Family Time Allocations

over the last half century

Alexandros Theloudis*

March 16, 2019

Abstract

Over the last half century, married American women doubled their labor supply and halved the time they spend on household chores. By contrast, married American men reduced their labor supply and increased their involvement in chores. Both increased the time they devote to children but men, especially the most educated, did so by far more. What explains these dramatic changes in family time allocations? I develop a dynamic collective model that incorporates family time use and features financial and human capital, rich earnings dynamics, and endogenous divorce. The model quantifies the role of (i) the wage and education gender gaps; (ii) fertility and the cost to raise children; (iii) labor market experience; (iv) technical change in the household; and (v) features of the marriage market such as the expansion of divorce in the early 1970s. Preliminary results suggest that -at least- the gender wage gap and the divorce option are important for the observed time allocation dynamics. The latter implied an improvement in intra-household bargaining power among women born in the 1950s and a transfer of non-market work to their husbands.

Keywords: collective model, lifecycle, labor supply, chores, childcare, limited commitment, endogenous divorce, simulated method of moments, PSID, MTUS.

JEL classification: D12, D13, D91, J12, J13, J22.

^{*}Luxembourg Institute for Socio-Economic Research (LISER) and Department of Economics, University College London (email: a.theloudis@gmail.com). This paper draws on the previously circulated paper Wages and Family Time Allocation based on the first chapter of my dissertation. I am deeply indebted to Richard Blundell and Ian Preston, as well as to Pierre-André Chiappori, Jan Eeckhout, Eric French, Valérie Lechene and Luigi Pistaferri. I also thank Arun Advani, Monica Costa Dias, Mariacristina De Nardi, Tim Lee, Peter Levell, Jeremy Lise, Costas Meghir, Aureo de Paula, Suphanit Piyapromdee, Uta Schönberg, Jonathan Shaw, Michela Tincani, and participants at various seminars and conferences for comments. I am grateful to Julien Pascal for excellent computational assistance and to the ESRC and the RES for funding.