

The Differential Valuation of Women's Work: A New Look at the Gender Gap in Lawyers' Incomes

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This article seeks to identify the mechanisms underlying the gender wage gap among new lawyers. Relying on nationally representative data to examine the salaries of lawyers working fulltime in private practice, we find a gender gap of about 5 percent. Identifying four mechanisms—work profiles, opportunity paths and structures, credentials, and legal markets—we first estimate how much of the gap stems from the differential valuation of women's endowments; second, we estimate the effects of different endowments for men and women; and third we assess both these possibilities. The analyses indicate that none of these mechanisms can fully account for the gender gap. Experimental studies that indicate women's work is less valued and rewarded than men's suggest new directions for research on gendered compensation.

Across occupations, it is professional women who experience the largest within-job gender wage gap (Peterson and Morgan 1995). The disparity emerges quickly, with a small gender wage gap among college graduates, then widens over time (Dey and Hill 2007; Maume 2004)—so that as women's professional careers progress, they lose ground in cumulative fashion (Peterson and Saporta 2004; Valian 1998). Yet with the unprecedented numbers of women entering professional careers in recent decades, the sources and the extent of this initial wage gap for the most recent cohort remain elusive.

Early work attributed this persistent inequality to a comparatively small number of women in professions (Kanter 1977). However even with the recent surge in the number of women joining the professions (Spraggins 2005; Wootton 1997), it remains unclear whether this influx of women has now leveled the occupational terrain. Across different professions, studies indicate conflicting findings about whether the longstanding pattern of inequity is ending for these new cohorts (Bertrand and Hallock 2001; Blair-Loy and Wharton 2004; Morgan 1998; Noonan et al. 2005; Prokos and Padavic 2005). For example, Morgan's work on engineers suggests a generational convergence in male and female salaries, with the gender gap among younger cohorts of engineers now close to nil (see also Petersen and Morgan 1995).

This research was supported by grants from the American Bar Foundation, National Science Foundation (Grant No. SES0115521), Access Group, Law School Admission Council, National Association for Law Placement, National Conference of Bar Examiners and the Open Society Institute. The views and conclusions stated herein are those of the authors and do not necessarily reflect the views of individuals or organizations associated with the After the JD study. Direct correspondence to Ronit Dinovitzer, Department of Sociology, University of Toronto, 725 Spadina Ave., Toronto, Ontario, M5S 2J4, Canada. E-mail: ronit.dinovitzer@utoronto.ca.

However research on lawyers (Noonan et al. 2005), physicians (Boulis 2004) and scientists (Prokos and Padavic 2005) indicates otherwise. Sex-based inequalities have not abated, despite women entering these professions in significant numbers.

The majority of research on women in the professions has focused on female lawyers (Dixon and Seron 1995; Epstein 1993; Epstein et al. 1995; Hagan 1990; Hagan and Kay 1995; Hull and Nelson 2000; Noonan et al. 2005). This is not surprising since the dramatic expansion of the legal profession in the 1980s drew large numbers of women (Chiu and Leicht 1999; Heinz, Nelson et al. 2001). Indeed, women now comprise nearly 50 percent of law graduates (ABA 2008), with law schools trailing only MBA programs in terms of female participation and graduation (Baker 2002). If law firm expansion drove this 1980s' influx of women to the legal profession, more recent years have witnessed an equally dramatic "second transformation" of the legal profession (Galanter and Henderson 2008). Large law firms have continued to grow unabated and have now reached "behemoth" proportions; starting salaries for lawyers have skyrocketed; there are relentless demands on lawyers to work ever more billable hours; many law firms have changed their partnership structures; and there is an emerging class of professional lawyer-managers that is transforming law firms to better meet business demands (Galanter and Henderson 2008; Regan 2005). However the status of female entrants to this new legal profession remains unexamined despite the fact that pioneering research on gender in the legal profession is now more than 20 years old (Dixon and Seron 1995; Epstein 1993; Epstein et al. 1995; Hagan 1990; Hagan and Kay 1995; Hull and Nelson 2000; Noonan et al. 2005).

Understanding the income distribution for this new generation of female lawyers requires a wide range of measures. As past work demonstrates, job segregation is the single most important cause of gender wage gaps (England et al. 1994; Kilbourne et al. 1994; Reid 1998; Reskin and Padavic 1994). Research on job segregation in the professions has considered the hierarchy of professional specialties and job titles (Boulis 2004; Hagan 1990; Morgan 1998; Peterson and Morgan 1995), channeling mechanisms such as networks, and hiring criteria, including the gender of those making hiring decisions (Gorman 2005; Marini and Fan 1997; Skuratowicz 2004). Studies of the legal profession have further documented the salary consequences of women's family status, part-time work, and sector and specialization of legal practice (Dixon and Seron 1995; Kay and Hagan 1995; Noonan et al. 2005). It has also been documented that women lawyers receive lower returns for their human capital—including elite credentials—than men (Kay and Hagan 1995), and incur more negative effects when moving across geographic legal markets (Dinovitzer and Hagan 2006). Taken together, previous research identifies four major areas of inquiry as possible sources of the gender wage gap for lawyers: *work profiles, opportunity paths and structures, credentials and legal markets.*

Yet we argue that research on this second transformation of the legal profession must also attend to the importance of career stage for female lawyers. At one level,

this requires attention to the dynamics relevant to early careers, such as a focus on aspirations regarding work and family (Marini and Fan 1997) or on school performance and prestige in determining the first jobs of junior lawyers (Dinovitzer and Garth 2007; Hull and Nelson 2000). Without the correct sampling design, efforts to understand the gender wage gap in early careers—even if they incorporate sophisticated measures—will be consistently stymied. Unfortunately, this has been true of cross-sectional studies of lawyers to date: almost all have relied on insufficiently large samples from which to disaggregate to lawyers in the early years of their careers. And while there has been one study that does rely on cohort data (Noonan et al. 2005)—and which finds that the dramatic influx of women lawyers in the 1980s did not result in a narrowing of the earnings gap—its important findings are based on the graduates of one elite law school. As a result, it cannot speak to the career trajectories of non-elite law school graduates who tend to obtain positions in less prestigious, less lucrative settings (Dinovitzer and Garth 2007) where set salaries may not be the norm, and where gender disparities may therefore be ever more pronounced (cf., Galanter and Henderson 2008).

This article focuses on this newest generation of female lawyers—who are entering the legal profession during a second major change in its structure—to determine the extent, if any, of a gender-based wage gap and to assess the sources of any such gap. We do so by focusing on cohort data from a nationally representative sample of newly minted lawyers, which provides access to an unprecedented range of measures that have either been found or speculated to be sources of the gender gap in professional earnings.

Finding that a gender gap in earnings persists for female lawyers, we employ a method of decomposition to ask three critical questions about the observed disparity. This method begins by hypothesizing that men and women do not receive the same rates of return for their efforts and asks if the gap would disappear if women were paid at men's rates for the work they perform or for the credentials they possess. Second, we ask whether the gap in earnings between men and women would be eliminated if women had the same profile or characteristics as men (e.g., same law school GPA, same work hours, same representation in large law firm practice) but continued to be paid at women's rates for those same characteristics. Finally, we ask how much the gap would change if the women had the same characteristics (e.g., worked the same number of hours) and were paid the same rates as men. Answers to these questions offer a more nuanced understanding of the impact of key variables on the earnings gap and consequently suggests interesting professional responses to observed inequity in pay.

Explaining Pay Gaps and their Potential to Disappear

Recent work on gender segregation argues that we must look beyond “ascriptive inequality”—inequality based on ascribed characteristics such as sex and race—to study the institutional, organizational and allocative factors that lead to workplace

inequality (cf., Reskin 2003). In this article, we focus on factors such as work profiles and sectors of practice, organizational opportunity paths and structures, and geographic labor markets as key sites for investigating the sources of lawyers' wage inequality, as are their credentials. Prior research has not consistently examined this full range of locations where mechanisms of inequality may reside, mostly due to limitations of available datasets.

Work Profiles

The organizational context of work is an often-cited and less well understood dimension of earnings and gender wage gaps (e.g., Baron and Bielby 1980; Leicht and Fennell 1997). Studies of lawyers have conceptualized practice setting in two ways: sector and firm size. Sector is used to distinguish public and private practice as well as corporate (in-house) lawyers. Although gender differences in earnings have been linked to sector (Dixon and Seron 1995; Hagan 1990; Hagan and Kay 1995; Hull and Nelson 2000; Kay and Hagan 1995), the analyses in this research bracket that issue by focusing only on lawyers working in private law firms that include more than one lawyer. Firm size, the other dimension of practice setting, is well established as a key determinant of lawyers' income (Hull and Nelson 2000; Kay and Hagan 1995; Noonan et al. 2005). Larger law firms are the site of more lucrative corporate work (e.g., Heinz et al. 2005) with commensurate salaries for associates and partners (National Law Journal 2006; Dinovitzer et al. 2004).

The form of compensation itself may also be a site for gendered differences. Research suggests that lawyers' compensation, including salary and bonus, requires significant contestation and negotiation (Sterling and Reichman 2004)—and as firms shift from lockstep to eat-what-you-kill compensation schemes,¹ discretionary forms of compensation such as bonuses may increasingly become a source of disparities.

Finally, we also recognize that private law firms recruit lawyers not only through lucrative salaries, but also by promoting various aspects of the firm's culture. Firms promoting their "lifestyle" credentials (such as fewer billable hours, a more collegial environment, and training and mentorship opportunities) may compensate for these amenities by offering somewhat lower salaries. Budig and England (2001) for example hypothesized that jobs described as "mother friendly," i.e., having flexible hours, few demands for travel or offering on-site daycare, will pay lower wages because of these amenities. They found, however, that such job characteristics did not explain the wage penalty experienced by mothers. While research to date has relied on detailed measures of practice settings, it has not included measures of the form of compensation or of job characteristics in analyses of earnings.

Opportunity Structures and Paths

Beginning with Kanter's (1977) classic work, research on gender segregation and re-segregation at work suggests that women and men are differentially slotted

into occupations and tasks offering different opportunities to advance. Bielby and Baron (1986), for example, demonstrate that within the same occupation, women are allocated different jobs and different job titles, resulting in lower pay. In the context of the legal profession, areas of practice may function in an analogous manner. The landmark Chicago Lawyers Study in 1975 (Heinz and Laumann 1982) established that area of specialty and access to clients are key ingredients in the opportunity structures available to lawyers. Subsequent research, including the follow-up to the Chicago study (Heinz et al. 2005), suggests that area of practice creates opportunity, prestige (Hagan 1990; Sandefur 2001), and consequently, income (Hagan 1990; Uzzi and Lancaster 2004). However, rather than considering areas of practice as specific “jobs” with the potential for creating salary differentials, prior work on lawyers’ earnings has relied instead on areas of practice as a single continuous measure with prestige scores (Hagan 1990; Kay and Hagan 1995). As a result, research has yet to carefully examine whether men and women are differentially allocated across fields of practice within law firms, and the implications of this allocation for earnings.

The structure of the modern law firm, as Galanter and Palay (1991) have argued, involves an important relationship between senior and junior lawyers. The labor of the junior lawyers allows senior lawyers to fully exploit the value of their own capital, while the junior lawyers rely on more senior lawyers to try to win the “promotion-to-partner tournament.” Among young lawyers, therefore, a key question is whether they have opportunities to connect to more senior lawyers and their clients, and to experience work in areas of practice that are likely to yield greater financial returns in the future. For new associates, connections with more senior lawyers are therefore critical: they are the source of the work assignments that are necessary for billable hours (Hagan and Kay 1995); they provide guidance and advice on substantive work matters; and they serve as informal mentors offering broader career advice and connections.

