Is there a gender power paradox within the household?

A replication and extension of Bertrand, Kamenica, and Pan (2015) for the US and Australia

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Motivation

Female empowerment ideology versus realities on the ground

"Doing gender"

→ Does not conforming with a "male primary breadwinner" norm influence the satisfaction of men and women, and/ or the stability of their partnerships?

We've found already that not meeting norms can affect the satisfaction of those for whom the behaviour in question is salient…

What Women Want (Their Men to Do): Housework and Satisfaction in Australian Households

IZA Discussion Paper No. 10832

52 Pages   ·   Posted: 19 Jun 2017

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Also, some people have recently made a splash

Gender Identity and Relative Income within Households

Marianne Bertrand, Emir Kamenica and Jessica Pan

Abstract: We examine causes and consequences of relative income within households. We show that the distribution of the share of income right of 1/2, where the wife's income exceeds the husband's income. We argue that this pattern is best explained by gender identity norms, wife earns more than her husband. We present evidence that this aversion also impacts marriage formation, the wife's labor force participatic marriage satisfaction, likelihood of divorce, and the division of home production. Within marriage markets, when a randomly chosen woman randomly chosen man, marriage rates decline. In couples where the wife's potential income is likely to exceed the husband's, the wife is less her potential if she does work. In couples where the wife earns more than the husband, the wife spends more time on household chores; mo marriage and are more likely to divorce. These patterns hold both cross-sectionally and within couples over time. JEL Codes: D10, J12, J16.

And inevitably, others have followed…

Gender Identity and Relative Income within Households: Evidence from Sweden*

Bertrand et al. (2015) show that among married couples in the US, the distribution of the share of the household income earned by the wife exhibits a sharp drop just to the right of .50. They argue that this drop is consistent with a social norm prescribing that a man should earn more than his wife. We repeat this analysis for Sweden, ranked as one of the world's most gender equal countries. Analyzing Swedish population register data, we do not find support for the norm that a man should earn more than his wife.

Breadwinning Mothers and Children's Gender Norms

Panos Mavrokonstantis*

October 9, 2017

DO HUSBANDS WANT TO BE SHORTER THAN THEIR WIVES? THE HAZARDS OF INFERRING PREFERENCES FROM MARRIAGE MARKET OUTCOMES

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ABSTRACT
Spousal characteristics such as age, height, and income are often used in social science research to infer social preferences. For example, a "male taller" norm has been inferred from the fact that fewer wives are taller than their husbands than would occur with random matching. The fact that more husbands out-earn their wives than vice versa has been used as evidence that husbands prefer that their wives earn less or wives prefer that their husbands earn more. This paper argues that it is difficult and potentially misleading to infer social preferences from marriage market outcomes. We first show how standard economic theory predicts that positive assortative matching on a characteristic in equilibrium is consistent with a wide variety of preferences. This theoretical result is applied to an empirical investigation of income differences between spouses, where a persistent gender gap also exists. Simulations which sort couples positively on permanent income can largely replicate the observed distribution of spousal income differences in US Census data—including the sharp drop-off in mass as the wife begins to out-earn her husband—without assuming a norm against the wife out-earning her husband.

