

ABSTRACT

The aim of this study is to empirically examine the return on education in Central Java Province in 2022. The relationship between income and education is tested using the Mincerian earnings function approach. Data from the 2022 National Labor Force Survey (Sakernas) is utilized for this study. The findings of this study demonstrate that, on average, each additional year of schooling leads to a 6.7% increase in income after correcting for selection bias using the Heckman Selection Model. Overall, the relationship between income and education is consistent with the Mincerian earnings function and previous evidence highlighting the contribution of increased years of education to individual income.

Keywords: Return on education, Mincerian earnings function, income, labor force.