

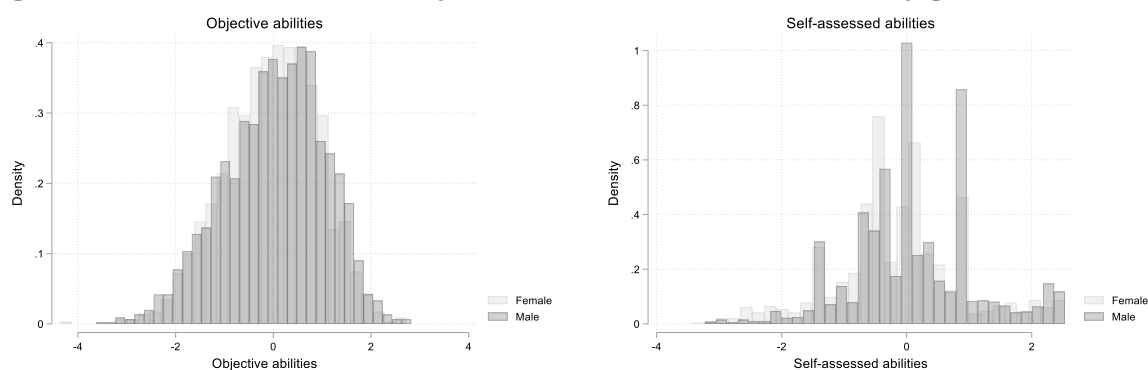
# Online Appendix

## The underconfidence wage penalty

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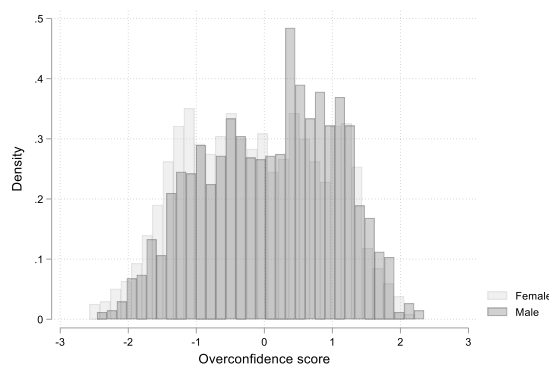
May 2024

**Figure A1: The distribution of objective and self-assessed abilities by gender**



Notes: Source: BCS70 (CLS n.d.). Sample of those in full-time employment at age 42. No. of observations = 3,858.

