Allocating Time As A Couple: Effects of Relative Wages and Gender Role Bias

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Motivation

- Gender gaps in labor market
 - Gaps in wages, labor force participation, labor hours
 - ullet Reducing gaps o equality (Jayachandran, 2019), efficiency (Hsieh et al. 2019)
- Focus on gender gaps in time allocations
 - Paid work: male female = 1.7 hr/day (OECD*)
 - Unpaid work: male female = -2.1 hr/day (OECD*)
- Intra-household gender gap for working couples: Female relative wage ↑ & relative labor ↓, home production (HP) ↑
 - Not explained by: education, age, income levels, children
 - This paper : + Gender role bias

Research questions

- How does gender role bias affect working couples' time allocation?
 - Gender role bias: preference on sex of breadwinner
 - · Hours in labor, HP
- Given gender role bias exists, how effective are fiscal gender empowerment policies on labor hours and welfare?
 - e.g. Marginal tax rate benefits to secondary earners (mostly female)
 - Effective wage gaps ↓ ⇒ labor gaps ↓?

This paper

1. Empirical analysis

- Document how couples allocate time in response to intra-household wage differences
 - Longitudinal data from Mexico, UK
- Pattern 1. Elasticity of relative labor , HP + to relative wage
 - Even after accounting for many factors
 - income, education, children, age
 - Different from conventional household model predictions (Cherchye et al. (2012), Lise et al. (2018)
- Pattern 2. If more biased, relative earnings increase are less elastic to relative wages increase.

This paper

2. Structural model

- Construct a household model with gender role bias
 - Collective model with time use, heterogeneous preferences, exogenous wages
 - New channel: gender role bias
 - Core tradeoff: gender role bias vs opportunity cost
- Show the model fits the data patterns

This paper

3. Counterfactual analysis (Work in Progress)

- Quantify effects of marginal labor tax benefits to secondary earners
 - Disproportionate effect on females: Most secondary earners are female
 - Effects on intensive labor supply and utility
 - Compare: When gender role bias is acknowledged vs overlooked

Related literature

- Gender role bias, labor, and family
 - Bertrand et al. (2015), Bursztyn et al. (2017), Fernández (2013), Fernández et al. (2004), Blau et al. (2020)
 - + Document couples' joint responses to intra-household wage gaps, including in a developing country
- Household decision models with time allocations Chiappori (1988), Blundell et al. (2005), Cherchye et al. (2012), Lise et al. (2018), Verriest (2019)
 - + Incorporate gender role bias
- Fiscal policies with disproportionate effects on female Kaygusuz (2010), Alesina et al. (2011), Gayle et al. (2019), Ichino et al. (2019)
 - + Predict policy effects acknowledging gender role bias

Outline

- 1. Data
- 2. Empirical analysis
- 3. Structural household decision model
- 4. Identification idea and estimation strategy
- 5. Conclusion

Data

- Mexican Family Life Survey (2002-2009)
- British Household Panel Survey (1994-2004)
- Every member of a household is interviewed.
 - Individual's time allocations
 - Sleep \rightarrow Leisure
 - Childcare \rightarrow Home production
- Other observables: household characteristics (region, composition), individual characteristics (age, education, employment, wage)
- 1393 and 1952 households in Mexico and UK









Intra-household wage gaps and time gaps

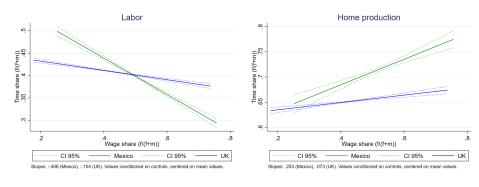
$$y_{cit} = \beta_0 + \frac{\beta_1}{\beta_1} x_{cit} + \frac{\beta_2}{\beta_2} x_{cit} \mathbb{I}(UK) + \beta' Z_{cit} + f_{ci} + f_{ct} + e_{cit}$$
 (1)

- country c, household i, time t
- y_{cit} : female time share (female/(female + male)) of labor or HP
- x_{cit}: female wage share
- Z_{cit}: female and male education levels, number of kids, average kids' age, household income level
- $\mathbb{I}(UK)$: country dummy (= 1 if UK)
- f_{ci} , f_{ct} : household and time fixed effects

