DISCUSSION

By Tobia Bressler, Bureau of the Census

The difficulties facing students of demography when trying to measure or project Negrowhite differentials are not a result of their fear of treading on thin ice nor their lack of imagination. It may be that they are faced with the same type of problem the microbiologist encounters when he attempts to examine a strain of bacteria which has developed a new structure and pattern of growth because of an increase of new stimulants and irritants in its environment.

Mr. Thurow's paper presents a well documented explanation of a procedure for measuring the returns in income from improvements in education and job related training. He points out early in his paper the need to know what combination of on-the-job training and formal education yields the greatest return to the individual.

In the process of measuring this the author computes a human capital function which has as one of its factors years of work experience. I should like to raise a question about the procedure used for obtaining this item. (Years of experience--e.) The human capital function was estimated separately for the white and nonwhite population and this is as it should have been but the number of years of experience was computed in the same fashion for both the white and nonwhite population...by subtracting the work-starting age from the current age. This technique gives equal weight to all workers, those who may have worked full-time, worked only on a part-time basis, and workers with long periods of unemployment. Should an adjustment be included in the computation of "e" to take account of the white-nonwhite differential in employment patterns?

Mr. Thurow correctly points out that his computation of human capital does not include a factor for innate ability and, therefore, will overstate the returns to education. The degree to which this omission affects the results will also depend on whether innate ability is assumed to vary by race.

The inclusion of age along with race, occupation, and region as variables in the investigation of the returns to education and training would provide an interesting measure of change over time.