

CHAPTER 1

The Taller You Are, The Higher Your Salary?

Salary depends on many factors, such as education, prior professional experience, and the assumption of management responsibilities. Your height should be irrelevant, but the crazy thing is, it seems to matter.

When you look at the executive and supervisory boards of major German public companies, what you see is primarily relatively tall men. Frank Appel of Deutsche Post is 6'6". At approximately 6'2", Michael Diekmann from Allianz is also above average. Most of the American presidents since World War II were taller than the average American male. Generals in the military usually are pretty tall as well. Even Napoleon, allegedly of small stature, is said to have been taller than his average soldier.

So it seems successful men are taller than average. It's known from labor market research that taller men also earn substantially more money on average than shorter men do. But while height may actually be an advantage on the battlefield, the question is: Why should taller men earn more anywhere else? The height of a manager, IT expert, or entrepreneur should be irrelevant to his salary. The data tells a different story. Studies from the United States and the United Kingdom show that men who are 4 inches taller than average earn about 10% more salary a year. Extrapolated to an entire working life, that difference in income easily adds up to six and seven digits!

Andrew Postlewaite from the University of Pennsylvania and his colleagues investigated why height has a positive impact on

income. They examined two sample groups of men in the United States and the United Kingdom who were born in the late 1950s or early 1960s. Since the employment careers of women from these cohorts differ from those of men, the influence of height can be estimated more precisely for men, so Postlewaite and colleagues exclusively analyzed men. But height also plays a positive role for women. In the case of female twins, the taller twin earns several percentage points more than the shorter twin.

When trying to explain the influence of height on salary, we might begin with a naive assumption that employers prefer taller people and therefore pay them more. In earlier times, this might have been a reasonable argument in the military or in industry—before most physically demanding work was done by machines. In our highly industrialized economy, though, this is no longer so. There must be other reasons. A second guess would be that taller men come from different families than smaller men, which accounts for the pay differences. Indeed, shorter men are often from families with more children, where the parents had less education than the parents of taller men. But even if you take these family background differences in the statistical analysis into account (e.g., by looking only at men from families with the same number of children and the same level of education of their parents), it still turns out that 4 inches more in height makes for almost a 10% difference in salary. The review of other hypotheses confirms that this correlation is sustained even if you take into consideration health and cognitive abilities (such as intelligence tests).

Postlewaite's study made two fundamental findings in its further analysis. First, it's not the height in adulthood that matters but the height as a teenager, that is, at the age of 15 to 16. Some teenagers are already relatively tall by then; others go through a growth spurt later. Those who are relatively tall at that age earn more later than those who are shorter in their teens, regardless of their height in adulthood. A later employer normally possesses no information about the height of an employee as a teenager, so it can't be of any significance to the employer (and it has nothing to do with the intelligence quotient).

The second finding of Postlewaite gets to the heart of the matter. Taller teenagers have more social activities and contacts. They are, for instance, more often members of all sorts of clubs (sports or cultural ones, e.g.) or of student organizations. This fosters and trains so-called noncognitive abilities such as the capability of working on a team, endurance and stamina, ability to compromise, and leadership skills. Such qualities are of great importance in professional life. When you consider teenage activities in the analysis, there's no longer a statistically significant correlation between height and salary, Postlewaite's study proves. Height helps in the acquisition of social skills as a form of human capital, and this human capital leads to higher salaries in adulthood.

Takeaways

It's generally assumed that salary depends on people's skills and previous professional experience. But height also plays a role, at least for men. Taller people build up larger social networks in their late teens and acquire more social skills. This results in higher salaries later in life.

References

Persico, N.; Postlewaite, A.; Silverman, D.: (2004) The effect of adolescent experience on labor market outcomes: The case of height. *Journal of Political Economy*, 112: 1019–1051.

