

## **Economic Scene**

Women are less likely to negotiate, and it can be costly to them.

Alan B. Kruger

Mars doesn't mind negotiating and is confident he deserves more; Venus is satisfied with what she is offered, unsure of what she deserves and fearful of bargaining. This is the message of "Women Don't Ask," a provocative new book soon to be published by Princeton University Press.

The authors, Linda Babcock, an economist at Carnegie Mellon University and a leading scholar of negotiations and Sarah Laschever, a freelance writer, have teamed up to produce a highly readable, thoroughly researched and important book.

Although the book is occasionally prone to sweeping gender generalizations, its central theme has much to it: women are far less likely than men to initiate a negotiation.

One of Professor Babcock's surveys, for example, found that half of men had started a negotiation within the previous two weeks, while half of women had started their most recent negotiation more than four weeks earlier. Most women did not anticipate negotiating again for another month, while half of men expected to within a week.

In another survey, 20 percent of women said they never negotiated.

Women's reluctance to negotiate arises even when it comes to commonly negotiated items like automobiles. According to a survey by the Dohring Company, for example, women are 40 percent more likely than men to accept the first car price a dealer offers.

Not only do women shun negotiations, the authors also point to evidence that women ask for less when they make the all-important opening offer, and then concede too quickly.

Why? Professor Babcock and Ms. Laschever offer several explanations. Men see situations as adaptable; women see them as unchangeable. Men use metaphors like "winning a ballgame" to describe negotiating; women use metaphors like "going to the dentist." Women are "more likely than men to think that simply working hard and doing a good job will win them success and advancement."

According to the authors, women are expected to be selfless and nurturing, men selfish and competitive. Women often have lower expectations when it comes to pay. As a result, the authors say women have an “impaired sense of entitlement.”

Whatever the reason, the reluctance to negotiate can have severe economic consequences.

Consider pay. One study found that male graduates of an Ivy League business school negotiated for a 4.3 percent higher starting salary than they were initially offered, while female graduates negotiated for just 2.7 percent. If the first offer was the same for each, say \$35,000, this would amount to a \$560 advantage for the men.

Over time, this advantage could snowball. If men negotiated a 2 percent raise each year and women accepted 1 percent, after 40 years the annual salary would be \$79,024 for men and \$52,987 for women—nearly a 50 percent gap. The cumulative gap over a career would exceed \$440,000.

Professor Babcock and Ms. Laschever speculate that much if not all of the male-female gap in earnings can be explained by women’s aversion to negotiating.

With the steady decline in union membership—only 13 percent of women and 16 percent of men are now represented by a union—and the rise in households headed by women, the reluctance of women to bargain takes on even more significance.

The book is at its best when it offers advice on how best to bargain and overcome the fear of asking. Opportunity does not always knock—sometimes, the authors exhort, you have to seize it.

Interestingly, gender differences in bargaining often disappear when men and women are provided the same information about “going rate” for jobs.

So one solution is clear: Women should seek out information on how much comparable workers are paid, or what benefits and working arrangements they have negotiated. Not surprisingly, employers are often reluctant to disclose such information. Fortunately, salary data for many occupations can be found at [www.bls.gov](http://www.bls.gov).

Likewise, shoppers can find the lowest price for products on the Web before they go to the store. An informed worker or customer is the best bargainer.

In this weak labor market, I hasten to add two pieces of advice I routinely give my students. Firstly, don't start to negotiate until you have a job offer in hand. Second, do not bargain so well that your employer would be indifferent if you left.

The authors also emphasize that negotiations can create win-win situations. They give the sage advice to listen to the other side to see how to work together to maximize the pie. Sometimes, solutions can be found that will make each side better off.

Critics will find aspects of "Women Don't Ask" to complain about. Although some of the anecdotes and personal vignettes help illustrate research findings, many are distracting. Moreover, the anecdotes always seem to fit the prevailing gender stereotypes. Surely there must have been more than one man in 100-plus interviews who disdained bargaining, or a woman who relished it.

More seriously, some peripheral evidence cited in the book is less clear-cut than the authors make it out to be. For example, they say one study "tells us that car salespeople, as a group, have learned (or been trained) to make higher first offers in negotiations with women." Yet the study found that black women were quoted significantly lower initial prices than black men, and although white women were quoted \$109 more than white men, on average, chance could not be ruled out as the explanation. Over all, the women were quoted the same initial price as the men.

Still, "Women Don't Ask" should be read by anyone with a fear of negotiating, male or female, and by managers who want a better understanding of how 47 percent of the workforce confronts the workplace.

The book has an even more revolutionary goal: to change the social context in which bargaining takes place, so the world becomes accepting of women who ask. And the subject of negotiations is not limited to the economics—such topics as bargaining over family chores and safe sex are covered.

Although the authors' reach is likely to extend their grasp, one can hardly blame them for asking.

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*This article originally appeared in The New York Times, August 21, 2003, C2.*