Course: ECON 613

Name: Yuqi Zhou

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**Reading Notes of “*Gender Gaps in Performance: Evidence from Young Lawyers”***

The paper documents the existence of the gender gap in the legal profession and examines its determinants. Unlike many industries having heterogeneous standards of performance measurements, the legal professions applied two main transparent metrics to assess performance: annual hourly fees and the revenue generated by new clients for firms. And the performance has a strong impact on the earnings and the following promotion of lawyers. It suggested that the large pay gap among more capable and career-driven women in high-skilled occupations can be explained in part by differences in performance. The findings from the paper are statistically male lawyers work 10 percent more hours than female lawyers and bring in more than twice as much new client revenues.

The paper first showed the existence of the gender gap in earnings and promotions. Law firms used the annual number of working hours of a lawyer as the first measurement of a lawyer's performance and the number of new clients that lawyers personally brought to their firms each year as well as how much revenue those new clients generated. The essay aimed to search for significant factors to explain the gender-based differences in performance. Factors associated with possible discriminations in the workplace are found to be irrelevant in explaining the differences in performance of gender. The potential prejudices can be from the following perspectives: First, female lawyers did not get enough tasks; Second, partners discounted their working hours and third, the lack of interactions between female lawyers and clients. But all those concerns were not statistically significant in affecting the revenues, and thus did not explain the gender differences in the performance measurements.

The empirical strategies applied in this paper is worth mentioning. To reveal the existence of gender-based inequality in earnings, Fig1 plotted the median weekly earnings of male and female lawyers when controlling the individual characteristics. Figure2 provides the gender coefficients of the quantile regressions ranging from 0.10 to 0.90 and draw the gender gap in performances at 5 percent confidence interval. Also, based on AJD data, Table1 used descriptive statistics to presents the variables that would cause the gender gap. In the end, the paper applies OLS method by controlling other independent variables with the intension of isolating the chosen variable and find the causal-effect between variables.

Here are the findings of this paper. The performance between male and female lawyers are significantly different. (1) Working hours: Male lawyers spend an average of 1,826 hours per year, while female lawyers spend an average of 1,677 hours. Their annual target number of working hours is also different. It is shown from Table 1 that the average target for male lawyers is 1,827 hours, compared with 1,759 hours for female lawyers. (2) New clients: New client revenue, with male lawyers bringing in more than twice as much new client revenue as female lawyers ($30,000).

Having toddlers in the household reduced the working hours of female lawyers but not male lawyers. The data showed that female lawyers with children under 4 worked approximately 200 fewer hours per year, while male lawyers with young children are not affected. The presence of small children only helps explaining the gender gap in hours billed, but not new client earnings. The variation in career aspirations among young lawyers can lead to gender differences in performance. According to the regression data, personal career aspirations had a strong positive impact on new client revenue but had little difference in billable hours or earnings.

In summary, a large proportion of the gender gap in earnings and promotions in the legal firms can be explained by a direct measure of variable that are often overlooked: workplace performance. The paper explored two main hypotheses to explain the gender gap in performance: (i) The existence of toddlers under 4 in the household; (ii) Occupation aspirations. The paper concluded that gender gap in earnings and promotions may not decrease in the future or even increase, since more high-tech companies will evaluate workers based on working performances. Although, the limitation of this paper is that it did not further explore the possibility of female lawyers’ lack of aspiration due to the prejudice they encountered in chatting costumers. It is reasonable to suspect that some costumers have gender prejudices and thus prone to fire male lawyers.