

FAMILY ECONOMICS

48-Hour Take-Home Exam

January 11, 2020 (10:00 a.m. CET) — January 13, 2020 (10:00 a.m. CET)

This exam question consists of 5 pages in total (including this cover page).

A take-home exam paper cannot exceed **10 pages**. One page is defined as 2400 keystrokes.

The language of this exam is English. Your exam paper and any additional material must be written in English.

Your exam must be uploaded as one PDF document. The PDF document must be named with exam number only (e.g. '1234.pdf') and uploaded to Digital Exam before January 13, 2020, at 10:00 a.m. Central European Time.

Do **not** write your name on the material you submit.

Focus on Exam Cheating

Be careful not to cheat at exams!

Exam cheating is, for example, if you:

- Copy other people's texts without making use of quotation marks and source referencing, so that it may appear to be your own text.
- Use the ideas or thoughts of others without making use of source referencing, so it may appear to be your own idea or your thoughts.
- Reuse parts of a written paper that you have previously submitted and for which you have received a pass grade without making use of quotation marks or source references (self-plagiarism).
- Receive help from others in contrary to the rules laid down in part 4.12 of the Faculty of Social Science's common part of the curriculum on cooperation/sparring

You can read more about the rules on exam cheating on your Study Site and in part 4.12 of the Faculty of Social Science's common part of the curriculum. Exam cheating is always sanctioned by a written warning and expulsion from the exam in question. In most cases, the student will also be expelled from the University for one semester.

PRACTICAL INFORMATION

Note the following formal requirements:

- This is an *individual* examination. You are not allowed to cooperate with other students or other people. Student collaboration is considered to be cheating.
- This exam consists of five questions. Please answer all questions.
- If you choose to display tables or figures in the exam paper, they should be formatted appropriately (i.e., they should have captions, axes should be labelled, a legend should be added when required, a note describing the source, variables and the sample, etc.).
- In the exam questions, the sources for the presented material are omitted on purpose. However, **in your answers please remember to refer to the sources that you have used (e.g., explicitly quote empirical articles, refer to the origin of complementary statistics that you may refer to).**

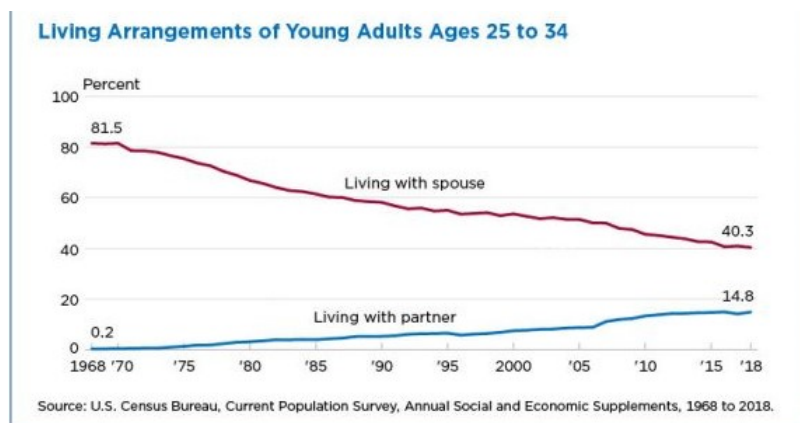
FEMALE EDUCATION AND THE FAMILY

Since the 1960s, women in the U.S. (and many other countries) have gained more economic control over their lives: Educational opportunities and attainment of women have increased, women have entered to a larger degree the labor market and gained financial independence. While 44 percent of women ages 30-50 had no independent earnings in 1970, 25 percent of U.S. women do not have those today. In parallel to this large societal change, data on family formation and dissolution document changes in the structure of the American family over the past 50 years.

Question 1

Figure 1 shows the share of married (living with a spouse) and cohabiting (living with a partner) adults aged 25-34 in the U.S. for the period 1968-2018.

Figure 1: Marriage and cohabitation among young adults in the U.S., 1968-2018.



Summarize the central message of the graph. Describe additional data you would want/need to get a fuller picture of the general development of marital patterns U.S. over time.

Question 2

During the course we have covered different *potential gains to marriage*. A central gain to marriage described by Becker is *specialization in the household*. Describe—with reference to the theory covered in class—how changes in the educational opportunities of women over time may have impacted the gains to marriage.

Question 3

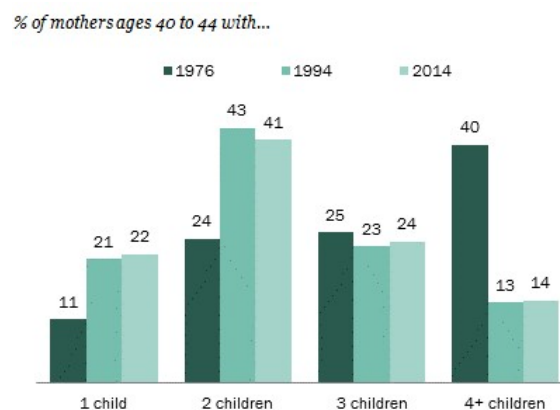
Structure your answer as follows:

- (a) Briefly describe the basic structure (assumptions, theorems).
- (b) Describe how the changes in the educational opportunities of women since the 1970s may have impacted the gains from specialization. (Discuss predictions about the gendered dimension.)
- (c) Relate the theory on gains to specialization to the pattern displayed in Figure 1. Also comment on the marriage/cohabitation dimension.

Question 3

Figure 2 shows the share of mothers with a given family size in the U.S. for selected years in the 1976-2014 period.

Figure 2: Family size in the U.S., 1976-2014.



- (a) Shortly describe the central message of the graph and what you can/cannot conclude from it.
- (b) Lay out Becker's model for the demand for *quantity and quality of children* as described in the Treatise.
- (c) Discuss (based on (b)) the role of the increase of female educational opportunities in explaining the pattern of the graph.
- (d) Discuss (based on (b)) the access to contraception in explaining the pattern of the graph. What does empirical evidence covered in class suggest? (Hint: Here discuss research on the impact of the pill on women's outcomes.)

Question 4

In the light of changes in fertility patterns, empirical research has been and is still concerned with understanding the impact of *family size* on maternal and child outcomes. Based on course readings, pick two relevant studies, explain their aim, the empirical challenge, their identification strategy (how they address the endogeneity of fertility choices) and summarize/critically assess their *main* findings.

Question 5

Changes in marriage formation since the 1970s have been coinciding with changes in *divorce patterns* in the U.S. Overall, divorce rates have been increasing.

Describe how empirical studies have analyzed *divorce and child custody laws* to learn about *decision making in the family*. Pick two empirical studies and explain how these study have tested central predictions from theoretical models (be specific when outlining what central predictions are made and how the empirical paper tests them). Summarize the conclusions.