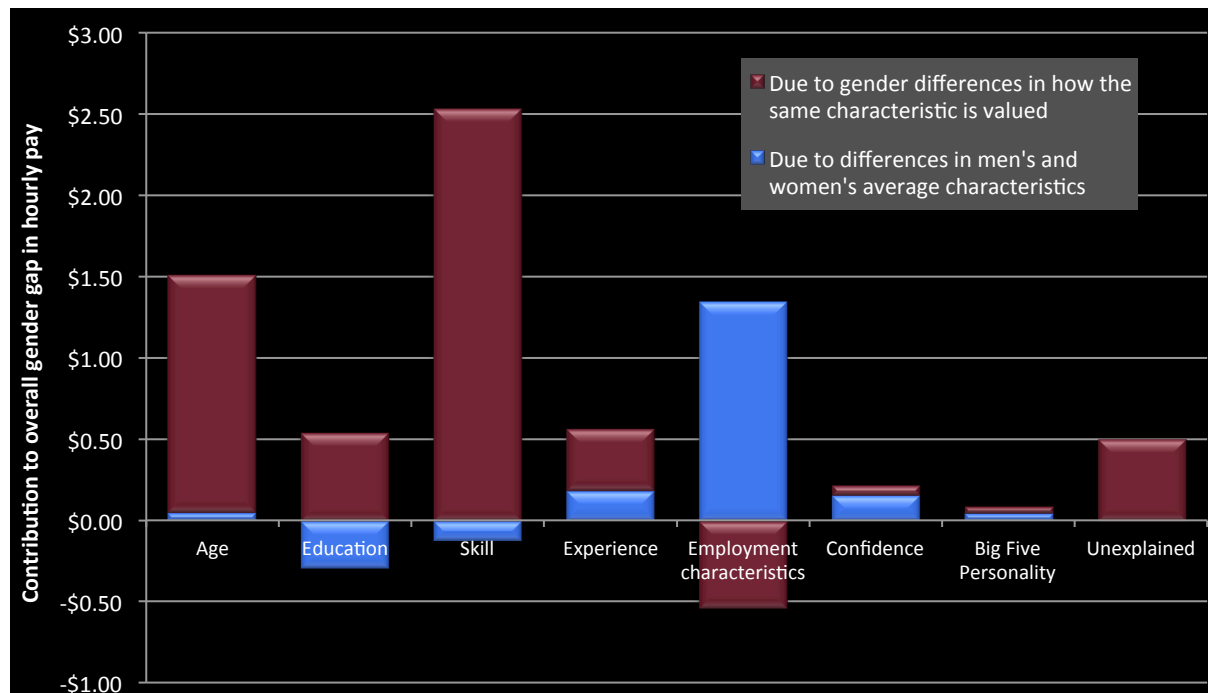


## Personality and pay: Do gender gaps in confidence explain gender gaps in wages?

By Leonora Risse, Lisa Farrell & Tim R.L. Fry (Published in *Oxford Economics Papers*, 2018)

Detailed results to supplement paper

**Figure A** Contribution to explanatory factors to overall gender pay gap (\$)



Note: Education refers to having vocational and university qualifications relative to having no post-school qualifications. Skills include cognitive test scores and English proficiency. Experience refers to years of tenure. Employment characteristics refer to employment in the public sector, casual vs. permanent, being a union member, geographic remoteness, firm size, occupation, and industry. Confidence refers to a measurement of Achievement Motivation. The Big Five personality traits refer to agreeableness, conscientiousness, emotional stability, extraversion and openness to experiences. “Unexplained” refers to the residual portion of the gender pay gap that cannot be explained by the data included in this analysis.

Source: Authors’ calculations using HILDA Survey, based on earnings data for 2013.

### How to read this graph

- The size of each bar shows the contribution of each of these factors toward explaining the overall gender pay gap.
- Pay refers to hourly earnings and includes all workers both full-time and part-time.
- **Blue** bars show the part of the overall gender pay gap that is explained by differences in men’s and women’s characteristics. For example, men are more likely to be employed in roles that pay more regardless of a worker’s gender, such as the construction and mining industries, and management positions.
- **Red** bars show the part of the overall gender pay gap that is explained by men and women being rewarded differently for the same characteristic. For example, men enjoy a higher payoff than women for their education, skills and experience, and for being older in age. These gender differentials can be attributed, at least in part, to gender biases.
- Bars that rise above zero contribute to widening the gender pay gap in favour of men. Bars that drop below zero have the effect of narrowing the gender pay gap in favour of women. Because most of these bars sit above the line, the overall combination of all of these factors generates a gender pay gap that is in favour of men.

