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## Stratification in the Legal Profession: Sex, Sector, and Salary

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There is a long-standing debate over the role of human and social capital in explaining the gender gap in the earnings of professionals. Expanding on current research on sex differences in the incomes of male and female lawyers, we show how the process of earnings determination varies by sex and organizational sectors differing in sex composition and bureaucratization of decision making. Using data from a random sample of lawyers, we demonstrate that the effects of human and social capital on income vary among males and among females practicing law in private, corporate and government organizational sectors of the legal profession. We also show that there are sex differences in the effects of human and social capital on income within these sectors. Together, these findings suggest that stratification processes in the legal profession are based on both sex and organizational segmentation.

**W**omen are entering the legal profession at a growing rate. Between 1967 and 1983, the enrollment of women in ABA-approved law schools increased 1650%, from 4.5 to 37.5% of the total (Abel 1989). Census reports, however, indicate that women's equity in labor force participation in the legal profession is not paralleled by equal pay. Women earned 55% as much as men in 1979 and 63% as much in 1986, a pattern that is confirmed in a variety of surveys of male and female lawyers (Abel 1989; Epstein 1993; Hagan 1990). Indeed, one study of graduates of seven northeastern law schools finds that men and women from the class of 1983 began work with virtually identical salaries, but several years later women were earning 88% of their male counterparts' salaries (Abel 1989).

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Scholars offer varying explanations for the earnings gap in the salaries of male and female lawyers. Early explanations for differences stress the characteristics of individuals and rely on either human capital theories in economics (Becker 1981, 1985; Heinz & Laumann 1982) or social capital theories in sociology (Desai & Waite 1991; England & Farkas 1986). Human capital explanations contend that sex differences in lawyers' earnings reflect sex differences in the distribution of the human capital factors that determine earnings (education, experience); social capital explanations, however, concentrate on the role that social background and family status factors (family background, marital status, and parental status) play, independent of human capital.

Focusing on the characteristics of the segment of the economy in which an individual works rather than on his/her individual characteristics, scholars are increasingly applying dual or segmented economy perspectives from institutional and Marxist economics to the study of earnings differentials. Segmentation theories posit that the economy is segmented into core and periphery industries with differing work and employment structures that affect labor outcomes, including earnings. Conceptualizing the legal profession as part of an industrially segmented economy, researchers have recently described the practice of law as a profession with a core sector of large, private firms that pay staggering wages dominating a periphery sector of small firm, corporate, and government practices paying lower wages (Heinz & Laumann 1982; Hagan 1990). Given this conceptualization, sex differences in lawyers earnings are explained less in terms of sex differences in human and social capital and more in terms of the greater likelihood of participation of men in the large firms that make up the higher-paying core sector (Hagan 1990; Menkel-Meadow 1989). The utility of human capital, social capital, and industrial segmentation explanations of sex differences in lawyers' earnings has been empirically tested using data from a sample of Canadian lawyers (Hagan 1990).

Segmentation theories of sex differences in lawyers' earnings are supported by research finding that salaries are higher in the primarily male private firm core sector than in the more sex-integrated periphery sector consisting of corporate and government sites of legal practice (Hagan 1990). We believe, however, that it is premature to end the debate on the effects of segmentation on lawyers' earnings: industrial conceptualizations of segmentation in previous research overlooked the *organizational* content of segmentation in legal practice. In the last decade, scholars interested in the role of segmentation in earnings determination have been increasingly dissatisfied with industrial taxonomies because the sectorial dimensions used to delineate core and periphery fail to covary (Wallace & Kalleberg 1981; Hodson & Kaufman 1982) or to account consistently for differences in labor market

outcomes such as earnings (Baron & Bielby 1984; Jacobs 1989; Cohen & Pfeffer 1984). As a result, alternative segmentation taxonomies stressing *organizational* rather than *industrial* dimensions have been developed and applied to empirical research designed to account for differences in earnings (Baron & Bielby 1984; Jacobs 1989). The conceptualizing of sectors in terms of organizational forms and sex segregation rather than in terms of industrial segmentation has been undertaken in studies analyzing sex differences in earnings for nonprofessionals (Baron & Bielby 1984; Bielby & Bielby 1988; Glass & Camarigg 1992; Jacobs 1989) and professionals practicing medicine (Jacobs 1989). However, no studies to date have applied an organizational taxonomy to the study of sex differences in the earnings of attorneys.

We here develop an organizational conceptualization of segmentation in the legal profession and test its utility in accounting for the earnings gap between male and female lawyers. Descriptions of the three major organizational sites of legal practice—private firm, corporations, and government—reveal the distinctive levels of two organizational dimensions—bureaucratization and sex segregation—often linked to sex differences in labor market outcomes such as earnings. Hence, we contend that male and female lawyers working in organizational sectors of the legal profession varying along these dimensions will exhibit differential patterns of earnings.

Using data from a 1989 random sample of lawyers in the New York City metropolitan area, we examine the extent to which the difference in earnings between men and women can be attributed to human capital (i.e., education and experience), social capital (i.e., the prestige of parents' occupations and marital and parental status), or the organizational sector (private, corporate, or government) in which an attorney practices law. Conceptualizing and measuring the segmentation of the legal profession in organizational terms, we find that the process of earnings determination for lawyers varies by sex and organizational sector. First, we find sector differences in the effects of human capital and family status on income for male lawyers. Second, we find sector differences in the effects of human capital and family status on income for female lawyers. Third, we find sex differences in the effects of human capital and family status on income within each of the three major organizational sectors. Together, these findings provide evidence of stratification processes in the legal profession based on both sex and organizational segmentation.

### **Explanations for Sex Differences in Earnings for Lawyers**

We begin here by explicating one prominent line of theory and research that explains sex differences in the earnings of lawyers in terms of sex differences in the acquired human capital of

individuals practicing law. We then describe the sociological research, evolving largely as a reaction to the human capital theories, that attributes sex differences in lawyers' earnings to sex differences in the social capital of individuals. Critiquing human and social capital theories for their exclusive focus on individual characteristics, we describe the salient features of an industrial segmentation approach. Finally, we introduce an organizational conceptualization of the legal profession and discuss why the organizational sector in which a lawyer works has important implications for explaining sex differences in lawyers' earnings. Our aim is to identify and describe the major organizational sectors in the legal profession and to show how these organizational forms with their varying levels of sex segregation and bureaucratization generate wage differentials for male and female lawyers.

### **Human Capital**

Human capital theory claims that sex differences in earnings are explained by sex differences in the educational and work achievements that result in increased worker productivity (Mincer & Polachek 1974; Polachek 1975; Becker 1985). Application of this theory to the acquisition of earnings in the legal profession attributes the differences in male and female earnings to sex differences in four specific aspects of human capital: (1) prestige of law school education, (2) class rank in law school, (3) years of work experience, and (4) on-track career development.

