COVID-19 and the Gender Gap in the Willingness to Pay for Workplace Flexibility

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Extended Abstract

A large literature has sought to quantify workers' willingness to pay (WTP) for job amenities such as job flexibility using discrete choice experiments. This literature typically finds that women exhibit a higher WTP for job flexibility than men, a finding that is typically ascribed to women's dominant role in providing childcare. Nevertheless, little is known about the stability of WTPs for workplace flexibility, or for any other job amenity, especially as the external environment changes.

This paper exploits the evolution of the COVID-19 pandemic as an external shock to investigate how workers' WTPs for various aspects of job flexibility changes in response to household constraints and lived experiences.

Using a unique longitudinal survey of approximately 2,000 respondents, we use a series of hypothetical discrete choice experiments to elicit workers' WTP for flexible work arrangements (e.g., the option to work remotely, adapt hours within limits, hours of work, etc.) at three points in time, October 2020, during the height of pandemic restrictions; October 2021, as restrictions eased; and August 2023, when all constraints had been lifted. In all cases, the workers' choices were elicited for jobs that would have started after the pandemic was over and all restrictions had been lifted.

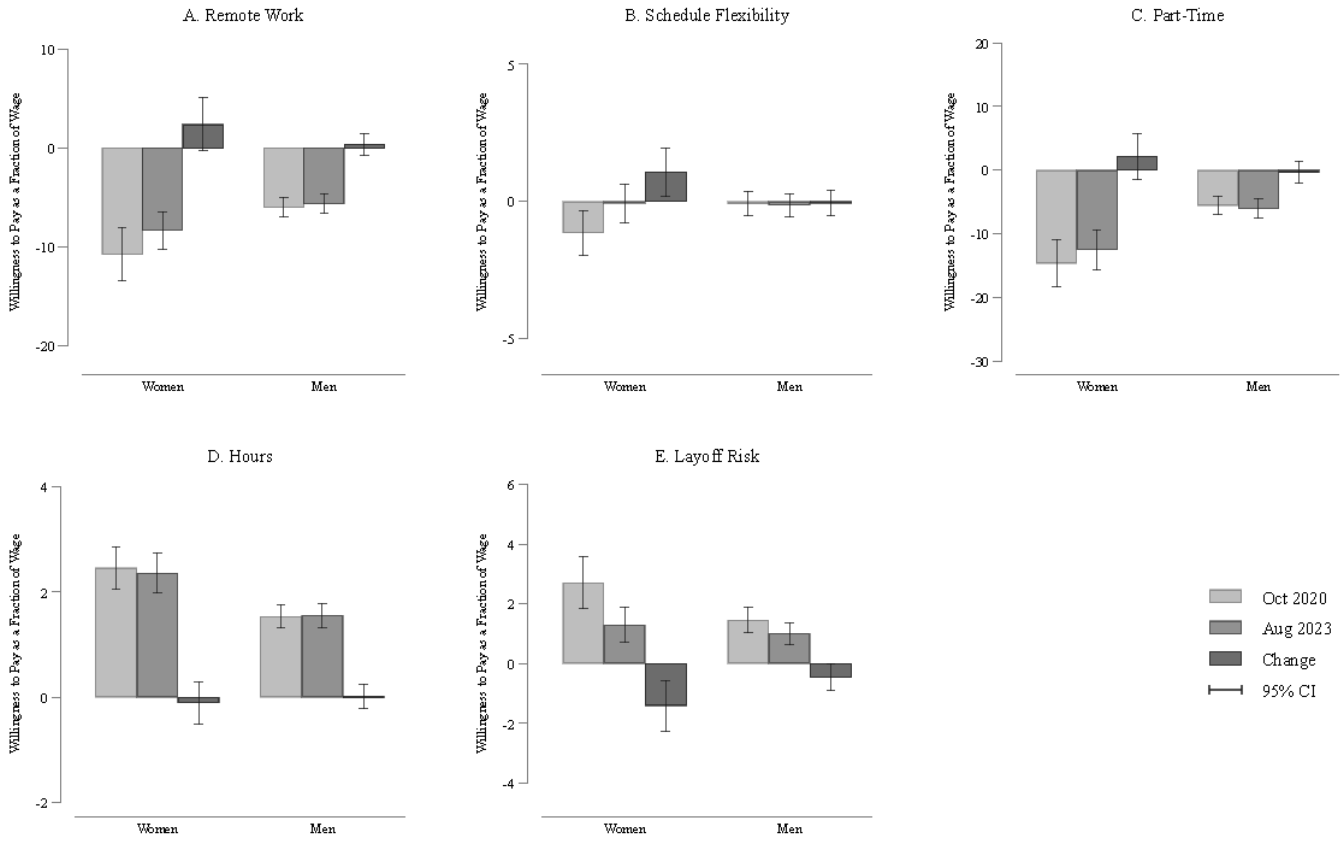
Our findings confirm that men's WTP for job flexibility is smaller than for women. In October 2020, men's WTP for remote work, shorter hours, part-time option, and layoff risk ranged from half to two-thirds of women's WTP; for scheduling flexibility, it was less than one-third of women's WTP. Interestingly, women's WTP for all five job attributes systematically decreased between 2020 and 2023, converging to nearly zero for schedule flexibility. In contrast, men's WTP remained largely unchanged across this period. These findings suggest that household constraints play a significant role in shaping WTP measures for women but not for men, even though men were presumably also at home experiencing the constraints imposed by COVID-19.

