

What's in a name? Perhaps more (or less) money

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Before employers have a chance to judge job applicants on their merits, they may have already judged them on the sound of their names. According to a study published in the latest issue of the *Journal of Labor Economics*, immigrants to Sweden earn more money after they change their foreign-sounding names.

Study authors Mahmood Arai and Peter Skogman Thoursie (both of [Stockholm University](#)) found an [earnings](#) increase of 141 percent for a sample of African, Asian and Slavic immigrants who changed their names to be ethnically neutral or a bit more Swedish-sounding. The earnings increase is mostly due to individuals within the group who reported little or no earnings before the [name](#) change, but significantly more shortly afterwards, the authors say.

"[W]e believe [the name change effect] stems largely from improving one's chances of being called to a [job interview](#) and thus increasing employment probabilities," the authors write. "Employers might sort out the applicants with foreign-sounding names due to [notions] about abilities and characteristics assumed to be associated with such names."

Arai and Skogman Thoursie used a sample of 641 immigrants who registered a name-change with the Swedish government between 1991 and 2000. The researchers analyzed earnings in the three years before and three years after a name change using a statistical method that accounts for inflation and differences in earnings related to age or place of residence. The analysis showed that the increase in earnings generally

occurred the year after a name change became final.

While the authors concede that there could be confounding factors in the data, they do not believe those factors affect their conclusion.

"It is reasonable to assume that individuals who change names ... also try other strategies, such as an intensified job search, in order to improve their chances of employment and earnings," the researchers write. However, there is a time lag of one to two years between when application is made and a name change becomes final. There would be no reason, the authors argue, not to intensify the job search while the name change application is being processed. "If the [name change effect] is contaminated by ... other strategies, we should observe an effect in the year before the actual name change."

No significant increase in earnings was found in the year before name changes became final.

Source: University of Chicago

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