

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

Ghazala Azmat<sup>†</sup>

Rosa Ferrer<sup>‡</sup>

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## Abstract

This paper documents and studies the gender gap in performance among associate lawyers in the United States. Unlike most high-skilled professions, the legal profession has widely-used objective methods to measure and reward lawyers' productivity: the number of hours billed to clients and the amount of new-client revenue generated. We find clear evidence of a gender gap in annual performance with respect to both measures. Male lawyers bill ten-percent more hours and bring in more than double the new-client revenue. We show that the differential impact across genders in the presence of young children and the differences in aspirations to become a law-firm partner account for a large part of the difference in performance. These performance gaps have important consequences for gender gaps in earnings. While individual and firm characteristics explain up to 50 percent of earnings gap, the inclusion of performance measures explains most of the remainder.

**Keywords:** performance measures, gender gaps, lawyers

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<sup>†</sup> Universitat Pompeu Fabra, Barcelona GSE, Queen Mary University, and CEP (LSE).

Email:ghazala.azmat@upf.edu

<sup>‡</sup> Universitat Pompeu Fabra and Barcelona GSE. Email:rosa.ferrer@upf.edu

## 1. Introduction

The reasons behind the gender gaps in career outcomes, particularly among high-skilled workers, remain unclear. Due to the complexity of measuring performance, it is difficult to understand what part—if any—of these gaps can be attributed to differences in performance. Firms reward higher individual performance either directly, through performance pay, or indirectly, through promotion and hiring decisions. Therefore, to analyze differences in career outcomes, it is important to determine whether there exist gender differences in performance and what could be driving them. This is particularly true for high-skilled workers since a growing number of them are explicitly evaluated and compensated based on performance.

In this paper, we document gender differences in performance among high-skilled workers. Performance indicators are often costly to gather and heterogeneous across industries and firms. This poses difficulties in measuring performance differences across workers and evaluating their implications. We overcome this problem by using the legal profession as a setting. Unlike many other sectors, the legal profession traditionally uses performance measures that are transparent and homogeneous across firms. In our analysis, we use comprehensive information on nationally representative young lawyers in the U.S., including detailed information on the measures by which they are evaluated: annual hours billed and the amount of new-client revenue brought to the firm.<sup>1</sup> These measures have become widely used within the profession in the last several decades, as a means not only to explicitly compensate lawyers, but also to evaluate lawyers for promotion decisions.

We find substantial gender differences in annual performance. To understand the performance gap, we explore the more traditional explanations of discrimination, child-rearing, and human-capital differences. We also consider differences in preferences regarding areas of specialization, the inclination toward overbilling, networking behavior, and career aspirations. We find that while the presence of pre-school children in the household has a crucial differential effect on the performance of male and female lawyers, differences in aspirations to “become a partner” in the law firm is also a key determinant of the gap. In particular, such aspirations affect the amount of new-client revenue, the performance measure that is more relevant for long-

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<sup>1</sup> Private-practice lawyers record the amount of time they devote to each case, and, based on these records, law firms determine the value of the legal service provided and clients’ fees. Moreover, most law firms assess performance and determine lawyers’ bonus based on these records (Fox, 2007).

run career outcomes. In contrast, other preference-related explanations that we consider are less relevant in explaining gender gaps in performance. For instance, female lawyers have a lower tendency to report “overbilling” of clients, and, although overbilling has (positive) consequences in terms of performance, it has a negligible effect in explaining gender gaps. In a similar way, the amount of time spent networking, which differs significantly between male and female lawyers, does not explain a substantial part of the gender differences in the performance. With regards to discrimination, it is possible that the key determinants of the performance differences — child rearing and career aspirations— are associated to subtle forms of discrimination, such as compliance with social norms. However, a key finding of the paper is that the gender gaps in performance do not appear to be caused by explicit discrimination at the firm level.

Performance differences are often a key determinant of career advancement. Traditionally, researchers have relied on proxies for performance, such as differences in absenteeism (Ichino and Moretti, 2010), to understand gender gaps in labor-market outcomes. However, here we can use on-the-job performance to understand gender gaps in career profiles. We explore the implications of these differences by focusing on consequences in terms of earnings. As in other professions and industries, the legal profession has a persistent gender gap in earnings. Figure 1 illustrates the large gender difference in lawyers’ median salary; moreover, it shows that there is no evidence of this difference decreasing in the last decade as the male-dominated generations retire.<sup>2</sup>

We find that the gap in performance helps to explain lawyers’ gender gap in earnings, a considerable proportion of which has remained unexplained until now (Wood et al., 1993; Dinovitzer et al., 2009). This has been the case more generally in the gender literature, in which, despite the wide range of explanatory measures, a large part of the gender gap in earnings is unaccounted for (see Altonji and Blank, 1999, for a review of the literature). We find a raw gender earnings gap between male and female lawyers of 25 log points. When we control for individual and firm characteristics, we can explain 50 percent of this initial gap. Controlling for performance, we are able to explain almost all of the remaining gender gap. Our paper highlights that there exists an omitted-variable bias problem since to proxy for performance—which is commonly omitted—it is not sufficient to simply control for the observable characteristics typically used in the literature. The previous literature has explored various possible sources of

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<sup>2</sup> It was not until the 1980s that the expansion of the legal profession attracted a large number of women (Rosen, 1992).

the gap, but their relative importance and whether they are related—not only to earnings, but also to performance—remains unclear.

Recent research has explored the importance of performance pay on inequality across economic sectors.<sup>3</sup> The link between performance pay and increased inequality is found to be stronger for high-income individuals because, for them, salaries may be more sensitive to individual productive characteristics rather than job-specific characteristics (Lemieux et al., 2009). Thus, focusing on professions in the top part of the income distribution can provide further insights into these findings.

The legal profession is among the highest-paid professions in the U.S., along with physicians and CEOs,<sup>4</sup> and it constitutes a substantial part of the U.S. GDP.<sup>5</sup> There has been increased interest in why large earning gaps exist among the more able and more career-driven women in high-skilled professions (Manning and Swaffield, 2008; Bertrand et al., 2010).<sup>6</sup> Attending law school is costly in terms of fees, opportunity costs, and living expenses.<sup>7</sup> Moreover, the high-skilled nature of the profession suggests that male and female lawyers have similar skills, training and motivation. In particular, we focus on a generation of lawyers that experienced virtual gender equality in law school admissions and no prominent gender differences in law school performance.

Our paper documents large gender gaps in performance, and we show that these gaps have important subsequent consequences on earnings. Because we use detailed data on typically omitted variables, such as performance, our findings contribute to

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<sup>3</sup> Lemieux et al. (2009) study the evolution of performance pay and wage inequality in the U.S. labor-market system from the 1970s to the 1990s. Heywood and Parent (2009) use the same period but focus on the white-black wage gap. They find that the white-black earnings differential is larger in the share of the income distribution where performance pay is more prevalent. Finally, comparing Spanish industries, De la Rica et al. (2010) find that the gender gap is considerably larger for workers whose salaries include a variable component compared to those who have a fixed salary.

<sup>4</sup> National Cross-Industry wage estimates, U.S. Bureau of Labor Statistics.

<sup>5</sup> In 2008, legal expenses accounted for more than \$200 billion, which constituted 1.5 percent of the U.S. GDP. Comparing it to other large economic sectors, we observe that this was \$80 billion more than educational services and almost four times more than air transportation services (Bureau of Economic Analysis, U.S. Department of Commerce).

<sup>6</sup> Manning and Swaffield (2008) and Bertrand et al. (2010) both find that there is no gender earning gap in the outset of young professionals' careers, but that their earnings diverge ten years after graduation. Bertrand et al. (2010) focus on MBA graduates from the University of Chicago and attribute growing earning-gap differences to career disruptions; training choices prior to MBA graduation; and weekly hours worked. Manning and Swaffield (2008) focus on graduates in the UK and find that differences in human capital and psychological factors explain part of the wage-growth gap, but most of the gap remains unexplained.

<sup>7</sup> Three years of tuition cost, on average, \$55,000 for public schools and \$107,000 for private schools. In the 2008-2009 academic year, law school students borrowed, on average, \$66,000 and \$100,000 to attend public and private law schools, respectively. The average values correspond to the American Bar Association, Section of Legal Education and Admissions to the Bar, "Law School Tuition 1985-2008: Average Amount Borrowed For Law School, 2001-2008."

understanding the previously unexplained parts of the earnings gap. In addition, to understanding the gaps in labor-market outcomes, information on lawyers' affective response allows us to question differences in satisfaction on a number of dimensions and to understand if performance differences are truly choice-driven. While choice may be constrained by factors such as social norms or inefficiency in the market for childcare, our analysis of satisfaction offers helpful insight into issues that have been largely neglected. We see that while there are substantial gaps in performance and, in turn, earnings, it does not seem that there are gender gaps in satisfaction on important dimensions. For example, while we find gender differences in areas of specialization, male and female lawyers are equally satisfied with their choice of specialty. Moreover, we do not find gender differences regarding satisfaction in work recognition and opportunities for advancement.

## **2. Performance Measures in the Legal Profession**

The legal profession provides an ideal framework for studying gender differences in performance. Unlike other high-skilled professions, it uses widely-accepted objective method to measure and reward lawyers' productivity. Although the use of performance pay has increased since the 1970s throughout different economic sectors, it has become pervasive in professional activities and high-skilled occupations (Lemieux et al., 2009). In contrast with the legal sector, the methods to measure performance in other professions and industries are still heterogeneous across firms, making it difficult to make comparisons within an industry.

### **2.1. Hours billed**

It is standard for law firms in the United States to determine the value of legal services by computing hourly fees times the number of hours devoted to a case, rather than by using fixed fees or fees contingent on the outcome of the case (Kritzer, 2004; Garoupa and Gomez, 2007). Commonly known as billable hours, this method was first introduced in the 1950s and has become a widely-used management tool within law firms in the last several decades (American Bar Association, 2002).<sup>8</sup>

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<sup>8</sup> The practice of time recording started to become routine in the 1950s (American Bar Association, 2002). By the end of the 1960s, "most mid-sized and large law firms had shifted to hourly billing."

