Learning with your spouse: Does the similarity of spouse's occupation affect individual's earning?

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Research Question

To what extent the occupational similarity between one's partner and herself(himself) would influence her(his) income?

- occupational similarity
- partner/spouse
- marriage
- control variables

Hypothesis

Controlling one's education-level, age, sex, and occupation, I expect with higher similarity of spouse's occupation, one's after-marriage income would be relatively higher comparing to one who share lower similarity in occupation with her spouse.

Literature Review

- Human Capital Theory
- Marriage premiums and penalty (Korenman and Neumark 1991; Hundley 2000; Hotchkiss and Moore 1999)
- Earnings and spouse's career status (Landau and Arthur 1992)
- Occupations and marital stability (Kammen and Adams 2014)

Data

PSID: Household-level data

Table: Summary Statistics of Key Variables (PSID 2003 family-level data)

Variable	Mean	S.D.
Age of Man When Married	29.300	8.621
Age of Woman When Married	27.125	8.018
Years Married	13.840	10.922
Years Education Head	13.454	2.548
Years Education Spouse	13.533	2.420
Earnings in 1000s Head	49.072	76.637
Earnings in 1000s Spouse	27.790	23.372
Moved last year(=1)	0.280	0.449
Variance of Husband's Occupation Earnings	0.749	2.240
Variance of Wife's Occupation Earnings	0.592	1.521
Spouses Employed Same Industry(=1)	0.114	0.317
Distance between Spouses' Occupations 'Abilities' File	0.123	0.050
Distance between Spouses' Occupations 'Activities' File	0.196	0.071
Distance between Spouses' Occupations 'Knowledge' File	0.270	0.093
Distance between Spouses' Occupations 'Skills' File	0.159	0.067

Sample Size = 2032
(Kammen and Adams 2014)

Methodology

- human capital model
- Occupation similarity level: O*Net Content Model
- Occupation similarity and mobility