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BKP's first observation (using SIPP 1990-2004, first obs per couple…but similar patterns using 2008-2011 ACS and 1970-2000 Censuses)
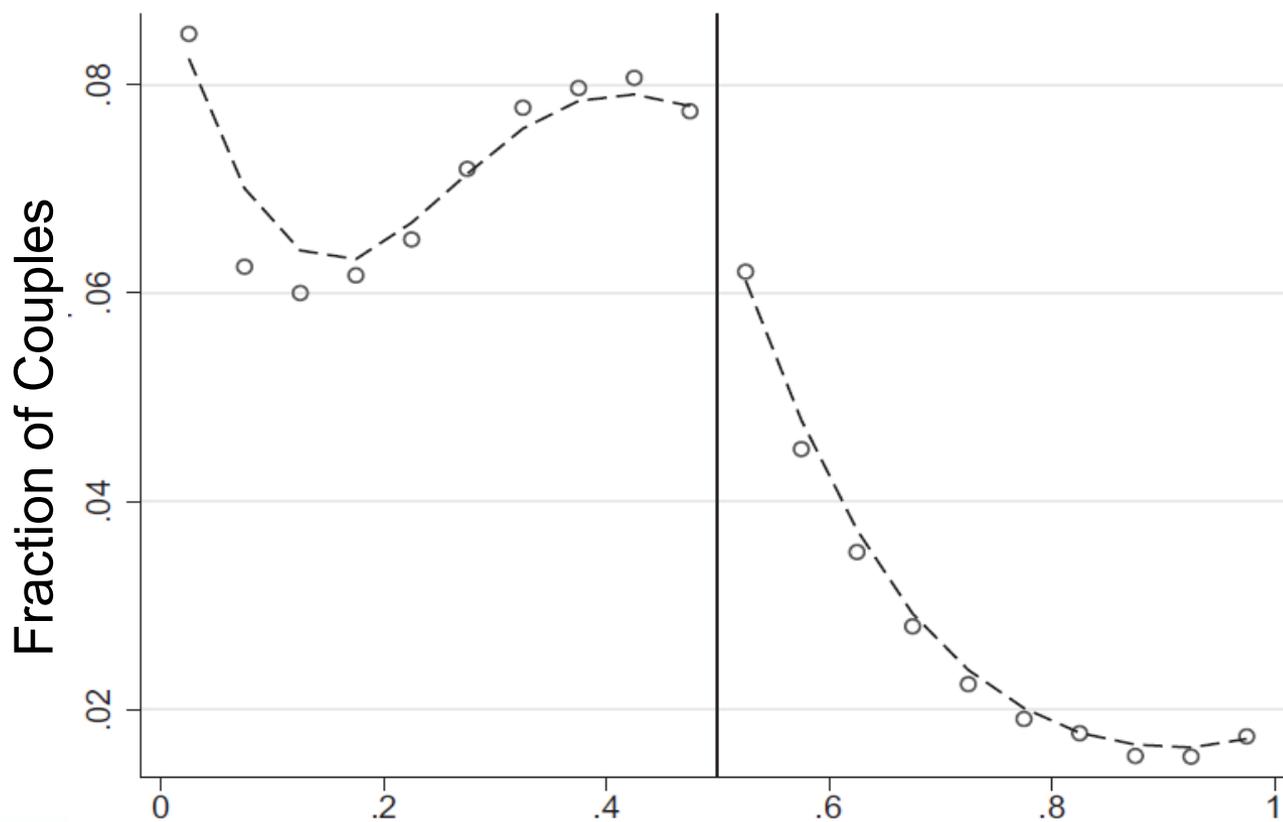
Share Earned by Wife
Figure 1 BKP (2015)

BKP's second observation (relevant to our focus)

Use the National Survey of Families and Households (1987-1994) to model reported satisfaction and subsequent marital status:

$$Y_i = \beta_0 + \boldsymbol{\beta_1\ (WifeEarnsMore_i)} + \beta_2 \ln(WifeIncome_i) + \beta_3 \ln(HusbIncome_i) + \beta_4 \ln(TotIncome_i) + \beta_5\ X_i + \varepsilon_i$$

β_1 is the target…and its estimate is significant in many of their models (couple-level clustered SEs) indicating that marriages where the woman out-earns the man are less happy and more likely to end in divorce.

What we do

Use more recent US data, and Australian data – both longitudinal – and attempt to replicate BKP 2015 using both OLS and FE specifications.

Investigate differences by marital status (married vs cohabiting), as well as by presence of children and education level.

Look at as wide an array of satisfaction measures as we can.

