Problem Set 7:
Group Problem Set

Please include the names of everyone who participated in the exercise. If you have group members who did not participate, please list them as absent.

Please email your solution to Alicia at arosburg@iastate.edu by **5:00 on Wednesday, May 4**. Earlier submissions are welcome. The problem set will be graded on an apparent effort basis.


2) The data set includes information on economic outcomes for men and women as well as indicators of skill and other measures.
   a. List the variables that you think could be potential measures of economic outcomes, the variables that should be used to explain those outcomes, and the variables that you feel are irrelevant to the comparison of male and female economic outcomes.
   b. Report the averages for men and women of the key dependent and independent variables that you will use in your analysis below.

3) Perform a regression where your measure of the extent of discrimination would be the coefficient on a dummy variable indicating gender (‘Method 1’ in the Powerpoint notes). Use earnings or some other measure of economic outcome. EXCEL has a simple regression package under its “DATA ANALYSIS” package (“Regression”).
   a. Show the output of your regression and briefly interpret your results.
   b. Does this method reveal evidence consistent with discrimination against women?

4) Perform an Oaxacca decomposition using the same economic performance indicator and explanatory variables you used in part 3.
   a. Report the average male outcome, the average outcome for women if they were rewarded at the same rate as men, and the total, the explained, and the unexplained differences in economic outcomes between men and women.
   b. Does this method reveal evidence consistent with discrimination against women?