Since billable hours directly determine firms' revenues, they are also their preferred way to measure lawyers' productivity.<sup>9</sup> A majority of law firms use billable hours to determine bonus compensation and have billable-hours requirements for their associate lawyers (Fortney, 2005; Altman Weil, 2010). To compute the number of hours a client should pay for, lawyers keep detailed records of the time they devote to each case (e.g., using time-tracking software). However, it is important to note that the number of hours that a lawyer bills does not generally coincide with the number of hours he or she worked. In general, the number of hours lawyers work is larger than the number of hours billed since there are broad tasks, such as meetings and training activities, which cannot be assigned to specific clients or cases. Moreover, differences in work intensity and skills across lawyers may affect how much time each lawyer needs to have spent in order to bill a given number of hours. For instance, to bill one hour, two lawyers might have worked different amounts of time, such that the lawyer taking less time will then be able to take on more assignments and have a higher annual performance. We can, therefore, interpret hours of work as one of the inputs in the production function of hours billed.

In this paper, we use the annual number of hours billed by lawyers as the first measure of lawyers' performance. As is common in other high-skilled professions (e.g., academia, management, etc.), employers are more concerned about overall performance than about the number of hours worked. Ultimately, it is the annual number of hours billed that is relevant for law firms since that will determine yearly revenues. In 2006, the median hourly billing rate for associate lawyers was \$200 per hour, and the median number of hours billed was 1,704 (Altman Weil, 2007). In turn, the median associate lawyer generated revenue of more than \$300,000. There is a great deal of variability across firms in the billing rates and lawyers' billable-hours requirements. Typically, these are increasing in the size of the law firm. There is also variability depending on the area of law.<sup>10</sup>

The use of billable hours has proven persistent over the years. Advocates of billable hours argue that this method serves to calculate the value of the service, to

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<sup>9</sup>A more accurate term is perhaps "perceived productivity" or "perceived performance." Throughout the paper, we refer to them as "performance" since these are widely-accepted performance measures within the profession, and law firms use them to evaluate lawyers' annual productivity.

<sup>10</sup> The areas of law with larger billing rates are Antitrust, Municipal Finance, Securities, Mergers and Acquisitions, and Intellectual Property. The average number of hours billed also varies across areas: Lawyers working on Trusts and Real Estate, for example, billed 1,507 hours, on average, in 2006 (Altman and Weil, 2007).

minimize transaction costs between clients and law firms, and to eliminate uncertainty and arbitrariness about bonuses for lawyers (American Bar Association, 2002).<sup>11</sup> While the hours billed are accountable, such that they reflect quality and not only quantity, some critics argue that this method may not reflect all aspects of the services provided to the client and that it discourages the use of technology that might increase productivity. Others remark that measuring performance based on hours billed may induce associate lawyers to overbill clients. However, the Rules of Professional Conduct of the legal profession establish an ethical code to prevent billing abuse.<sup>12</sup> In addition to ethical incentives, competition between law firms and clients' participation constraints reduce the chances that lawyers will overbill.<sup>13</sup>

## **2.2. New-client revenue brought to the firm**

As a second measure of lawyers' performance, we consider whether lawyers personally brought new clients to their firms and how much revenue these new clients generated. This additional measure captures the quality dimension of lawyers' performance: Lawyers who provide higher-quality work will establish a good reputation with clients, who will then be more likely to recommend their services. Together with hours billed, origination of client revenue—also known as “rainmaking”—is the most-used objective criterion to measure lawyers' productivity. Altman Weil (2010) finds that more than half of law firms—and particularly common in large ones—use “formal origination credit scoring systems” to reward lawyers' ability to attract new clients. Important sources of new client revenue are referrals from previous clients and from other lawyers (Spurr, 1988; Garicano and Santos, 2004). Therefore, this performance measure captures ability in creating personal connections, reputation and visibility. These skills are crucial in promotion decisions because they are informative about lawyers' potential performance as law-firm partners.

## **3. Data Description**

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<sup>11</sup> For a summary of the debate, see American Bar Association (2002). The report argues that “the hourly billing method has endured virulent criticism over the past two decades, [although the criticisms] have not displaced hourly billing or even reduced its dominance as the most common form of law firm billing.”

<sup>12</sup> Rule 1.5 of the Model Rules of Professional Conduct, American Bar Association.

<sup>13</sup> For a formal model, see, for instance, Garoupa and Gomez-Pomar (2007).

Our analysis is done using data from *After the JD*, a nationally representative longitudinal survey on lawyers in the United States.<sup>14</sup> The *After the JD* study is a project of the American Bar Foundation and other legal associations. Lawyers in the sample are representative of all lawyers who were admitted to the bar for the first time in 2000. The survey was first conducted in 2002, and the same lawyers were interviewed again in 2007.<sup>15</sup> Participants of the survey respond to detailed questions on job characteristics, employment history, educational background and family status. In 2007 the survey also included questions on billable hours which is why we focus on this period. They work primarily in private law practice (54%), government jobs and nonprofit organizations (25%),<sup>16</sup> private industries different from law firms (18%),<sup>17</sup> and academic institutions (3%).<sup>18</sup>

We focus on lawyers who bill hours—the bulk of those who work in private law firms. Table 1 reports descriptive statistics for this core sample in 2007. The raw gender difference in the annual number of hours billed is 152 hours, and the difference in annual new-client revenue originated is almost \$30,000. Assuming that lawyers work 50 weeks per year, they bill 35 hours per week, on average, while working approximately 52 hours per week. Also, on average, male lawyers work five hours more than female lawyers.<sup>19</sup> In total earnings, which refer to lawyers' reported annual salaries including bonus components, there is a gender difference of around \$17,000. As is commonly known in the legal profession, total earnings and performance expectations are strongly positively correlated with the size of the law firm. However, the fraction of female lawyers working in large organizations is not significantly different from the fraction of males. There are also no significant gender differences in the average number of years at the current job. Female lawyers are, however, significantly younger, less likely to be married and have considerably fewer children. They are also less likely to belong to a

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<sup>14</sup> Recently, other papers have used *After the JD*. Oyer and Schaefer (2010) study the salary premium for attending a prestigious law school. Dinovitzer et al. (2009) use the first wave of the data to conduct a detailed descriptive analysis of the gender gap in lawyers' income.

<sup>15</sup> The response rate in 2002 was approximately 70 percent. Among those responding in 2002, more than 85 percent responded also in 2007.

<sup>16</sup> This category includes positions such as prosecutor, judge and public defender.

<sup>17</sup> This category includes all lawyers working for consulting firms, Fortune 1000 industries, and investment banking.

<sup>18</sup> Percentages are computed excluding those unemployed and those who did not report their salaries.

<sup>19</sup> *Hours of work* is provided per week rather than per year and refers to the week prior to participating in the survey.



minority group.<sup>20</sup> The descriptive statistics are very similar when compared to the lawyers in the sample who do not bill hours.<sup>21</sup>

The dataset contains detailed educational variables. We use the bracketed ranking of the institutions that respondents attended as undergraduates and as law students, as well as their reported grade point average in both institutions.<sup>22</sup> We also use information about whether, as law students, they participated in simulated mock trials (*moot court*) and law journals' editorial activities (*general journal* and *other journal*) since these activities help build skills relevant to practicing law practice and obtaining jobs. In addition, we also have information on whether respondents held positions as judicial clerks in state or federal courts. Since judicial clerkships are prestigious internships through which outstanding students assist judges—usually for the two years immediately following graduation—having held a position as a clerk captures additional information about skills. We actually observe that, on average, female lawyers are significantly more likely than male lawyers to have held judicial clerkships. All of these education-related variables serve as proxies for ability.

Finally, we also have information on the region in which lawyers lived in 2002. To account for regional mobility between 2002 and 2007, we construct a variable that updates the 2002 information if lawyers were last admitted to practice law by a State Bar's authority in a different location. Most states require that lawyers pass their specific bar examination to be able to practice the law in the state. After taking into account regional mobility, there are thirty regions in the sample, most of which are at the state level, but for those living in major urban areas, information is disaggregated at the city level.

#### **4. Gender Gaps in Performance**

In this section, we show that there is a large gender gap in performance. We then investigate alternative explanations for why female lawyers may be neither billing as much nor raising as much new-client revenue as male lawyers.

From Column 1 of Table 2, we see that male lawyers bill 153 more hours than female lawyers do, which is equivalent to around ten-percent more hours billed. In

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<sup>20</sup>The study included an oversample of new lawyers from minority groups (black, Hispanic and Asian).

<sup>21</sup> The raw earning gap is higher (\$25,000) for the overall sample, which seems to be driven by a larger gender gap among those working in professional service firms other than law firms (e.g., investment banking, consulting, etc.)

<sup>22</sup> The rankings are based on 1996 and 2003 *U.S. News* reports for undergraduate and law school studies, respectively.

Column 2, we control for individual and firm characteristics, including marriage, age, the number of children, the presence of children under four years of age, ethnicity, years of tenure, working full-time, the size of the firm and the type of organization. While these factors play an important role, they cannot explain the gender differential in hours billed. In addition, Column 3 shows that including detailed educational variables as proxies for ability has a negligible effect on the gender gap. Having participated in journals' editorial activities, for example, has a positive effect on hours billed, but including them as controls does not affect the gender gap. Overall, a gap of nearly 100 annual hours remains.

A possible explanation for this gender difference could be unobserved firm effects that relate to the required number of hours to bill; for example, it could be that male and female lawyers select into firms that have different requirements. We explore this using the hours that firms expect their lawyers to bill, which could be related to gender differences in hiring outcomes or in job assignments. However, from Columns 4 to 6 of Table 2, we find no gender gap in the hours that employers expect female and male lawyers to bill (with and without controls, respectively).

Regarding the second measure of performance, new-client revenue, we see from Columns 7, 8, and 9 that male lawyers bring in substantially more revenue than female lawyers. After controlling for firm and individual characteristics, together with proxies for ability, the gender gap in revenue is still more than \$30,000. Having held a judicial clerkship has a considerable effect on raising new-client revenue; however, it does not help explain the gap.

Differences in performance could be due to differences in the amount of work produced per hour. As mentioned, law firms focus on annual performance in terms of hours billed to clients. However, studying the ratio of hours billed to hours of work may help determine whether there are gender differences in productivity per hour worked and whether female lawyers, perhaps more concerned with the quality than the quantity of their work, devote more time per billable hour. In Table 3, we find that the gender coefficient is not significant, implying that female lawyers do not work more hours per hour billed than males do.

