

The Effect of Education on Income Inequality in Wisconsin

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Abstract

Using cross-sectional data from each of Wisconsin's 72 counties, this research explores the effect of postsecondary educational attainment on income inequality in our state. To study this relationship using regression analysis, income inequality is measured as a ratio provided by the U.S. Census Bureau, and the variable of interest is the percent of each county's population with a bachelor's degree or higher. The results of this research suggest that there is currently a wage premium for college-educated workers in Wisconsin that is driving income inequality, only made worse by an imbalance in the supply and demand of these workers. To meet the growing demand, four-year universities, technical colleges, postsecondary certificate programs, and other educational alternatives will play a key role in preparing highly skilled workers to enter the labor force going forward.