Legal Markets

Data consistently indicate that geographic location is an important determinant of salaries and, as Cohen and Huffman (2003) argue, researchers studying gendered wage inequality in particular need to account for the labor market in which jobs are embedded. While lawyers are members of a profession that is part of a national labor market (Huffman and Cohen 2004), there is a local level dynamic that governs the marketplace for lawyers, with demand and competition for legal services varying by city (Uzzi and Lancaster 2004). Working in the nation’s largest cities is correlated with higher earnings. These cities are the site of the largest law firms and the most lucrative corporate work (National Law Journal 2007), with these firms engaging in bidding wars to attract the best and brightest elite law school graduates (Rosen 2006; Schmitt 2006). As Henderson and Alderson (2008) point out, however, it is not merely city size that governs the marketplace. Their work

documents that although private law firms have enjoyed tremendous growth and prosperity in recent decades, some cities and regions have prospered more than others. Geographic location is also related to the types of substantive legal work available, which in turn can determine the size of lawyers' billings. Jurisdiction itself can lead some forms of law practice (e.g., civil litigation) to be more lucrative than others (e.g., Van Hoy 1997). Finally, legal markets matter because some research identifies women as less geographically mobile than men, thus if women are not equally represented in the highest paying cities or regions, this may contribute to the gender gap in earnings (Fernandez and Su 2004). Taken together, introducing labor markets— and not merely city size— into analyses of lawyers' earnings will not only improve the models being specified, but it also introduces a potentially important mechanism in understanding the gender gap in earnings. This approach offers an important corrective to prior work on the legal profession which has been based on geographically bounded samples.

Human Capital

Aside from the potential mechanisms described above, much research has explored the contention that, relative to men, women do not have the same set of marketable skills, qualifications or experience to reap similar levels of extrinsic professional rewards (e.g., compensation). Women bring less capital or skills to their work and therefore receive less in return. A diverse range of studies that examine human capital variables to explain differences in earnings between men and women find these variables explain nearly half of the earnings gap, some even less (Blau and Ferber 1992; Marini and Fan 1997; Roth 2003).

Significant to our study of men and women at the earliest stages of their legal careers, Marini and Fan (1997) found that human capital variables explained less than a third of the gender wage gap at career entry. As professionals, educational credentials are one of the key determinants of lawyers' earnings, yet research consistently finds gender differences in the valuation of these credentials. Studies find that men not only receive larger returns than women for their educational credentials (Dixon and Seron 1995; Hagan and Kay 1995; Huang 1997), but also for their academic performance (Dixon and Seron 1995).

Consistent with the approach that expects discrimination to be lower for newer entrants to the profession, research on lawyers suggests that the numbers of years in practice is generally an important predictor of income and of the wage gap. Hersch's (2003) analysis of data from the National Survey of College Graduates found that differences in years of experience explained most of the wage gap in lawyers' salaries, while Dixon and Seron (1995) found that years of experience had a positive effect on women's earnings in the private and government sectors, but no effect in the corporate sector (Dixon and Seron 1995).

In early applications of human capital explanations, Becker (1964) and Mincer and Polachek (1974) linked gender differences in the investment in human capital

to women's orientation to family. Women were less productive, and thus commanded lower earnings, because they did not make the same kinds of investments in education and experience. Contemporary analyses typically conceptualize this as choice and examine the effect of marriage and children on earnings. Studies find that marriage lowers earnings for women, but has no effect or creates a premium for men (Korenman and Neumark 1992; Lundberg and Rose 2000). Motherhood results in a wage penalty for women that remains unaccounted for even after elaborate controls for work experience (Budig and England 2002). With respect to lawyers' earnings, a similar pattern emerges. Studies find that marriage produces a premium for men, but not for women (Hersch 2003; Kay and Hagan 1995), particularly in the private sector (Dixon and Seron 1995). Research also suggests that having a child is more beneficial for men than for women (e.g., Hersch 2003), but there is also no clear evidence that children are a penalty for women's earnings. For example, according to Noonan et al. (2005), the negative effect of children on women's earnings is fully accounted for after controlling for demographics, work experience and hours worked.

Human capital explanations also hypothesize different career investments, and thus different work profiles, for men and women. Some studies of legal careers find that women work fewer hours than men (e.g., Noonan et al. 2005; Rosen 1992), while others find no difference in hours worked (Kay and Hagan 2003). And, indeed, as with other human capital credentials, studies find that men earn more than women for every hour worked (Kay and Hagan 2003). Studies further suggest that the rationale for women working fewer hours may have little to do with investment or choice. Women's career choices are circumscribed by the social practices of the workplace. Lawyers routinely given more complex cases may have more opportunities to put in hours, irrespective of their personal preferences for work. Women, more often than men, are likely to report being excluded from the challenging and hours-generating cases (Kay and Brockman 2003; Kay and Hagan 2003; Reichman and Sterling 2002).

Valuation/Discrimination

When a gender wage gap persists after accounting for all mechanisms and forms of capital, differential outcomes are often understood as the result of discrimination. In professional work settings—especially law firms—discrimination will most likely manifest in unconscious behaviors, attitudes and practices that devalue women. Authors have identified a number of mechanisms through which this devaluation can result in lower pay: through gender schemas (Ridgeway 1997) and other forms of gender practices (Yancey Martin 2003), women are not rewarded equally as men because they are consistently underrated and discounted. While difficult to measure, the statistical technique we employ in this study has allowed researchers to identify the portion of the gap that remains “unexplained” and to assess its relative contribution to pay inequity.

Data and Measures

After the JD Study

This research relies on the first wave of data from the *After the JD* (AJD) study, a national longitudinal survey of law graduates (Dinovitzer et al. 2004). The study is based on a sample representative of the national population of lawyers who were admitted to the bar in 2000 and graduated from law school from June 1998 through July 2000. The sampling design used a two-stage process. In the first stage, the nation was divided into 18 strata by region and size of the new lawyer population. Within each stratum one primary sampling unit—metropolitan area, portion of a state outside large metropolitan areas, or entire state—was chosen. The PSUs included all four “major” markets, those with more than 2,000 new lawyers (Chicago, Los Angeles, New York and Washington, DC); five of the nine “large” markets, those with 750 to 2,000 new lawyers (Boston, Atlanta, Houston, Minneapolis, San Francisco); and nine of the remaining, smaller markets (Connecticut, New Jersey remainder, Florida remainder, Tennessee, Oklahoma, Indiana, St. Louis, Utah and Oregon). In the second stage, individuals were sampled from each of the PSUs at rates that would, combined, generalize to the national population. In addition, the study included an oversample of 1,465 new lawyers from minority groups (black, Hispanic and Asian).² The final sample included 9,192 lawyers in the 18 PSUs. Data collection was based on a mail questionnaire initially fielded in May 2002. Nonrespondents were followed up by mail and phone, with the telephone survey using a somewhat abridged version of the mail questionnaire. Of the sample members who were located and who met the criteria for inclusion in the study, 71 percent responded either to the mail questionnaire or to a telephone interview, for a total of 4,538 valid responses.³

Roughly 20 percent of the sample members proved to be lawyers moving from one state bar to another rather than lawyers entering a bar for the first time. Researchers opted to keep these “movers” in the sample so long as they had graduated from law school no earlier than 1998 and as long as they were admitted to a bar in the year 2000. Consequently, about 6 percent of the AJD sample began law practice in 1999 and 1.5 percent began practice in 1998. In order to maintain the integrity of the cohort design, all analyses were restricted to lawyers who had been admitted to the bar no more than four years earlier (since data collection began in 2002), with 91 percent of respondents reporting that they were admitted to the bar in 2000. As a result, respondents reported about two years of work experience at the time of the survey.⁴

Comparisons with external data indicate that the AJD sample is representative of the general population from which the sample was selected. When compared with young lawyers in the 2000 U.S. Census, we find that the racial composition of the sample is almost identical and the sample also closely approximates the distribution of lawyers across firms, government and business employers (U.S.

Census Bureau 2002; Carson 2004). Finally, the gender composition in the sample closely matches data published by the American Bar Association (2005).

The analyses in this research rely on data from the national sample only, comprised of 3,950 respondents, with analyses restricted to the 94 percent of respondents working fulltime in the labor force ($n = 3,590$). Because lawyer salaries vary dramatically by sector of practice (public vs. private) (Dixon and Seron 1995; Kay and Hagan 1995), we focus here on the subsample of respondents working fulltime in the private sector ($n = 2,231$). About 70 percent of new lawyers work in private law firms, making this a critical practice setting on which to focus our inquiry. Furthermore, the dynamics that may affect gender disparities are likely quite different in the private sector that is governed by the billable hour and bonus structure compared to the salaried public or business sector (see Dixon and Seron 1995). Also, because women are overrepresented in the public sector which is characterized by lower incomes, narrowing our focus to this subset of respondents helps us investigate the incomes of new lawyers without the confounding influence of sector of practice that plagues much earlier research. Solo practice has unique organizational dimensions that distinguish it from other forms of private practice, with lawyers as business owners rather than employees (Seron 1996; Van Hoy 1997; Heinz et al. 2005), so we also exclude the small number of respondents working in solo practice. Finally, the sample followed a two-stage design, where weights are available to adjust for selection probabilities, but sampling weights are a function of the independent variables in the analysis, thus we do not rely on them in our analyses (Winship and Radbill 1994).

Cohort data are ideal for documenting the gender wage gap because they allow researchers to parcel out the age and seniority effects that have been confounded in prior research. Moreover, analyzing data of a cohort of new entrants to a profession provides the unique advantage of studying men and women at their most comparable work/life stage, with the majority of women having delayed marriage and childbearing.

Measures

To identify the sources of the gender wage gap, we canvass a full range of mechanisms and forms of capital. The mechanisms we examine—work profiles, opportunity paths and structures, geography, and credentials—are operationalized through detailed measures, many of which have not been considered simultaneously in prior research. Variables, definitions and descriptive statistics are presented in Table 1.

Salary

Because we are analyzing the earnings of professionals, we follow Morgan and Arthurs (2005) and employ annual salary (rather than hourly wage) as the dependent variable in our analyses. Indeed, most, if not all, full-time workers are paid on annual salary basis, with hourly wages more typical of part-time or contract work. This

measure is based on self-reported lawyers' annual earnings at the time of the survey. Respondents reporting a salary of \$201,000 or greater were removed as outliers (n = 25). There is a significant gender gap in salary of almost \$6,000, with women reporting a mean salary of \$90,527 and men \$96,486 (p < .001). The analyses below rely on the natural log of salary in order to reduce heteroskedasticity (Hodson 1985).

