College Major Restrictions and Student Stratification

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Abstract

Underrepresented minority (URM) college students have been steadily earning degrees in relatively less lucrative fields of study since the mid-1990s. A decomposition reveals that this widening gap is principally explained by rising stratification at public research universities, many of which increasingly prevent students with poor introductory grades from declaring popular majors. We investigate these major restriction policies by constructing a novel 50-year dataset covering four public research universities' student transcripts and employing a staggered difference-in-difference design around the implementation of 26 GPA-based restrictions. Restrictions disproportionately filter out less-prepared students with fewer pre-college academic opportunities, decreasing average URM enrollment shares by 20 percent. They do not measurably improve departments' wage value-added, allocative efficiency across majors, or filtered students' educational attainment. Using first-term course enrollments to identify students who intend to earn restricted majors, we find that major restrictions disproportionately lead URM students toward less lucrative majors, largely explaining the growth in within institution ethnic stratification since the 1990s.

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