The Disappearing Gender Gap

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Main Facts

Btw 1935 and 1955 women cohorts

- LFP : from 40% to 70% (30-40 yrs)
- College attendance: from 29% to 44%
  - Men: from 39% to 44%
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- **Wage structure**
  - Skill Premium
  - Gender Wage Gap
  - Increasing Return to Experience

- **Family Structure**
  - Lower fertility
  - Higher Divorce Rate

- **Cultural change**
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- Dynamic life-cycle model
- Calibration to match 1935 cohort
- Counterfactual exercises
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Results

• Family structure (mainly divorce rate)
  ▶ 60% of LFP change (only young cohorts)
  ▶ 20% of schooling change

• Wage structure
  ▶ 60% of LFP change (all cohorts)
  ▶ 33% of schooling change

• Family and Wage
  ▶ Overshooting of LFP for young cohorts
  ▶ 60% of education changes (Overshooting of Men Education)
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- Heterogeneity
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- Ambiguous interpretation (stigma, law?)
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  - Marriage: Exogenous shock to a given latent type.
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  - 10 states by 1970 (< 35 yrs old)
  - 37 states by 1975 (< 40 yrs old)
  - All but 6 by 1980 (< 45 yrs old)
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Heterogeneity

- Correlation between labour disutility and wage(ability) $\Rightarrow$ lower elasticity?
- Correlation between labour disutility and Pareto weights?
  - Both reduce female LFP
  - Might reduce average labour disutility, lower effect of Divorce rate?
- Correlation between wage(ability) and Alimony/asset splitting rules?
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