Determining the change in income due to increased tertiary education

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Summary

The primary objective of this study is to determine whether the level of tertiary education has a positive and significant impact on the level of income received. This study will focus on determining whether each subsequent level of tertiary education causes an increase in the likelihood of earning a higher wage, by using a multinomial logistic regression model as well as cross-tabulation estimates. This study will also make use of two different data samples, where the first sample is sourced from the National Income Dynamics Study’s, 2010-2011, adult wave 2 dataset, and the second sample is sourced from a questionnaire distributed to the North-West University’s School of Economics alumni from the Potchefstroom campus. Literature indicates that there is a significant relationship between an individual’s income and variables such as gender, age, marital status, population group, occupation, sector or industry, years of work experience, location of employment, tenure, union membership, and, most importantly, education. Determining the effect of these variables on the income of tertiary educated individuals, will assist current and future graduates by providing relevant South African labour market information as well as providing some assistance in decisions which may result in higher future earnings. From the NIDS data set, it was found that the level of tertiary education was significantly associated with income, and that higher levels of tertiary education were associated with higher income categories, while lower levels of tertiary education were associated with lower income categories. From the Alumni data set it was concluded that the level of tertiary education was not significantly associated with income, which could be the result of the graduation period (2009-2012) of the sample individuals. It was also found that married individuals were more likely to have earnings within the higher income categories, while the same result was obtained for males as well as for those individuals who were employed in the Gauteng province. It was also found that those individuals with an honours degree had earnings within the low income categories, similar to those individuals with a bachelor’s degree. The main factors considered to influence the income of an individual with a tertiary qualification is gender, age, marital status, occupation, and the level of tertiary education.

Keywords: Education, tertiary education, rate of return to education, income
Opsomming

Die primêre doel van hierdie studie is om te bepaal of die vlak van tersiëre onderwys 'n positiewe en betekenisvolle impak op die vlak van inkomste het. Hierdie studie probeer ook bepaal of elke daaropvolgende vlak van tersiëre onderwys 'n toename veroorsaak in die waarskynlikheid om 'n hoër loon te verdien, deur van 'n 'Multinomial' logistieke regressie model sowel as 'cross-tabulation' skattings gebruik te maak. Hierdie studie sal ook gebruik maak van twee verskillende datastelle, waar die eerste datastel van die National Income Dynamics Study's, 2010-2011, adult wave 2 datastel gebruik maak, en die tweede datastel afkomstig is van 'n vraelys wat versprei is aan die Noordwes-Universiteit se Skool vir Ekonomie alumni van die Potchefstroom-kampus. Literatuur dui daarop dat daar 'n beduidende verhouding is tussen 'n individu se inkomste en die veranderlikes nl. geslag, ouderdom, huwelikstatus, bevolkingsgroep, beroep, sektor of bedryf, jare werk ervaring, die plek van indiensneming, verblyfreg, vakbondlidskap, en onderwys wat geag word as the belangrikste van die determinante. Die bepaling van die effek van hierdie veranderlikes op tersiëre opgevoede individue se inkomste, sal help om huidige en toekomstige gegradeerderes met relevante Suid-Afrikaanse arbeidsmark inligting te verskaf, sowel as die verskaffing van hulp met besluite wat kan lei tot hoër toekomstige verdienstes. Die NIDS data het daarop gedui dat die vlak van tersiëre onderwys 'n beduidende verband hou met inkomste, en dat hoër vlakke van tersiëre onderwys verband hou met hoër inkomste kategoriee, terwyl laer vlakke van tersiëre onderwys verband hou met laer inkomste kategoriee. 'n Gevolgtekking vanuit die Alumni datastel het daarop gedui dat die vlak van tersiëre onderwys nie 'n beduidende verband hou met inkomste nie, wat die gevolg kan wees van die gradeplegtigheid tydperk (2009-2012) van die individue wat deel geneem het aan die mikro-studie. Daar is ook bevind dat getroude individue meer geneig is om in hoër inkomste kategorieë te verdien, terwyl dieselfde resultaat verkry is vir mans sowel as vir diegene wat in die Gauteng provinsie indiensgeneem was. Dit is ook bevind dat diegene met 'n honneursgraad meer geneig is om in lae inkomste kategorieë te verdien, soortgelyk aan die individue met 'n bachelorsgraad. Die belangrikste faktore wat 'n individu met 'n tersiëre kwalifikasie se inkomste beïnvloed word beskou as geslag, ouderdom, huwelikstatus, beroep, en die vlak van tersiëre onderwys.

Kernwoorde: Onderwys, tersiëre onderwys, opbrengs tot onderwys, inkomste
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