Two dimensions of education provide important human capital for increasing the incomes of lawyers: the prestige of the law school attended and the class rank in law school. Previous research finds that the prestige of an attorney's law school is a particularly important determinant of earnings in the private sector. It has been argued that individuals attending prestigious law schools develop social networks with wealthy individuals, networks that later increase the probability of garnering corporate clients and individuals clients of high status (Heinz & Laumann 1982; Koenig & Rustad 1985; Hagan 1990). Research also finds that lawyers claiming to be in the top quarter of their law school class have higher incomes than those claiming to be in the lower quartiles (Garrison 1935; Colorado Bar Association 1967; Hagan 1990).

In addition to education, two dimensions of work experience enhance human capital and increase the income of a lawyer: number of years practicing law and on-track career development (Heinz & Laumann 1982; Abel 1989). Empirical research examining the links between these two dimensions of experience and earnings finds that lawyers' earnings increase with the number of years of experience and are higher for those who follow the typi-

cal trajectory in which one begins law school shortly after undergraduate school (Heinz & Laumann 1982; Hagan 1990).

Because most research on reward processes in law often includes a small number of women in the sample and fails to simultaneously examine the role of social capital such as family background or status, it is unable to ascertain whether there are independent effects of human and social capital or whether the effects of various forms of human and social capital are similar for men and women (Heinz & Laumann 1982; Erlanger 1980; Arthurs et al. 1971).

### Social Capital

One of the sociological contributions to the analysis of earnings stresses the role that social capital plays in the determination of earnings. Social capital theories posit that some of the sex differences in earnings are due to sex differences in social status attributes unrelated to productivity. One version of social capital theory argues that social origins indirectly affect ultimate status attainment and earnings by influencing actual education or that social origins may exhibit direct effects on earnings independent of acquired human capital such as education and experience (Blau & Duncan 1967). Recent research shows that a father's occupational status predicts his son's status attainment within the legal profession, holding law school prestige constant (Warkov 1965; Heinz & Laumann 1982), suggesting that both education and social background have an influence on status and income. The effects of social background are particularly pronounced in the private sector where social networks associated with privilege influence status and earnings via the recruitment of wealthy clients through social networks.<sup>1</sup>

A second version of social capital theories asserts that part of the earnings differentials between men and women is related to family status (Desai & Waite 1991; Peterson 1989; Blau 1984; Hudis 1976; Corcoran et al. 1984).<sup>2</sup> Previous findings that ex-

<sup>1</sup> Heinz & Laumann (1982) also consider the impact of ethnicity on the intergenerational transmission of inequality in the legal profession. However, more recent work by Hagan (1990) suggests a declining significance of ethnicity. Because our data do not contain information on ethnicity, we are unable to evaluate its significance.

<sup>2</sup> Several explanations are given for the relationship between family status and earnings. The first explanation stresses employee choices. It argues that married women, especially those with children, choose occupations and work settings that require less work effort and are compatible with the demands of their domestic responsibilities. Similarly, it submits that married men with children choose occupations that will enhance their role as primary wage earners (Becker 1985; Hudis 1976; Blau 1984). This explanation assumes that women with children reduce work effort and increase domestic work while men with children increase work effort and decrease domestic work. The second explanation emphasizes employer choices and argues that employers prefer employees with particular marital and parental statuses because they perceive that women with children reduce their work effort and commitment while men with children increase their work effort and commitment (Spence 1974; Althausen & Kalleberg 1981; England & Farkas 1986; Peter-

amine the relationship between family status and earnings typically address differences among men and among women. One set of findings (Peterson 1989) shows that married women with children are at an earnings disadvantage compared with unmarried women with or without children. Another set of findings shows that marriage and parenthood are advantageous for men. Taken together these findings suggest that marriage and parenthood widen the earnings gap between men and women in the labor force.<sup>3</sup>

Past models of sex differences in earnings in the legal profession fail to address issues of family status (White 1967; Glancy 1970; Adam & Baer 1984; Hagan 1990). There is a body of research that finds sex differences in the effects of family status on the probability of *making partner* in private firms (Hagan et al. 1991) which should have implications for *earnings* in private firms. Because partnership enhances earnings, it is probable that the positive effects of marital and parental status on making partner for men compared with the null effect for women hold true for earnings determination as well (*ibid.*). However, limiting the analysis of the effects of family status on status attainment and earnings to men and women in the private sector ignores those processes in other sectors in which women are more heavily represented, for example, government and corporate general counsel offices.

While more recent studies examine the independent effects of human and social capital on income, most do not ascertain whether the effects of various aspects of human and social capital vary for male and female lawyers. For example, are the effects of law school prestige (a human capital factor) or family status (a social capital factor) on income the same for men and women? While Hagan's (1990) study takes a decisive step in this direction, it nevertheless fails to examine the effects of one of the most important social capital factors that may operate differently for men

son 1989; Bielby & Bielby 1984, 1988). Because employers perceive that women's domestic responsibilities reduce their work effort on the job, they are more likely to hire and reward men with children than women with children. This perception by employers is somewhat suspect, as recent findings show that the work commitment of women with children is not significantly different from that of women without children (Bielby & Bielby 1988).

<sup>3</sup> Most of the research on earnings employs marital and parental status as indicators of work effort and domestic responsibility. Obviously, marital and parental status are not exact measures of household responsibility, since not all husbands in all families take more financial responsibility and less domestic responsibility than their wives. The degree to which marital and parental status can be interpreted as proxies for household responsibility is debatable. A large body of research demonstrates that wives and mothers engage in more household labor while fathers are typically the major wage earner (Hartmann 1981; Berk 1985; Hochschild 1989). However, an emerging body of research finds wide variation in the household responsibility taken by women. Moreover, some research finds the effects of household responsibility to be negative for the earnings of both men and women (Coverman 1983; Peterson, Dimitrova, & Lambe 1992). Because we have no measures of work effort or household responsibility, we can only consider whether family status affects earnings.

and women: family status. This work is particularly important, however, because unlike earlier human and social capital research that focuses on the effects of ascribed and achieved individual characteristics on income, it diverges and points to the role that structural characteristics of sectors in the legal profession play in explaining the gender gap in lawyer's earnings.

### Sector

While previous explanations of sex differences in earnings stress the effect that the characteristics of individuals have on income, more recent research focuses on the effects that work settings and positions within those settings have on sex inequality (Baron & Bielby 1980; Halaby 1979; Tolbert, Horan, & Beck 1980; Wolf & Fligstein 1979; Malkiel & Malkiel 1973; Parcel & Mueller 1983; Spilerman 1977; Treiman & Terrell 1975). These theories claim that variations in the structural properties and locations of male and female jobs are determinants of gender inequality in earnings since earnings vary with sectors and positions (Harrington & Rifkin 1989; Bibb & Form 1977; Kaufman & Daymont 1981; Felmlee 1982; Tienda, Smith & Ortiz 1987; Jacobs 1989; Reskin 1984; Reskin & Hartmann 1986; Reskin & Roos 1990; Halaby 1979; Corcoran et al. 1984; Glass & Camarigg 1992). Several recent studies examine organizational differences in the work settings of men and women and their relationship to sex differences in earnings and career patterns (Bielby & Bielby 1984; Glass & Camarigg 1992).