Demographics

We draw on a range of demographic characteristics that prior research indicates have important relationships with income. We begin by measuring years in practice, with about 90 percent of men and women having begun practice in the year 2000. We control for age of respondents by using a dummy variable coded 1 to

Table 1: Means, Standard Deviations and T Tests, by Gender

| | Female | | Male | | T Statistic |
|------------------------------------------------------------------|----------|----------|----------|----------|-------------|
| | Mean | SD | Mean | SD | |
| Salary logged | 11.32 | .44 | 11.38 | .45 | -7.126*** |
| Salary | 90527.63 | 37387.36 | 96486.36 | 40080.46 | -7.845*** |
| Demographics | | | | | |
| Number of years since bar admission | .11 | .39 | .08 | .38 | 3.726*** |
| Black | .06 | .23 | .04 | .19 | 4.915*** |
| Hispanic | .04 | .19 | .04 | .19 | .124 |
| Asian | .08 | .26 | .05 | .22 | 4.476*** |
| Has children | .17 | .38 | .29 | .46 | 14.794*** |
| Married | .49 | .50 | .61 | .49 | 11.696*** |
| Over 36 years old | .15 | .35 | .14 | .34 | 1.574 |
| Credentials (for law school, excluded category is Tier 4) | | | | | |
| GPA | 3.34 | .34 | 3.31 | .34 | 4.701*** |
| Ranked 1-10 | .11 | .31 | .12 | .33 | -2.943** |
| Ranked 11-20 | .12 | .32 | .12 | .32 | .425 |
| Ranked 21-40 | .16 | .37 | .20 | .40 | -5.407*** |
| Ranked 41-100 | .31 | .46 | .28 | .45 | 3.921*** |
| Tier 3 (101-137) | .18 | .38 | .15 | .36 | 3.783*** |
| Work Profiles | | | | | |
| Practice Settings (excluded category is firm of 2-20 lawyers) | | | | | |
| Firm 21-100 | .19 | .39 | .20 | .40 | -1.660 |
| Firm 101-250 | .13 | .34 | .11 | .32 | 3.099** |
| Firm 251+ | .29 | .45 | .30 | .46 | -1.499 |
| Practice Setting Characteristics | | | | | |
| Compensation with bonus | .77 | .42 | .85 | .36 | -9.422*** |
| Firm choice (lifestyle) | .08 | .69 | -.06 | .68 | 10.899*** |
| Work hours | 48.95 | 11.79 | 50.71 | 12.15 | -7.476*** |
| Opportunity Paths & Structures | | | | | |
| Networking | | | | | |
| Recruitment committee | .30 | .46 | .24 | .43 | 7.683*** |

represent the 14-15 percent of men and women who are more than 36 years of age. Race is measured by a series of dummy variables to represent Asian, black and Hispanic respondents, with white respondents as the omitted group; about 85 percent of men and women in the sample are white.

As noted above, research has pointed to the important relationship between women's family status and income (Hersch 2003; Noonan et al. 2005). We find that women are significantly less likely than men to have children ($p < .001$) or to be married ($p < .001$); for example, only 17 percent of women have a child compared to 29 percent of men. Since the lawyers in this study are just beginning their careers, it appears that delayed marriage and childbearing are the norm for female lawyers compared to their male peers.

| | | | | | |
|---------------------------------------------|-------|-------|-------|-------|-----------|
| Meals with partners/ associates | .58 | .49 | .66 | .47 | -8.312*** |
| Recreation with partners | .31 | .46 | .35 | .48 | -4.110*** |
| Areas of Law Practiced | | | | | |
| General practice | 2.18 | 8.37 | 4.01 | 13.92 | -8.402*** |
| Antitrust | .80 | 6.29 | .74 | 5.93 | .454 |
| Bankruptcy | 3.36 | 15.17 | 3.64 | 14.42 | -.945 |
| Civil litigation | 23.20 | 34.86 | 22.85 | 32.92 | .532 |
| Commercial law | 3.56 | 12.28 | 4.19 | 11.91 | -2.633** |
| Employment law management | 5.83 | 19.82 | 2.64 | 12.63 | 9.452*** |
| Family law | 4.68 | 17.45 | 2.31 | 10.84 | 8.028*** |
| General corporate | 6.81 | 18.30 | 7.83 | 18.11 | -2.845** |
| Intellectual property | 6.33 | 22.34 | 9.81 | 27.20 | -7.192*** |
| Personal injury plaintiff | 3.15 | 13.56 | 4.64 | 16.80 | -5.018*** |
| Personal injury defense | 4.69 | 15.93 | 5.32 | 17.96 | -1.894 |
| Probate | 3.25 | 13.00 | 1.67 | 8.30 | 7.133*** |
| Real estate commercial | 3.98 | 16.02 | 3.44 | 13.83 | 1.810 |
| Real estate personal | 1.86 | 9.18 | 1.56 | 8.37 | 1.756 |
| Securities | 3.91 | 14.77 | 5.02 | 15.82 | -3.703*** |
| Legal Markets (excluded category is Oregon) | | | | | |
| New York City | .07 | .25 | .06 | .24 | 1.114 |
| District of Columbia | .07 | .26 | .08 | .27 | -1.706 |
| Chicago | .10 | .30 | .10 | .30 | -.226 |
| Los Angeles | .10 | .30 | .08 | .27 | 3.867*** |
| San Francisco | .06 | .24 | .05 | .21 | 3.291*** |
| Boston | .03 | .17 | .03 | .16 | .771 |
| Atlanta | .06 | .24 | .06 | .24 | -.279 |
| Houston | .05 | .21 | .04 | .20 | .559 |
| Minneapolis | .05 | .22 | .05 | .22 | -.122 |
| Connecticut | .04 | .19 | .05 | .21 | -2.214* |
| New Jersey | .05 | .21 | .03 | .18 | 2.950** |
| Florida | .05 | .21 | .05 | .21 | -.298 |

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Credentials

Our measures of credentials include measures of respondents' self-reported GPA and a ranking of the law school attended. Respondents' law schools were assigned a numeric score following the 2003 US News & World Report rankings and five dummy variables were constructed to represent the tiers identified by these rankings; the excluded category is schools ranked in the fourth tier. We find that women are less likely than men to have attended a school ranked in the top 10 ($p < .01$), schools ranked in the top 21-40 ($p < .001$), and are more likely than men to have graduated from schools ranked 41-100 ($p < .001$), and from third tier schools ($p < .001$). Furthermore, while substantively small, the higher GPA reported by women is statistically significantly higher than men's GPA (3.34 vs. 3.31, $p < .001$).

Table 1 continued

| | Female | | Male | | T Statistic |
|-----------|--------|-----|------|-----|-------------|
| | Mean | SD | Mean | SD | |
| Tennessee | .05 | .21 | .05 | .22 | -1.298 |
| Oklahoma | .04 | .20 | .05 | .21 | -1.303 |
| Indiana | .05 | .22 | .04 | .20 | 1.731 |
| St. Louis | .07 | .25 | .07 | .25 | -.024 |
| Utah | .02 | .14 | .05 | .21 | -8.578*** |

* $p < .05$ ** $p < .01$ *** $p < .001$ (two-tailed test)

Work Profiles

Focusing on the subsample of respondents working fulltime, we also include a measure of reported hours worked per week. Women report working, on average, about one and a half hours less per week compared to men ($p < .001$).⁵

Practice settings are key to understanding the patterns of income in the legal profession, particularly at the outset of lawyers' careers. Our measures of practice setting rely on the size of respondents' entire firm rather than the local office in which they work, because salaries are driven by the national scale of a firm, rather than its more local dynamics. Each practice setting is modeled as a dummy variable with 1 indicating presence and 0 absence. Our reference category is small firms of 2-20 lawyers, which represents almost 40 percent of the men and women in the sample. The gender distributions across these settings match except for a slight overrepresentation of women in the large firms of 101-250 lawyers ($p < .01$).

An important feature of work settings relates to the ways in which lawyers are compensated. As a result, we include a control to indicate whether respondents work in a setting in which they are compensated by salary supplemented with a bonus. We find that women are less likely to work in settings with such compensation schemes than men (77 percent vs. 85 percent, $p < .001$).

Finally, it is also important to account for respondents' work setting preferences. There is significant

heterogeneity among private law firms not only based on their business profile (e.g., litigation-oriented, full-service, etc.), but firm culture itself varies tremendously. Some firms are known as elite white shoe firms, others are said to be more “family-friendly,” while others are more competitive, or seen as “sweatshops” (see e.g., Barnes 2007; Ginsburg and Wolf 2004). Our final measure taps into this more symbolic aspect of practice settings, with a focus on measures that reflect respondents’ orientation towards firms’ “lifestyle” profile. Given our focus on private law firms, the measure of “lifestyle” is based on responses to six items in which respondents rated the importance of various job characteristics in their choice of firm, on a scale of one to seven. The items include the following factors: office environment/collegiality; hours expected; pro bono opportunities; prospects for advancement; good match of employer’s mission and my own; and training/mentorship opportunities. The items were summed, and then standardized, with an Alpha score of .72. We find that women rate a firm’s lifestyle profile as more important in their choice of firm than do men ($p < .001$).

Opportunity Paths and Structures

We rely on three measures to capture a range of organizational networking activities, which might create the social connections that produce work for young lawyers who are more likely to depend on the firm’s clients at this early stage of their careers. These include whether respondents serve on the firm’s recruitment committee, whether they share meals with partners or senior associates, and whether they engage in recreational activities with partners. We find that women are more likely to serve on the service-oriented recruitment committee (30 percent vs. 24 percent, $p < .001$), but they are less likely to be involved in other social activities with partners and senior associates in the firm ($p < .001$).

Equally important is the opportunity to spend time in areas of practice that translate into differential earnings for lawyers. As a result, we include measures of the percent of time spent working in each of 15 different fields of practice. There are gendered patterns across fields of law with women more likely than men to be working in employment law, family law and probate, while men are more likely than women to be working in general practice, commercial, general corporate, intellectual property, personal injury (plaintiffs) law and securities ($p < .05$ or better).⁶

Geography

A unique feature of these data is the ability to measure the effects of working in different regions or cities across the country, which has not been possible for the majority of researchers of the legal profession. The four largest legal markets (New York City, Los Angeles, Chicago and Washington, D.C.) represent about a third of respondents, while another quarter of the respondents work in the five “large” markets (Boston, Atlanta, Houston, Minneapolis, San Francisco) and about 38 percent work in the eight smaller markets (Connecticut, New Jersey remainder,