To further explore the nature of the constraints affecting WTP for workplace flexibility, we separately analyze individuals with and without children aged 6 and under in their households. Among women, we observe notable differences by parental status: mothers of young children exhibit a higher WTP than women without young children for most attributes, with the largest difference observed in schedule flexibility (Figure 2A). Furthermore, the trends over time, as constraints eased, are more pronounced for mothers of children aged 6 and under. For men, we find no significant differences in WTP or its changes over time based on the presence or absence of a young child at home (Figure 2B).

Finally, when comparing our gender-specific WTP estimates with pre-pandemic findings from the literature, our results suggest that the COVID-19 pandemic did not reduce gender differences in the WTP for workplace flexibility, contrary to what some might have anticipated.

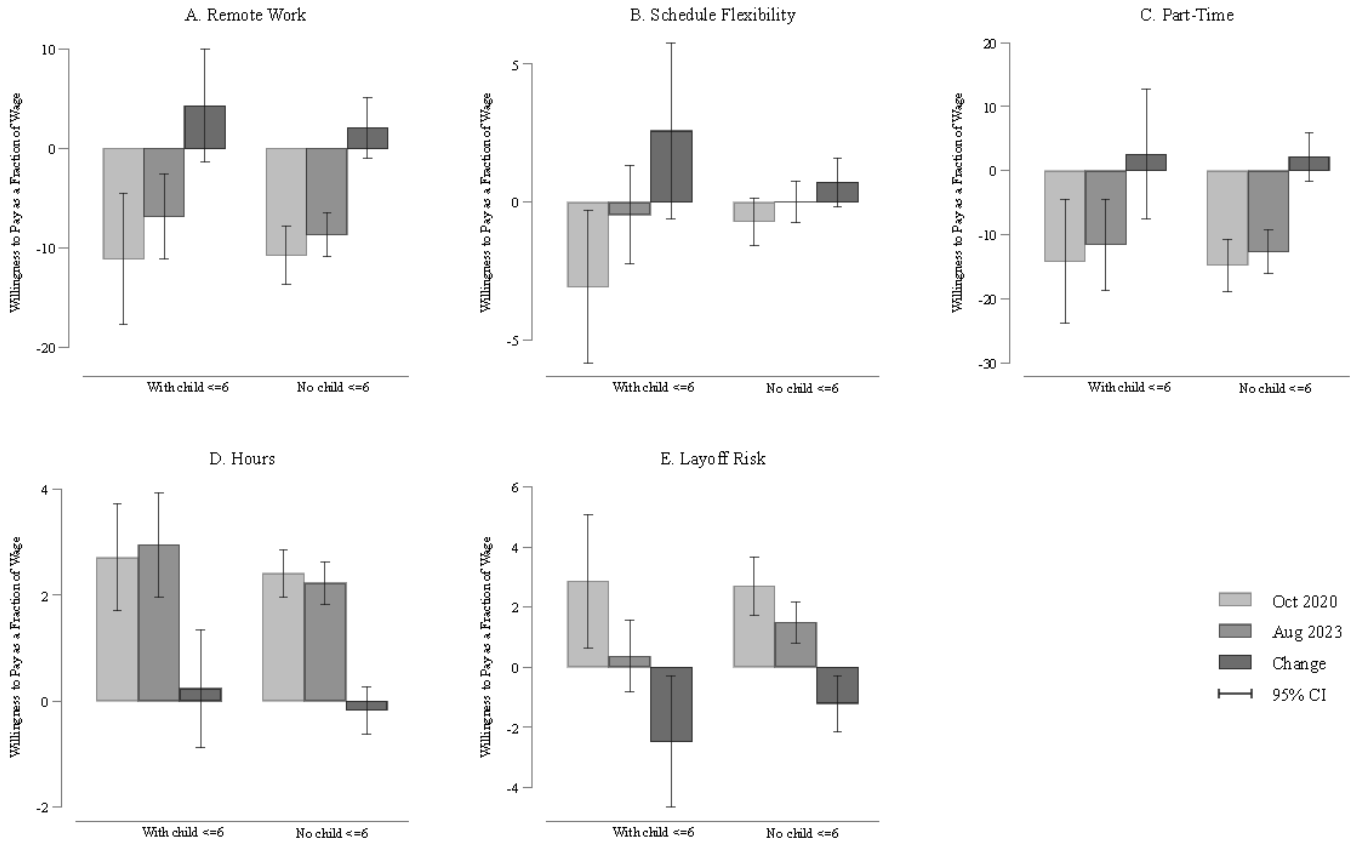
This is the first paper to document within-individual changes in WTP for job attributes. Even though respondents are asked about their preferences for jobs starting in the future, once the COVID-19 restrictions have been lifted, we provide evidence that they project their current constraints and experiences onto these choices. Moreover, the fact that WTP estimates systematically change for women but remain stable for men suggest that work-family constraints only bind for women (and that their WTP for various job amenities changes as the extent to which constraints bind changes).