As previously mentioned, the most ambitious research aimed at specifying the relationship between sex, sector, and salary in the legal profession is Hagan's study of sex differences in the incomes of males and females working in various industrial segments of the profession. Hagan (1990) posits that the legal profession is stratified into two sectors that influence sex variations in earnings, a core of large private firm practice comprised primarily of men with high salaries and a periphery comprised of men and women in small private firm practice, government practice, and general counsel practice with lower salaries. His analysis of the earnings of male and female lawyers shows sex differences in income gains when movements are made across the core and periphery sectors.<sup>4</sup>

Our aim in this research is not to argue that an organizational conceptualization of segmentation in the legal profession is better than an industrial one or to test the relative merits of

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<sup>4</sup> Hagan (1990) also examines sex stratification based on social class position within the profession as indicated by decisionmaking, responsibilities, autonomy over work, and hierarchical position. His analysis shows that men reap higher rewards than women when in positions of either low or high class power. While Hagan's work suggests that sex stratification in the legal profession is related to two dimensions, social class position in the profession and sector, our focus here is limited to the sector dimension.

each. Rather, we wish to offer an alternative to the industrial conceptualization and test its utility in explaining sex differences in the earnings of lawyers. Since one of the key concepts of interest to those studying organizational forms in society is bureaucracy, we begin our organizational analysis by characterizing the three major sectors in the legal profession in terms of the main characteristics of a bureaucratic structure posited by Weber in his ideal-type formulation of the bureaucratic form. According to Weber, a number of characteristics form the basics of bureaucratic organization: specialization in the division of labor, a hierarchy of authority with decentralized decisionmaking, a formalized system of rules, and decisionmaking confined to official operations and impersonality (Blau & Meyer 1971).

Employing an organizational perspective, we conceptualize the practice of law as a profession stratified by organizational sectors whose levels of sex segregation and bureaucratization in decisionmaking converge to influence earnings determination processes and sex differences in earnings. The quantitative research on sex composition of the three sectors, coupled with the qualitative literature describing the culture of work in the three major sites of legal practice, overwhelmingly supports our premise that there are differential levels of female participation and bureaucratization among these sectors. The majority of lawyers work in two types of organizational settings: professional private law firms comprised primarily of men and more sex-integrated professional bureaucracies. Further, as employees of professional bureaucracies, they often work in either the public bureaucracy of government or the private bureaucracy of the general counsel offices of industry. To summarize, the legal profession consists of three organizational sectors with varying degrees of sex segregation and distinct organizational forms: the professional private firm, the public bureaucracy of government, and the private bureaucracy of the general counsel offices of industry.<sup>5</sup>

#### *The Professional Private Firm*

Law is an old profession with predominately male lawyers working in private firms characterized by nonbureaucratic collegial practices. Legal practice in this organizational sector offers lawyers the greatest opportunity for professional prestige and high salaries, but participation and rewards in this sector continue to be relegated to males. Although the private sector remains the principal site of employment for male and female lawyers, the proportion of all male lawyers employed in the private sector is slightly higher than the proportion of all female lawyers

<sup>5</sup> When we refer to the corporate sector, we are speaking of the lawyers who work in the general counsel unit of a large corporation, not all lawyers who practice corporate law, since lawyers who practice corporate law may span settings, i.e., lawyers in private firms may practice corporate law.



employed in this sector. In 1988, 73% of male lawyers were in the private sector compared with 66% of female lawyers (Curran & Carson 1991). Although a large percentage of both males and females enter the private sector, it remains predominately male. In 1988, only 15% of all private practice lawyers were women compared with the 85% that were men. Thus, women in private practice are often "tokens," especially at the partnership level (Kanter 1977; Epstein 1993). Recent data on women practicing in large Wall Street firms show that 11% of partners in these firms are women (Epstein 1993). Similarly, 8% of partners in the top 250 private firms in 1987 were women (Weisenhaus 1988). However, the percentage of partners who are women is substantially smaller in smaller firms (Hagan et al. 1991). For example, data on women practicing in all types of firms in the U.S. in 1980 show that 2% of all partners in firms with associates are women (Curran & Carson 1991). Consequently, while gains are being made by women, primarily in large firms, the private sector remains the most sex-segregated sector in the legal profession.

In addition to its predominately male composition, the private firm is a collegial rather than a bureaucratic organization. Decisionmaking is based on centralized verbal or written agreements among partners of similar social background (Heinz & Laumann 1982; Hagan 1990). Partners in firms typically rely on centralized informal collective decisionmaking through consensus of the partners rather than decentralized, formal rule-bound decisionmaking via bureaucratic processes (Waters 1989). Given the research of Heinz and Laumann (1982), we recognize that there are variations in the private firm sector based on size and type of clientele. We, like Heinz and Laumann, submit that there are variations across organizations within the private sector. However, we further submit that variations in bureaucratic organization within the private sector are smaller than variations across the sectors. Decisionmaking may involve face-to-face interaction in small firms (Seron 1992) and delegation to committees in large firms (Spangler 1986), but it is generally personalistic and consensus-based in both settings. Hence, while decisionmaking in large firms is more formal than in small firms, neither exhibits the high levels of bureaucratization found in formal and decentralized decisionmaking in the government sector. Though prior research shows that there are organizational differences within the private sector (Heinz & Laumann 1982), the process by which power, status, and earnings are bestowed in the private sector continues to be a nonbureaucratic centralized one (Nelson 1988) conducted by partners who are invariably male (Hagan et al. 1991).

Because decisions about income in private practice are shaped by informal arrangements among male partners, it is reasonable to hypothesize that there will be an Old Boy network

whereby women will be tokens (Kanter 1977) and more disadvantaged than in the sex-integrated government sector where bureaucratic mechanisms of decisionmaking are prevalent. As a result, the human and social capital that affects income in the private sector will vary among men and among women. Moreover, there will be sex differences in the effects of men and women within the private sector, with women in the private sector receiving less than men for the same human capital and women being more affected by family status.

*The Public Professional Bureaucracy of the Government*

Since the Depression, the government sector has become an increasingly important source of employment for lawyers, especially female lawyers. By 1988, 27% of lawyers practicing in the government sector were female.<sup>6</sup> Furthermore, of all women lawyers in 1988, 15% were practicing in a government setting compared with 8% of all male lawyers (Curran & Carson 1991). Because women make up a substantial proportion of government lawyers, they have more than a token presence.