Therefore, the question still remains to be answered: What is causing the gender differences in performance? To understand the determinants of the gap in performance, we explore a number of three-principle factors. We start by investigating the traditional explanations for gender gaps in earnings: discrimination and child rearing. We then

investigate whether differences in genders' preferences help to explain part of the gap, including differences in career aspirations and in area of legal specialization.

#### **4.1. Discrimination**

If the employer (partner of the firm) can “interfere” with the number of hours that the associate lawyer bills, there could be scope for discrimination. In particular, one could argue that there is some form of discrimination in the assignment of cases since more-senior colleagues or firm partners typically assign the cases for which associates bill hours. In order to investigate this possibility, we first study whether or not receiving enough assignments from the partner explains lower performance. In addition, we study whether partners might interfere with the way hours billed are measured by discounting hours or by not giving them full credit.

Table 4 shows the summary statistics for the different reasons that lawyers report for finding it difficult to meet billable hours. From the table, we do not observe significant gender differences in the two main responses that could be connected with discrimination: first, not receiving enough assignments; and second, partners discounting hours.<sup>23</sup> While both explanations seem to be quantitatively important—accounting for around 30 percent of the difficulty in meeting billable hours—they do not, on average, affect female lawyers more than male lawyers. In Panel A of Table 5, we see that not receiving enough assignments does imply that the lawyer bills fewer hours, suggesting constraints to performance. However, the gender gap remains the same after including this variable, while the interaction term shows that there is no gender difference in the hours billed for these “constrained” female and male lawyers. In other words, a female lawyer who claims not to receive enough case assignments does not bill less than a male lawyer who claims the same. In Panel B, the results are similar for partner-discounted hours. Not only does this variable have no effect on the gender gap, but it also has no significant effect on lawyers’ hours billed in general. In Columns 4 to 6 of Panels A and B, we look at the gap between hours expected to bill and actual hours billed. Both reasons have a significant effect on lawyers’ hours billed beyond what is expected from them; yet, once again, there is no difference between male and female lawyers and no effect on the gender coefficient.

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<sup>23</sup> In the following section, we will revisit this table to address some of the other responses. We defer the discussion of these responses until then.

One might argue that male and female lawyers have different thresholds for which they are constrained—i.e., they feel that they do not get enough assignments. If that is the case, then there may still be scope for discrimination in case assignment. In Table 6, we see that lawyers billing between 1600 and 1800, between 1800 and 2100 or more than 2100 hours report being less constrained than those billing 1600 hours or less.<sup>24</sup> The coefficient is significant for only the two upper intervals. In Column 2, when we interact gender with the different thresholds, we do not find any significant gender difference. This is reassuring, as it suggests that the likelihood of being constrained is the same at the different points in the hours-billed distribution.

Finally, although only descriptive, when lawyers are asked about satisfaction in the workplace, male and female lawyers are equally satisfied with their advancement in the firm and with the recognition that they receive for their work. We see that on a scale of 1 (lowest) to 7 (highest), 61 percent of female and 66 percent of male lawyers rate their satisfaction with advancement as 5 or more, while 20 percent of both males and females rate their satisfaction as 3 or below at. Moreover, 68 percent of female and 70 percent of male lawyers rate their satisfaction with recognition for their work as 5 or higher, while 17 percent of female and 16 percent of male lawyers rate their satisfaction as 3 or below. Gender differences in levels of satisfaction could suggest discrimination and, yet, satisfaction levels in both genders appear to be quite equal.

Satisfaction responses also allow us to address whether employers might be interfering with performance by assigning more routine or less intellectually stimulating cases to female lawyers. We find that female lawyers are not less satisfied than male lawyers with the intellectual challenge of their current position—in fact, male lawyers are slightly (but significantly) less satisfied than female lawyers in this dimension—. To explore this issue more in detail we look at lawyers' responses on the frequency of different types of activities. We do not find gender differences in the amount of time spent on routine work, on writing motions and depositions, on face-to-face meetings with clients, in keeping clients updated, and in handling an entire matter on their own. The only gender difference that we find is that female lawyers report to be more frequently involved in formulating strategy with more senior attorneys or clients. Therefore, overall we do not find evidence of female lawyers being held back from activities that are more challenging or have higher levels of responsibility.

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<sup>24</sup> These cut-offs are in line with the quartiles of the distribution.

## 4.2. Child Rearing

Gender differences in earnings are often attributed to women having children and the gender difference in caring for children. We now investigate whether the presence of children affects performance and whether there is a differential impact on female lawyers.

Columns 1 and 7 in Table 7 show the gender gaps in hours billed and client revenue, respectively, controlling for region fixed effects and individual and firm characteristics, but without controlling for children. In Columns 2, 3, 8 and 9, we see that neither children nor the presence of young children (i.e., children of preschool age (under four years old)) has any effect on hours billed or new-client revenue generated, respectively. In Columns 4 and 10, when we interact the number of children with gender for each performance measure, we see that there is no differential effect of children on hours billed or client revenue, respectively. However, Column 5 shows that there is a differential effect of the presence of young children on billable hours. Having young children results in female lawyers billing fewer hours but does not affect male lawyers. In particular, we find that female lawyers with young children bill around 160 fewer hours per year, while male lawyers with young children do not experience a significant decline in the number of hours billed. This suggests that female lawyers may shoulder a greater part of the household responsibilities than male lawyers with regard to raising preschool-aged children. Column 11, however, shows that child rearing does not help explain the gender gap in new-client revenue. We see that there is no effect of the presence of either children or young children on raising new-client revenue for either male or female lawyers.<sup>25</sup>

## 4.3. Differences in preferences

To complement more-traditional arguments regarding gender gaps, recent literature has focused on the effect of gender differences in preferences (see Croson and Gneezy, 2009). In this section, we study whether possible preference differences between male and female lawyers help to explain the gender gap in performance. Since it is not clear in the literature whether these preferences are truly innate or social, we

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<sup>25</sup> The presence of children of one year of age or below also helps explain the gap in hours billed (but not in new-client revenue); however, the effect is less substantial than the cumulative effect of children under age four.

abstract from the debate on the origin of these differences. We focus on whether these differences determine lawyers' choices in a way that affects performance. First, we focus on factors that appear to be crucial in explaining the performance gap in (i.e., differences in career aspirations), and then we address other potential factors that do not appear to play a major role (i.e., choice of area of specialization, willingness to overbill, networking behavior).

#### **4.3.1. Career Aspirations**

Gender differences in the career aspirations of young lawyers may contribute to the differences in performance. When asked to rate, on a scale from 1 to 10, their aspirations to become an equity partner within their firm, 60 percent of male lawyers answered with 8 or more, compared with only 32 percent of female lawyers (see Figure 2). Being able to measure career aspirations is relevant for identification purposes since, following the career-concerns literature (Fama, 1980; Holmström, 1982, 1999), agents who put higher weight on their future earnings have stronger incentives to put in effort, which affects performance. This is particularly true for workers at an early stage of their careers since the incentive to perform better increases with the level of uncertainty about workers' skills. Even in the presence of explicit monetary rewards for performance, such as bonus compensation, career concerns may play a considerable role in workers' effort decisions (Gibbons and Murphy, 1992).

Columns 3 and 7 of Table 8 show that aspirations have a strong positive effect on the hours billed and the new-client revenue generated.<sup>26</sup> Interestingly, while differences in aspirations do not fully explain the gender differences in hours billed (Column 3), they do explain differences in new-client revenue since the gender coefficient is no longer significant when we control for aspirations (Column 7). This suggests that the gender differences in aspiration levels can explain the remaining gender difference in new-client revenue generated by lawyers. This is intuitive, as new-client revenue can be seen as lawyers' long-term investment in their firms. Initiating and finding new clients requires time and effort, but career concerns may make this worthwhile. Interestingly, from Columns 4 and 8, we see that there is no differential effect of aspirations on hours billed and client revenue, respectively. In other words, if

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<sup>26</sup> Not all lawyers responded to the question on aspirations. In Columns 1, 2, (5, 6), we see that there is little difference in the gender coefficient for the different samples on hours billed (new-client revenue).

male and female lawyers aspire at the same level, there is no difference in the hours they bill or revenue they generate.

One may argue that the aspirations variable captures the likelihood of becoming partner, as the question is asked of lawyers in their seventh year out of law school. This, they may already have an idea about their chances of becoming partner, which usually takes place between the seventh and tenth year after passing the bar examination. We deal with this concern by using the instrumental variable technique. We instrument for aspirations using two different variables from the first wave of the survey, which was conducted in 2002, when the lawyers were only two years out of law school. The instruments we use are: 1) How satisfied are you with your decision to become a lawyer? 2) How much longer would you like to stay with your current employer? The instruments capture the lawyers' contentment within the industry and within the firm, respectively. We expect respondents, after only two years of working as lawyers, to still have a high degree of uncertainty regarding future performance and the likelihood of becoming a partner, and yet correlated with aspirations. In the first stage, both instruments are strong and are individually significant at the one-percent level, with respect to aspirations. The second stage is given in Columns 9 to 14 of Table 8. In line with our OLS findings, we see that aspirations do play an important role in explaining the gender differences in client revenue. While aspirations are important for the number of hours billed, they do not explain the gender difference in billable hours.

#### **4.3.2. Other Preferences-Related Explanations**

In this subsection, we look at other differences in preferences that could potentially affect performance. Overall, we find that while there may exist important gender gaps in these factors, they contribute very little to explaining performance gaps.

First, we explore gender differences in billing behavior. From Table 4, we saw that one reason why lawyers find it more difficult to meet billable hours is that they feel that they are less likely to bill for actual hours worked, as compared to their colleagues. In response to this, we see that female lawyers are four-percent more likely than male lawyers to select this reason. It is possible that female lawyers may be less willing than their male colleagues to overbill clients. For instance, if women were more risk-averse than men (Eckel and Grossman, 2008), the possibility of being caught by the client or by a partner would be a stronger incentive for female lawyers not to overbill. Similarly, if men are more assertive and less empathic (Ruble et al., 2006), they might have a

higher tendency to overbill. While overbilling is likely to exist, the Rules of Professional Conduct of the legal profession establish an ethical code to prevent such abuse. Moreover, competition between law firms and clients' participation constraints reduce the chances for lawyers to overbill (see Section 2 for more discussion on overbilling). A second reason could be gender differences in how male and female lawyers value their work. Barron (2003) and Major et al. (1984) find that women may feel less entitled to higher compensation.

