

Referee Report on "ON THE SIZE OF SHEEPSKIN EFFECTS: A META-ANALYSIS"

This paper uses meta-analytic methods to investigate the impact of a high school degree on wages and finds that a high school degree increases wages by about 8%. The sheepskin effect is important both for policy reasons and because it sheds light on the validity of the signaling hypothesis versus the human capital hypothesis in labor economics. A careful meta-analysis would be a very nice contribution to the literature.

It is difficult to assess whether this paper makes that contribution because the exposition is often hard to understand or incomplete. Creating the dataset for the meta-analysis is often the most difficult part of the process, so this paper certainly has the possibility to be significant.

Major points:

- This paper could be much more strongly motivated. The sheepskin effect is particularly important because the presence of a sheepskin effect is seen as a confirmation of the signaling or screening hypothesis. The authors do not mention this in motivating their paper. If the reader is not already familiar with the sheepskin effect, he has to work hard to figure out what it is and why he should care.
- I found equations 1-4 to more confusing than clarifying. Please consider how this information is presented.
- The motivation for meta-analysis and the description of techniques employed should be stronger and clearer. Perhaps this information needs its own section. In particular, the section on publication selection was difficult to follow and evaluate.

Minor points:

- A more complete description of your search process should be included as well as a list of the references used in your meta-analysis. It seems very surprising to me that more papers would have been written on the sheepskin effect in Brazil than in the US, but I cannot see which papers were included. Why does the data stop at 2011? Was only one estimate from each paper included? If yes, how was that estimate chosen? Are the results sensitive to including all estimates?
- A histogram of the estimates would be a nice addition.
- I would have liked to see more covariates included. If "distance to the equator" is important, the reader needs an explanation for why it would be important. What do we learn from its significance? I am curious as to whether the estimation methods used in the original paper affect the estimates. Surely there is variation.
- It would be nice to see the funnel plot before the tests for publication bias.
- Explanatory footnotes to tables would be useful so that the reader does not have to search back through the text to understand the table.