ECO220Y1Y, Test #4, Prof. Murdock SOLUTIONS

(1) Compared to male employees, women's wages are on average about 7.6 percent lower.

(2) An extra 10% of preparation time causes quiz performance to improve by about 3.6% on average.

(3) Across 128 countries in 2023, those with real GDP per capita that is 10% higher on average have a healthy life expectancy that is about 0.4 years higher (e.g. 69 years versus 68.6 years).

(4) (a) For US employers located in areas with median home values that are $100,000 higher, their share of employees living fifty or more miles away is 1.5 percentage points higher on average. The many employers in places with median home prices below a half million dollars have only 5 to 10 percent commuting 50+ miles, so 1.5 p.p. more is big. Hence, employers who are in expensive neighborhoods see significantly more employees living far away from work and facing a long commute, but we cannot infer the high housing prices are causing workers to choose long commutes because it is not random which kinds of employers choose to locate in inexpensive versus expensive neighborhoods.