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## **Want higher salary? Get a master's degree: Report** **MOM report shows higher wages linked to years of study, level of education**

**By Li Xueying**

THE more you study, the more you earn. But the increase in your pay cheque depends on your level of education, what you study - and even your gender.

This is the gist of a new report released yesterday by the Manpower Ministry.

In 2004, primary school education yielded the lowest rates of return, according to the study conducted by ministry officials and academics.

For every year of completed primary school education, a person's wage increased by 0.9 per cent. In contrast, for each year of secondary school education, the wages jumped by 14.4 per cent.

Getting a master's degree is the most financially rewarding - with each year of study, wages climb by 23.1 per cent. It even beats getting a PhD, which will earn one a wage hike of only 14.7 per cent.

These outcomes were arrived at from an analysis of the national labour force survey, said Associate Professor Shandre M. Thangavelu, director of the Singapore Centre for Applied and Policy Economics at the National University of Singapore.

The sample consists of about 30,000 Singaporeans working full-time.

When the 2004 figures are compared to 2001's, the rates of return of a university education are better, while the returns from a primary, secondary and diploma education have either declined or remained unchanged.

Explained Prof Shandre: 'As we move to a higher-value economy, the market is more willing to give more to better-educated workers.'

The statistics bear out the problem of an increasing income gap that Singapore is grappling with.

As less educated workers face competition from low-wage workers from China and India, their salaries are curbed, said the report.

On how lower-educated workers can overcome their situation, Prof Shandre said: 'In this transitional economy, we need to give them the opportunity to accumulate more training and move up the education ladder.'

The report comes at a time when a high-level panel of international education experts is looking at whether Singapore should produce more university graduates.

While currently four in 10 children who enter Primary 1 each year make it to university, it has been suggested that the ideal could be one in two.

But not all university degrees yield the same level of returns.

Professional and specialised fields of study such as law, health sciences, IT and engineering sciences have higher rates of return.

The most rewarding is a law degree which boasts a 25.2 per cent increase in wages with each year of study, while more general degrees such as mass communications and information science offer a 15.2 per cent hike.

With a faltering construction industry, architecture and building degrees are also near the bottom of the heap - every year of study brings a pay rise of 15.8 per cent.

Men tend to get higher rates of return. For instance, the pay rise of men with polytechnic diplomas is 18.7 per cent, compared to 17.6 per cent for the women.

Ms Annie Yap, chief executive officer of recruitment firm GMP Group, said that master's degrees are popular with employers looking for management staff.

She added that while paper qualifications are important at the entry level, they become less so 'as you go higher'.

'Experience will supersede qualifications,' she said.

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