Understanding Gender Gaps among Young Professionals

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EPRN Conference 2021
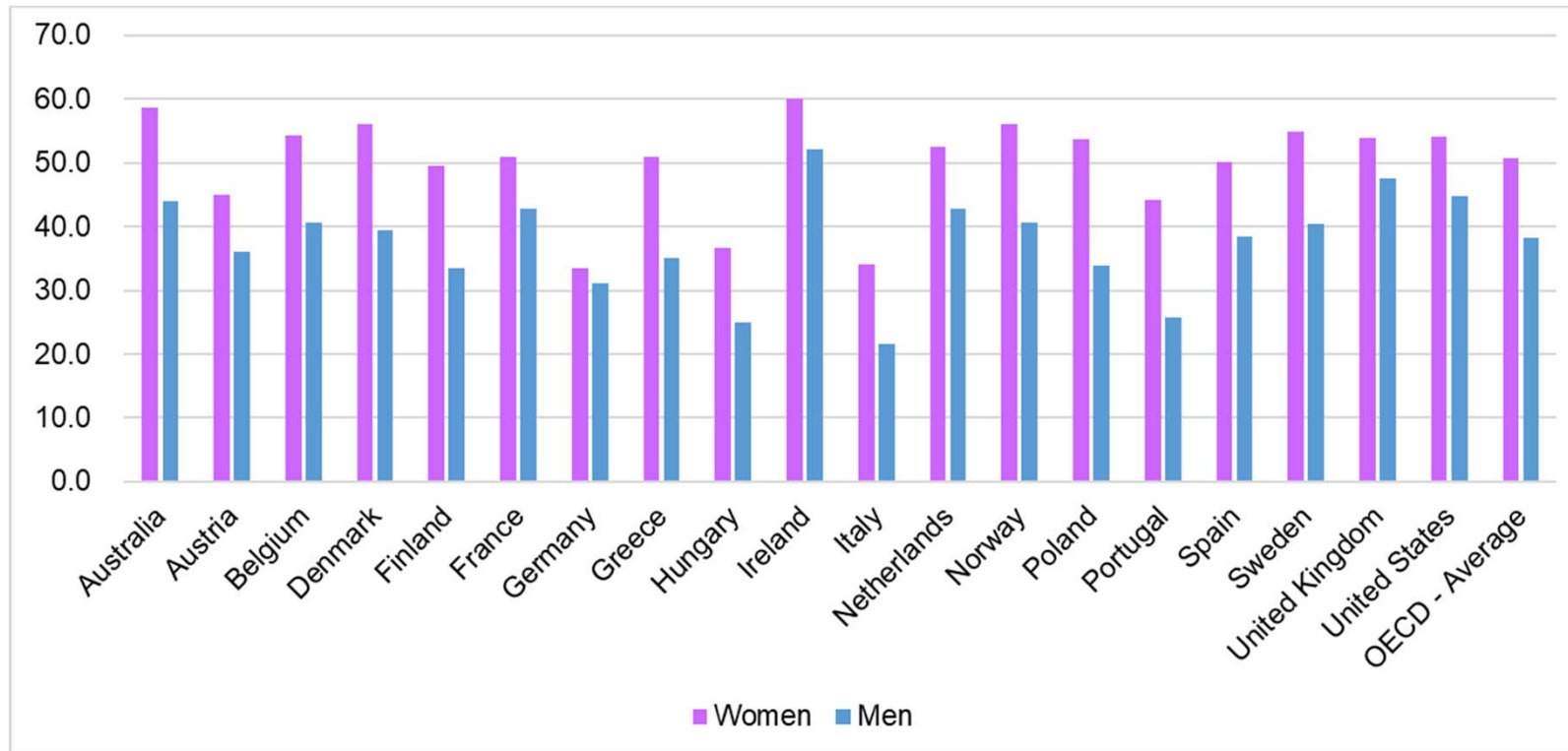
Center for Economic Behavior and Inequality, Copenhagen

Gender Gaps among Young Professionals

Motivation: Long standing labor market gaps across gender.

Puzzling: *Persistent gaps* **despite** *educational progress towards equality.*

Gender and Higher Education

Notes: Share of college graduated men and women, 25-34 year olds.
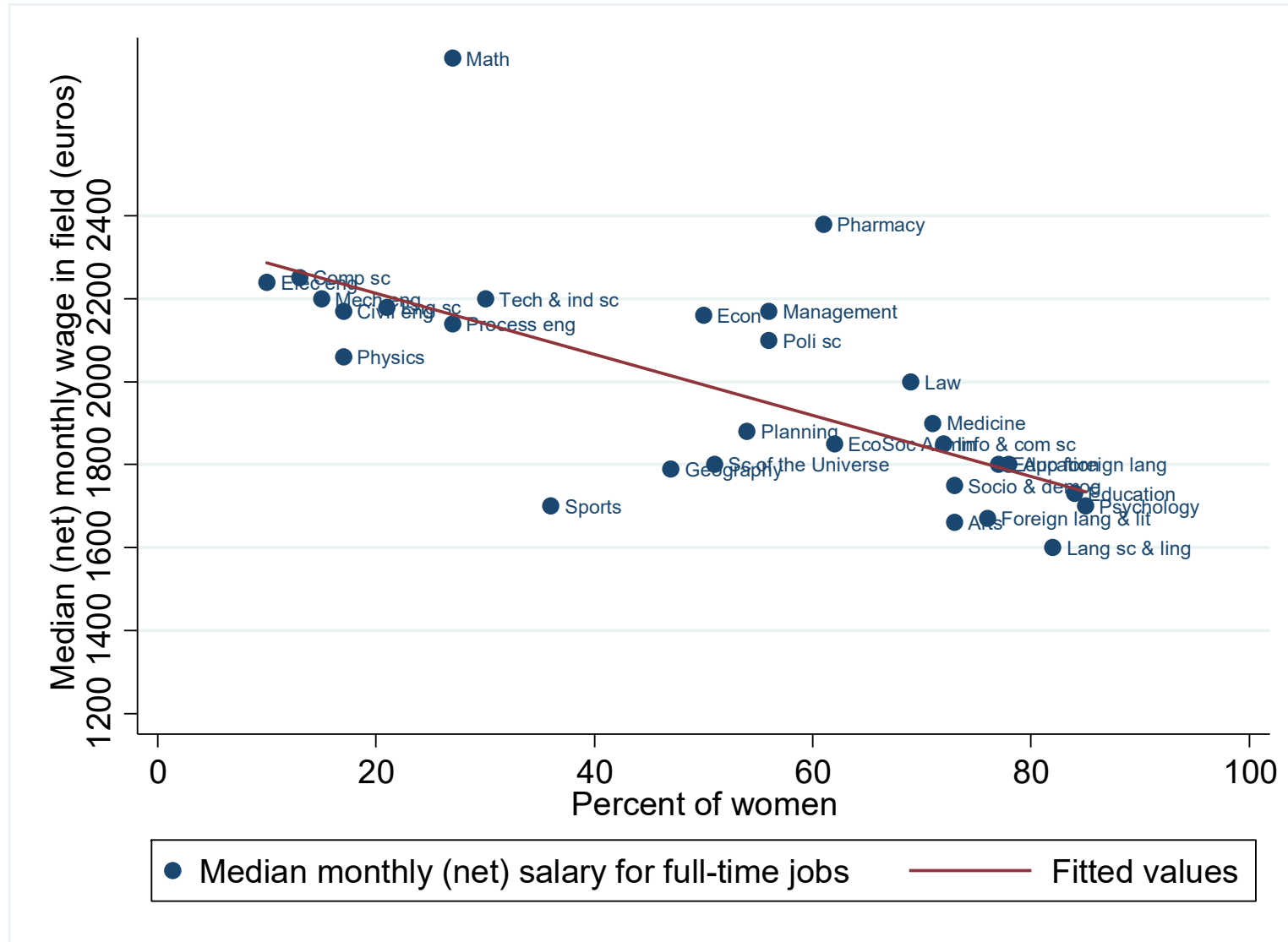*Source:* OECD, 2018

Gender Gaps among Young Professionals

Motivation: Long standing labor market gaps across gender.

