

Correction Chapter 4

Case 2 - Initially, workers were both working in labor market and taking care of children in home. After there is a subsidy provided by state (government), workers will reduce their working hours. Increase household hours ($H_1 \rightarrow H_2$), get higher utility ($U_1 \rightarrow U_2$) (Figure 4.10).

Figure 4.10 – Case 2 - Initially, workers were both working in labor market and taking care of children in home.

