

Determining the change in income due to increased tertiary education

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Dissertation submitted in partial fulfilment of the requirements
for the degree *Magister Commercii* in Economics at the
Potchefstroom Campus of the North-West University

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November 2013

Acknowledgements

This research project would not have been possible without the support, guidance and assistance of many people. I would like to convey my appreciation to those persons who have been instrumental in the successful completion of this project.

First and foremost, I would like to thank my parents, Elna and Tim Jacobs. Since a young age, you've given me extra spelling and grammar exercises, paid for classes to improve my general education, invested all your time and resources in me, yet what I am most thankful for is the fact that you've made me love learning and as a result made me see more than I ever believed possible. The love, guidance and support which you've given me throughout my life and academic career, assisted me in every accomplishment I have made thus far. My love and gratitude towards my parents and my sister, Bianca Jacobs, cannot be fully expressed by means of the written word, but can only be awakened by the shared reward of my accomplishments.

Secondly, I would like to thank my supervisors, Ms. Alicia Fourie and Prof. Waldo Krugell. Without your guidance, assistance and patience this project would not have been possible. Thank you for allowing me the extraordinary opportunity to have collaborated with you, I could not have wished for better supervisors. Your diligence, noetic skill, contribution and timely nature, were of great value and instrumental in the completion of this project. I would especially like to thank Ms. Alicia Fourie for awakening my interest in the field of economic education. The knowledge I have gained from this field will prove to support me in my future endeavours.

I would also like to thank Ms. Ilza Havenga and Ms. Alida Schutte for the assistance, time, support and advice they have given me throughout this year. I can only hope to someday repay you for all that you have done for me. I would also like to extend my gratitude towards Ms. Clarissa van Tonder who provided me with support and advice throughout this project. I admire your kind heart, graceful soul and enlightening spirit.

Thank you to Dr. André Heymans, Ben Volkwyn, Clemenso Weideman, Estiaan Steyn, and Wessel Rheeder for their love, support, guidance and friendship. I cannot begin to express my gratitude and respect for you. I will always be thankful for your love, support, guidance and friendship.

I would also like to acknowledge the North West University's statistical consultants, Mr. Shawn Liebenberg and Prof. H.S. Steyn, for their statistical support. I could not have asked for more friendly, timely and diligent assistance. Without your valuable contribution, this project would not have been completed.

Thank you to the North West University's PUK Alumni for their valuable contribution towards this study with the distribution of the questionnaire, which was vital to the completion of this project. Thank you for your friendly, timely and diligent assistance.

The financial assistance of the National Research Foundation (NRF) towards this research is hereby acknowledged. The opinions expressed, and conclusions drawn are those of the author and are not necessarily to be attributed to the NRF.

I would also like to thank Rod Taylor for assisting me with the language editing of this project. Your patience, timely nature and friendly assistance towards me will always be remembered.

Last, but not least, I would like to thank Sheree Brits and Calvin Joubert. I cannot begin to express my gratitude for all that you have come to mean in my life and for all that you have done. The love and support which you have provided me with cannot be described, pictured or expressed. I consider both of you to be family and so much more. Thank you for understanding and accepting me for who I am.

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 tersiêre onderwys 'n positiewe en betekenisvolle impak op die vlak van inkomste het. Hierdie studie probeer ook bepaal of elke daaropvolgende vlak van tersiêre 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 die belangrikste van die determinante. Die bepaling van die effek van hierdie veranderlikes op tersiêre opgevoede individue se inkomste, sal help om huidige en toekomstige gegradueerdes 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 tersiêre onderwys 'n beduidende verband hou met inkomste, en dat hoër vlakke van tersiêre onderwys verband hou met hoër inkomste kategorieë, terwyl laer vlakke van tersiêre onderwys verband hou met laer inkomste kategorieë. 'n Gevolgtrekking vanuit die Alumni datastel het daarop gedui dat die vlak van tersiêre 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 tersiêre kwalifikasie se inkomste beïnvloed word beskou as geslag, ouderdom, huwelikstatus, beroep, en die vlak van tersiêre onderwys.

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

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