The government sector with its complex division of labor and formal, decentralized decisionmaking is often cited as the organizational form that most closely resembles the ideal-type bureaucracy described by Max Weber (Blau & Meyer 1971). While the government sector is the most sex integrated, professional power, prestige, and earnings are lower than in the private or corporate sectors. However, the decentralized and formal bureaucratic nature of decisionmaking makes reward processes more secure and predictable. Although attorneys in government earn less, on average, and have less control and autonomy over their work, they enjoy some of the advantages of bureaucracies, including predictable opportunities for promotion and transfer and explicit regulations preventing the use of personalistic decisions about earnings (Abel 1989). Thus, the process for distributing power, status, and money in this sector is a bureaucratic one that allows for less discretion than the informal and personalistic decisionmaking processes in the private firm.

Given the predominance of women and the bureaucratic organization of salary decisions in the government sector, it is expected that there will be sector differences in the effects of human capital and family status among men and among women, with the effects of family status being less in the government sector than in the private or the corporate sector. Moreover, it is expected that sex differences in the effects of human capital and family status within sectors will be least within the government sector.

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<sup>6</sup> We include lawyers practicing in federal, state, and local government and lawyers practicing in legal aid and public defender offices in the government sector category.

*The Private Professional Bureaucracy of General Counsel Offices*

While employment in the office of general counsel in industries is lower in power, status, and rewards than in the elite private sector (Auerbach 1976; Spangler 1986), it is higher on these dimensions than employment in the government sector. Expansion of the size of the house counsel field as a way to contain the costs of escalating legal fees makes corporate legal units in industry the most rapidly growing sector of the legal profession (Spangler 1986; Galanter & Palay 1991). Since the expansion of the general counsel offices occurred as women began to make up a larger proportion of law school graduates, this sector attracted both men and women. According to 1988 data, the percentage of all male lawyers practicing in this sector is about the same as the percentage of all female lawyers in this sector, 9% (Curran & Carson 1991). However, males still occupy the majority of positions in general counsel offices. In 1988, females made up 17% of the lawyers practicing in general counsel offices (*ibid.*). Thus, while not as sex-segregated as the government, this sector is slightly more sex-integrated than the private sector.

The organization of decisionmaking in a corporate law department is best characterized as "hybrid"; it shares some characteristics in common with the informal centralized decisionmaking in private firms and others with the formalized decentralized bureaucratic decisionmaking in government (Spangler 1986). Law departments are usually relatively independent units or "mini-firms" within a bureaucratically structured business setting. These offices are managed by a general counsel who is often a vice-president of the company and responsible for the oversight of staff associates moving up a stable and predictable career ladder (*ibid.*). Because general counsel are both legal and business partners, decisionmaking processes about prestige and rewards in this sector operate with both the personalistic professional structure found in private firms and the bureaucratic structure found in large corporate and government organizations (*ibid.*). Though the organization of decisionmaking in the corporate law department shares aspects of the professional decisionmaking in private firms and the bureaucratic decisionmaking in government, it operates within a larger business structure and, hence, is a distinct organizational form.

Because the corporate sector can be characterized as a somewhat sex-integrated setting and a private professional bureaucracy reflecting the characteristics of both the private professional firm and the public bureaucracy of government, we expect that decisionmaking about the earnings of males and females in this sector will be a compilation of personalistic and bureaucratic processes. Hence, we expect sector differences in the effects of human capital and family status on income among men and

among women. Moreover, sex differences in effects of human capital and family status should be greater within the corporate sector than within the government sector, but less than within the private sector.

## Data and Methods

### The Sample

The data we analyze are drawn from the responses to a 1989 telephone survey of 793 lawyers employed full time in the New York City area. A total of 1,238 lawyers were asked to participate in the study. Of these 1,238 lawyers, 226 refused to be interviewed and 12 terminated the interview. Thus 1,000 lawyers completed the interview, generating a response rate of 81%.<sup>7</sup> A random sample was drawn from a list of all legal practitioners compiled and updated by the Office of Court Administration for the State of New York. In order to obtain adequate responses from lawyers in each county, the sample was stratified by county and respondents were randomly chosen from each county.<sup>8</sup> Consequently, we weighted the sample to represent the distribution of lawyers across the counties. New York City lawyers earn substantially higher wages than lawyers in other geographic locations; therefore caution must be taken in generalizing the amount of incomes of lawyers in New York to other geographic areas. However, because there is no reason to believe that the relative differences between lawyers' earnings in various sectors vary from place to place, a New York sample is not problematic for examining differences in income across sectors. In fact, the large corporate and government sectors in New York make it an ideal setting for analyzing earnings processes in various organizational sectors of the legal professional.

The coding and the means and standard deviations for the total sample are shown in Table 1. The means and standard deviations are shown separately for males and females in appendix 1 and separately for organizational sectors in appendix 2. The correlation matrix for the total sample is shown in appendix 3.

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<sup>7</sup> An additional 207 cases were excluded because of missing data. Although 1,000 lawyers completed the telephone survey, we excluded 187 cases because they have missing data on the dependent variable, income. Because the number of cases missing on the independent variables is small, we use mean substitution for the interval-level independent variables. An additional 20 cases were excluded because they are missing data on the dichotomous independent child variable or the set of nominal dummy variables distinguishing those practicing in government from those practicing in corporate or private settings. Thus, 207 cases were excluded due to missing data, leaving us with 793 cases for analysis.

<sup>8</sup> Four hundred attorneys were randomly selected from Manhattan; 200 from Brooklyn, Queens, Bronx, and Staten Island counties (the outer boroughs of New York City); 200 were randomly selected from Nassau and Suffolk and 200 from Putnam and Rockland counties.

**Table 1.** Coding Procedures and Summary Measures for Variables Used in Income Models of Lawyers

Variable	Mean	SD
Prestige of law school (1 = local; 2 = regional; 3 = prestigious; 4 = elite)	2.17	1.17
Perceived law school ranking (respondent's reported class ranking in law school (1 = lowest quartile; 2 = 3d quartile; 3 = 2d quartile; 4 = top quartile))	3.51	0.69
Years of experience (actual no. of years practicing law)	14.19	13.17
On-track career (respondent's age at beginning of law school) (1 = 28 years of age or older; 2 = > 28 years of age)	1.68	0.47
Socioeconomic index based on occupational prestige scale:		
Father's occupational prestige	55.19	22.97
Mother's occupational prestige	25.18	28.64
Married (0 = no; 1 = yes)	0.73	0.44
Children (0 = no; 1 = yes)	0.57	0.50
Sex (0 = female; 1 = male)	0.75	0.43
Does respondent currently work in private practice? (0 = no; 1 = yes)	0.72	0.45
Does respondent currently work in legal department in industry? (0 = no; 1 = yes)	0.12	0.32
Does respondent currently work in government? (0 = no; 1 = yes)	0.16	0.37
Income level of respondent in previous year (1 = low (under \$60,000); 2 = medium (\$60,000–\$100,000); 3 = high (over \$100,000))	2.11	0.83

## Dependent Variable

### Income

We measure income as an ordinal variable with three levels. The lower level of income, under \$60,000, includes 30% of the sample. The middle level of income consists of those whose income is between \$60,000 and \$100,000, or 30% of the lawyers. The highest level of income is made up of those with an income over \$100,000 and includes 40% of the cases. In analyzing income, we are limited somewhat by the unavailability of interval-level income data.

