

14.03/003 Microeconomic Theory & Public Policy Fall 2025

Lecture Slides 21. Gender norms, market signaling, and 'acting wife'

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Men and women from top MBA programs have *different* careers

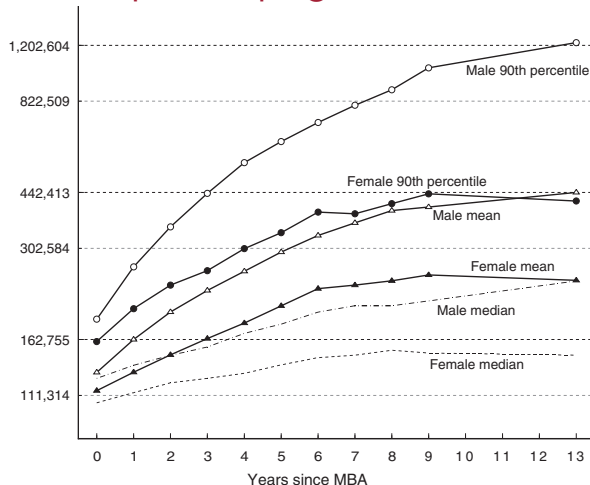


FIGURE 1. MALE AND FEMALE MEAN, MEDIAN, AND NINETIETH PERCENTILE ANNUAL SALARIES (2006 DOLLARS) BY YEARS SINCE MBA

Notes: Web Appendix Table A5 contains the data points for a selected group of years since MBA. Nominal earnings in each year are converted into real earnings in 2006 dollars using the Consumer Price Index for All Urban Consumers (CPI-U). The vertical axis uses a natural logarithm (ln) scale.

Bertrand, Goldin, Katz 2010

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AMERICAN ECONOMIC JOURNAL: APPLIED ECONOMICS

JULY 2010

TABLE 1—LABOR SUPPLY BY GENDER AND NUMBER OF YEARS SINCE MBA GRADUATION:
DESCRIPTIVE STATISTICS

	Number of years since MBA graduation					
	0	1	3	6	9	≥ 10
Share not working at all in current year						
Female	0.054	0.012	0.027	0.067	0.129	0.166
Male	0.028	0.005	0.003	0.008	0.011	0.010
Share working full time/full-year (52 weeks and > 30 to 40 hours per week)						
Female	NA	0.89	0.84	0.78	0.69	0.62
Male	NA	0.93	0.94	0.93	0.93	0.92
Cumulative share with any no work spell (until given year)						
Female	0.064	0.088	0.143	0.229	0.319	0.405
Male	0.032	0.040	0.064	0.081	0.095	0.101
Cumulative years not working						
Female	0	0.050	0.118	0.282	0.569	1.052
Male	0	0.026	0.045	0.069	0.098	0.120
Mean weekly hours worked for the employed						
Female	59.1	58.8	56.2	54.7	51.5	49.3
Male	60.9	60.7	59.5	57.9	57.5	56.7
Share working part time (≤ 30 to 40 hours per week)						
Female	0.04	0.05	0.07	0.09	0.15	0.22
Male	0.02	0.02	0.02	0.03	0.03	0.04
Share working fewer than 52 weeks						
Female	NA	0.07	0.07	0.09	0.06	0.06
Male	NA	0.05	0.04	0.03	0.03	0.03

Note: Individuals who do not work at all in a given year are excluded from those “working part time and working fewer than 52 weeks” and are included as zeros in the definition of “working full time/full year.”

