GENDER DIFFERENCES IN RESPONSE TO BIG STAKES

Ghazala Azmat
Queen Mary, University of London
and Centre for Economic Performance
(LSE)

Caterina Calsamiglia
CEMFI and Barcelona GSE

Nagore Iriberri
University of the Basque Country
UPV/EHU
and IKERBASQUE, Basque Foundation
for Research

Abstract
It is commonly perceived that increasing incentives improves performance. However, the reaction to increased incentives might differ between men and women, leading to gender differences in performance. In a natural experiment, we study the gender difference in performance resulting from changes in stakes. We use detailed information on the performance of high-school students and exploit the variation in the stakes of tests, which range from 5% to 27% of the final grade. We find that female students outperform male students in all tests—but to a relatively larger degree when the stakes are low. The gender gap disappears in tests taken at the end of high school, which count for 50% of the university entry grade. (JEL: D03, J16, I21, C30)

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E-mail: g.azmat@qmul.ac.uk (Azmat); ccalsamig@gmail.com (Calsamiglia); nagore.iriberri@gmail.com (Iriberri)