Labour Economics 32 (2015) 15–26

Contents lists available at ScienceDirect

Labour Economics

journal homepage: www.elsevier.com/locate/labeco

Physical appearance and earnings, hair color matters ☆

Evgenia Kogan Dechter

School of Economics, University of New South Wales, Sydney, NSW 2052, Australia

HIGHLIGHTS

- I examine the effects of hair color (the "blonde myth") on labor market outcomes.
- Inexperienced blonde women earn less; this wage gap declines over time.
- Personal or family characteristics do not explain the initial blonde hair penalty.
- The penalty is consistent with employer or customer tastes for hair color.
- Subsequent job sorting and mobility allow blonde women to close the gap.

ARTICLE INFO

Article history:
Received 19 June 2013
Received in revised form 3 October 2014
Accepted 26 November 2014
Available online 3 December 2014

Keywords:
Physical appearance
Earnings
Discrimination

ABSTRACT

This study examines the relationship between physical appearance and labor market outcomes. It focuses on hair color and addresses the effects of the "blonde myth", a series of perceptions about personality characteristics of blonde women. Inexperienced blonde women earn significantly less than their non-blonde counterparts. This wage gap declines over time, and blonde women with more work experience earn higher wages. The relationship between earnings and hair color is not explained by personal or family characteristics. I argue that employer or customer tastes drive the initial blonde hair penalty; job sorting and mobility allow blonde women to close the gap.

1. Introduction

Extensive literature establishes that various attributes of physical appearance, such as beauty, body weight and height, have important effects on labor market outcomes. There are various explanations for these findings; some explanations suggest that physical attributes are correlated with unobserved skills that affect workers' productivity. Others argue that the relationship between certain physical attributes and labor market outcomes is of a discriminative nature.

This study examines the relationship between earnings and another attribute of physical appearance: hair color. In popular culture, blondeness is associated with a series of positive and negative attributes. The saying "Blondes have more fun" suggests that young blonde women are more popular and happy. According to the Oxford English Dictionary, having a "blonde moment" is equated with "being silly or scatterbrained", and a "dumb blonde" is "a blonde-haired woman perceived in a stereotypical way as being attractive but unintelligent".[1] The "blonde myth" corresponds to a series of perceptions about the personality characteristics of young blonde women. I examine how these perceptions and attitudes affect their labor market outcomes.

This study uses panel data from the 1979 National Longitudinal Survey of Youth (NLSY79). The survey collects information on natural hair color along with other physical attributes. I estimate the effect of blondeness on hourly wages. The effect varies with work experience. Blonde women with no work experience earn 6%–9% less than their non-blonde counterparts. The negative effect of blondeness diminishes with work experience, and older or more experienced blonde women earn a wage premium. I examine whether these wage patterns are driven by occupational choice, discriminative practices, or individual characteristics that might affect work productivity. I show that the initial penalty and the subsequent premium are not explained by differences in education, cognitive ability, work experience, other physical attributes (height and body weight), or other personal or family characteristics. Work and family attitudes, internal locus of control and self-esteem do not explain the wage patterns. Selection into employment is not driven by hair color. However, there is a relationship between hair color and occupational sorting for women (but not for men). Blonde women are more likely to be employed in professional and laborer occupations and are less likely to work in sales. Service occupations have the largest blonde hair wage penalty. These findings suggest that employer or customer preferences are the main channel for the

☆ I am grateful to Rachana Bhatt, Mark Bils, Kevin Lang and Ronni Pavan for their helpful suggestions.

E-mail address: e.dechter@unsw.edu.au.

[1] The definitions can be found here: http://oxforddictionaries.com/.

http://dx.doi.org/10.1016/j.labeco.2014.11.002
0927-5371/

Table 1
Summary statistics, by hair type.

	Women, % blonde hair = 20.3				Men, % blonde hair = 14.9			
	Non-blonde		Blonde		Non-blond		Blond	
	Mean	sd	Mean	sd	Mean	sd	Mean	sd
Real hourly pay	14.71	11.05	17.11	16.14	19.82	15.13	20.01	14.94
Actual experience (years)	9.09	5.14	9.53	5.39	9.94	5.27	9.49	5.23
Age	28.81	5.50	29.06	5.73	29.29	5.52	28.93	5.50
Hours worked/week	39.61	8.56	40.21	8.66	45.95	9.35	45.80	9.05
Normalized AFQT	0.32	0.82	0.32	0.76	0.21	0.83	0.31	0.77
Years schooling	13.30	2.12	13.61	2.46	13.19	2.33	12.95	2.38
Married %	0.57	0.49	0.56	0.50	0.52	0.50	0.52	0.50
Children	0.85	1.07	0.78	1.02	0.72	1.04	0.74	1.04
Height	64.74	2.69	65.17	2.56	70.62	2.77	70.86	2.81
Overweight %	0.17	0.38	0.16	0.37	0.38	0.48	0.32	0.47
Obese %	0.16	0.37	0.11	0.32	0.18	0.38	0.20	0.40
Intact family %	0.83	0.38	0.83	0.38	0.85	0.36	0.79	0.41
N	9418		2323		12,093		2046	
Mother education	12.0	2.1	12.0	2.0	12.1	2.0	12.2	2.0
Father education	12.3	2.8	12.3	2.9	12.4	2.8	12.5	3.1
N	8467		2200		11,043		1769	

