

*N.B. Correspondence author is listed first. First discussant is assigned to first paper, second to second paper, etc.
An email list for each session is on the final page.*

January 5, 2016 – 1:00PM-3:00PM

Hilton Union Square, Franciscan C

Session I: Long Hours Jobs and Specialization in Marriage (J2, D1)

Presiding: Madeline Zavodny, Agnes Scott College

Overtime Premiums, Labor Supply, and the Social Value of Occupations

Dora Gicheva, University of North Carolina at Greensboro

This paper aims to further our understanding of the labor supply choices of salaried employees by focusing on uncompensated overtime in jobs with pro-social characteristics. In the framework of this study, occupations differ in their social value, measured by the tendency of jobs to involve providing help or service to others. Examples of occupations that score high along this dimension include therapists, nurses and social workers. On the labor supply side, workers differ in the degree to which they value their job's helping orientation. The theoretical model developed in the paper yields three testable predictions that are supported by the data. First, the average occupation overtime premium is decreasing in the occupation's nonmonetary social value. Second, workers self-select into jobs based on the occupation's pro-social characteristics and their individual valuation of such characteristics. Third, there exists an inverse relationship between job satisfaction and overtime premiums when the job's nonpecuniary attributes are ignored. I explore the possibility that gender differences in attitudes toward pro-social behavior can explain some of the observed gender differences in overtime compensation and sorting into occupations. My results are consistent with the hypothesis that women place more weight on their occupation's orientation toward providing help and service to others. Women tend to be better represented in occupations that score high on this social value measure, but at the same time, earn relatively lower overtime premiums compared to men in the same occupations. In other words, women are found to be more strongly drawn to "helping" occupations and willing to give up more in terms of overtime compensation without reducing their hours in exchange for higher occupational social value. JEL: J22, J24, J31.

When Time Binds: Returns to Working Long Hours and the Gender Wage Gap among the Highly Skilled

Patricia Cortes, Boston University

Jessica Pan, National University of Singapore

This paper explores the relationship between gender differences in hours worked, the returns to working long hours, and the gender pay gap among highly educated workers. Using a cross-section of occupations, Goldin (2014) documents that occupations characterized by high returns to overwork are also those with the largest gender gap in earnings. Using panel data on occupations across cities over time, we show that these associations continue to hold even after accounting for differences across occupations over time, differences across cities over time, and differences in characteristics of occupations that vary by city. To provide causal evidence on the demand for long hours and how it relates to gender wage gaps, we exploit exogenous cross-city variation in low-skilled immigrant flows to proxy for changes in the prices of outsourcing household production. We find that low-skilled immigration leads to a reduction in the gender gap in weekly hours worked, as well as the gender pay gap, particularly in occupations that disproportionately reward longer hours of work. These results highlight the causal role of the returns to overwork in explaining the gender pay gap and suggest that reductions in the cost of supplying longer hours of work may allow women to close the gap in hours of work and to benefit from higher wages. JEL codes: J16, J22, J31.

Has the Increased Attachment of Women to the Labor Market Changed the Ability of Families to Smooth Shocks to Family Income?

Olga Gorbachev, University of Delaware

Using PSID for 1968-2011, I investigate whether and to what extent an increase in women's attachment to the labor force had an effect on family's ability to smooth unexpected shocks to income for continuously married households. I document that although volatility of male earnings increased, and that of female earnings fell over this period, volatility of family income increased in line with previous findings. When computing volatility of earnings I allow for transitions in and out of employment, which is critical given the dramatic changes in labor force participation of women and recent changes for men. I decompose volatility of family income into its components due to volatility of: taxable income (labor, business, farm and rent), transfer income, and their covariances. I find that the covariance of spousal income shocks increased over time, but the share that wife's volatility of income contributed to family income volatility fell and that of husband's slightly increased. I then show that the increase in family income variability was associated with a smaller but still significant increase in volatility of consumption. Households' inability to smooth consumption imposed a significant welfare cost. Thus, even though women became more attached to the labor market, and variability of their income fell over time, these trends were not enough to stabilize variability of family income. I find that liquidity constraints played a crucial role in propagating volatility. A dual income household is also a household with larger financial obligations that is more sensitive to income shocks. This in turn, led to a greater probability of being liquidity constraint and to a more variable consumption. JEL: D12, D91, J16.