Table 2. Ordinary Least Squares Regressions (Unstandardized) Predicting ln(Salary)

| | Model 1 | | Model 2 | | Model 3 | | Model 4 | | Model 5 | |
|------------------------------------------------------------------|---------|---------|---------|----------|---------|----------|---------|----------|---------|----------|
| | b | | b | | b | | b | | b | |
| Demographics | | | | | | | | | | |
| Male | .063** | (3.145) | .073*** | (4.528) | .052*** | (3.931) | .041** | (3.037) | .052*** | (4.170) |
| Number of years since bar admission | | | .022 | (1.095) | -.003 | (-.179) | -.003 | (-.180) | .000 | (.023) |
| Black | | | .149*** | (3.713) | .074* | (2.395) | .072* | (2.398) | .055* | (2.035) |
| Hispanic | | | .038 | (.802) | .024 | (.646) | .018 | (.495) | -.027 | (-.826) |
| Asian | | | .097** | (2.777) | .078** | (2.865) | .072** | (2.727) | .008 | (.336) |
| Has children | | | -.023 | (-1.097) | -.004 | (-.209) | -.008 | (-.518) | .023 | (1.517) |
| Married | | | -.010 | (-.537) | -.013 | (-.849) | -.014 | (-1.000) | .009 | (.699) |
| Over 36 years old | | | .027 | (1.070) | .046* | (2.280) | .030 | (1.560) | .022 | (1.296) |
| Credentials (for law school, excluded category is Tier 4) | | | | | | | | | | |
| GPA | | | .474*** | (13.833) | .195*** | (6.274) | .170*** | (6.029) | .181*** | (6.806) |
| Ranked 1-10 | | | .574*** | (17.148) | .252*** | (8.900) | .215*** | (7.900) | .129*** | (4.919) |
| Ranked 11-20 | | | .421*** | (12.842) | .190*** | (7.139) | .161*** | (6.381) | .114*** | (4.812) |
| Ranked 21-40 | | | .301*** | (1.144) | .133*** | (5.492) | .106*** | (4.599) | .063** | (2.817) |
| Ranked 41-100 | | | .143*** | (5.314) | .048* | (2.189) | .037 | (1.756) | .023 | (1.127) |
| Tier 3 (101-137) | | | .082** | (2.663) | .017 | (.668) | .012 | (.484) | .007 | (.291) |
| Work Profiles | | | | | | | | | | |
| Practice Settings (excluded category is firm of 2-20 lawyers) | | | | | | | | | | |
| Firm 21-100 | | | | | .266*** | (13.553) | .226*** | (10.977) | .221*** | (11.333) |
| Firm 101-250 | | | | | .414*** | (16.196) | .362*** | (13.269) | .363*** | (14.277) |
| Firm 251+ | | | | | .593*** | (25.413) | .530*** | (19.928) | .467*** | (19.162) |
| Practice Setting Characteristics | | | | | | | | | | |
| Compensation with bonus | | | | | .150*** | (7.993) | .137*** | (7.989) | .119*** | (7.429) |
| Firm choice (lifestyle) | | | | | -.002 | (-.187) | -.004 | (-.429) | .005 | (.495) |
| Work hours | | | | | | | .001** | (2.683) | .001** | (2.636) |
| Opportunity Paths & Structures | | | | | | | | | | |
| Networking | | | | | | | | | | |
| Recruitment committee | | | | | | | .055* | (2.260) | .065** | (3.105) |

| | | | | |
|----------------------------------------------------|----------|----------|---------|----------|
| Meals with partners/ associates | .028 | (1.433) | .027 | (1.347) |
| Recreation with partners | -.031* | (-1.982) | -.014 | (-.912) |
| Areas of Law Practiced | | | | |
| General practice | -.001* | (-2.035) | -.002* | (-2.504) |
| Antitrust | .002* | (2.410) | .002* | (2.252) |
| Bankruptcy | .001 | (1.223) | .000 | (.790) |
| Civil litigation | .000* | (2.086) | .000 | (1.122) |
| Commercial law | -.001 | (-1.822) | .000 | (-.981) |
| Employment law management | .000 | (-.602) | .000 | (-.121) |
| Family law | -.002*** | (-3.341) | -.001* | (-2.396) |
| General corporate | .000 | (1.123) | .000 | (.501) |
| Intellectual property | .003*** | (8.901) | .002*** | (9.005) |
| Personal injury plaintiff | .000 | (-.904) | .000 | (-.620) |
| Personal injury defense | -.001** | (-2.850) | -.001** | (-3.070) |
| Probate | -.001 | (-1.898) | -.001 | (-1.823) |
| Real estate commercial | .000 | (.544) | .000 | (.661) |
| Real estate personal | .000 | (-.188) | -.001 | (-.755) |
| Securities | .002*** | (4.404) | .001** | (3.183) |
| Legal Markets (excluded category is Oregon) | | | | |
| New York City | | | .406*** | (12.131) |
| District of Columbia | | | .292*** | (9.480) |
| Chicago | | | .263*** | (8.340) |
| Los Angeles | | | .339*** | (1.746) |
| San Francisco | | | .335*** | (9.525) |
| Boston | | | .280*** | (6.578) |
| Atlanta | | | .216*** | (6.374) |
| Houston | | | .271*** | (7.331) |
| Minneapolis | | | .068 | (1.900) |
| Connecticut | | | .184*** | (5.168) |
| New Jersey | | | .177*** | (4.988) |

continued on the following page

Table 2 continued

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|-----------|-------------------|-------------------------|--------------------------|--------------------------|------------------------------|
| | b | b | b | b | b |
| Florida | | | | | .065 (1.704) |
| Tennessee | | | | | .008 (.213) |
| Oklahoma | | | | | -.026 (-.673) |
| Indiana | | | | | .009 (.256) |
| St. Louis | | | | | .049 (1.407) |
| Utah | | | | | .141*** (3.515) |
| Constant | 11.321*** .004 | (.015) 9.504*** .363 | (.118) 10.176*** .611 | (.103) 10.211*** .648 | (.095) 10.041*** (105.92) |
| R Square | | | | | .720 |

Note: T ratios in parentheses

*p < .05 **p < .01 ***p < .001 (two-tailed test)

Florida remainder, Tennessee, Oklahoma, Indiana, St. Louis, Utah). The reference category is Oregon, which represents the remaining 5 percent of respondents working in one of the smaller markets. We find roughly similar distributions of men and women in each of the regions, except there are more women than men in Los Angeles, San Francisco and New Jersey (p < .05 or better), while men outnumber women in Connecticut and Utah (p < .05 or better).

Data Analysis

The analyses are based on four nested regression models of salary that allow us to track the relative contributions of the sets of variables. To minimize the bias resulting from missing data, we relied on multiple imputation (Little and Rubin 1987; Allison 2001).⁷ The results are displayed in Table 2.

Gender

The first model begins by displaying the effect of gender alone and reveals that men earn a 6.3 percent salary premium compared to women.

Human and Social Capital

The second model introduces controls for demographic factors and academic credentials. We find that black and Asian respondents report greater earnings than their white counterparts, with increased earnings of 15 percent and 10 percent, respectively. This model also affirms the importance of credentials. For each full point increase in GPA, respondents earn a 47 percent increase in their income. An even larger boost to income is attained for graduates of elite law schools, with top 10 law school graduates earning 57 percent more than their fourth-tier counterparts, and those who graduated

from top 20 schools earning 42 percent more than fourth-tier graduates. Indeed, the earnings boost related to law school tier continues down the hierarchy, with earnings declining alongside law school tier. Compared to fourth-tier graduates, those who attended schools ranked in the top 40 earn 30 percent more, top 100 graduates earn 14 percent more, while third-tier graduates earn 8 percent more.

While the controls for credentials significantly increase the explanatory power of the model, with an adjusted R square of 36 percent, the coefficient for gender actually increases in this model. Thus, after introducing controls for demographics and human capital the earnings gap increases to slightly more than 7 percent. This increase suggests that the salary differential is not due to the differences in credentials between men and women; if it were, then we would expect the gap to be *reduced* after those differences were taken into account. But as the findings indicate, the gap instead *increases*.

Work Profiles

The third model includes controls for work profiles. As expected, income increases in a linear fashion with firm size. Compared to the reference group of lawyers working in small firms of 2-20 lawyers, we find a 27 percent boost for those working in medium firms of 21-100 lawyers with salaries increasing by up to 60 percent for those working in the mega firms of 251 or more lawyers. In short, the larger the firm, the greater the earnings. Independent of firm size, we also find positive returns to income for respondents who work in firms where compensation is determined by a mixture of salary and bonus, with these lawyers experiencing an additional 15 percent increase in their incomes. The results also indicate that there is no relationship between choosing a firm for “lifestyle” reasons and salary. With the addition of these work profile variables, the R square of the model increases to 61 percent, suggesting that human capital, demographics and practice setting account for almost 66 percent of the variance in income. Despite these important controls, however, the gender wage gap is only slightly attenuated, with men in this model earning 5.2 percent more than women.

Opportunity Paths

The fourth model introduces the variables for networking and time spent in areas of practice. Women are often thought to be excluded from important networking opportunities that can lead to valuable work assignments (Kay and Hagan 1998; Reichman and Sterling 2002), and that women's lower earnings are the result of investments in areas of practice that may be more traditionally gendered (e.g., family law) and/or less lucrative (e.g., real estate).

The data indicate varying effects for the networking variables. We find a 5.5 percent increase in salary for those serving on the recruitment committee and a 3 percent decrease for lawyers reporting that they spend recreational time with partners. The findings suggest two potential avenues for understanding the role of

networking in private law firms. First, being selected to serve on the recruitment committee may work as a signal that junior associates are valuable team players and provide young lawyers with a venue for building important relationships within the firm. Second, we find a somewhat surprising negative effect for spending recreational time with partners. We hypothesize that this may stem from the increased opportunities for this type of networking in firms that are located in smaller cities, where salaries are somewhat lower. Indeed, after we control for geographic legal markets in Model 5, this negative effect of networking is reduced to below the level of significance.

We also find modest support for the relationship between time devoted to areas of practice and income. The largest gains in salary (of .2-.3 percent) result from spending more time working in antitrust and intellectual property, while higher incomes are also related to spending more time working in securities and civil litigation. As expected, we find that time spent working in family law results in a small (.2 percent) reduction in earnings, as does working in general practice and personal injury defense. Inclusion of these factors increases the explanatory power of the model to 65 percent, and reduces the income advantage accrued to men by about 27 percent (.041-.052/.041).

Geography

The final model includes controls for geographic location. As expected, there are significant payoffs to working in the nation's largest cities: respondents in New York City, Los Angeles, Chicago, Boston and Washington, D.C. all earn 26-41 percent more than their counterparts in Oregon (the excluded category); we also find an earnings premium for respondents working in Atlanta, Houston, Connecticut, New Jersey and Utah. This final model explains 72 percent of the variance in salary, signaling that we have accounted for a large proportion of the variance in new lawyers' salaries; this is likely because we have a well-specified model, but also because we focus only on lawyers working in private practice. Yet in this final model the gender wage gap between male and female salaries increases again to 5.2 percent, despite the introduction of these elaborate controls.

The results displayed in Table 2 are clear: while our models provide a very good accounting of the predictors of new lawyer salaries, these same factors do not account for the gender gap in income. Our results indicate that despite controls for demographic background, human and social capital, fields of practice or geographic locale, male lawyers continue to command an earnings premium of about 5 percent compared to female lawyers. The invariance of this gap even as the models become more elaborate is particularly striking, since the models were constructed to account for the factors traditionally believed to be driving the gender gap in earnings. Below, we consider possible interaction effects and proceed to further decompose the gender gap in lawyer salaries.

Gender-Specific Models

Prior research has suggested that factors predicting salaries for men and women may vary (Kay and Hagan 1998; Marini and Fan 1997), thus we also estimate the salary models for subsamples of men and women. The results are presented in Appendix A and B. To assess the differences between the coefficients for men and women across the models we display relevant Z-tests in Appendix C. While many researchers rely on t-tests in assessing these differences (e.g., Marini and Fan 1997), we follow the equation specified by Clogg et al. (1995) and Paternoster et al. (1998:861) who argue that the equation for the t-tests commonly used by researchers relies on a “negatively... biased estimate of the true standard deviation of the sampling distribution of coefficient differences” and which leads to a higher probability of rejecting the null hypothesis that $b_1 - b_2 = 0$. As a result, we employ the following equation:

$$Z = \frac{b_1 - b_2}{\sqrt{SEb_1^2 + SEb_2^2}}$$

The results are fairly straightforward. There are few if any significant differences between the explanatory variables for male and female salaries, with the Z scores for the final model indicating only one significant difference in the coefficients for men and women, with men earning more for working in personal real estate compared to women. As a result, we conclude that the models presented in Table 2 accurately reflect the predictors of male and female salaries alike.

