

ECON W4913 Undergraduate Seminar in Macroeconomic Theory- Fall 2007

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SYLLABUS (Version: 9/25/07)

Title

Women and the Labor Market: Participation, Earnings and Careers

Description

There are three important facts about women and the labor market. First, there has been a dramatic rise in the labor force participation of married women, especially those with young children. Second, there is a substantial and persistent gender earnings gap. Third, despite their rising rates of educational attainment, women are still underrepresented in top jobs.

We will analyze these facts in detail, review the leading explanations and discuss the open questions from a macroeconomic standpoint.

Requirements

Intermediate Macroeconomics, Intermediate Microeconomics and Econometrics

Schedule

Mondays, 11AM-12.50PM, IAB 411

Class will **not** be held on the following dates: 10/8, 11/5 (Election Day), 11/12, 12/10

Office Hours

Mondays, 5-7 PM, IAB 1034

Please sign up on the sheet on my office door.

Readings

The following books are required:

Claudia Goldin. **Understanding the Gender Gap**. Oxford University Press 1990. (UGG henceforth.)

Francine D. Blau, Marianne A. Ferber, Anne E. Winkler, Marianne Ferber, and Anne Winkler.

Economics of Women, Men, and Work. Prentice Hall, 2006 Fifth edition. (WMW henceforth.)

You may purchase them or borrow them from the library, where several copies of each are available.

There will be many research articles/papers assigned for the lectures and class presentations. The precise citation for each paper is reported in the *Topics* section of the Syllabus. You are expected to study *all* the papers assigned for my lectures and all the papers that will be presented in class.

The assigned readings are available electronically, either on the library's online resources or from the authors' web page. Hard to find readings will be made available on Courseworks or in class.

Requirements

All students are required to make one **in-class presentation**. The in-class presentation will be based on a paper or group of papers chosen by the student from the syllabus. In addition, all students must complete one **paper** on a related topic. Papers may be empirical, theoretical, or institutional. Reviews of existing literature may also be acceptable.

Students must define the paper(s) for the in-class presentation by 10/1.

Students must submit a paper proposal for approval by the instructor by 11/19 in class. For empirical papers, the proposal must contain a description of the data to be used.

Students must submit a completed paper by 12/10.

Acceptable papers are 8-12 double-spaced pages including *all* tables and figures, set in 12 point times new roman script. All paper submissions will be electronic. Acceptable formats are Microsoft Word or PDF.

Grading

The in-class presentation will count for 40% of the grade, the paper will count for 40% and class participation will count for 20%.

Schedule and Assigned Readings

A. Lectures (9/10, 9/17, 9/24, 10/1)

1. Overview of the Issues

Goldin, Claudia. The Quiet Revolution that Transformed Women's Employment, Education, and Family.

American Economic Review Papers and Proceedings, May 2006.

Francine Blau. Trends in the Well-Being of American Women, 1970-1995. *Journal of Economic Literature* 26(1): 112-165, March 1998.

Costa, Dora. 2000. From Mill to Board Room: The Rise in Women's Paid labor. *Journal of Economic Perspectives* 14(4): 101-122.

UGG, Chapters 1 and 2.

WMW, Chapters 1 and 2

2. Households, Time Allocation and Women's Participation

UGG, Chapter 5

WMW Chapters 3 and 4

Blau F. and Kahn L. Changes in the Labor Supply Behavior of Married Women: 1980-2000. NBER WP 11230, 2005.

3. Gender Differences in Earnings, Occupations and Careers

UGG, Chapter 4

WMW, Chapters 5-7

Blau F. and Kahn L. Gender Differences in Pay. *Journal of Economic Perspectives*, (Fall) 2000, 14:75-99.

Blau F. and Kahn L. Swimming Upstream: Trends in the Gender Wage Differential in the 1980s. *Journal of Labor Economics*, 15: 1-42, 1997.

Blau F. and Kahn L. The US Gender Pay Gap in the 1990s: Slowing Convergence. NBER WP 10853 2005.

