

# Does Accomplishing Schooling Increase The Wealth Of Hondurans?

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**Abstract:** This study aims to examine whether educated Hondurans live wealthier life. According to the study, Honduran with more education are wealthier than Honduran with less education. In quantitative terms, one educational year in Honduras is associated with a 0.060 standard deviation increase in Honduran wealth index, completing primary schooling raises Honduran wealth index by 0.324 standard deviations, and completing secondary schooling raises Honduran wealth index by 0.454 standard deviations.

**Keywords:** Education; Honduras; Wealth

## Introduction

The rise of educational inequality in Honduras has important implications for Honduran wealth and wellbeing. Policymakers in Honduras have moved their focus to quantifying the Honduran education-wealth relationship.

Therefore, this study aims to examine whether educated Hondurans live wealthier life. The data is from the Honduras Demographic and Health Surveys (HND-DHS). Regression analysis with HND-DHS data is utilized. The explanatory is Honduran education. The outcomes are Honduran wealth index. Our findings, focused on Honduras, contribute to the body of evidence concerning the Honduran education-wealth nexus across Honduras.

According to the study, Honduran with more education are wealthier than Honduran with less education. In quantitative terms, one educational year in Honduras is associated with a 0.060 standard deviation increase in Honduran wealth index, completing primary schooling raises Honduran wealth index by 0.324 standard deviations, and completing secondary schooling raises Honduran wealth index by 0.454 standard deviations.

## Data

Using data from the Honduras Demographic and Health Surveys (HND-DHS), we examine whether educated Hondurans live wealthier life. HND-DHS collects detailed information on Honduran demography. Various Honduran characteristics are also included in HND-DHS. The wealth index of Hondurans is the key outcome. We utilize HND-DHS provided educational attainment of Honduran as the main explanatory.

Table 1: Honduran Descriptive Statistics

	Mean	SD	N
	(1)	(2)	(3)
Honduran Wealth Index	0.017	1.016	103794
Honduran Education	5.550	4.435	103794
Honduran Primary School	0.564	0.496	103794
Honduran Secondary School	0.154	0.361	103794
Honduran Age	38.457	16.752	103794
Honduran Male	0.475	0.499	103794
Honduran Currently Married	0.000	0.000	103794
Honduran in Rural Areas	0.592	0.491	103794
Honduran Household Head	0.384	0.486	103794

The descriptive statistics in this HND-DHS sample is in Table 1. The sample includes around 103794 Honduran respondents. The average HND-DHS wealth index of Honduran is 0.017. The average HND-DHS educational years is 5.550. The share of Honduran completing primary school is 0.564 in HND-DHS. The share of Honduran completing secondary school is 0.154 in HND-DHS. The average age of Honduran interviewers is 38.457. Honduran male share is 0.475. The share of married Honduran is 0.000 with a population fraction of 0.592 in rural areas. The share of respondents in HND-DHS being household head is 0.384.

## Empirical Design

To examine whether educated Hondurans live wealthier life, we estimate the following regression,

$$Y_{ist} = \beta_0 + \beta_1 \text{Edu}_{ist} + X'_{ist} \Omega + \epsilon_{ist}$$

where  $i$ ,  $s$ , and  $t$  refer to Honduran individuals, HND-DHS residential cluster, and HND-DHS survey date.  $Y_{jist}$  is Honduran wealth index.

$\text{Edu}_{ist}$  is Honduran educational year, Honduran completing primary schooling, and Honduran completing secondary schooling.  $X'_{jist}$  includes Honduran age, squared-age, gender, whether Honduran respondent is married, whether Honduran respondent is in rural areas, whether Honduran respondent is household head, Honduran birth year fixed effects,

HND-DHS residential cluster fixed effects, HND-DHS survey date fixed effects.  $\epsilon_{jst}$  is the error term.

The coefficient  $\beta_1$  is the effects of education on Honduran wealth. Simply put,  $\beta_1$  reflects the difference in wealth of Honduran living in the same neighborhood but with different education level.