### The role of confidence and personality traits

- Differentials in men and women’s confidence and personality traits collectively contribute to the gender pay gap, but explain only a small portion of the overall gender pay gap. The takeaway message is that the advice that women need higher confidence in the workplace is unlikely to make a significant difference in closing the gender pay gap.

## Personality and pay: Do gender gaps in confidence explain gender gaps in wages?

By Leonora Risse, Lisa Farrell & Tim R.L. Fry (Published in *Oxford Economics Papers*, 2018)

Detailed results to supplement paper

**Table A** Aggregated contributions of all explanatory variables in Oaxaca-Blinder wage decomposition

Explanatory variables	Due to differences in men's and women's average characteristics	Due to gender differences in how characteristic is valued	Net effect
	A\$	A\$	A\$
Achievement Motivation (confidence)	\$0.16	\$0.06	\$0.22
Big Five Personality traits	\$0.05	\$0.04	\$0.09
Age	\$0.05	\$1.46	\$1.51
Education	-\$0.29	\$0.54	\$0.25
Skills	-\$0.12	\$2.53	\$2.41
Experience	\$0.18	\$0.38	\$0.57
Employment characteristics	\$1.34	-\$0.54	\$0.80
Unexplained by data	—	\$0.50	\$0.50
Total	\$1.36	\$4.99	\$6.35

Note: Education includes vocational and university qualifications. Skills include cognitive test scores and English proficiency. Experience includes tenure and tenure squared. Employment characteristics include public sector, casual, union member, geographic remoteness, firm size, occupation, and industry. Source: Authors' calculations using HILDA Survey data.

**Table B:** Detailed contributions of explanatory variables to overall hourly gender pay gap (\$)

Explanatory variables	Due to differences in men's and women's average characteristics	Due to gender differences in how characteristic is valued	Net effect
	A\$	A\$	A\$
<b>Achievement Motivation (Confidence)</b>			
Hope for success	\$0.05	\$0.34	\$0.39
Fear of failure	\$0.11	-\$0.28	-\$0.17
<b>Big Five</b>			
Agreeableness	\$0.15	-\$0.55	-\$0.39
Conscientiousness	-\$0.08	-\$1.26	-\$1.34
Emotional stability	\$0.00	\$0.41	\$0.41
Extraversion	\$0.00	-\$0.61	-\$0.61
Openness to experience	-\$0.03	\$2.04	\$2.02
<b>Age</b>			
30-39 years	\$0.08	\$0.16	\$0.24
40-49 years	-\$0.02	\$0.40	\$0.37
50-64 years	\$0.00	\$0.90	\$0.90
<b>Education</b>			
Vocational qualification	\$0.16	\$0.21	\$0.37
University qualification	-\$0.45	\$0.33	-\$0.13
<b>Skills</b>			
Cognitive test scores	-\$0.13	\$0.46	\$0.33
English proficiency	\$0.01	\$2.07	\$2.08
<b>Experience</b>			
Tenure	\$0.35	\$0.47	\$0.82
Tenure squared	-\$0.17	-\$0.09	-\$0.26
<b>Employment characteristics</b>			
Public sector	-\$0.12	-\$0.21	-\$0.33
Casual employment	-\$0.11	\$0.30	\$0.19
Union member	-\$0.02	\$0.32	\$0.30
Geographic remoteness	-\$0.00	-\$0.02	-\$0.02
<b>Firm size</b>			
20-49 employees	-\$0.02	\$0.16	\$0.14
50-99 employees	-\$0.02	\$0.24	\$0.22
100-499 employees	\$0.06	\$0.45	\$0.51
500+ employees	-\$0.04	\$0.44	\$0.41

## Personality and pay: Do gender gaps in confidence explain gender gaps in wages?

By Leonora Risse, Lisa Farrell & Tim R.L. Fry (Published in *Oxford Economics Papers*, 2018)

