

HETEROGENEITY IN MARGINAL NON-MONETARY RETURNS TO HIGHER EDUCATION

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Abstract

In this paper we estimate the effects of college education on cognitive abilities, health, and wages, exploiting exogenous variation in college availability. By means of semiparametric local instrumental variables techniques we estimate marginal treatment effects in an environment of essential heterogeneity. The results suggest positive average effects on cognitive abilities, wages, and physical health. Yet, there is heterogeneity in the effects which points towards selection into gains. While the majority of individuals benefits from more education, the average causal effect for individuals with the lowest unobserved desire to study is zero for all outcomes. Mental health effects, however, are absent for the entire population. (JEL: C31, H52, I10, I21)

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