

Biography

Daniel S. Hamermesh is Sue Killam Professor in the Foundations of Economics at the University of Texas at Austin. He earned his A.B. from the University of Chicago (1965) and a Ph.D. from Yale (1969). He taught from 1969-73 at Princeton, from 1973-93 at Michigan State, and has held visiting professorships at universities in the United States, Europe, Australia and Asia. He is a Fellow of the Econometric Society, a research associate of the National Bureau of Economic Research, and was President of the Society of Labor Economists in 2000-01. He authored *Labor Demand, The Economics of Work and Pay*, and a wide array of articles in labor economics in the leading general and specialized economics journals. His research concentrates on labor demand, time use, social insurance programs (particularly unemployment insurance) and unusual applications of labor economics (to suicide, sleep and beauty). He is widely quoted in the major print media and has appeared on such national television programs as *Good Morning, America*, and *PBS Evening News Hour*.

Abstract

How would people spend time if confronted by permanent declines in market work? We identify preferences off exogenous cuts in legislated standard hours that raised employers' overtime costs in Japan around 1990 and Korea in the early 2000s. Using time-diaries from before and after these shocks, we predict the likelihood that an individual would have been affected by the reform. The direct effect on a newly-constrained worker was a substantial reduction in market time, with the freed-up time reallocated mostly to leisure and personal maintenance, and very slightly to household production. Simulations using GMM estimates of a Stone-Geary utility function defined over time use suggest similar results. The economy-wide drop in market work time was reallocated solely to leisure and personal maintenance. In the absence of changing household technology a permanent time gift leads to no change in time spent in household production by the average individual.