Sources of the Gender Wage Gap

To better understand the relationship between gender and lawyers' earnings, we decompose the gender wage gap into four components (Jones and Kelley 1984; Marini and Fan 1997; Kay and Hagan 1995). This technique stems from work that seeks to locate sources of discrimination which is said to exist when individuals with the same characteristics receive different rates of return for these characteristics. By comparing the coefficients derived from the salary regressions within each group (presented in appendices A and B), and by relying on group means for the relevant variables (presented in Table 1), this decomposition provides us with four components with which to understand the gender gap in earnings. The decomposition is specified as follows (Jones and Kelley 1984):

$$\text{GAP} = \text{membership} + \text{coefficients} + \text{endowments} + \text{interaction}$$

$$(Y^m - Y^w) = (a^m - a^w) + \sum X^w(b^m - b^w) + \sum b^m(X^m - X^w) + \sum (b^m - b^w)(X^m - X^w),$$

where the superscript *M* represents men and the superscript *W* represents women

The membership component is calculated as the difference in the intercept for women and men, and it is interpreted as an “unexplained” part of the difference in incomes due to being male or female; we return below to an explanation of this term of the equation. The coefficients component is the part of the gap that is due to differences in the coefficients for men and women. This term estimates how much of the income gap results from differences in how women’s endowments are actually valued on the market and how much women would earn for these endowments if they benefited from the same valuations given to men. The third term is the endowments component which estimates the amount by which women’s incomes are depressed compared to men’s because of differences in their endowments. This term estimates how much more women would earn if they had the same profile as men (e.g., if women worked as many hours as men, had the same GPA, etc.), but if their endowments remained valued at the rate “paid” to women. Finally, the interaction term takes into account both the difference in endowments (e.g., the amount of hours worked) and the difference in how these endowments are valued (e.g., the hourly rates of pay for men and women). This is the amount women would gain if, for example, they worked as long as men and if those extra hours were remunerated at the same rate as men. Because this is an interaction effect, if women did work the same number of hours as men and were paid the same as men, for example, this term would equal 0.

In calculating the gender gap in earnings, Jones and Kelley (1984:34) caution that the membership component should not be interpreted on its own. Because most variables in social science analyses have arbitrary 0 points, “the substantive results of the decomposition are arbitrary.” As a result, we add together the membership component and the coefficient component. When combined, we are in effect calculating the unexplained difference in income between men and women—in other words, the amount of the income gap that is due to the inexplicable finding that differences in income are the consequence of checking off male or female on a survey. While the formal models of the decomposition (e.g., Jones and Kelley 1984) use the language of “discrimination” for this particular component, we argue that these distinctive designations are difficult to make. For example, contributions to the gender wage gap that result from differences in men’s and women’s “endowments” component (e.g., the hours men and women report they work) may themselves be the result of discrimination: for example, junior women may not receive the same number of files or valuable client assignments from senior partners as junior men, which will then result in fewer hours worked. As a result, in our discussion we rely on the more descriptive labels for each component of the decomposition.

The full decomposition is displayed in Table 3, with a summary of the findings in Table 4. Overall, we have calculated a total gender wage gap of 7.3 percent. About 75 percent of this gap is due to unexplained differences in the valuation of women’s endowments, about 15 percent results from the differential endow-

ments of women compared to men, and the remaining 9 percent of the gap is due to the interaction between the difference in returns to endowments and the difference in the endowments themselves. This distribution signals that the gender gap in salaries is largely unexplained (75 percent of the gap is unexplained), and the largest contributor to the gender wage gap is this residual variance. Jones and Kelly (1984:324) refer to this residual variance as “discrimination”—yet we caution, as do Jones and Kelly, that this unexplained residual might be the product of variables unaccounted for in the model, or potential measurement error, rather than simply the result of discrimination.

We cannot isolate the contribution of particular variables to the “discrimination component” (Jones and Kelley 1984), so we turn our attention to the 15 percent of the gender wage gap that is attributed to differences in endowments between men and women. This reflects the amount that the gap would be narrowed if women “looked” like men, but were paid like women. The largest contribution to the gender wage gap comes from the differential distribution of men and women in one particular field of law, intellectual property. Women, on average, spend 6.5 percent of their time working in this field compared to men’s 9.8 percent. According to the results in Table 3, if women spent as much time as men working in this field of law but were paid at the rate of women, the gender gap in earnings would be reduced by about 9.5 percent (63 percent of 15 percent). Another important contributor to the gender wage gap is the compensation scheme in one’s firm. If as many women as men worked in firms where compensation is determined by a combination of salary and bonus (and were paid as women are paid), the gender wage gap would be narrowed by about 12.9 percent (86 percent of 15 percent).⁸ Practice settings are also an important source of the compositional gender wage gap, so that if as many women as men worked in the largest private firms (of more than 250 lawyers), the gender wage gap would narrow by 8.3 percent (55 percent of 15 percent). Finally, demographics play an interesting role: while men are more likely than women to have children (28 percent vs. 17 percent, $p < .001$), they receive positive returns for having children. Thus, if women were rewarded similarly to men, having more children would actually increase women’s salaries.

Overall, the data in the endowments column do not point to the traditionally noted factors (such as hours worked or GPA) as sources of the gender gap in salaries. This is because women, in fact, have very good endowments on key characteristics. On average, their GPAs are higher than that of men and they are well-represented in large law firms; as a result, the equations indicate that if women were to adjust their endowments to equal those of men (by reducing their GPAs, for example), the gender wage gap might actually *increase*. Indeed, all negative figures in the column for the endowments component reflect variables for which the mean score for women is higher than that of men.

The final component of the gap is the interaction component, which represents the interaction between the gap produced by the differential valuation of men

Table 3: Decomposition of the Salary Gap for Male and Female Lawyers

| | Coefficients (or Endowments (or Component | | | Interaction Component | | | Intercept Component | | |
|------------------------------------------------------------------|-------------------------------------------|----------------|---------|-----------------------|---------|-----------|---------------------|--|--|
| | $X^w(b^m-b^w)$ | $b^m(X^m-X^w)$ | Percent | $(b^m-b^w)(X^m-X^w)$ | Percent | a^m-a^w | Percent | | |
| Demographics | | | | | | | | | |
| Number of years since bar admission | -.002 | .000 | 2.3 | .001 | 7.3 | | 7.3 | | |
| Black | .001 | -.001 | -10.1 | .000 | -2.9 | | -2.9 | | |
| Hispanic | .001 | .000 | .1 | .000 | -2 | | -2 | | |
| Asian | .000 | .000 | -1.0 | .000 | 1.8 | | 1.8 | | |
| Has children | .007 | .004 | 39.4 | .005 | 68.1 | | 68.1 | | |
| Married | .003 | .001 | 12.4 | .001 | 8.6 | | 8.6 | | |
| Over 36 years old | -.008 | .000 | -.7 | .001 | 8.0 | | 8.0 | | |
| Credentials (for law school, excluded category is Tier 4) | | | | | | | | | |
| GPA | .234 | -.007 | -59.3 | -.002 | -31.3 | | -31.3 | | |
| Ranked 1-10 | .006 | .003 | 25.3 | .001 | 13.7 | | 13.7 | | |
| Ranked 11-20 | .006 | .000 | -3.4 | .000 | -2.0 | | -2.0 | | |
| Ranked 21-40 | .012 | .004 | 32.5 | .003 | 44.4 | | 44.4 | | |
| Ranked 41-100 | .010 | -.001 | -11.9 | -.001 | -15.4 | | -15.4 | | |
| Tier 3 (101-137) | .012 | -.001 | -8.1 | -.002 | -26.0 | | -26.0 | | |
| Work Profiles | | | | | | | | | |
| Practice Settings (excluded category is firm of 2-20 lawyers) | | | | | | | | | |
| Firm 21-100 | -.004 | .003 | 25.1 | .000 | -3.7 | | -3.7 | | |
| Firm 101-250 | -.007 | -.007 | -62.0 | .001 | 14.8 | | 14.8 | | |
| Firm 251+ | -.014 | .006 | 54.6 | -.001 | -9.3 | | -9.3 | | |
| Practice Setting Characteristics | | | | | | | | | |
| Compensation with bonus | .011 | .010 | 86.6 | .001 | 14.6 | | 14.6 | | |
| Firm choice (lifestyle) | .000 | -.001 | -5.4 | .000 | 6.6 | | 6.6 | | |
| Work hours | .056 | .004 | 32.0 | .002 | 28.6 | | 28.6 | | |
| Opportunity Paths & Structures | | | | | | | | | |
| Networking | | | | | | | | | |
| Recruitment committee | .000 | -.004 | -39.9 | .000 | .6 | | .6 | | |

| | | | | | |
|----------------------------------------------------|-------|-------|-------|-------|-------|
| Meals with partners/ associates | .009 | .003 | 26.0 | .001 | 18.1 |
| Recreation with partners | .005 | .000 | -2.8 | .001 | 9.2 |
| Areas of Law Practiced | | | | | |
| General practice | .001 | -.004 | -33.3 | .001 | 12.5 |
| Antitrust | .000 | .000 | -1.0 | .000 | -.3 |
| Bankruptcy | -.004 | .000 | 0 | .000 | -4.4 |
| Civil litigation | -.012 | .000 | 0 | .000 | 2.6 |
| Commercial law | .002 | .000 | 0 | .000 | 5.9 |
| Employment law management | -.001 | .000 | 0 | .000 | 4.0 |
| Family law | .000 | .002 | 21.6 | .000 | 2.7 |
| General corporate | -.005 | .000 | 0 | -.001 | -11.5 |
| Intellectual property | -.001 | .007 | 63.2 | .000 | -6.6 |
| Personal injury plaintiff | .004 | .000 | .0 | .002 | 28.1 |
| Personal injury defense | .004 | -.001 | -5.7 | .001 | 7.7 |
| Probate | .000 | .002 | 14.4 | .000 | 1.1 |
| Real estate commercial | -.001 | .000 | 0 | .000 | 1.9 |
| Real estate personal | .007 | .000 | -2.8 | -.001 | -16.1 |
| Securities | -.004 | .001 | 10.1 | -.001 | -14.2 |
| Legal Markets (excluded category is Oregon) | | | | | |
| New York City | .000 | -.002 | -19.6 | .000 | -.2 |
| District of Columbia | -.005 | .002 | 21.6 | -.001 | -8.1 |
| Chicago | .001 | .000 | 3.2 | .000 | .2 |
| Los Angeles | .005 | -.008 | -71.6 | -.001 | -15.8 |
| San Francisco | .000 | -.005 | -45.2 | .000 | .8 |
| Boston | .003 | -.001 | -7.2 | .000 | -3.2 |
| Atlanta | -.001 | .000 | 2.6 | .000 | -.2 |
| Houston | .003 | -.001 | -6.1 | .000 | -2.3 |
| Minneapolis | -.002 | .000 | .2 | .000 | -.3 |
| Connecticut | .001 | .002 | 16.4 | .000 | 4.7 |
| New Jersey | .003 | -.002 | -21.5 | -.001 | -11.3 |

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Table 3 continued

| | Coefficients Component $X^w(b^m - b^w)$ | Endowments (or Compositional) Component $b^m(X^m - X^w)$ | Percent | Interaction Component $(b^m - b^w)(X^m - X^w)$ | Percent | Intercept Component $a^m - a^w$ |
|-----------|--------------------------------------------|-------------------------------------------------------------|---------|---------------------------------------------------|---------|------------------------------------|
| Florida | .000 | .000 | .7 | .000 | 0 | |
| Tennessee | -.001 | .000 | -.1 | .000 | -1.7 | |
| Oklahoma | .000 | .000 | -1.3 | .000 | -.3 | |
| Indiana | .002 | .000 | -1.9 | .000 | -4.6 | |
| St. Louis | -.003 | .000 | 0 | .000 | -.1 | |
| Utah | -.001 | .003 | 31.5 | -.002 | -27.7 | |

and women's endowments and the actual difference in their endowments. As Jones and Kelley (1984) explain, the interaction term can be allocated to either "discrimination" or endowments, depending on how one theorizes the reasons for the gap. If it is hypothesized that the gender wage gap results because men are privileged (i.e., that men are "over-paid" for their endowments), then the interaction term can be added to the endowment component. On the other hand, if the gender wage gap is hypothesized to occur because women are deprived (i.e., that they are earning less because they are receiving lower returns for their endowments) then the interaction term should be added to the "discrimination component." According to Jones and Kelley (1984), it is quite reasonable to report the interaction term separately, as we do, because it allows us to separately assess the magnitude of any residual "discrimination" component.

