

NATIONELL KONFERENS I NATIONALEKONOMI 2016

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BOOK OF ABSTRACTS



GÖTEBORGS UNIVERSITET
HANDELSHÖGSKOLAN

GENDER GAPS B21

Equal Opportunity? Gender Gaps in CEO Appointments and Executive Pay

Matti Keloharju, Samuli Knüpfer, and Joacim Tåg

This paper uses exceptionally rich data on Swedish corporate executives and their personal characteristics to study gender gaps in CEO appointments and pay. Both gaps are sizeable: 18% for CEO appointments and 27% for pay. At most one-eighth of the gaps can be attributed to observable gender differences in executives' and their firms' characteristics. Further tests suggest that unobservable gender differences in characteristics are unlikely to account for the remaining gaps. Instead, our results are consistent with the view that male and female executives sharing equal attributes neither have equal opportunities to reach the top, nor are they equally paid.

Divorce law and spouses' well-being: Evidence from Ireland

Hilda Ralsmark

I analyze the causal effect of an increase in the risk of a divorce or separation on the well-being of spouses. To do so, I use the Irish 1996 divorce law reform, which legalized divorce. The divorce law reform was largely unexpected and affected individuals in nonreligious and religious households to different degrees. This allows me to construct a difference-in-difference estimate of the effect of the divorce law reform on women's and men's well-being. The results suggest that the divorce legalization had a positive effect on both women and men and that the effect was larger for women. The findings are consistent with the idea that the reform led to an anticipatory behavior of both spouses that increased their well-being and that it further improved the wife's well-being by increasing her within-household bargaining power and enabling her to leave a bad marriage.

The Price of Promotion: Gender Differences in the Impact of Career Success on Divorce

Olle Folke and Johanna Rickne

We present a novel explanation for why women are under-represented in positions of power. Women pay a price of promotion, which is a dramatically higher risk of divorce. For men, a promotion has the opposite effect, making the marriage more stable. These results rely on an identification strategy that exploits exogenously assigned promotions in the political sector. In addition, we use thirty years of panel data for the whole Swedish population to suggest that women's price of promotion exists across occupations as diverse as CEOs, priests, medical doctors, and the police. We can rule out that the increased divorce risk among promoted women stems from i) improved outside options on the marriage market, or ii) economic independence from their husband. A more credible explanation stems from the combination of family structure and spousal adjustment behavior. A promoted man usually has single-career families where his spouse does a most of the household work. In contrast, a promoted women who makes more than her husband also does most of the household work herself, and her husband does not adjust his market labor (downward) or his household labor (upward) in response to her promotion.

Home and Market Hours, Human Capital, Accumulation and Fertility

Tobias Laun and Johanna Wallenius

Sweden boasts high fertility and high female employment. Notably, also women with young children work. However, part-time employment is very prevalent. There

is a notable gender gap in both wages and earnings, which widens substantially after women have children. In this paper we study the effect of family policies on female employment, fertility and the gender wage gap. We are particularly interested in understanding why part-time employment is so prevalent in Sweden, despite heavily subsidized daycare, and the effect of this on the widening of the gender wage gap. We are also interested in understanding the role of home production, particularly the unequal division of home work across genders, in shaping women's career paths. To this end, we develop a structural, life cycle model of heterogenous households which features endogenous labor supply, endogenous human capital accumulation, endogenous fertility and home production.

FINANCE B22