

## Question

Does perceived attractiveness influence the level of trustworthiness attributed to an individual, and to what extent is this association substantiated by empirical evidence?

In their scholarly discourse on beauty and the labor market, Hamermesh, Daniel S., and Jeff E. Biddle delve into the phenomenon wherein individuals deemed physically attractive tend to garner a higher income compared to their counterparts who are not considered attractive. This prompts an inquiry into whether such differentials in earnings constitute instances of discrimination or if there exist inherent attributes associated with attractiveness that substantiate these advantages. This would involve using transfers as a proxy for income and trustworthiness as an attribute that one may possess, contributing to an increase in monetary benefits. # Methods The data used in my empirical analysis came from an experimental design called the Trust Game. A description of the Trust Game generating my data, as described by Santos Pova et al. (2020), follows:

“In the Trust Game, participants are divided into two groups (i.e., trustors and trustees) and randomly paired (i.e., one trustor and one trustee). Each trustor receives a monetary endowment, which is common knowledge to all participants, and chooses the proportion of the endowment that he/she wants to transfer to the trustee. Any amount of money that the trustor transfers to the trustee is tripled by the experimenter. The amount that has not been transferred remains with the trustor. The trustee receives the tripled amount and subsequently chooses the amount that he/she wants to transfer back to the trustor. The amount that is transferred back to the trustor is not tripled. The amount that is not transferred back remains with the trustee. The trustor’s final monetary payoff is equal to the amount not transferred to the trustee plus the amount the trustee transferred back to the trustor. The trustee’s final monetary payoff is equal to the tripled amount received by the trustee minus the amount the trustee transferred back to the trustor. The amount that the trustor transfers to the trustee is used as a measure of trust, and the amount that the trustee transfers back to the trustor is used as a measure of trustworthiness.”

We used linear regression models to investigate the relationship between transfers and attractiveness (eq. 1) and between trustworthiness and attractiveness (eq. 2). The models are:

