**Executive Summary**

We analyzed Panel Study of Income Dynamics (PSID) data set of 4000+ individuals. Following are our important high level finding from our analysis.

* There is a clear difference between average earnings and working hours of a person with age less than 40 and average earnings and working hours of a person with age greater than or equal to 40. Individuals with a greater than or equal to 40 works more hours and earns more than individuals with age less than 40
* There is a clear difference between average earning of a person with high educational level and average earnings of a person with low educational level. Average earnings of a person with High Educational Level is significantly higher than average earnings of a person with lower education level. But there is a no difference between average working hours of a person with high educational level and average working hours of a person with low educational level.
* There is a significant difference between average earnings of married individuals and others. Average earnings of married people is higher than average earnings of other people.
* There is a significant difference between average earnings of people who are having 2 or few kids with respect to the people who are having more than 2 kids.
* Correlation between earnings and the number of hours worked is about .0.6 that is there is a high positive linear relationship between the two variables.
* Correlation between earnings and the age is about 0.09 that is there is a no linear relationship between two variables.
* Correlation between earnings and the education is about 0.37. That is there is a moderate linear relationship between two variables.