UNIVERSITY OF NOTRE DAME

Department of Economics Fall 2020

ECON 43550: Economics of the Family

M/W 11:10-12:25 (Section 7); 2:20-3:35 (Section 1); 3:55-5:10 (Section 2) B71 Jenkins-Nanovic

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Virtual Office Hours: Tuesday and Thursday, 1:00-2:45, or by appointment.

This class is cross-listed with Gender Studies and counts toward the Poverty Studies Interdisciplinary Minor.

This is a writing-intensive seminar course, in which we will use economic theory and empirical methods to study the family. Topics will include economic models of the household; the determinants of marriage and fertility; how marriage, fertility, and family structure are related to other outcomes (including education, wages, inequality, and labor force participation); and public policies that affect the family and family formation. Students will learn to read, evaluate, and conduct empirical economic research.

The course will have two main components. For the first half of the semester, we will be reading academic journal articles in the area of the economics of the family. The goal is to learn what economists currently know and think about this topic, with an emphasis on empirical work. We will discuss the methods and findings of the papers, and identify their strengths and weaknesses. In the second half, you will develop an empirical project that addresses an original research question. This will involve descriptive data work, regression analysis, and advanced econometric techniques as appropriate. The goal is to do a thorough analysis that addresses issues of data quality, sample selection, and causality. We will rely heavily on material from econometrics (EC 30331) and will use the statistical software package Stata.

On successful completion of this course you should be knowledgeable about issues of family economics, and be a thoughtful consumer and a careful practitioner of economic research. You will be equipped with analytical tools that are valued by employers, quantitative graduate programs, and other advanced degree programs.

Sakai: Our website within Sakai (sakai.nd.edu) will have links to all of the papers we will be discussing in class, as well as handouts, data sets, class notes, assignment information, Zoom recordings of lectures, and more. It should be very useful to you and you should visit it regularly.

Stata and laptops: You will need to acquire a Stata license for the second half of the semester, and to have it on a laptop that you can bring to class on designated days. You can purchase a 6-month license to Stata-IC for \$48 at https://www.stata.com/order/new/edu/gradplans/student-pricing/. You can wait to buy it until Sept. 28, in which case the license will last you through most of the spring semester as well. Note that the university is requiring all students to have a laptop this semester, and are providing resources through the Office of Student Enrichment for those who may need assistance (https://studentenrichment.nd.edu/resources/funding/).

Please do not use laptops in class on non-designated days.

Suggested Supplemental Texts: There is no textbook for this course, but you may find the following to be useful.

Wooldridge, Jeffrey. 2013. <u>Introductory Econometrics: A Modern Approach</u>. Any edition will work.

Angrist, Joshua and Jorn-Steffen Pischke. 2015. Mastering Metrics: The Path from Cause to Effect.

Hoffman, Saul and Susan Averett. 2004. Women and the Economy. 2nd. Ed.

COVID-related policies: First and foremost, we should keep in mind that we will need to be *flexible and understanding* this semester. This goes both ways—I will be flexible with you if you have health issues or concerns that affect your ability to attend class in person, and I will understand that we are all working under strange circumstances so your best work might reflect a constrained optimum. Please be understanding with me if the schedule changes, if the technology does not work well right away, or if I am not able to give you comments on your work as quickly as I normally would.

Beyond this, the expectation is that we will all comply with university guidelines at all times, including by wearing masks indoors and distancing within the classroom. If you are not able to attend class in person, you should be able to participate virtually via Zoom. In these instances, please let me know as soon as possible via email that you will be attending virtually.

Honor Code Information: In signing the university's honor code, you agreed not to participate in or tolerate academic dishonesty. I expect you to adhere to this strictly, and any violations will be reported to the Associate Provost. I will let you know if it is acceptable to work in groups on assignments.

Lauren's Promise: I will listen and believe you if someone is threatening or harassing you.

Lauren McCluskey, a 21-year old student at the University of Utah and the daughter of economist Jill McCluskey, was murdered on Oct. 22, 2018 by a man she briefly dated. I am committed to doing what I can to make sure this does not happen again.