The largest contribution to the interaction component stems from the effect of having a child, which explains 6.1 percent of the gender wage gap (68 percent of 9 percent). This is the amount women would gain if they had children at the same rate as men *and* if having a child netted them the financial benefits that currently accrue only to men. All remaining variables contribute less than 5 percent individually to the gender wage gap.

Firm Effects?

One of the strongest predictors of salaries in the legal profession, according to these data and others, is firm size. Working for a larger firm nets a larger income. Because factors that determine salaries within firms might vary by *size* of firm, we undertook two additional subsample regression models to investigate whether the factors determining salaries vary by setting: the first subsample is comprised of respondents working in large private firms of more than 100 lawyers and the second is restricted to respondents working in firms of fewer than 100 lawyers.

Table 4: Summary of Decomposition of Male and Female Salaries

| | Intercepts + Coefficients | | | Total |
|------------------------------------|--------------------------------------|-----------------------|-----------------------|-------|
| | Component ("Unexplained Difference") | Composition Component | Interaction Component | |
| Total Computed Earnings Gap | | | | |
| Dollars | .05 | .011 | .007 | .073 |
| Percentages | 75.49 | 15.15 | 9.36 | |

The results in Table 5 indicate that in large firms, the gap between men and women's wages, net of all other factors, is 2.8 percent. While this gap appears smaller than in the full sample regression, the Z tests reveals that this is not a significant difference. Overall, the results suggest minor variations from the full sample model, but the basic story remains the same. We continue to find that higher grades, more prestigious law school credentials, larger firm size, working in a major metro area, and in particular practice areas such as intellectual property or securities, are all positive and significant predictors of salary. For the subsample of respondents working in smaller firms, the data in Table 5 indicate that the gender wage gap is somewhat larger, at 6.7 percent. Again, the Z tests indicate that this is not a significant difference compared to the full sample results,⁹ and we again continue to find the same general patterns of signs and significance in the predictors of lawyers' salary.

Discussion and Conclusions

Among a nationally representative cohort of lawyers who recently entered the profession, there is clear evidence of a continued gender gap in earnings. This gap persists even though the men and women are similarly situated, all working full-time in the private practice of law. Across the sample, men earn 5.2 percent more than women, net of credentials (human and social capital), work profiles, opportunity paths and structures and legal markets. This stands in contrast to some research (e.g., Morgan 1998) that suggests a decline in gender disparities among younger cohorts of engineers, but affirms recent findings on the gender wage gap among new college graduates (Dey and Hill 2007) and lawyers (Noonan et al 2005). While a gap of 5.2 percent may appear relatively modest, a 5 percent difference in return on investment over a lifetime is substantial and there is evidence to suggest that small differences in the earnings of male and female lawyers early in their career may become magnified over time (see e.g., Huang 1997). Moreover, the gender wage gap we identify—and the mechanisms underlying it—will likely persist as men and women's lives begin to diverge, and other factors, such as pregnancy and childcare come into play and exacerbate this baseline inequity. If the pay gaps that begin at the early stages of a career are ignored, then adjustments with respect to work-life balance in later careers will likely fail at creating equity.

The results of our analyses make clear that the key to understanding the gender wage gap cannot rest solely, if at all, on differences in the capital that men and

women bring to their careers or on the choices they make. Even more, by drawing on this particular dataset, our analyses lay to rest many of the assumptions put forward as potential sources of the pay gap. We have done so both by design and through systematic testing of mechanisms that may result in gender inequities in compensation. The data that we analyze in this article have three important

Table 5: Ordinary Least Squares Regressions Predicting ln(Salary), by Large (> 100) and Small (< 100) Private Firms

| | Large Firms (>100 Lawyers) | | Small Firms (<100 Lawyers) | |
|------------------------------------------------------------------|----------------------------|---------------------------------------------|----------------------------|---------------------------------------------|
| | b | Z test comparing large firms to full sample | b | Z test comparing small firms to full sample |
| Demographics | | | | |
| Male | .028* | (.012) | -1.423 | .067*** (.018) |
| Number of years since admission | .034* | (.014) | 1.680 | -.008 (.023) |
| Black | .033 | (.025) | -5.79 | .075 (.043) |
| Hispanic | .015 | (.038) | .850 | -.055 (.049) |
| Asian | .007 | (.021) | -.040 | -.004 (.040) |
| Has children | -.005 | (.016) | -1.273 | .042 (.023) |
| Married | .006 | (.012) | -.153 | .008 (.021) |
| Over 36 years old | .026 | (.020) | .154 | .020 (.024) |
| Credentials (for law school, excluded category is Tier 4) | | | | |
| GPA | .124*** | (.022) | -1.641 | .179*** (.036) |
| Ranked 1-10 | .072* | (.035) | -1.294 | .192*** (.060) |
| Ranked 11-20 | .052 | (.035) | -1.444 | .137*** (.040) |
| Ranked 21-40 | .030 | (.035) | -.799 | .047 (.032) |
| Ranked 41-100 | .014 | (.034) | -2.16 | .010 (.028) |
| Tier 3 (101-137) | .005 | (.035) | -.041 | .000 (.031) |
| Work Profiles | | | | |
| Practice Settings | | | | |
| Firm 251+/Firm 21-100 | .106*** | (.014) | -4.740 | .209*** (.024) |
| Practice setting characteristics | | | | |
| Compensation with bonus | .057* | (.023) | -9.010 | .118*** (.022) |
| Firm choice (lifestyle) | -.007 | (.011) | -17.955 | .015 (.014) |
| Work hours | .000 | (.000) | -7.432 | .002*** (.001) |
| Opportunity Paths & Structures | | | | |
| Networking | | | | |
| Recruitment committee | .036* | (.018) | 1.577 | .093** (.028) |

design features. First, the data derive from a single cohort of young lawyers. We are able to parcel out confounding issues related to seniority and to sidestep issues of marriage and childbearing, a life stage the majority of men and women in this sample have not yet experienced and which is often identified as a potential cause of the gender wage gap. By comparing the earnings of women at the point

| | | | | | | |
|----------------------------------------------------|----------|--------|--------|----------|--------|--------|
| Meals with partners/ associates | .016 | (.016) | .892 | .031 | (.035) | 1.850 |
| Recreation with partners | -.013 | (.016) | -2.934 | -.014 | (.021) | -2.976 |
| Areas of Law Practiced | | | | | | |
| General practice | .000 | (.001) | -1.346 | -.002* | (.001) | -1.476 |
| Antitrust | .001 | (.001) | .959 | .004* | (.002) | 1.156 |
| Bankruptcy | .000 | (.000) | 1.908 | .000 | (.001) | 2.176 |
| Civil litigation | .000 | (.000) | -1.824 | .000 | (.000) | -1.731 |
| Commercial law | .000 | (.000) | .000 | -.001 | (.001) | .000 |
| Employment law management | .000 | (.000) | .000 | .000 | (.001) | .000 |
| Family law | -.002 | (.002) | -.610 | -.001 | (.001) | -.222 |
| General corporate | .000 | (.000) | .000 | .001 | (.001) | .000 |
| Intellectual property | .001*** | (.000) | .000 | .004*** | (.000) | .000 |
| Personal injury plaintiff | .002 | (.002) | .666 | .000 | (.001) | -.171 |
| Personal injury defense | -.002*** | (.001) | -4.237 | -.001 | (.001) | -3.235 |
| Probate | -.001 | (.001) | -.464 | -.001 | (.001) | -.614 |
| Real estate commercial | .000 | (.000) | .000 | .000 | (.001) | .000 |
| Real estate personal | -.001 | (.001) | .128 | .000 | (.001) | .696 |
| Securities | .001* | (.000) | .000 | .003* | (.001) | .000 |
| Legal Markets (excluded category is Oregon) | | | | | | |
| New York City | .480*** | (.034) | 14.132 | .322*** | (.062) | 9.476 |
| District of Columbia | .365*** | (.032) | 11.368 | .211*** | (.055) | 6.542 |
| Chicago | .338*** | (.032) | -1.486 | -.214*** | (.045) | -4.175 |
| Los Angeles | .398*** | (.034) | 2.310 | .331*** | (.047) | .835 |
| San Francisco | .365*** | (.036) | 2.160 | .375*** | (.058) | 2.365 |
| Boston | .380*** | (.040) | .806 | .160* | (.078) | -3.504 |
| Atlanta | .198*** | (.036) | -2.732 | .228*** | (.050) | -2.132 |
| Houston | .295*** | (.038) | .253 | .279*** | (.057) | -.014 |
| Minneapolis | .118** | (.038) | -1.928 | .040 | (.051) | -3.470 |
| Connecticut | .276*** | (.041) | .083 | .132* | (.051) | -2.515 |
| New Jersey | .302*** | (.042) | 4.230 | .114* | (.051) | .841 |

continued on the following page

in their careers where they look most like men—and still finding a gender wage gap—we are able to rule out many competing hypotheses and to identify that there is an underlying structure of inequality that devalues women. As a result, these data offer a conservative estimate of the pay gap and also alert researchers to look beyond the expected causes of the gender wage gap. Second, by focusing on

lawyers working in the private sector we avoid issues of the differential levels of pay across the public and private sectors, along with the overrepresentation of women in this lower-paying sector; we are thus able to focus on mechanisms exclusive to the private sector that have been hypothesized to cause a gender wage gap. Despite this narrowing of our focus, we continue to find a gender gap in earnings. Finally, these analyses report findings from a sample that is nationally representative, thus speaking to the experiences of new lawyers from a range of social backgrounds, working in varying labor markets. Taken together, these data provide an unprecedented look at the income of new lawyers, with graduates of virtually every law school in the country represented in the sample, and with respondents working in varied labor markets, both large and small.