Intra-household wage gaps and time gaps

Results

Figure 1: Wage shares and time shares



- Female opportunity cost \uparrow & Labor \downarrow , Home production \uparrow
- Relations stronger in Mexico than UK (gsni)



Role of gender role bias

Gender Bias Index (GBI)

- Gender Bias Index (GBI): Measure of bias for each household
 - UK households
 - Survey questions on gender roles + Principal component analysis GBI
 - High GBI, more biased
- Do more biased households behave differently from less biased households?

$$y_{it} = \beta_0 + \beta_1 x_{it} + \frac{\beta_2}{2} x_{it} GBI_i + \beta' Z_{it} + f_i + f_t + e_{it}$$
 (2)

- y_{it} : female labor earning share (female/(female + male))
- x_{cit} : female wage share

Role of gender role bias

Heterogeneity of elasticity by Gender Bias Index (GBI)

Table 1: Wage shares and labor earning shares

	Labor earı	Labor earning share		
	(1)	(2)		
	Panel	Pooled		
Wage share	0.9368***	1.0906***		
	(0.0333)	(0.0231)		
Wage share \times GBI	-0.0383***	-0.0227**		
	(0.0107)	(0.0075)		
Controls	Yes	Yes		
Individual FE	Yes	No		
Time FE	Yes	Yes		
N	6259	6259		

Standard errors in parentheses

• Females more reluctant to earn more in more biased households

Note: British Household Panel Survey (1994-2004). Higher GBI indicates more biased. The sample consists of nuclear households with positive time allocated to each activity, including households with missing wage information. Wage is imputed if missing.

^{*} p < 0.05, ** p < 0.01, *** p < 0.001

Summary of empirical patterns

- lacktriangle Elasticity of relative labor , HP + to relative wage
 - Cannot be explained by: education, income, region
 - More elastic in Mexico (more biased*) than UK (less biased*)
 - Differs from conventional household model predictions
- 4 Higher GBI, relative earnings less elastic to relative wages.
 - Gender role bias affects couples' time allocations
- ⇒ Household model + Gender role bias: quantify effects of policies reducing wage gaps



Model

Setting

- Time t, household k, individual $i \in \{f, m\}$, endowed with total time 1
- Utility function of ki: $U_{ki}(c_{tki}, I_{tki}, H_{tk})$
 - Invariant across time
 - c_{tki} : private consumption (price normalized to 1)
 - Itki: leisure
 - H_{tk}: family consumption of home produced good
- Home production technology: $H_{tk} = g_{tk}(h_{tkf}, h_{tkm})$
 - h_{tkf} , h_{tkm} : home production time of female and male
- μ_{tk} : Pareto weights on female's utility

Model

Gender role bias

- Disutility from gender role bias: $d_k(w_{tkf}q_{tkf}, w_{tkm}q_{tkm}) \leq 0$
 - q_{tki}: labor
 - w_{tki}: individual wage
 - The more female earns relative to male, the more a household suffers:

$$\frac{\partial d_k}{\partial (w_{tkf}q_{tkf})} \le 0, \ \frac{\partial d_k}{\partial (w_{tkm}q_{tkm})} \ge 0$$

Model

Household decision problem

• At each time t, a household k solves

$$\max_{\substack{c_{tkf}, l_{tkf}, h_{tkf}, \\ c_{tkm}, l_{tkm}, h_{tkm}}} \mu_{tk} U_{kf}(c_{tkf}, l_{tkf}, H_{tk}) + (1 - \mu_{tk}) U_{km}(c_{tkm}, l_{tkm}, H_{tk}) \\
+ d_{k}(w_{tkf} q_{tkf}, w_{tkm} q_{tkm})$$
(3)

s.t.
$$c_{tkf} + c_{tkm} = w_{tkf} q_{tkf} + w_{tkm} q_{tkm}$$
 (4)

$$I_{tki} + h_{tki} + q_{tki} = 1 (5)$$

$$c_{tki}, l_{tki}, h_{tki}, q_{tki} \ge 0 \qquad \forall i \in \{f, m\}$$
 (6)

$$H_{tk} = g_{tk}(h_{tkf}, h_{tkm}) \tag{7}$$

Model implication

Role of gender role bias

• From first order conditions,

$$MRS_{l} \equiv \frac{MU_{l_{m}}}{MU_{l_{f}}} \ge \frac{w_{m}}{w_{f}} \tag{8}$$

$$MRS_h \equiv \frac{MU_{h_m}}{MU_{h_f}} \ge \frac{w_m}{w_f} \tag{9}$$

where MU_x : couple's marginal utility from x

⇒ With bias, a household over-consumes female HP and under-consumes female labor than without bias.

