Deviance (-2x LL)	11719.59 (df=9)	10889.5 (df=9)	4423.98 (df=12)	8621.644 (df=12)	11322.48 (df=11)	11319.23 (df=11)
ICC class-level	3.79%	3.20%	<0.01%	4.83%	2.36%	6.94%
ICC school-level	<0.01%	<0.01%	0.40%	<0.01%	<0.01%	<0.01%

Model S1a: only highest school track; Model S1b: only intermediate, low, and comprehensive school track; Model S2a: only classes with 24 or less students; Model S2b: only classes with 25 or more students; Model S3a: only boys; Model S3b: only girls; <sup>z</sup> = variable is z-standardized (mean=0, SD=1); <sup>1</sup> = individual performance operationalized as the z-standardized (mean=0, SD=1) grade point average over German language and Math; <sup>2</sup> = average class-level performance mean of all individual performances in a class; <sup>3</sup> = sums of number of classes and schools differ due to students with different tracks in the same classes or missing data on the number of students per class; SE = Standard Error; LL = Log Likelihood; Significance level: \* p < .05, \*\* p < 0.01, \*\*\* p < 0.001.

**Table S2.** Sensitivity analyses: Simple slopes of alternate models

	Average performance	Average class performance	Estimate	Standard Error	t value	df	P value
Model S1a	-0.73 (-1 SD)		0.200	0.144	1.388	112	0.168
	0.25 (mean)		-0.078	0.109	-0.717	112	0.475
	1.22 (+1 SD)		-0.355	0.126	-2.814	112	<0.006**
		-0.22 (-1 SD)	0.461	0.054	8.557	2540	<0.001***
		0.25 (mean)	0.329	0.044	7.431	2540	<0.001***
		0.71 (+1 SD)	0.197	0.063	3.123	2540	<0.01**
Model S1b	-1.23 (-1 SD)		0.090	0.177	0.507	110	0.613
	-0.28 (mean)		-0.038	0.137	-0.28	110	0.780
	0.67 (+1 SD)		-0.167	0.168	-0.993	110	0.323
		-0.71 (-1 SD)	0.458	0.068	6.717	2170	<0.001***
		-0.28 (mean)	0.400	0.054	7.463	2170	<0.001***
		0.15 (+1 SD)	0.343	0.075	4.595	2170	<0.001***
Model S2a	-1.04 (-1 SD)		0.633	0.240	2.642	23	<0.015*
	-0.06 (mean)		0.178	0.184	0.968	23	0.343
	0.92 (+1 SD)		-0.276	0.217	-1.274	23	0.216
		-0.58 (-1 SD)	0.594	0.106	5.613	873	<0.001***
		-0.06 (mean)	0.356	0.087	4.102	873	<0.001***
		0.45 (+1 SD)	0.118	0.118	1.004	873	0.315
Model S2b	-0.98 (-1 SD)		-0.292	0.180	-1.619	43	0.113
	0.02 (mean)		-0.278	0.151	-1.845	43	0.072
	1.02 (+1 SD)		-0.264	0.168	-1.574	43	0.123
		-0.52 (-1 SD)	0.384	0.068	5.626	1833	<0.001***
		0.02 (mean)	0.392	0.054	7.24	1833	<0.001***
		0.55 (+1 SD)	0.399	0.074	5.358	1833	<0.001***
Model S3a	-1.07 (-1 SD)		0.190	0.143	1.325	212	0.187
	-0.04 (mean)		-0.111	0.111	-1.005	212	0.316
	0.98 (+1 SD)		-0.412	0.124	-3.334	212	<0.002**
		-0.54 (-1 SD)	0.509	0.057	8.948	2151	<0.001***
		-0.02 (mean)	0.357	0.046	7.72	2151	<0.001***
		0.50 (+1 SD)	0.204	0.063	3.25	2151	<0.01**
Model S3b	-0.93 (-1 SD)		0.066	0.152	0.436	205	0.663
	0.04 (mean)		-0.008	0.124	-0.061	205	0.951
	1.01 (+1 SD)		-0.082	0.141	-0.579	205	0.564
		-0.50 (-1 SD)	0.417	0.064	6.532	2122	<0.001***
		0.02 (mean)	0.377	0.052	7.288	2122	<0.001***
		0.54 (+1 SD)	0.338	0.070	4.835	2122	<0.001***

Model S1a: only highest school track; Model S1b: only intermediate, low, and comprehensive school track; Model S2a: only classes with 24 or less students; Model S2b: only classes with 25 or more students; Model S3a: only boys; Model S3b: only girls; SD = Standard Deviation; df = Degrees of Freedom; Significance level: \* p < 0.05, \*\* p < 0.01, \*\*\* p < 0.001.

**Table S3.** Sample correlations (NEPS SC3, N=5,196 students)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1) Life satisfaction								
(2) Age	-0.03*							
(3) Gender (girl)	-0.07***	-0.09***						
(4) School type (high track) <sup>a</sup>	0.09***	-0.24***	0.03*					
(5) School type (medium track) <sup>a</sup>	-0.04**	0.12***	-0.03	-0.18***				
(6) School type (mixed track) <sup>a</sup>	-0.05**	0.07***	0.02	-0.10***	-0.21***			
(7) School type (low track) <sup>a</sup>	-0.04**	0.16***	-0.03*	-0.31***	-0.68***	-0.36***		
(8) Performance <sup>b</sup>	0.17***	-0.16***	0.04**	-0.13***	-0.20***	-0.03*	0.26***	
(9) Average performance of the class	0.09***	-0.18***	0.04**	-0.25***	-0.38***	-0.06***	0.51***	0.52***

Pearson's correlation coefficients and pairwise correlations. <sup>a</sup> The variable school type was transformed into four separate dummy-coded variables for this representation.

<sup>b</sup> Performance was not dichotomized for this analysis. Significance level: \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$ .