A more thorough analysis of differences in billing behavior shows that, unlike career aspirations, it does not explain the gender differences in performance. In particular, from Table 9, we see that lawyers who report that they are less likely than their colleagues to bill for actual hours worked do bill fewer hours. Nevertheless, the gender gap persists, and the interaction with gender is insignificant—suggesting that male and female lawyers who respond in the same way do not differ in the hours they bill. These results hold for the gap between expected hours and actual hours billed.

In addition, we find that the other possible explanations listed in Table 4 do not have a significant effect on the gender gap. There is no gender difference in the hours billed for those who report difficulties in meeting billable hours due to personal choice or due to spending too much time on pro bono or administrative tasks. Regarding health issues, we do observe in Table 4 that female lawyers are 12-percent more likely than males to select this reason. This could be in line with Ichino and Moretti (2010), who find a connection between women's absenteeism and the female menstrual cycle. In our analysis, however, health issues with regard to difficulty in billing more hours do not appear to have an effect on either the gender gap or performance.

A second potential explanation is related to preferences in networking behavior. The willingness to spend time attending networking functions and or participating in recreational activities with other lawyers or clients for networking purposes may differ by gender. On average, in a typical week, male lawyers work 15 percentage points more than female lawyers; they attend networking events 11 percentage points more and are 40 percentage points more likely to participate in recreational activities (e.g., golf) for networking purposes with other lawyers or clients. Nevertheless, from Table 10, we do not find that these differences are a relevant source of the gender gap in performance. Networking could affect the gender gap in performance in two ways: first, if female lawyers devote less time to networking; and second, if networking affects male and female lawyers differently. For instance, the previous literature found differences in the



type of networks that male and female managers build (Ibarra, 1997). From Table 10, we see that networking does not affect hours billed but has important consequences for raising new-client revenue. An extra hour spent networking is associated with raising an additional \$2,800. However, Column 5 shows that controlling for networking does not reduce the gender coefficient for new-client revenue. Thus, the amount of time devoted to networking does not explain the performance gap. In addition, we analyze whether networking affects male and female lawyers differently for a given number of networking hours. In Columns 3 and 6, the interaction term of networking with gender is not significant for either hours billed or client revenue. Therefore, an extra hour spent networking has the same performance return for male and female lawyers.

We obtain similar results for working on weekends. In Table 11, Columns 2 and 4 show that time spent working on weekends has important consequences for both hours billed and client revenue. In particular, one additional weekend hour worked per week is associated with an increase of 14 hours billed per year and an additional \$2,800 in new-client revenue. Although time worked on weekends has a substantial effect on performance, it does not seem to explain the gender gap in performance. Moreover, time worked on weekends does not affect female and male lawyers differently, as shown in Columns 3 and 6.

Finally, we explore whether a lawyer's specialty affects performance. Although our results are within the same profession, one may relate differences in the area of specialization to the occupational segregation literature.<sup>27</sup> We control for lawyers' area of specialization by using the percentage of their time that respondents devote to 27 different areas of law listed in the survey. Although we do find gender differences in the areas of specialization, they do not seem to be relevant for the differences in performance. Out of the 27 specialties listed, we find that, compared to the overall sample, female lawyers are more significantly represented in Family Law, Probate (Wills and Trusts), Employment Law (Management), and Public utilities and Administrative Law, while Intellectual Property and Criminal Law have a significantly larger number of male lawyers.<sup>28</sup> Nevertheless, Table 12 shows that controlling for the

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<sup>27</sup> While occupational segregation has declined over the years, there still appears to be a tendency for women and men to choose different types of jobs and different specialized training within the same profession. See, for instance, Blau et al. (1988), Goldin (1990), Blau and Kahn (2000) and Bertrand et al. (2010).

<sup>28</sup> Lawyers in the sample report the percentage of time that they devote to each of the legal areas. The results provided are robust to different possible ways in which to aggregate this information. We do not find either men or women to be overrepresented in the remaining areas of specialization: General

area of specialization does not have a substantial effect on the gender gap on performance. We see that the gender coefficient decreases slightly for hours billed (Column 2), while it increases slightly for client revenue (Column 4).

## 5. The Role of Performance on the Earnings Gender Gap

Given that there exist considerable differences in performance, in what follows, we analyze how these differences translate into differences in earnings. We find that while traditional individual and firm controls explain around 50 percent of gender earning differences, performance measures explain almost the entire remaining gap. We present the results comparing the analysis with and without controlling for performance measures. Before proceeding, the next subsection exposes the identification problems that may arise when performance is not observed.

### 5.1. Performance and the Omitted-Variable Problem

In a standard competitive model, lawyers' compensation would be determined by their performance (e.g.,  $W=P$ ). Therefore, in the following econometric specification for annual earnings,

$$W_i = \beta_0 + \beta_1 \text{Gender}_i + \beta_2 P_i + \varepsilon_i,$$

the coefficient for *Gender* would be different from zero only if, given the same performance,  $P$ , male and female lawyers are still paid differently. Therefore,  $\beta_1$  could be interpreted as discrimination in earnings. In other words, if earnings differences persist after controlling for performance—together with individual, firm and location characteristics—then there could be evidence that lawyers who perform equally are compensated differently.

A persistent problem in the gender-gap literature is that productivity or performance is typically not observable, especially when studying high-skilled sectors and professions, thus implying an omitted-variable problem. Moreover, whenever performance measures are not available, a common strategy in the literature is to use observable characteristics to proxy for performance:

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Practice, Antitrust, Bankruptcy, Civil Litigation, Civil Rights, Commercial Law, Employment Law (Unions), Environmental Law, General Corporate Law, Immigration Law, Municipal Law, Personal injury (Plaintiff), Personal Injury (Defense), Real Estate (Commercial), Real Estate (Personal), Securities, Tax Law and 'Other' areas.

$$P_i = \gamma_0 + \gamma_1 \text{Gender}_i + \gamma_2 X_i + u_i,$$

where the proxies for performance would be *Gender* and  $X_i$  (e.g., child-rearing-related variables, firm characteristics, educational background, etc.).

Introducing the performance equation into the expression for annual earnings, we see that the coefficient for *Gender* might be significant due to discrimination or to gender differences in performance not related to  $X_i$ . In particular, rewriting the expression as:

$$W_i = (\beta_0 + \beta_2 \gamma_0) + (\beta_1 + \beta_2 \gamma_1) \text{Gender}_i + \beta_2 \gamma_2 X_i + (\varepsilon_i + \beta_2 u_i),$$

we cannot distinguish between  $\beta_1$  and  $\beta_2 \gamma_1$ . In other words, we cannot differentiate part of the coefficient on *Gender* due to discrimination from that due to differences in performance.

As discussed in Section 2, the legal profession is distinctive in that there do exist recognized ways in which performance is measured—namely, *Hours billed* and *New-client revenue*. In turn, we are able to control directly for performance—hence, alleviating the omitted-variable bias problem.

## 5.2. Gender Gap in Earnings (without Performance Measures)

We start by estimating (log) annual earning equations using ordinary least squares. The estimations shown in Table 13 are done with and without controlling for individual and firm characteristics.

The raw gap in mean log earnings between male and female lawyers for the full sample is 25 log points (Column 1). In Column 2, we control for individual characteristics, including marriage, age, the number of children, the presence of children under age four, ethnicity, years of tenure, and working full-time. The inclusion of these characteristics explains a substantial fraction of the gender gap; however, 18 log points are still unexplained. Marriage and the presence of children do not seem to directly affect log earnings, but working full-time instead of part-time and the years of tenure do affect wages. Note that if we use weekly hours worked instead of full-time status, we find a similar effect on the gender gap (Column 3). Age appears to have an effect on log earnings; however, since all workers are of the same cohort, there is little variation in age. When we add the quadratic terms, it is no longer significant.

In Column 4, we control for important firm characteristics: the size of the firm and the type of organization. While these factors play an important role—the gap falls to 12.6 log points—they cannot fully explain the gender earning differential. In general, working in a larger firm, working in a private law firm, or working in the private sector in general all correspond to higher earnings.

The individual and firm characteristics together explain 50 percent of the raw gender gap, but the other 50 percent remains unexplained. Interestingly, Wood et al. (1993), in a study of University of Michigan Law School graduates from the class of 1972-75, also find a gender gap in annual earnings of 12.4 log points when controlling for similar characteristics. The proportion of female lawyers in the 1970s was considerably lower; in their study, female lawyers comprise only nine percent of the sample.

### **5.3. Gender Gap in Earnings (with Performance Measures)**

In this section, we analyze the effect of performance on earnings differences by focusing on lawyers who bill hours. Among those who bill hours, more than 93 percent work in law firms, and the remaining lawyers work in solo practices. The gender gap in earnings for those who bill hours is quite similar to the gap in other sectors. In Table 14, we show that there is an overall gap of 12.6 log points, a slightly lower gap of 10.6 log points if we consider those who work in the public sector, and 10.0 log points for those who bill hours. There may be selection of more-able women into private law firms, which reduces the raw gender gap; however, the gap does not disappear. We will address the selection issue later in this section.

In Table 15, we include the main performance variables: hours billed and the amount of new-client revenue generated. To compare the results, in Column 1, we show the gender gap controlling only for individual and firm characteristics. Column 2 shows that when we include region fixed effects, the gap is largely unchanged. Controlling for performance (columns 3, 4, and 5) explains a considerable part of the remaining gender gap. In particular, the number of hours billed has a strong and positive effect on earnings; we find that billing 100 additional hours per year leads to a 3.1-percent increase in salary. Interestingly, the inclusion of this variable reduces the gender earning gap to 6.5 log points. Furthermore, the importance of hours billed in calculating lawyers' earnings is clearly noticeable when comparing the earnings regression without controls in Column 6 with the same regression after controlling for hours billed in

Column 7. The single inclusion of hours billed makes the R-squared increase from two percent to 26 percent.

