

## Macro Roundup Article

**Headline:** [Why Do Wages Grow Faster for Educated Workers? \(Cowen\)](#)

**Article Link:** <https://marginalrevolution.com/marginalrevolution/2023/06/why-do-wages-grow-faster-for-educated-workers.html>

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**Tweet:** .@tylercowen thinks @ProfDavidDeming new paper implies that wages are driven by training not quality, suggesting the signaling theory of education is overstated.

**Summary:** You will note how this relates to the signaling vs. human capital debates over education. Signaling your quality may put you in a position to learn more over time, as your initial offer likely will be better if you come out of Harvard. But over the longer haul, the wages you earn are the result of what you have learned, not just your initial level of quality. So, most of the return to education is that you learn more over time, and thus most of the return is learning-related rather than initial quality-related. Overall, signaling models behave rather awkwardly in dynamic rather than purely static settings. Related: Why Do Wages Grow Faster For Educated Workers?

**Primary Topic:** College

**Topics:** College, Education, Op-Ed/Blog Post, Weekly, Workforce

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