Figure 1. Willingness to Pay for Job Attributes by Gender



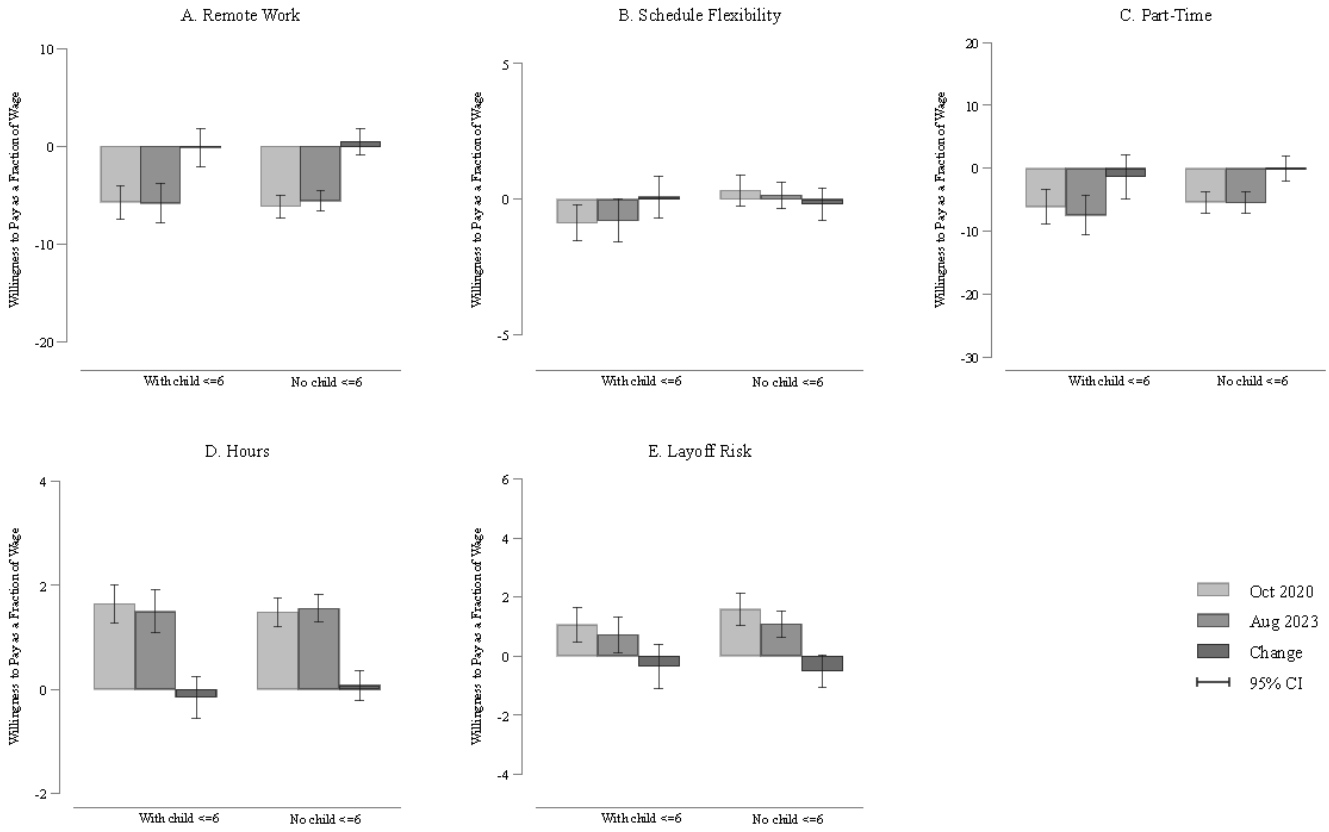
Notes: Panel A: WTP for a 10-percentage-point increase in the share of hours that can be worked remotely. Panel B: WTP for a 10-percentage-point increase in the share of hours with flexible scheduling. Panel C: WTP for the option of working part-time. Panel D: WTP for working an additional hour a week. Panel E: WTP for a 1-percentage-point increase in the probability of being laid off.

Figure 2A. Willingness to Pay for Job Attributes by Parental Status: Women



Notes: Panel A: WTP for a 10-percentage-point increase in the share of hours that can be worked remotely. Panel B: WTP for a 10-percentage-point increase in the share of hours with flexible scheduling. Panel C: WTP for the option of working part-time. Panel D: WTP for working an additional hour a week. Panel E: WTP for a 1-percentage-point increase in the probability of being laid off.

Figure 2B. Willingness to Pay for Job Attributes by Parental Status: Men



Notes: Panel A: WTP for a 10-percentage-point increase in the share of hours that can be worked remotely. Panel B: WTP for a 10-percentage-point increase in the share of hours with flexible scheduling. Panel C: WTP for the option of working part-time. Panel D: WTP for working an additional hour a week. Panel E: WTP for a 1-percentage-point increase in the probability of being laid off.