

Gender Gaps in Performance: Evidence from Young Lawyers
Azmat & Ferrer, 2017

This paper has used detailed data from After the JD datasets and multivariate regressions to assess the channels through which gender gaps in earnings operate. The idea is to find factors for the gender gap in career outcomes among high-skilled workers. This paper considers the legal profession as the proxy for high-skilled workers. Some of the reasons to use this profession include: Easy to interpret the career performance, which is measured simply by hourly pay, and data availability. The two hypothesized factors the paper wants to test for the gender gap are child-rearing, and aspiration to become a law firm partner which leads to more accumulation of human capital and signals career ambition.

This paper uses two main target variables to measure the gender gap. Firstly, the paper uses annual hours billed as the proxy to measure the performance of workers in the legal profession. Secondly, the paper uses new client revenue to further measure the aspiration of becoming a law firm partner. The 2 variables Regressions include a fixed-effect model that control factors matter to measure the gender gap. The paper also divides the sample into ten deciles respectively by the two variables to plot Figure 2 that shows the gender gap at different deciles of hours billed or new client revenue. Moreover, the paper checks the gender difference in self-selection to firms by applying different billing requirements through regressing target hours by respective firms of the workers on relevant factors. Some of the other specifications to do regressions to check the self-selection differential include income per hour workers, areas within the law profession, discrimination in legal case assignment that includes thresholds of working-hours, child-rearing, and career aspirations.

This paper uses total earnings as the dependent variable to do regressions in the second part of model specifications. We see that the baseline specification doesn't control for performance. Moreover, to study the difference in earnings per unit of performance, and the likelihood of becoming a partner as a proxy for promotion opportunities, this paper regresses earning rewards on client revenue.

In this paper, most measurement issues are optimally eliminated for the research questions focusing on high-skilled workers by relying on data transparency and the human capital-intensive nature of the legal profession.

In summary, the paper finds gender affects career outcome, performance, and promotion opportunities among high-skilled workers through child-bearing activities, which are more likely to be the responsibility of women, and career aspirations that male workers desire more. Both men and women with children have higher incomes than those without. However, having children increases men's wages more than women's, which positively contributes to the gender

income gap. Finally, instead of the effect of having children, the paper finds that career aspiration appears to be the main contributor to the gender gap.