1. Suppose, now, that we wish to investigate whether hourly wages differ, on average, between union manufacturing jobs and non-union manufacturing jobs among adult workers in the U.S in 2008. We collect data on hourly wages and union membership among manufacturing workers older than 18. Letting Union = 1 if a worker is a union member and Union = 0 if not a union member, we estimate our model using Ordinary Least Squares regression and obtain the following results:

|  |
| --- |
| HrWage = 18.906 + 2.273 Union , R2 = 0.0044 |
| (0.6405) (1.180) |

1. What is the average hourly wage for a non-union worker, explain?
2. What is the average hourly wage for a union worker, explain?
3. Construct a 95% confidence interval for the difference in hourly wage between union and non-union workers, explain.