Puzzling: Persistent gaps **despite** educational progress towards equality.

Traditional focus: Large part of the gap *explained* by labor supply-side **choices**, like occupational or educational choices (even among high-skilled)

Gender, Field of Study, and Earnings

Notes: Median (net) monthly salary and percentage of women by (master) field of study (France, 2016)
Source: Anne Boring (Le Monde, 2017) & Ministère de l'Enseignement supérieur, de la Recherche et de l'Innovation

Gender Gaps among Young Professionals

**Motivation:** Long standing labor market gaps across gender.

Puzzling: *Persistent gaps* **despite** *educational progress towards equality.*

Traditional focus: Large part of the gap *"explained"* by labor supply-side **choices**, like occupational or educational choices (even among high-skilled)

Disparity within profession: Once individuals *"select"* into a profession, gaps persist.

Wage Gap within Field of Study
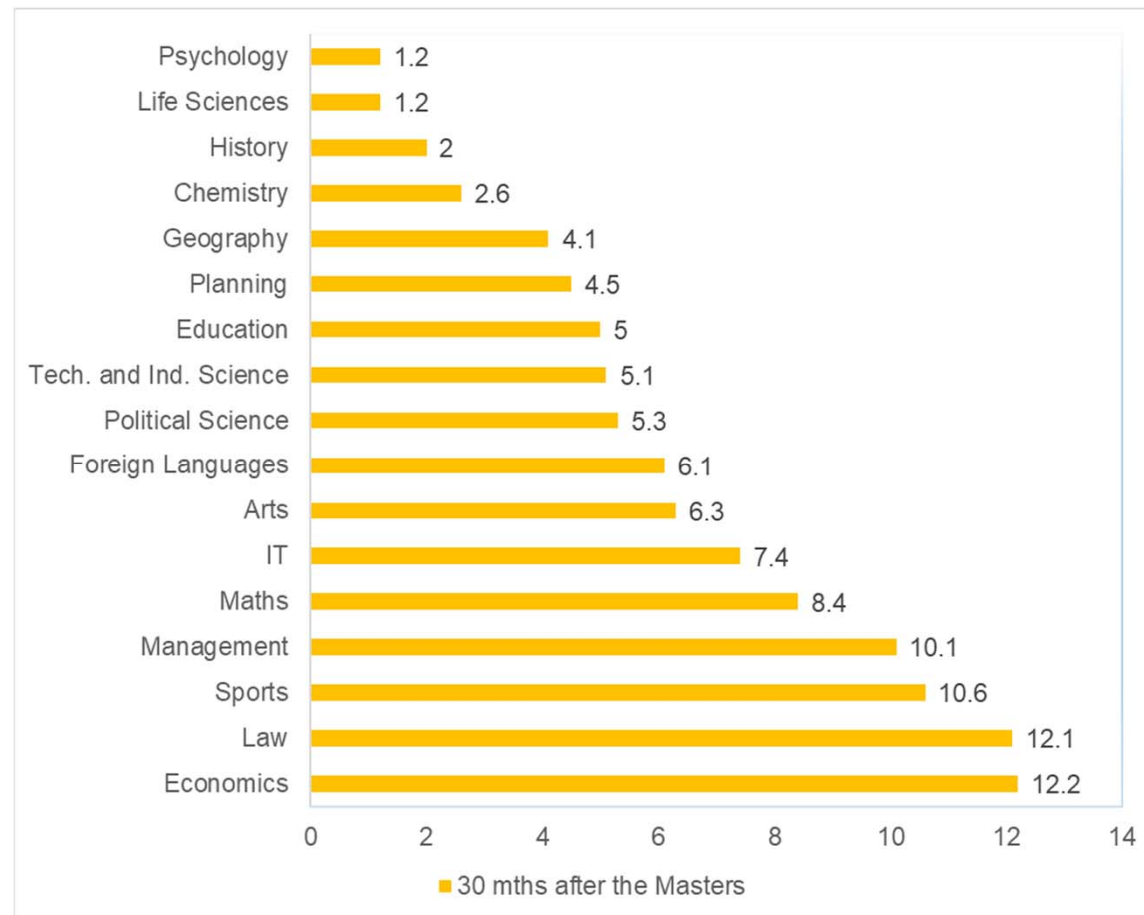
Notes: Wage gap between women and men 30 months after graduation by (master) field of study (France, 2016)
Source: Anne Boring (Le Monde, 2017) & Ministère de l'Enseignement supérieur, de la Recherche et de l'Innovation

Gender, Field of Study, and Earnings
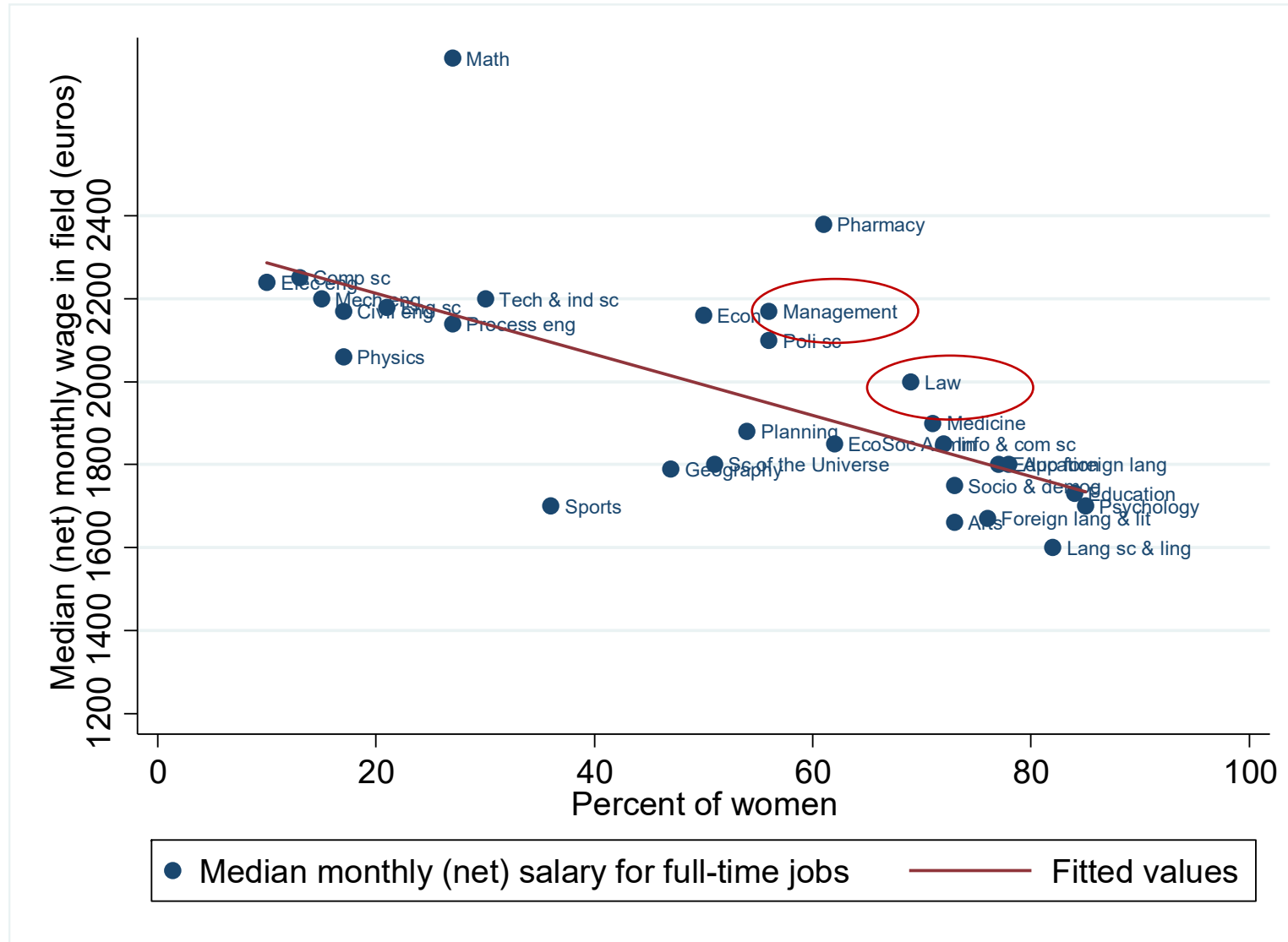
Notes: Median (net) monthly salary and percentage of women by (master) field of study (France, 2016)
Source: Anne Boring (Le Monde, 2017) & Ministère de l'Enseignement supérieur, de la Recherche et de l'Innovation

