

CONTENTS

Preface	xiv
Acknowledgements	xviii
1 Women and the Economy	1
Introduction	1
Why study women?	4
Economic analysis—an overview	5
An example—economic analysis in action	6
Positive and normative economics	6
Overview of the book	7
Learning more	8
Women in economics	8
Women, economics, and the Nobel Prize	8
Women in the economics profession	10
Final words	13
2 Economics Tools and Thinking	15
Introduction	15
Microeconomics—the basic approach	15
Choices	15
Solutions	17
Changing choices—comparative static analysis	17
Theories and models in economics	19
Microeconomics tools—utility functions and production functions	21
Utility functions	22
Production functions	23
Supply, demand, and market equilibrium	25
Fundamentals of supply and demand	25
Comparative statics of supply and demand	27
Empirical research methods in economics—an introduction	29
Regression analysis	30
Regression pitfalls	33
Experimental methods in economics	34
Summary	40

3	Gender and Economics	41
	Introduction	41
	What is gender?	41
	Where do gender roles come from?	42
	Agriculture and attitudes—the historical origins of gender roles	42
	Identity and gender roles	44
	Gender roles and economic behavior	46
	Gender and competitiveness	46
	Gender and risk aversion	49
	Potential biological explanations for gender differences in competitiveness and risk-taking	50
	Gender differences in negotiation	53
	Gender and leadership	54
	Why don't women major in economics?	58
	Summary	59
4	Marriage and the Family—An Economic Approach	61
	Introduction	61
	Marriage—facts and trends	62
	Marriage trends in the United States	62
	Marriage trends in Europe	66
	The economics of marriage	67
	Marriage as an economic institution	67
	The gains to marriage—production	68
	Specialization and risk	81
	The division of labor by gender—evidence	82
	The gains to marriage—investment	85
	The gains to marriage—consumption	86
	The marriage market—a supply and demand analysis	88
	Basic concepts and notation	88
	Supply and demand curves for marriage	89
	Marriage market equilibrium	91
	Changes in supply and demand	92
	The decline in marriage—a summary	98
	Summary	99
5	Marriage—Applications and Extensions	100
	Introduction	100
	The distribution of resources in marriage	100
	Theory	100
	Evidence	102
	Marital search	104
	Cohabitation	108
	Divorce	110

Facts and trends	110
The economic analysis of divorce	111
Imperfect information	112
No-fault divorce	114
Employment of married women	117
Gender preference	118
Education, marriage, and inequality	119
Marriage and happiness	121
Summary	122
6 The Economics of Fertility	123
Introduction	123
Fertility facts and trends	123
Measuring fertility	123
Changing fertility in the United States	125
Changing fertility in the rest of the world	128
Fertility—the modern economic approach	130
Preferences	130
The cost of child services-the big picture	133
The cost of child services-details	133
Choosing—the demand for child services	135
Explaining the decline in fertility	138
Fertility and women’s wages	138
Fertility and men’s wages	143
The effect of other prices on fertility choices	143
Other explanations of the decline in fertility	144
Summary	145
Appendix: Fertility and the interaction of quality and quantity	146
7 The Economics of Fertility: Applications and Extensions	147
Introduction	147
Non-marital fertility	147
Measurement, facts, and trends	147
Causes	151
Teen fertility in the United States	158
Causes	158
Socioeconomic consequences	161
The decline in teen fertility	163
Birth control and women’s education, marriage, and work	165
Fertility policy	168
Child allowances	169
Childcare subsidies	170
Maternity leave	170
Tax policy	171
Summary	171

8	Women at Work	172
	Introduction	172
	Facts and trends	172
	An economic model of women’s labor force participation	180
	Overview	180
	Assumptions	181
	Model details	182
	Utility maximization	185
	Non-market choices—leisure and household production	186
	Labor force participation	189
	Explaining the increase in women’s labor force participation	191
	Husband’s income	191
	Women’s wage rates	194
	Getting more productive—at home	194
	Changing attitudes about women’s work	197
	Putting it all together	198
	Fertility and labor force participation—a review and reconciliation	199
	Evidence—US working women in the twentieth century	200
	Summary	202
	Appendix: Labor supply analysis—an alternative approach	203
	Introduction	203
	The basics of labor supply analysis	204
	Choosing hours of work	208
	Labor force participation	209
	Summary	212
9	Women’s Labor Force Participation: Applications and Extensions	213
	Introduction	213
	Taxes and women’s work decisions	213
	Overview	213
	The arithmetic of taxation	214
	Taxes and labor force participation	215
	Taxes and hours of work	217
	Evidence	218
	Transfers and women’s work	219
	Overview	219
	How means-tested transfers work	220
	Effects on labor force participation	221
	Evidence	223
	Children, childcare costs, and women’s labor force participation	223
	Children and work	223
	Childcare costs and subsidies	226