Bertrand, Goldin, Katz 2010

A key *proximate* reason for gender-earnings gap: Career interruption

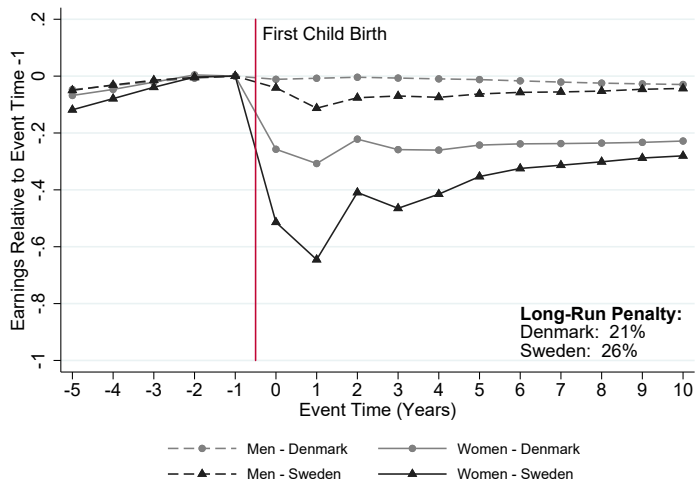
TABLE 4—GENDER WAGE GAP BY YEARS SINCE MBA

	Number of years since MBA receipt					
	0	1	3	6	9	≥ 10
1. With no controls	−0.089 [0.020]***	−0.154 [0.025]***	−0.253 [0.038]***	−0.308 [0.056]***	−0.376 [0.079]***	−0.565 [0.045]***
With controls:						
2. Pre-MBA characteristics	−0.080 [0.021]***	−0.136 [0.026]***	−0.204 [0.039]***	−0.248 [0.057]***	−0.320 [0.084]***	−0.479 [0.045]***
3. Add MBA performance	−0.054 [0.021]***	−0.103 [0.025]***	−0.154 [0.037]***	−0.180 [0.055]***	−0.257 [0.082]***	−0.446 [0.044]***
4. Add labor market exp.	−0.053 [0.021]**	−0.093 [0.025]***	−0.134 [0.037]***	−0.143 [0.055]***	−0.181 [0.082]**	−0.312 [0.044]***
5. Add weekly hours worked	−0.036 [0.020]	−0.073 [0.023]***	−0.073 [0.036]**	−0.079 [0.053]	−0.047 [0.078]	−0.098 [0.042]**
6. Add reason for choosing job	−0.033 [0.020]	−0.067 [0.023]***	−0.064 [0.035]	−0.075 [0.053]	−0.031 [0.079]	−0.066 [0.042]
7. Add job setting characteristics	−0.025 [0.019]	−0.060 [0.022]***	−0.064 [0.032]**	−0.080 [0.048]	0.002 [0.071]	−0.010 [0.037]

Substantial earnings losses for women *not* men who become parents

Denmark and Sweden

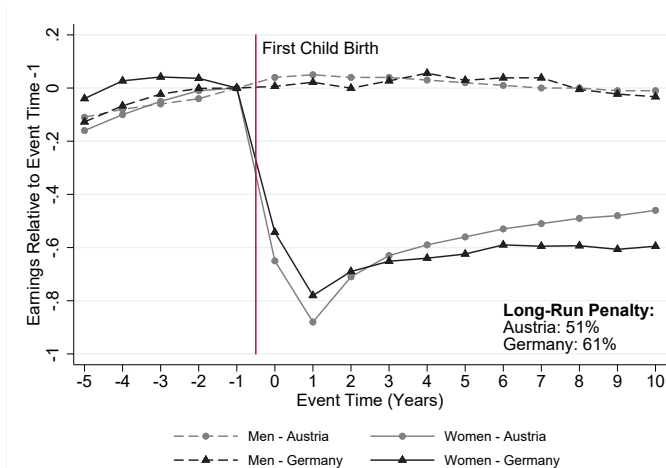
Figure 1: Child Penalties in Earnings in Scandinavian Countries



Substantial earnings losses for women *not* men who become parents

Austria and Germany

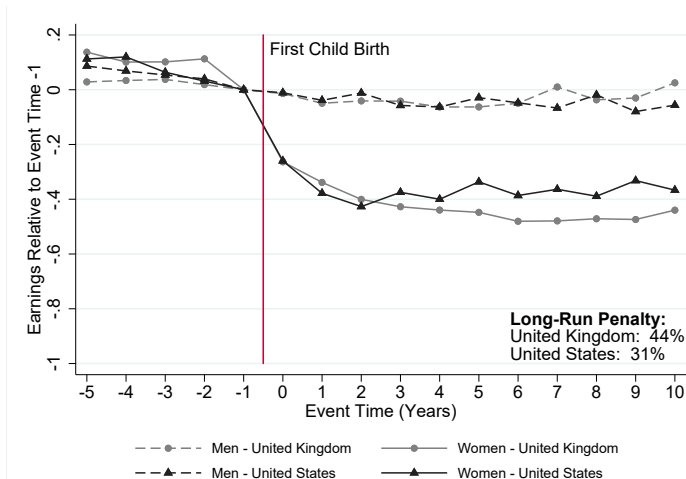
Figure 3: Child Penalties in Earnings in German-Speaking Countries