Gender Promotion Gaps

Gender promotion gap quite prevalent among the high skilled

	% of Women
Managers	26
On boards	21
CEOs	5
Professors	32
Partners (law-firm)	20

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Lawyers: Partnership Track

- Associates: employees of the firm with the prospect of becoming partners

- Partners: joint owners and business directors of the legal operation

- The process: making partner is very prestigious and very competitive
    - Probability to make partner is around 50%
    - "Up or out policy": associates that are not promoted need to leave
    - Homogeneous structure across all firms

- Timing: Promotion occur usually between 10-12 years after doing bar exam

Gender Promotion Gaps:
Promotion ladder in the law profession

Men	Women		
80%	20%	Partner in Law Firm	
55%	45%	Private Law Firm	← Promotion gaps develop over career
50%	50%	Law School Completion	
50%	50%	Law School Enrolment	← Men and women very similar at entry
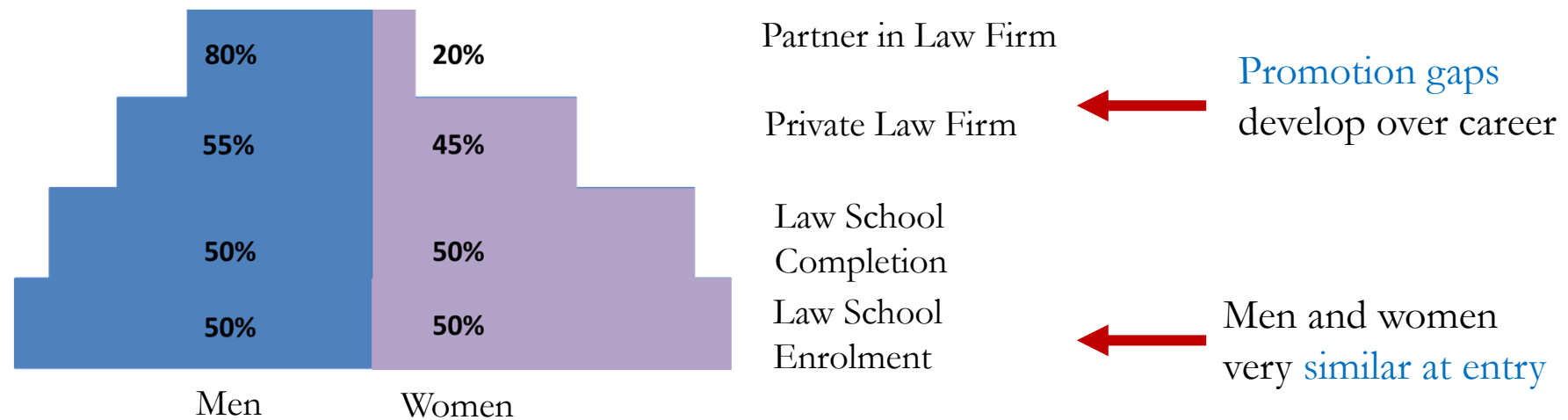
Promotion gaps important: earnings, *but also* prestige, self-perception, outside options

Career Aspirations and the Gender Promotion Gap

Asking lawyers about their **_aspirations_** to make partner **<u>early</u>** in their career….
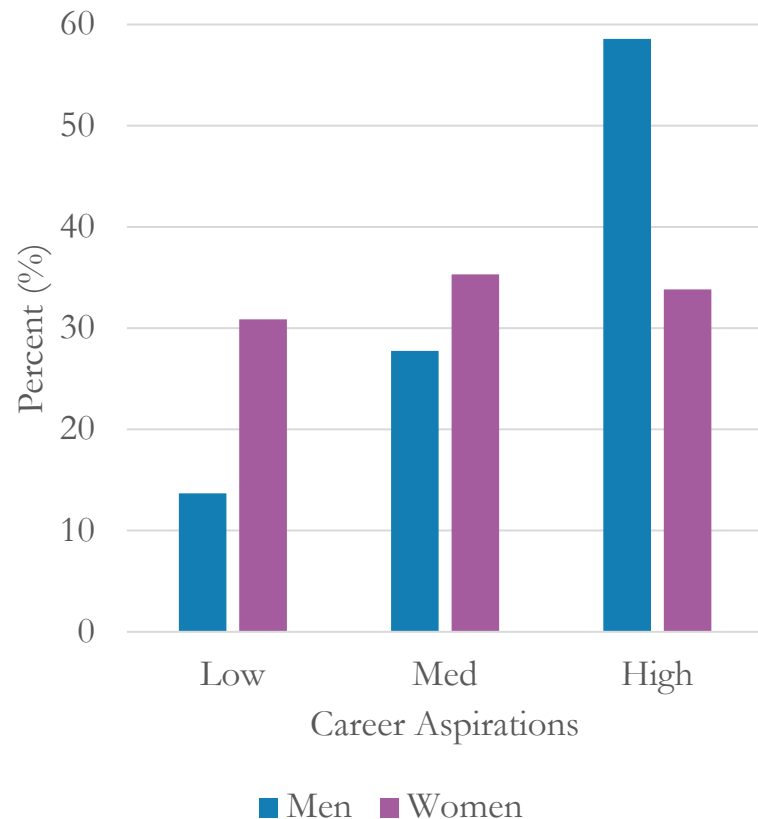
Longitudinal Survey (US lawyers):
Track **nationally representative** lawyers **over** their career

Several waves of **detailed** data – **pre/post** entering labour market

Labour market outcomes:
E.g, earnings, **promotion**, employment

Other info:
E.g., **career aspirations** and perception, performance, satisfaction…

Research Project

- **Paper I:** "Gender Gaps in Performance: Evidence from Young Lawyers," (joint with Rosa Ferrer)

- **Paper II:** "Gender Promotion Gaps: Career Aspirations and Early Workplace Experiences," (joint with Vicente Cuñat and Emeric Henry)

Azmat and Ferrer (JPE, 2017)

1. Documents a gender gap in performance

- Setting with good measures of performance for high-skilled workers
- Widely used methods that measure and reward lawyers' productivity

2. Show that performance gap has consequences for workers

- Link to gender earning gap in the legal profession

3. Explores what factors can explain the gaps in performance

- Explore a number of hypotheses to understand gaps in performance

Gender Performance Gaps

	Hours Billed	
	[1]	[2]
Female	-0.153***	-0.103***
	[0.0329]	[0.0315]
Constant	1.842***	0.683
	[0.0205]	[0.478]
Individual Controls	No	Yes
Firm Controls	No	Yes
Region FE	Yes	Yes
Observations	1,039	1,014
R-squared	0.021	0.301

Female lawyers bill 153 hours per annum (10%) less than male lawyers

Gender Performance Gaps

	Hours Billed		New Client Rev.	
	[1]	[2]	[3]	[4]
Female	-0.153***	-0.103***	-0.299***	-0.293***
	[0.0329]	[0.0315]	[0.0916]	[0.102]
Constant	1.842***	0.683	0.527***	0.168
	[0.0205]	[0.478]	[0.0571]	[1.540]
Individual Controls	No	Yes	No	Yes
Firm Controls	No	Yes	No	Yes
Region FE	Yes	Yes	Yes	Yes
Observations	1,039	1,014	1,039	1,014
R-squared	0.021	0.301	0.01	0.066

