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## JOB MARKET PAPER:

Equity Conundrum: Unintended Consequences of College-Level Affirmative Action on the Labor Market

## ABSTRACT:

Gender-based affirmative action (AA) policies in top-ranked STEM institutions aim to enhance women's representation in both higher education and the labor force. While these policies can promote diversity, they may also increase statistical discrimination in hiring practices as colleges lower admission standards to increase female enrollment. This paper examines this trade-off and investigates how expanding seats for women in premier Indian engineering colleges affects gender discrimination in hiring. I conduct a large-scale correspondence study that randomizes gender, college type, and year of entry and induces variation in policy exposure within the experimental design. The results indicate no significant male-female callback gap at top colleges before or after the policy; however, women from lower-ranked colleges face disadvantages. Specifically, the policy implementation led to a 52% drop in the female callback probability, increasing male-female callback gap by 2 percentage points in these colleges. To further shed light on actual employment outcomes, I analyze data scraped from LinkedIn profiles, revealing consistent evidence that supports my findings. I propose a model of statistical discrimination that incorporates affirmative action for women at top colleges, aligning with the observed trends in hiring practices.