

Beauty impacts hiring, salaries and profits, economist finds

August 17 2011

The best looking people earn an extra \$250,000, on average, during their careers than the least attractive people and are more likely to remain employed, get promoted and even secure loans, according to a new book by University of Texas at Austin economist Daniel Hamermesh.

The most comprehensive study to date of the issue, "[Beauty Pays](#)" strives to quantify the [economic impact](#) of beauty — a powerful but often-ignored driver of personal earning power and corporate profits.

"In economic terms, beauty is scarce. People distinguish themselves and pay attention to beauty," Hamermesh says. "Most of us want to look better so we can make more money. Companies realize that hiring better-looking people helps in various ways. In every market, whether it's jobs or marriage, beauty matters."

A past president of the Society of Labor Economists and a research associate with the National Bureau of Economic Research, Hamermesh has won multiple teaching awards from University of Texas at Austin students, parents and administrators. He teaches one of the largest courses on campus, a 550-student introduction to economics for undergraduates.

He is considered the dean of the economics of beauty by such colleagues as economic journalist Stephen Dubner, co-author of the best-selling book "Freakonomics."

In "Beauty Pays," Hamermesh draws from his own research and dozens of other studies from around the world. The research often includes ratings of individuals' looks and demonstrates that people generally agree on who is good-looking. In other words, they behold beauty similarly.

His findings include:

- Adjusting for education and other factors, the best-looking one-third of the population makes 5 percent more money than average-looking people and 10 to 12 percent more than the worst-looking people.
- [Beauty](#) impacts earnings more significantly for men in the labor market than women, in part because women still have more options to leave the workforce.
- Good-looking women generally marry higher earning men. Such economic trends contribute to better looking people reporting that they are happier.

With growing discussion among some Western governments about using non-traditional measures, such as national happiness, to gauge economic wellbeing, Hamermesh's book suggests these measures are beyond the control of public or corporate policy and would be limited in their effectiveness.

He also says it's silly to judge people based on their looks, but that such attitudes are an economic reality that can't be ignored. In many cases, companies are simply responding to the demands of the market in which customers want to work with better looking people.

But those people who aren't good looking can still succeed, Hamermesh says.

"Take advantage of other things: brains, brawn, personality," he says.

"This is the economic theory of 'comparative advantage.' You work off

the things you're good at and if looks isn't one of them, you try to de-stress that."

Provided by News from The University of Texas at Austin

Citation: Beauty impacts hiring, salaries and profits, economist finds (2011, August 17) retrieved 23 April 2024 from <https://phys.org/news/2011-08-beauty-impacts-hiring-salaries-profits.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.