**Figure A2: The distribution of the overconfidence score by gender**

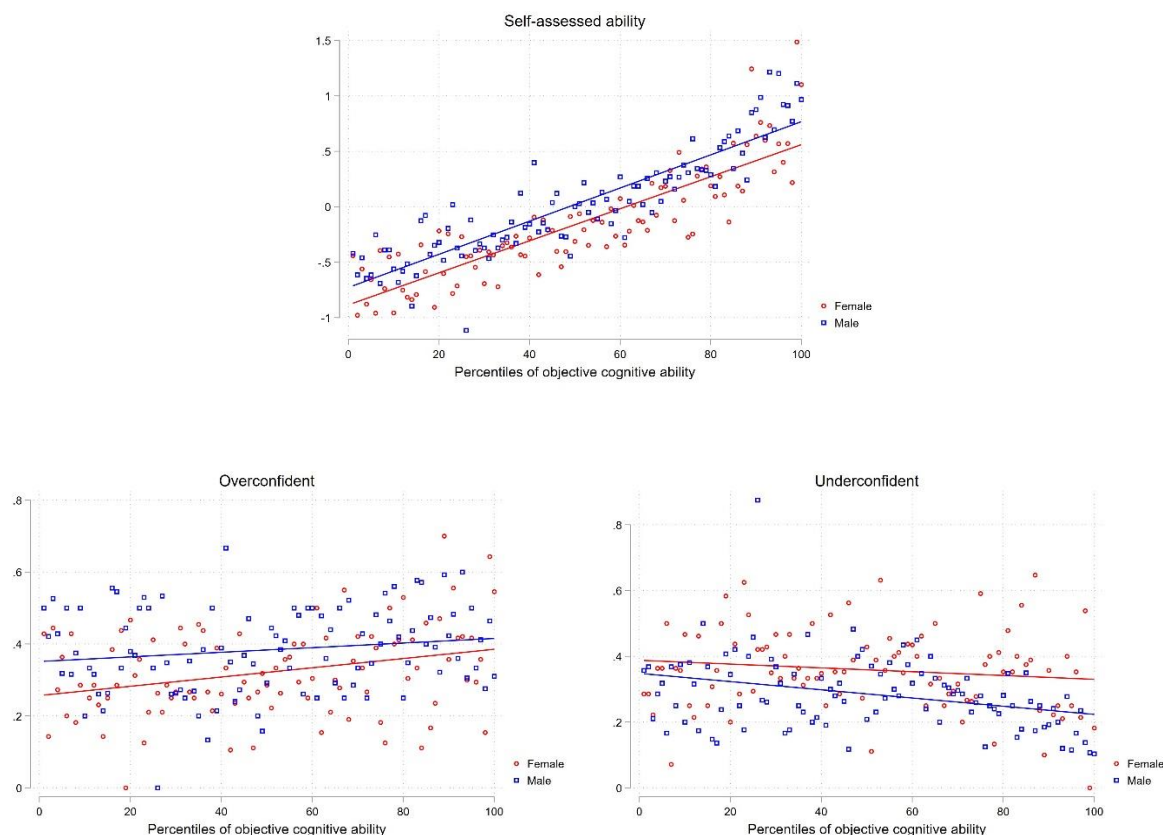


Notes: Source: BCS70 (CLS n.d.). Sample of those in full-time employment at age 42. No. of observations = 3,858.

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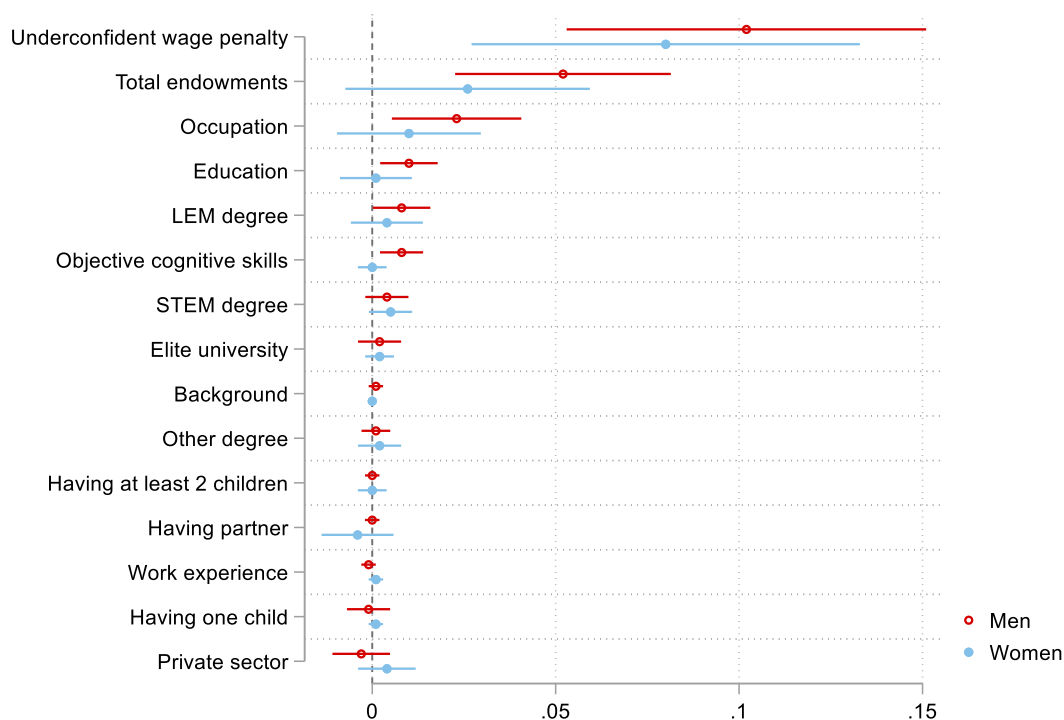
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**Figure A3: The gender gap in self-assessed ability and being under- and overconfident along the distribution of objective cognitive skills**



Notes: Source: BCS70 (CLS n.d.). Sample of those in full-time employment at age 42. No. of observations = 3,858. Self-assessed ability captures what individuals thought about how clever they were and how good they were in school at ages 10 and 16. It is the measure that we regressed on objective abilities to get the residual overconfidence score. “Underconfident” is a binary measure equal to 1 if one’s overconfidence score belongs to the lowest tercile and 0 otherwise. “Overconfident” is a binary measure equal to 1 if one’s overconfidence score belongs to the highest tercile and 0 otherwise. The scatter points represent the average log hourly wage/overconfidence score within the given percentile of objective cognitive ability, while the functions are simple linear fits with their 95% confidence intervals.

**Figure A4: The Kitagawa-Oaxaca-Blinder decomposition of the underconfident wage penalty in log hourly wages**



Notes: Source: BCS70 (CLS n.d.). Sample of those in full-time employment at age 42. All coefficients are plotted with their 95% confidence intervals. “Underconfident” is a binary variable equal to 1 for those who belong to the lowest tercile of the overconfidence score distribution and 0 otherwise. Underconfident individuals are compared to the middle tercile of the distribution. The same graph comparing underconfident individuals to the remaining two-thirds of the distribution is show in Figure 4 in the main text. No. of observations = 3,858.

