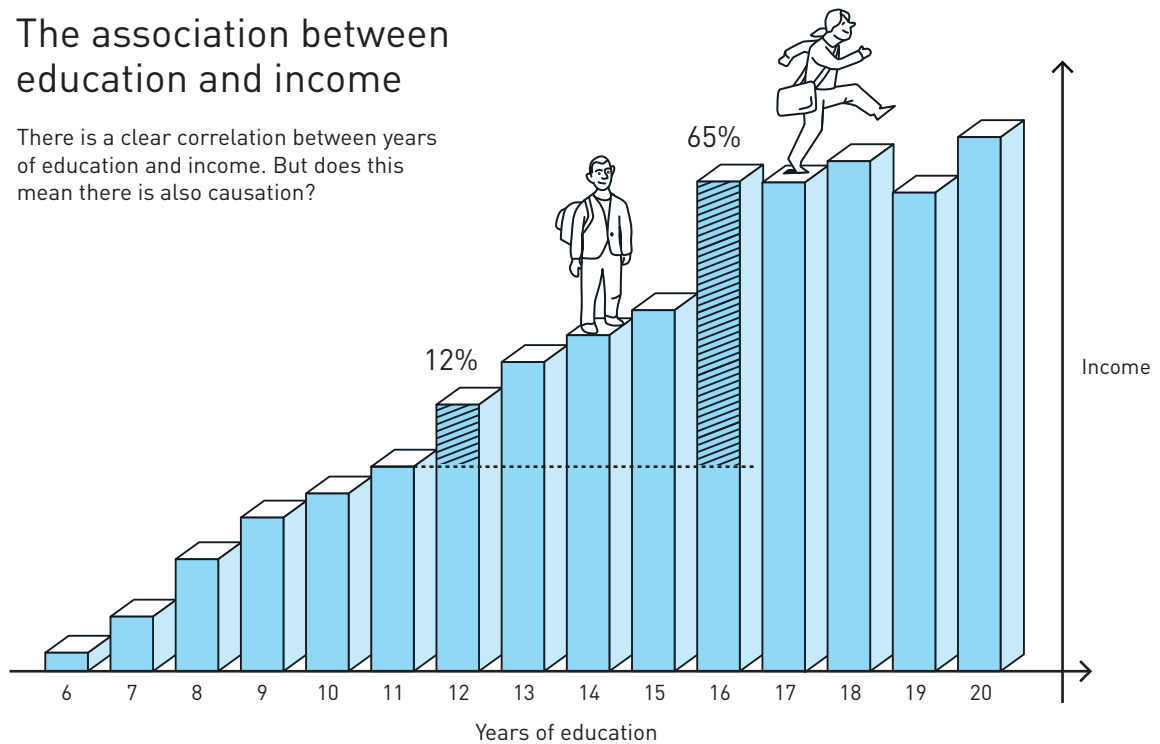


The association between education and income

There is a clear correlation between years of education and income. But does this mean there is also causation?



The figure uses data from Angrist and Krueger (1991). People with 12 years of education have incomes that are 12 per cent higher than those of people with 11 years of education. People with 16 years of education have 65 per cent higher incomes than people with 11 years of education.