



Halle Institute for Economic Research
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IWH Research Seminar in Economics

April 8, 2019, 14:15–15:45, conference room, ground floor



Is Cash Still King: Why Firms Offer Non-Wage Compensation and the Implications for Shareholder Value

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(together with Tim Liu, Christos Makridis and Elena Siminitzi, The University of North Carolina at Chapel Hill)

Over the past 40 years, the share of non-wage benefits in employee compensation grew from 5% to 30%. Using disaggregated data from Glassdoor, we first document a series of stylized facts about the availability of non-wage benefits and how these benefits are correlated with firm characteristics. We propose that firms use certain non-wage benefits to attract and retain specific employee groups, a hypothesis we test with maternity benefits and female talent. As predicted, we find that in industries and states where women are under-represented and the supply of female talent is limited, firms offer better quality maternity benefits. We provide suggestive evidence that offering non-ernity benefits is associated with more balanced gender employee composition.

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