

# Job Search Effort and Spouse's Income in France

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## Abstract

In this project I present evidence of the gender asymmetry existing in the job-finding effort of married men and women. I am interested in studying the behavior of unemployed married agents. As unemployed, a spouse self-insures her or himself by means of her or his spouse's income. A priori, one would expect the spouse's income having the same effect on their own spouse search effort. The limited existing empirical literature on the topic shows that for women, spouse's income influences job finding negatively. That is, the higher his income is, the longer it takes to her to find a job. The contrary happens for men, where spouse's income affects job finding positively. My aim is to extend the analysis to French data, using the Enquete Emploi of 1990 and following years. The main problem of rigorous empirical analysis restricted to married couples, concerns the endogenous selection involved in the couple formation. It is clear that men (women) married to higher income women (men) are most likely different to other unemployed spouses. Neglecting this gives a biased estimate of the income effect on unemployment duration.

A first empirical step to overcome this issue is to use a basic proportional hazard model à la Meyer (1990), where the baseline hazard is common to all individuals. A second step is to incorporate a discrete distribution to summarize unobserved individual heterogeneity, as proposed by Heckman and Singer (1984).

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The sign and the size of the correlation of search effort to spouses income are relevant in order to tailor gender-specific programs directed to encourage and facilitate the job search, and/or unemployment insurance programs.

Keywords: unemployment duration, spousal income, marriage, unobserved heterogeneity.

JEL codes: J01, J12, J64.