Column 4 shows that client revenue, too, has an important effect on annual earnings. Bringing in new-client revenue worth \$100,000 implies an increase of around 4.5 percent in earnings. From Column 5, we see that when including both performance measures, the gender gap in earnings falls to 5.5 log points and is significant only at the ten-percent level. In Columns 10 and 11, we include the squared and cubic terms, respectively. There seems to be a nonlinear relationship of these variables, but it does not affect the gender coefficient. Overall, the analysis shows that it is key to control for differences in workers' performance.

To study the difference in earnings per unit of performance, we show that there is no gender difference in the reward for each hour billed or for each dollar of client revenue raised by the lawyers. Since earnings per hours billed serves a proxy for the hourly rates charged to clients, this regression serves as an additional way to study explicit discrimination. Columns 1 and 2 in Table 16 show that the gender coefficient is not significant for earnings per hour billed and earnings divided by client revenue generated, respectively.

#### **5.4. Robustness Checks**

Hours billed and new-client revenue are good summary statistics for true productivity. In this section, we show that controlling for other things that may be correlated with performance does not contribute much to our main findings.

First, we control for a wide range of education variables that proxy for ability. In Column 3 of Table 17, we control for undergraduate university ranking, law school ranking, having held a judicial clerkship or having participated in Law Review (member/editor) or Moot Court (member/leader) activities while in law school. While some of the variables are significant after controlling for other individual and firm characteristics, they neither change the gender coefficient nor help to explain the gender gap. The positive and significant effect of law school ranking is consistent with Oyer and Schaefer's (2010) findings that attending a prestigious school has a considerable effect on annual salary.

Second, we investigate the effect of area of specialization on earnings. In Column 4 of Table 17, we show that while areas of specialization have some effect on gender gap, when comparing Columns 2 and 4, we see that they do not affect the

coefficients or the significance of the performance measures—hours billed and client revenue.

Finally, we address the possibility of selection differences between men and women into billing hours. In Table 18, we find that female lawyers are, on average, three-percent less likely to enter a job that requires billing hours (Column 1). However, we find that it is the more-able lawyers, rather than less-able lawyers, who tend to select into jobs that bill hours, as shown in Column 2. From Column 3, we see that this is equally true for male and female lawyers, such that we can rule out that more-able women are self-selecting themselves out of jobs that require billing hours. In other words, lower hours billed by female lawyers do not seem to be due to a selection of less-able women into jobs requiring billing hours. In fact, we do observe that the gap is slightly smaller when focusing only on lawyers who bill hours.

## **6. Conclusion**

We have examined gender differences in performance among high-skilled individuals. Using the legal framework, in which there are well-defined and homogeneous performance measures, we find a substantial gender gap in performance. These gaps appear to be consequential since we find that the difference in earnings among male and female young lawyers is strongly related to gender gaps in performance.

We explore three principal factors that can explain gender gaps in performance: (i) discrimination in the workplace; (ii) the presence of children in the household—particularly young children; and (iii) preference-related factors. An important finding is that discrimination in law firms—whereby senior lawyers (i.e., law-firm partners) have some scope to interfere with variables associated with performance—does not seem to explain the gaps. While the presence of pre-school children contributes, in part, to the gaps in performance, it is not the only key determinant. Aspirations to become a partner and, perhaps, more-general career concerns explain an important part of the gender gap. Gender differences exist on other dimensions, such as areas of specialization, time spent networking, and time spent working on weekends. While these factors influence performance, they do not appear to explain the gender gaps in performance.

The differences in performance have important consequences. We show that after controlling for detailed individual- and firm-level characteristics, 50 percent of the

gender gap in earnings remains unexplained. Traditionally, the lack of data on key variables such as performance, especially in skilled or non-manual jobs, would entail speculating on what can explain the remaining gap. We show that the inclusion of an important omitted variable can explain a large part of the remaining gap. A relevant implication of these results is that gender earnings inequality might increase in the near future due to the growing number of high-skilled workers explicitly compensated based on performance.

An important next step is to examine more deeply why career aspirations and the effects of raising children differ between high-skilled females and their male counterparts. While we show that discrimination at the firm level does not seem to be an important determinant, it may be that social norms or some other type of social pressures burden even the most elite professional women. We find similar levels of satisfaction in the workplace among female and male lawyers, which may suggest that these differences are truly choice-driven. Finally, further research might address whether the use of objective performance measures permits the elimination of possible discrimination channels.

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## Tables and Figures

**TABLE 1 – DESCRIPTIVE STATISTICS**

	Male Lawyers			Female Lawyers			P-Value
	Obs.	Mean	Std. Dev.	Obs.	Mean	Std. Dev.	
Total Earnings (\$)	684	150,667	74,531	441	132,685	70,282	0.00
Hours billed (annual)	684	1,826	535	441	1,677	520	0.00
New Client Rev. (\$)	684	53,346	171,965	441	23,349	68,892	0.00
Age (years)	684	36.12	4.98	441	35.29	4.92	0.01
Marriage	684	0.81	0.39	441	0.75	0.43	0.02
Children	684	1.22	1.24	441	0.82	0.91	0.00
White	684	0.83	0.38	441	0.75	0.43	0.00
Hours worked (per week)	684	54.09	12.80	441	48.83	13.84	0.00
Tenure (years)	684	5.18	2.49	441	5.26	2.44	0.59
Private Law Firm	684	0.92	0.27	441	0.93	0.26	0.57
Size of workplace > 100	684	0.48	0.50	441	0.51	0.50	0.26
Law School Ranking	597	4.95	1.08	392	5.05	1.10	0.17
UG Uni Ranking	662	12.89	3.50	435	13.04	3.62	0.48
Judicial Clerk	684	0.02	0.15	441	0.03	0.17	0.44
Moot Court	684	0.32	0.47	441	0.35	0.48	0.31
General Journal	684	0.22	0.42	441	0.20	0.40	0.39
Specific Journal	684	0.20	0.40	441	0.25	0.44	0.05

Notes: *Total Earnings* are calculated as a sum of straight salary and bonus. *Hours billed (annual)* is the number of hours billed last year (2006). *New Client Rev* is the approximate amount of new-client revenue (expressed in U.S. dollars) generated last year (2006). *Marriage* takes the value one if the lawyer is married, remarried after divorce or in a domestic partnership and zero if single, divorced or separated, widowed, or other. *White* takes the value one if the lawyer is Caucasian and zero if lawyers are from minority groups (black, Hispanic and Asian). *Private Law Firm* takes the value one if the lawyer works in a private law firm and zero if the lawyer works for another organization (solo practice, federal government, state or local government, legal services or public defender, public interest organization, educational institution, professional service firm, other Fortune 1000 industry/service, other business/industry, labor union, trade association, others). *Size of workplace > 100* takes the value one if the number of people employed in the organization is greater than 100 and zero otherwise. *Hours worked (per week)* is the number of hours spent working last week (at the office or away from the office). *Undergraduate Uni Ranking* and *Law School Ranking* are bracketed rankings based on *U.S. News* reports of 1996 and 2003 for undergraduate and law school studies, respectively. Both variables are redefined such that the higher the value, the more prestigious is the educational institution. *Judicial Clerk* takes value one if the lawyer has held a position as a judicial clerk in state or federal courts and zero otherwise. *Moot Court* takes the value one if the lawyer participated in simulated mock trials as a student and zero otherwise. *General (Specific) Journal* takes value one if the lawyer participated in law journals' editorial activities as a student and zero otherwise.

**TABLE 2 – PERFORMANCE GAPS**

	Hours Billed			Expected Hours Bill			New Client Rev.		
	[1]	[2]	[3]	[5]	[6]	[7]	[8]	[9]	[10]
Female	-0.153*** [0.0329]	-0.105*** [0.0315]	-0.0981*** [0.0319]	-0.081 [0.0502]	-0.0562 [0.0462]	-0.0442 [0.0474]	-0.299*** [0.0916]	-0.289*** [0.101]	-0.317*** [0.104]
Age		-0.0129*** [0.00315]	-0.0112*** [0.00331]		-0.0115** [0.00477]	-0.0120** [0.00503]		-0.0085 [0.0101]	-0.011 [0.0108]
Married		0.0658* [0.0391]	0.0706* [0.0396]		0.037 [0.0581]	0.0394 [0.0592]		0.251** [0.126]	0.254* [0.129]
No. Children		-0.0266 [0.0163]	-0.0275* [0.0167]		0.0269 [0.0240]	0.0281 [0.0247]		-0.0382 [0.0525]	-0.05 [0.0547]
Child Aged <4		-0.000425 [0.0384]	0.00333 [0.0390]		-0.0419 [0.0567]	-0.0571 [0.0578]		-0.105 [0.123]	-0.129 [0.128]
White		-0.0113 [0.0377]	-0.0268 [0.0388]		0.00408 [0.0577]	-0.00405 [0.0598]		0.0343 [0.121]	0.0183 [0.127]
Tenure		0.0147** [0.00588]	0.0129** [0.00601]		-0.00707 [0.00885]	-0.00981 [0.00911]		0.0388** [0.0189]	0.0407** [0.0197]
Full-Time		0.490*** [0.0618]	0.492*** [0.0624]		0.321*** [0.0919]	0.314*** [0.0936]		0.161 [0.199]	0.126 [0.204]
UG Uni Ranking			-0.00154 [0.00422]			-0.00541 [0.00651]			-0.0114 [0.0138]
Law School Ranking			0.00977 [0.0156]			-0.0302 [0.0232]			0.0442 [0.0511]
Judicial Clerk			0.116 [0.0886]			0.106 [0.126]			0.724** [0.290]
Moot Court			0.0103 [0.0300]			0.0772* [0.0460]			0.0699 [0.0983]
General Journal			0.0846** [0.0351]			0.0673 [0.0516]			-0.0103 [0.115]
Specific Journal			0.0765** [0.0351]			0.0354 [0.0525]			-0.0085 [0.115]
Constant	1.842*** [0.0205]	0.666 [0.477]	0.588 [0.486]	1.566*** [0.0317]	1.439** [0.696]	1.709** [0.718]	0.527*** [0.0571]	0.636 [1.510]	0.342 [1.591]
Firm Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Region Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,039	1,014	974	803	800	770	1,039	1,014	974
R-squared	0.02	0.30	0.31	0.00	0.32	0.34	0.01	0.07	0.08

Notes: \* denotes significance at the 10% level, \*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level. *Expected Hours Bill* is the annual hours (expressed in 1000 hours) the lawyer was expected to bill last year (2006). *Hours billed* is the annual number of hours billed (expressed in 1000 hours) last year (2006), and *New Client Rev* is the approximate amount of new-client revenue (expressed in 100,000s of U.S. dollars) generated last year (2006). Firm controls include the type of organization (solo practice, private law firm, federal government, state or local government, legal services or public defender, public interest organization, educational institution, professional service firm, other Fortune 1000 industry/service, other business/industry, labor union, trade association, others) and the size of organization, which are bracketed (0-5, 6-10, 11-25, 25-50, 51-100, 101-150, 151-200, 201-250, 251-500, 501-1000, 1000+). For definitions of other variables, see Table 1.