Selection and Specialization in the Evolution of Couples' Earnings

Chinhui Juhn, University of Houston
Kristin McCue, U.S. Census Bureau

We examine changes in marriage and earnings patterns across four cohorts born between 1936 and 1975, using data from a series of Survey of Income and Program Participation panels linked to administrative data on earnings. We find that for both men and women, marriage has become increasingly positively associated with education and earnings potential. We compare ordinary least squares (OLS) and fixed effect (FE) estimates of the earnings differential associated with marriage. We find that the marriage earnings gap fell for women in fixed-effect estimates implying that the impact of specialization has diminished over time. We also find that increasingly positive selection into marriage overstates the reduction in the marriage earnings gap. While our findings imply that marriage is no longer associated with lower earnings among women in our most recent cohort, the motherhood gap remains large. Among men, we find that the marriage premium actually increases for more recent birth cohorts in fixed-effects regressions. JEL: J12, J16, J22, J31.

Discussants:

Ron Oaxaca, University of Arizona
Ina Ganguli, University of Massachusetts-Amherst
James Ziliak, University of Kentucky
Mary Ann Bronson, Georgetown University

January 5, 2016 – 8:00AM-10:00AM

Hilton Union Square, Franciscan C

Session II: Motherhood and the Labor Market (J1)

Presiding: Kevin Lang, Boston University

Social Norms, Labor Market Opportunities, and the Marriage Market Penalty for Skilled Women

Jessica Pan, National University of Singapore
Marianne Bertrand, University of Chicago Booth School of Business
Patricia Cortes, Boston University School of Management
Claudia Olivetti, Boston University

In most of the developed world, skilled women marry at a lower rate than unskilled women. We document heterogeneity across countries in how the marriage market penalty for skilled women has evolved over time. As labor market opportunities for women have improved, the gap in ever-married rates between skilled and unskilled women has been decreasing in North America, Nordic countries, and some parts of Western Europe. In sharp contrast, the marriage gap has widened in East Asia and parts of Southern Europe, with singlehood rates for skilled women reaching unprecedented levels in the most recent cohorts. We propose a theoretical model in which the (negative) social attitudes towards working women might contribute towards the lower marriage rate of skilled women, and might also induce a non-linear relationship between their labor market prospects and their marriage outcomes. A marriage market penalty (or premium) emerges endogenously in our model as a function of skilled women's rising labor market opportunities and the time allocation decisions that these generate. We show that the interaction between women's labor market opportunities and gender norms generates a U-shaped marriage penalty. The model allows us to characterize the dynamics of the marriage market penalty for skilled women in an environment with specific gender norms as the labor market opportunities for them increase. The model is also valuable in generating comparative statics across environments with more or less conservative gender identity norms. We test the key assumptions and predictions of the model in a panel of 20+ developed countries as well as across states in the US. JEL: J12, J16.

Employment Adjustments Around Childbirth: How Mothers Smooth their Careers

Barbara Pertold-Gebicka, Charles University in Prague
Nabanita Datta Gupta, Aarhus University
Filip Pertold, CERGE-EI

In many European countries the labor market is segmented into public and private sectors. The public sector is considered to be family friendly and allow for combining motherhood and career development. In this paper, we take advantage of the Danish administrative records to explore how women adjust work conditions after giving birth to their first child by changing the employment sector and thus smooth earnings consequences of maternity. In particular, we show that switching from private to public sector is most frequent for high skilled professionals in occupations with low freedom to make decisions and with high time pressure. This specific brain-drain can explain why we observe high gender wage gaps in occupations with convex pay schemes. Further, our estimates of the motherhood wage gap suggest that women who switch from private to public sector lose the least on their post-motherhood wage gap due to motherhood in each respective post-birth year, while women who stay in the private sector are building up the most on their pre-motherhood wage gap. JEL: J16, J24, J45.

***The Role of Paid Parental Leave in Reducing Women's Career Interruptions:
Evidence from Paid Leave Laws in California and New Jersey***

Tanya Byker, Middlebury College

I analyze the effects of paid parental leave on maternal labor supply. Using monthly longitudinal data from the Survey of Income and Program Participation, my event-study research design characterizes the evolution of labor-force participation around childbirth for women affected by paid leave laws in California and New Jersey. I find that paid leave laws are associated with a substantial increase in labor-force attachment in the months directly around birth but have little impact beyond six months after birth. While US-style short-duration leave is unlikely to change prolonged exits from the labor force, my findings imply that paid leave laws induce some women to work stay more attached, particularly low-skill women. JEL: J8, J13, J22.