The data contains no interval-level income measure because a pretest of the instrument revealed that lawyers were much less willing to respond to interval as compared with ordinal formats on income questions. Prior research reveals that studies of professionals are characterized by low response rates (Wilkinson 1980). Our pretest revealed that response rates were inversely related to the format of the income questions. In light of the findings from the pretest and the results of other research, we opted to use an ordinal level measure to increase the rate of response. In weighing the merits of a high response rate relative to a high level of precision in the dependent variable, we felt there would be less bias in results from a study with accuracy but lower precision in the dependent variable than a study with a low response rate that might be contaminated by response biases. In this context, our response rate should be viewed as respectable, although the generalizability of our findings using an ordinal rather than

an interval income variable might be viewed with caution. In estimating models in the three organizational sectors, the ordinal income variable is less problematic in the private firm sector than in the corporate counsel or government sectors where the income range and sample sizes for our study are smaller.

## **Independent Variables**

### **Human Capital**

To operationalize human capital, we employ four measures that consider the investment and productivity characteristics emphasized in the literature on lawyers (Hagan 1990; Abel 1989).

The first two measures reflect the educational investment of respondents and include the prestige of the law school attended and the perceived class rank in law school. The prestige of the law school where the attorney received his/her law degree is operationalized by applying a prestige ranking of law schools based on the ratings of 200 law school deans (Heinz & Laumann 1982). Our sample consists of lawyers from local, regional, prestigious, and elite law schools. As expected, the number of lawyers from prestigious and elite law schools is slightly smaller than the number of lawyers from local and regional law schools. The second measure of educational investment is the respondent's recollection of his or her class ranking. Because we do not have the official rankings of respondents, respondents were asked to report whether their class rank in law school was the lowest quarter, the third quarter, the second quarter, or the top quarter. The majority of respondents placed themselves in the top two quartiles of their law school.<sup>9</sup>

The remaining two human capital measures capture work experience. The first measures the years of work experience of the respondent using the number of years that the respondent has been practicing law (Heinz & Laumann 1982). The average number of years of experience for lawyers in the sample is 14 years. The second measure taps the degree to which respondents were on track in beginning their legal education. Most lawyers began law school before 28 years of age. A substantial, but smaller, number of lawyers began law school when they were 28 or older.

Our model is limited by the exclusion of several additional human capital variables related to the hours worked and type of legal practice. While these factors might effect a lawyer's salary in any of the three sectors, they are most relevant for salary allocation in the private firm.

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<sup>9</sup> Because most respondents place themselves in the top two quartiles, we suspect that most individuals overestimate their class ranking. Because this is true for the male and female sample, we have no reason to believe that the overestimation is sex-specific.

## Social Capital

To assess the role of social capital, we measure three types of social capital purported to influence the earnings of lawyers: social background, family status, and sex. We use the occupational prestige scales developed by Blau and Duncan (1967) to assign a prestige score to the occupation of each respondent's father and mother. The occupational codes derived from the occupations of men are used to code the occupations of both men and women (see Stevens & Cho 1985 for a discussion of the procedure). Because there is considerable debate over the appropriate coding for the housewife category, we used several codings in our initial analysis, but code the housewife category as 0 in our final analysis.<sup>10</sup>

To appraise the effects of family variables, we use two dummy variables: marital status and parental status. Marital status measures whether the respondent has ever been married and parental status measures whether the respondent has any children. This includes children currently living in the household as well as children who previously lived in the household, since both might affect income over the course of one's career.<sup>11</sup> Of the lawyers in our sample, 73% are married and 57% have children.

The final social capital variable is sex and is measured by a dummy variable. A score of 0 is assigned to females and a score of 1 is given to males. Of the sample, 75% are male; 25% are female.

## Organizational Sectors

To differentiate the three organizational sectors of the legal profession, we introduce dummy variables. The first dummy variable, government sector, distinguishes those working in the government sector from those working in the private and the corporate sector. The second dummy variable, corporate sector, distinguishes those working in the corporate sector from those working in the private and the government sector. The reference category variable, private sector, distinguishes those working in the private sector from those working in the corporate and the government sector (for a more detailed explanation of the sectors, see the earlier discussion here). We use sector as a proxy for the level of bureaucratization and sex segregation. Although we do not use direct measures of bureaucratization and sex segregation, prior qualitative research gives us confidence that these sec-

<sup>10</sup> We ran one set of models giving the housework response an occupational prestige score of 0 and another giving it a non-0 score (Bose 1985). The effects of the variables remain the same.

<sup>11</sup> We also ran various models coding the parental status variable as the respondent's number of children. This substitution does not alter the results in any substantive way.

tors are, indeed, characterized by variations in these dimensions. In our sample, 72% of the lawyers practice in the private sector, 16% practice in government, and the remaining 12% practice in corporate legal departments in industry. A look at the sector distributions for males and females separately (see appendix 1) reveals that the percentage of all males practicing in the private sector is slightly higher than the percentage of all females practicing in that sector. Antithetically, the percentage of all males working in either the government or the corporate sector is slightly lower than the percentage of all females working in these sectors.

First, we appraise the main theories of sex differentials in income by regressing the income measure on all the measures from the four categories of independent variables. We use ordered logistic regression to obtain unstandardized logit estimates for a model predicting income level from human capital, social capital, and organizational sector variables.<sup>12</sup>

Second, to test our proposition that the effects of human capital, social background, and family status factors on income vary depending on sex and organizational sector, we split the sample into the three organizational sectors (private, corporate, and government) and regress the independent variables on the income variable for males and females separately within each sector. We examine the effects of the independent variables on income among men and then among women in the three sectors. If there are sector differences among males and among females, then evidence of stratification based on organizational sector exists. Next, we examine the effects of the independent variables on income for males and females within each sector. If there are differences between men and women within sectors, then evidence of stratification based on sex exists. Finally, if there are differences among men across sectors, differences among women across sectors, and differences between men and women within sectors, there is evidence of both sector and sex stratification.