**TABLE 3 – RATIO OF HOURS WORKED TO HOURS BILLED**

	Hours Billed/Hours Worked
Female	0.013 [0.0685]
Age	0.000833 [0.00686]
Married	-0.00568 [0.0851]
No. Children	0.013 [0.0355]
Child Aged <4	0.0202 [0.0835]
White	0.0406 [0.0820]
Tenure	-0.00376 [0.0128]
Full-Time	-0.564*** [0.135]
Constant	-0.335 [1.038]
Firm Controls	Yes
Region Fixed Effects	Yes
Observations	1009
R-squared	0.04

Notes: \* denotes significance at the 10% level,\*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level. We calculate the annual hours of work, assuming a 50-week work year.

**TABLE 4 – REASONS FOR DIFFICULTIES IN MEETING BILLABLE HOURS**

	Male Lawyers			Female Lawyers			P-Value
	Obs.	Mean	Std. Dev.	Obs.	Mean	Std. Dev.	
Not enough Assignments	662	0.23	0.42	453	0.26	0.44	0.35
Partner discounted hours (or did not give them full credit)	660	0.13	0.34	451	0.14	0.35	0.98
Personal choice	664	0.36	0.48	451	0.39	0.49	0.05
Health issues	659	0.07	0.26	447	0.19	0.39	0.00
Less likely to bill for actual hours worked compared to colleagues	657	0.19	0.39	444	0.23	0.42	0.12
Too much time spent on pro bono	658	0.05	0.22	446	0.05	0.22	0.97
Too much time spent on administrative tasks	661	0.37	0.48	451	0.38	0.49	0.74

Notes: The seven dummy variables in the table are constructed based on the survey question: “Which of the following posed difficulties in meeting your billables in 2006?” Respondents could choose as many reasons as applicable to their case. By “meeting your billables,” we refer to reaching the annual number of hours billed required in the corresponding firm to obtain an annual bonus.

**TABLE 5 – PERFORMANCE: DISCRIMINATION**

<b>PANEL A</b>	Hours Billed			(Hours Billed-Exp. Hours Bill)			New Client Rev.		
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
Female	-0.105***	-0.102***	-0.0939***	-35.07	-30.94	-44.66	-0.289***	-0.287***	-0.308***
	[0.0315]	[0.0312]	[0.0342]	[46.10]	[45.72]	[51.30]	[0.101]	[0.101]	[0.111]
Not Enough Assignments		-0.154***	-0.137***		-187.4***	-211.2***		-0.131	-0.177
		[0.0369]	[0.0473]		[50.05]	[64.27]		[0.120]	[0.154]
Female* Not Enough Assig.			-0.044			59.15			0.114
			[0.0736]			[100.1]			[0.239]
Constant	0.666	0.682	1.395***	176.3	162.8	164.1	0.636	0.625	0.629
	[0.477]	[0.473]	[0.465]	[694.0]	[688.0]	[688.3]	[1.510]	[1.510]	[1.511]
Individual Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Region Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,014	1,014	1,014	800	800	800	1,014	1,014	1,014
R-squared	0.30	0.31	0.31	0.11	0.12	0.12	0.07	0.07	0.07
<b>PANEL B</b>	Hours Billed			(Hours Billed-Exp. Hours Bill)			New Client Rev.		
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
Female	-0.105***	-0.105***	-0.0922***	-35.07	-36.24	-63.93	-0.289***	-0.289***	-0.292***
	[0.0315]	[0.0315]	[0.0331]	[46.10]	[45.92]	[48.88]	[0.101]	[0.101]	[0.107]
Partner Discount Hours		-0.0335	0.0185		-171.1***	-257.1***		-0.143	-0.152
		[0.0484]	[0.0626]		[64.52]	[83.15]		[0.156]	[0.202]
Female* Partner Dis. Hours			-0.126			211.2			0.0235
			[0.0962]			[129.0]			[0.310]
Constant	1.411***	1.416***	1.411***	176.3	250.8	-509.3	0.636	0.182	0.658
	[0.469]	[0.469]	[0.469]	[694.0]	[691.8]	[691.3]	[1.510]	[1.537]	[1.511]
Individual Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Region Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,014	1,014	1,014	800	800	800	1,014	1,014	1,014
R-squared	0.30	0.30	0.30	0.11	0.11	0.12	0.07	0.07	0.07

Notes: \* denotes significance at the 10% level,\*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level. *Hours Billed* and *Expected Hours to Bill* are expressed in 1000 hours. *New Client Revenue* is expressed in 100,000 U.S.dollars. *Not Enough Assignments* takes value one if the lawyer responds that not enough assignments are the reason for why he or she had difficulty meeting billables and zero otherwise. *Partner Discounted Hours* takes value one if the lawyer responds that partner-discounted hours (or lack of full credit) is the reason why he or she had difficulty meeting billables and zero otherwise.

**TABLE 6 – PERFORMANCE: DISCRIMINATION**  
(GENDER DIFFERENCES IN CONSTRAINT THRESHOLD)

	Constrained	
	[1]	[2]
Female	-0.0087 [0.0268]	-0.0106 [0.0552]
1600<Hours Billed<1800	0.0405 [0.0389]	0.0416 [0.0533]
1800<Hours Billed<2100	-0.130*** [0.0375]	-0.130*** [0.0489]
2100<Hours Billed<3000	-0.255*** [0.0422]	-0.260*** [0.0537]
Female*(1600<Hours Billed<1800)		-0.003 [0.0751]
Female*(1800<Hours Billed<2100)		-0.0013 [0.0681]
Female*(2100<Hours Billed<3000)		0.0151 [0.0803]
Constant	-0.171 [0.395]	-0.173 [0.399]
Individual Controls	Yes	Yes
Firm Controls	Yes	Yes
Region Fixed Effects	Yes	Yes
Observations	1,014	1,014
R-squared	0.12	0.12

Notes: \* denotes significance at the 10% level, \*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level. The dependent variable, *Constrained*, takes the value of 1 if the individual responds that she does not have enough assignments (see notes in Table 12). *Hours Billed* is expressed in 1000 hours. The omitted category of  $800 \leq \text{Hours Billed} \leq 1600$ , where 800 is the lowest number of hours billed in our sample. Each category represents quartiles in the hours-billed distribution.

**TABLE 7 – PERFORMANCE: CHILD-REARING**

	Hours Billed						New Client Rev.					
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Female	-0.0959*** [0.0311]	-0.105*** [0.0314]	-0.105*** [0.0315]	-0.0857** [0.0407]	-0.0317 [0.0384]	-0.0526 [0.0416]	-0.265*** [0.1000]	-0.286*** [0.101]	0.289*** [0.101]	0.325** [0.131]	0.309** [0.124]	0.326** [0.135]
No. Children		-0.0267* [0.0140]	-0.0266 [0.0163]	-0.0219 [0.0174]	-0.0288* [0.0162]	-0.0392** [0.0180]		-0.0608 [0.0452]	-0.0382 [0.0525]	-0.0467 [0.0562]	-0.0376 [0.0526]	-0.0461 [0.0585]
Children aged < 4			-0.000425 [0.0384]	0.00249 [0.0386]	0.0712 [0.0439]	0.0845* [0.0450]			-0.105 [0.123]	-0.11 [0.124]	-0.124 [0.142]	-0.113 [0.146]
Female*No. Children				-0.0227 [0.0298]		0.0472 [0.0358]				0.0409 [0.0960]		0.0384 [0.116]
Female*Childr. aged < 4					-0.203*** [0.0615]	-0.258*** [0.0743]					0.054 [0.199]	0.00926 [0.241]
Constant	0.603 [0.476]	0.665 [0.477]	0.666 [0.477]	0.645 [0.478]	0.682 [0.475]	0.73 [0.476]	0.495 [1.500]	0.146 [1.536]	0.165 [1.536]	0.645 [1.511]	0.647 [1.511]	0.199 [1.542]
Individual Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Region Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014
R-squared	0.30	0.30	0.30	0.30	0.31	0.31	0.06	0.07	0.07	0.07	0.07	0.07

Notes: \* denotes significance at the 10% level, \*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level. Hours Billed is expressed in 1000 hours. New Client Revenue is expressed in 100,000 U.S dollars.



**TABLE 8 – PERFORMANCE: CAREER ASPIRATIONS**

	Hours Billed				New Client Rev.				Hours Billed	New Client Rev.	Hours Billed	New Client Rev.	Hours Billed	New Client Rev.
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	IV1	[10]	IV2	[12]	IV1+IV2	[14]
Female	-0.105***	-0.134***	-0.0969***	-0.147**	-0.289***	-0.232*	-0.122	0.0868	-0.0801*	0.103	-0.114***	-0.0836	-0.106***	-0.0364
	[0.0315]	[0.0332]	[0.0337]	[0.0706]	[0.101]	[0.122]	[0.125]	[0.261]	[0.0439]	[0.169]	[0.0385]	[0.142]	[0.0376]	[0.140]
Aspirations			0.0217***	0.0181***			0.0639***	0.0792***	0.0316*	0.196***	0.0115	0.0867**	0.0166	0.114***
			[0.00492]	[0.00668]			[0.0182]	[0.0247]	[0.0171]	[0.0656]	[0.0118]	[0.0436]	[0.0109]	[0.0406]
Female* Aspirations				0.00775				-0.0326						
				[0.00965]				[0.0357]						
Constant	1.411***	1.903***	0.682	0.722	0.636	0.5	0.127	0.0368	1.704***	-0.705	0.796	-0.473	1.799***	-0.191
	[0.469]	[0.412]	[0.486]	[0.489]	[1.510]	[1.803]	[1.506]	[1.510]	[0.421]	[1.621]	[0.502]	[1.854]	[0.412]	[1.533]
Individual Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Region FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,014	644	644	644	1,014	644	644	644	644	644	644	644	644	644
R-squared	0.3	0.265	0.288	0.289	0.066	0.029	0.049	0.05						
F-test of excl. instr.									54.16***		125.7***		75.77***	

Notes: \* denotes significance at the 10% level, \*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level. *Hours Billed* is expressed in 1000 hours. *New Client Revenue* is expressed in 100,000 U.S. dollars. *Aspirations* refer to how strongly the lawyer aspires to attain equity partnership. The variable takes values 1 to 10, where 1 represents not at all and 10 Very High Aspirations. IV1 is the response to: How satisfied are you with your decision to become a lawyer? And IV2 is the response to: How much longer would you like to stay with your current employer? Both questions are asked in the first wave (2002).