**Table A1: Measures on cognitive abilities in BCS70, age 5, 10 and 16**

<b>Age 5</b>	
<a href="#">English Picture Vocabulary Test</a>	56 sets of four different pictures with a particular word associated with each set of four pictures, increasing in difficulty. The child was asked to indicate the one picture that corresponded to the given word until the child made five mistakes in a run of eight consecutive items. The first two words were drum and time, the last two are reel and coast.
<a href="#">Copying Designs Test</a>	The child was given a booklet, and asked to copy 8 drawings, one at a time twice on two consecutive pages of booklet.
<a href="#">Human Figure Drawing</a>	The child was asked to 'make a picture of a man or a lady'. (Terms such as 'daddy', 'mummy', 'boy', 'girl', etc., could be used if the child responded better to those). They were asked to make the best picture they could and to draw a whole person, not just a face or head. When the child had finished, if anything was not clear, the child was asked what the various parts of the drawings were and these were labelled.
<a href="#">Complete a Profile Test</a>	The child was asked to complete an outline picture of a human face in profile by filling in features (eyes, ears, nostrils, mouth, hair etc.).
<a href="#">Schonell Reading Test</a>	Children's reading age (of children between age 5 and 14+ years). Reading age is calculated from the number of words read correctly and compared to the child's chronological age. Before the test was administered, the child's mother was asked if she thought the child had begun to read at all. If the mother said the child could read some words or some sentences the child was given a card with 50 words on it, which were read from left to right. When a child struggled with a word, they were asked to sound it out. If the child still couldn't say what the word was, they were asked to try the next one. The test was stopped when the child made five consecutive mistakes.
<b>Age 10</b>	
<a href="#">Edinburgh Reading Test</a>	A test of word recognition, which examined vocabulary, syntax, sequencing, comprehension and retention. Items were carefully selected to cover a wide age range of ability from seven to thirteen years in a form suitable to straddle the ten-year cohort. Particular attention was paid to the lower limit to allow a score to be allocated for very poor readers.
<a href="#">Friendly Maths Test</a>	Mathematical competence, ranging from early awareness of number operations to expected mathematics ability at 13 years old, including arithmetic, number skills, fractions, measures, algebra, geometry and statistics.
<a href="#">Spelling Dictation Task</a>	A paragraph was dictated to the child including both real and made up words. A sentence could be repeated once and an imaginary word in the middle of the passage could be repeated twice.
<a href="#">British Ability Scales (BAS) Word Definitions</a>	For each item on the scale, a word was orally presented to the child who was asked what the word meant. Items were scored as correct or incorrect according to whether or not the child expressed key concepts of the word's meaning. The assessment was stopped after four successive incorrect or partially incorrect words.
<a href="#">BAS Word Similarities</a>	The test consisted of 21 items made up of 3 words e.g. orange, banana, strawberry. The teacher read the three words and asked the child to name another word consistent with the group i.e. another type of fruit. The child then had to say what the words had in common i.e. they are all fruits. When the child was unable to name a group example and name on four successive attempts the test was stopped.
<a href="#">BAS Recall of Digits</a>	For each item the teacher read out digits and asked the child to repeat them. The exercise increased in difficulty from remembering and repeating two digits to three digits and then up to eight digits. If the child asked for a repeat of the numbers, this was scored as incorrect. The test was stopped after four consecutive incorrect responses.
<a href="#">BAS Matrices</a>	Each matrix was a square consisting of four or nine cells, with a blank cell in the lower right corner of each matrix. The teacher asked the child to complete each item by drawing the appropriate shape in the empty square. There were seven example items, three at the start of the exercise, then four examples when the level of difficulty increased. The task was stopped when four successive items were drawn incorrectly or when it was apparent that the level of difficulty was too great.
<a href="#">Pictorial Language Comprehension Test</a>	The test consisted of 100 sets of four different pictures with a particular word associated with each set of four pictures, increasing in difficulty. The child was asked to indicate the one picture that corresponded to the given word. For the vocabulary Items only, the test continued until the child had five successive failures.
<b>Age 16</b>	

<a href="#">Applied Psychology Unit (APU) Arithmetic Test</a>	Measures general arithmetic attainment (and not aptitude). Designed to test arithmetic concepts through calculation. Covers evaluation of arithmetic expressions, knowledge of proportion, percentage, estimation of area and simple probability. It tests the ability to reproduce and therefore the aptitude to learning arithmetic processes.
<a href="#">APU Vocabulary</a>	75 words in the test. Each word was followed by a multiple-choice list of 5 words from which the respondent picked the one with the same meaning as the first word. The test got progressively harder.
<a href="#">BAS Matrices</a>	Same procedure as at age 10.
<a href="#">Edinburgh Reading Test</a>	Measures reading skills, and includes five sub-scales examining vocabulary, syntax, sequencing, comprehension and retention.
<a href="#">Spelling Test</a>	Spelling was assessed by two tests (A and B). 100 words for each test - some spelt correctly and some incorrectly, CM identifies whether correct or incorrect. The words get harder as the test progresses. Order of test rotated by odd and even days.