Substantial earnings losses for women *not* men who become parents

United States and United Kingdom

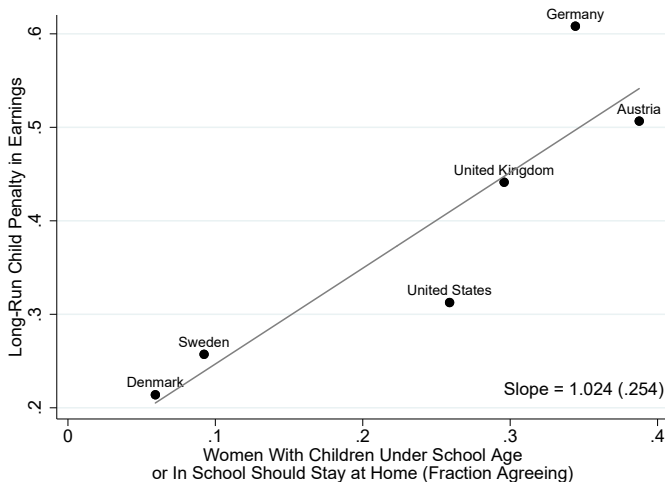
Figure 2: Child Penalties in Earnings in English-Speaking Countries



Earnings penalties larger in countries with more traditional attitudes

Evidence from the International Social Survey Program

Figure 4: Estimated Child Penalties vs Elicited Gender Norms



‘Acting Wife’: Marriage Market Incentives and Labor Market Investments

Bursztyn, Fujiwara, and Pallais 2017

Motivation

- Overwhelming evidence

- High-achieving women pay a career price on average for having a family
- (Note: this doesn't mean that they are/aren't less happy)

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 - Students in MBA programs are ambitious, high-achieving, career-focused
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 - Students in MBA programs are ambitious, high-achieving, career-focused
 - Most are also single
- Question of Bursztyn, Fujiwara, Pallais 2017 paper
 - Are MBA women penalized in the dating market for their ambition?
 - If so, do they partially conceal their ambition?

Idea of paper

- Test whether single women shade their ambitions *publicly* to avoid social penalties
- Three parts to the study
 1. Survey MBA women to ask whether they perceive a conflict between professional goals and public image
 2. Ask questions about career goals, randomly varying whether this information will be anonymous or visible to classmates
 3. Ask questions about career goals in study groups, randomly varying whether the gender composition of study group

First-year MBA cohort given short anonymous survey on work experience

In the last two years, are there behaviors or activities at your work that could have helped you professionally that you didn't undertake because you might have looked too ambitious, assertive, or pushy?

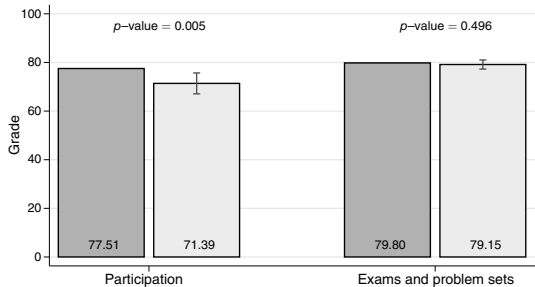
Survey of past behaviors

TABLE 2—AVOIDANCE OF WORKPLACE BEHAVIORS BY GENDER AND RELATIONSHIP STATUS (*Survey Data*)

