

Returns to Education for Women in the Mid-Twentieth Century: Evidence from Compulsory Schooling Laws

Sophie Li

October 14, 2023

Abstract

Women had a similar level of schooling to men during the mid-twentieth century United States, but research on the returns to education for women is scarce. Using compulsory schooling laws as instrumental variables, this paper examines the causal effect of education on women's labor market and marriage market outcomes. I examine both outcomes because women frequently traded off employment and marriage due to marriage bars and gender norms against married women working. I show that an additional year of schooling increases women's probability of gainful employment by 7.9 pp. and women's wage earnings by 15 percent, which can be explained by women's entry into skilled occupations. Given the large returns on earnings, education surprisingly does not increase women's probability of never marrying, but it does increase the probability of divorce and separation. In addition, women's education positively affects the husband's and the household's labor supply and earnings, conditional on marriage formation and the husband's education.