

Appendix A: Gender differences in negotiation handout

The following summary is largely based off of the book Women Don't Ask: Negotiation and the Gender Divide by Babcock and Laschever (2003).

Men initiate negotiations four times more often than women.

- Men associate negotiation with 'fun' or 'winning a ballgame,' whereas women associate negotiation with 'scary' or 'going to the dentist.'
- 58% of men negotiate their first job offer versus a mere 7% of women.
- Men also negotiate more often for other benefits in the workplace such as opportunities to travel, assignments to prestigious and high profile projects and teams, opportunities to collaborate with people they can learn from, and flexible working arrangements.

Why don't women ask?

- Part of the answer can be found in the way children are socialized. Boys are rewarded for aggressively seeking out what they want. Girls, however, learn to wait to be recognized and work for love, not money.
- Consequently, women come to the workplace with less experience in negotiation.
- Women learn that men and other women don't like 'aggressive women.'
- Women are also less likely to leverage professional and personal networks to learn what to ask for, who to ask, or when to ask.

The consequences of not asking are considerable.

- On average, by not asking, you trade five minutes of discomfort or embarrassment at the beginning of your career for \$750,000 at the end of your career.
- For example, consider two 22 year olds, Mike and Maria, who are offered the same job with a \$25,000 starting salary. Suppose Mike negotiates his salary to \$30,000 and Maria does not negotiate. If they both earn 3% increases each year, the gap at the end of their career will be \$18,000. And if Mike invested the difference each year into an account that earned a conservative 3% interest rate, at age 65 he would have an additional \$785,000 in retirement savings.

What should women do?

- Women aware of this gender difference will be more aware of the inequalities it perpetuates. By learning and practicing negotiation, women are better prepared to discern what they want and how to ask for it.
- Women should also teach the strategy to others, especially girls and young women.

Why should men take interest in this gender divide as well?

- Men have or will have families with working wives, sisters, daughters, etc. and inevitably have an interest in household income.
- Gender equality means that everyone's skills are used efficiently and it is therefore correlated with economic growth (OECD Gender Equality Report 2012).