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**PRIVATE RETURNS TO EDUCATION IN GREECE**

Abstract

Private returns to education in Greece are investigated using the data of three Household Budget Surveys (1974, 1988 and 1994). Returns to schooling are found to be higher for females than for males, they declined between 1974 and 1988 and then rose in 1994 and, further, returns to education are increasing as the level of education rises. Sensitivity tests show that the hypothesis of selectivity bias for female employees is rejected, whereas when potential experience is replaced by age as an explanatory variable, the estimated returns decline by around two percentage points. No significant differences are found between rates of return of private and public sector workers, while education was found to act as a screening device, at least in the case of male employees.