Note on statistics obtained from the PSID

Many of the moments used in the calibration exercise in Section 5 come from the PSID (one of the most commonly used US data sources). The PSID is publicly available and can be downloaded here:

http://psidonline.isr.umich.edu/

After downloading the data fro the years 1999-2005 I estimate the below statistics from the and use them as calibration targets. All statistics are for employed males aged 25-64 (I set the cutoff for being employed to working at least 10 hours per week). For assets, I trim the top and bottom 1% of observations.

1. Average yearly hours is 2277

2. The mean wage of workers without a college degree is $22.35 per hour.

3. The mean wage of workers with a college degree is $39.27 per hour.

4. The Std. dev. of log 5-yearly wages is 0.57

5. The mean assets of men aged 25-30 is $55 676. To calculate this I assume that married men own 71.8% of the household assets (their share of family income).

6. The mean assets of men aged 50-55 is 320 225.

In Table 4 in the paper 1 model unit for dollar amounts is equal to $610 137. This is the wage a worker without a college degree would make if he worked 15 hours per day for 5 years.