Notes: Source: Adamecz-Völgyi and Shure (2022), Table A1 in Appendix A on p. 13, based on Moulton et al. (2020). We construct a summary index from these 18 measures the following way. First, we standardize all these continuous measures to mean 0 and SD 1. Then, we use Confirmatory Factor Analysis (CFA) to estimate the underlying objective cognitive skills variable via Full Information Maximum Likelihood (*Structural Equation Modeling Reference Manual*, 2017). Thus, if at least one of these measures is available for a person, we will estimate the index for them. Finally, we standardize the estimated index.

**Table A2: Measures on self-assessed abilities in BCS70, age 10 and 16**

Age 10	
Good at math	Question: Are you good at mathematics? Yes/No/I don't know.
Good at spelling	Question: Are you good at spelling? Yes/No/I don't know.
Age 16	
Good at math	Question: Are you good at mathematics? <i>Yes/No/I don't know</i>
Good at spelling	Question: Are you good at spelling? <i>Yes/No/I don't know</i>
Clever	Please say whether the following applies to you. <i>Applies very much/Applies somewhat/Does not apply</i> I am clever.
Good at exams	Please say whether the following applies to you. <i>Applies very much/Applies somewhat/Does not apply</i> I am good at exams.
Not good at school (inverted)	Please say whether the following applies to you. <i>Applies very much/Applies somewhat/Does not apply</i> I am not very good at school.

Notes: Source: Adamecz-Völgyi and Shure (2022), Table A2 in Appendix A on p. 14, based on BCS70 (CLS n.d.). We construct a summary index from these seven categorical (ordinal) measures using Item Response Theory (IRT). We fit graded response models to these measures, and we allow them to vary in their difficulty and discrimination. Again, we exploit all information: if at least one of these measures is available for a person, we will estimate the latent index for them.

**Table A3: Descriptive statistics**

	Mean	SD	Min	Max
Log hourly wage at age 42	2.32	0.47	0.03	7.21
Hourly wage at age 42, GBP	11.88	23.21	1.03	1346.98
Objective ability	0.00	1.00	-4.36	2.82
Self-assessed ability	-0.00	1.00	-3.43	2.53
Overconfidence score	-0.00	1.00	-2.57	2.35
Overconfident	0.36	0.48	0.00	1.00
Underconfident	0.31	0.46	0.00	1.00
Ethnicity				
English, etc	0.91	0.29	0.00	1.00
Irish	0.00	0.05	0.00	1.00

Other European	0.00	0.06	0.00	1.00
West Indian	0.00	0.07	0.00	1.00
Indian	0.01	0.11	0.00	1.00
Pakistani	0.00	0.05	0.00	1.00
Bangladeshi	0.00	0.02	0.00	1.00
Other	0.00	0.02	0.00	1.00
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Region of birth				
North	0.08	0.27	0.00	1.00
Yorks and Humberside	0.09	0.28	0.00	1.00
East Midlands	0.06	0.24	0.00	1.00
East Anglia	0.03	0.18	0.00	1.00
South East	0.26	0.44	0.00	1.00
South West	0.06	0.24	0.00	1.00
West Midlands	0.11	0.31	0.00	1.00
North West	0.13	0.34	0.00	1.00
Wales	0.06	0.23	0.00	1.00
Scotland	0.10	0.30	0.00	1.00
Northern Ireland	0.00	0.04	0.00	1.00
Region is missing	0.03	0.16	0.00	1.00
<hr/>				
Mother has a qualification	0.58	0.49	0.00	1.00
High SES parents	0.36	0.48	0.00	1.00
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Math test results at age 16				
No math O/CSE	0.13	0.33	0.00	1.00
Grade A/1	0.11	0.31	0.00	1.00
Grade B/2	0.14	0.34	0.00	1.00
Grade C/3	0.15	0.36	0.00	1.00
Grade D/4	0.07	0.26	0.00	1.00
Grade E/5	0.04	0.19	0.00	1.00
Failed	0.00	0.05	0.00	1.00
No info	0.36	0.48	0.00	1.00
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A-levels	0.21	0.41	0.00	1.00
Private school	10.07	29.79	0.00	99.00
STEM degree	0.13	0.34	0.00	1.00
LEM degree	0.06	0.24	0.00	1.00
Degree of other subject	0.09	0.29	0.00	1.00
Elite university	0.08	0.27	0.00	1.00
Occupation category (2-digit SOC)	37.24	24.49	11.00	99.00
Works in the private sector	0.67	0.47	0.00	1.00
Employment experience, age 42 (months)	261.31	54.25	1.00	321.00
Has cohabiting partner, age 42	0.78	0.41	0.00	1.00
No. of children in HH, age 42	1.14	0.88	0.00	2.00
<hr/>				
Observations	3,858			

Notes: Source: BCS70 (CLS n.d.). Sample of those in full-time employment at age 42.

