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Host: Dietmar Fehr

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The Impact of Higher Education on Employer Perceptions *

Abstract:

Why do employers seek to attract individuals with more education? We experimentally vary rates of master degree completion on applicant résumés to shift employer beliefs about candidates' productive traits. Our results confirm that a master's degree raises candidate desirability. Moreover, we find that master graduates outperform bachelor degree holders in terms of employer perceived cognitive and non-cognitive traits as well as subject matter expertise. Conversely, master dropouts are associated with weaker non-cognitive traits. Notably, these perceived traits account for up to 75% of candidate attractiveness. This paper thus provides causal evidence on the origins of the education premium.

* joint with Renske Stans and Laura Ehrmantraut