

Gender Gaps in Performance: Evidence from Young Lawyers

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It is interesting to explore why there exists a significant earnings premium between males and females. This paper tries to figure out whether performance affects gender gaps in earnings and what determines the gender gaps in performance. The authors choose law firms to explore questions above. They use hours billed and new client revenue to measure the performance of lawyers. Their results suggest that the main determinants of gaps in performance are the impact of the presence of young children on genders and career aspirations across genders. The authors also show that the inconsistent performance between genders results in gender gaps in earnings and promotion.

First, the authors use the data from After the JD to make regression of lawyers' performance on gender and some control variables. The coefficient of *Female* is statistically significant, which shows that gender performance exists and these control variables cannot fully explain the performance gap. Subsequently, the authors rule out some possible explanations for gender gaps in performance. The first one is about selection problems. The insignificant coefficient of gender shows that there is no gender difference in selection billing requirements. The second possible reason is the differences in the output per hour worked. The coefficient of gender is significant in the ratio of aggregate performance to hours worked regression, which shows that gender gaps in performance are not only due to differences in the total hours worked. The third one is related to the lawyers' specialty. The authors add the fixed effect of areas of law to exclude this explanations for gender gaps in performance.

Second, the authors try to figure out the determinants of performance. The first one is discrimination measured by not receiving enough assignments and partners discounting hours. When adding the discrimination measures in the regression, the authors find the coefficient of *Female* is significant, showing that the discrimination cannot be regarded as one of the reasons for gender gaps in performance. The second one is related to child rearing. After adding the interaction term of

gender and child age under four in the regression, the coefficient of gender on hours billed is not significant. This result shows that having young children helps explain the gender gaps in hours billed, but it cannot explain the gender gap in new client revenue. The third one is about career aspirations, measured by the rate of aspirations of lawyers to become a partner in the firm. After including the term of aspirations and its interaction with gender, the coefficient of *Female* is insignificant in new client revenue regression, which shows that the gender gaps in aspirations can explain the gender differences in the new client revenue.

Finally, the authors try to find the impact of performance on gender gap in career outcomes (earnings and promotion aspirations). For earnings, the authors find that, after controlling the performance and other control variables, the coefficients of gender become insignificant. This result represents that gender gaps in earnings can explain gender gaps in performance. For promotion aspirations, When the authors add the measurements of performance, the coefficient of *Female* becomes insignificant, showing that promotion aspirations explain an important part of the gender gap in performance.

To conclude, this paper finds that gender gaps in performance result from different influences of the presence of young children on genders and different career aspirations across genders. The authors also show that the inconsistent performance between genders results in gender gaps in earnings and promotion. The novelty of this paper lies in the application of legal profession data in the US, which allows for exploring gender gaps in performance across firms and specialization because of the comparability of the performance measures.

In my opinion, there are two limitations in this paper. One point is that this paper cannot explain why there are differences in aspiration and household responsibilities between females and males and whether this social notion is a form of discrimination. I think the authors may need to consider other ways to measure social discrimination. The other point is that the authors should report the regression methods. For the regressions of gender gaps in performance, the authors use two variables to measure the performance and only use OLS to estimate the coefficients of two equations separately. I think the authors can also use other ways, such as seemingly unrelated regression (SUR). This method can assume the error terms of two equations can be correlated, which may be more reliable.