Female lawyers raise $30K per annum less in client rev. than male lawyers

Gender Earnings Gap

	Ln (annual earnings)	
	[1]	[2]
Female	-0.181***	-0.100***
	[0.0343]	[0.0313]
Hours Billed		
New Client Rev		
Hours Worked		
Constant	11.81***	11.31***
	[0.0214]	[0.477]
Individual Controls	No	Yes
Firm Controls	No	Yes
Region FE	No	Yes
Observations	1,039	974
R-squared	0.027	0.403

Firm and individual characteristics explain about 33% of earnings gap

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Gender Earnings Gap and Links to Performance

	Ln (annual earnings)			
	[1]	[2]	[3]	[4]
Female	-0.181***	-0.100***	-0.0581*	-0.0492*
	[0.0343]	[0.0313]	[0.0297]	[0.0296]
Hours Billed			0.303***	0.271***
			[0.0305]	[0.0313]
New Client Rev			0.0400***	0.0380***
			[0.0093]	[0.0092]
Hours Worked				0.0932***
				[0.0228]
Constant	11.81***	11.31***	11.12***	10.96***
	[0.0214]	[0.477]	[0.449]	[0.447]
Individual Controls	No	Yes	Yes	Yes
Firm Controls	No	Yes	Yes	Yes
Region FE	No	Yes	Yes	Yes
Observations	1,039	974	974	974
R-squared	0.027	0.403	0.472	0.482

Performance measures explain a sizeable proportion of the gap

What factors explain gender differences in performance?

	Difference in endowments (X)	Difference in coefficients (ß)
Significant & Large Effect	Professional aspirations	Children<4 years Professional aspirations
Significant & Small Effect	Networking Working weekends Areas of law Overbilling	Areas of law
Insignificant	Employer discrimination Law school ranking UG Uni ranking	

What factors explain gender differences in performance?

	Difference in endowments (X)	Difference in coefficients (ß)
Significant & Large Effect	**Professional aspirations**	Children<4 years **Professional aspirations**
Significant & Small Effect	Networking Working weekends Areas of law Overbilling	Areas of law
Insignificant	Employer discrimination Law school ranking UG Uni ranking	

What are Aspirations?

Aspirations are the **desire** to reach an (attainable) **goal** in the future

Often modelled as a **kink** in the utility function if an **objective is reached**

Determined by:
- Social norms and perceptions of others
- Individual goal setting (incentivize your future self)

Contain:
- Preferences (a desirable goal)
- Expectations (the goal must be attainable)
- Self-assessment and self-perception

Azmat, Cuñat, Henry (2021)

1. Gender promotion gaps for among US lawyers
37% female partners versus 63% male

2. Document a gender "promotion aspirations" gap
Linked to important decisions that have an impact on <u>promotion</u>

3. Understanding aspirations: <u>Analytical Framework</u>
A desire to achieve an attainable goal. Aspirations as a <u>commitment with oneself</u>

4. Understanding aspirations: <u>Empirical Framework</u>
Incentives, Preferences, Expectations: Relevance of aspirations and validation of model

5. Drivers of the Gender Aspiration Gap
- **Corporate Culture:** aspirations can be shaped by early experiences
- **Trade-offs in work-life balance:** aspirations linked to children (or anticipation)

Summary of Results

- Significant gender gap in promotions among young US lawyers
    - Female lawyers 13% less likely to become partner than men

- Promotion aspirations are an important component of the promotion gap.
    - 50%-70% of the promotion gap can be explained by the aspiration gap

- We show that **aspirations** are:
    - Important predictor of promotion
    - Linked to decisions that affect promotion (effort, stay in the firm…)
    - Linked to expectations but are a better predictor to later promotion

- Gender and aspirations:
    - **Corporate Culture:** aspirations shaped by early experiences
    - **Trade-offs in work-life balance:** aspirations linked to children (only for women)

The Gender Promotion Gap

Gender Gaps when Joining the Firm

Panel A: Socio-economic characteristics

	Women		Men		Difference	
	mean	sd	mean	sd	b	t
Age	30.11	4.52	31.07	4.50	0.96	(2.17)
White	0.82	0.38	0.88	0.33	0.06	(1.58)
Married	0.57	0.50	0.65	0.48	0.08	(1.58)
No. Children	0.26	0.64	0.55	0.94	0.29	(3.84)
Child under 4 yrs	0.08	0.28	0.20	0.40	0.12	(3.71)
Observations	303		376		679	

Panel B: Pre workplace variables

	Women		Men		Difference	
	mean	sd	mean	sd	b	t
Rank UG Uni.	12.86	3.71	12.50	3.49	-0.37	(-1.03)
Rank Law School	4.95	0.99	4.90	0.98	-0.05	(-0.52)
Rank in LS Class	2.22	0.98	2.36	1.09	0.15	(1.46)
Job Offers	2.78	2.36	2.73	2.67	-0.05	(-0.21)
Debt after LS	4.69	2.25	4.83	2.28	0.14	(0.62)
Decision Lawyer	3.88	1.02	4.01	0.92	0.13	(1.30)
Stay Lawyer	3.57	1.37	3.66	1.37	0.09	(0.69)
Practice Law	1.14	0.34	1.14	0.35	0.01	(0.24)
Other Career	0.81	0.39	0.83	0.38	0.02	(0.50)
Goal Power	2.99	1.26	3.00	1.20	0.01	(0.05)
Observations	303		376		679	

When joining the firm:

- Little demographic gender gaps
  - Men are 8 months older
  - Women have less children
- No educational gender gaps
- No aspirational gender gaps

Gender Promotion Gap: P(Make Partner | 12yr out)

	[1]
Female	-0.122***
	[0.0383]
Constant	0.541***
	[0.0256]
Individual Controls	No
Education Controls	No
Family Controls	No
Firm Controls	No
Observations	680
R-squared	0.015

Gender Promotion Gap: P(Make Partner | 12yr out)

	M	
	[1]	[2]
Female	-0.122***	-0.120***
	[0.0383]	[0.0386]
Constant	0.541***	0.853***
	[0.0256]	[0.163]
Individual Controls	No	Yes
Education Controls	No	No
Family Controls	No	No
Firm Controls	No	No
Observations	680	679
R-squared	0.015	0.031

Ind. Controls: Race, Age

Gender Promotion Gap: P(Make Partner | 12yr out)

	Make Partner		
	[1]	[2]	[3]
Female	-0.122***	-0.120***	-0.124***
	[0.0383]	[0.0386]	[0.0387]
Constant	0.541***	0.853***	1.351***
	[0.0256]	[0.163]	[0.235]
Individual Controls	No	Yes	Yes
Education Controls	No	No	Yes
Family Controls	No	No	No
Firm Controls	No	No	No
Observations	680	679	679
R-squared	0.015	0.031	0.065

Edu. Controls: Rank UG, Rank LS, Class Rank at LS, Job Offers, Debt after LS

Gender Promotion Gap: P(Make Partner | 12yr out)

| | Make Partner | | | |
	[1]	[2]	[3]	[4]
Female	-0.122***	-0.120***	-0.124***	-0.124***
	[0.0383]	[0.0386]	[0.0387]	[0.0393]
Constant	0.541***	0.853***	1.351***	1.341***
	[0.0256]	[0.163]	[0.235]	[0.239]
Individual Controls	No	Yes	Yes	Yes
Education Controls	No	No	Yes	Yes
Family Controls	No	No	No	Yes
Firm Controls	No	No	No	No
Observations	680	679	679	679
R-squared	0.015	0.031	0.065	0.065

Family Controls: Marriage, No. of Children, Age of children (all in 2002)

Gender Promotion Gap: P(Make Partner | 12yr out)

	Make Partner				
	[1]	[2]	[3]	[4]	[5]
Female	-0.122***	-0.120***	-0.124***	-0.124***	-0.132***
	[0.0383]	[0.0386]	[0.0387]	[0.0393]	[0.0403]
Constant	0.541***	0.853***	1.351***	1.341***	0.820
	[0.0256]	[0.163]	[0.235]	[0.239]	[0.520]
Individual Controls	No	Yes	Yes	Yes	Yes
Education Controls	No	No	Yes	Yes	Yes
Family Controls	No	No	No	Yes	Yes
Firm Controls	No	No	No	No	Yes
Observations	680	679	679	679	679
R-squared	0.015	0.031	0.065	0.065	0.117

