Valuing Alternative Work Arrangements

Alexandre Mas and Amanda Pallais

Abstract

We study how workers value alternative work arrangements in a field experiment. As part of a labor market survey that we conducted, we randomly offered applicants for interviewer positions choices between traditional 9-5 office positions and "worker-friendly" alternatives including the possibility of making their own schedule, choosing the number of hours of work, the option of working from home, and combinations of these features. We also offered a choice between a traditional job and an "employer-friendly" schedule that allows the employer to set the work schedule with only one week of anticipation. We randomly varied the difference in the wage between the traditional option and the alternative and recorded which position was chosen by applicants. This approach allows us to estimate the entire distribution of willingness to pay across job applicants for these alternatives relative to traditional arrangements. We examine whether and to what extent there is a wage gap due to different choices by gender. Because willingness to pay estimates will be attenuated by the presence of inattentive applicants, we estimate the inattention rate and adjust our estimates to correct for this form of measurement error. We hope to unveil the results from this field experiment at summer institute.