Blau F. and Kahn L. Wage Structure and Gender Earnings Differentials: An International Comparison. *Economica* Vol. 65. No. 250, Supplement: Economic Policy and Income Distribution (1996)

Blau F. and Kahn L. 2003. International Differences in the Gender Pay Gap. *Journal of Labor Economics*, 21: 106-144.

Olivetti C. 2006. Changes in Women's Hours of Market Work: The Role of Returns to Experience. *Review of Economic Dynamics*, 9 (4): 557-587.

O'Neil, June and Solomon Polacheck. 1993. Why the Gender Wage Gap in Wages Narrowed in the 1980s. *Journal of Labor Economics* 11(1): 205-28.

Waldfogel J. 200. Understanding the "Family Gap" in Pay for Women with Children. *Journal of Economic Perspectives* 12: 137-156.

B. Student Presentations (10/15 – 12/3)

Two students will present in each of the sections devoted to student presentations. Each student will pick a topic from the list below. I will then assign one or more papers for each presentation.

All students are expected to read *all* the papers featured in the presentations.

The presentation should describe the main question in the paper and the tools used to answer the question. The presentation should also critically assess the paper and link it to the lectures and the other papers that will be discussed. A successful presentation will not only briefly and accurately convey the content of each paper or group of papers but also generate an active discussion on their contribution and significance.

Presentations should be prepared in PowerPoint or PDF format for electronic projection. Each presentation should last 50 minutes, including discussion time.

When you have decided your preferred presentation topic, please get in touch with the instructor to discuss the specific papers you might present. All students must define the papers for their presentation by 10/1.

Important note: If all presentations on a particular topic have already been claimed by other students, you will have to switch to a different topic. To ensure that your presentation is on your preferred topic, choose the topic early and communicate it to the instructor. It may not be possible for every student to have their first choice of topic.

Dates for student presentations:

- a. 10/15
- b. 10/22
- c. 10/30
- d. 11/12
- e. 11/19
- f. 11/26
- g. 12/3

Topics and Papers for Student Presentations

A. Technology and Female Participation

*Goldin, Claudia and Lawrence Katz. 2002. The Power of the Pill: Oral Contraceptives and Women's Career and Marriage Decisions. *Journal of Political Economy* 110 (4): 730-770.

Bailey, Martha J. 2006. More power to the pill: The impact of contraceptive freedom on women's lifecycle labor supply. *Quarterly Journal of Economics*, 121: 289-320.

Caucutt E., Guner N. and Knowles J. 2002. Why Do Women Wait? Matching, Wage Inequality, and the Incentives for Fertility Delay. *Review of Economic Dynamics*, 5-4,815-855

Knowles, John. 2007 High-Powered Jobs: Can Contraception Technology Explain Trends in Women's Occupational Choice? Manuscript, University of Pennsylvania.

http://www.stanford.edu/group/SITE/SITE_2007/segment_7/Knowles_Contraception%20V2%201.pdf

*Greenwood, Jeremy, Ananth Seshadri, and Mehmet Yorugoklu. 2005. Engines of Liberation. *The Review of Economic Studies* 72: 109-133.

Mokyr, Joel. 2000. Why Was There More Work for Mother? Technological Change and the Household, 1880-1930. *Journal of Economic History* 60(1): 1-40.

*Albanesi S. and Olivetti C. 2007. Gender Roles and Technological Progress. NBER WP 13179.

Greenwood, Jeremy, Ananth Seshadri, and Guillaume Vandenbroucke. 2005. The Baby Boom and Baby Bust. *The American Economic Review* 95 (1): 183-207

Greenwood, Jeremy, and Nezih Guner. 2004. Marriage and Divorce since World War II: Analyzing the Role of Technological Progress on the Formation of Households. [NBER Working Papers](#) 10772

*Galor O. and Weil D. N. 1996. The Gender Gap, Fertility and Growth. *American Economic Review* 86: 374-387.

