

# Fall 2019 - ECON 634 - Advance Macroeconomics - Problem Set 1

Elisa Taveras Pena\*  
Binghamton University

August 31, 2019

1. Read the description of datasets in Olivetti et al (2012). Look in more detail at one of the datasets they describe. Explain which part of the data interests you, formulate a tentative research question, and find a recent (2015 or later) academic paper on a related topic that uses the data.

## **Answer**

I decided to explore more in depth the NLSY, which I went to the webpage and read further about. The reason for which it interested me is that my research focused on household economics, intrahousehold decisions, education and labor outcome and this dataset cover to some extend these. I feel familiar with the PSID so I wanted to explore a different dataset but focused on the individuals demographics and life-cycle. NLSY has very detail information on the characteristic of the youth education attainment, which definitely help to answer questions related to education mobility (i.e. how people move from public high school to private university) as well as how education relationship also relate to other demographics as marriage decisions and other marital demographics.

**Research Question:** My research question is understanding how the education attainment of the women of the NLSY datasets relate to the spouse's labor supply characteristics. Moreover, how this interaction has changed by cohort.

## **Related paper:**

2. Read the reports by Daz-Gimnez, Glover, Rios-Rull (2011) and M. Kuhn and Rios-Rull (2015), and identify a graph or table that interests you (e.g., how is mobility related to education, age, marital status, etc; how is inequality at the top of the income distribution behaved; ...). Formulate a tentative research question and find a recent (2015 or later) academic paper on a related topic.

---

\*E-mail address: etavera2@binghamton.edu

### **Answer**

3. EITHER replicate Tables 1 and 2 from DGR (2011) using the 2007 Survey of Consumer Finances, OR update their tables 1 and 2 using the more recent wave of the survey from 2013 (compare the results to Kuhn/Rios- Rull). Follow the methodology as described in their text. Plot the Lorenz curves for earnings, income and wealth.

### **Answer**

4. Replicate a part of Table 27 from DGR using the PSID between 2001 and 2007 by constructing the transition matrix for EITHER earnings OR income OR wealth. For the outcome variable you picked, plot the Lorenz curves for 2001 and 2007 in one graph, and compute the Gini for those years.

### **Answer**