**TABLE 9 – PERFORMANCE: OVERBILLING**

	Hours Billed			New Client Rev.		
	[1]	[2]	[3]	[4]	[5]	[6]
Female	-0.105*** [0.0315]	-0.0992*** [0.0315]	-0.111*** [0.0342]	-0.289*** [0.101]	-0.283*** [0.102]	-0.299*** [0.111]
Less than Others		-0.107*** [0.0397]	-0.137** [0.0534]		-0.116 [0.128]	-0.161 [0.173]
Female* Less than Others			0.0674 [0.0792]			0.0978 [0.256]
Constant	0.666 [0.477]	0.673 [0.476]	1.401*** [0.468]	0.165 [1.536]	0.174 [1.537]	0.175 [1.537]
Individual Controls	Yes	Yes	Yes	Yes	Yes	Yes
Firm Controls	Yes	Yes	Yes	Yes	Yes	Yes
Region Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1014	1014	1014	1014	1014	1014
R-squared	0.30	0.31	0.31	0.07	0.07	0.07

Notes: \* denotes significance at the 10% level,\*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level. *Hours Billed* and *Expected Hours to Bill* are expressed in 1000 hours. *New Client Revenue* is expressed in 100,000 U.S. dollars. *Less than Others* takes value one if the lawyer responds that he or she is less likely to bill for actual hours worked compared to colleagues as a reason for the difficulty meeting billables, and zero otherwise.

**TABLE 10 – PERFORMANCE: NETWORKING**

	Hours Billed			New Client Rev.		
	[1]	[2]	[3]	[4]	[5]	[6]
Female	-0.105*** [0.0315]	-0.0937*** [0.0335]	-0.123*** [0.0379]	-0.289*** [0.101]	-0.331*** [0.106]	-0.282** [0.120]
Network Time		0.00183 [0.00362]	-0.00218 [0.00438]		0.0288** [0.0115]	0.0356** [0.0139]
Female*Network Time			0.0126 [0.00778]			-0.0213 [0.0247]
Constant	0.666 [0.477]	1.397*** [0.478]	1.412*** [0.478]	0.636 [1.510]	0.846 [1.518]	0.819 [1.518]
Individual Controls	Yes	Yes	Yes	Yes	Yes	Yes
Firm Controls	Yes	Yes	Yes	Yes	Yes	Yes
Region Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1014	939	939	1014	939	939
R-squared	0.30	0.29	0.29	0.07	0.09	0.09

Notes: \* denotes significance at the 10% level,\*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level. *Network Time* is the amount of time a lawyer spends attending networking functions and/or participating in recreational activities (e.g., golf) for networking purposes with other lawyers or clients.

**TABLE 11 – PERFORMANCE: WORKING ON WEEKEND**

	Hours Billed			New Client Rev.		
	[1]	[2]	[3]	[4]	[5]	[6]
Female	-0.105*** [0.0315]	-0.0952*** [0.0320]	-0.133*** [0.0395]	-0.289*** [0.101]	-0.276*** [0.106]	-0.228* [0.131]
Weekend Time		0.0144*** [0.00364]	0.0108** [0.00426]		0.0280** [0.0120]	0.0326** [0.0141]
Female*Weekend Time			0.0132 [0.00815]			-0.0169 [0.0269]
Constant	0.666 [0.477]	0.627 [0.476]	0.628 [0.476]	0.165 [1.536]	0.292 [1.571]	0.29 [1.572]
Individual Controls	Yes	Yes	Yes	Yes	Yes	Yes
Firm Controls	Yes	Yes	Yes	Yes	Yes	Yes
Region Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1014	965	965	1014	965	965
R-squared	0.30	0.30	0.30	0.07	0.08	0.08

Notes: \* denotes significance at the 10% level,\*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level. *Weekend Time* is the amount of time a lawyer spends working away from the office or firm on weekends.

**TABLE 12 – PERFORMANCE: AREAS OF LAW**

	Hours Billed		New Client Rev.	
	[1]	[2]	[3]	[4]
Female	-0.105***	-0.0846***	-0.289***	-0.310***
	[0.0315]	[0.0314]	[0.101]	[0.104]
Constant	0.666	1.708***	0.165	0.864
	[0.477]	[0.468]	[1.536]	[1.549]
Individual Controls	Yes	Yes	Yes	Yes
Firm Controls	Yes	Yes	Yes	Yes
Region Fixed Effects	Yes	Yes	Yes	Yes
Areas of Law	No	Yes	No	Yes
Observations	1,014	1,014	1,014	1,014
R-squared	0.3	0.362	0.066	0.1

Notes: \* denotes significance at the 10% level,\*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level. *Hours Billed* is expressed in 1000 hours. *New Client Revenue* is expressed in 100,000 U.S. dollars. *Areas of law* refers to the proportion of time devoted to each the following legal disciplines: General Practice, Antitrust, Bankruptcy, Civil Litigation, Civil Rights, Commercial Law, Criminal Law, Employment Law (Management), Employment Law (Unions), Environmental Law, Family Law, General Corporate Law, Immigration Law, Insurance, Intellectual Property, Municipal Law, Personal injury (Plaintiff), Personal Injury (Defense), Probate (Wills and Trusts), Public utilities and Administrative Law, Real Estate (Commercial), Real Estate (Personal), Securities, Tax Law, Health Law, Workers' compensation and 'Other' areas.

**TABLE 13 – EARNINGS: OVERALL**

	Log(annual earnings)			
	[1]	[2]	[3]	[4]
Female	-0.245*** [0.0226]	-0.184*** [0.0242]	-0.182*** [0.0234]	-0.126*** [0.0208]
Age		-0.0133*** [0.00231]	-0.0115*** [0.00227]	-0.0026 [0.00201]
Married		0.0285 [0.0298]	0.0165 [0.0292]	0.00841 [0.0254]
No. Children		0.00623 [0.0135]	0.00919 [0.0133]	0.0149 [0.0115]
Child Aged <4		0.0488 [0.0319]	3.36E-02 [0.0311]	0.0277 [0.0272]
White		-0.0323 [0.0272]	-0.0208 [0.0267]	-0.0553** [0.0234]
Tenure		0.0176*** [0.00460]	0.0137*** [0.00452]	0.00823** [0.00404]
Full-Time		0.653*** [0.0472]		0.616*** [0.0409]
Hours			0.0153*** [0.000874]	
Constant	11.62*** [0.0153]	11.36*** [0.103]	11.18*** [0.102]	11.08*** [0.211]
Firm Controls	No	No	No	Yes
Observations	2,961	2,687	2,687	2,687
R-squared	0.05	0.15	0.18	0.38

Notes: \* denotes significance at the 10% level,\*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level.

**TABLE 14 – EARNINGS: DIFFERENT SAMPLES**

	Log(annual earnings)			
	ALL	Bill Hours	Govt. & Non-Profit	Other Firms
	[1]	[4]	[2]	[3]
Female	-0.126*** [0.0208]	-0.100*** [0.0299]	-0.107*** [0.0313]	-0.158*** [0.0533]
Age	-0.00259 [0.00201]	-0.00498 [0.00304]	-0.00139 [0.00291]	0.00193 [0.00541]
Married	0.00841 [0.0254]	-0.0336 [0.0371]	-0.0183 [0.0364]	0.053 [0.0664]
No. Children	0.0149 [0.0115]	0.025 [0.0153]	0.00992 [0.0189]	0.0259 [0.0309]
Child Aged <4	0.0277 [0.0272]	-0.014 [0.0366]	0.011 [0.0432]	0.0118 [0.0693]
White	-0.0553** [0.0234]	-0.0609* [0.0348]	-0.118*** [0.0330]	-0.0216 [0.0616]
Tenure	0.00823** [0.00404]	0.0112** [0.00559]	0.00233 [0.00634]	-0.0119 [0.0108]
Full-Time	0.616*** [0.0409]	0.462*** [0.0594]	0.722*** [0.0692]	0.547*** [0.121]
Constant	11.08*** [0.211]	11.84*** [0.480]	10.52*** [0.156]	11.16*** [0.242]
Firm Controls	Yes	Yes	Yes	Yes
Observations	2,687	1,124	741	478
R-squared	0.378	0.41	0.336	0.137

Notes: \* denotes significance at the 10% level,\*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level.

**TABLE 15 – EARNINGS: INCLUDING PERFORMANCE MEASURES**

	Log (annual earnings)										
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Female	-0.100*** [0.0299]	-0.0990*** [0.0306]	-0.0665** [0.0293]	-0.0865*** [0.0305]	-0.0554* [0.0291]	-0.181*** [0.0343]	-0.103*** [0.0303]	-0.173*** [0.0344]	-0.0943*** [0.0304]	-0.0567* [0.0291]	-0.0588** [0.0293]
Hours Billed ( '000)			0.308*** [0.0298]		0.304*** [0.0296]		0.507*** [0.0287]		0.508*** [0.0286]	0.499*** [0.0913]	0.581*** [0.207]
New Client Rev ( '00000 US \$)				0.0433*** [0.00967]	0.0401*** [0.00919]			0.0267** [0.0118]	0.0290*** [0.0103]	0.0768*** [0.0185]	0.0497* [0.0284]
Hours Billed <sup>2</sup>										-0.0646** [0.0285]	-0.126 [0.147]
New Client Rev <sup>2</sup>										-0.00240** [0.00110]	0.00321 [0.00457]
Hours Billed <sup>3</sup>											0.0134 [0.0309]
New Client Rev <sup>3</sup>											-0.000198 [0.000156]
Constant	11.84*** [0.480]	11.57*** [0.465]	11.36*** [0.441]	11.56*** [0.460]	11.36*** [0.437]	11.81*** [0.0214]	10.88*** [0.0561]	11.80*** [0.0222]	10.86*** [0.0563]	11.36*** [0.435]	9.280*** [0.439]
Individual Controls	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Firm Controls	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Region Fixed Effects	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,124	1,014	1,014	1,014	1,014	1,039	1,039	1,039	1,039	1,014	1,014
R-squared	0.41	0.39	0.45	0.40	0.46	0.03	0.26	0.03	0.26	0.47	0.47

Notes: \* denotes significance at the 10% level,\*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level.