Preference and disutility from bias

$$U_{ki}(c_{tki}, I_{tki}, H_{tk})$$

$$= \alpha_{ki1}log(c_{tki}) + \alpha_{ki2}log(I_{tki}) + \alpha_{ki3}log(H_{tk})$$

$$d_k(w_{tkf}, q_{tkf}, w_{tkm}, q_{tkm})$$

$$= -\mathbb{I}\left(\frac{w_{tkf}q_{tkf}}{w_{tkf}q_{tkf} + w_{tkm}q_{tkm}} > \delta_k\right) \left(\frac{w_{tkf}q_{tkf}}{w_{tkf}q_{tkf} + w_{tkm}q_{tkm}} - \delta_k\right)^2$$
(11)

- Heterogeneous preference across individuals
 - i.e. random $\alpha_{ki1}, \alpha_{ki2}, \alpha_{ki3}$
- Gender role bias parameter : $\delta_k \in [0, 1]$
 - No bias: $\delta_k = 1$
 - $\delta_k = \gamma GBI_k$ (for UK)



Home production technology

Home production technology of household k at time t

$$H_{tk} = \left[s_{tk} h_{tkf}^{\epsilon} + (1 - s_{tk}) h_{tkm}^{\epsilon} \right]^{\frac{1}{\epsilon}}$$
 (12)

• $0 < s_{tk} < 1$: weight on female's time

$$s_{tk} = \frac{exp(s'z)}{1 + exp(s'z)} \tag{13}$$

- z: mean kid's age, number of kids, female and male education
- $\frac{1}{1-\epsilon} > 0$: elasticity of substitution

Pareto weights

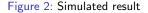
• Pareto weights μ_{tk} are exogenous.

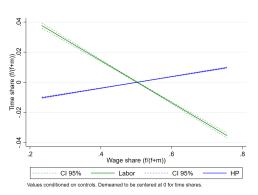
$$\mu_{tk} = \frac{\exp(\mu_0 + \mu_1 \operatorname{agedif}_k + \mu_2 \operatorname{edudif}_k + \mu_3 e_{tk})}{1 + \exp(\mu_0 + \mu_1 \operatorname{agedif}_k + \mu_2 \operatorname{edudif}_k + \mu_3 e_{tk})}$$
(14)

- agedif = female's age male's age
- edudif = female's education male's education
- $e_{tk} \sim N(0,1)$, iid across k and t

Model implications

Wage shares and simulated time shares



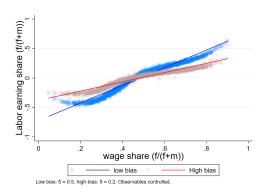


- Panel fit, other observables controlled, $\delta_k = 0.2$ for all k
- wage share \uparrow & labor share \downarrow , HP share \uparrow

Model implications

Wage shares and simulated labor earning shares

Figure 3: Simulation result: Low vs High bias



Less biased, more responsive to relative wage changes

param

Semiparametric, panel fit of labor earning shares. Other observables residualized.

Sketch of identification idea

- Preference (α_{ki})
 - Use cross-sectional variations in absolute leisure and HP
- Home production technology (s_{tk}, ϵ)
 - s_{tk} same for observationally same households, ϵ same for all
 - Use cross-sectional variations in relative HP
- Pareto weights (μ_{tk})
 - Use longitudinal variations in relative leisure
- Gender role bias (δ_k)
 - Time invariant
 - Use GBI information to estimate (UK): $\delta_k = \gamma GBI_k$
 - Exogenously given (Mexico): $\delta_k = 0.5$ for all k

Estimation

- Simulated Method of Moments
- Still converging...

