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**Topic:** The Effect of Education on Poverty

## **Introduction & Motivation:**

Education is known as the great equaliser because it can provide a family with the employment, money, and skills they require to not just survive, but prosper. A universally acknowledged solution to the poverty cycle is providing access to high-quality primary education and promoting child well-being.

As education increases people acquire various skills that help them land a good job, their income sources increases, hence poverty decreases. Hence there is a causal relationship between education and poverty.

Education directly correlates with many solutions to poverty, including:

- Economic growth
- Reduced income inequality
- Reduced infant and maternal deaths
- Reduced stunting
- Reduced vulnerability to HIV and AIDS
- Reduced violence at home and in society

According to UNESCO, if all students in low-income countries had just basic reading skills (nothing else), an estimated 171 million people could escape extreme poverty. If all adults completed secondary education, we could cut the global poverty rate by more than half.<sup>[3]</sup>

## **References:**

1. <https://smartech.gatech.edu/handle/1853/64480>
2. <https://smartech.gatech.edu/handle/1853/54219>
3. <https://www.concernusa.org/story/how-education-affects-poverty/>
4. <https://wps.pearsoned.co.uk/wps/media/objects/12401/12699039/stoc2517.ch10.343-350.C1.pdf>
5. <https://economicoutlook.cmie.com/>

Note: If I use anything else other than above, then I will provide the reference links in those reports that I will submit in next phases.

## **Conclusion:**

- For this assignment I will read the related articles, and get the required data, use the different regression models and make the report.
- I will specifically be looking at higher education, so the education variable is the percentage of people who have obtained a bachelor's degree or higher.
- The poverty variable is the poverty rate in each state.
- I will also use other explanatory variables like cost of living index, unemployment rate, labour force participation rate, urban percentage of the population, and GDP per capita to get a better perspective.
- Through this study, I will research for the education-poverty relationship and prove that there is a negative relationship between education and poverty.