

**The Marginal Rate of Substitution Between Work
Experience and Education:**

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In this paper the marginal rate of substitution between education and work experience is computed. The main question in the study is to explain why some people choose to educate, while other does not. The data in the study is from the Swedish level of living survey, 1991. The computed marginal rate of substitution suggests that on the average, and in general, education will have a higher pay-off than work experience. However, for approximately 4 per cent of the population the marginal rate of substitution was below 1, indicating that work experience pays-off more than education. These individuals will have an advantage of not educate