Changes in Returns to Task-Specific Skills and Gender Wage Gap

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Abstract

How did skilled-biased technological change affect wage inequality, particularly between men and women? To answer that question this paper constructs a task-based Roy model in which workers possess a bundle of basic skills, and occupations are characterized as a bundle of basic tasks. The model is estimated using the task data from the Dictionary of Occupational Titles and the PSID. The main empirical finding is that men have more motor skills than women, but the returns to motor skills have dropped significantly, accounting for well over half of the narrowing gender wage gap.

Keywords: Roy model, task approach, occupational choice, skill-biased technological change.

JEL Codes: J24, J31

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