

# **GENDER DIFFERENCES IN EDUCATION IN A DYNAMIC HOUSEHOLD BARGAINING MODEL\***

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WP-AD 97-25

Editor: Instituto Valenciano de Investigaciones Económicas, S.A.

First Edition December 1997

ISBN: 84-482-1644-X

Depósito Legal: V-4631-1997

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\*We would like to thank two anonymous referees. Fernando Álvarez, Chris Flinn, Dan Houser, Mobinul Huq, Pedro Mira, Richard Rogerson, John Rust, Ken Wolpin, Randy Wright, and the participants of seminars and conferences at many institutions for helpful comments and suggestions. Dayong Jin provided excellent research assistance. Echevarria would like to thank the University of Saskatchewan for an SSHRC President's Research Grant. Merlo acknowledges the financial support of the National Science Foundation under grant SBR-9410190. The views expressed herein are those of the authors and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.

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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.