

Reading Notes 1

Gender Gaps in Performance: Evidence from Young Lawyers

by Ghazala Azmat and Rosa Ferrer

In this paper, Azmat and Ferrer explain the gender gaps in earnings and career achievements. In addition to individual and firm characteristics, they suggest that performance differences could potentially explain the observed gender gaps. Since the legal profession uses transparent and homogeneous indicators of performance: number of hours billed to clients and new clients revenue raised, the authors use legal profession data to explore the determinants of gender differences in performance and the links between performance and gender gaps in career outcomes. In conclusion, Azmat and Ferrer find that presence of young children and career aspirations have a considerable effect on gender differences in performance.

Azmat and Ferrer use data from After the JD, which is a survey on job characteristics, employment history, educational background, and family status of young lawyers admitted to the bar in 2000. The analysis of this paper focuses on the 2007 data set where variables such as hours billed and aspirations to be promoted were added. As for empirical strategy, Azmat and Ferrer use OLS regression and fixed-effect estimation. The dependent variables are the measures of performance: **Hours Billed** and **New Client Revenue**, and the independent variables, or the hypothesis to be tested, are **Female**, **Not enough assignments**, **Partner discounted hours** (indicators of discrimination), **1 child**, **2 children**, **3+ children** (indicators of children rearing), **Aspirations**, **Less than others** (indicators of overbilling), **Network time**, and **Weekend time**. Then, to boost the robustness of the results, Azmat and Ferrer employ the methods of fixed effect estimation by adding region fixed effect, individual controls¹, and firm controls² to the regression model.

The results presented in Section IV show a considerable performance discrepancy between males and females. On average, female lawyers bill about ten percent less and bring less than half as much new client revenue than male lawyers, and the coefficients do not have a significant

¹Individual controls include marital status, age, number of children, the presence of children at preschool age, ethnicity, years of tenure, working full time and education.

²Firm controls include size of firm and type of organization.

change under individual and firm controls. Furthermore, the authors find that the gender difference in performance is stable across distribution by using quantile regressions of the same model.

Next, in Section V to Section VII, Azmat and Ferrer seek for possible explanations for the gender difference in performance and link the gender difference in performance with earnings and career outcomes. They find that the presence of young children reduces about two hundreds hours billed by female lawyers; however, it has no significant effect on new client revenue. Moreover, career aspirations have a large positive effect on the hours billed and new client revenue. Then, as for the links between gender difference in performance and differing career outcomes, the authors show that individual and firm characteristics and performance each explain approximately half the gender difference in career outcomes.

This paper presents the existence of the gender gaps in performance and earnings in legal profession and two major determinants of the gender differences in performance: presence of young children and career aspirations. Nevertheless, there exists some limitations that could hurt the reliability of the results. Firstly, the authors fail to explain why high-skilled elites, such as lawyers, have differing professional objectives and child-rearing duties. Secondly, the authors fail to explain whether the results derived from legal profession data can be applicable to other professions and skills; if not, the results that gender difference in performance leads to differing earnings and career achievements would be suspect in general.