**TABLE 16 – EARNINGS: RETURNS TO PERFORMANCE**

	Earning per Hour Billed [1]	Earning/New Client Rev. [2]
Female	-22.16 [15.58]	2.805 [2.029]
Age	3.973** [1.560]	0.013 [0.184]
Married	-9.951 [19.37]	-2.71 [2.559]
No. Children	11.14 [8.069]	-0.856 [0.966]
Child Aged <4	-24.86 [18.99]	1.705 [2.439]
White	-7.662 [18.65]	-0.371 [2.569]
Tenure	0.989 [2.909]	-0.528 [0.381]
Full-Time	-0.728 [30.60]	4.968 [3.983]
Constant	-52.41 [232.2]	-3.7 [23.67]
Firm Controls	Yes	Yes
Region Fixed Effects	Yes	Yes
Observations	1,014	502
R-squared	0.58	0.09

Notes: \* denotes significance at the 10% level,\*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level.



**TABLE 17 – EARNINGS: ROBUSTNESS**

	Log(Annual Earnings)			
	[1]	[2]	[3]	[4]
Female	-0.0990*** [0.0306]	-0.0554* [0.0291]	-0.0556* [0.0296]	-0.0342 [0.0292]
Hours Billed ('000)		0.304*** [0.0296]	0.304*** [0.0305]	0.344*** [0.0299]
New Client Rev. ( '00000 US\$)		0.0401*** [0.00919]	0.0400*** [0.00932]	0.0394*** [0.00909]
UG Uni Ranking			0.000653 [0.00389]	
Law School Ranking			0.0518*** [0.0144]	
Judicial Clerk			-0.0283 [0.0819]	
Moot Court			0.0339 [0.0277]	
General Journal			0.0767** [0.0324]	
Specific Journal			0.0333 [0.0324]	
Constant	9.944*** [0.457]	9.490*** [0.431]	11.11*** [0.448]	10.88*** [0.317]
Individual Controls	Yes	Yes	Yes	Yes
Firm Controls	Yes	Yes	Yes	Yes
Region Fixed Effects	Yes	Yes	Yes	Yes
Areas of Law	No	No	No	Yes
Observations	1,014	1,014	974	1,014
R-squared	0.39	0.46	0.47	0.52

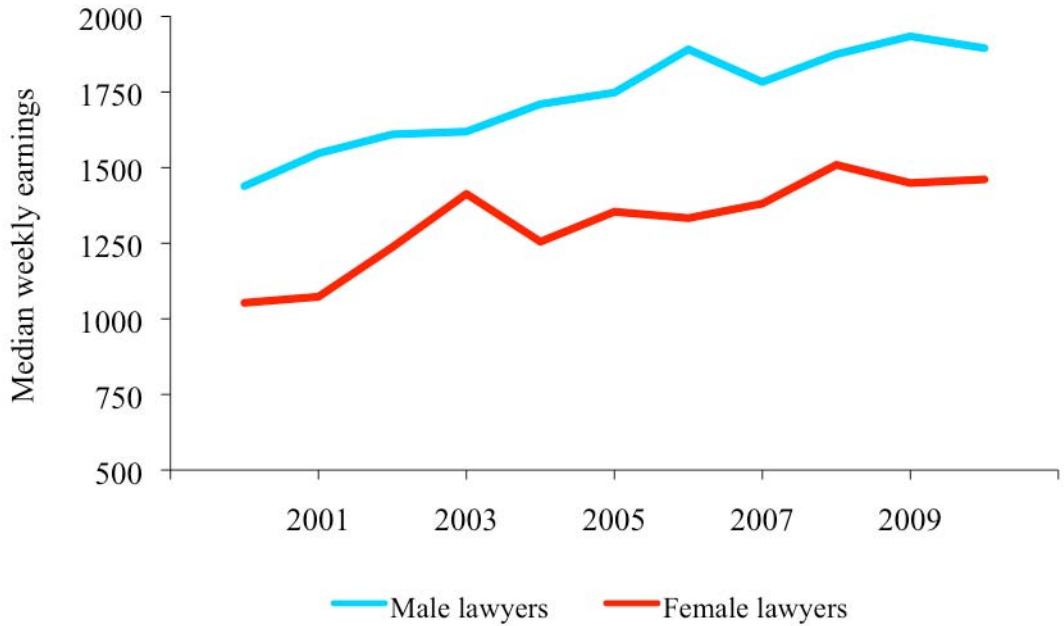
Notes: \* denotes significance at the 10% level, \*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level. Areas of law refers to the proportion of time devoted to each the following legal disciplines: General Practice, Antitrust, Bankruptcy, Civil Litigation, Civil Rights, Commercial Law, Criminal Law, Employment Law (Management), Employment Law (Unions), Environmental Law, Family Law, General Corporate Law, Immigration Law, Insurance, Intellectual Property, Municipal Law, Personal injury (Plaintiff), Personal Injury (Defense), Probate (Wills and Trusts), Public utilities and Administrative Law, Real Estate (Commercial), Real Estate (Personal), Securities, Tax Law, Health Law, Workers' compensation and 'Other' areas. *Undergraduate GPA* and *Law School GPA* take value 1 to 8, where 1 is the lowest and 8 is the highest. *Undergraduate Uni Ranking* and *Law School Ranking* are bracketed rankings based on *U.S. News* reports of 1996 and 2003 for undergraduate and law school studies, respectively. Both variables are redefined such that the higher the value, the more prestigious is the educational institution. *Judicial Clerk* takes value one if the lawyer has held a position as a judicial clerk in state or federal courts and zero otherwise. *Moot Court* takes the value one if the lawyer participated in simulated mock trials as a student and zero otherwise. *General (Specific) Journal* takes value one if lawyer participated in law journals' editorial activities as a student and zero otherwise.

**TABLE 18 – EARNINGS: ROBUSTNESS**  
(SELECTION INTO BILLING HOURS)

	Pr(Bill Hours)		
	[1]	[2]	[3]
Female	-0.0375*** [0.0127]	-0.0343*** [0.0129]	-0.0431 [0.0509]
Law School Ranking		0.0205*** [0.00560]	0.0198*** [0.00701]
Female*Law School Ranking			0.00182 [0.0102]
Constant	-0.0806 [0.138]	-0.177 [0.124]	-0.174 [0.126]
Individual Controls	Yes	Yes	Yes
Firm Controls	Yes	Yes	Yes
Region Fixed Effects	Yes	Yes	Yes
Observations	2,733	2,667	2,667
R-squared	0.612	0.611	0.611

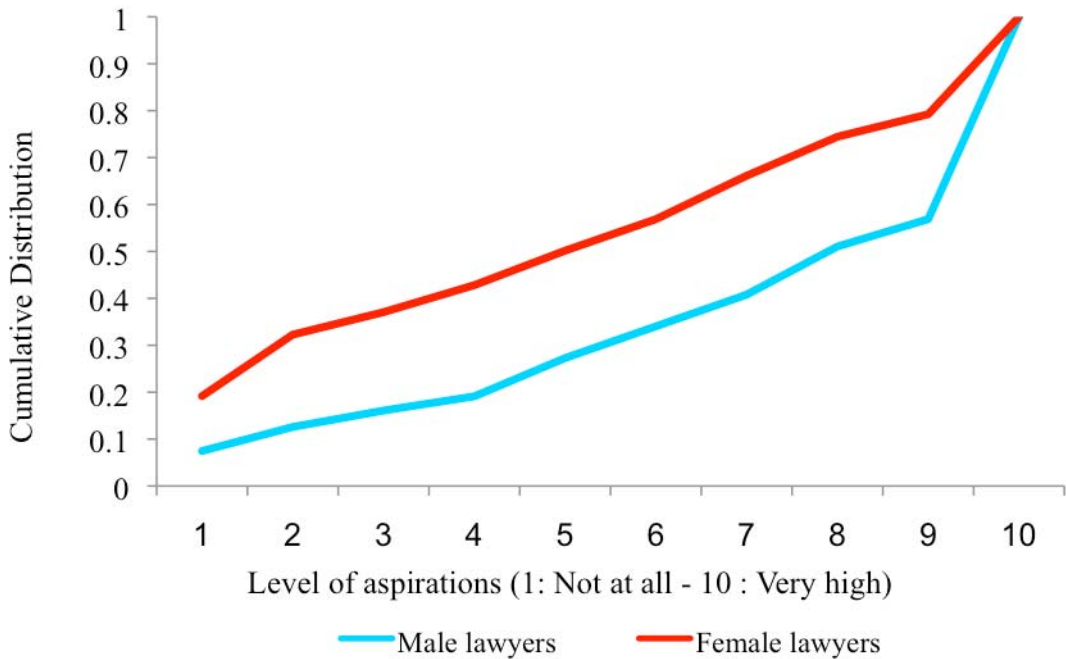
Notes: \* denotes significance at the 10% level, \*\* denotes significance at the 5% and \*\*\* denotes significance at the 1% level.

**FIGURE 1 – EVOLUTION OF LAWYERS’ GENDER GAP IN EARNINGS, 2000-2010**



Note: Median weekly earnings for lawyers in the period 2000 to 2010. Population Survey’s Household Data detailed by occupation (Bureau of Labor Statistics, US).

**FIGURE 2 – ASPIRATIONS TO BECOME EQUITY PARTNER**



Note: Responses to the question: “How strongly do you aspire to attain the Equity Partner position within your firm?” (*After the JD* study, 2007).