Firm Controls: Firm Size, Type of Org., % Women in Firm, Tasks (all in 2002)

Gender Promotion Gap: P(Make Partner | 12yr out)

	Make Partner				
	[1]	[2]	[3]	[4]	[5]
Female	-0.122***	-0.120***	-0.124***	-0.124***	-0.132***
	[0.0383]	[0.0386]	[0.0387]	[0.0393]	[0.0403]
Constant	0.541***	0.853***	1.351***	1.341***	0.820
	[0.0256]	[0.163]	[0.235]	[0.239]	[0.520]
Individual Controls	No	Yes	Yes	Yes	Yes
Education Controls	No	No	Yes	Yes	Yes
Family Controls	No	No	No	Yes	Yes
Firm Controls	No	No	No	No	Yes
Observations	680	679	679	679	679
R-squared	0.015	0.031	0.065	0.065	0.117

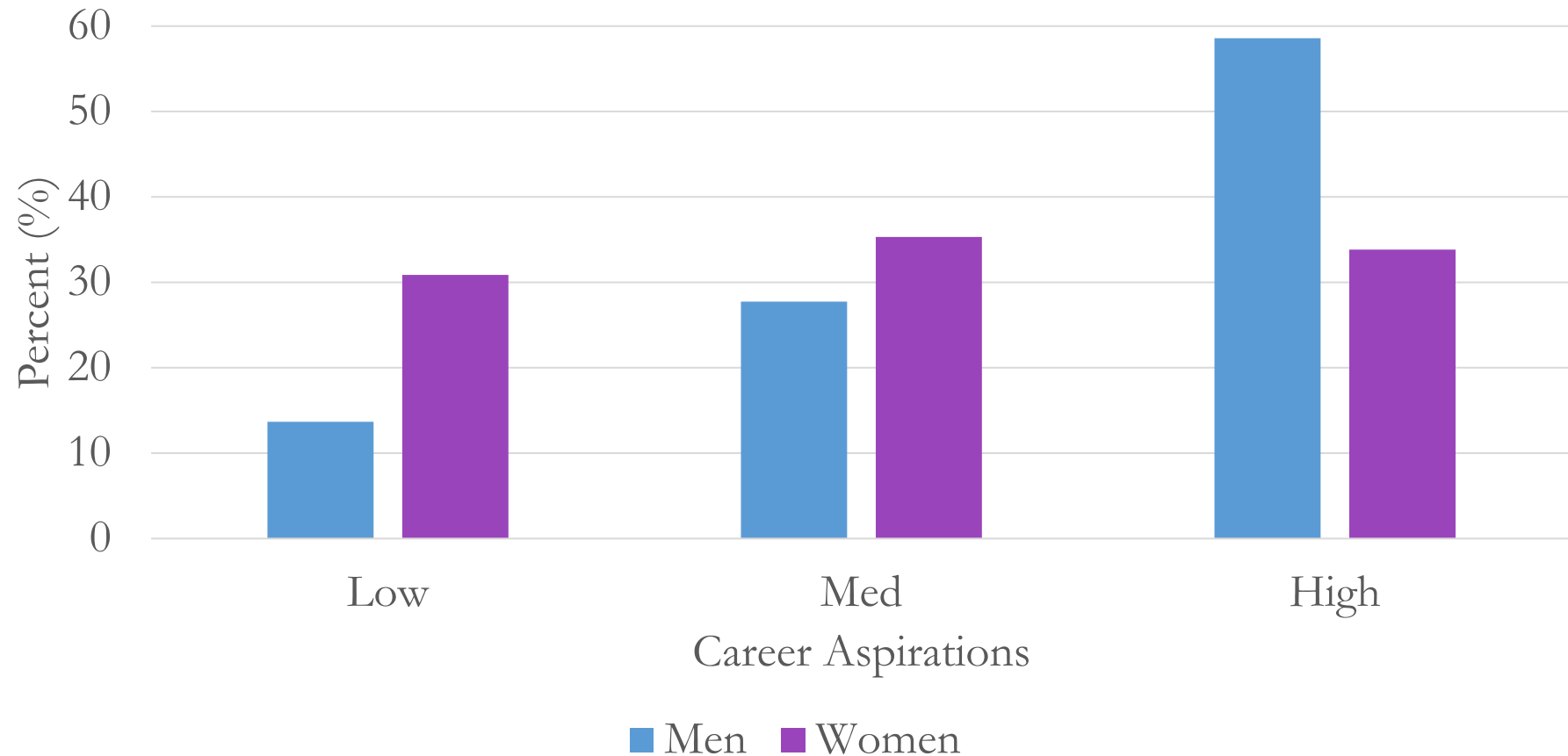Around 13% gender promotion gap (partner after 12 years out)

The Gender Aspirations Gap

Linking **Early** Aspirations to **Later** Partnership Outcome
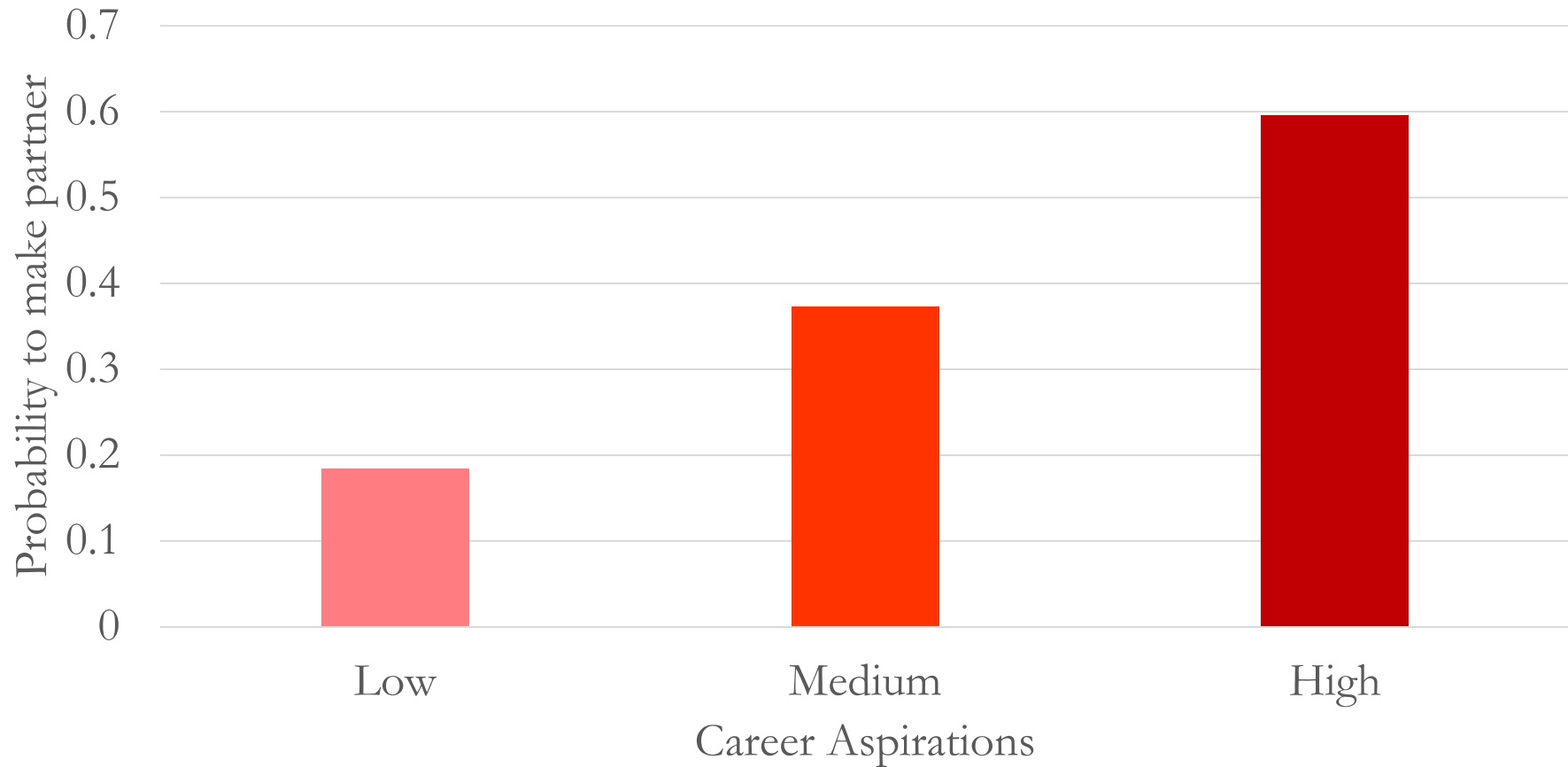
Qu: How strongly do you aspire making partner within your firm?

