

Estimates of the Economic Return to Schooling from a New Sample of Twins

ABSTRACT

This paper uses a new survey to contrast the wages of genetically identical twins with different schooling levels. Multiple measurements of schooling levels were also collected to assess the effect of reporting error on the estimated economic returns to schooling. The data indicate that omitted ability variables do not bias the estimated return to schooling upward, but that measurement error does bias it downward. Adjustment for measurement error indicates that an additional year of schooling increases wages by 12-16%, a higher estimate of the economic returns to schooling than has been previously found.

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