

Table 8: The relationship between formal education and income (dependent variable: logarithm of annual income); Stratified analysis of entrepreneurs without and with employees.

A. Cognitive ability not included				
	Entrepreneurs without employees (RE)	Entrepreneurs with employees (RE)	All (RE)	All (FE)
Education	0.118 (0.00687)	0.104 (0.00686)	0.0937 (0.00129)	
Entrepreneur without empl.			-0.678 (0.0588)	-1.717 (0.0777)
Entrepreneur with empl.			-0.330 (0.0704)	-1.465 (0.0949)
Education × Entrepreneur without empl.			0.0245 (0.00455)	0.103 (0.00600)
Education × Entrepreneur with empl.			0.0125 (0.00534)	0.0995 (0.00716)
R²				0.350
Observations	6051	4234	87117	87117
B. Cognitive Ability Included				
Education	0.120 (0.00755)	0.109 (0.00742)	0.0910 (0.00133)	
Entrepreneur without empl.			-0.703 (0.0625)	-1.715 (0.0854)
Entrepreneur with empl.			-0.476 (0.0733)	-1.610 (0.103)
Education × Entrepreneur without empl.			0.0270 (0.00483)	0.103 (0.00657)
Education × Entrepreneur with empl.			0.0209 (0.00552)	0.108 (0.00768)
Ability	0.000876 (0.0182)	0.0171 (0.0196)		
Ability × Entrepreneur without empl.			0.000886 (0.0120)	0.0275 (0.0180)
Ability × Entrepreneur with empl.			0.0604 (0.0147)	0.0670 (0.0214)
R²				0.348
Observations	4991	3643	74480	74480