Gender differences in **aspiration** to make law firm partner (asked early in career)

Qu: How strongly do you aspire making partner within your firm?

Gender Promotion Gap and **Links to Career Aspirations**

	Promoted to Partner		
	(1)	(2)	(3)
Female	-0.132***	-0.065	-0.065
	(0.040)	(0.040)	(0.040)
Career Asp.		0.043***	
		(0.006)	
Mid Aspirations			0.161***
			(0.055)
High Aspirations			0.361***
			(0.053)
Constant	0.820	0.535	0.691
	(0.520)	(0.493)	(0.503)
Observations	679	679	679
Adjusted R^2	0.044	0.109	0.114

- Gender promotion gap is 13.2% (average promotion probability is 48%)

- Controlling for aspirations to become partner reduces the gap to 6.5%

Differences in early career aspirations explains around 50% of gap

All columns include Individual, Education, Family and Firm controls.

Gender Promotion Gap and **Links to Career Aspirations**

	Promoted to Partner in Same (or Better) Firm			
	(1)	(2)	(3)	(4)
Female	-0.085**	-0.023	-0.024	
	(0.038)	(0.038)	(0.038)	
Career Asp.		0.039***		
		(0.006)		
Mid Aspirations			0.149***	
			(0.052)	
High Aspirations			0.327***	
			(0.050)	
FemalexMid. Asp				
FemalexHigh. Asp				
Constant	0.340	-0.064	0.220	
	(0.487)	(0.363)	(0.473)	
Observations	679	679	679	
Adjusted R^2	0.035	0.096	0.100	

- Measure promotion in the <u>same or better firm</u>. Exclude ambiguous promotions.

- Gender promotion gap around 8.5% (average promotion probability is 32%)

- Controlling for aspirations to become partner reduces the gender gap to 2.4%

All columns include Individual, Education, Family and Firm controls.

# Gender Promotion Gap and **Links to Career Aspirations**

	Promoted to Partner in Same (or Better) Firm			
	(1)	(2)	(3)	(4)
Female	-0.085**	-0.023	-0.024	-0.047
	(0.038)	(0.038)	(0.038)	(0.086)
Career Asp.		0.039***		
		(0.006)		
Mid Aspirations			0.149***	0.112
			(0.052)	(0.082)
High Aspirations			0.327***	0.316***
			(0.050)	(0.075)
FemalexMid. Asp				0.064
				(0.106)
FemalexHigh. Asp				0.010
				(0.101)
Constant	0.340	-0.064	0.220	0.087
	(0.487)	(0.363)	(0.473)	(0.464)
Observations	679	679	679	679
Adjusted R^2	0.035	0.096	0.100	0.094

- Measure promotion in the same or better firm. Exclude ambiguous promotions.

- Gender promotion gap around 8.5% (average promotion probability is 32%)

- Controlling for aspirations to become partner reduces the gender gap to 2.4%

- Conditional on aspirations, women and men have the same promotion probabilities

All columns include Individual, Education, Family and Firm controls.
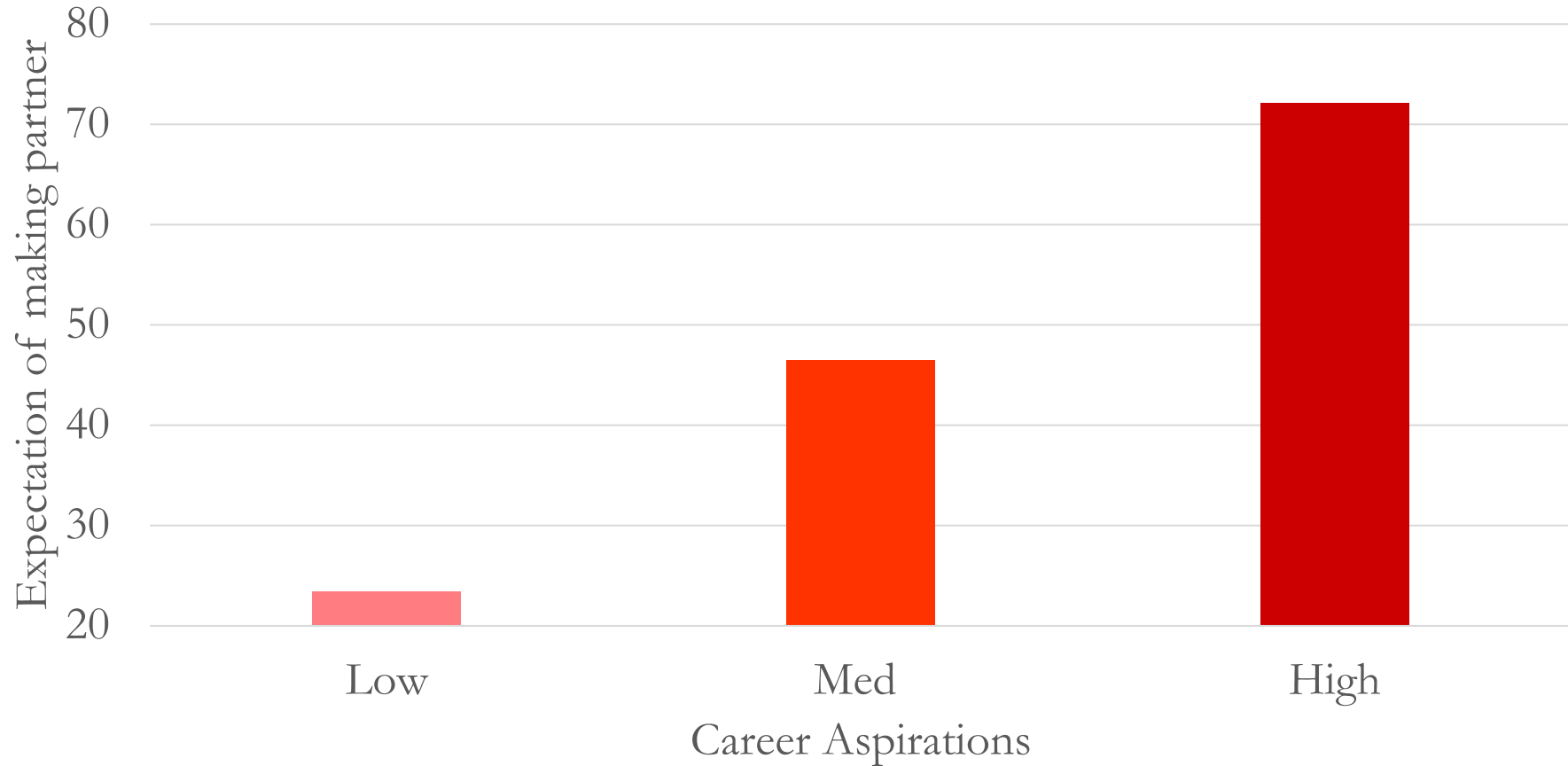
Mechanism:
Aspirations → Promotion

