

Date Wednesday 7 May 2014, 13:00 to 14:00
Location SFI, the Danish National Centre for Social Research, Herluf Trolles Gade 11,
 1052 Copenhagen K, meeting room 3
Presenter Paul Bingley, SFI, the Danish National Centre for Social Research

Schooling and Lifetime Income

ABSTRACT

Ben-Porath (1967) shows how the returns to human capital depend on the number of years left in the labour market, yet few empirical studies relate schooling to length of working life. No studies go on to consider post-retirement income. We analyze changes in schooling attainment following a reform-driven middle school building program which took place in Denmark during the 1930's through 1950's. Compliers eventually attained on average one more year of schooling, yielding a 12 percent earnings return, a retirement delay of 6 months, and a 6 percent pension income return. Non-pension savings and longevity are unaffected. We find lifetime returns are much larger than previously thought.