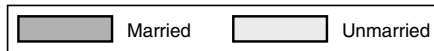
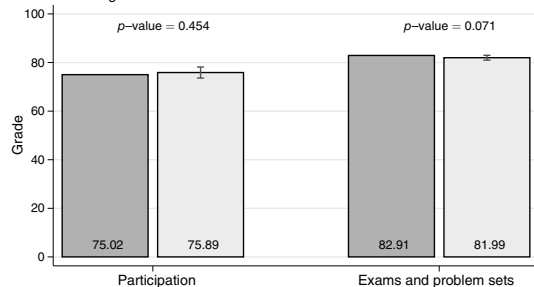
	Taking initiative in negotiating a wage raise or promotion	Asking for a leadership role in a team or task force	Offering to make a presentation or sales pitch	Speaking up at meetings	Any behavior	Observations
Single women	63.5	40.4	25.0	51.9	73.1	52
Non-single women	39.4	24.2	15.2	33.3	60.6	33
Single men	25.3	23.0	18.4	27.6	43.7	87
Non-single men	30.3	23.6	6.7	29.2	50.6	89
<i>p-values of differences</i>						
Single versus non-single women	0.030	0.129	0.284	0.095	0.234	85
Single women versus others	0.000	0.014	0.031	0.002	0.002	261

Intriguing correlations: Comparing in-class versus written performance

Panel A. Women's Grades

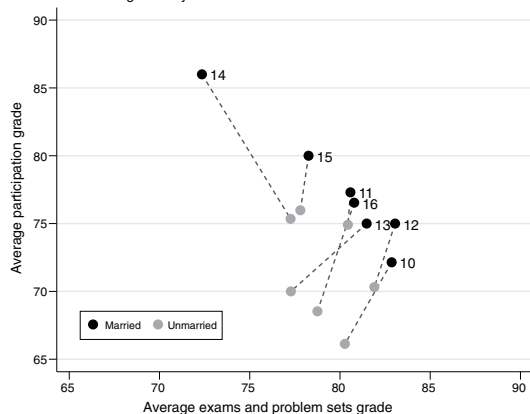


Panel B. Men's grades

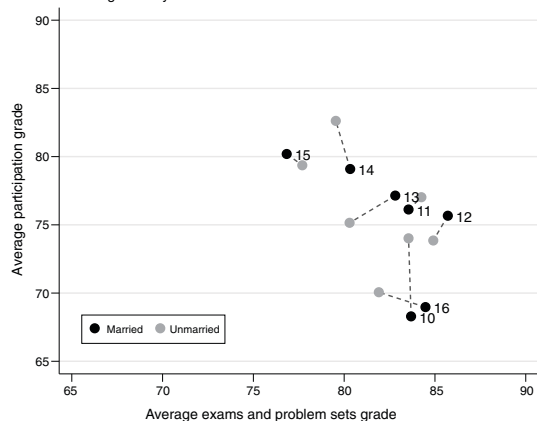


Intriguing correlations: Comparing in-class versus written performance by cohort

Panel C. Women's grades by cohort



Panel D. Men's grades by cohort



Primary experiment

The information on this survey will help the career office get to know you and help it find the right fit for your first-year internship. This information will not be shared with employers, so please express your true preferences, not just what you think employers want to hear. This information will be shared with your career advisor and [your/anonymized] answers will be discussed during the [name of the career class].

Desired compensation

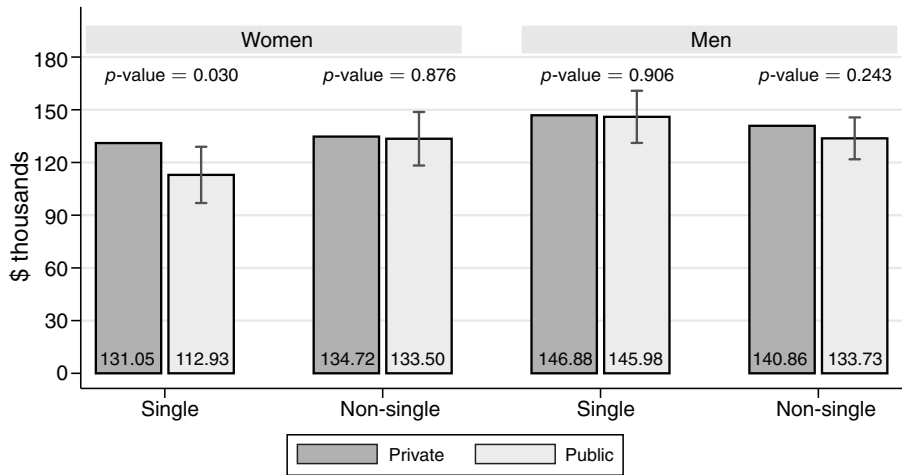


FIGURE 2. DESIRED COMPENSATION (*Primary Experiment*)