## Results

We begin our analysis by examining the distribution of income across sex and across sectors. The mean income for lawyers in the sample is between \$60,000 and \$100,000. However, when we look at the means for males and females separately, the mean salary for males is significantly greater than the mean salary for females (see appendix 1). Similarly, when we look at the mean

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<sup>12</sup> The calculation of ordinary least squares (OLS) is inadequate because the dependent variable—income—is not measured on an interval scale. Ordered logistic regression is employed because it relaxes OLS assumptions and, consequently, gives consistent estimates for models with ordinal dependent variables.



incomes of lawyers in the three sectors separately, we see that there are significant sector differences in income (see appendix 2). This suggests that the incomes of lawyers are affected by both their sex and whether they practice law in the private, government, or corporate sector of the legal profession. Because there may be correlations between these two attributes (sex and organizational sector), human capital factors, and other social factors, it is important to examine the simultaneous effects of human capital, social capital other than sex, organizational sector, and sex on the incomes of the lawyers in the sample.

We use an ordinal logistic regression analysis and ask whether sex, other social capital related to family status, and organizational sector have a direct effect on the level of earnings of lawyers independent of human capital.<sup>13</sup> The answer given by the results of the ordered logistic regression analysis shown in Table 2 is yes. Equation 1 in Table 2 shows the results of income regressed on four human capital variables, sex, five other social capital variables, and sector for all cases. The results from this baseline model (eq. 1) are consistent with our earlier premise that sex and organizational sector play a role in earnings determination independent of human capital and other social capital.

The results from equation 1 indicate that three human capital variables significantly increase income: the prestige of the law school attended, perceived class ranking in law school, and the number of years practicing law. However, the findings from this initial analysis point to the limitations of human capital theory for explaining all the variation in lawyers' incomes. The probability of being in a higher income level also has a statistically significant relationship to sex and family status: being a male, being married, and being a parent significantly increase a lawyer's income. As our discussion of differences in the organization of legal practice in each sector suggests, income is also significantly related to the organizational sector in which a lawyer is employed. Lawyers in the private sector have significantly higher incomes than lawyers in the government sector when human capital and family status factors are controlled. However, there is no significant difference between the incomes of private and corporate lawyers.<sup>14</sup> The results from the baseline model also indicate that income is not influenced by the occupational prestige of

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<sup>13</sup> A chi-square test for the proportional odds assumption using SAS revealed that a variable's effects on the odds of the response equal to or above category  $K$  of the dependent variable is the same for all  $K$  where  $K$  is the cutpoint parameter of the model. Therefore, the odds ratio of the cumulative probabilities is a cumulative odds ratio and the log of the cumulative odds is the cumulative logit (Agresti 1989).

<sup>14</sup> Additional analysis using the government sector as the omitted sector category reveals significant differences in the incomes of lawyers in the government and corporate sector when human capital variables are controlled. Therefore, we do *not* combine lawyers in the corporate and the government sector but conduct separate analyses of lawyers in each of the three sectors.

**Table 2.** Unstandardized Logit Estimates (Standard Errors) for Income Levels of Male and Female Lawyers

Variables	All (Eq. 1)	Private		Government		Corporate	
		Male (Eq. 2a)	Female (Eq. 2b)	Male (Eq. 3a)	Female (Eq. 3b)	Male (Eq. 4a)	Female (Eq. 4b)
<b>Human capital</b>							
Prestige of law school	.21* (.07)	.30* (.09)	.11 (.17)	-.15 (.29)	-1.74 (1.21)	.44 (.26)	.39 (.70)
Perceived class rank	.59* (.11)	.56* (.14)	1.10* (.31)	.63 (.37)	.07 (.77)	.50 (.37)	3.65* (1.44)
No. years of experience	.04* (.01)	.02* (.01)	.13* (.04)	.10* (.03)	.51* (.18)	.04 (.04)	.12 (.09)
On-track career	.02 (.16)	.09 (.22)	.05 (.39)	2.42* (.77)	-.34 (1.49)	-.33 (.57)	-6.11* (1.99)
<b>Social capital</b>							
Father's occupational prestige	-.00 (.00)	-.00 (.00)	.00 (.01)	.01 (.01)	-.02 (.03)	-.01 (.01)	-.04 (.04)
Mother's occupational prestige	-.00 (.00)	-.00 (.00)	-.01 (.01)	-.01 (.01)	.00 (.02)	-.01 (.01)	-.03 (.02)
Married	.71* (.22)	.96* (.32)	.73 (.47)	.77 (.92)	-.72 (.91)	-.61 (.90)	8.26* (3.12)
Children	.45* (.21)	.54* (.27)	-1.12* (.53)	2.73* (.86)	.29 (1.72)	1.92* (.88)	-1.76 (1.24)
<b>Occupational sector<sup>a</sup></b>							
Government	-1.79* (.22)	—	—	—	—	—	—
Corporate	-.29 (.22)	—	—	—	—	—	—
Sex	.45* (.17)	—	—	—	—	—	—
<i>N</i>	793	434	112	102	50	69	26
-2 log <i>L</i>	311*	104*	45*	57*	31*	19*	26*
Degrees of freedom	11	8	8	8	8	8	8

<sup>a</sup> The reference category is "private."

\*  $p < .05$  (two-tailed)

either the father or the mother of a lawyer once other factors are controlled. Since the occupational prestige of a lawyer's parents never significantly affect earnings in our models, most of our discussion focuses on explicating the effects of human capital, family status, sex, and sector on earnings. Interestingly, our findings regarding occupational prestige support those of Hagan (1990), who suggests that the direct effects of family and ethnic background independent of human capital have a declining significance in status attainment in the legal profession. Intergenerational transmission via indirect effects of family and ethnic background on status attainment, however, may still persist since the occupational prestige of parents may influence the human capital obtained by their children.

Our analysis thus far assumes that there is a direct effect of sector and sex on income, but that the effects of the other variables in the model are the same regardless of sex and the organizational sector in which one is employed. That is, we have assumed that the variables in the model have an additive, but not

an interactive, effect on the probability of increases in the income levels of lawyers. Because our findings indicate that neither human capital nor family status variables can explain away sex or sector differences in income, it is important to examine the income determination processes for males and females in the three sectors separately.

Before we look at sex stratification within each sector, we look at sector stratification within the female sample and within the male sample and ask whether there are sector differences in the effects of human capital, social background, and family status variables on income among male lawyers and among female lawyers. To address the issue of sector stratification we examine the effects of human capital, social background, and family status variables on income for males in the private, corporate, and government sectors. Similarly, we examine the effects that these variables have on income for females in the three sectors.

### **Sector Stratification among Males**

We examine the effects of human capital and family status variables on income for males in the three sectors by inspecting the coefficients for each variable in equations 2a, 3a, and 4a in Table 2. The results from these comparisons indicate that there is evidence for sector stratification among males; the effects of both human capital and family status variables vary across sectors for males.