US data

- 1997-2013 NLSY97 (plus partnership data from 2015).
- Respondents born 1980-84.
- Restrict to:
  - Mixed gender couples
  - No FT students aged 18-23
  - Known/consistent relationship status
  - Known earned income
- 32,102 observations on 7,758 couples
- Once we drop couples with missing data on baseline observables: 21,395 observations on 5,851 couples

Australian data

- 2001-2016 HILDA Survey
- Restrict to:
  - Mixed gender couples
  - Age 24-63/65 + Age 18-23 if not FT students
  - Known/consistent relationship status
  - Known earned income
- 59,418 observations on 9,387 couples
- Once we drop couples with missing data on baseline observables: 43,866 observations on 7,702 couples

United States (mean/std dev)	Married Sample			Cohabiting Sample	
She earns more than he does	0.254	0.435		0.334	0.472
His real earned Income	45.368	35.029		31.044	29.485
Her real earned Income	23.401	23.546		19.615	21.039
Her share of earned income	0.330	0.265		0.386	0.300
Household's earned income	68.768	44.766		50.658	40.897
She has no income	0.228	0.420		0.213	0.410
He has no income	0.040	0.197		0.093	0.290
His age	28.217	4.238		26.899	4.781
His education (BC Less than High School)					
High School	0.592	0.491		0.567	0.496
Some College	0.046	0.209		0.052	0.222
AA Degree	0.119	0.324		0.066	0.248
BA Degree	0.083	0.276		0.035	0.183
Grad Degree	0.012	0.111		0.006	0.074
Her age	26.658	3.701		25.174	4.116
Her education (BC Less than High School)					
High School	0.558	0.497		0.568	0.495
Some College	0.058	0.233		0.068	0.251
AA Degree	0.145	0.352		0.086	0.281
BA Degree	0.086	0.281		0.035	0.185
Grad Degree	0.017	0.130		0.006	0.078
Resides in (BC an urban area):					
a city	0.326	0.469		0.400	0.490
a rural area	0.237	0.425		0.177	0.382
Number of Observations	13,962			7,433	

Australia (mean/std dev)	Married Sample			Cohabiting Sample	
She earns more than he does	0.239	0.427		0.270	0.444
His real earned Income	85.400	72.878		66.751	52.660
Her real earned Income	39.798	42.488		40.127	35.232
Her share of earned income	0.324	0.262		0.363	0.253
Household's earned income	125.199	88.032		106.878	69.868
She has no income	0.189	0.391		0.160	0.367
He has no income	0.041	0.198		0.037	0.189
His age	44.468	10.065		35.847	11.123
His education (years)	13.865	2.804		13.077	2.521
Her age	42.187	9.729		33.644	10.659
Her education (years)	13.640	2.943		13.400	2.745
Resides in (BC an urban area):					
a city	0.675	0.468		0.650	0.477
a rural area	0.126	0.332		0.106	0.307
Number of Observations	33,053			10,812	