Desired travel days per month

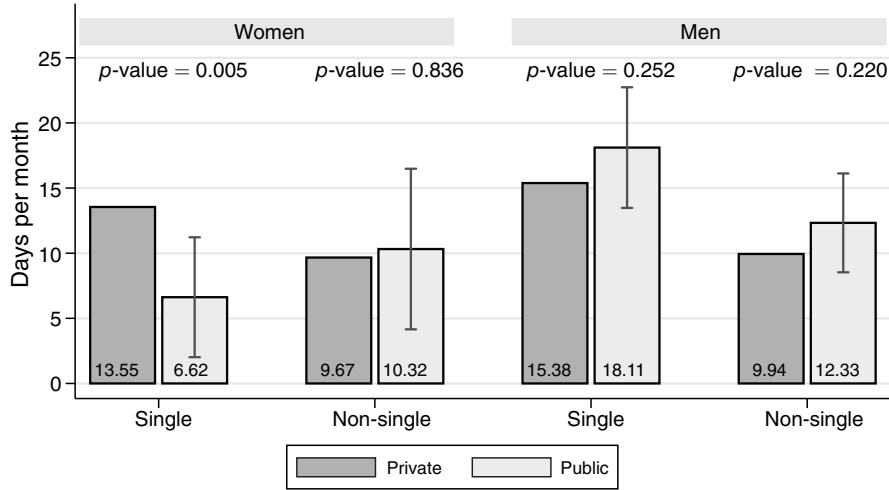


FIGURE 3. DAYS PER MONTH WILLING TO TRAVEL (*Primary Experiment*)

Desired hours per week

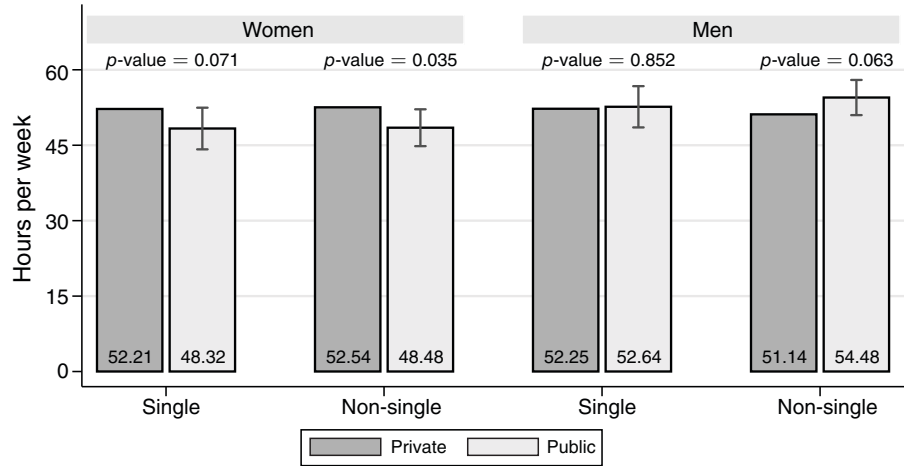


FIGURE 4. DESIRED WEEKLY HOURS OF WORK (*Primary Experiment*)

“You tend to lead in your day-to-day interactions”

