

# LATE-CAREER ENTREPRENEURSHIP AND EARNINGS: THE ROLE OF FORMAL RETRAINING AND UPSKILLING\*

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## Abstract

Formal retraining in later-life may provide a range of benefits to both individuals and society by extending careers, increasing earnings and spurring entrepreneurship. We focus on the economic returns of degrees completed later in life, distinct from early years, where motivations and capabilities may differ. We revisit this long-studied question with new methodological techniques by adapting Machine Learning (ML) models for causal inference. We showcase the ability of ML methods to take full advantage of complex and rich data to estimate causal effects and sources of heterogeneity. We find that completing an additional degree increases the probability of being self-employed by 1-2 percentage points and increases earnings by more than \$3000 (AUD, 2019) per year compared to those who do not complete additional study in later-life.

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