

# Gender Differences in Job Search Behavior and the Gender Earnings Gap: Evidence from Business Majors

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## **Abstract**

To understand gender differences in the job search process, we collect rich information on job offers and acceptances from past and current undergraduates of Boston University's Questrom School of Business. We document two novel empirical facts: (1) there is a clear gender difference in the timing of job offer acceptance, with women accepting jobs substantially earlier than males, and (2) the gender earnings gap in accepted offers narrows in favor of women over the course of the job search period. Using rich survey data on risk preferences and beliefs about offer wages, we present empirical evidence that the patterns in job search are largely driven by higher levels of risk aversion of women and higher levels of overconfidence of men. We next develop and estimate a formal job search model that incorporates these gender differences in risk aversion and degree of confidence about the offer distribution. The estimated model is able to match the survey findings. Our counterfactual exercises show that most of the gender differences in job search behavior are due to gender differences in risk preferences. While overconfidence, on average, leads to higher earnings for males, the impacts on earnings and welfare are heterogeneous.