**Table A4: Descriptive statistics – comparison of men and women**

	Mean male	Mean female	Diff	t-test p-value
Log hourly wage at age 42	2.40	2.21	0.18	0.00
Hourly wage at age 42, GBP	12.54	10.87	1.67	0.03
Objective ability	0.03	-0.04	0.07	0.04
Self-assessed ability	0.09	-0.14	0.24	0.00
Overconfidence score	0.08	-0.13	0.21	0.00
Overconfident	0.39	0.32	0.07	0.00
Underconfident	0.27	0.36	-0.09	0.00
Ethnicity				
English, etc	0.92	0.90	0.02	0.03
Irish	0.00	0.00	-0.00	0.55
Other European	0.00	0.00	-0.00	0.30
West Indian	0.00	0.01	-0.00	0.11
Indian	0.01	0.02	-0.01	0.01
Pakistani	0.00	0.00	0.00	0.40
Bangladeshi	0.00	0.00	-0.00	0.22
Other	0.00	0.00	0.00	0.25
Region of birth				
North	0.07	0.08	-0.00	0.61
Yorks and Humberside	0.08	0.10	-0.02	0.06
East Midlands	0.06	0.06	0.01	0.35
East Anglia	0.03	0.03	0.01	0.16
South East	0.27	0.24	0.02	0.11
South West	0.06	0.06	0.00	0.58
West Midlands	0.11	0.11	0.00	0.88
North West	0.13	0.14	-0.01	0.33
Wales	0.06	0.05	0.01	0.45
Scotland	0.09	0.11	-0.02	0.12
Northern Ireland	0.00	0.00	-0.00	0.18
Region is missing	0.03	0.03	-0.00	0.89
Mother has a qualification	0.58	0.58	-0.00	0.93
High SES parents	0.37	0.35	0.02	0.21
Math test results at age 16				
No math O/CSE	0.12	0.14	-0.02	0.17
Grade A/1	0.12	0.09	0.03	0.00
Grade B/2	0.14	0.13	0.01	0.61
Grade C/3	0.13	0.18	-0.05	0.00
Grade D/4	0.06	0.08	-0.02	0.01
Grade E/5	0.03	0.05	-0.02	0.00
Failed	0.00	0.00	-0.00	0.33
No info	0.39	0.32	0.07	0.00
A-levels	0.20	0.23	-0.03	0.01
Private school	10.87	8.86	2.01	0.04
STEM degree	0.16	0.09	0.07	0.00
LEM degree	0.06	0.07	-0.02	0.05
Degree of other subject	0.05	0.14	-0.09	0.00

Elite university	0.08	0.08	-0.00	0.87
Occupation category (2-digit SOC)	38.16	35.86	2.30	0.00
Works in the private sector	0.76	0.52	0.25	0.00
Employment experience, age 42 (months)	275.07	240.48	34.59	0.00
Has cohabiting partner, age 42	0.82	0.72	0.10	0.00
No. of children in HH, age 42	1.20	1.04	0.16	0.00
Observations	2,324	1,534		

Notes: A positive difference denotes women have a lower score or probability. Source: BCS70 (CLS n.d.). Sample of those in full-time employment at age 42. T-test p-values are two-sided.

**Table A5: Quantile regressions: the role of over- and underconfidence in the gender gap in log hourly wages**

	(1) q0.25	(2) q0.25	(3) q0.50	(4) q0.50	(5) q0.75	(6) q0.75
Female	-0.165*** (0.014)	-0.159*** (0.016)	-0.166*** (0.014)	-0.159*** (0.016)	-0.177*** (0.017)	-0.173*** (0.014)
Underconfident		-0.023 (0.016)		-0.055** (0.018)		-0.072*** (0.019)
Overconfident		0.074*** (0.020)		0.034 (0.018)		0.022 (0.020)
Objective ability	0.119*** (0.006)	0.120*** (0.008)	0.146*** (0.008)	0.142*** (0.011)	0.156*** (0.011)	0.157*** (0.011)
Constant	2.052*** (0.032)	2.022*** (0.019)	2.258*** (0.023)	2.267*** (0.030)	2.482*** (0.030)	2.512*** (0.027)
Observations	3,858	3,858	3,858	3,858	3,858	3,858

Notes: Source: BCS70 (CLS n.d.). Sample of those in full-time employment at age 42. Robust standard errors in parentheses. \*\*\*  $p < 0.001$ , \*\*  $p < 0.01$ , \*  $p < 0.05$ . Outcome variable: log hourly wage at age 42. Further control variables: region at birth, parental background, ethnicity. All coefficients are reported in log points and may be transformed to percentages through the following transformation:  $100 \cdot (e^{\text{beta}} - 1)$ , where beta is the estimated coefficient.



