

Abstract

The thesis examines returns to education in the USA and Germany and provides a side-by-side comparison of the results. An OLS regression is run based on an adjusted Mincer equation with added controlling variables and dummy variables for the highest achieved education degree rather than years of schooling. The results show that higher investment in education needed in the USA yields considerable higher returns than in Germany and also show differences in the impact of potential experience in both countries. However when looking at accumulated earnings including direct costs in form of tuition fees in the USA, the higher returns are diminished, especially in the early stages of life.