

[IZA News](#)[About IZA](#)[Organization Chart](#)[People](#)[Research](#)[Labor Policy](#)[Publications](#)[Discussion Papers](#)[Policy Papers](#)[Standpunkte](#)[Books](#)[Research Reports](#)[IZA Compact](#)[IZA in the Press](#)[Publication Record](#)[Journals](#)[Events](#)[IZA Prize / YLE Award](#)[Teaching](#)[Links / Resources](#)[Press](#)

IZA



Unobserved Heterogeneity and Risk in Wage Variance: Does Schooling Provide Earnings Insurance?

by Jacopo Mazza, Hans van Ophem, Joop Hartog
(February 2011)

Abstract:

We apply a recently proposed method to disentangle unobserved heterogeneity from risk in returns to education. We replicate the original study on US men and extend to US women, UK men and German men. Most original results are not robust. A college education cannot universally be considered an insurance against unpredictability of wages. One conclusion is unequivocally confirmed: uncertainty strongly dominates unobserved heterogeneity.

Text: See [Discussion Paper No. 5531](#)



[Back](#)