If you are in immediate danger, call 911. If you are experiencing sexual assault, domestic violence, stalking, or harassment you can report it to me. You should be aware that I am a mandatory reporter, which means that I am required to report these instances to the university's Title IX Coordinator or Deputy Title IX Coordinator to investigate. You can also learn about your options (on-campus and off-campus, confidential and not) at http://titleix.nd.edu.

If you are in need of support for your mental or emotional health for any reason, you can find helpful resources at http://ucc.nd.edu.

Course content and grading: This semester will be divided into two equal parts as described below, each with their own grade. The two grades will then be averaged at the end to determine your final grade. If there is a curve, it will be applied to the final grades. Note that there is no final exam for this course. The paper is the final, and this has been cleared with the Dean's office.

Part I:

Requirements (and grading weight):

A. Participation (10%) Everyone is expected to participate in class discussions. Quality is valued over quantity. It is difficult to participate in class if you do not attend. As required by the university's COVID-related procedures, I will be taking attendance each day; if you are attending class via Zoom because you have not been cleared to come to campus, you will be counted as present.

B. Problem sets and presentation (50%)

On the class schedule for Part I, I have listed due dates for five problem sets and an in-class presentation. These are designed to review your understanding of the papers and concepts from class, and to prepare you for the midterm. You may be able to work with a classmate on some problem sets.

C. Midterm (40%)

A midterm will be given on **September 23.** Right now, my plan is for you to take it remotely but at our designated class time.

Schedule (Subject to Change)

| Dates | Topic for Readings and Lectures | Assignments |
|--------------|--|----------------------|
| Aug. 10 | Introduction, a look at the family | |
| Aug. 12, 17 | Economic Models of Marriage Stevenson and Wolfers 2007 | PS1 due 8/17 |
| Aug. 19, 24 | Marriage and Divorce Ribar 2004, McKinnish 2007, popular press articles. | PS2 due 8/24 |
| Aug. 26 | Marriage and Inequality Popular press articles. | |
| Aug. 31 | Economic Models of Fertility | PS3 due 8/31 |
| Sept. 2, 7 | Empirical Studies of Fertility Kearney and Levine 2014; Berman, Iannoccone, and Ragusa 2012; Bailey (2010) | PS4 due 9/7 |
| Sept. 9 | Family Structure Black, Devereux, and Salvanes 2005. | |
| Sept. 14 | Intergenerational Transmission, Nature vs. Nurture Sacerdote 2007. | PS5 due 9/14 |
| Sept. 16, 21 | Public Policy and the Family Albanesi & Olivetti 2009, paper presentations. | Present papers, 9/21 |
| Sept. 23 | Midterm | |

Part II:

Requirements (and grading weight):

A. Participation (10%) The participation polices for Part I apply in Part II. In addition, some of the assessment of your participation in this half of the course will be based on your contributions in the scheduled sessions for presenting progress on research papers.

B. Problem sets and assignments (40%)

On the class schedule for Part II, I have listed due dates for five assignments. These are designed to guide you in the development of your empirical research paper. I also include the due date for your rough draft; I will comment on it extensively but will not give you a grade on it.

C. Research paper (50%)

The primary assignment for Part II of the course is an empirical research paper. More details will be given in a handout in late September. The final paper is due at the beginning of class on **November 11** and late submissions will not be accepted.

Schedule (Subject to Change)

| Dates | Lecture Topic | Assignment Due |
|----------|--|---|
| Sept. 28 | Choosing a research topic | 10 facts |
| Sept. 30 | Stata warm-up (bring laptop), research ethics | |
| Oct. 5 | Literature reviews (bring laptop), research ethics | |
| Oct. 7 | No in-person class – office hours to discuss project topics. | Stata problem set |
| Oct. 12 | The importance of summary statistics (bring laptop) | Proposal & literature review |
| Oct. 14 | Accessing data, in-class Stata lab (bring laptop) | |
| Oct. 19 | Regressions in Stata, formatting results (bring laptop) | Summary statistics table & outline |
| Oct. 21 | In-class Stata lab (bring laptop) | |
| Oct. 26 | How to write an empirical research paper | All tables/figures |
| Oct. 28 | How to write, in-class writing lab (bring laptop) | |
| Nov. 2 | No in-person class – office hours to discuss tables. | |
| Nov. 4 | In-class peer review of drafts | Rough draft due Nov. 5 (ungraded but mandatory) |
| Nov. 9 | No in-person class – office hours to discuss drafts. | |
| Nov. 11 | Share papers in class (low stakes) | Final paper |