Can Financial Incentives Reduce the Baby Gap? Evidence from a Reform in Maternity Leave Benefits

Anna Raute, University of Mannheim

I study whether earnings dependent parental benefits have a positive impact on fertility, and whether they are successful at narrowing the baby gap between high educated (high earning) and low educated (low earning) women. I exploit a reform in parental leave benefits in Germany: Up until 2007 German parental benefits were means-tested transfers and targeted at lower income families. From 2007 onwards parental leave benefits were increasing in mother's pre-birth earnings with a minimum benefit being granted to all mothers. The reform increased the financial incentives to have a child for higher educated and higher-earning women considerably, by up to 21,000 €. First I find large discontinuous jumps in overall monthly birth rates nine months after the passing of the law as well as evidence for discrete drops in abortion rates for married women just after the law was passed. Second, I exploit the large differential changes in parental leave benefits across education and income groups to estimate the causal effect of parental leave benefits on fertility. I find a positive, statistically significant effect of an increase in benefits on fertility, which is mainly driven by women in the middle and upper-end of the education and income distribution. My findings suggest that earnings dependent parental benefits, which compensate women for their opportunity cost of childbearing accordingly, might be a successful means to increase the fertility rate of high-skilled and higher-earning women and to reduce the disparity in fertility rates with respect to mothers' education and earnings. JEL: J13, J16, J18.

Discussants:

Catalina Castilla, Colgate University

Núria Rodríguez-Planas, City University of New York, Queens College

Gordon Dahl, University of California at San Diego

Kevin Lang, Boston University

January 4, 2016 – 10:15AM-12:15PM

Hilton Union Square, Continental, Parlor 3

Session III: Education and Gender (J1, I2)

Presiding: Shulamit Kahn, Boston University

The STEM Gender Gap: Evidence from the CA State Science Fair

Nanneh Chehras, University of California, Irvine

In this paper, I present a novel STEM gender gap measure to document when gender differentials emerge and what factors may aid in their reduction. I construct a dataset of over 17,000 California State Science Fair (CSSF) participants and use students' choices in project type, which places them in one of up to 24 categories. I then evaluate the role of several factors that may influence participation and performance gender gaps: advisor gender, parent assistance, school-level teacher gender composition, and judge gender composition. Although approximately an equal number of males and females participate in the overall CSSF, I find significant gender gaps in middle school that become more apparent among high school students. For example, middle school females are 28.5 percentage points less likely to compete in a math category, relative to social science, compared to 38.5 percentage points in high school. However, among winners, gender gaps do not exist in technology, engineering, and mathematics fields, where females are least represented. In terms of influential factors, I find that advisor or parent gender is significant both for project type and performance. For example, students who receive assistance from female advisors or mothers are significantly less likely to compete in male-dominated fields, like engineering or technology. This is important because female participants are significantly more likely to receive assistance from other females. I do not find evidence to suggest that the general gender composition of school teachers influences students' project decisions or performance. Finally, the gender composition of category judges does not predict performance. JEL: J16, I21

Educational Mobility across Three Generations of American Women

Sarah Kroeger, University of Wisconsin-Milwaukee

Owen Thompson, University of Wisconsin-Milwaukee

Abstract pending.

Student Appearance and Class Performance

Christina Peters, Metropolitan State University of Denver

Rey Hernandez-Julian, Metropolitan State University of Denver

Studies have shown that attractive people have higher earnings. In this paper, we test the hypothesis that attractiveness may be a proxy for unobserved productivity. We compare the impact of attractiveness on grades in college courses where professors can directly observe the student's appearance to courses where they do not. We confirm that appearance matters: attractive female students earn higher grades than unattractive ones. Moreover, we provide further suggestive evidence that this return to appearance disappears in settings where it is difficult for the professor to observe the student. Thus, our empirical evidence provides little support for the hypothesis that appearance is a proxy for productive traits, but instead suggests that the return to appearance is likely due to discrimination.

JEL: I21, J71.

The Math Gender Gap: The Role of Culture

Núria Rodríguez-Planas, City University of New York, Queens College

Natalia Nollenberger, IAE-CSIC

Almudena Sevilla, Queen Mary, University of London

Using analysis across countries, previous studies suggest a relationship between a culture's attitude toward gender equality, and the math gender gap. While these studies found a positive association between the measures of gender equality and the relative performance of girls in mathematics, they do not show a causal relationship. In this paper, we provide causal evidence on the importance of culture on the role of women in society in determining the gender gap in math test scores. In doing so, our analysis disentangles the role of cultural attitudes versus that of a country's institutions and formal practices, informing a public policy issue of first-order importance. Using the epidemiological approach and 11,527 second-generation migrants from 35 different countries of ancestry and living in nine host countries, we find that at least half of the math gender gap across countries of residence can be attributed to culture. Results are robust to different specifications, measures of gender equality, and changes in sample criteria. JEL: I21, I24, J16, Z13.

Discussants:

Shulamit Kahn, Boston University

Gary Solon, Michigan State University

Tanya Rosenblat, University of Michigan

Margaret Blume-Kohout, New Mexico Consortium and Mount Holyoke College