



# Beauty vs. earnings: Gender differences in earnings and priorities over spousal characteristics in a matching model

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## ABSTRACT

I develop a model of marriage matching where males and females care about two distinct characteristics of their spouse—beauty and earnings. Each individual's beauty is exogenous, but earnings depend on human capital investments made by each individual prior to entering the marriage market. I show that even if males and females constitute ex ante identical populations, with identical underlying preferences and equal access to human capital investment and labor market opportunities, there can still exist an equilibrium where, on average, one gender invests more in human capital than the other, and moreover, members of one gender are more likely to prioritize beauty over earnings in a spouse, while members of the other gender are more likely to prioritize a potential spouse's earnings over beauty.

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## 1. Introduction

It is often perceived that men and women prioritize different characteristics when selecting a mate, with males being more likely to prioritize beauty in a potential spouse and females being more likely to prioritize earnings power. Anecdotal evidence for this perception abounds, notably in the prevalence of older male celebrities marrying aspiring models and actresses.<sup>1</sup> In more formal studies of this issue, sociologists and psychologists have found that females value good financial prospects in a mate about twice as highly as do men in surveys ranging from the 1930s to the present. Relatedly, these studies also show that across this time period, men rate physical attractiveness as being substantially more important and desirable in a potential mate than do women (Hill, 1945; McGinnis, 1958; Hudson and Henze, 1969; Buss, 1989). Indeed, to quote Buss (1994, p. 58), “(m)en's greater preference for physically attractive mates is among the most consistently documented psychological sex differences.”

More recently, economists Hitsch et al. (2006) and Fisman et al. (2006) have examined gender differences in priorities over characteristics in dating partners using data from an online dating site and data from a speed dating experiment respectively. In both studies, the results continue to suggest that men place substantially more value on physical appearance in a dating

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<sup>1</sup> Examples include real-estate tycoon Donald Trump and model Melania Knauss, musician Billy Joel and model Christie Brinkley, singer Ric Ocasek and model Paulina Porizkova, and director Woody Allen and actress Mia Farrow.

partner than do women, while women place more weight on earnings or characteristics associated with earnings (e.g., intelligence, race, the wealth of the neighborhood in which one grew up) than do men.

One possible explanation for the above results is simply biological—males may have an innate tendency to favor beauty when choosing their mates while females may have an innate tendency to favor finding economic security when choosing their mates. Indeed, evolutionary psychologists such as Buss (1994) have discussed how adaptive evolutionary pressures can account for how these innate tendencies may have arisen. While there may be truth to these biological and evolutionary explanations, as economists, it seems appropriate to ask further whether there also exist complementary or even alternative explanations related to *economic* incentives for why such differing matching priorities across genders arise and persist, moreover, whether such differences in matching priorities across genders may be related to other outcome differences across genders, most notably earnings in the labor market.

On a most basic level, I show that under relatively standard economic assumptions, even if genders have identical underlying preferences, genders still can have different priorities over spousal characteristics if there are different earnings outcomes across genders. Intuitively, if individual utility is increasing in both total household earnings as well as spousal beauty, but the marginal utility of greater household earnings is diminishing in total household earnings, then the higher an individual's own earnings, the more he or she will value beauty over earnings in a spouse. Alternatively, the lower an individual's own earnings, the more he or she will value earnings over beauty in a spouse. Hence, even if males and females have ex ante identical underlying preferences, males and females can still have different priorities on average in the marriage market if males generally enter the marriage market with higher earnings trajectories than females.

The primary contribution of the paper, however, is to show not only how gender differences in priorities in the marriage market may arise due to differences in earnings outcomes across genders, but also to examine whether differences in earnings outcomes across genders may themselves arise through differences in expectations across genders regarding how different attributes will be valued in the marriage market. In particular, I look at whether expectations of gender differences in earnings outcomes and priorities in the marriage market can be self-fulfilling, even when genders constitute ex ante identical populations. In other words, if people expect males to earn more in the labor market and be more likely to prioritize beauty over earnings in a spouse than females, then will males indeed turn out to be more likely than females to obtain higher paying jobs and to prioritize beauty over earnings in a spouse?

To examine this question, I construct a model where at the time of the marriage market, individuals can differ along two exogenous dimensions—beauty and earnings. Beauty is important in that an individual is assumed to incur greater utility the greater is the beauty of his or her spouse. Earnings are important in that the utility of a given individual is assumed to be increasing in the overall sum of earnings across household members. The key feature of the model, however, is that an individual's earnings outcome depends on the amount he or she invests in human capital, where this investment takes place prior to the marriage market. Therefore, in this environment, there are expected payoffs to human capital investment both in the labor market, in terms of one's own expected earnings, as well as the marriage market, in terms of the expected beauty and earnings level of the spouse one is able to match with.

Two key results arise from this environment. First, marriages will not necessarily be assortative. Specifically, not only might there not be consensus over how individuals on each side of the marriage market should be ranked, but similar individuals may often not match with each other. Second, this environment allows for the possibility of multiple equilibria. In particular, given males and females constitute ex ante identical populations and there is no labor market discrimination, there can exist a symmetric equilibrium where males and females invest similarly in human capital, have similarly distributed earnings outcomes, and have similarly distributed priorities in the marriage market. However, I also show that under certain conditions there also exist asymmetric equilibria, where ex ante identical populations of males and females invest differently in human capital, have different earnings outcomes on average, and end up with different priorities over spousal characteristics on average. More specifically, if individuals expect members of gender *b* to have lower earnings on average than members of gender *a*, individuals will also expect members of gender *b* to be more likely to prioritize earnings over beauty than members of gender *a*. I then show that such expectations of differences across genders can cause gender *a* individuals to indeed find it optimal to invest more in human capital and, subsequently, earn more on average than members of gender *b*, thus causing members of gender *b* to be more likely to prioritize earnings over beauty in the marriage market than members of gender *a*, and members of gender *a* to be more likely to prioritize beauty over earnings in the marriage market than members of gender *b*.

## 2. Previous literature

The model presented below primarily relates to two distinct streams of literature. The first is the theoretical economics literature on gender inequality in the labor market. Like several of the relatively recent theoretical advances in the examination of gender inequality in labor market (Lazear and Rosen, 1990; Francois, 1998; Lommerud and Vagstad, 2000; Albanesi and Olivetti, 2005; Bjerk and Han, 2007), the model developed below generates earnings inequality across genders even when genders are equally productive in the labor market. However, in contrast to these other models, the gender earnings inequality that arises in this model arises despite the fact that employers do not discriminate against either gender.

The second stream of literature related to this paper is the theoretical economics literature on matching in the marriage market. Much of this work stems from Becker's (1973, 1974) work on matching and has expanded in several important dimensions from this initial framework to include the existence of household public goods (Lam, 1988), different timing

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