Jones, L., R. Manuelli, and E. McGrattan. 2003. Why are married women working so much? *Research Department Staff Report 317, Federal Reserve Bank of Minneapolis*.

Knowles, John. 2007. Why Are Married Men Working So Much? Manuscript, University of Pennsylvania. <http://www.econ.upenn.edu/~jknowles/Research/Married%20Men.htm>

Goldin, Claudia. 1995. [The U-Shaped Female Labor Force Function in Economic Development and Economic History](#), Chapter 3 in T. Paul Schultz, ed. *Investment in Women's Human Capital and Economic Development*, Chicago: University of Chicago Press, pp. 61-90.

B. Social Norms and Culture

Neumark, David and Andrew Postlewaite. 1998. Relative Income Concerns and the Rise in Married Women's Employment. *Journal of Public Economics* 70(1): 157-183.

*Fernández R., Fogli A. and Olivetti C. 2004. Mothers and Sons: Preference Transmission and Female Labor Force Dynamics. *Quarterly Journal of Economics*, 119(4): 1249-1299

Fernández R. and Fogli A., 2006. [Culture: An Empirical Investigation of Beliefs, Work, and Fertility](http://homepages.nyu.edu/~rf2/Research/RevisionQJE.pdf). <http://homepages.nyu.edu/~rf2/Research/RevisionQJE.pdf>

*Fernandez, Raquel. Women, Work and Culture. *Journal of the European Economic Association*, forthcoming, 2007.

Fernandez, Raquel. 2007. Culture as Learning: The Evolution of Female Labor Force Participation over a Century. NBER WP 13373.

Fogli, Alessandra and Laura Veldkamp. 2007. Nature or Nurture? Learning and Female Labor Force Dynamics. Manuscript, NYU.

*Fernandez, Raquel. [Culture and Economics](#), *New Palgrave Dictionary of Economics*, 2nd edition, forthcoming, 2007.

C. The Gender Wage Gap & Discrimination

*Albanesi, Stefania and Claudia Olivetti. Home Production, Market Production and the Gender Wage Gap: Incentives and Expectations. NBER WP 12212.

Francois, Patrick. 1998. Gender Discrimination without Gender Difference: Theory and Policy Responses. *Journal of Public Economics* 68(1): 1-32

Goldin, Claudia. 2002. A Pollution Theory of Discrimination. NBER WP 8985.

Casey, Mulligan and Yona Rubinstein. 2005. Selection, Investment, and Women's Relative Wages Since 1975. NBER WP 11159. <http://www.nber.org/papers/w11159.pdf>

Erosa, Andres, Luisa Fuster and Diego Restuccia 2005. A Quantitative Theory of the Gender Wage Gap. Manuscript, University of Toronto.

Nicole Fortin. 2006. Greed, Altruism, Gender Role Attitudes, and the Gender Wage Gap. Manuscript, UBC. <http://www.econ.ubc.ca/nfortin/Fortinat8.pdf>

*Olivetti, Claudia and Barbara Petrongolo. 2006. Unequal Pay or Unequal Employment? A Cross-Country Analysis of Gender Gaps. CEPR DP 5506 (<http://people.bu.edu/olivetti/papers/olivepetron.pdf>)

*Black, Sandra, and Alexandra Spitz-Oener. 2007. [Explaining Women's Success: Technological Change and the Skill Content of Women's Work](#) NBER WP 13116

*Claudia Goldin and Cecilia Rouse. 2000. [Orchestrating Impartiality: The Effect of 'Blind' Auditions on Female Musicians](#). *American Economic Review*.

D. Household Bargaining, Marriage and Divorce

*Wolfers, Justin and Betsey, Stevenson “[Marriage and Divorce: Changes and their Driving Forces](#)” Prepared for the *Journal of Economic Perspectives*, Winter 2007. [http://bpp.wharton.upenn.edu/jwolfers/Papers/MarriageandDivorce\(JEP\).pdf](http://bpp.wharton.upenn.edu/jwolfers/Papers/MarriageandDivorce(JEP).pdf)

Friedberg, Leora. 1998. Did Unilateral Divorce Raise Divorce Rates? Evidence from Panel Data. *American Economic Review*, 88(3): 608–27.

