

## **Flexible Pay, Bargaining, and The Gender Wage Gap**

**Faculty Member:** [Barbara Biasi](#)

### **Proposal Description:**

Existing evidence suggests that women fare worse than men in situations where they are required to bargain over a prize. Does the introduction of individual pay negotiations in industries historically characterized by rigid salaries disproportionately penalize women? The goal of this project is to study this question by focusing on teachers. In most US states, teacher pay is strictly determined on the basis of seniority and academic credentials using salary schedules, negotiated between each school district and the teacher's union. In the US state of Wisconsin, however, a reform of public sector employment passed in 2011 prevented unions from negotiating salary schedules and gave districts the freedom to decide over teachers' pay on an individual basis. The goal of our project is to use this policy change to estimate the effect of the introduction of flexible pay on the difference in salaries of male and female teachers with similar seniority and education. Our preliminary results indicate that the introduction of flexible pay led to a two-percent decline in women's salaries relative to their male counterpart. In an attempt to investigate whether this gap in pay is driven by women being worse at bargaining or being penalized during the negotiations, our next step is to administer a survey to all teachers in Wisconsin. The survey will be used to elicit preferences over wage bargaining and over rigid pay, as well as information on the behavior of men and women during the negotiations.

### **Requisite Skills and Qualifications:**

The project involves many different components and requires a diverse set of skills. We will need help developing and administering the survey, making sure we maximize the response rate. This includes developing a comprehensive roster of all teachers in all districts, writing the survey questions, and reaching out to teachers. We will also need support analyzing and describing the data using standard statistical softwares. The ideal candidate should be comfortable handling these tasks, be able to scrape websites to build the teachers' rosters, be familiar with Stata (Stata proficiency is a plus) and be able to summarize key variables, build graphs to visualize interesting patterns, and perform basic statistical analyses. Applicants should send a CV and a full transcript.

**Award:** Kate Kushner

**Tobin Application Link:** [Tobin Application](#)

**Project Type:** Tobin RA

**Project Year:** 2019

**Term:** Fall 2019

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