Aspirations are connected to relevant variables
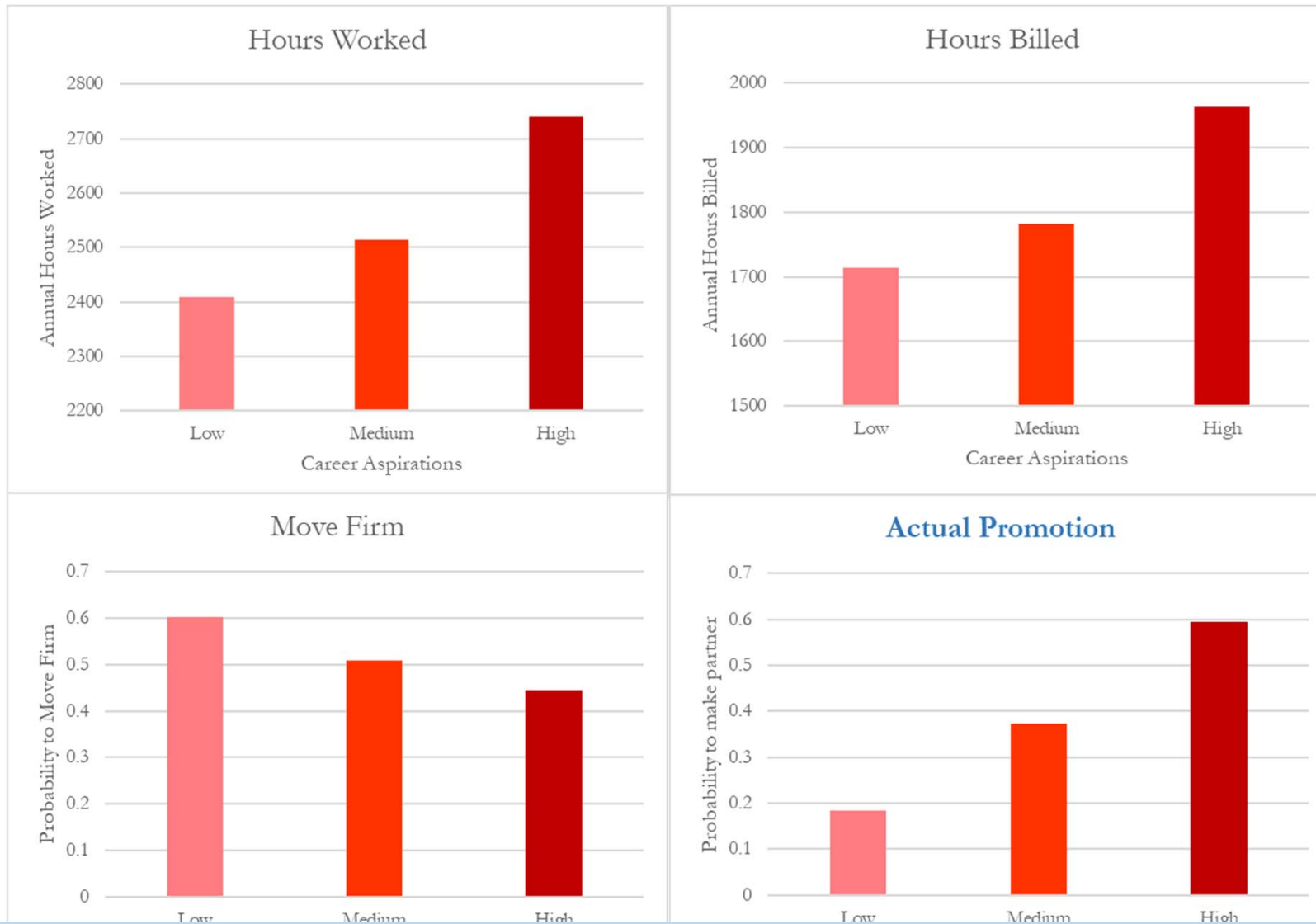
Aspirations act as a commitment device providing incentives to exert effort.

Mechanism:
Aspirations versus Expectations

Self-Declared Expectation by Aspiration (<u>early</u> in career)

Qu: How do you rate your chances of making partner within your firm?

Gender Promotion Gap, Career Aspirations and Expectations

	Promoted to Partner			
	(1)	(2)	(3)	(4)
Female	-0.132***	-0.065	-0.090**	-0.059
	(0.040)	(0.040)	(0.039)	(0.040)
Mid Aspirations		0.161***		0.102*
		(0.055)		(0.057)
High Aspirations		0.361***		0.236***
		(0.053)		(0.060)
Mid Expectations			0.173***	0.119**
			(0.049)	(0.052)
High Expectations			0.344***	0.232***
			(0.048)	(0.054)
Constant	0.820	0.691	0.716	0.667
	(0.520)	(0.503)	(0.501)	(0.497)
Observations	679	679	679	679
Adjusted R^2	0.044	0.114	0.115	0.136

Aspirations explain gender promotion gap <u>over and above</u> the effect of expectations gap.

Drivers of the Gender Aspiration Gap
Fertility Choices

Choosing to have Children as a Function of Observables:

	Predicted (Promoted to Partner)
Female without child	0.001
	(0.012)
Female with child	0.047***
	(0.013)
Male with child	0.043***
	(0.011)
Constant	0.462***
	(0.009)
Observations	679
Adjusted R^2	0.034

Selection into having children:

- First stage: Predict promotion on observable ex-ante characteristics

- Second stage: Predict having children on the basis of predicted ex-ante promotion probabilities

Positive sorting to having children. Both men and women

Fertility Choices

	Children (1)	Children (2)	Promoted (3)	Promoted (4)	Promoted (5)	Promoted (6)
Mid Aspirations	0.082** (0.042)	0.108* (0.065)			0.160*** (0.055)	0.159*** (0.055)
High Aspirations	0.068* (0.040)	0.161*** (0.059)			0.359*** (0.053)	0.363*** (0.053)
Female	-0.078** (0.031)	0.018 (0.066)	-0.134*** (0.040)	-0.166*** (0.057)	-0.064 (0.040)	-0.118** (0.055)
FemalexMid. Asp		-0.024 (0.084)				
FemalexHigh. Asp		-0.197** (0.080)				
Children			-0.011 (0.046)	-0.041 (0.059)	-0.019 (0.044)	-0.068 (0.057)
FemalexChildren				0.062 (0.079)		0.105 (0.076)
Constant	0.057	-0.021	1.300***	1.288***	0.900**	0.874**

- Women have fewer children than men, esp. those with high aspirations
- Overall, no effect of children on promotion (but indirect via asp.)

All columns include Individual, Education, and Firm controls.

Drivers of the Gender Aspiration Gap
Early work experiences and mentoring

Aspiration Formation

- Workplace environment could impact career aspirations and later outcomes

1. - Discrimination
    1.   **Organizational Discrimination:**   **No strong evidence**
        - Different pay for same work
        - Case load assignment
    2.   **Social Discrimination (Corporate Culture):** **Strong evidence**
        - Experiencing harassment and derogatory comments
        - Workplace environment

2. – Role Models   **Strong evidence**
    Mentoring: Effect of seniority and gender of mentors.

Organizational Discrimination

|			Promoted to Partner			
	(1)	(2)	(3)	(4)	(5)	(6)
Female	-0.095**	-0.148	-0.123***	-0.112**	-0.135***	-0.144***
	(0.042)	(0.186)	(0.040)	(0.046)	(0.040)	(0.043)
Hours Billed	0.208***	0.195***				
	(0.051)	(0.067)				
Hours Billed*Female		0.029				
		(0.099)				
Not Enough Assignments			-0.208***	-0.188***		
			(0.046)	(0.062)		
Not Enough*Female				-0.042		
				(0.090)		
Hours Discounted					-0.152***	-0.179**
					(0.058)	(0.076)
Hours Discounted*Female						0.062
						(0.113)
Constant	0.566	0.586	0.978*	0.991*	0.872*	0.850
	(0.523)	(0.527)	(0.513)	(0.514)	(0.517)	(0.519)
Observations	641	641	679	679	679	679
Adjusted R^2	0.059	0.057	0.073	0.072	0.053	0.052

All columns include Individual, Education, Family and Firm controls.

