

# Manuscript ECONOMICS-KIEL-2015-44 | **Response to Referee Report 1**

We sincerely thank the referee for her/his constructive comments, helping me to improve the quality of my manuscript. Below one can find responses to the points raised in the referee report. The original comments of the referee are in italics and shaded in grey.

*In this paper the author employs a correspondence study in the Belgian labor market to test for gender discrimination. The main contribution of this paper is to test for the bias in the case of group differences in the variances of unobservable determinants.*

*This study is a significant contribution to understand gender discrimination in the labor market. However, the author finds no evidence for a bias due to estimated and perceived variance of unobservables for the two groups, female and male job candidates.*

## *Main Comments*

- The paper is well-placed in the ongoing research in the area of gender discrimination and makes a contribution to the estimation of the predicted bias raised by Heckman and Siegelman (1993).*
- The author employs distance between the candidate's living place and workplace to identify the effects.*
- It might be helpful to discuss the data more and confirm that this is randomly assigned across men and women on a number of other covariates.*

As mentioned in the manuscript, we use data from Baert et al. (Forthcoming), who sent out 576 pairs of fictitious job applications to real vacancies in Belgium. For each vacancy, the female gender of the candidate was completely randomly assigned to one of both pair members.

In the case of acceptance, I will prepare a revised version of the manuscript in which a paragraph is added with more information about the data gathering and randomisation process.

- If it is not a common practice to include age or presence of children or marital status in Belgium in the application then possibly education level might be a proxy for age (year of graduation of high school or university). Age might interact in different ways with the distance between home and workplace and gender. Women of child-bearing and rearing age might be perceived less flexible when it comes to the distance of the workplace and home. This might make a larger difference for women than for men.*

In Belgium, it is a common practice to mention date of birth, marital status and often also presence of children in one's cv. Baert et al. (Forthcoming) sent out fictitious applications from single individuals with five years of work experience. The authors included the date of birth of the candidates in their cv's. Based on this date of birth, employers could derive that the candidates were 26 (those with a Bachelor's degree) or 27 (those with a Master's degree) years old. In addition, these ages could be derived from the professional career of the candidates, i.e. five years of work experience, in combination with their educational career, i.e. graduation at the age of 21 or 22 after six years of secondary education and three (Bachelor) or four (Master) years of tertiary education. On the other hand, the candidates disclosed their marital status ("unmarried") and did not mention any children. Given this younger age and marital status, we assume that the return to living close to the workplace is the same for both genders. In the case of acceptance, I will prepare a revised version of the manuscript in which this point is clarified.

In addition, as mentioned in the manuscript (footnote 7) we performed a robustness check to make sure that a potential correlation between gender and surplus for longer distances did not bias our results (page 7, footnote 7): "One could argue that applications to employers living very far away from the residence of the applicant reflect a willingness to be mobile which may be correlated with female sex. However, if we redo our estimations using only observations with distances lower than 30 minutes of car driving, the results are very comparable to the ones presented in the main text." Moreover, the equal return to living close to the workplace for both gender was tested empirically (page 9, from line 5 on): "[...] based on a Wald test applied to the estimation results of a probit model with an additional interaction variable between female sex of the candidate and the distance between workplace and residence, we cannot reject that this variable is rewarded equally for males and females."

## References

Baert, S., A. De Pauw, and N. Deschacht (Forthcoming). Do Employer Preferences Contribute to Sticky Floors? *Industrial and Labor Relations Review*.