

Problem Set 3: 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.

1) Pick one data set from the three included on the class web page,  
[http://www.econ.iastate.edu/classes/econ321/Orazem/lowa teachers in 1884](http://www.econ.iastate.edu/classes/econ321/Orazem/lowa%20teachers%20in%201884)  
[lowa CPS, 2000-2003](http://www.econ.iastate.edu/classes/econ321/Orazem/lowa%20CPS%202000-2003)  
[ISU graduates](http://www.econ.iastate.edu/classes/econ321/Orazem/ISU%20graduates)

2) The data set will include information on economic outcomes for men and women as well as indicators of skill and other measures. 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.

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 following method 1 for one of your measures of economic performance. It could be an earnings function or another variable that you feel is appropriate to examine. Show the output of your regression and briefly interpret your results. EXCEL has a simple regression package under its "DATA ANALYSIS" package. 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. 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. . Does this method reveal evidence consistent with discrimination against women?

5) This assignment is due on Wednesday November 12. It will be graded on an apparent effort basis.