

"College, Debt, and Gender: The Influence of Outside Options on Higher Education"

Abstract

A twin gender gap has emerged in higher education whereby women matriculate at nearly twice the rate of men despite worse financial outcomes in the form of higher student debt and lower post-college earnings. This paper investigates how differences in outside options contribute to these facts. It shows that higher levels of gender discrimination in non-college versus college labor markets raises the return to higher education for women, driving greater matriculation rates and willingness to take on student debt. Employing a structural model of college and career choice, the paper quantifies how relative changes in women's outside options has shaped the composition of higher education since the 1980s and influenced the trajectory of the aggregate gender earnings gap and college earnings premium.