

How responsive is domestic labor outsourcing to an income shock? Evidence from the Alaska Permanent Fund Dividend

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Project context

- Housework and childcare can be burdensome and time-consuming, yet **not everyone outsources** their domestic labor
 - Women still do most of the unpaid domestic labor
 - Outsourcing: cleaning & laundry, childcare & daycare/preschool, dining out, gardening & lawn, home maintenance
- Would **extra money** encourage **different-gender couples** to outsource more? Would there be differences by type of task? (Whose labor would be replaced? i.e., women's work or men's work)

Project context

- Quasi-natural experiment: **Alaska Permanent Fund Dividend (PFD)**
 - Cash transfer paid yearly to individuals since 1980s
 - Paid in October
 - High eligibility and take-up rate
 - No work requirements or age limits
- PFD paid to the household → couple + children
 - I impute the total dividend received by each family { (family size) * (PFD amount) }

Data used

- 1996 – 2015 Consumer Expenditure Survey, interview survey
- FMLI – household/couple info
 - state, urban, marital status, household size, home ownership, total expenditures previous and current quarter
- MEMI – individual/partner info
 - education, sex, household composition (children, multigenerational), occupation
- MTBI – monthly amount spent on outsourcing
 - cost of outsourcing cleaning & laundry, childcare & daycare/preschool, dining out, gardening & lawn, home maintenance
- XPA – quarterly spending on dining out
 - quarterly cost of dining out & quarterly food budget

Problems encountered with CE data

- Looking at income or expenditures across time
 - Income variable inconsistent across survey years and quarters, problems with pre-/post-tax data
 - Total expenditures of previous/current quarter unclear
- Requires lots of data wrangling
 - Duplicate observations, Q1 vs Q1x, merging potentially dozens or hundreds of files
- Harmonizing across time – 2003 & 2013 stand out
 - Ex. Race & Hispanic ethnicity
- Inconsistencies with data at the household-level and individual-level
 - Ex. marital status

Weighting data in analyses

- I use Stata to conduct all analyses
- Have traditionally used robust SEs clustered at the household level & weighted using the “finlwt21” variable
- CE replicate weights → balanced repeated replications (brr)
 - *cl(rfamid) vs svy brr:*