Turning to investigate the mechanisms that may be driving these differential earnings, we identified four potential avenues: work profiles, opportunity paths and structures, legal markets, and credentials. Our results indicate that none of these mechanisms can fully account for the gender wage gap (see Table 2). With respect to credentials, the results suggest that

Table 5 continued

| | Large Firms (>100 Lawyers) | | Small Firms (<100 Lawyers) | |
|-----------|---------------------------------------------|------------------|---------------------------------------------|------------------|
| | Z test comparing large firms to full sample | | Z test comparing small firms to full sample | |
| | b | (standard error) | b | (standard error) |
| Florida | -.004 | (.046) | .078 | (.050) |
| Tennessee | -.009 | (.045) | .009 | (.053) |
| Oklahoma | -.070 | (.086) | -.033 | (.048) |
| Indiana | .043 | (.041) | .010 | (.047) |
| St. Louis | .052 | (.036) | .056 | (.051) |
| Utah | .152** | (.057) | .118* | (.054) |
| Constant | 10.754*** | (.104) | 9.977*** | (.128) |
| R Square | .629 | | .494 | |
| N | 885 | | 1202 | |

Note: Standard errors in parentheses

*p < .05 **p < .01 ***p < .001 (two-tailed test)

contrary to the assumptions of human capital theory, the wage gap does not result from the human capital that women bring to their careers. On the other hand, taking into account work profiles—the size of firm, work hours, style of compensation, and the importance of “lifestyle” considerations—attenuates the gender wage gap, although the effect is quite modest. A more promising avenue appears to be consideration of a range of opportunity paths, including networking opportunities and time devoted to specific areas of law. The introduction of these variables accounts for just over a quarter of men’s earnings advantage (see Table 2). These findings confirm that in professional settings such as law firms, where work assignments travel from senior to more junior employees, socializing with more senior lawyers in both work and non-work settings can directly affect earnings. Similarly, working in particular fields of law, such as securities or intellectual property, is another opportunity path that translates into higher earnings and which helps explain some of men’s earnings advantage. Finally, lawyers’ earnings are closely tied to geographic markets. The nation’s largest cities are the locations of the most lucrative legal work, with big city firms vying for the best credentialed elite law graduates by offering substantial salaries. However, the distribution of men and women across these legal markets is fairly even, so that geographic markets are not an important mechanism in understanding the gender gap in early lawyers’ earnings.

Relying on a method which compares the differences in means, slopes and constants for men and women, we then sought to locate the sources of this gap. Using this decomposition technique we first estimated how much of the income gap stems from the differential valuation of women’s endowments; we then estimated the amount by which women’s incomes are depressed compared to men’s because they have different endowments; and finally, we took into account both these possibilities (i.e., that women’s endowments are paid at a different rate than men’s and that women have different endowments than men). The results of this analysis are both straightforward and complex in their implications. First, we find that only a small proportion (15 percent) of the wage gap would be narrowed if women resembled men across endowments. Second, we find that about three quarters of the gender wage gap remains unexplained by any of the empirical measures available to us. This unexplained variance may be due to discrimination or to other unmeasured factors: and thus to fully understand the process through which men are more highly valued and rewarded than women (see also Joy 2003) will require additional analyses to unpack this residual, and to examine the mechanisms of inequality that lie beneath the surface of professional work and compensation.

These analyses make clear that in professional settings such as law firms, where work is defined by a complex assemblage and hierarchy of tasks, the mechanisms underlying gender inequity combine to generate a consistent devaluation of women. Indeed, it is possible that it is the nature and organization of work that lawyers do that allows for practices that contribute to the pay gap in ways that they do not for other professionals. Thus while Morgan (1998) found a gender

wage gap at close to nil among engineers, the gender wage gap we find in our research signals that there may be something unique in the early professional work of lawyers that allows for the kind of subjective assessments and interactions that underlie differences in pay and account for significant within-occupation wage gaps (Peterson and Morgan 1995). Female lawyers are not alone, of course, in experiencing unexplained earnings differentials. Gender gaps in earnings are found in all of the traditional professions (medicine, clergy and professors) and in occupations that are commonly described as professional practice (accountants, for example). Although the data and methodologies vary considerably, efforts to explain gaps consistently find earnings models that, depending on the study, can explain only part of the earnings. Even with the best effort to explain pay differences, some portion of the gap remains unexplained in the pay gap studies of male and female science academics (Ginther 2003); medical school professors (Ash et al. 2004); scientists and engineers (Prokos and Padavic 2005); psychiatrists (Weeks and Wallace 2007); accountants (Caro et al. 1998); social workers (Koeske and Krowinski 2004); and nurses (Kalist 2002).

These findings make even more urgent the call to empirically examine compensation as a form of gender practice (Yancey Martin 2003). A substantial literature based on experimental and observational data describes ways that gender schemas (Valian 1999) work to disadvantage women by consistently overrating men and underrating women in compensation practices. Ridgeway's (1997:221) important work on the impact of gender status beliefs, for example, suggests that they "cause men and women to implicitly expect (or expect that others will expect) greater competence from men than from women, all things being equal." A significant body of research has found that in male gendered type work where performance level assessment is ambiguous, as is often the case in the evaluation of legal work, women are not perceived as competent (Heilman 2007:81). Heilman describes this as descriptive or "lack of fit" bias. The attributes assumed necessary for male typed tasks do not correspond to the attributes that are assumed to characterize women; lack of fit therefore leads to expectations of failure. A different type of bias, prescriptive bias, occurs when women are recognized as successful but are penalized because their success violates preconceived notions of what women should be like (Heilman 2001). Heilman et al. (2004) found that women who were deemed successful in male typed tasks, that is success in violation of gender expectations, were perceived of as less likeable and more interpersonally hostile than successful men, and earned lower performance ratings and fewer organizational rewards as a result.

The repeated background activation of gender status beliefs through everyday interactions can play an important role in sustaining gendered compensation practices as well; expectations become self-fulfilling (see also Zimmerman and West 1987). Non-verbal cues about social dominance can become powerful forms of hierarchical control (Dovidio et al. 1988). Yancey Martin (2003) observes that when men acknowledge women with a mere nod, and recognize men with exten-

sive eye contact and talk, the message women receive is that they are less important. When such messages are given over and over again, they can be debilitating even to highly educated women. Because gender status beliefs advantage men over women who are otherwise their equals, men, on average, are less likely to notice and/or disregard information that challenges existing beliefs. The consequences can be profound: subjective and discriminatory evaluation in some cases and diminished performance in still others. Recent investigations of wage discrimination argue that increased disparity in wages between men and women tend to occur when decision makers are given discretionary power to determine income (Parloff 2007). And indeed, research on lawyers has shown that when hiring criteria rely on stereotypically feminine traits women are more likely to be hired, and conversely, when criteria include more stereotypically masculine traits, women represent a smaller proportion of new hires (Gorman 2005).

Valian (2005) further argues that women themselves are affected by gender schemas, leading them to perceive themselves as worth less and entitled to less and this, too, may create gendered compensation practices. Women lawyers interviewed by Sterling and Reichman (2004) suggested that men and women record billable hours in different ways; men record every snippet of conversation with a client, women are more selective. Do women routinely discount the amount of work they do relative to men? If so, the consequences for income are profound as many law firms still rely on billable hours to measure productivity and value to the firm. Experiments conducted by social psychologists suggest that the gendered dynamics of salary negotiation might explain some of the remaining gender effects in our model. There is a substantial body of research that finds that women expect to be paid less than men do, that women are less likely than men to negotiate their starting salaries, and that men make significantly larger salary requests than do women (e.g., Babcock and Laschever 2003; Barron 2003; Kray and Thompson 2005; Major and Konar 1984). For example, in a series of experiments Small et al. (2007) found that women initiated fewer negotiations than men both when there was no explicit option to negotiate and when negotiation was a possibility. Gender differences were however dramatically reduced when the experimenters reframed the experimental condition from a negotiation to an opportunity to ask for more money. Asking offered a "softer," less face-threatening strategy that women appeared to find more acceptable than the idea of negotiation (Small et al. 2007). Women's reluctance to pursue negotiations might be a rational choice given further research that found that there are costs to women who negotiate that men do not experience. Research testing the impact of knowing that a job candidate had negotiated for higher compensation on willingness to work with that candidate, revealed a decline in willingness for both male and female candidates, although the negative effect was 5.5 times greater for women than men (Bowles et al. 2007).

Few empirical studies carry those insights into the empirical analysis of pay inequity, in part, because few, if any, offer direct observation of the process. Research

must move in that direction. Recognizing that compensation is a social process where individuals seeking compensation “make their best case,” and others evaluate the cases made, how does gender matter? Is the work that women produce, the hours that they put in, the intellect, creativity and initiative that they display on the job discounted in “small, barely visible ways” (Valian 2005:198) that accumulate into fairly substantial differentials in pay? Are women disadvantaged in the compensation process because they are more likely than men to use tag questions, hedges, disclaimers and “super polite grammatical constructions in conversations that occur in mixed sex contexts?” (Ridgeway and Smith-Lovin 1999) Are women lawyers less willing than men to initiate negotiations on salary and bonus, and if they do, do they incur costs in terms of future, career launching assignments? Having recognized that we cannot explain pay inequity simply by differential credentials, opportunities, or the collateral damage of a society that has not provided viable ways to balance work and family, stepping inside the black box of compensation decision making seems a necessary next step.

Notes

1. In a “lockstep” compensation scheme, lawyers are compensated equally, based on seniority, regardless of the business they bring in or their performance. In contrast, an “eat what you kill” compensation scheme determines remuneration by the amount of business brought in by a lawyer and/or her billable hours.
2. The sample also included respondents who self-identified as Native Americans, however the number of respondents in this category is too small for the analyses in this paper.
3. Based on the standard definitions provided by the American Association for Public Opinion Research, the response rates for the AJD study range from 53-55 percent, due to the unlocated sample members.
4. We ran all analyses on the subset of respondents who began practice in the year 2000. Because the substantive findings showed a similar gender wage gap and the same patterns of magnitude and significance, we report here the results of the larger sample.
5. We rely on reported weekly hours because this is the format of the survey question, and respondents did not report the number of weeks worked that year.
6. In the AJD sample, 18 percent of women work in the public sector compared to 14 percent of men ($p < .001$).
7. The AJD data also contain measures of the types of tasks respondents engage in on their jobs (such as routine work, or work characterized by trust or independence). Initial analyses included these factors as predictors of income (on file with authors), however since none of these items were significant as predictors of income, they are not included in the analyses presented.
8. We relied on Stata ICE to impute five multiply imputed datasets by relying on other variables in the data set; analyses were then conducted in Stata using *micombine*.
9. According to Table 1, 77 percent of women work in such settings compared to 85 percent of men.

10. Z tests comparing the coefficients for gender between the large firm and small firm subsamples also indicate that the difference is not significant ($Z = 1.83$).

