

Table 4: OLS and Instrumental Variables Estimates of the Return to Education: Alternative Specifications

	OLS Estimate	IV Estimate <sup>a</sup>
1. Basic Specification (N=3010)	0.073 (0.004)	0.132 (0.049)
2. Use 1978 Wages and Education (N=2639 with 1978 data)	0.066 (0.006)	0.117 (0.061)
3. Include KWW Test Score (N=2963 with valid KWW)	0.055 (0.004)	0.136 (0.078)
4. Include KWW Test Score <sub>b</sub> Instrument KWW with IQ (N=2040 with valid KWW and IQ)	0.061 (0.005)	0.089 (0.085)
5. Use Proximity to Public College as instrument for education	as in row 1	0.194 (0.059)
6. Use Proximities to 2-year and 4-year colleges as instruments for education	as in row 1	0.117 (0.047)
7. Use Subsample Age 14-19 in 1966 (N=2037)	0.076 (0.006)	0.094 (0.064)