**Table A6: Mincer-type wage models: the role of over- and underconfidence in the gender gap in log hourly wages (models of Figure 2)**

	(1) Model 1	(2) Model 2	(3) Model 3	(4) Model 4	(5) Model 5	(6) Model 6	(7) Model 7	(8) Model 8
Female	-0.181*** (0.015)	-0.170*** (0.015)	-0.162*** (0.014)	-0.162*** (0.014)	-0.165*** (0.014)	-0.167*** (0.014)	-0.103*** (0.015)	-0.093*** (0.015)
Overconfident		0.037* (0.018)	0.033 (0.017)	0.030 (0.017)	0.004 (0.017)	-0.002 (0.017)	-0.013 (0.016)	-0.009 (0.015)
Underconfident		-0.093*** (0.018)	-0.075*** (0.017)	-0.074*** (0.017)	-0.066*** (0.017)	-0.059*** (0.017)	-0.054*** (0.016)	-0.052*** (0.015)
Objective ability			0.154*** (0.007)	0.138*** (0.007)	0.096*** (0.008)	0.077*** (0.008)	0.041*** (0.008)	0.040*** (0.008)
Region at birth (Baseline: North)								
Yorks and Humberside				-0.004 (0.031)	-0.011 (0.031)	-0.008 (0.030)	-0.032 (0.028)	-0.030 (0.028)
East Midlands				0.015 (0.033)	0.015 (0.033)	0.008 (0.032)	-0.035 (0.030)	-0.031 (0.030)
East Anglia				0.033 (0.045)	0.023 (0.044)	0.035 (0.044)	0.029 (0.041)	0.023 (0.041)
South East				0.081** (0.026)	0.080** (0.026)	0.091*** (0.025)	0.059* (0.024)	0.057* (0.023)
South West				-0.004 (0.036)	-0.006 (0.035)	0.006 (0.034)	-0.013 (0.031)	-0.017 (0.031)
West Midlands				0.026 (0.031)	0.031 (0.031)	0.039 (0.030)	0.004 (0.028)	-0.001 (0.028)
North West				0.004 (0.028)	0.005 (0.028)	0.006 (0.027)	-0.007 (0.025)	-0.009 (0.024)
Wales				0.068 (0.045)	0.070 (0.045)	0.063 (0.042)	0.054 (0.040)	0.050 (0.040)
Scotland				0.015 (0.030)	0.057 (0.031)	0.031 (0.029)	0.009 (0.027)	0.003 (0.027)
Northern Ireland				-0.008 (0.089)	0.004 (0.099)	0.004 (0.104)	-0.008 (0.106)	-0.023 (0.099)
Region is missing				0.044 (0.047)	0.041 (0.047)	0.053 (0.045)	0.011 (0.043)	0.003 (0.043)
High SES parents				0.057*** (0.016)	0.033* (0.016)	0.022 (0.016)	0.006 (0.014)	0.007 (0.014)
Mother has a qualification				0.065***	0.046**	0.037*	0.019	0.019

	(0.015)	(0.016)	(0.015)	(0.014)	(0.014)
<hr/> Ethnicity (Baseline: English)					
Irish	0.059 (0.140)	0.071 (0.145)	0.002 (0.165)	-0.051 (0.162)	-0.040 (0.162)
Other European	-0.060 (0.085)	-0.079 (0.067)	-0.090 (0.058)	-0.042 (0.050)	-0.041 (0.049)
West Indian	0.047 (0.084)	0.042 (0.076)	0.026 (0.078)	0.008 (0.069)	0.014 (0.072)
Indian	0.322*** (0.080)	0.261** (0.079)	0.232** (0.080)	0.171* (0.076)	0.166* (0.075)
Pakistani	0.238 (0.134)	0.202 (0.126)	0.107 (0.120)	0.127 (0.118)	0.104 (0.117)
Bangladeshi	-0.545*** (0.026)	-0.725*** (0.037)	-0.678*** (0.040)	-0.829*** (0.086)	-0.787*** (0.085)
Other	0.232*** (0.019)	0.188* (0.080)	0.164 (0.120)	0.142 (0.139)	0.157 (0.151)
Ethnicity is missing	0.001 (0.030)	-0.003 (0.029)	-0.009 (0.028)	0.000 (0.026)	-0.003 (0.026)
<hr/> Private high school					
Private or grammar school		0.102*** (0.030)	0.071* (0.029)	0.075** (0.028)	0.070* (0.027)
School type is missing		0.005 (0.024)	0.006 (0.023)	-0.005 (0.021)	-0.007 (0.021)
<hr/> Math test results at age 16					
Grade A/1		0.176*** (0.030)	0.131*** (0.030)	0.095*** (0.028)	0.092*** (0.028)
Grade B/2		0.085** (0.026)	0.060* (0.025)	0.030 (0.023)	0.027 (0.023)
Grade C/3		0.071** (0.026)	0.060* (0.025)	0.035 (0.023)	0.033 (0.023)
Grade D/4		0.032 (0.030)	0.025 (0.029)	0.016 (0.027)	0.015 (0.027)
Grade E/5		-0.021 (0.034)	-0.010 (0.034)	-0.052 (0.032)	-0.048 (0.031)
Failed		-0.146 (0.106)	-0.148 (0.082)	-0.099 (0.070)	-0.096 (0.078)
No info		0.061** (0.021)	0.055** (0.020)	0.035 (0.019)	0.033 (0.019)
A-levels = 1		0.135***	0.047*	0.050*	0.055**