Conclusion

- Document how couples allocate their time as relative wages change and relevance to gender role bias
- Propose a structural model with gender role bias: qualitatively consistent with data patterns
- Work in progress
 - Estimation using Simulated Method of Moments
 - Counterfactual exercises
 - Implications of labor tax reform

Appendix

Gender role bias: preference on sex of breadwinner

Q: Problem if women have more income than husband?

	Response rate		
	Total	Mexico	US
Agree	20.4	43.3	12.4
Neither	34.3	14.1	30.7
Disagree	36.4	42.1	56.1
Don't know or No answer	8.8	0.5	0.8

World Values Survey wave 6 (2010 - 2014).



Degree of bias across countries

	Gender Social Norms Index		
	GSNI1	GSNI2	No bias
Mexico	87.7	51	12.3
UK	54.6	25.5	45.4
US	57.31	30.07	42.69

World Values Survey wave 5,6 (2005-2014).

- GSNI: percentage of people with at least one bias among seven indicators
- GSNI2: percentage of people with at least two biases among seven indicators
- No bias: share of people with no bias



Relative wages and relative time

	time share $(f/(f + m))$		
	(1)	(2) labor	(3) leisure
Wage share $(f/(f + m))$	Home production 0.2526***	-0.4059***	0.0919***
rrage share (1/(1 + 111))	(0.0327)	(0.0232)	(0.0088)
$UK \times Wage \; share \; \big(f/ \big(f + m \big) \big)$	-0.1796***	0.3023***	-0.0586***
	(0.0365)	(0.0260)	(0.0098)
Constant	0.7481***	0.4445***	0.4773***
	(0.0249)	(0.0177)	(0.0067)
Fixed effects	Yes	Yes	Yes
Controls	Yes	Yes	Yes
N	7484	7484	7484

Standard errors in parentheses

Note: Mexican Family Life Survey (2020-2009). British Household Panel Survey (1994-2004). The sample consists of nuclear households with positive time allocated to each activity, including households with missing wage information. Wage is imputed if missing.



^{*} p < 0.05, ** p < 0.01, *** p < 0.001

Relative wages and relative time: with interacted controls

	Mexi	Mexico		(
	(1)	(2)	(3)	(4)
	Labor share	HP share	Labor share	HP share
Wage share	-0.4388	-0.0388	-0.1802**	0.1810*
	(0.3236)	(0.4829)	(0.0581)	(0.0767)
Wage share × female educ	0.0722	0.1746	-0.0056	0.0101
wage share x lemale educ	(0.0600)	(0.0896)	(0.0044)	(0.0058)
	(0.0000)	(0.0090)	(0.0044)	(0.0038)
Wage share × male educ	0.0593	-0.1559*	0.0187***	-0.0142**
-	(0.0526)	(0.0785)	(0.0040)	(0.0053)
	, ,	, ,	, ,	, ,
Wage share \times Female age	-0.7555	0.5602	0.0006	0.0020
	(0.5852)	(0.8734)	(0.0023)	(0.0030)
Wage share × male age	0.6505	-0.9535	-0.0014	-0.0032
wage share × male age	(0.5815)	(0.8680)	(0.0023)	(0.0032)
	(0.5615)	(0.0000)	(0.0023)	(0.0030)
Wage share × No. kids	0.0124	-0.0067	0.0130	-0.0077
o .	(0.0631)	(0.0942)	(0.0095)	(0.0126)
	, ,	, ,	, ,	, ,
Wage share \times Ave. kids age	-0.5978	5.2180*	-0.0060*	-0.0004
	(1.7061)	(2.5463)	(0.0024)	(0.0031)
Wage share × HH income	-0.0042	-0.0049	0.0000***	-0.0000
wage share A TITI IIICOIIIe	(0.0035)	(0.0052)	(0.0000)	(0.0000)
fixed effects	(0.0033) Yes	(0.0032) Yes	(0.0000) Yes	Yes
N	1140	1140	6344	6344
IN	1140	1140	0344	0344

Standard errors in parentheses



^{*} p < 0.05, ** p < 0.01, *** p < 0.001

Principal Component Analysis for Gender Bias Index

Factor loadings and survey questions

Table 2: Gender Bias Index

Survey questions	Loading
Pre-school child suffers if mother works	-0.307
Family suffers if mother works full-time	-0.328
Woman and family happier if she works	0.229
Husband and wife should both contribute	0.176
Full-time job makes woman independent	0.155
Husband should earn, wife stay at home	-0.269
Children need father as much as mother	-0.050

Note: Answers to questions range from 1 to 5 with 1 meaning strongly agree and 5 meaning strongly disagree. According to the signs of the factor loadings. GBI is high if the couple exhibits gender role bias.

