"Home Production with Time to Consume."

The abstract is as follows:

We build a home production model where consumers choose how to spend their off-market  
time using market consumption purchases. Heterogeneity in the labor intensities of different  
home production activities governs the degree to which income changes or relative price  
changes affect the composition of market consumption expenditure. We demonstrate that failing  
to account for time use complementarities with market purchases implies that the value of  
the skills of homemakers engaging in home production is zero. In a quantitative exercise on  
aggregate expenditure data, we use the model to estimate the degree to which relative price  
changes versus wage growth have contributed to the rise in the services share of U.S. expenditure  
since 1948. Our findings suggest that structural change is mostly driven by supply-side  
factors affecting relative prices rather than consumers having increasing preferences for services  
as averages wages rise. Further, we demonstrate that our non-homothetic preference  
structure based on home production admits an aggregate representation. Robustness tests  
show that empirical estimates on aggregate expenditure data are not significantly affected by  
aggregation bias.