Yes, we can replicate a version of the BKP shock-horror income distribution graph that you will recall:
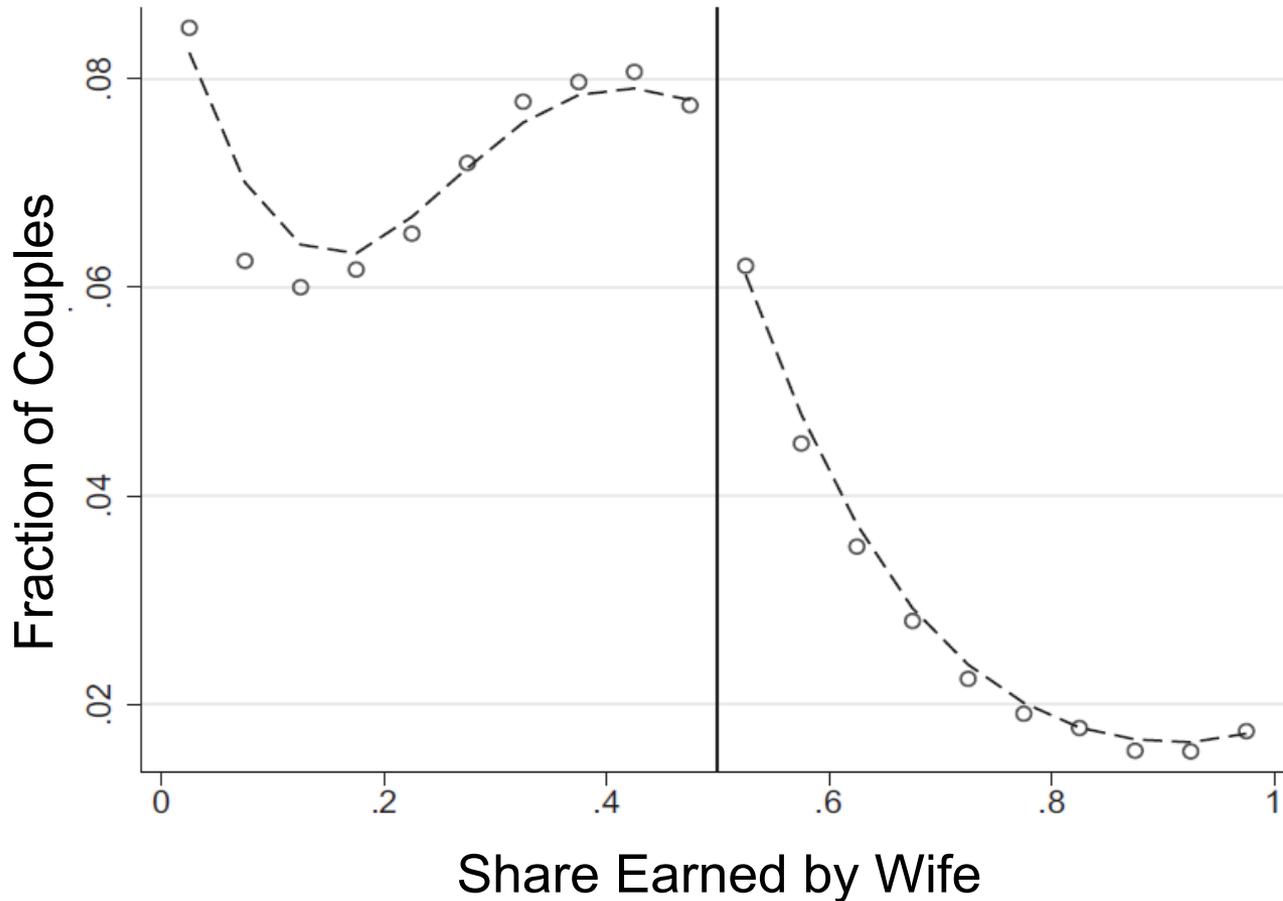
