Abstract:

How does education contribute to gender and race pay disparities? Deploying an intersectional framework, we investigate whether white women, black women, and black men earn less than white men because of lower educational attainment or lower wage returns to the same levels of attainment. Using a longitudinal national probability sample, we compare multiple specifications of education: years of education, highest degree attained, and field of highest degree attained. Regression decompositions show that group differences in attainment and field of degree explain 11 to 16 percent of the racial pay gap, but none of the gender pay gap for either racial group. Random effects models test for race and gender differences in returns to education, net of other human capital and job characteristics. These models strikingly show that black women receive the lowest wage returns to education compared to all others, particularly for college and graduate degrees in the fields of natural sciences, legal/medical studies, business, and humanities. Black men receive lower returns to high school diplomas and to PhDs in social sciences, relative to white men. White women’s returns largely do not differ from white men’s, with the exception of lower returns for master’s degrees.