CSUN Econ 433 Week 7 Problem Set

Name:

Consider the regression results produced from Lab 6.

|  |
| --- |
| ===========================================================================================================================  Dependent variable:  ------------------------------------------------------------------------------------------------------  log(INCWAGE)  (1) (2) (3) (4) (5)  ---------------------------------------------------------------------------------------------------------------------------  FEMALE -0.324\*\*\* -0.344\*\*\* -0.344\*\*\* -0.184\*\*\* -0.120\*\*\*  (0.005) (0.005) (0.005) (0.005) (0.004)    COLLEGE 0.804\*\*\* 0.759\*\*\* 0.326\*\*\* 0.263\*\*\*  (0.005) (0.005) (0.006) (0.005)    MARRIED 0.312\*\*\* 0.313\*\*\* 0.188\*\*\* 0.152\*\*\*  (0.005) (0.005) (0.005) (0.004)    AGE 0.016\*\*\* 0.015\*\*\* 0.012\*\*\* 0.011\*\*\*  (0.0002) (0.0002) (0.0002) (0.0001)    as.factor(RACHSING)2 -0.106\*\*\* -0.018\* -0.052\*\*\*  (0.011) (0.009) (0.008)    as.factor(RACHSING)3 -0.127\*\*\* -0.054 -0.072\*\*  (0.043) (0.038) (0.032)    as.factor(RACHSING)4 -0.072\*\*\* -0.076\*\*\* -0.059\*\*\*  (0.007) (0.006) (0.006)    as.factor(RACHSING)5 -0.161\*\*\* -0.014\*\*\* -0.067\*\*\*  (0.006) (0.005) (0.005)    log(UHRSWORK) 1.104\*\*\*  (0.005)    Constant 10.682\*\*\* 9.597\*\*\* 9.722\*\*\*  (0.004) (0.008) (0.009)    OCC Fixed Effects Y Y  IND Fixed Effects Y Y  ---------------------------------------------------------------------------------------------------------------------------  Observations 169,716 169,716 169,716 169,716 169,716  R2 0.020 0.236 0.240 0.421 0.569  Adjusted R2 0.020 0.236 0.240 0.419 0.567  Residual Std. Error 11.474 (df = 169714) 10.133 (df = 169711) 10.110 (df = 169707) 8.839 (df = 168912) 7.628 (df = 168911)  ===========================================================================================================================  Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01 |
|  |
| |  | | --- | |  | |

1. Based on the results from regression 1, females make \_\_\_\_\_\_\_\_\_\_\_\_\_% less than men on average, when you’re not controlling for any confounding factors. (5 pts)
2. Based on the results from regression 5, females make \_\_\_\_\_\_\_\_\_\_\_\_\_% less than men on average, once you control for what factors? (List these factors below; 5 pts)
3. Based on these regressions, what best explains the large gender wage gap from regression 1? (5 pts)
4. What other variables might you want to include in the regression, to further reduce the endogeneity of the regressions? (5 pts)
5. Do you think your answer in problem 2 is because of gender discrimination? Why or why not? How might you test whether the result is due to discrimination? (5 pts)