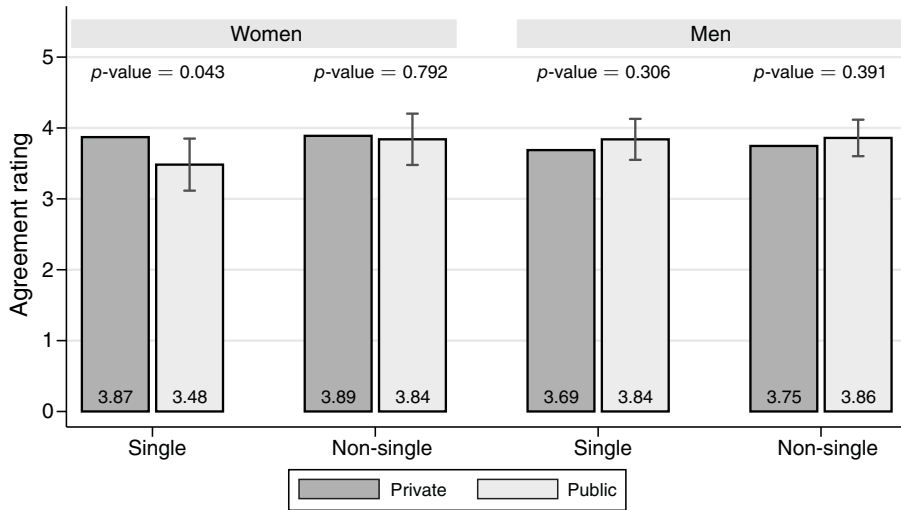
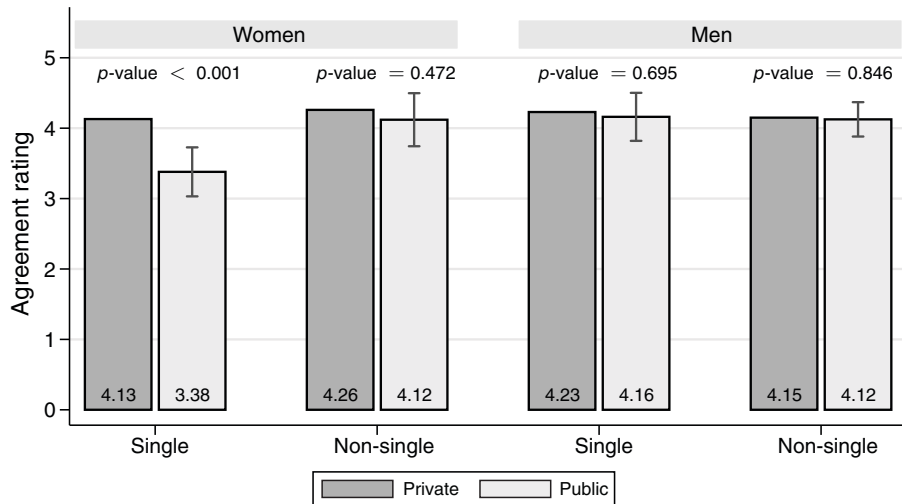


FIGURE 5. TENDENCY TO LEAD (*Primary Experiment*)

“You are more professionally ambitious than your most recent work colleagues”



“You feel very comfortable in competitive environments”

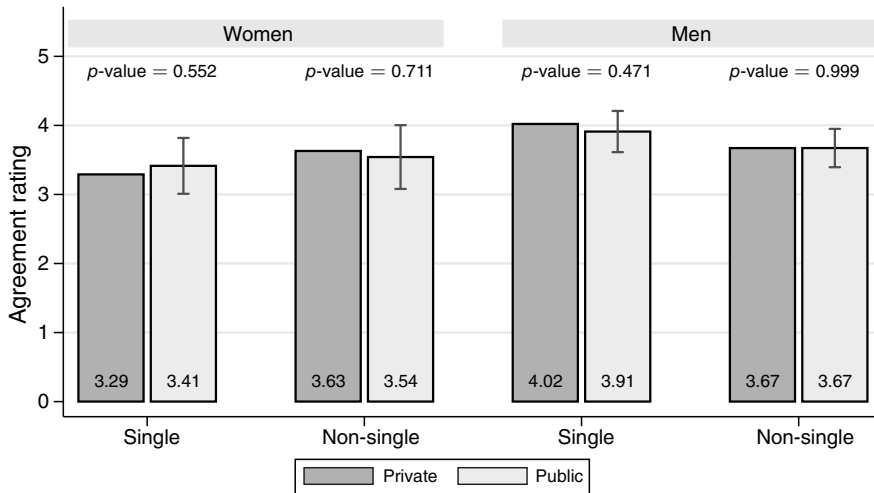


FIGURE 7. COMFORT IN COMPETITIVE ENVIRONMENTS (*Primary Experiment*)

