

## Gender Wage Gaps and Risky vs. Secure Employment: An Experimental Analysis

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**Abstract:** In addition to factors such as discrimination, market power, and human capital, gender differences in risk preferences could contribute to observed gender wage gaps. We conduct laboratory experiments in which subjects are permitted to choose between a risky (in terms of exposure to unemployment) and a secure job after first being assigned in early rounds to both types of jobs. Both jobs involve the same typing task. The risky job adds the element of a known probability that the typing opportunity will not be available in any given period. Subjects are informed of the exogenous risk premium being offered for the risky job. Our results show that females are more likely to select the secure job, and that these job choices account for almost one-half to two-thirds of the gender wage gap in the experiments. We also find that experiencing more spells of unemployment when the risky job was exogenously assigned reduces the probability of selecting the risky job.