Resources

A. Economic Models of Marriage

Stevenson, Betsey and Justin Wolfers. 2007. "Marriage and Divorce: Changes and Their Driving Forces." *Journal of Economic Perspectives*, 21(2).

Stevenson, Betsey and Justin Wolfers. 2008. "Marriage and the Market." *Cato Unbound*. Accessed June 24, 2011.

Becker, Gary. 1981. A Treatise on the Family. Cambridge, Massachusetts: Harvard University Press.

Bergstrom, Theodore C. 1997. "A Survey of Theories of the Family." In *Handbook of Population and Family Economics*. Edited by M. R. Rosenzweig and O. Stark. Elsevier. Vol. 1A, pp. 21-79

B. Marriage and Divorce

McKinnish, Terra. 2007. "Sexually Integrated Workplaces and Divorce: Another Form of On-the-Job Search." *Journal of Human Resources*, 42(2), pp. 331-352.

Ribar, David. 2004. "What Do Social Scientists Know About the Benefits of Marriage? A Review of Quantitative Methodologies." IZA Discussion Paper No. 998.

Waite, Linda. 1995. "Does Marriage Matter?" Demography, 32(14), pp. 438-508.

Finlay, Keith and David Neumark. 2010. "Is Marriage Always Good for Children?" *Journal of Human Resources*, 45(4), 1046.

Korenman, Sanders and David Neumark. 1991. "Does Marriage Really Make Men More Productive?" *Journal of Human Resources*, 26(2) 282-307.

Gray, Jeffrey S. 1997. "The Fall in Men's Return to Marriage: Declining Productivity Effects or Changing Selection?" *The Journal of Human Resources*, 32(3), 481-504.

Dahl, Gordon. 2010. "Early Teen Marriage and Future Poverty." Demography, 47(3), 689-718.

Gruber, Jonathan. 2004. "Is Making Divorce Easier Bad for Children? The Long-Run Implications of Unilateral Divorce." *Journal of Labor Economics*, 22(4): 799-833.

Cornelson, K. and Siow, A., 2016. "A Quantitative Review of Marriage Markets: How Inequality is Remaking the American Family by Carbone and Cahn." *Journal of Economic Literature*, 54(1), pp.193-207.

Folke, O. and Rickne, J., 2020. "All the single ladies: Job promotions and the durability of marriage." *American Economic Journal: Applied Economics*, 12(1), pp.260-87.

Rosenfeld, M.J., Thomas, R.J. and Hausen, S., 2019. "Disintermediating your friends: How online dating in the United States displaces other ways of meeting." *Proceedings of the National Academy of Sciences*, 116(36), pp.17753-17758.

Coile, C.C. and Duggan, M.G., 2019. "When Labor's Lost: Health, Family Life, Incarceration, and Education in a Time of Declining Economic Opportunity for Low-Skilled Men." *Journal of Economic Perspectives*, 33(2), pp.191-210.

Abramowitz, J., 2016. "Saying,'I don't': The effect of the Affordable Care Act young adult provision on marriage." *Journal of Human Resources*, *51*(4), pp.933-960.

C. Fertility

Becker, Gary. 1960. "An Economic Analysis of Fertility," in *Demographic and Economic Change in Developed Countries*. Princeton, NJ: Princeton University Press, 1960.

Becker, Gary and H. Gregg Lewis. 1973. "On the Interaction between the Quantity and Quality of Children." *Journal of Political Economy*, 81(2): S279-88.

Kearney, M. S., & Levine, P. B. 2014. "Media Influences on Social Outcomes: The Impact of MTV's 16 and Pregnant on Teen Childbearing" (No. w19795). National Bureau of Economic Research.

