

Estimating The Returns to Education in Japan

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Abstract

This paper studies the effects of higher education on socioeconomic outcomes using Japanese micro data. To deal with the endogeneity of schooling this paper uses the local availability of colleges and labor market conditions as instruments. The main result shows that an additional higher education decreases the probability of being unemployed. College attendance also makes more likely to report an opinion that child care is the only obligation of parents or their families. Pecuniary returns and better health suggested in the literature are not statistically significant if prefecture fixed effects are controlled.