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ECONOMIC SCENE

## Beauty and the Fattened Wallet

By HAL R. VARIAN

ECONOMISTS have long recognized that physical beauty affects wages, even in occupations where appearance does not seem relevant to job performance.

It seems that attractive men and women are paid more than ordinary people for the same work. The question is why.

Recently two economists, Markus M. Mobius of [Harvard](#) and Tanya S. Rosenblat of Wesleyan University, reported on an experiment they ran that tried to uncover the root causes of the so-called beauty premium. Their paper, "Why Beauty Matters," was published in the March 2006 American Economic Review; a prepublication version is available at <http://trosenblat.web.wesleyan.edu/home/beauty2005.pdf>.

Their experiment involved a simple labor market in which employers interviewed applicants for a job that involved solving mazes. Both the employers and the applicants were recruited from a pool of students.

The job applicants first filled out a résumé describing their age, sex, university, graduation date, job experience, extracurricular activities and hobbies.

Then the experimenters gave the applicants a simple maze to solve. After completing this task, the applicants were asked to estimate how many similar mazes they would be able to solve during their 15-minute employment period. This estimate was interpreted as a measure of the subjects' confidence in their own abilities.

Next, five different employers considered the subjects for a maze-solving job under a variety of interview treatments. In some cases the employers could examine only the potential employees' résumés. In other cases, they used the résumé and a photograph; the résumé and a telephone interview; the résumé, a telephone interview and a photograph; and the résumé, a telephone interview and a face-to-face interview.

The potential employers used the information gleaned from the interviews to form their own estimates of the number of mazes that the subjects would solve during their 15-minute job.

After the employers reported their estimates to the experimenters, the subjects solved the mazes as best they could and were paid based on performance.

To get an unbiased estimate of how attractive the subjects were, the experimenters showed the photographs of all subjects to a separate panel of students and asked them to rate the subjects on a beauty scale, using standard procedures for normalizing the scores.

Armed with the data from these experiments and surveys, the economists found several interesting results. It turned out that beautiful people were no better than ordinary people in solving mazes. But despite having the same productivity as others in this task, beautiful people were a lot more confident about their own abilities. Being good looking seems to be strongly associated with self-confidence, a trait that is apparently attractive to employers.

When employers evaluated employees only on the basis of résumés, physical appearance had no impact on their estimates, as one would expect. But all of the other treatments showed higher productivity estimates for beautiful people, with the face-to-face interviews yielding the largest numbers.

Interestingly, employers thought beautiful people were more productive even when their only interaction was via a telephone interview. It appears that the confidence that beautiful people have in themselves comes across over the phone as well as in person.

But even when the experimenters controlled for self-confidence, they found that employers overestimated the productivity of beautiful people. The economists estimated that about 15 to 20 percent of the beauty premium is a result of the self-confidence effect, while oral and visual communication each contribute about 40 percent.

It seems that good-looking people are good communicators as well, and their oral communication skills contribute about as much to employers' perceptions as their looks.

As the researchers put it, "Employers (wrongly) expect good-looking workers to perform better than their less-attractive counterparts under both visual and oral interaction, even after controlling for individual worker characteristics and worker confidence."

This is consistent with other economic research. People seem to have high expectations for good-looking men and women in other ways as well. For example, the economists James Andreoni of the [University of California](#), San Diego, and Ragan Petrie of Georgia State University recently examined games in which people contributed toward a common goal.

The games were constructed so that higher individual contributions led to higher overall monetary payouts but each person had an incentive to take a free ride on the others' contributions. This made it desirable for each player to encourage the others to contribute as much as possible, while minimizing his or her own contribution.

In these games, subjects expected physically attractive players to contribute more, even though on average they contributed the same amount as other players. But the expectation that beautiful people would be more generous than others had its cost: once players discovered that beautiful people were not contributing as much as they expected, they cut back on their own contributions.

So perhaps beauty is a two-edged sword. If you are beautiful, people expect you to be better than ordinary-looking people, even in mundane tasks like solving mazes. But when good-looking people do not perform as expected, others feel let down. The rest of us can take solace in the fact that it is easier for us to meet expectations.

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