

Women may not be more pessimistic than men after all – why that matters for the gender pay gap

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'Who are you calling pessimistic?' Clarke Sanders/Unsplash

We live in a world largely designed by men, for men, and according to a particular limited view of what it is to be a man. This has had a lot of unfair consequences, one of which is that women are paid less than men. It's vital that we address this.

First we need to understand the causes of this inequality. Otherwise, a well-intentioned attempt to redress one inequality can exacerbate others. For example, two recent papers analysed the gender pay gap in terms of data from jobs that involve driving, where in many cases, men earn more. Neither paper found evidence to suggest that the employers were discriminating against the women. Instead, they explained the gap in terms of the choices and behaviours of the workers.

For instance, male Uber drivers were found to choose gigs closer to their current location, spend less time waiting for customers and drive faster than female drivers. Male transit drivers were found to be more likely than females to choose to work antisocial shifts that pay a premium.



Men are more likely to work the night shift. Alexander Schimmeck/Unsplash

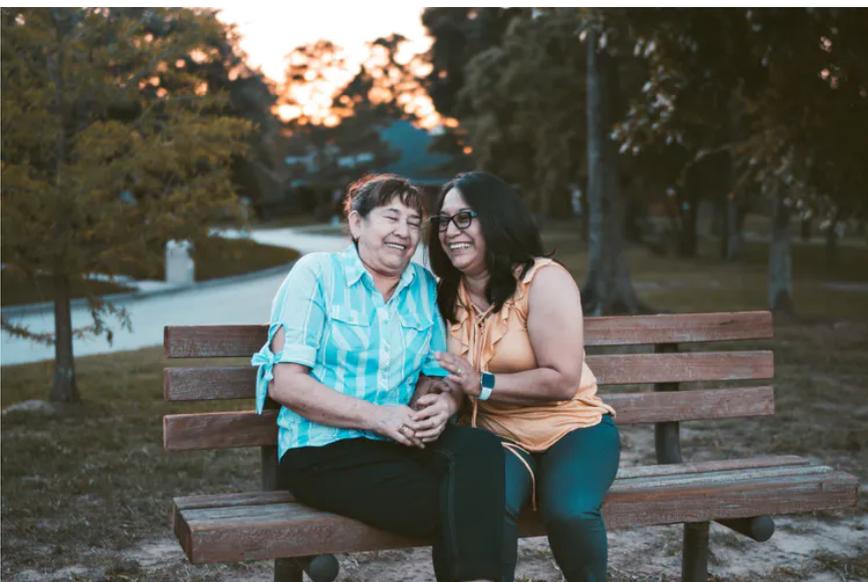
This means that a law requiring equal pay could be treating a symptom rather than the underlying problem. Additionally, a law to “level up” the take-home pay of female drivers would increase labour costs for the employers. All else being equal, this would reduce the number of drivers that these firms employ.

Society may decide that these costs are worth incurring to reduce the gender wage gap, but it is important to recognise the trade-off. In the example, reducing inequality in drivers’ pay could exacerbate other inequalities, such as reducing transport provision for those who cannot afford a car.

Optimists vs pessimists

This highlights the importance of understanding the root causes of why men and women make different choices at work. A follow-up question is whether there are any innate differences between men and women that would explain these choices.

Optimism is one candidate. Three recent papers claimed that optimism – defined as estimating a high likelihood of a positive outcome – was more prevalent among men than women. Men were found to be more positive than equivalent women regarding their expected college results and expected earnings. They are also more likely than women to participate in the stock market and betting. And it has been reported that women in the US, England, Australia and nine EU countries underestimate their survival to a greater degree than men do.



Women live longer, but don't expect to. Dario Valenzuela/Unsplash, CC BY-SA

The relevance in relation to the gender gap is that higher levels of optimism predict higher [job performance](#). Steve Jobs might represent an extreme example of this phenomenon. The “reality distortion field” of the former driving force behind Apple has [been described](#) by the writer and entrepreneur John Hargrave as “his personal refusal to accept limitations that stood in the way of his ideas, to convince himself that any difficulty was surmountable. This ‘field’ was so strong that he was able to convince others that they, too, could achieve the impossible.”

This phenomenon of optimistic beliefs that engender enthusiasm in oneself and others might explain the result of a [2012 experiment](#) that found that more optimistic leaders evoke better team performance. Groups showed greater cooperation if they were led by people who made more positive predictions about the outcome of the game.

A different perspective

But consider again the data invoked to support the claim that men are more optimistic than women. Each of those three recent papers that I referred to relied on data from surveys that asked men and women for predictions about the future state of the economy.

But men own a [disproportionate](#) share of economic resources and hold a disproportionate number of [finance jobs](#). Their expectations about the economy probably draw on particular information. Differences in economic expectations might be explained by differences in information across men and women rather than anything innate.

The other ways in which men are supposedly more optimistic than women can also be called into question. Expectations about exam results and future earnings *might* measure optimism but might alternatively be explained as differences in self-confidence. As for men being more likely to participate in the stock-market or gamble, this might be because they have a greater appetite for risk.

[Self-confidence](#) and [risk-taking](#) are indeed higher among males than females. But unlike optimism, both are often detrimental to workplace [productivity](#) – not to mention [profitability](#).

But if all these supposed measures of optimism are arguably confusing it with different characteristics, how do we measure it? I would argue that the best evidence is data on how long men and women think they will live. After all, there is no reason to suspect that the average man has access to richer information regarding his own lifespan than the average woman. Additionally, we can compare survival beliefs against excellent objective data – statistics agencies do a thorough job of recording deaths.

But even in the domain of survival beliefs, [my research](#) shows that the purported higher optimism among males is illusory, stemming from a reporting bias. Survival beliefs are measured by asking respondents for the percentage chance they will live to some given age, such as 85. But a lot of people make mistakes when [reporting their beliefs](#) as a percentage chance. These mistakes are larger and more systematic as beliefs diverge from 50% towards 100%.

Because women on average live longer than men, they are being asked about events that are closer to 100% likely. As a result, females appear to under-report the true probability of their survival to a greater extent than do men. Once we account for the reporting bias, females and males are equally accurate in predicting their survival. In other words, men are not more optimistic than women after all.

So what to take from all this? Be optimistic. Gender differences in optimism seem illusory and, to that extent, there is one less excuse for women to be paid less than men.



Eyes down. Laura Thonne/Unsplash, CC BY-SA

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