TABLE 2—CALIBRATION OF BASELINE ECONOMY

Parameter	Value	Target	Data	Model
μ_{a_2}	-0.1758	E_m^{NL}	0.60	0.61
$\sigma_{a_1}^2$	0.3290	$sd(\ln w_{m,NL})$	0.45	0.49
$\sigma_{a_2}^2$	0.1877	$sd(\ln w_{m,L})$	0.47	0.42
μ_ϕ	0.4589	$\ln \bar{h}_m$	7.67	7.67
σ_ϕ^2	0.9429	$sd(\ln h_m)$	0.26	0.26
ρ_{a_1,a_2}	0.3114	$\ln \bar{w}_{m,NL} - \ln \bar{w}_{m,L}$	0.37	0.36
ρ_{a_m,a_f}	0.6886	gender corr. of log wages	0.43	0.43
ρ_{ϕ_m,ϕ_f}	0.5056	gender corr. of log hours	0.02	0.02

Note: The baseline economy features $\theta_1 = 0.6$, $\theta_2 = 0.2$, $\bar{h} = 2{,}500$, $T_m = 0$, $T_f = 500$, and $\gamma = 3$.