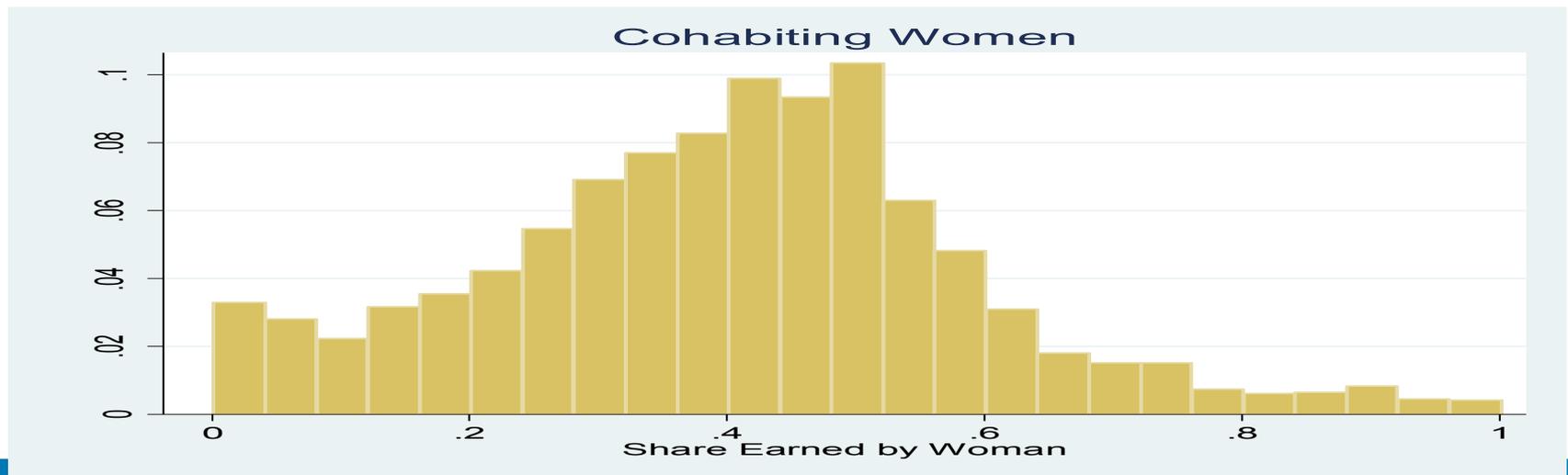# Income distributions within couple by marital status: US
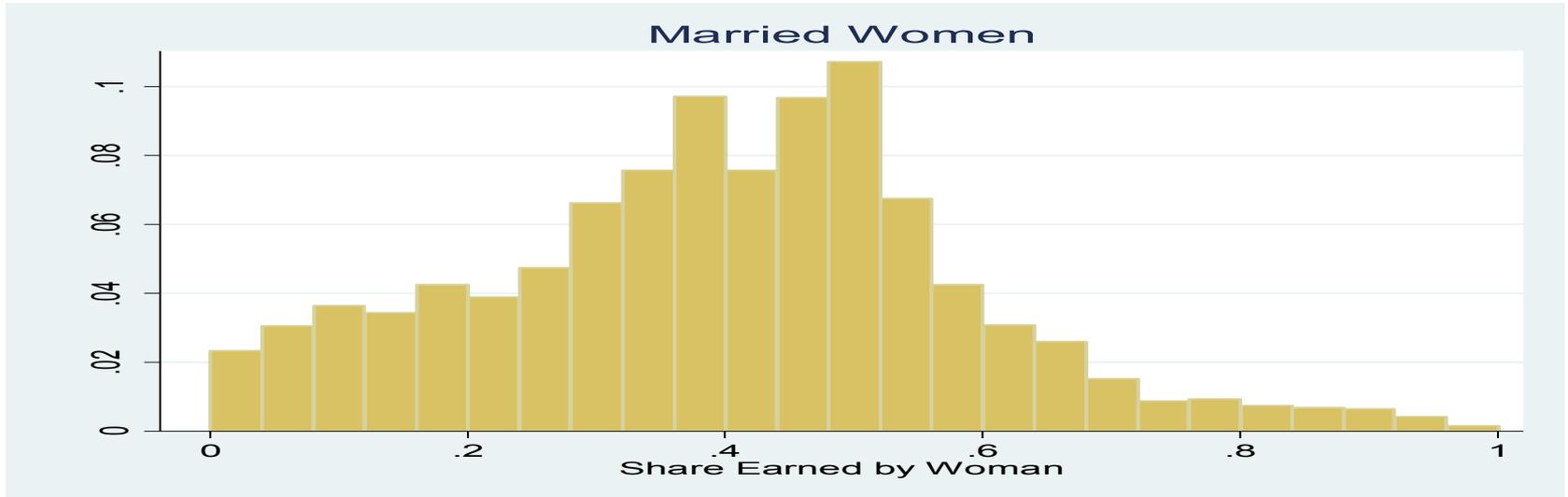
Can we kill this?

