

## **Gender Gaps in Performance: Evidence from Young Lawyers**

*Reading Note 1 Revised, Yuzhe Wang*

It is unclear why there are gender gaps in career outcomes among highly skilled professionals. One possible reason is the differences in performance. To figure out how the gender gaps in performance lead to the gender gaps in career outcomes, the authors first examined the driving factors of the performance gaps and then associated them with the career outcome gaps. In the end, the article found that the existence of preschool children and aspirations creates performance gaps, and working performance explains a substantial part of the gender gaps in career outcomes.

To measure the working performance and career outcomes, the paper took the annual hours billed and new client revenue as two measures of lawyers' performance and took the annual earnings and partnership status as two measures of career outcomes. These data were collected by AJD in which other variables, such as gender, age, and education were also included. Due to the fact that AJD is a dataset focusing on the legal profession, the paper only explains the gaps in lawyers. However, the result is still convincing because the legal profession is like many other highly skilled professions and is faced with persistent gender gaps in career outcomes. With these data, the paper firstly examined what caused the gender performance gaps.

To explore the determinants of gender differences in working performance, the paper checked three highly concerned parts: discrimination, child-rearing, and additional factors including career aspirations. The technique used in this paper to investigate whether the concerned factors can explain the gender gaps is to compare the results of the linear regression between two models. The first model regressed the measured performance (hours billed and new client revenue) only on gender and controlled variables. The second model regressed the measured performance on gender, concerned factors, and controlled variables. If the gender is significant in the first model but insignificant in the second model, the added factors are considered to explain the gender gaps in working performances. The results showed that child-rearing could explain the gaps in billed hours and career aspirations helped explain the gaps in new client revenue.

After figuring out the driving factors of gender performance gaps, the authors examined how they were linked with the gender gaps in career outcomes (annual earnings and promotion). To analyze how the performance gaps explain the career outcome gaps, the authors took a similar strategy that is to compare the regression results among models with and without the measured working performance (hours billed and new client revenue) when controlling firms and individual characteristics. If the gender variable is significant without the performance factors and becomes insignificant with the performance factors, the measured performances explain

gender gaps in career outcomes. The results demonstrated that hours billed and new client revenue both explained 50 percent gender gaps in annual earnings and 40 percent gender gaps in the promotion.

In conclusion, the article demonstrated that preschool children and aspirations are two factors explaining the gender performance gaps in the legal profession, and the performance gaps also explain most of the gaps in career outcomes.