	(0.020)	(0.021)	(0.020)	(0.020)
STEM degree		0.218***	0.179***	0.177***
		(0.025)	(0.025)	(0.025)
LEM degree		0.339***	0.286***	0.287***
		(0.038)	(0.035)	(0.035)
Degree of other subject		0.124***	0.131***	0.133***
		(0.029)	(0.030)	(0.030)
Elite university		0.066*	0.076**	0.076**
		(0.029)	(0.028)	(0.027)
<hr/>				
Occupation				
SOC2000_2digit = 12			-0.225***	-0.222***
			(0.045)	(0.045)
SOC2000_2digit = 21			0.009	0.015
			(0.037)	(0.037)
SOC2000_2digit = 22			0.212***	0.209***
			(0.054)	(0.054)
SOC2000_2digit = 23			-0.198***	-0.204***
			(0.030)	(0.030)
SOC2000_2digit = 24			0.030	0.028
			(0.046)	(0.046)
SOC2000_2digit = 31			-0.149***	-0.140***
			(0.034)	(0.034)
SOC2000_2digit = 32			-0.101***	-0.096***
			(0.028)	(0.028)
SOC2000_2digit = 33			-0.114***	-0.114***
			(0.029)	(0.029)
SOC2000_2digit = 34			0.006	0.018
			(0.079)	(0.079)
SOC2000_2digit = 35			-0.040	-0.036
			(0.027)	(0.027)
SOC2000_2digit = 41			-0.257***	-0.248***
			(0.025)	(0.024)
SOC2000_2digit = 42			-0.245***	-0.237***
			(0.032)	(0.032)
SOC2000_2digit = 51			-0.548***	-0.519***
			(0.085)	(0.085)
SOC2000_2digit = 52			-0.183***	-0.179***
			(0.025)	(0.025)
SOC2000_2digit = 53			-0.181***	-0.176***

SOC2000_2digit = 54							(0.048)	(0.047)
							-0.402***	-0.386***
SOC2000_2digit = 61							(0.040)	(0.038)
							-0.424***	-0.429***
SOC2000_2digit = 62							(0.028)	(0.028)
							-0.313***	-0.292***
SOC2000_2digit = 71							(0.080)	(0.079)
							-0.443***	-0.431***
SOC2000_2digit = 72							(0.037)	(0.037)
							-0.418***	-0.413***
SOC2000_2digit = 81							(0.045)	(0.046)
							-0.265***	-0.260***
SOC2000_2digit = 82							(0.032)	(0.032)
							-0.390***	-0.382***
SOC2000_2digit = 91							(0.034)	(0.034)
							-0.440***	-0.424***
SOC2000_2digit = 92							(0.034)	(0.034)
							-0.430***	-0.417***
Occupation code is missing							(0.031)	(0.031)
							-0.131	-0.123
Works in the private sector							(0.115)	(0.115)
							0.029*	0.029*
Employment experience							(0.014)	(0.014)
							0.001***	0.001***
Has cohabiting partner							(0.000)	(0.000)
								0.020
Has one child								(0.014)
								0.034*
Has at least two children								(0.017)
								0.072***
								(0.014)
Constant	2.396***	2.407***	2.400***	2.305***	2.228***	2.203***	2.140***	2.068***
	(0.010)	(0.014)	(0.014)	(0.026)	(0.030)	(0.029)	(0.049)	(0.050)
Observations	3,858	3,858	3,858	3,858	3,858	3,858	3,858	3,858
R-squared	0.036	0.049	0.157	0.179	0.206	0.249	0.360	0.366

Notes: Source: BCS70 (CLS n.d.). Sample of those in full-time employment at age 42. Robust standard errors in parentheses. \*\*\* p<0.001, \*\* p<0.01, \* p<0.05. Outcome variable: log hourly wage at age 42. All coefficients are reported in log points and may be transformed to percentages through the following transformation:  $100*(e^{\beta} - 1)$ , where beta is the estimated coefficient.

