

Barista or Better? New Evidence on the Earnings of Post-Secondary Education Graduates: A Tax Linkage Approach

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Paper Abstract:

This paper is rooted in the construction of a new and unique dataset which links administrative data on students at the University of Ottawa (a large Canadian urban university) with tax record data. This allows us to follow students' post-schooling labour market outcomes (we focus here on earnings) on a year-by-year basis for all those who graduated from 1998 through 2010, with all graduates followed through to 2011, meaning we are able to track earnings over as much as 13 years for the earliest cohorts.

We break earning profiles down by area of study and follow each graduating cohort separately so that patterns in starting earnings levels and earnings growth can be compared across graduating cohorts by area of study. This yields some interesting, important, and in many cases surprising patterns.

In work currently underway we are extending the analysis by relating earnings to family background, to high school grades, and to grades while at university.

In another major extension, the work is being extended to 14 colleges and universities from a number of different Canadian regions.

This kind of analysis is not useful not only for understanding HE earnings premia and the returns to HE, but also on a practical level for young people making schooling choices, for individual HE institutions and HE systems making decisions about the programs they offer, and for policy makers concerned with skills and skill shortages, and for other purposes.