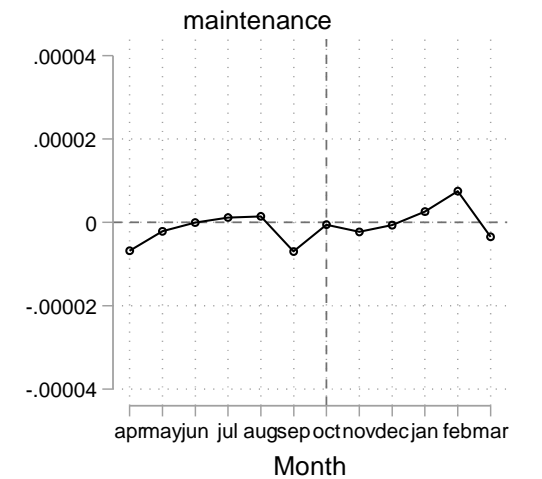
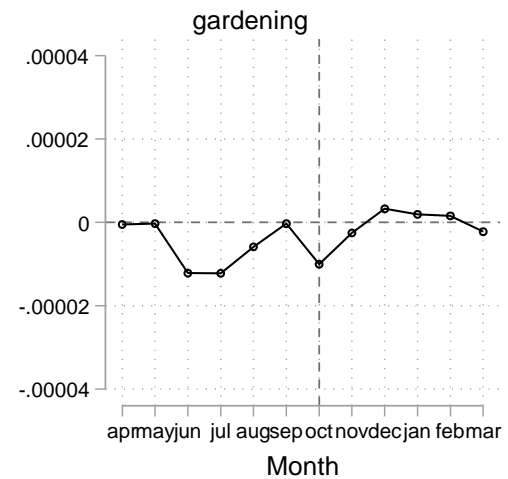
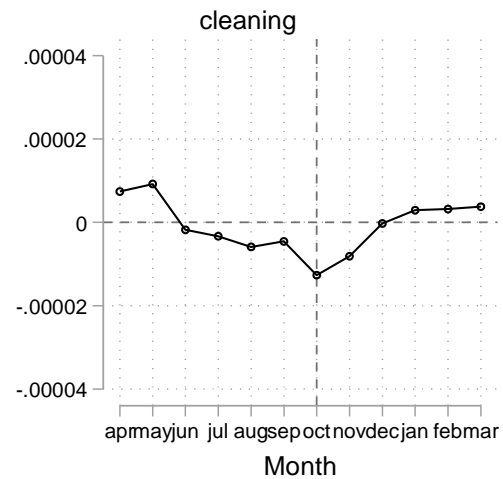
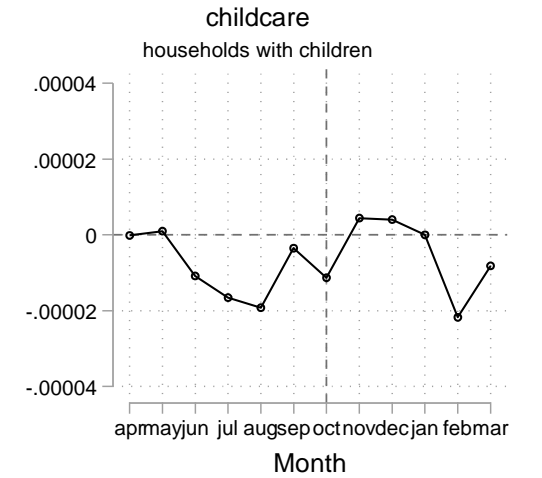
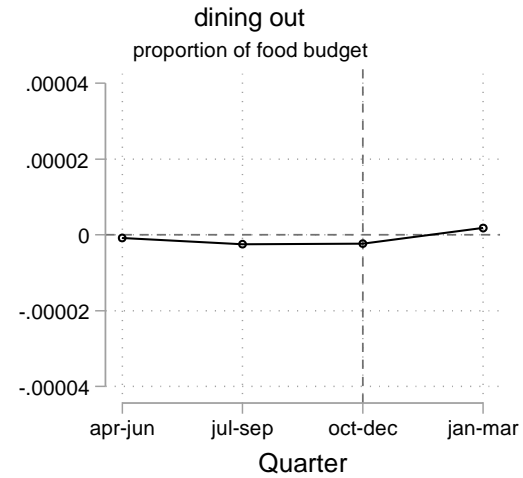
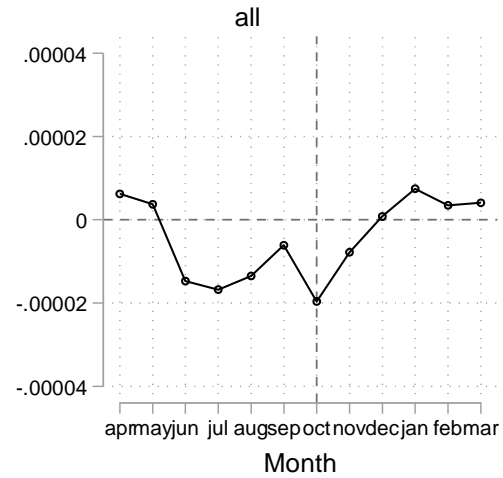
Research design

- Research questions
 1. How does a positive and exogenous income shock affect the outsourcing behaviors of different-sex couples, including their likelihood and amount spent to outsource domestic labor?
 2. Does this vary by gender-typed task?
- Event study design akin to differences-in-differences
 - Month (October), location (Alaska), amount (PFD)
 - Supplementary analyses: (1) counterfactual snow-burdened states, (2) expenditures triple-diff, (3) use 2016-2021
- Controls
 - Marital status, her age, age difference, education, race, home ownership, urbanicity, multigenerational, age of youngest child

Results

Selected preliminary results.

I find minimal effects of the PFD on **probability of outsourcing**, with possible slight decreases by Alaskans.



Limitations

- Unable to match participants to time-use data such as ATUS or PSID, or other data sources
- Hard to harmonize some variables (race & ethnicity) across time
- Would love for the data to be easily downloadable like on IPUMS.org



Thank you!

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