Wolfers, Justin “[Did Unilateral Divorce Raise Divorce Rates? A Reconciliation and New Results](#),” *American Economic Review*, 96(5), December 2006, 1802-1820.

Gray J. (1998), “Divorce-Law Changes, Household Bargaining, and Married Women’s Labor Supply,” *American Economic Review*, 88 (3): 628-642

Johnson W.R. and Skinner J. (1986), “Labor Supply and Marital Separation,” *American Economic Review*, 76 (3): 455-469

Wolfers, Justin and Betsey, Stevenson. 2006. “Bargaining in the Shadow of the Law: Divorce Laws and Family Distress” *Quarterly Journal of Economics*, 121(1): 267-288.

Neeman, Zvika, Andrew F. Newman, and Claudia Olivetti. 2006. Are Working Women Good for Marriage? Manuscript, Boston University.

Costa, Dora and Matthew E. Kahn. 2000. Power Couples: Changes in the Locational Choice of the College Educated, 1940-1990. *Quarterly Journal of Economics* 115(4): 1287-1315.

E. Incentives and Women's Careers

Albanesi, Stefania and Claudia Olivetti. 2007. Gender and Dynamic Agency: Theory and Evidence on the Compensation of Top Executives. Manuscript, Columbia University.

Landers, Renee, Rebitzer, James B. and Taylor, Lowell J. 1996. Rat Race Redux: Adverse Selection in the Determination of Work Hours in Law Firms. *American Economic Review* 86: 329-48.

Encinosa, William E., Gaynor, Martin and Rebitzer, James B., "The Sociology of Groups and the Economics of Incentives: Theory and Evidence on Compensation Schemes," <http://www.weatherhead.cwru.edu/rebitzer>

Nagin, Daniel L., James B. Rebitzer, Seth Sanders and Lowell Taylor. "Monitoring, Motivation, and Management: The Determinants of Opportunistic Behavior in a Field Experiment." *American Economic Review* 92 (June 2002): 850 – 873.

*Gneezy, Uri, Muriel Niederle, Aldo Rustichini. 2003. [Performance in Competitive Environments: Gender Differences](#). *Quarterly Journal of Economics*, CXVIII: 1049 – 1074.

*Niederle, Muriel, and Lise Vesterlund. 2007. [Do Women Shy away from Competition? Do Men Compete too Much?](#) *Quarterly Journal of Economics*.

*Niederle, Muriel and Alexandra H. Yestrumskas. 2007. [Gender Differences in Seeking Challenges: The Role of Institutions](#). Manuscript, Stanford University.

F. Women and World War II

*Goldin, Claudia. 1991. The Role of World War II in the Rise of Women's Employment. *American Economic Review* 81(4): 741-756.

Acemoglu D., Autor D.H. and Lyle D. "Women, War and Wages: The Effect of Female Labor Supply on the Wage Structure at Mid-Century," NBER WP 9013, June 2002

Doepke, Matthias Moshe Hazan and Yishay Maoz. 2007. The Baby Boom and World War II: The Role of Labor Market Experience. Manuscript, UCLA. <http://laef.ucsb.edu/conferences/hgfmacro07/papers/draft070502.pdf>

G. Women's Rights

Geddes, Rick and Dean Lueck. 2002. The Gains from Self-Ownership and the Expansion of Women's Rights. *American Economic Review* 92(4): 1079-92.

*Doepke, Matthias, and Michele Tertilt. 2007. Women's Liberation: What Was in It for Men? Manuscript, Stanford University and UCLA.

G. Government Policies, Labor Market Institutions and Female Participation

Jaumotte, Florence. 2003. Female Labor Force Participation: Past Trends and Main Determinants in OECD Countries. OECD Economics Department Working Papers No. 376.