

Economics and Beauty

Class 9:

Pop Economics: Beauty Economics



EVROPSKÁ UNIE
Evropské strukturální a investiční fondy
Operační program Výzkum, vývoj a vzdělávání

MŠMT
MINISTERSTVO ŠKOLSTVÍ,
MLÁDEŽE A TĚLOVÝCHOVY

Beauty Economics, also Pulchrinomics

- Beauty increases people's happiness and has impacts on success at the labor market.
- Beauty increases chances to get a well-paid job.
- Attractiveness bonus
- Ugliness malus



Source: Pixabay

Daniel Hamermesh

his co-authors: Jason Abrevaya and Jeff E. Biddle

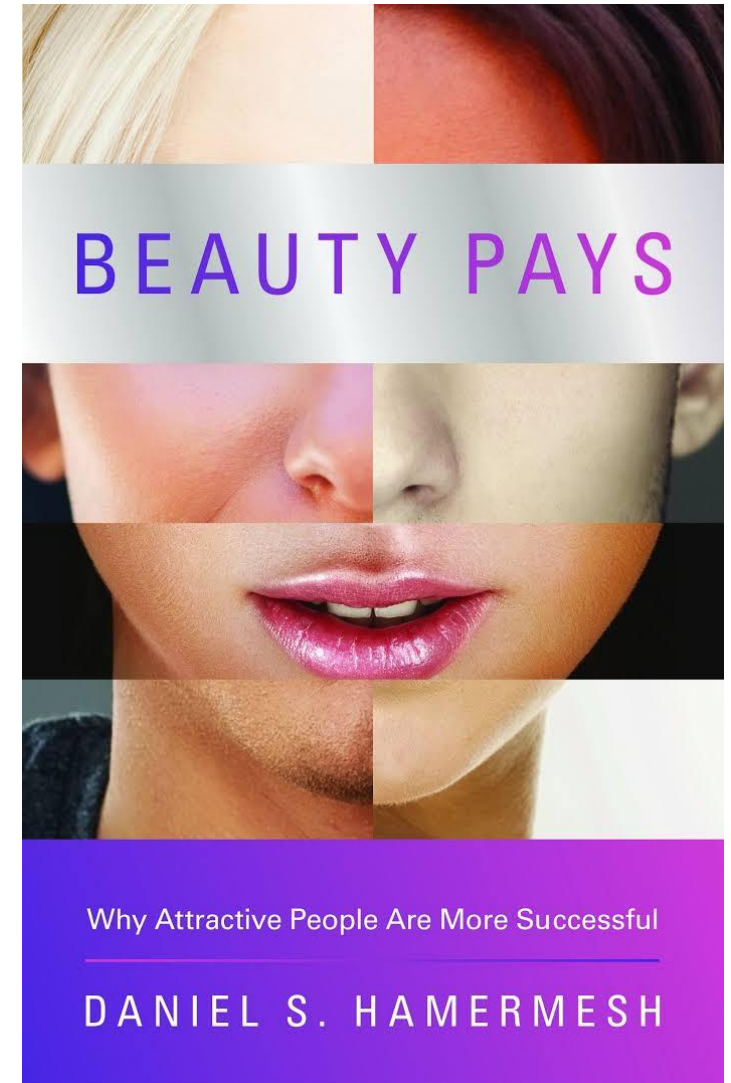
Differences in income do not just differ by gender, but workers' physical attractiveness



Source: www.utexas.edu

Attractiveness Bonus and Ugliness Malus

- Also called beauty premium and ugliness penalty
- **5-10 %** (Daniel Hamermesh, 2011)
- Beauty Pays, Princeton University Press, 2011
- Plastic surgeries **do not** pay off.



Men: Height and earnings

The taller, the richer and more successful?

- Authority and respect
- Sports: team leaders
- Intelligence and brain development

But tall people are at greater risk of cancer...

For every three inches taller a man is, he will earn on average £1,500 a year more. Likewise every extra stone (6.3kg) costs a woman £1,500 a year.

Source: [Exeter University](#), [The Telegraph](#)

Women: Juvenility and Income

- Beauty and attractiveness
- Juvenility is short-term
- Women and their income: who is discriminated- females or males?
- Men face more injuries at work than women



Source: Pixabay

Job Market and Gender

- Women themselves are reluctant to ask for higher income.
- Women help men to ask for higher income
- Optimism bias and its role in income height
- Too attractive people do not have to be successful in job interviews because of „being too good“

**Are women
discriminated**



Is There Really a Beauty Premium or an Ugliness Penalty on Earnings? Satoshi Kanazawa & Mary C. Still

- “Physical attractiveness may appear to have an effect on earnings, because more attractive workers are simultaneously healthier, more intelligent and have better (in particular, more conscientious, more extraverted, and less neurotic) personality more conducive to earning more.”
- Also, participants labelled as “very unattractive” always earned more than those who were just “unattractive.”
- [Published in 2017](#) in *Journal of Business and Psychology*

Attributional Ambiguity

- uncertainty about the cause of a person's outcomes or treatment.
- i.e. people who aren't sure whether to attribute their successes to genuine ability or to some other cause, for instance beauty



CEO Appearance and Shareholder Value

- S. & P. 500 companies enjoy greater stock returns when they name new C.E.O.s who are relatively attractive.
- Joseph Taylor Halford, University of Wisconsin Milwaukee
- Scott H. C. Hsu, University of Arkansas - Department of Finance
- [Source](#)

Resource Curse

- **i.e. paradox of plenty**
- countries with an abundance of natural resources tend to have less economic growth and democracy.
- a country begins to focus all of its production means on a single industry and neglects investment in other major sectors

- **Beauty vs. intelligence**

What to remember

- Beauty Economics
- Juvenility and its impact on income
- Height and its impact on income
- Optimism bias
- Attractiveness bonus
- Ugliness malus
- Resource Curse
- Attributional Ambiguity

Národohospodářská fakulta VŠE v Praze



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