Reading Notes
Gender Gaps in Performance: Evidence from Young Lawyers

Zixuan Qi

January 26, 2022

---

1 Introduction

1. **Summary**

   This paper examines the gender gaps in performance in law firms. They use hours billed and new client revenue to measure the performance of lawyers. This paper finds that the main determinants of gaps in performance are 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.

2. **Contribution**

   The novelty of this paper lies in the application of legal profession data in US, which allows for exploring gender gaps in performance across firms and specialization because of the comparability of the performance measures. Also, this paper can explain partly why the number of women in high-skilled positions is not sufficient.

2 Econometric Techniques

This part talks about data and empirical strategies used in the paper.

1. **Data Description and Some Measurements**

   The authors use the data from After the JD. This data contains the survey from lawyers in 2002, and the same lawyers are surveyed again in 2007. The authors use two factors to measure the performance. One is annual billable hour, the other is new client revenue, which is measured as the firm's revenue attributed to new clients. The data also contains the total earnings and educational background of the lawyers. The first one is used to explore the effect of gender gaps in performance on gender gaps in earnings. The second one, as well as information on the region of lawyers, is applied as control variables in the regression.

2. **Explore Performance Gaps**

   The authors make regression of lawyers' performance on gender and some control variables. The coefficient of *Female* is statistically significant, which shows that the gender performance exists and these control variables cannot explain the performance gap very well.

3. **Some Possible Explanations for Gender Gaps in Performance**

   The first one is about selection problems. The authors make regression of target hours on gender and other control variables to rule out this possibility. 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 there are gender differences.

   The third one is related to the lawyers' specialty. The authors add the fixed effect of areas of law to explore this possible reason. They find that the coefficients of gender on performance are still significant after adding the specialty fixed effect. Therefore, different specialties cannot explain the gaps in performance well.

4. **Determinants of Performance Gap**

   The first one is discrimination measured by not receiving enough assignments and partners discounting hours. However, when the authors add the discrimination measures in the regression, the coefficients of genders are significant showing that the discrimination cannot be regarded as one of channels of gaps in performance. The authors also use two regressions (feeling of being constrained and senior mentor) to make robustness check, and the results are same.

   The second one is related to child rearing. The authors find that when add the interaction term of gender and child age under four, then the coefficient of gender on hours billed is not significant. This shows that having young children leads to female lawyers working fewer billed hours, but it cannot help to explain the gender gap in new client revenue.

   The third one is about career aspirations, which is measured by the rate of aspirations, answered by lawyers, to become an partner in the firm. After adding the term of aspirations and its interaction with gender, the coefficients of gender 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 find that other possible explanations (overbilling, networking, and working weekends) of gaps in performance do not have a significant effect.

5. **The Role of Performance**

   There are two kinds of roles of performance. One is the role of performance in the earnings gender gap. The authors find that, after controlling the performance and other control variables, the coefficients of gender become insignificant. This result represents that the gaps in earnings can be explained by the gaps in performance. The other is the role of performance in the promotion. The authors regard whether the lawyer becomes an equity partner of his firm as the measurement of whether having promotion. When the authors add the measurements of performance, the coefficients of gender become insignificant. The conclusion that performance can also impact the future earnings (promotion) can be obtained.

3 Limitations

The paper may have two limitations as follows.

1. One point is that this paper cannot explain why there are differences in aspiration and household responsibilities between genders and whether this social notion is a form of discrimination. Thus, the measurements of discrimination may should add more ways.

2. The other point is that I think the authors should report the method of regressions. For the regressions of performance gaps, the authors use two variables to measure the performance and may only use OLS to estimate the coeffcients of two equations separately. I think the authors can also try to 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.

4 Conclusions

There are two main conclusions in the paper.

1. First, this paper finds that the main determinants of gaps in performance are different influences of the presence of young children on genders and different career aspirations across genders.

2. Second, the authors show that the inconsistent performance between genders results in gender gaps in earnings and promotion.