Women just as eager as men to negotiate salaries: Study

Women are just as willing as men to negotiate for more pay, according to a new study which debunks the theory that income gap between genders is due to women's reluctance to negotiate salaries.

CHICAGO: Women are just as willing as men to negotiate for more pay, according to a new study which debunks the theory that income gap between genders is due to women's reluctance to negotiate salaries. Men, however, are more likely than women to ask for more money when there is no explicit statement in a job description that wages are negotiable, the study by the University of Chicago found.

"We find that simple manipulations of the contract environment can significantly shift the gender composition of the applicant pool," said University of Chicago economist John List.

List co-authored the paper based on a study of people responding to job advertisements in which salaries were advertised either as negotiable or fixed.

Women were three times more likely to apply for jobs with negotiable salaries and to pursue negotiations once they applied, the study found.

Among those responding to an explicit salary offer, 8 per cent of women and 11 per cent of men initiated salary negotiations.

When the salary was described as negotiable, 24 per cent of women and 22 per cent of men stated salary discussions.

"By merely adding the information that the wage is 'negotiable', we successfully reduced the gender gap in applications by approximately 45 per cent," List said in a statement.

Previous studies have shown that men are nine times more likely than women to ask for more money when applying for a job, but this paper is the first to use a field experiment to look at gender differences in the way men and women approach salary negotiations.

List, a leading scholar of using field experiments to study important economic issues, conducted the study with Andreas Leibbrandt, a senior lecturer at Monash University in Australia and a former postdoctoral fellow in UChicago's Department of Economics.

The study was published by the National Bureau of Economic Research.

Despite efforts to promote gender equality, women make about three-fourths as much as
men, surveys have shown.

Additionally, women hold only 2.5 per cent of the highest paid jobs in American firms. The gap in wages begins when a person is hired, so encouraging negotiations from the beginning is likely to have a long-term impact on salary, List said.

A variety of factors may explain the gender differences in salary, including negotiations after a person is hired and differences in women's willingness to negotiate for jobs other than the ones advertised, the study concluded.