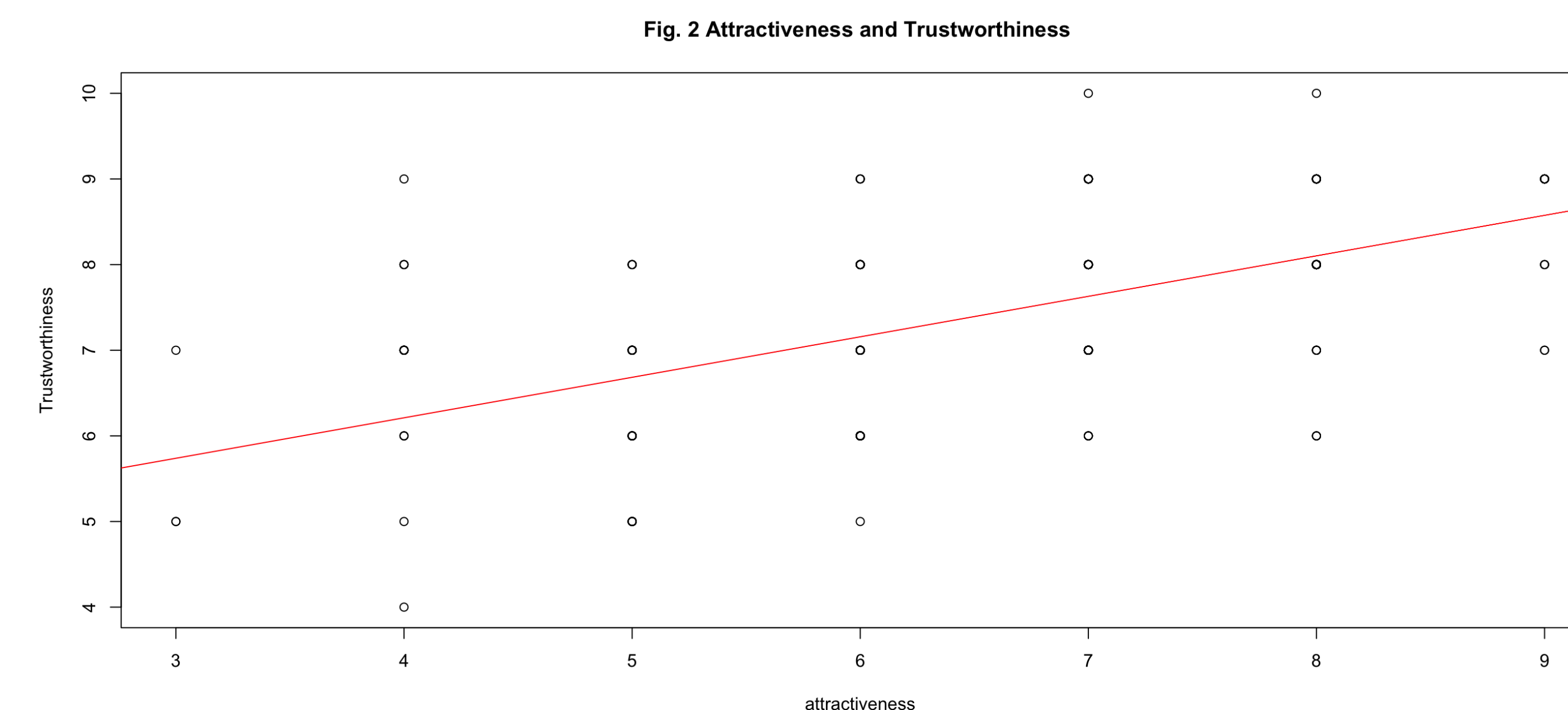
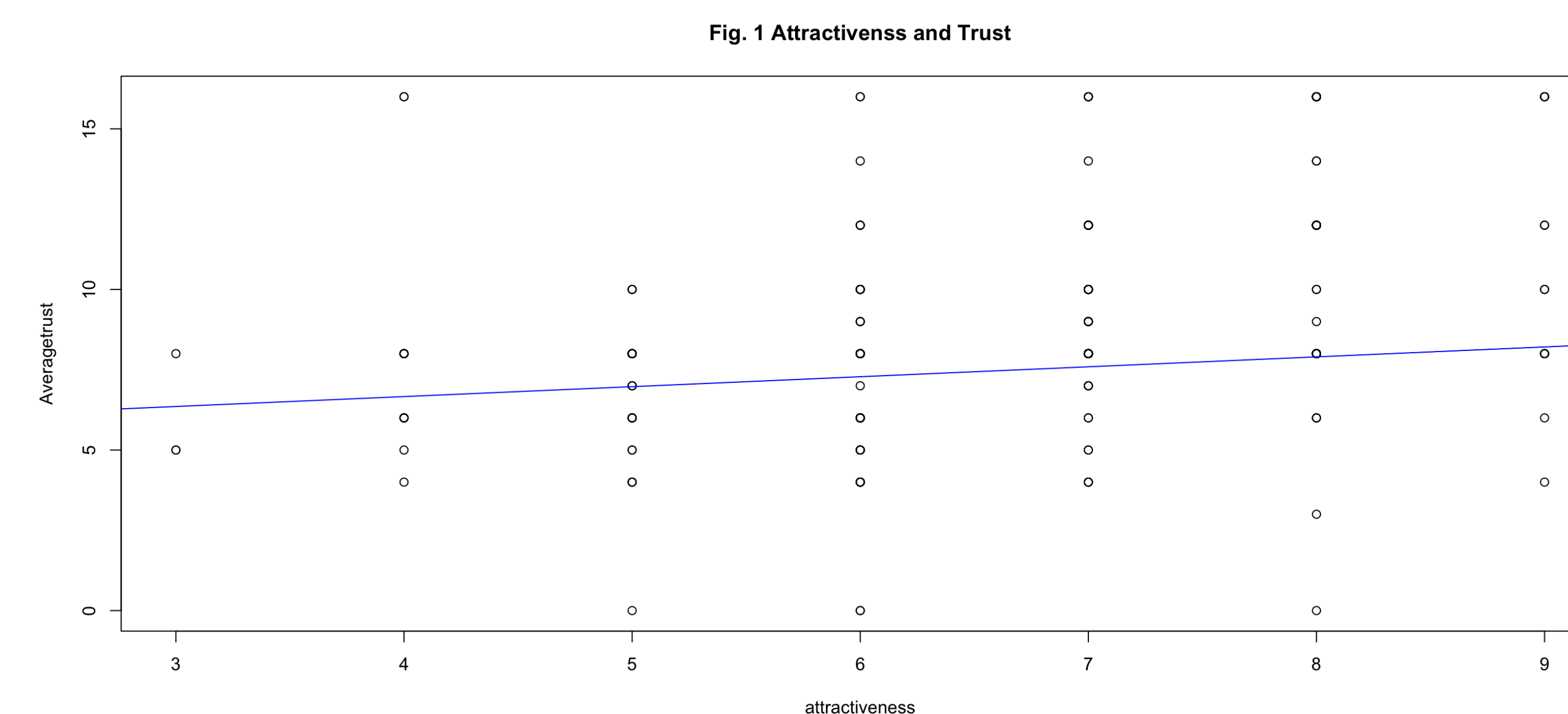
$$Transfers_i = \beta_0 + \beta_1 attractiveness_i + \epsilon_i \text{ eq. 1}$$