Categories of time in MxFLS

- Home production categories: Cook/prepare food, Wash clothes/clean house, Take care of elderly or sick and/or children, Help member(s) study, Carry firewood, Carry water, Agricultural activity.
- Leisure categories : participate in sports, cultural, or entertainment activities outside household, watch TV, Read, Use internet.



Data summary statistics

Mexico

	Mean (Standard Deviation)		viation)
	Female	Male	Household
Time use per week, Share of own time:			
Leisure (including sleep)	0.475	0.529	
	(0.12)	(0.11)	
Market work (including commute)	0.254	0.391	
	(0.13)	(0.11)	
Home production (including childcare)	0.271	0.0801	
	(0.15)	(0.10)	
Other observables:			
Age	35.23	37.02	
	(10.21)	(10.78)	
Education (levels)	2.150	2.130	
	(1.16)	(1.16)	
Hourly wage (MXN/GBP)	3164.0	2680.5	
	(3050.86)	(2283.84)	
Average kids age			5.740
			(4.19)
Number of kids			1.728
			(1.20)
HH income (1000 MXN/GBP)			9.843
			(12.91)

Data summary statistics

UK

	Mean (Standard Deviation)		
	Female	Male	Household
Time use per week, Share of own time:			
Leisure (including sleep)	0.623	0.615	
	(0.04)	(0.04)	
Market work (including commute)	0.210	0.298	
	(0.07)	(0.05)	
Home production (including childcare)	0.167	0.0870	
	(0.06)	(0.03)	
Other observables:			
Age	38.03	40.02	
	(9.28)	(9.41)	
Education (levels)	5.635	5.889	
	(2.61)	(2.71)	
Hourly wage (MXN/GBP)	7.515	10.11	
	(3.76)	(4.84)	
Average kids age			3.111
			(4.04)
Number of kids			1.048
			(1.05)
HH income (1000 MXN/GBP)			2987.8
, , ,			(1195.92)

Number of households satisfying each standard

	Mexico	UK
Original sample	10732	8141
Nuclear	5729	8141
Demographics	5528	6727
Time use	4737	3692
Positive male labor, female housework	4274	2705
Positive, nonmissing wage	1393	1908
Two years	270	1372
Observations	577	5854

Note: Mexican Family Life Survey (2020-2009). British Household Panel Survey (1994-2004). The number of households after several selection criteria are reported in this table. Nuclear excludes extended households where more than 1 female and 1 male adults are present in the household. Demographics excludes households where observables such as age, education, number of kids, total expenditure, and region are missing. Time use excludes households where time use is unobserved. Positive malelabor, female housework excludes households if male is not working or if female spends zero time in home production. Finally, two years excludes households if a household is observed only once across waves. The final row reports the number of ottal observations agreeated across time given the number of selected sample households.

Observations by corner

	Mexico	UK
Female labor > 0 , Male HP > 0	637	5949
Female labor $= 0$, Male HP $= 0$	0	0
Female labor $=$ 0, Male HP $>$ 0	0	38
Female labor $>$ 0, Male HP $=$ 0	296	0
Observations	933	5988

d go back

Preference and disutility from bias

$$U_{ki}(c_{tki}, I_{tki}, H_{tk})$$

$$= \alpha_{ki1}log(c_{tki}) + \alpha_{ki2}log(I_{tki}) + \alpha_{ki3}log(H_{tk})$$

$$d_k(w_{tkf}, q_{tkf}, w_{tkm}, q_{tkm})$$

$$= -\delta_k exp(w_{tkf} q_{tkf} - w_{tkm} q_{tkm})$$
(16)

- Heterogeneous preference across individuals
 - i.e. random $\alpha_{ki1}, \alpha_{ki2}, \alpha_{ki3}$
- Gender role bias parameter : $\delta_k > 0$
 - $\delta_k = \gamma GBI_k$ (for UK)