Although we find human capital affects income for males, the types of human capital that increase income vary from sector to sector. The folk wisdom claiming that a lawyer's income is determined by the prestige of the law school attended and academic performance in law school is true for males in the private sector where both of these variables have a positive significant effect on income. However, neither variable has a significant effect on the income of males in the government or the corporate sector. Another human capital factor, the number of years practicing law, significantly increases the incomes for males in both the private and the government sectors but has no significant effect on the incomes of males in the corporate sector. We suspect that the lack of a significant effect in the corporate sector is because we do not capture all the dimensions of corporate experience. For example, for lawyers in the corporate sector, the number of years practicing law may be less important for determining income than the number of years of experience in business. Finally, the human capital variable, on-track career, only has an impact on the incomes of males in the government sector; men who entered law school shortly after undergraduate school have significantly higher incomes than those who entered law school at a later point.

The effects of family status variables on the incomes of male lawyers also vary across sectors. Being married significantly increases the incomes of male lawyers in the private sector but has no effect in either the government or the corporate sector. The only variable that significantly increases the incomes of males in all three sectors is parental status. Males with children have significantly higher incomes in all three sectors than males without children. This finding is consistent with employer choice theories which argue that children are a source of positive social capital for men because they signal stability and, hence, lead employers to see them as stable workers and increase their earnings more than those of women with children, who are seen as unstable workers. This finding is also consistent with employee choice theories which argue that men with children work longer hours than women with children and, hence, acquire higher earnings. Because we did not measure the number of hours worked, it is impossible for us to determine which of these interpretations is represented by our data.

### **Sector Stratification among Females**

To test whether there are differences in the effects that human capital and family status have on income among females, we examine the coefficients for each variable in equations 2b, 3b, and 4b in Table 2.

As was the case for males, there is evidence of sector stratification among females. However, the patterns for females differ from those for males. Although the prestige of the law school attended is important in predicting the incomes of male lawyers in the private sector, it has no effect on the income of women in any of the three sectors. Thus, the folk wisdom arguing that law school prestige is the predominant predictor of income not only varies across sectors for males but also has no effect in any sector for females. Perhaps this folk wisdom developed without reference to female lawyers or to lawyers working outside the private sector. All the remaining human capital variables have an effect on the income of women in several organizational sectors: perceived class rank increases income for women in the private and the corporate sector but has no significant effect on the incomes of women in the government sector; the number of years of experience practicing law increases income for women in the private and the government sector but has no effect on the incomes of women in the corporate sector; completing law school later in life increases the income of women in the corporate sector but has no effect on women in either the private or the government sector. As was the case with males, we suspect that the nonsignificance of experience in the corporate sector reflects the fact that our measure of experience only captures the number of years of

experience practicing law but fails to include the number of years of business experience.

The effects of family status variables also vary across the sectors for women. Being married increases the incomes of women in the corporate sector but has no significant effect on the incomes of women in the private or the government sector. As was hypothesized, parenthood is most disadvantageous for women in the private and corporate sectors and has the least effect on women in government. Being a parent has a negative effect on the incomes of women in the private and corporate sectors, although the effect is only statistically significant in the private sector. Parenthood has an insignificant effect on women in the government sector. While we argue that this finding is due to differences in decisionmaking in organizations varying in sex composition and bureaucratization, it is equally plausible that the women with children in the private sector work longer hours than women with children in the government. Because we do not have information on the number of hours worked, it is impossible for us to determine which interpretation is more appropriate. Thus far, we have found evidence of sector stratification for males and females working in the legal profession. It remains to be seen, however, whether there is sex stratification within each of the organizational sectors.

### **Sex Stratification within Each of the Three Organizational Sectors**

We address the issue of sex stratification within sectors by examining whether there are sex differences in the effect of human and social capital on income within each organizational sector. As our previous discussion of the three organizational sectors suggests, we expect that sex differences in the effects of various factors on income will be responsive to sector variations in the sex composition and bureaucratization of decisionmaking.

A comparison of the human and social capital coefficients for males from equation 2a (Table 2) with the coefficients for the females from equation 2b demonstrates that there are sex differences in the effects of these variables on income within the private sector. When we compare the models for males and females in the private sector, we find that the effects of both human and social capital on income differ for men and women.

Two human capital variables are significant in determining the incomes of both males and females in the private sector: experience and perceived class rank increase the incomes of both males and females. However, an additional human capital factor, the prestige of the law school attended, significantly increases the incomes of males but has no significant effect on the incomes of females.

Turning to the effects of family status on income for males and females in the private sector, marriage has a significant effect for men and having children has a significant effect for both men and women. Being married increases the incomes of males but has no effect for incomes of women. As we hypothesized, the private sector with its predominance of males and personalistic decisionmaking structure results in a positive and significant effect of children on the incomes of males and a negative and significant effect of children on the incomes of women. This sector is the one where having children has the most detrimental effect on the earnings of women compared with those of men. This finding is consistent with employer choice theories that argue that employers perceive women with children as less committed to the work role and hence discriminate against them with regard to earnings. However, it is also consistent with employee choice theories that posit that women with children work fewer hours and hence receive less pay. Since we do not have a measure of the hours worked in our model, it is impossible for us to determine which explanation is supported. However, it should be noted that a study of Canadian lawyers by Hagan and Kay (1995) finds that there is no significant difference in the hours worked by male and female full-time lawyers in firms but that males receive greater earnings than females for equal hours worked.

Because previous research shows that the private sector is divided into two hemispheres of varying sizes (Heinz & Laumann 1982) that differ in the degree of sex segregation and bureaucratization, we ran additional models of the male and female private sector equations, controlling for firm size. The size variable significantly affected income for males and females but did not suppress the effects of any of the other human or social capital variables.<sup>15</sup> Interestingly, the results from the female model for our additional analysis are consistent with Hagan's (1990) analysis of partnership, which reports that children have a more negative effect for women making partner in small firms than for women in large firms. Since large firms employ a greater percentage of women lawyers and exhibit more bureaucratic structures than small firms, this confirms our supposition that social capital plays a larger role in settings that are less bureaucratized and more sex-segregated. Although this additional analysis is consistent with this supposition, much more extensive analysis is needed to determine whether differences in sex composition and bureaucratization across organizational sites within each sector explain differences within the three sectors in the same manner they explain differences across the sectors.

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<sup>15</sup> Since controlling for size does not significantly change the effects of human and social capital variables on income for men and women in the private sector, we report the findings for the model without the size variable.

A comparison of the coefficients in equations 3a and 3b in Table 2 also reveals sex differences in the effects that human capital and family status variables have on the income of lawyers in the government sector.