“You have above-average writing skills”

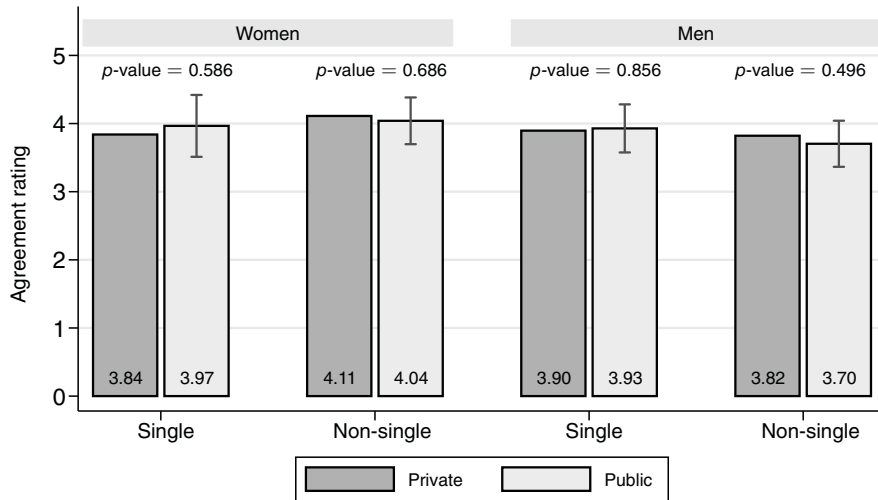


FIGURE 8. WRITING ABILITY (*Primary Experiment*)

Beneficence

Students' preferences heavily affect what jobs the career center views as good fits for them. For example, the director of the career center told us that if students reported desiring less travel, they would be steered away from consulting (which commonly requires traveling four or more days per week), and if students reported not wanting to work long hours, they should not be placed in investment banking.

However, after the questionnaire was administered, the career center decided not to use the questionnaire in placement since the large effects of the public treatment would have harmed single women.

Secondary experiment

Please fill out the following questionnaire. There are no right or wrong answers. Once you have finished the questionnaire, continue onto the rest of the group work. If there is time at the end of class, the instructor will circulate and discuss your answers with your small group. The forms will be collected at the end of class.

Group gender composition and reported job preferences

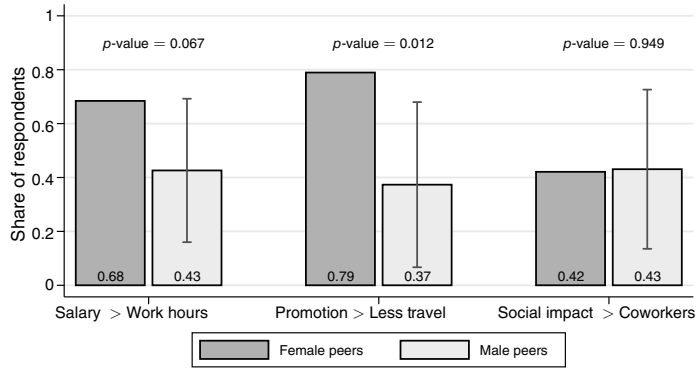


FIGURE 9. GROUP GENDER COMPOSITION AND REPORTED JOB PREFERENCES
(Supplementary Experiment, Single Women Only)

Notes: Each set of bars represents the fraction of single women who reported a preference for (i) a job with a higher salary over a job with shorter work hours, (ii) a job with better promotion opportunities over a job with less travel, or (iii) a job with a social impact over a job with more interactions with coworkers. The “Female Peers” bars show the mean for single women in all-female groups. The “Male Peers” bars are constructed by adding the treatment effect of having male peers from a regression with section fixed effects to the female peer mean. Standard errors are clustered at the group level. Only single women are included. Whiskers show the 95 percent confidence interval.

Conclusion: Private information in major markets

- Asymmetric information is ubiquitous in markets for goods, services, and 'non-priced' transactions (e.g., marriage)
- These informational imperfections can create havoc
 - Financial crises
 - Distorted academic performance among women/men
 - Insurance market failures
 - Missing markets (e.g., earnings insurance, academic performance insurance, marital bliss futures)

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