Race and Gender Differences in Earnings, Marriage and Family Income

Faculty Member: Joseph Altonji

Proposal Description:

The project studies generational change in the role of marriage and labor market behavior in determining the family income individuals experience over their adult lives. In Altonji et al (2022) my co-authors and I are estimate a model of individual labor earnings; marriage and divorce probabilities, fertility, and nonlabor income. We then use the model to measure the dynamic responses of marital status, earnings, and family income to various labor market shocks, education, and permanent wage heterogeneity. We also provide gender-specific estimates of the contribution of education, permanent wages, labor market shocks, spouse characteristics, spouse wage shocks, and marital histories to the variance of family income by age and over a lifetime. For both the dynamic responses and the variance decompositions, we isolate the importance of effects on marriage probabilities and spouse characteristics (sorting). In a related project, we are extending the analysis to study differences across birth cohorts. A focus of this work has been differences between men and women. Down the road, I plan to extend the work to examine racial differences. All of the work to date uses the Panel Study of Income Dynamics (PSID).

I wish to supplement the analysis based on the PSID with analyses of the Current Population Survey and General Social Survey. Specifically, I wish to measure trends in hours worked, wage rates, earnings, marital status, partner’s education and earnings (for those who are married or cohabiting), nonlabor income and total family income by birth cohort, race, gender, and education. As a byproduct, I hope to develop problem sets and data sets that can be used in undergraduate econometrics courses.

The RA will help with data processing and regression analysis, construction of tables and figures, and literature review.

Requisite Skills and Qualifications:

A strong interest in research, prior courses in statistics and econometrics, and some prior experience with STATA or with R. I expect the project to continue in the spring term.

Award: Eleri Phillips
Tobin Application Link: Tobin Application
Project Type: Tobin RA
Project Year: 2022
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