Family leave policies	228
Overview of family leave policies	228
An economic analysis of family leave policies	230
The economic effects of family leave policies	232
Summary	235
10 Women's Earnings, Occupation, and Education: An Overview	236
Introduction	236
Gender differences in earnings—facts and trends	236
Occupational segregation	241
Measuring occupational segregation	243
Trends in occupational segregation	245
Gender differences in education	246
How labor markets work—an overview	250
The basics—supply and demand in competitive labor markets	250
Finding the equilibrium wage	252
Comparative statics—how changes in supply and demand affect wages and employment	253
Thinking about wage rates	254
Summary	256
11 Gender Differences in Earnings: Explanations	258
Introduction	258
Human capital—the supply of skills to the labor market	258
Human capital basics	258
Human capital investment and present value analysis	260
Gender and human capital investment	262
Gender and human capital investment—a summary	265
Labor market discrimination	265
Employer discrimination	266
Customer discrimination	271
Employee discrimination	273
Summary of discrimination models	274
Why discrimination is economically inefficient	274
Occupational choice and earnings	276
Gender roles, gender identity, and occupational choice	276
Non-pecuniary characteristics and occupational choice	278
Human capital investment and occupational choice	279
Other explanations of gender differences in earnings	280
Statistical discrimination	280
Competitiveness, risk-taking, and biology	282
Summary	285
Appendix: Present value analysis and the return to human capital	286
Fundamentals of present value analysis	286
Finding the internal rate of return to a human capital investment	290
Optimal investment in human capital	291

12	Gender Differences in Earnings: Methods and Evidence	294
	Introduction	294
	Methods for analyzing gender differences in earnings	294
	Regression analysis of gender earnings differences	294
	The Oaxaca decomposition of earnings differences	296
	The evidence—the gender gap in the United States	299
	1950–1980: human capital and the gender gap	300
	Work experience and the gender gap	301
	Convergence in the 1980s	302
	Slowdown in convergence: 1990–2010	303
	A family gap emerges	306
	Occupation, job flexibility, and the family gap	308
	Gender discrimination in employment	310
	Audit and correspondence studies	310
	The glass ceiling	313
	Anti-discrimination laws in the United States	313
	The economic basis for anti-discrimination laws	313
	Major discrimination legislation in the United States	314
	Summary	316
13	Race and Gender in the United States	318
	Introduction	318
	What is race and how is it measured?	319
	Race and family structure	321
	Facts and trends	321
	Economic explanations of race differences in family structure	323
	Summary	332
	Fertility	333
	Race and women’s work	335
	The double legacy of slavery	335
	Race and work in the twenty-first century	339
	Race, gender, and earnings	340
	Correspondence studies of discrimination	343
	Race and economics	344
	Economics students and teachers	344
	Racism in economics	344
14	Marriage and Fertility in Developing Countries	347
	Introduction	347
	Measuring economic development	347
	Marriage in developing countries	348
	Age at first marriage	348
	Age at first marriage and women’s education	350
	Other factors influencing delayed marriage	352

Brideprice and dowry	354
Monogamy and polygamy	355
Fertility in developing countries	357
Overview	357
Economic explanations for higher fertility in developing countries	358
Gender preference in fertility	360
Economic explanations for falling fertility in developing countries	362
Summary	366
15 Women's Education, Work, and Earnings in Developing Countries	368
Introduction	368
Women's education in developing countries	368
Women's labor force participation in developing countries	371
Facts and trends	371
Economic development and women's labor force participation	373
Women's employment in developing countries	375
Improving infrastructure and women's work	376
Women's work and women's empowerment	377
Women, migration, and remittances	378
The gender wage gap in developing countries	380
Globalization and women's economic well-being	381
Microcredit and women's well-being	382
Summary	384
Reference Index	386
Subject Index	391