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### **Reading Notes on Gender Gaps in Performance: Evidence from Young Lawyers**

In *Gender Gaps in Performance: Evidence from Young Lawyers*, within the legal profession, Ghazala and Rosa (G&R) explored how gender gaps in performance lead to gender gaps in career outcomes including earnings, promotion opportunities, and the likelihood to become a partner. With individual and firm characteristics explaining approximately 50 percent of earning gaps, the two performance variables (hours billed & new client value) can explain nearly all of the remaining career outcome gaps between genders. One step further, G&R also investigates what factors influence gender performance gaps and find out that the existence of young children will decrease female lawyers' billing hours while aspiration can explain gender gaps in new client value. Then this paper concludes that gender gaps performance is the key reason for observed gender gaps in career outcomes in the legal profession and implicates that gender gaps in career outcomes may not diminish and even increase in following years. Moreover, this paper suggests that the conclusion derived in this paper may not be confined to high-skilled industries but may also apply to more general industries.

One of the biggest advantages of this paper lies in its data and empirical strategy. This paper's choice of the legal profession brings a substantial benefit. That is, in the legal profession, there already exist two measures for lawyers' working performance evaluation: hour billed and new client value, which are even consistent among firms and areas of specialization. With these two direct variables presenting lawyers' performance, there's no need to find proxies and thus brings more precision to the research. To depict the dependent variable, career outcomes, this paper uses earnings, promotion opportunities, and the likelihood of becoming a partner. Also, this paper includes a set of control variables depicting an individual's characteristics (e.g., gender, age, education, marital status, etc.), regions, and firms' characteristics (e.g., area of specialization, size, etc.). Moreover, this paper includes variables measuring discrimination, child status, aspirations, overbilling, networking, and weekend working, which are all used to investigate what factors influence lawyers' performance.

The results of this paper can be partitioned into two parts. In the first part, this paper observes significant performance gaps between genders and extensively investigates what factors influence lawyers' performance. After controlling individuals', firms' characteristics,

and even working hours, female lawyers still have 97 billing hours and bring approximately \$324000 less than men, which are significant in any significance level. Traditional hypotheses include discrimination and child-rearing. However, after testing four channels of discrimination (case assignment, mentoring activities, type of task, self-reported discrimination), this paper finds none of them could explain gender gaps in performance. As for child-rearing, the existence of children aged under 4 decreases approximately 200 fewer hours for female lawyers per year but exerts nearly no impact on male lawyers. Moreover, after introducing child-rearing variables, nearly all gender gaps in hours billed is explained with the coefficient for female becoming insignificant. Unfortunately, child-rearing can only explain gender gaps in hour billed but has no use in explaining gender gaps in new client revenue. This paper also tests four additional hypotheses: aspirations to become a partner, overbilling, networking, and working weekends. It turns out that after introducing an individual's aspirations, nearly all gender gaps in new client value are explained with the coefficient of aspirations being significant at any significant level and the coefficient for female becoming insignificant. Moreover, aspirations exert no different effect on male and female lawyers since the interaction term between female and aspirations is insignificant. For overbilling, networking, and working weekends, this paper finds they play no role in explaining gender gaps in career outcomes.

In the second part of the result, this paper shows that after introducing control variables and individual performance variables, the coefficient for female becomes insignificant in all regressions with dependent variables as earnings, promotion, partnership respectively. This suggests that gender gaps in performance explain nearly all remaining parts of gender gaps in career outcomes.

This paper is significant in that it shows that in the area of the legal profession, gender gaps in career outcome is due to a fair reason—gender gaps in performance instead of discrimination against women. However, this paper focuses mainly on the legal profession. Though this paper claims it can apply to other industries, this paper does not explicitly show why this paper's conclusion can be applied to other high-skilled areas and general industries. Therefore, this still remains to be a hypothesis in other industries.