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Appendix A. Ordinary Least Squares Regressions (unstandardized) Predicting ln(Salary), Women Only

| | Model 1 | | Model 2 | | Model 3 | | Model 4 | |
|------------------------------------------------------------------|---------|--------|---------|--------|---------|--------|---------|--------|
| | b | | b | | b | | b | |
| Demographics | | | | | | | | |
| Number of years since bar admission | .012 | (.032) | .013 | (.026) | .011 | (.025) | .009 | (.023) |
| Black | .167** | (.057) | .080 | (.042) | .071 | (.040) | .044 | (.037) |
| Hispanic | .000 | (.071) | .016 | (.051) | -.005 | (.052) | -.047 | (.048) |
| Asian | .088 | (.050) | .072 | (.037) | .074* | (.035) | .011 | (.032) |
| Has children | -.073 | (.037) | -.050 | (.030) | -.045 | (.029) | -.004 | (.029) |
| Married | .009 | (.026) | -.007 | (.020) | -.017 | (.020) | .007 | (.018) |
| Over 36 years old | -.036 | (.041) | .025 | (.036) | .046 | (.034) | .059 | (.031) |
| Credentials (for law school, excluded category is Tier 4) | | | | | | | | |
| GPA | .452*** | (.047) | .164*** | (.039) | .124** | (.038) | .138*** | (.037) |
| Ranked 1-10 | .569*** | (.058) | .219*** | (.050) | .180*** | (.047) | .099* | (.047) |
| Ranked 11-20 | .442*** | (.053) | .167*** | (.043) | .147*** | (.042) | .086* | (.040) |
| Ranked 21-40 | .305*** | (.051) | .090* | (.043) | .040 | (.041) | .012 | (.039) |
| Ranked 41-100 | .143*** | (.042) | .028 | (.034) | .011 | (.032) | .007 | (.032) |
| Tier 3 (101-137) | .084 | (.047) | -.019 | (.037) | -.036 | (.035) | -.034 | (.035) |
| Work Profiles | | | | | | | | |
| Practice Settings (excluded category is firm of 2-20 lawyers) | | | | | | | | |
| Firm 21-100 | | | .269*** | (.029) | .225*** | (.029) | .232*** | (.028) |
| Firm 101-250 | | | .458*** | (.034) | .379*** | (.036) | .392*** | (.033) |
| Firm 251+ | | | .617*** | (.032) | .539*** | (.035) | .493*** | (.033) |
| Practice Setting Characteristics | | | | | | | | |
| Compensation with bonus | | | .145*** | (.030) | .144*** | (.029) | .116*** | (.027) |
| Firm choice (lifestyle) | | | .005 | (.015) | .011 | (.015) | .007 | (.013) |
| Work hours | | | | | .001 | (.001) | .001 | (.001) |
| Opportunity Paths & Structures | | | | | | | | |
| Networking | | | | | | | | |
| Recruitment committee | | | | | .056* | (.029) | .066* | (.027) |
| Meals with partners/ associates | | | | | .020 | (.022) | .020 | (.024) |

continued on the following page

| | | |
|------------|-----------|--------|
| New Jersey | .137 ** | (.053) |
| Florida | .063 | (.061) |
| Tennessee | .019 | (.055) |
| Oklahoma | -.023 | (.054) |
| Indiana | -.015 | (.050) |
| St. Louis | .071 | (.051) |
| Utah | .184 * | (.078) |
| Constant | 9.585*** | (.162) |
| R Square | .639 | |
| | .684 | |
| | 10.302*** | (.131) |
| | 10.446*** | (.126) |
| | 10.233*** | (.123) |
| | .754 | |

Notes: n = 896

Standard errors in parentheses

*p < .05 **p < .01 ***p < .001 (two-tailed test)

Appendix B. Ordinary Least Squares Regressions (unstandardized) Predicting ln(Salary), Men Only

| | Model 1 | | Model 2 | | Model 3 | | Model 4 | |
|------------------------------------------------------------------|---------|--------|---------|--------|---------|--------|---------|--------|
| | b | | b | | b | | b | |
| Demographics | | | | | | | | |
| Number of years since bar admission | .027 | (.028) | -.015 | (.022) | -.013 | (.022) | -.009 | (.022) |
| Black | .141* | (.059) | .073 | (.047) | .066 | (.045) | .054 | (.041) |
| Hispanic | .063 | (.063) | .031 | (.049) | .031 | (.048) | -.013 | (.044) |
| Asian | .093 | (.050) | .079* | (.040) | .076* | (.038) | .005 | (.035) |
| Has children | .008 | (.026) | .022 | (.022) | .008 | (.021) | .036 | (.019) |
| Married | -.031 | (.026) | -.021 | (.021) | -.013 | (.020) | .012 | (.019) |
| Over 36 years old | .079* | (.036) | .067* | (.028) | .029 | (.026) | .007 | (.024) |
| Credentials (for law school, excluded category is Tier 4) | | | | | | | | |
| GPA | .492*** | (.043) | .22*** | (.040) | .199*** | (.036) | .208*** | (.035) |
| Ranked 1-10 | .572*** | (.047) | .274*** | (.041) | .236*** | (.040) | .151*** | (.037) |
| Ranked 11-20 | .401*** | (.047) | .201*** | (.038) | .172*** | (.037) | .139*** | (.035) |
| Ranked 21-40 | .292*** | (.041) | .158*** | (.034) | .138*** | (.034) | .088** | (.032) |
| Ranked 41-100 | .143*** | (.036) | .064* | (.029) | .054 | (.029) | .037 | (.027) |
| Tier 3 (101-137) | .079 | (.044) | .042 | (.036) | .04 | (.038) | .032 | (.036) |
| Work Profiles | | | | | | | | |
| Practice Settings (excluded category is firm of 2-20 lawyers) | | | | | | | | |
| Firm 21-100 | | | .256*** | (.029) | .222*** | (.030) | .212*** | (.027) |
| Firm 101-250 | | | .377*** | (.035) | .346*** | (.037) | .340*** | (.035) |
| Firm 251+ | | | .571*** | (.029) | .518*** | (.033) | .445*** | (.031) |
| Practice Setting Characteristics | | | | | | | | |
| Compensation with bonus | | | .16*** | (.028) | .14*** | (.026) | .130*** | (.025) |
| Firm choice (lifestyle) | | | -.009 | (.015) | -.014 | (.015) | .004 | (.017) |
| Work hours | | | | | .002** | (.001) | .002** | (.001) |
| Opportunity Paths & Structures | | | | | | | | |
| Networking | | | | | | | | |
| Recruitment committee | | | | | .056* | (.028) | .065** | (.023) |
| Meals with partners/ associates | | | | | .037 | (.028) | .036 | (.025) |
| Recreation with partners | | | | | -.025 | (.024) | -.008 | (.019) |

| | | | |
|----------------------------------------------------|---------|--------|---------|
| Areas of Law Practiced | | | |
| General practice | -.001 | (.001) | -.002* |
| Antitrust | .003* | (.001) | .002 |
| Bankruptcy | .000 | (.001) | .000 |
| Civil litigation | .000 | (.000) | .000 |
| Commercial law | -.001 | (.001) | .000 |
| Employment law management | .000 | (.001) | .000 |
| Family law | -.002* | (.001) | -.001 |
| General corporate | .000 | (.001) | .000 |
| Intellectual property | .003*** | (.000) | .002*** |
| Personal injury plaintiff | .000 | (.001) | .000 |
| Personal injury defense | -.001 | (.001) | -.001* |
| Probate | -.002 | (.001) | -.001 |
| Real estate commercial | .000 | (.001) | .000 |
| Real estate personal | .002 | (.001) | .001 |
| Securities | .002** | (.001) | .001 |
| Legal Markets (excluded category is Oregon) | | | |
| New York City | | | .404*** |
| District of Columbia | | | .268*** |
| Chicago | | | .265*** |
| Los Angeles | | | .362*** |
| San Francisco | | | .332*** |
| Boston | | | .317*** |
| Atlanta | | | .211*** |
| Houston | | | .297*** |
| Minneapolis | | | .048 |
| Connecticut | | | .204*** |
| New Jersey | | | .206*** |
| Florida | | | .065 |
| Tennessee | | | -.002 |
| Oklahoma | | | -.027 |

continued on the following page

Appendix B. continued

| | Model 1 | Model 2 | Model 3 | Model 4 |
|-----------|--------------------|---------------------|---------------------|--------------------|
| | b | b | b | b |
| Indiana | | | | .029 (.049) |
| St. Louis | | | | .029 (.047) |
| Utah | | | | .118* (.048) |
| Constant | 9.516*** (.141) | 10.128*** (.132) | 10.091*** (.121) | 9.954*** (.124) |
| R Square | .361 | .589 | .625 | .697 |

Notes: n = 1212

Standard errors in parentheses

*p < .05 **p < .01 ***p < .001 (two-tailed test)

**Appendix C. Z Values for Tests of Significance for Regression Coefficients for
Male and Female Subsamples**

| | Model 1 | Model 2 | Model 3 | Model 4 |
|------------------------------------------------------------------|---------|---------|---------|---------|
| Demographics | | | | |
| Number of years since bar admission | .343 | -.811 | -.709 | -.564 |
| Black | -.321 | -.110 | -.091 | .177 |
| Hispanic | .664 | .215 | .511 | .519 |
| Asian | .074 | .133 | .030 | -.118 |
| Has children | 1.784 | 1.926 | 1.480 | 1.143 |
| Married | -1.079 | -.469 | .156 | .202 |
| Over 36 years old | 2.102 | .922 | -.408 | -1.323 |
| GPA | .632 | 1.000 | 1.435 | 1.372 |
| Credentials (for law school, excluded category is Tier 4) | | | | |
| Ranked 1-10 | .042 | .847 | .904 | .872 |
| Ranked 11-20 | -.576 | .585 | .448 | .994 |
| Ranked 21-40 | -.201 | 1.240 | 1.837 | 1.514 |
| Ranked 41-100 | .006 | .806 | 1.001 | .726 |
| Tier 3 (101-137) | -.083 | 1.189 | 1.474 | 1.310 |
| Work Profiles | | | | |
| Practice Settings (excluded category is firm of 2-20 lawyers) | | | | |
| Firm 21-100 | | -.324 | -.081 | -.517 |
| Firm 101-250 | | -1.662 | -.640 | -1.073 |
| Firm 251+ | | -1.069 | -.438 | -1.061 |
| Practice Setting Characteristics | | | | |
| Compensation with bonus | | .371 | -.106 | .379 |
| Firm choice (lifestyle) | | -.674 | -1.157 | -.147 |
| Work hours | | | .886 | .805 |
| Opportunity Paths & Structures | | | | |
| Networking | | | | |
| Recruitment committee | | | -.002 | -.018 |
| Meals with partners/ associates | | | .489 | .461 |
| Recreation with partners | | | .523 | .490 |
| Areas of Law Practiced | | | | |
| General practice | | | 1.290 | .337 |
| Antitrust | | | .865 | .235 |
| Bankruptcy | | | -.856 | -.794 |
| Civil litigation | | | | |
| Commercial law | | | .191 | .468 |
| Employment law management | | | .132 | -.063 |
| Family law | | | -.357 | -.056 |
| General corporate | | | -.563 | -.790 |
| Intellectual property | | | | |
| Personal injury plaintiff | | | 1.413 | .938 |
| Personal injury defense | | | .725 | .608 |
| Probate | | | -.763 | -.034 |
| Real estate commercial | | | -.100 | -.177 |
| Real estate personal | | | 3.212 | 2.611 |
| Securities | | | | -.635 |
| Legal Markets (excluded category is Oregon) | | | | |
| New York City | | | | .033 |
| District of Columbia | | | | -1.010 |
| Chicago | | | | .136 |
| Los Angeles | | | | .806 |
| San Francisco | | | | -.054 |

continued on the following page

Appendix C. continued

| | Model 1 | Model 2 | Model 3 | Model 4 |
|-------------|----------------|----------------|----------------|----------------|
| Boston | | | | 1.027 |
| Atlanta | | | | -.160 |
| Houston | | | | .952 |
| Minneapolis | | | | -.480 |
| Connecticut | | | | .490 |
| New Jersey | | | | .944 |
| Florida | | | | .022 |
| Tennessee | | | | -.285 |
| Oklahoma | | | | -.060 |
| Indiana | | | | .632 |
| St. Louis | | | | -.611 |
| Utah | | | | -.720 |