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**Reading Note: Gender Gap in Performance: Evidence from Young Lawyers**

This paper studies the gender gap in performance and career outcomes among high-skilled professionals through evidence from a nationally representative panel survey of a cohort of new lawyers in the United States. The paper finds that gender difference in performance can explain most of the unexplained gender difference in career outcomes which past literature has found even after controlling a wide range of individual and firm characteristics. Furthermore, the paper investigates potential reasons for the gender gap in performance. In particular, the study identifies that child rearing and career aspirations are the two main reasons for the gender gap in performance.

The paper uses a nationally representative panel survey from After the JD, whose sample is a cohort of new lawyers admitted to the bar in 2000 in the United States. The panel survey contains detailed questions on job characteristics, employment history, educational background, and family status, enabling the paper to control a wide range of individual and firm characteristics. The panel includes three waves of the survey conducted in 2002, 2007, and 2012 respectively. However, the study mainly focuses on the data of 2007 and those respondents who work for private law firms. In addition, the paper uses the data of 2002 and 2012 to construct variables that are not observable on the data of 2007 such as the satisfaction of one's decision to become a lawyer in 2002 (to proxy the predetermined component of career aspirations in 2007) and promotion probability (being a partner of a law firm in 2012).

With the help of rich data, the paper uses performance data to explain the gender difference in the career outcomes of lawyers. The performance is measured by two measures: billed hours (the hours billed to clients) and new client revenue (the amount of revenue generated by new clients brought by a lawyer). These two measures are also widely adopted across different private law firms to determine the salary and bonus of a lawyer and hence enable this paper to examine the sources of the gender gap in the career outcomes that have been largely unexplained before even controlling individual characteristics. The paper examines two career outcomes – annual earnings and promotion possibility – and finds that after controlling the individual and firm characteristics, the gender gap (categorical variable that indicates the individual is female or not) coefficient of the regression reduces approximately by half. More importantly, after controlling the performance, the gender gap term is no longer significant.

Furthermore, the paper discovers the gender difference in the performance of the lawyers (even after controlling for individual and firm characteristics) and identifies child rearing and career aspirations as the key determinants. To find the possible sources, the paper examines different hypotheses such as discrimination, child rearing, human capital differences, and career aspirations differences. Notably, the main sources for the gap in the two different measures of performance seem to be different. For billed hours, after adding the interaction term of female and presence of young children (below 4 years old), the gender gap term becomes insignificant and the interaction term is significant, suggesting that the traditional view of females shouldering a greater responsibility on child rearing may be the reason the performance difference in billed hours. However, adding the interaction term has little effect on the gender gap in the new client revenue. The paper also identifies that career aspirations (self-reported aspirations to become an equity partner in their firm on a scale from 1 to 10) play a key role in explaining the gender gap in performance. For the new client revenue, after adding the career aspirations, the gender gap term becomes insignificant and the career aspirations term is significant, indicating the career aspirations explain a large portion of gender difference in new client revenue. For the billed hours, although adding the career aspirations term does reduce the gender gaps and the career aspirations term is significant, the remaining gender gap is still large and significant. In addition, the interaction term of female and career aspirations is not significant in both models, suggesting that the effect of aspirations to males and females on the performance is likely to be equal.

To sum up, the paper uses a nationally representative sample of a cohort of lawyers to show the existence of gender gap in performance and identifies that child rearing and career aspirations are the main sources of the gender gap in performance and hence able to explain the unexplained gender gap in career outcomes in the previous literature. One limitation of the paper is that since the data is drawn on a cohort of new lawyers admitted to the bar in 2000 in the United States, the results may be different in a different country or at a different time. Another point is that although the paper argues that the gender difference in career aspirations of 2007 has already been partially determined in 2002 (the paper proxies the aspiration with some questions in the 2002 survey since the survey did not ask aspirations in 2002) and hence suggests that the feedback from employer or working environment is less important. However, the working experience of 2 years (from 2000 to 2002) may be already enough for new lawyers to receive feedback regarding future promotion possibilities and hence may be reflected in their survey in 2002. Hence, the main source of the gender gap in career aspirations is still worth exploring.