Detailed results to supplement paper

Occupation			
Manager	\$0.54	-\$0.14	\$0.40
Professional	-\$0.39	-\$0.43	-\$0.82
Technician/Trades worker	\$0.11	\$0.16	\$0.26
Labourer	-\$0.39	\$0.07	-\$0.31
Industry			
Agriculture	-\$0.03	-\$0.01	-\$0.04
Mining	\$0.27	\$0.02	\$0.29
Manufacturing	-\$0.01	-\$0.14	-\$0.14
Utilities	\$0.09	-\$0.02	\$0.07
Construction	\$0.32	-\$0.05	\$0.26
Retail trade	\$0.16	-\$0.20	-\$0.04
Accommodation & food services	\$0.12	-\$0.19	-\$0.07
Transport, postal & warehousing	\$0.06	-\$0.03	\$0.03
Information media & telecommunications	\$0.00	\$0.02	\$0.02
Financial and insurance	-\$0.01	-\$0.04	-\$0.05
Renting, hiring & real estate	\$0.00	\$0.03	\$0.03
Professional, scientific, technical	\$0.03	\$0.06	\$0.08
Administration services	\$0.04	-\$0.07	-\$0.03
Public administration & safety	\$0.05	-\$0.12	-\$0.07
Education & training	\$0.35	-\$0.49	-\$0.14
Health care & social assistance	\$0.33	-\$0.42	-\$0.09
Arts & recreation	-\$0.01	-\$0.09	-\$0.10
Other services	-\$0.03	-\$0.12	-\$0.14
Remaining portion of gender pay gap (unexplained by available data)	n/a	\$0.50	\$0.50
Total	\$1.36	\$4.99	\$6.35

Note: Education is relative to having no post-school qualification. Firm size is relative to a firm with fewer than 20 employees. Occupation is relative to Community, Personal Services, Clerical, Administrative and Sales workers. Industry is relative to Wholesale trade. Source: Authors' calculations using HILDA Survey data.

### For further details, please see full paper

Risse, L. Farrell L. and Fry, T.R.L. (2018) Personality and pay: do gender gaps in confidence explain gender gaps in wages? *Oxford Economic Papers* 70(4), pp. 919–949.

Freely available on Open Access: <https://academic.oup.com/oep/article/70/4/919/5046671>

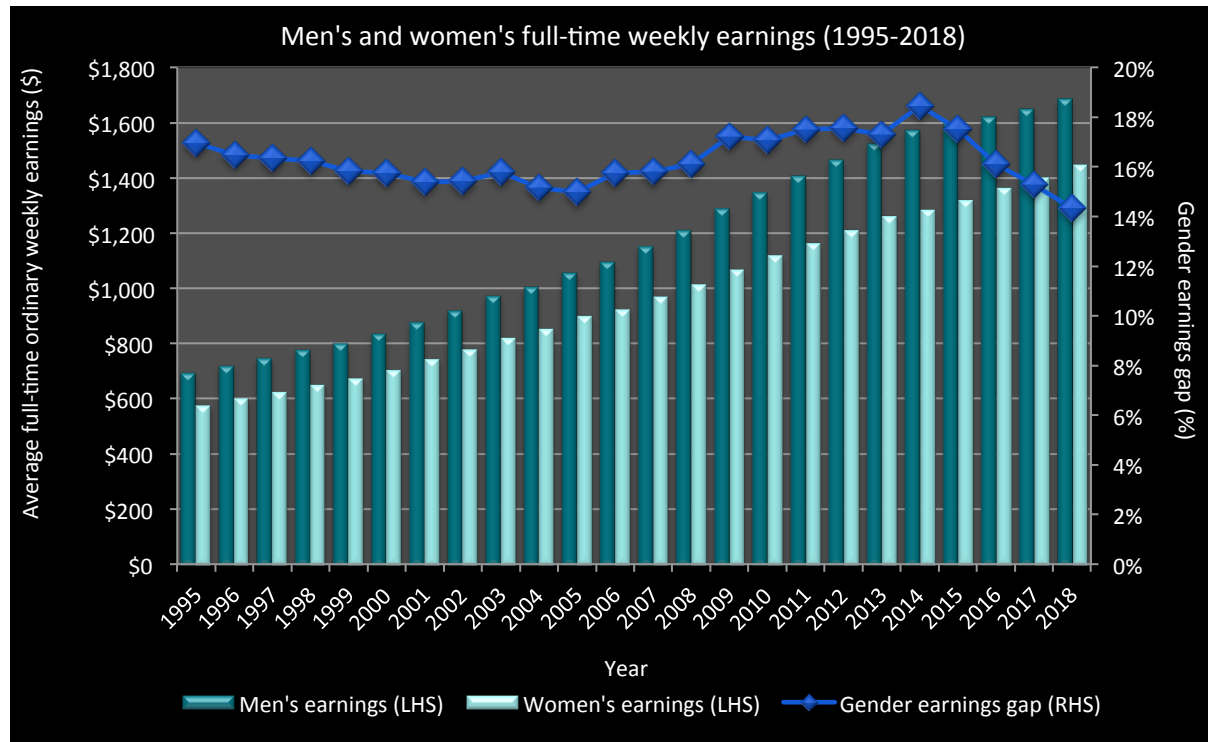
## Personality and pay: Do gender gaps in confidence explain gender gaps in wages?

