Labor Market Experience and the Gender Gap

By

Moshe Hazan
The Hebrew University of Jerusalem

Yishay D. Maoz
The University of Haifa

Abstract

We present a model in which the gender gap in wages displays non-monotonic dynamics of the type observed in the US during the twentieth century. We show that the dynamics of the gender gap depend on the number of women that work at home in the early stage of their life and join the labor force late in life with low skills and little labor market experience. Consistent with empirical findings, we conclude that the gender gap increases when this dynamic labor profile is sufficiently widespread, and vice versa. We argue that this profile abounds when wages grow sufficiently rapidly.

Keywords: Experience, Labor Force Participation.

JEL Classification Numbers: J16, J21, J22, J31.