**Table A7: Log hourly wage returns to over- and underconfidence: men**

	(1) Model 1	(2) Model 2	(3) Model 3	(4) Model 4	(5) Model 5	(6) Model 6	(7) Model 7
Overconfident	0.035 (0.023)	0.042 (0.022)	0.034 (0.022)	0.007 (0.022)	0.001 (0.021)	-0.006 (0.020)	-0.002 (0.020)
Underconfident	-0.102*** (0.025)	-0.070** (0.024)	-0.068** (0.024)	-0.062** (0.024)	-0.056* (0.023)	-0.050* (0.022)	-0.048* (0.022)
Objective ability		0.156*** (0.008)	0.135*** (0.010)	0.095*** (0.011)	0.078*** (0.011)	0.043*** (0.010)	0.040*** (0.010)
Constant	2.410*** (0.017)	2.395*** (0.016)	2.276*** (0.034)	2.212*** (0.040)	2.189*** (0.040)	2.244*** (0.076)	2.196*** (0.074)
Observations	2,324	2,324	2,324	2,324	2,324	2,324	2,324
R-squared	0.014	0.126	0.154	0.183	0.222	0.311	0.321
Control variables							
Background			Yes	Yes	Yes	Yes	Yes
Pre-uni education				Yes	Yes	Yes	Yes
Graduation					Yes	Yes	Yes
Occupation codes						Yes	Yes
Partner and children							Yes

Notes: Source: BCS70 (CLS n.d.). Sample of those in full-time employment at age 42. Robust standard errors in parentheses. \*\*\* p<0.001, \*\* p<0.01, \* p<0.05. Outcome variable: log hourly wage at age 42. Control variables: Background: region at birth, parental background, ethnicity; Pre-uni education: attended a private secondary school, Math exam grades at age 16 (O-level or CSE examinations); whether completed any A-level examinations; Graduation: STEM degree, LEM degree, Other degree, elite university; Employment characteristics: 2-digit occupation (SOC) codes, working in the private sector, employment experience between age 16 and age 42, that is the total sum of months in employment counted as 1 if full-time and 0.5 if part-time; Partner and children: having a cohabiting partner; having one child in the household, having more than one children in the household. All coefficients are reported in log points and may be transformed to percentages through the following transformation:  $100 \cdot (e^{\beta} - 1)$ , where  $\beta$  is the estimated coefficient.

**Table A8: Log hourly wage returns to over- and underconfidence: women**

	(1) Model 1	(2) Model 2	(3) Model 3	(4) Model 4	(5) Model 5	(6) Model 6	(7) Model 7
Overconfident	0.040 (0.029)	0.018 (0.027)	0.019 (0.028)	-0.003 (0.028)	-0.011 (0.027)	-0.023 (0.025)	-0.022 (0.024)
Underconfident	-0.080** (0.027)	-0.082** (0.026)	-0.080** (0.026)	-0.066* (0.026)	-0.061* (0.025)	-0.055* (0.023)	-0.053* (0.022)
Objective ability		0.153*** (0.011)	0.144*** (0.011)	0.097*** (0.012)	0.073*** (0.012)	0.033** (0.011)	0.033** (0.011)
Constant	2.231*** (0.021)	2.245*** (0.020)	2.185*** (0.037)	2.084*** (0.043)	2.058*** (0.041)	1.980*** (0.060)	1.905*** (0.065)
Observations	1,534	1,534	1,534	1,534	1,534	1,534	1,534
R-squared	0.014	0.125	0.149	0.182	0.238	0.413	0.418
Control variables							
Background			Yes	Yes	Yes	Yes	Yes
Pre-uni education				Yes	Yes	Yes	Yes
Graduation					Yes	Yes	Yes
Occupation codes						Yes	Yes
Partner and children							Yes

Notes: Source: BCS70 (CLS n.d.). Sample of those in full-time employment at age 42. Robust standard errors in parentheses. \*\*\* p<0.001, \*\* p<0.01, \* p<0.05. Outcome variable: log hourly wage at age 42. Control variables: Background: region at birth, parental background, ethnicity; Pre-uni education: attended a private secondary school, Math exam grades at age 16 (O-level or CSE examinations); whether completed any A-level examinations; Graduation: STEM degree, LEM degree, Other degree, elite university; Employment characteristics: 2-digit occupation (SOC) codes, working in the private sector, employment experience between age 16 and age 42, that is the total sum of months in employment counted as 1 if full-time and 0.5 if part-time; Partner and children: having a cohabiting partner; having one child in the household, having more than one children in the household. All coefficients are reported in log points and may be transformed to percentages through the following transformation:  $100*(e^{\beta} - 1)$ , where  $\beta$  is the estimated coefficient.