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GENDER DIFFERENCES IN EDUCATION IN A DYNAMIC HOUSEHOLD BARGAINING MODEL

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A B S T R A C T

In this paper, we explore the issue of gender differences in education in the context of a two-sex overlapping generations model where men and women of each generation bargain over consumption, number of children, and investment in education of their children conditional on gender, and parents are altruistic toward their children. We show that the difference in the education levels of boys and girls implied by our model is smaller than the one that would result from a pure investment model. Also, we show that as long as the time cost associated with bearing children is positive, women bear the entire time cost associated with child rearing. We use our model to estimate the cost to a woman of having a child. The estimate we obtain using cross-country data suggests that such cost amounts to about 5% of the working lifetime of a woman.

KEYWORDS: Fertility; Marriage; Overlapping Generations.