Economic gains from publicly provided education in Germany#

by

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Abstract

The aim of this paper is to estimate income advantages arising from publicly provided education and to analyse their impact on the income distribution in Germany. Using representative micro-data from the SOEP and considering regional and education specific variation, the overall result is an expected levelling effect in a cross-sectional perspective. However, approximating the accumulating effects over the life course within a regression framework – controlling for selectivity arising from the existence of children as potential beneficiaries of educational transfers – we find evidence for social inequalities to be reinforced especially by public transfers for non-compulsory education in an intergenerational perspective.

Keywords:   Education, Public Transfers, Income Distribution, Economic Wellbeing, SOEP

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