

Macro Roundup Article

Headline: [Steeper At The Top: Cognitive Ability and Earnings in Finland and Norway](#)

Article

Link: <https://academic.oup.com/esr/advance-article/doi/10.1093/esr/jcae020/7658521?login=false>

Author(s)	Bernt Bratsberg, Ole Rogeberg and Marko Terviö
Publication	European Sociological Review
Publication Date	May 02, 2024

Tweet: The top-earning men in Finland and Norway score 1 standard deviation higher in cognitive ability than median earners. The ability curve is steepest at the top of the earnings range. @MarkoTervio @olerogeberg

Summary: We document a convex relationship between earnings rank and cognitive ability [measured by military conscription scores] for men in Finland and Norway using administrative data on over 350,000 men in each country: the top earnings percentile score on average 1 standard deviation higher than median earners, while median earners score about 0.5 standard deviation higher than the bottom percentile of earners. Top earners also have substantially less variation in cognitive test scores. While some high-scoring men are observed to have very low earnings, the lowest cognitive scores are almost absent among the top earners. Overall, the joint distribution of earnings rank and ability is very similar in Finland and Norway. We find that the slope of the ability curve across earnings ranks is steepest in the upper tail, as is the slope of the earnings curve across cognitive ability.

Related Articles: The Plateauing of Cognitive Ability Among Top Earners and Toward An Understanding Of The Returns To Cognitive Skills Across Cohorts and Why Do Wages Grow Faster for Educated Workers?

Primary Topic: Test Scores

Topics: Academic paper, Database, Education, Test Scores, Very Important, Wages/Income, Weekly, Workforce

PDF File

URL: <https://www.edwardconard.com/wp-content/uploads/2024/05/Steeper-At-The-Top.pdf>

Permalink: <https://www.edwardconard.com/macro-roundup/the-top-earning-men-in-finland-and-norway-score-1-standard-deviation-higher-in-cognitive-ability-than-median-earners-the-ability-curve-is-steepest-at-the-top-of-the-earnings-range-markotervio-oler?view=detail>

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/05/20712-steper-at-the-top-cognitive-ability-and-earnings-in-finland-and-norway-featured-image.png>