$$Trustworthiness_i = \beta_0 + \beta_1 attractiveness_i + \epsilon_i \text{ eq. 2}$$

## Data

The data used in the figures and the regression estimation came from the Trust Game described above. Our variables of interest are attractiveness, transfers, average trust, trustworthiness, and gender. Attractiveness is measured on a scale of 0 to 10, with 0 representing the least attractive and 10 representing the most. Pictures of the 38 female trustees were taken with and without makeup, and eight upper-level business administration majors ranked these photos to create the attractiveness variable. The raters did not participate in the trust game. Each trustee had eight

trustors, totaling 304 trustors. Attractiveness ranged from 3 to 9 on a 10-point scale, with a mean of 6.612 and a median of 7. Transfers ranged from 0 to 16, with a mean of 8.724 and a median of 8.00. Average trust is a weighted average of transfers by attractiveness, ranging from 5 to 9, with a mean of 7.474 and a median of 8. Trustworthiness, which measures how much a trustee gave back to the trustor, ranged from 4 to 10, with a mean of 7.447 and a median of 8. Gender is a binary variable coded as 1 for male and 0 for female.



## Results

Figure 1 shows that transfers, the amount received by trustees, increased with attractiveness. Using a linear regression model with attractiveness as the independent variable and transfers as the dependent variable (eq. 1), we observe a positive correlation between the two variables. In particular, there is a 94 percent increase in transfers for every unit of increase in attractiveness.

$$Transfers = 2.5069(0.8691) + 0.9402(0.1289) Attractiveness$$

In our second model, we investigate the relationship between attractiveness and trustworthiness. Figure 2 indicates a direct relationship between the two variables. More attractive individuals exhibited more trustworthiness. The linear regression result from eq. 2 indicates a 47 percent increase in trustworthiness with every unit increase in attractiveness.

$$Trustworthiness = 4.3192(0.2670) + 0.4731(0.0396) attractiveness \text{ eq. 2}$$

## Conclusion

There was a positive relationship between attractiveness and transfers, which is important because we can use transfers as a proxy for income. This suggests that people who are perceived as more attractive have the potential for higher income, supporting the beauty premium theory. The study also found a positive relationship between attractiveness and trustworthiness. One explanation is that attractiveness builds confidence and a sense of being watched, which in turn creates trustworthiness. Alternatively, attractiveness may increase trustworthiness as a result of initial endowments, since attractive people received higher initial transfers.

## References

Angela Cristiane Santos Póvoa, W. P. (2020). Is the beauty premium accessible to all? An experimental analysis (Vol. Volume 78). Retrieved from <https://doi.org/10.1016/j.joep.2020.102252>. ISSN 0167-4870, (<https://www.sciencedirect.com/science/article/pii/S016748702030009X>)