

Household Search and the Marital Wage Premium - Online Appendix *

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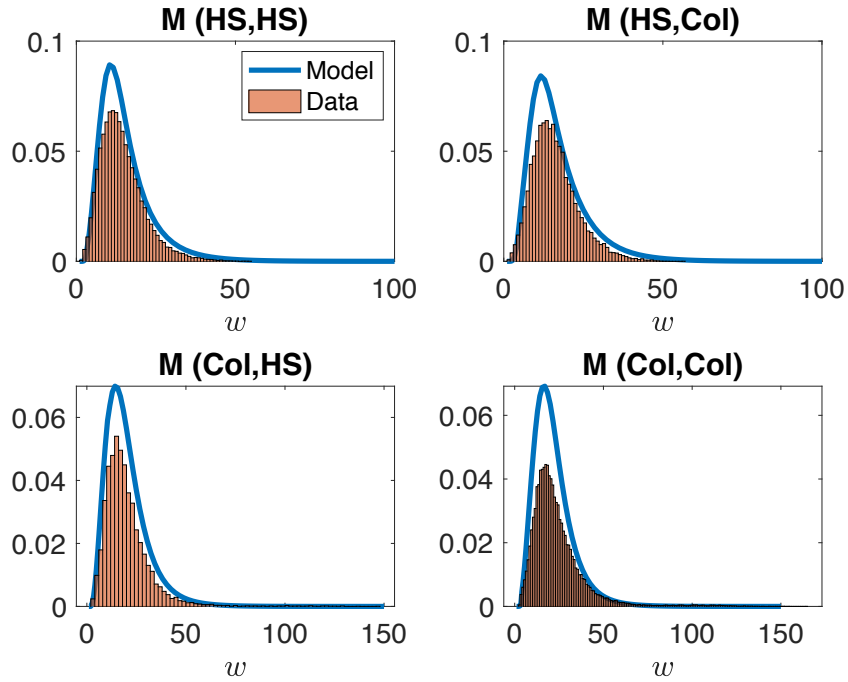
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1 For Online Appendix

Figures 1 and 2 show the extent to which the baseline model (without selection) can fit the data on wages for individuals of sex i in each joint household education pair $(\mathcal{E}_m, \mathcal{E}_f)$. Overall, our baseline model which is specified entirely off the parameters estimated for singles underpredicts the wages of males, suggesting that selection may be important to some extent for explaining the wage premia of married males. In contrast, our baseline model replicates fairly well the distribution of wages for females, suggesting that joint household search behavior may be important for understanding the wage outcomes of females.

*The views expressed in this paper are entirely those of the authors. They do not necessarily represent the views of the Federal Reserve Bank of New York or the Federal Reserve System.
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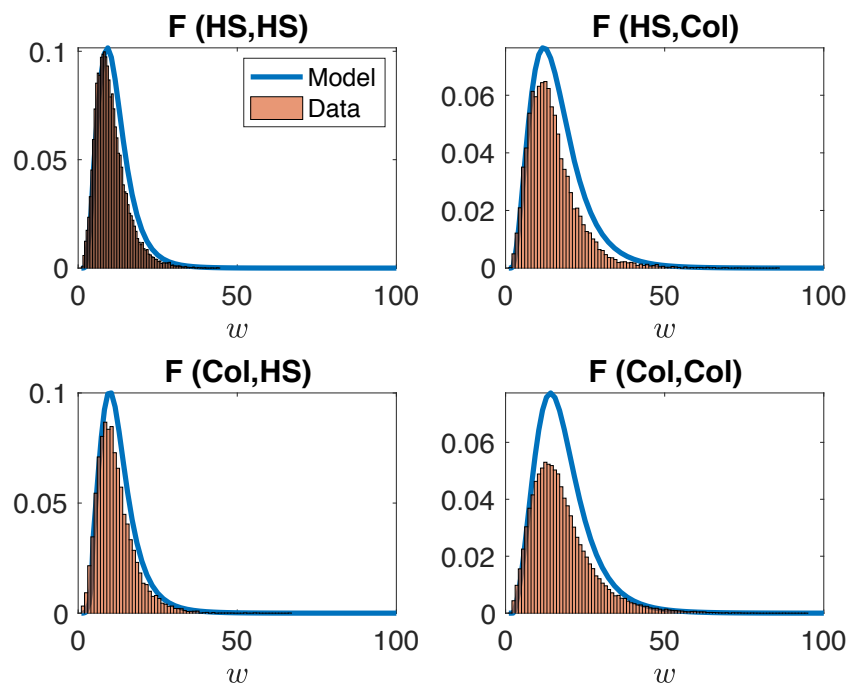


Notes: The upper left panel plots the empirical wage distribution for married HS males with HS spouses (orange) relative to the model-generated distribution (blue). Moving clockwise, the upper right panel plots the same graph for married HS males with Col spouses, for married Col males with HS spouses and finally for married Col males with Col spouses.

Figure 1: Model vs. Data: m wage distribution in Joint Household

1.1 Additional Tables

Table 1 shows how the MWP and non-employment rates are declining as risk aversion, ι , increases.



Notes: The upper left panel plots the empirical wage distribution for married HS females with HS spouses (orange) relative to the model-generated distribution (blue). Moving clockwise, the upper right panel plots the same graph for married Col females with HS spouses, for married HS females with Col spouses and finally for married Col females with Col spouses.

Figure 2: Model vs. Data: f wage distribution in Joint Household

Table 1: Model Implied Moments with Various ι : Joint Households

MWP				
HH	Data	($\iota = 2$)	Baseline ($\iota = 3$)	($\iota = 4$)
(HS,HS)	(1.20,1.04)	(1.02,1.02)	(1.02,1.02)	(1.03,1.03)
(HS,Col)	(1.33,0.92)	(1.14,0.89)	(1.11,0.91)	(1.11,0.93)
(Col,HS)	(1.07,1.16)	(0.91,1.14)	(0.92,1.11)	(0.95,1.12)
(Col,Col)	(1.24,1.09)	(1.05,1.00)	(1.04,1.01)	(1.05,1.02)
Non-employment rates				
HH	Data	($\iota = 2$)	Baseline ($\iota = 3$)	($\iota = 4$)
(HS,HS)	(0.17,0.18)	(0.23,0.23)	(0.22,0.22)	(0.22,0.22)
(HS,Col)	(0.15,0.15)	(0.25,0.19)	(0.25,0.17)	(0.25,0.16)
(Col,HS)	(0.14,0.17)	(0.18,0.28)	(0.16,0.28)	(0.15,0.28)
(Col,Col)	(0.13,0.15)	(0.17,0.20)	(0.16,0.19)	(0.15,0.19)

Notes: The top panel reports the implied model-generate MWP assuming $\iota = 2$ (third column), $\iota = 3$ (fourth column), and $\iota = 4$ (fifth column). The bottom panel reports the corresponding non-employment rates. For each value of ι , we re-estimate the model and the calculate the implied MWP and Non-employment rates.