Experience of demeaning comments and harassment

When asked **early in career (2002)** if experienced demeaning comments or other types of harassment, it is the case for:

25% of women compared with only 6% of men

Female Lawyers: Demeaning comments/other types of harassment
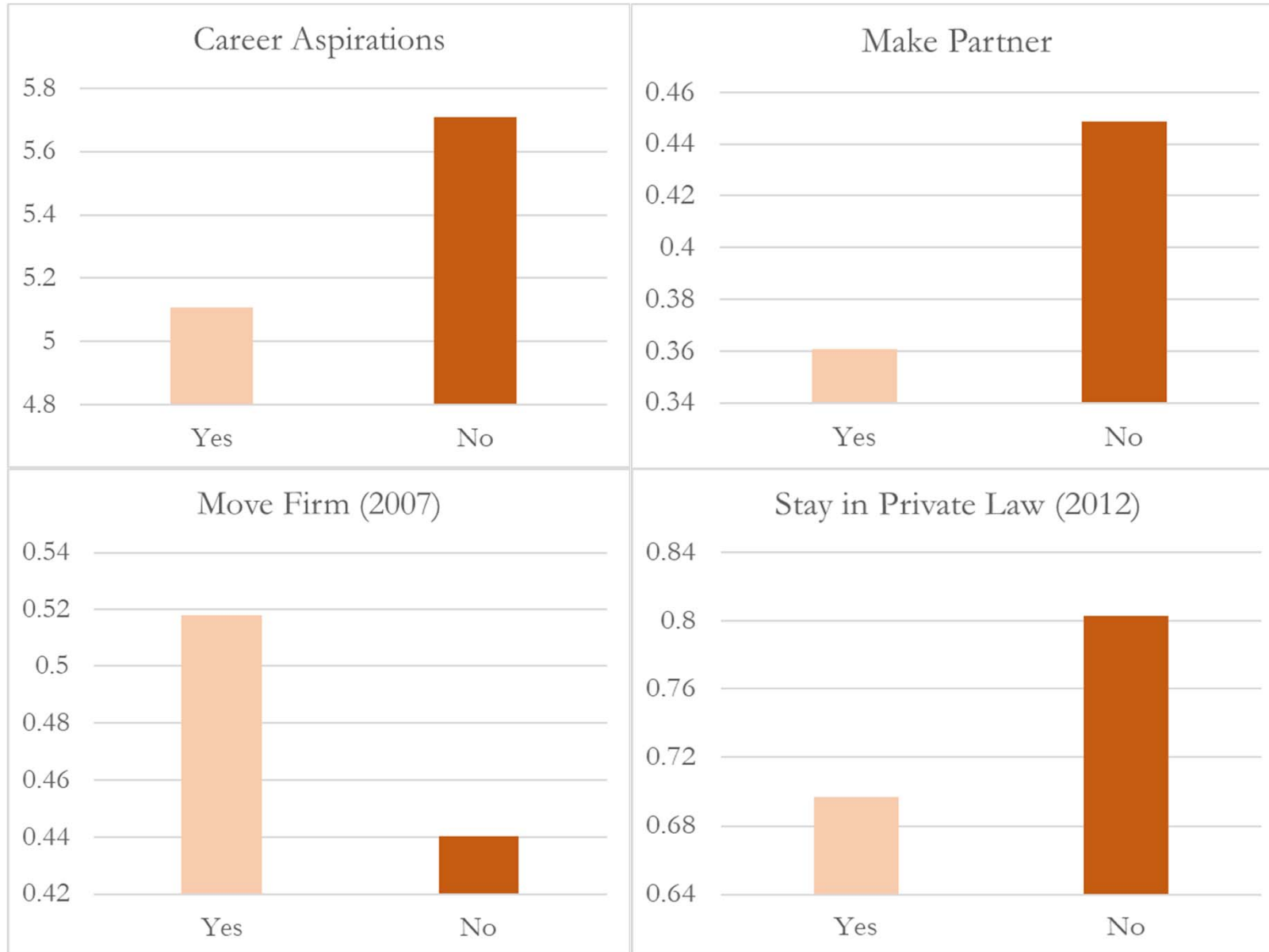
Social Discrimination (Female Lawyers Only)

	Career Aspirations [1]	Make Partner [2]	Make Partner [3]
Comments	-0.829*	-0.182**	-0.122
	[0.447]	[0.0793]	[0.0755]
Med. Aspirations			0.270***
			[0.0804]
High Aspirations			0.438***
			[0.0830]
Constant	2.700	1.039	1.063
	[4.258]	[0.801]	[0.761]
Individual Controls	Yes	Yes	Yes
Education Controls	Yes	Yes	Yes
Family Controls	Yes	Yes	Yes
Firm Controls	Yes	Yes	Yes
Observations	326	251	251
R-squared	0.244	0.282	0.371

Role Models - Mentoring

	(1) Career Asp.	(2) Career Asp.	(3) Promoted to Partner	(4) Promoted to Partner
Female	-1.610***	-1.608***	-0.132***	-0.112
	(0.252)	(0.473)	(0.040)	(0.076)
Senior Mentor	1.781***	1.914***	0.127*	0.085
	(0.436)	(0.681)	(0.070)	(0.109)
Male Mentor	0.433	0.456	-0.029	-0.011
	(0.542)	(0.721)	(0.087)	(0.116)
Sen.Male Mentor	-0.875	-1.046	0.022	0.064
	(0.667)	(0.954)	(0.107)	(0.153)
FemalexSen. Mentor		-0.209		0.061
		(0.883)		(0.142)
FemalexMale Mentor		-0.050		-0.041
		(1.076)		(0.173)
FemalexSen.Male Mentor		0.301		-0.062
		(1.348)		(0.217)
Constant	5.679*	5.729*	0.779	0.743
	(3.161)	(3.184)	(0.508)	(0.512)
Observations	679	679	679	679
Adjusted R^2	0.152	0.148	0.053	0.049

All columns include Individual, Education, Family and Firm controls.

Beyond Gender…

Race and Career Aspirations

	Make Partner						
	[1]	[2]	[3]	[4]	[5]	[6]	[7]
White	0.208***	0.194***	0.148***	0.145***	0.140***	0.119**	0.123**
	[0.0468]	[0.0468]	[0.0477]	[0.0485]	[0.0508]	[0.0485]	[0.0484]
Career Aspirations						0.0421***	
						[0.00611]	
Med. Aspirations							0.147***
							[0.0546]
High Aspirations							0.352***
							[0.0532]
Constant	0.321***	0.700***	1.202***	1.195***	0.683	0.285	0.401
	[0.0417]	[0.166]	[0.240]	[0.244]	[0.519]	[0.486]	[0.487]
Individual Controls	No	Yes	Yes	Yes	Yes	Yes	Yes
Education Controls	No	No	Yes	Yes	Yes	Yes	Yes
Family Controls	No	No	No	Yes	Yes	Yes	Yes
Firm Controls	No	No	No	No	Yes	Yes	Yes
Observations	680	679	679	679	679	679	679
R-squared	0.028	0.044	0.071	0.071	0.121	0.174	0.177

Differences in career aspirations explain around 15% of gap after inclusion of other controls

Conclusions – Summary of Results

- Significant gender gap in promotions among young US lawyers

- Document gender gap in early promotion aspirations
  - High skilled individuals, comparable on observable characteristics.

- Promotion aspirations are an important component of the promotion gap.
  - 50%-70% of the promotion gap can be explained by the aspiration gap

- We show that **aspirations** are:
  - Important predictor of promotion
  - Linked to decisions that affect promotion (effort, stay in the firm…)
  - Measure preferences, as well as expectations
  - Can be shaped by early experiences (harassment and role models)

Conclusions – Interpreting the Results

- Results are consistent with a model of <u>goal-setting</u> through aspirations

- Aspirations as a self-incentivizing device.
  - Aspirations react to fertility choices
  - Amplification mechanism of early experiences. - Results on:
    - Social discrimination
    - Mentoring

Policy-relevance:

- Understanding aspirations is key to understand the "glass ceiling"
- Policies aimed at changing the corporate culture
- Policy is to better equalize the demands associated with parenthood