

After Higher Education Expansion

The College Wage Premium is Increased or Decreased?

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Abstract

Using the data of China Economic, Population, Nutrition, and Health Survey (CHNS), this paper reports estimates of the change of college wage premium for young graduates (Work less than 3 years) from the period when the higher education participation rate increased dramatically. Using difference-in-difference-in-differences (DDD) estimate, our analysis suggests, quite remarkably, that despite the large rises in higher education participation, the college wage premium for young graduates is increasing. We will interpret it as: the ability distribution of both the non-graduate group and the graduate group are likely to have changed. We therefore, might expect that the college premium might change differentially across the ability distribution.

Keywords: Higher Education Expansion, The College Wage Premium, Ability