

Table 1: OLS and 2SLS regressions of Log Earnings on Schooling

| Dependent variable                | Log wage             |                      |
|-----------------------------------|----------------------|----------------------|
|                                   | OLS                  | 2SLS                 |
| educ                              | 0.071***<br>(0.004)  | 0.124**<br>(0.049)   |
| exper                             | 0.034***<br>(0.002)  | 0.056***<br>(0.020)  |
| black                             | -0.166***<br>(0.017) | -0.116**<br>(0.050)  |
| south                             | -0.132***<br>(0.015) | -0.113***<br>(0.023) |
| married                           | -0.036***<br>(0.004) | -0.032***<br>(0.005) |
| smsa                              | 0.176***<br>(0.015)  | 0.148***<br>(0.030)  |
| First Stage Instrument            |                      |                      |
| College in the county             |                      | 0.327***             |
| Robust standard error             |                      | 0.081                |
| F statistic for IV in first stage |                      | 16.515               |
| Anderson-Rubin test               |                      | 0.01                 |
| N                                 | 3,003                | 3,003                |
| Mean Dependent Variable           | 6.262                | 6.262                |
| Std. Dev. Dependent Variable      | 0.444                | 0.444                |

Standard errors in parenthesis. \* p<0.10, \*\* p<0.05, \*\*\* p<0.01