

Economics 122
Poverty and the Distribution of Income
Fall 2000

Assignment Three -- Due September 18, 2000

The ratio of the earnings of college educated workers to workers with just a high school diploma grew in the 1980's and into the 1990's. Use supply and demand analysis (include graphs) to offer at least two hypotheses for why the premium to skill increased. (In other words, what shifts in demand or supply would increase the wages of college educated relative to high school educated?)