Note: All statistics are weighted using NLSY79 cross-sectional weights.

blonde hair wage penalty. Job sorting and occupational mobility allow blonde women to close the gap.

The findings suggest that there is heterogeneity in the value that employers place on blondeness, and the value can be positive or negative. If being blonde has a negative value for a sufficient number of jobs, then in a labor market with frictions, blonde women may initially be disadvantaged. Over time, however, through job sorting and mobility, blonde women will increasingly match with jobs in which blondeness is valued. There is uncertainty as to whether customer or employer preferences drive job sorting and wage differentials. However, the stronger negative effect of blonde hair color in service occupations suggests the presence of customer discrimination; negative customer discrimination can also explain the lower proportion of blonde women in sales occupations. Both negative and positive preferences for blondeness are in line with the prejudices of the "blonde stereotype", which attributes a series of positive and negative characteristics to young blonde women but not to young blond men.

A great deal of research has examined the origins of the differences in economic outcomes by physical appearance, especially that of height, weight and beauty. Previous studies document a positive height premium. According to Persico et al. (2004), height is associated with higher levels of productive human capital, which explains the wage gain. Case and Paxson (2008) show that the height premium is largely attributable to the positive correlation between height and cognitive ability, which is rewarded in the labor market. Lindqvist (2012) shows that roughly half of the height premium is attributable to positive correlations between height and both cognitive and non-cognitive abilities. Cawley (2004) examines the relationship between body weight and earnings and shows that when all else is equal, overweight women earn less. Averett and Korenman (1996) provide evidence of labor market discrimination against obese women. Han et al. (2009) find that the weight wage gap is larger in occupations that require interpersonal and social interaction skills, which suggests distaste for obese workers among either customers or employers. Other studies examine the effects of physical attractiveness on wages and employment opportunities. Hamermesh and Biddle (1994) estimate that workers who are perceived as beautiful earn a 5% wage premium, most of which is independent of occupation, suggesting the existence of pure employer discrimination. Biddle and Hamermesh (1998) find no beauty premium at entry-level positions but a 10% premium for workers with 5 years of experience; they show that job sorting and mobility are functions of physical attractiveness. Mobius and Rosenblat (2006) use an experimental approach to decompose the beauty premium. They find that physically attractive workers are more confident and have better communication and social skills, which are personality traits that are associated with higher wages.

The findings reported in this study are in line with the beauty premium literature; perceptions or tastes associated with hair color lead to differential wage profiles. There are no notable differences in personal characteristics and traits between blonde and non-blonde women. As in Biddle and Hamermesh (1998), I find that physical appearance, specifically hair color, has at least some effect on women's occupational sorting and job mobility.

The remainder of the paper is organized as follows. Section 2 describes and summarizes the data. Section 3 presents the empirical methods, reports the results and examines the relationship between hair color and wages using different approaches. Section 4 provides a discussion of the results and concludes the paper.

2. Data

The data for this study are from the 1979–2010 waves of the NLSY79. The NLSY79 follows 12,686 men (6403 individuals) and women (6283 individuals) who were 14–22 years old in 1979. To achieve population representativeness, I use both cross-sectional and supplemental samples and cross-sectional weights provided by the Bureau of Labor Statistics (BLS).

The data contain detailed information on individuals, including measures of cognitive ability, education, labor market activity, and other family and personal characteristics. On the 1985 questionnaire, the NLSY79 participants were asked about their natural hair color; they were given seven options: light blonde, blonde, light brown, brown, black, red and gray. I construct an indicator for blonde hair that takes the value of 1 if the respondent chose one of the first two categories and zero otherwise. I exclude individuals with invalid or missing entries (1808 individuals) and those who reported gray hair color (3 individuals). The sample includes individuals of ethnicities that can potentially have blonde hair, all of European descent.[2] There were 1530 women and 1500 men of European descent whose hair color variable was not missing.

To construct the sample, I include individuals who are not enrolled in school or military service, are 18 years old or older, have completed their education, work at least 20 h per week and earn real hourly wages within

[2] European descent comprises individuals of French, German, Greek, Irish, Italian, Polish, Portuguese, Russian, Scottish, and Welsh ethnicity.