By Leonora Risse, Lisa Farrell & Tim R.L. Fry (Published in *Oxford Economics Papers*, 2018)

Detailed results to supplement paper

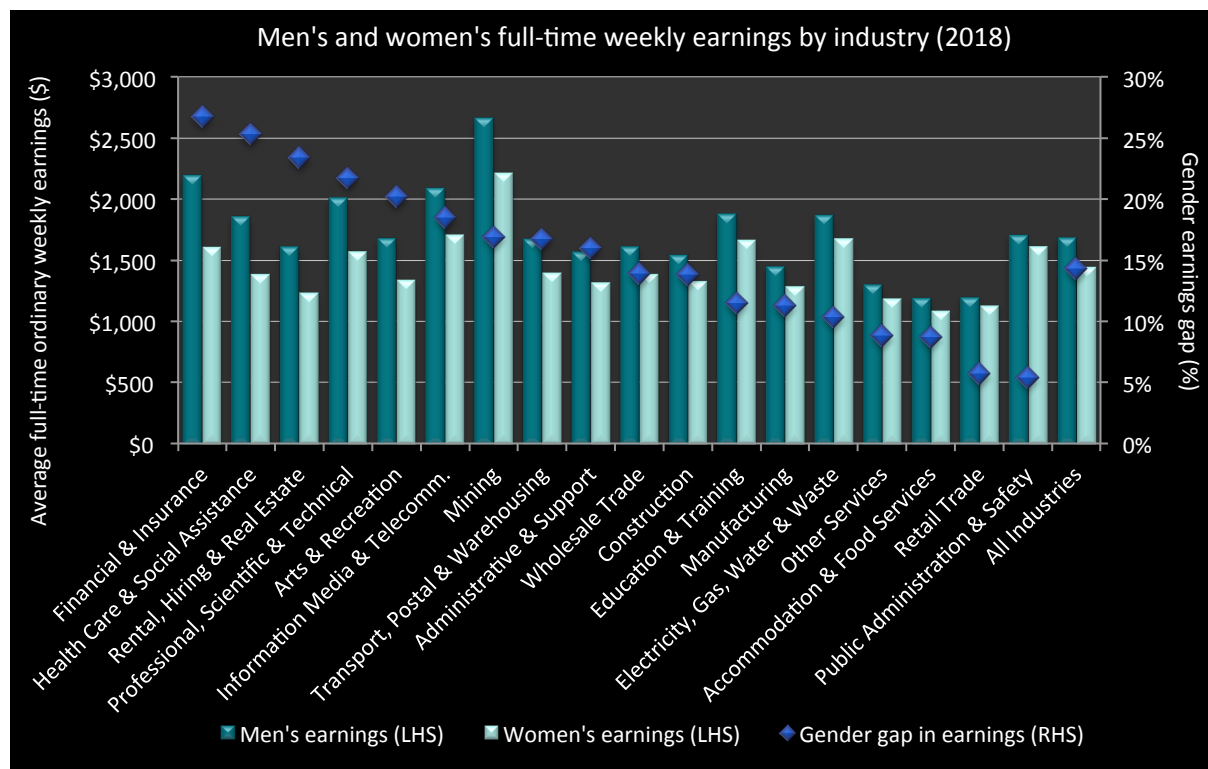
### Further statistics on Australia's gender pay gap

**Figure B:** Australia's gender pay gap over time (1995-2018)



Source: ABS *Average Weekly Earnings, Australia* Cat. no. 6302.0

**Figure C:** Australia's gender pay gap according to industry (2018)



Source: ABS *Average Weekly Earnings, Australia* Cat. no. 6302.0