

Wage Information and Applicant Selection*

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July 2023

Abstract

Information about a vacancy's pay is crucial for job seekers' search behavior. However, many employers do not include salary information in job adverts. We conduct a field experiment in which we randomly vary whether real job adverts include salary information. We then observe all applications and applicants' characteristics. We document three key findings. First, when wage information is not included, the wage elasticity of applicant numbers is 0.6. This increases to 0.7 if the wage information is randomly included. Second, including pay information induces applicants with higher non-cognitive but similar cognitive skills to apply. Lastly, applicants to vacancies with wage information have more accurate expectations about the job's pay and are less likely to want to negotiate the salary upon receiving an offer, especially for higher-wage vacancies.

Keywords: vacancy posting, wage posting, field experiment, job applications

JEL Codes: J31, J62, J63, C93

*Balgova: IZA – Institute of Labor Economics; Hensel: Peking University; Tekleselassie: Northeastern University; Witte: IZA – Institute of Labor Economics. Acknowledgements: This research was funded by the International Growth Centre (IGC) grant ETH-20174. We received IRB approval from Guanghua School of Management at Peking University (#2022-03).