

Ask For A Raise? Most Women Hesitate

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Heard on All Things Considered



JENNIFER LUDDEN

In the face of a persistent gender pay gap, researchers and women's advocates are focusing on one little-discussed part of the problem: Women simply don't *ask* for more money.

There are many reasons why, despite widespread gains in the workplace, women still earn on average about 78 cents to a man's dollar. But the failure to negotiate higher pay is crucial. Research shows men are four times more likely than women to ask for a salary raise, and economist Linda Babcock of Carnegie Mellon University says this has a snowball effect. Even a small pay boost will mean bigger annual raises and possibly bigger bonuses and it will carry over to a new employer, who is almost certain to ask: *What was your last salary?*

"I tell my graduate students that by not negotiating their job at the beginning of their career, they're leaving anywhere between \$1 million and \$1.5 million on the table in lost earnings over their lifetime," Babcock says.

And her figure doesn't even include company retirement contributions, which are also based on a share of salary.

Babcock says women often just don't think of asking for more pay. If they do, they find the very notion of haggling intimidating, even scary.

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Who Goes to the Bargaining Table? The Influence of Gender and Framing on the Initiation of Negotiation

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Unlike typical negotiation experiments, these studies investigated when men and women initiate negotiations in the absence of overt prescriptions to negotiate. Using a new experimental paradigm, the authors showed that the framing of situations is a critical driver of gender differences in initiating negotiations. Drawing on literature on language, power, and politeness, the authors argued that framing situations as opportunities for negotiation is particularly intimidating to women, as this language is inconsistent with norms for politeness among low-power individuals, such as women. By contrast, framing situations as opportunities for asking is much less intimidating to women, as this language is more polite and role-consistent. Consequently, gender differences in initiating negotiations persisted when situations were framed as opportunities for negotiation yet were eliminated when situations were framed as opportunities to ask. Moreover, primed power attenuated gender differences in aversive reactions to the negotiation frame. In all, the studies presented begin to elucidate the reasons for gender differences in initiating negotiations and further illustrate that such effects depend on the situation.

Keywords: negotiation, gender, framing

In virtually all experimental negotiation research, individuals are instructed to conduct a negotiation. Often negotiators are given explicit instructions—that is, to make offers and receive counter-offers, to achieve as much value for themselves as possible, and so forth. Although this research has illuminated the psychological and behavioral processes that are related to negotiation strategies and outcomes, there is little research on the perception of the negotiability of situations when negotiation is not prescribed or on the tendency to initiate negotiation more generally.

This void in the literature is significant because many situations are not transparently negotiable. For example, although many Americans probably know that the price of a car is negotiable, most situations are far more ambiguous. Consider the case of a university professor. Although it is typical to negotiate over salary and teaching load when one is first hired, what is negotiable after one is on the job is far less clear. In fact, numerous resources can be negotiated throughout one's faculty career, including reduced teaching loads, summer support, increases in pay, office space, computer upgrades, and so forth. However, these situations need to be recognized as negotiable and capitalized on, often on an individual basis. Otherwise, the status quo is likely to remain.

Indeed, recent changes in the workplace highlight the need for individuals to initiate negotiations if a change or improvement of circumstances is desired. Because of new emerging forms of organization (flattened hierarchies, lower formalization, increased participation), the steady decline of unionism (dropped from 20.1% of the workforce in 1983 to 13.5% in 2001), and increasing rates of job turnover (39% of the workforce changed jobs between May 2001 and May 2002; Bureau of Labor Statistics, 2002, 2006), employees have opportunities to bargain that are unprecedented (Rousseau, 2005). In her book on idiosyncratic deals, Rousseau (2005) cited evidence that 30% of individuals graduating with a master's in business administration (MBA) negotiated customized employment relationships (special deals), and 25% of health care workers in a hospital negotiated special arrangements for themselves. These statistics suggest that if the flexibilities of contracts are not made explicit, then individuals' effectiveness and success will depend on recognizing opportunities to negotiate for resources.

Surprisingly, despite the employment trends described earlier, which suggest that increasing opportunities for negotiations are prevalent, there is a dearth of research on who initiates negotiations and whether these opportunities are disproportionately capitalized on by certain people in general or by men or women in particular. The question of whether and why gender differences exist in the propensity to initiate negotiations is important, given the persistent wage gap (Keaveny & Inderrieden, 2000), glass ceiling (Tharenou, 2001), and the fact that women advance in their careers at much slower rates than do men (Tharenou, 1999; Valian, 1998).

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‘Acting Wife’: Marriage Market Incentives and Labor Market Investments[†]

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Do single women avoid career-enhancing actions because these actions signal undesirable traits, like ambition, to the marriage market? While married and unmarried female MBA students perform similarly when their performance is unobserved by classmates (on exams and problem sets), unmarried women have lower participation grades. In a field experiment, single female students reported lower desired salaries and willingness to travel and work long hours on a real-stakes placement questionnaire when they expected their classmates to see their preferences. Other groups’ responses were unaffected by peer observability. A second experiment indicates the effects are driven by observability by single male peers. (JEL C93, D82, J12, J16, J31)

Even in the twenty-first century, men prefer female partners who are less professionally ambitious than they are (Fisman et al. 2006). Men tend to avoid female partners with characteristics usually associated with professional ambition, such as high levels of education (Brown and Lewis 2004; Greitemeyer 2007; Hitsch, Hortaçsu, and Ariely 2010). It is relatively unlikely that a woman will earn more than her husband, and when she does, marital satisfaction is lower and divorce is more likely (Bertrand, Kamenica, and Pan 2015). Promotions increase the chance of divorce for women, but not for men (Folke and Rickne 2016).

Single women may thus face a trade-off: actions that lead to professional success might be sanctioned in the marriage market because they signal ambition and

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[†]Go to <https://doi.org/10.1257/aer.20170029> to visit the article page for additional materials and author disclosure statement(s).

Do Women Ask?

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Abstract

Females typically earn less than males. The reasons are not fully understood. This paper re-examines the idea that women ‘*don’t ask*’, which potentially assigns part of the responsibility for the gender pay gap on to female behavior. Such an account cannot readily be tested with standard data sets. This paper is the first to be able to use matched employer-employee data in which workers are questioned about their asking behaviour. It concludes that males and females ask equally often for promotions and raises. The paper’s empirical results suggest, however, that while women do now ask they ‘*don’t get*’.

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Keywords: matched employer-employee data; female discrimination; wages; gender.

JEL codes: J31, J71

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