Parametric specification of disutility

Mexican data

Figure 4: Labor share

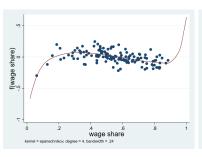
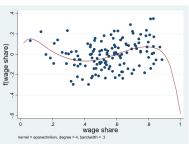


Figure 5: HP share



Parameter values for the simulation

Preference:	Mean	Std
α_{f1}	0.23	0.29
α_{f2}	0.43	0.16
α_{m1}	0.45	0.21
α_{m2}	0.43	0.21
$Corr(\alpha_{f1}, \alpha_{f2})$	0.16	
$Corr(\alpha_{f1}, \alpha_{m1})$	0.28	
$Corr(\alpha_{f1}, \alpha_{m2})$	0.21	
$Corr(\alpha_{f2}, \alpha_{m1})$	0.06	
$Corr(\alpha_{f2}, \alpha_{m2})$	0.29	
$Corr(\alpha_{m1}, \alpha_{m2})$	-0.07	
HP Technology:		
s ₀	0.2	
s_1	0.015	
s ₂	0.01	
ϵ	0.05	
Pareto weight:		
μ_0	-0.1	
μ_1	0.25	
μ_2	0.13	
μ_3	0.08	



Parameter values for the simulation

Wage Parameters:	Female	Male
w_0	0.88	1
w_1	0.06	0.09
W ₂	0.06	0.04
W3	-0.001	-0.001
W4	-0.01	-0.005
<i>W</i> ₅	0.02	0.025
<i>W</i> ₆	0.025	0.03
Std	0.68	0.47
Wage Correlation:		
$Corr(w_f, w_m)$	0.26	

go back

Model implications: comparison with data

Observed patterns in UK

Figure 6: Labor

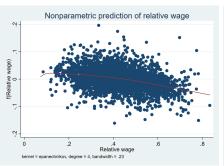


Figure 7: Home production



Nonlinearity

Quadratic regression

Table 3: Mexico

	Time share $(f/(f + m))$		
	(1)	(2)	(3)
	Labor	Home production	Leisure
Wage share	0.2308	-0.5700	0.1891
	(0.1722)	(0.2921)	(0.1217)
Wage share ²	-0.6516***	0.8418**	-0.0995
	(0.1679)	(0.2848)	(0.1187)
Constant	0.4975***	0.7425***	0.3903***
	(0.1129)	(0.1915)	(0.0798)
Observations	1140	1140	1140
R ²	0.371	0.159	0.072

Standard errors in parentheses

1 So back Note: Answers to questions range from 1 to 5 with 1 meaning strongly agree and 5 meaning strongly disagree. According to the signs of the factor loadings, GBI is high if the couple exhibits gender role bias.

^{*} p < 0.05, ** p < 0.01, *** p < 0.001

Nonlinearity

Quadratic regression

Table 4: UK

	Time share $(f/(f + m))$		
	(1)	(2)	(3)
	Labor	Home production	Leisure
Wage share	0.3618***	-0.3532***	-0.0378**
	(0.0438)	(0.0589)	(0.0115)
Wage share ²	-0.5482***	0.5021***	0.0837***
	(0.0501)	(0.0674)	(0.0132)
Constant	0.3305***	0.8488***	0.5057***
	(0.0191)	(0.0257)	(0.0050)
Observations	6344	6344	6344
R ²	0.202	0.040	0.081

Standard errors in parentheses

1 So back Note: Answers to questions range from 1 to 5 with 1 meaning strongly agree and 5 meaning strongly disagree. According to the signs of the factor loadings, GBI is high if the couple exhibits gender role bias.

^{*} p < 0.05, ** p < 0.01, *** p < 0.001

Simulation results for higher γ

Figure 8

Figure 9: $\delta = 0.5$, $\gamma = 1$.

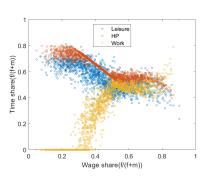
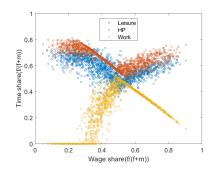


Figure 10: $\delta = 0.5$, $\gamma = 10$.



◀ go back