Angrist, Joshua, Victor Lavy, and Analia Scholosser. 2010. "Multiple Experiments for the Causal Link Between the Quantity and Quality of Children," *Journal of Labor Economics*, 28(4): 773-823.

Lindo, Jason. 2010. "Are Children Really Inferior Goods?" Journal of Human Resources, 45(2): 301.

Chandra, Amitabh and Stacy Dickert-Conlin. 1999. "Taxes & the Timing of Births." *Journal of Political Economy*, 107(1).

Buckles, Kasey and Daniel Hungerman. 2013. "Season of Birth: Old Questions, New Answers." Review of Economics and Statistics, 95(3): 711-724.

Berman, Eli, Laurence Iannaccone, and Giuseppe Ragusa. 2012. "From Empty Pews to Empty Cradles: Fertility Decline Among European Catholics." NBER Working Paper #18350.

Buckles, Kasey, Melanie Guldi, and Lucie Schmidt. 2019. "Fertility Trends in the United States, 1980-2017: The Role of Unintended Births." NBER Working Paper #25521.

Miller, C.C., 2018. The Relentlessness of Modern Parenting. *The New York Times*. Retrieved from https://www.nytimes.com/2018/12/25/upshot/the-relentlessness-of-modern-parenting.html.

Goldberg, Michelle. 2018. Want More Babies? You Need Less Patriarchy. *The New York Times*. Retrieved from https://www.nytimes.com/2018/05/25/opinion/american-birthrate-patriarchy.html?em_pos=small&emc=edit_ty_20180525&nl=opinion-today&nl_art=7&nlid=47698275emc%3Dedit_ty_20180525&ref=headline&te=1

Doepke, M. and F. Zilibotti. 2019. The Parent Trap: How Economic Inequality Gives Rise to Hyper-Parenting. *The Washington Post.* Retrieved from

https://www.washingtonpost.com/news/posteverything/wp/2019/02/22/feature/how-economic-inequality-gives-rise-to-hyper-parenting/?p9w22b2p=b2p22p9w00098

Doepke, M., Sorrenti, G. and Zilibotti, F. 2019. "The economics of parenting." *Annual Review of Economics*, 11, pp. 55-84.

Bassi, V. and Rasul, I., 2017. "Persuasion: A case study of papal influences on fertility-related beliefs and behavior." *American Economic Journal: Applied Economics*, 9(4), pp.250-302.

Sussman, Annal Louie. 2019. The End of Babies. *The New York Times*. Retrieved from https://www.nytimes.com/interactive/2019/11/16/opinion/sunday/capitalism-children.html

D. Family Structure

Black, Sandra, Paul Devereux, and Kjell Salvanes. 2005. "The More the Merrier? The Effect of Family Size and Birth Order on Children's Education." *Quarterly Journal of Economics*, 120(2): 669.

Black, Sandra, Paul Devereux, and Kjell Salvanes. 2010. "Small Family, Smart Family? Family Size and the IQ Scores of Young Men." *Journal of Human Resources* 45(1): 33-58.

Buckles, Kasey and Elizabeth Munnich. 2012. "Birth Spacing and Child Outcomes." *Journal of Human Resources*, 47(3): 613-642.

Price, Joseph. 2008. "Parent-Child Quality Time: Does Birth Order Matter?" Journal of Human Resources, 43(1): 240.

Kaestner, Robert. 1997. "Are Brothers Really Better? Sibling Sex Composition and Educational Achievement." *Journal of Human Resources*, 32(2): 250-284.

Sacerdote, Bruce. 2007. "How Large are the Effects from Changes in Family Environment? A Study of Korean American Adoptees." *The Quarterly Journal of Economics*, 122(1): 119.

Björklund, A., Lindahl, M., & Plug, E. 2006. "The origins of intergenerational associations: Lessons from Swedish adoption data." *The Quarterly Journal of Economics*, 121(3), 999-1028.

E. Family and Women's Labor Force Outcomes

Goldin, Claudia. 2004. "The Long Road to the Fast Track: Career and Family," *Annals of the American Academy of Political and Social Science*, 596: 20-35.

