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**An investigation of gender effects in the secondary art market: a
biased auction market?**

Detailed Abstract

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This paper examines the influence of auction houses on gender effects in the secondary art market. Based on a data set of over 6,000 auction transactions at *Christie's* in 2019, five statistical tests are conducted. The analysis leads to different findings regarding the auction house's pre-sale estimates and the final hammer prices: It shows that women achieve statistically significant higher hammer prices at auctions in comparison to their male counterparts. There are no statistically significant gender inequalities in the average pre-sale estimates, although works of art by female artists are underestimated much more frequently. Finally, there are large regional differences in terms of gender equality in pre-sale estimates and the proportion of transactions by female artists, which are not necessarily related to the UN gender-inequality index of the respective country. The results are embedded in the discussion between two theoretical streams, namely the demand theory and the supply theory. The propositions support the supply theory. They also serve as a starting point for future research on the underdeveloped issue of the influence of auction houses on gender inequalities in the secondary art market.

Gender effects in pre-sale estimates

We report that at USD 68'175 estimates for works by female artists are on average slightly lower than estimates for artworks by men at USD 72'908. However, this difference is not statistically significant. Our analysis implies that pre-sale estimates of artworks for male and female artists do not differ. This finding contradicts the demand theory. According to the demand theory, auctioneers would value artworks by women lower because they assume less appreciation of female art by collectors. However, our results show that there is no significant gender difference in pre-sale estimates. *Christie's* does not rate works of art by women worse than comparable ones for men. The findings indicate that auction houses do not bias valuation of works of art for any strategic reason. Rather, biases in estimates are due to random errors or inefficiencies.

Gender effects in hammer prices

We report that the mean hammer price for artworks by men is USD 90'844 compared to USD 102'687 by women. The effective hammer price is on average slightly higher for female artists. Our analysis shows that this difference is statistically significant. This finding is consistent with the supply theory. Even though the strength of the effect is small, it suggests that institutional barriers impede women from entering the secondary art market and that there is stronger quality control for them. These findings are in line with Bocart et al. (2018) and Cameron et al. (2019): Women account for a small

proportion of transactions but command overall a price premium. Since entry barriers are higher, only the best female artists can access the secondary art market and therefore achieve higher prices.

Gender effects in auction performance

Auctioneers underestimate artworks by women significantly more than artworks made by men. This could lead to a so-called self-selection mechanism, as described by Bocart et al. (2018, p. 28). It is possible that the institutional underestimation through auction houses and thus the insufficient recognition of their works might discourage female artists from pursuing a professional career or impede their transition from the primary to the secondary art market.

Gender effects and geographical factors

Previous research has suggested that regional conditions potentially influence artists' access to the market and prices obtained at auctions (Cameron et al., 2019). Our study shows that pre-sale estimates for female artists were significantly lower in China, Italy, the Netherlands, and Switzerland than in Hong Kong, France, the United Kingdom, and the United States of America. Based on the supply theory, the proportion of women in the auction market in China, Italy, the Netherlands, and Switzerland should be lower than in other countries. However, our results show that China has the highest proportion of female artists at a 18% level, followed by Hong Kong at 13.5%, the United States of America at 8.5%, Italy at 8% and the Netherlands at 7%.