CSUN Econ 433 Week 7 Problem Set

The following questions pertain to Lab 6.

1. Interpret the results in column 1 of the table produced by the 2019 regressions. When not controlling for any confounding factors, how much less do females make compared to men? (Reminder: log differences are approximately equal to percent differences).
2. Can the gender wage gap from column 1 be explained by differences in the education, marital status, age, or race of females vs. males? (Hint: Look at how the coefficient on FEMALE changes from columns 1 to 2 to 3.)
3. Look at column 4. Explain why the estimated gender wage gap falls from column 1 to column 4.
4. Interpret the results in column 5. Explain why the estimated gender wage gap falls from column 4 to column 5.
5. A common phrase you hear in the media is “Women make 70 cents for every dollar that men make, for the same work.” Based on the regression results in Lab 6, do you think this statement is accurate or do you think it is misleading? What would be a more accurate statement?
6. Evaluate whether there is any endogeneity in the regression in column 5. Can you think of any confounding factors that aren’t being controlled for in the regression?