## Results

**Honduran Education** - The relationship between Honduran education and wealth in HND-DHS is in Table 2. Column 1, where only Honduran education is accounted for, displays the relationship between Honduran education and wealth in HND-DHS. We find that one educational year in Honduras is associated with a 0.134 standard deviation increase in Honduran wealth index.

This estimate is only a correlation between Honduran education and wealth in HND-DHS, while some factors in HND-DHS are not accounted. Therefore, we introduce Honduran attributes and HND-DHS spatial-temporal fixed effects. According to Column 3, we find that one educational year in Honduras is associated with a 0.060 standard deviation increase in Honduran wealth index.

Table 2: Honduran Education

	(1)	(2)	(3)
Honduran Education	0.134*** (0.001)	0.100*** (0.001)	0.060*** (0.000)
Observations	103794	103794	103794
Cluster FE	.	.	X
Characteristics	.	X	X

**Honduran Primary Schooling** - The relationship between Honduran primary schooling and wealth in HND-DHS is in Table 3. Column 1, where only Honduran primary schooling is accounted for, displays the relationship between Honduran primary schooling and wealth in HND-DHS. We find that one completing primary schooling raises Honduran wealth index by 0.910 standard deviations.

This estimate is only a correlation between Honduran primary schooling and wealth in HND-DHS, while some factors in HND-DHS are not accounted. Therefore, we introduce Honduran attributes and HND-DHS spatial-temporal fixed effects. According to Column 3, we find that completing primary schooling raises Honduran wealth index by 0.324 standard deviations.

Table 3: Honduran Primary Schooling

	(1)	(2)	(3)
Honduran Primary	0.910*** (0.006)	0.622*** (0.005)	0.324*** (0.004)
Observations	103794	103794	103794
Cluster FE	.	.	X
Characteristics	.	X	X

**Honduran Secondary Schooling** - The relationship between Honduran secondary schooling and wealth in HND-DHS is in Table 3. Column 1, where only Honduran secondary schooling is accounted for, displays the relationship between Honduran secondary schooling and wealth in HND-DHS. We find that one completing secondary schooling raises Honduran wealth index by 1.325 standard deviations.

This estimate is only a correlation between Honduran secondary schooling and wealth in HND-DHS, while some factors in HND-DHS are not accounted. Therefore, we introduce Honduran attributes and HND-DHS spatial-temporal fixed effects. According to Column 3, we find that completing secondary schooling raises Honduran wealth index by 0.454 standard deviations.

Table 4: Honduran Secondary Schooling

	(1)	(2)	(3)
Honduran Secondary	1.325*** (0.008)	0.830*** (0.006)	0.454*** (0.005)
Observations	103794	103794	103794
Cluster FE	.	.	X
Characteristics	.	X	X

## Conclusion

This study aims to examine whether educated Hondurans live wealthier life. The data is from the Honduras Demographic and Health Surveys (HND-DHS). Regression analysis with HND-DHS data is utilized. The explanatory is Honduran education. The outcomes are Honduran wealth index. Our findings, focused on Honduras, contribute to the body of evidence concerning the Honduran education-wealth nexus across Honduras.

According to the study, Honduran with more education are wealthier than Honduran with less education. In quantitative terms, one educational year in Honduras is associated with a 0.060 standard deviation increase in Honduran wealth index, completing primary schooling

raises Honduran wealth index by 0.324 standard deviations, and completing secondary schooling raises Honduran wealth index by 0.454 standard deviations.

The findings are linked to studies on the effects of various factors on Honduran well-being. For example, food scarcity and political violence in Honduras connect to poor survival rates; heat and heavy rain in Honduras worsen wellbeing; literacy, nutrition efforts, and land reform enhance Honduran wellbeing; responses to diseases influence Honduran health (Nguyen, 2021a, 2021b; Le, 2021a, 2021b).

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