The striking drop holds for couples with and without kids, of high and of low education levels, for male versus female respondents, and of greater or lesser relationship longevity at the point of observation.

It also holds when we drop all self-employment income.

Income distributions within couple by marital status: Australia

Can we kill this?

Again: the striking drop holds for couples with and without kids, of high and of low education levels, and of greater or lesser relationship longevity at the point of observation.

In these Aussie data, there is a more even distribution of female share under the 50/50 mark, and a particularly evident drop at 50/50, for couples with kids and for long-married (5+ years) couples.

The drop is still evident when we drop all self-employment income.

But does this signal something economically meaningful? Can we replicate BKP's (2015) regression results indicating negative impacts on satisfaction and relationships when the woman earns more?

$$Y_i = \beta_0 + \boldsymbol{\beta_1}\ (\boldsymbol{WifeEarnsMore_i}) + \beta_2 \ln(WifeIncome_i) + \beta_3 \ln(HusbIncome_i) + \beta_4 \ln(TotIncome_i) + \beta_5\ X_i + \varepsilon_i$$

Outcomes: Revealed relationship duration until the ensuing (survey) year, and dimensions of satisfaction now.

Baseline controls (X_i): dummy variables to indicate if he has no earnings and if she has no earnings; quadratics in his and her age; controls for his and her education (5 dummy variables for the US, 7 for Australia), and controls for region (4 for the US, 7 for Australia) and for each wave.

Expanded controls: number of children in different age brackets, the number of other dependents, the number of other adults; gender-specific dummy variables for full-time enrolment and disability status; dummies for disabled child in residence (Oz) and disabled adult in residence (Oz); urbanicity.

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Results for married couples. Q: Will they be separated by the time of the next survey?

	Marriage Ends		
United States			
Woman Earns More	0.0053	0.0100	
(N = 13,962; 13,089)	(0.0059)	(0.0067)	
Australia			
Woman Earns More	-0.0013	-0.0014	
(N = 33,053; 32,200)	(0.0021)	(0.0024)	
Fixed effects	no	yes	

Results for cohabiting couples. Q: Will they be separated by the time of the next survey?

	Relationship Ends		
United States			
Woman Earns More	0.0204	*	0.0200
(N = 7,433; 5,743)	(0.0119)		(0.0150)
Australia			
Woman Earns More	-0.0006		-0.0098
(N = 10,812; 9,486)	(0.0073)		(0.0083)
Fixed effects	no		yes

In general, same null result – within both martial status categories – when we run by education and by presence of children (exception: cohabiting people with no kids).

Satisfaction measures

HILDA (answer scale 0 to 10 every year):

[self-completion q'naire]: "How satisfied are you with...

your relationship with your partner?"

[in-person q'naire] "I am now going to ask you some questions about how satisfied or dissatisfied you are with some of the things happening in your life.

"All things considered, how satisfied are you with your life?"

NLSY (answer scale 0 to 10 from 2000 to 2008):

"How close do you feel towards [this spouse/partner]?"

"How much do you feel that [this spouse/partner] cares about you?"

"How much conflict is there in your relationship with [this spouse/partner]?"

"How committed would you say you are to [this spouse/partner], all things considered?" (2005-2008])

Satisfaction results: NLSY

- "She earns more" is never significant for feeling close, feeling the partner cares, or conflict in the relationship – for people of either marital status.

- "She earns more" is negative and significant at 5% (in OLS and FE, point size about -.4) for feelings of commitment of cohabiting people…and at 10% for that same variable for married people in the FE models. Small sample though (<2000, fewer with within-couple variance).

Satisfaction results: HILDA

- "She earns more" is never significant for cohabiting couples (and small, but in sign, positive for men and negative for women)

- "She earns more" is small but negative in sign for married people of both genders, and significant at 10% for men's satisfaction with life.

Next steps

- Explore a few more dimensions of satisfaction available in HILDA

- Test whether the NLSY satisfaction results differ by gender

- Further testing of primary specifications
  - Does the magnitude of the earnings gap matter?
  - What if we take not 50% but the sample average female income share as the reference point?
  - What if we predict dissolution several years later (as NSFH forces BKP to do)?
  - What if we re-code the satisfaction variables as BKP do?

Conclusions so far

- While we can reasonably replicate the share-of-income distribution flagged by BKP (2015), we are unable to replicate their evidence of strong impacts on satisfaction or marital dissolution, using NLSY97 and Australian HILDA data (though we can replicate their results using their original data).

- Some evidence that in the US, cohabitation is a "trial period" in which income shares are considered, and that US couples' respond more negatively to female share than Australian couples.

- Why?
  - Changing norms/realities; cultural differences
  - Increased social valuation of unpaid labour
  - …?