Lundborg, P., Plug, E., and Rasumssen, A. W. 2017. "Can Women Have Children and a Career? IV Evidence from IVF Treatments." *American Economic Review*, 107(6), 1611-37.

Angrist, Joshua and William N. Evans. 1998. "Children and Their Parents' Labor Supply: Evidence from Exogenous Variation in Family Size," *American Economic Review*, 88: 450-77.

Cortes, P., and Tessada, J. 2011. "Low-skilled immigration and the labor supply of highly skilled women." *American Economic Journal: Applied Economics*, 88-123.

Bana, S., Bedard, K., & Rossin-Slater, M. 2018. "The Impacts of Paid Family Leave Benefits: Regression Kink Evidence from California Administrative Data." (No. w24438). National Bureau of Economic Research.

Balser, C., Hall, C., & Bukowinski, A. 2020. "The Effect of Expanding Paid Maternity Leave on Maternal Health: Evidence from the United States Air Force & Army. *Working paper*, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3601018. Waldfogel, J. 1998a. "Understanding the 'Family Gap' in Pay for Women with Children," *Journal of Economic Perspectives*, 12: 137-156.

Hotz, Joseph, Susan McElroy, and Seth Sanders. 2005. "Teenage Childbearing and Its Life Cycle Consequences: Exploiting a Natural Experiment," *The Journal of Human Resources* 40(3): 682-715.

Waldfogel, J. 1998b. "The Family Gap for Young Women in the United States and Britain: Can Maternity Leave Make a Difference?," *Journal of Labor Economics*, 16(3): 505-545.

Greenwood, Jeremy, Ananth Seshadri and Mehmet Yorukoglu. 2005. "Engines of Liberation," Review of Economic Studies 72: 109-133.

Kleven, H., Landais, C. and Søgaard, J.E., 2019. "Children and gender inequality: Evidence from Denmark." *American Economic Journal: Applied Economics*, 11(4), pp.181-209.

F. Public Policy and the Family

Bailey, Martha. 2010. "Momma's Got the Pill': How Comstock and *Griswold v. Connecticut* Shaped U.S. Childbearing," *American Economic Review*, 100(1): 98-129.

Gruber, Jonathan, Phillip Levine, and Douglas Staiger. 1999. "Abortion Legalization and Child Living Circumstances: Who is the 'Marginal Child'?" *The Quarterly Journal of Economics*, 114(1): 263-291.

Buckles, Kasey, Melanie Guldi and Joseph Price. 2010. "Changing the Price of Marriage: Evidence from Blood Test Requirements." *Journal of Human Resources*, 46(3): 539.

Meyer, Bruce and Dan Rosenbaum. 2001. "Welfare, the Earned Income Tax Credit, and the Labor Supply of Single Mothers," *Quarterly Journal of Economics*, 116: 1063-1114.

Gelbach, Jonah. 2002. "Public Schooling for Young Children and Maternal Labor Supply," *American Economic Review*, 92(1): 307.

Lalive, Rafael and Josef Zweimuller. 2009. "How does parental leave affect fertility and return to work? Evidence from two natural experiments," *Quarterly Journal of Economics*, 124(3): 1363-1402.

Goldin, Claudia and Lawrence Katz. 2002. "The Power of the Pill: Oral Contraceptives and Women's Career and Marriage Decisions." *Journal of Political Economy*, 110(4).

Baughman, Reagan and Stacy Dickert-Conlin. 2003. "Did Expanding the EITC Promote Motherhood?" *The American Economic Review* 93(2): 247.

Brien, Michael, Stacy Dickert-Conlin and David Weaver. 2004. "Widows Waiting to Wed? (Re)Marriage and Economic Incentives in Social Security Widow Benefits." *The Journal of Human Resources*, 39(3): 585-623.

Albanesi, Stefania and Claudia Olivetti. 2016. "Gender Roles and Medical Progress." *Journal of Political Economy*, 124(3), pp.650-695.

Francis. 2016. Post-Synodal Apostolic Exhortation. Amoris Laetitia, 8.