



Assortative Matching and the Education Gap

Working Paper No. 427 Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). It contributes to the dissemination and promotion of the work by researchers from the institution. This series is indexed at Research Papers in Economics (RePEc).

On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

AUTHOR OR EDITOR Ximena Peña

This paper attempts to explain the decrease and reversal of the education gap between males and females. Given a continuum of agents, the education decisions are modelled as an assignment game with endogenous types. In the first stage agents choose their education level and in the second they participate in the labor and marriage markets. Competition among potential matches ensures that the efficient education levels can always be sustained in equilibrium, but there may be inefficient equilibria. Combining asymmetries intrinsic to the modelled markets the model reproduces the observed education gap.

La serie Borradores de Economía es una publicación de la Subgerencia de Estudios Económicos del Banco de la República. Los trabajos son de carácter provisional, las opiniones y posibles errores son responsabilidad exclusiva del autor y sus contenidos no comprometen al Banco de la República ni a su Junta Directiva.