Like the private sector, the number of years practicing law increases the incomes of both males and females. Unlike the private sector where the perceived class rank increases the incomes of both males and females, in the government sector the perceived class rank has no significant effect on the incomes of either males or females. The prestige of the law school attended, which was significantly related to only the male incomes in the private sector, is unrelated to the incomes of either males or females in the government sector. Finally, attending law school on track, which has no significant effect on either the male or female incomes in the private sector, is positively and significantly related to the incomes of males in the government sector.

As our earlier discussion of organizational sectors predicted, sex differences in the effects of the family status variables, especially children, on the incomes of males and females are less pronounced in government than they are in the private sector. Marriage has no effect on the incomes of either males or females in the government sector. Having children has a positive effect on the incomes of both males and females in government, but the effect is only significant for males. This suggests that parenthood for women does not have the negative consequences for the incomes of women in the government sector that it does for women in the private sector.

Our final analysis examines the differences between income attainment for women and men in the corporate sector by comparing equations 4a and 4b in Table 2. Although we report our findings for predicting the incomes of males and females in the corporate sector, we think they are not as robust as our findings for predicting the incomes of males and females in the private and government sectors. The model predicting the incomes of males in this sector does not explain much of the variance in male income, and we are skeptical of the lack of predictability of human capital variables. We suspect that there are human capital variables related to business but unrelated to legal practice that are important predictors of income in this sector and are not captured in our model. While the human capital that we posit in our model is related to the incomes of females in this sector, the small number of cases of women in this sector presents problems. However, if the variables are significant with a small number of women, then their significance should increase with the inclusion of a larger sample of females.

Given these precautions, we find that two human capital factors affect the incomes of women, while none of the human capital variables affect the incomes of men in the corporate sector;

women with higher perceived class ranks have higher incomes than those with lower perceived class ranks, and women who begin their law school education later in life have incomes higher than those with legal careers that are on track. Again this finding may reflect the absence of a business experience variable in our model. Women who are on track may have no business experience, while women who begin law school later may have previous business experience. With regard to the effects of family status on income in the corporate sector, being married is important for the income attainment of women and having children is important for men. Marriage significantly increases the incomes of women, while it has no effect on the incomes of men. Antithetically, having children increases the incomes of males and has a negative but insignificant effect on the incomes of women. Hence, these findings are consistent with our supposition that children have the greatest liability for women's earnings in the private sector, the least liability in the government sector, and a middle-range liability in the corporate sector.

## Discussion

Because lawyers differ in the human and social capital they possess and work in organizational sectors of the legal profession that vary in status and salary, research often attributes sex differences in the salaries of male and female lawyers to sex differences in human capital, social capital, or sector stratification in the legal profession. Current conceptualizations of stratification in the legal profession focus on stratification within the private sector or stratification of the entire legal profession into industrial sectors, but fail to capture the role that organizational differences in work sites play in explaining sex differences in salary. Focusing on the organizational settings where lawyers work, we contend that the legal profession is stratified into three organizational sectors (private, government, and corporate) that vary in sex composition and bureaucratization in decisionmaking. Furthermore, our findings demonstrate that both sex and organizational sector differences condition the effects that human capital and family status have on the incomes of lawyers.

Evidence of stratification based on organizational segmentation is provided by our analysis of the effects of various human and social capital factors on income among males and among females working in various organizational settings. Sector differences in the effects that perceived class rank, experience, and on-track career development have on income are found among both males and females. However, we find sector differences in the effects of law school prestige only among males and sector differences in the effects of having children only among females.



Perhaps the most interesting findings of our research center on sex stratification and sex differences in the effects of human capital and family status on income within sectors. In private firms, women remain underrepresented relative to other sectors and decisionmaking is nonbureaucratic. The impact of this organizational context is keenly felt by women. Having children has a significant and positive effect on the incomes of males, while it has a significant and negative effect on the incomes of females in this sector. Moreover, the old adage that a prestigious law degree increases earnings is true for men in private firms but not for women, since prestige only has a significant influence on male salaries. Finally, good grades in law school and work experience pay for both men and women in this sector.

In the sex-integrated government sector where decisionmaking is formal and bureaucratic, there is less income disadvantage for women, especially women with children. The positive and significant increase in salary for men with children, coupled with the positive but insignificant increase for women with children in the government, suggests that having children is less disadvantageous for women in this sector than for those in the private sector. Furthermore, there is a leveling effect of human capital since experience is important for both men and women while education has little effect on the salaries of either men or women.

In the corporate sector where sex integration is increasing and decisionmaking is mediated by a corporate culture, the influence of family factors on salary displays a complex pattern so that women are neither advantaged nor disadvantaged. Men receive positive returns for children, while women receive positive returns for marriage. Salary within this sector, however, is not driven by human capital related to legal education and experience, particularly for men. Because human capital in this sector is probably influenced by unmeasured business education and experience, an analysis of sex differences in earnings in this sector should include a broader range of business relevant human capital.

The results from our analysis should not be seen as definitive, since there are several limitations of our research design that need to be overcome in future research. Building on our conceptualization of sector stratification based on organizational variations, future research would benefit by considering a number of elaborations. First, because our research fails to include measures of the position of lawyers in the division of labor and control over work that often affects income determination processes, our models may be misspecified. Recent research by Hagan (1990) suggests that positions within an organizational hierarchy are related to authority, supervision, and autonomy and are important determinants of income for men and women. Since positioning within each of the three major organizational sectors may be cor-

related with sex, the models presented in this research need to be expanded to include these important variables. Furthermore, since sex may be related to the number of hours worked and the type of practice for lawyers in the private sector, these additional aspects of human capital should be considered.

Second, future research should explore whether the patterns we find hold for minorities. It may be that race differences are affected by race integration and bureaucratization while sex differences are affected by sex integration and bureaucratization. Although we find that social background variables are unimportant determinants of salary after controlling for human capital and sex, it remains to be seen whether social background affects race differences in salary. Furthermore, there may be interactions among the effects of race and sex on income once the effects of human capital have been considered.

Third, the organizational variations within each sector require closer attention. Although the focus of our research is on variations in reward processes across the three major organizational sectors, we recognize the need for research that examines different organizational sites within the three sectors. Earlier work within the private firm sector (Heinz & Laumann 1982) that specifies a hemispheric divide between elite attorneys who represent corporations and less elite lawyers who represent individuals provides a starting point. The organizational differences in these hemispheres have important implications for sex differences in income within the private sphere. Although variations within other sectors have received far less attention than variations within the private sector, they are increasingly important work sites, especially for women. For example, within the government sector, sex differences in rewards may differ across federal, state, and local legal practice. Or within the corporate sector, sex differences in rewards may depend on the organizational differences in *Fortune 500* and smaller, less prestigious companies.

Our supposition that organizational forms and sex integration converge to affect sex differences in earning was developed from previous qualitative studies of the various work sites of lawyers. A development of this line of research requires additional close, ethnographic examination by sector as well as quantitative data which specify the organizational characteristics and sex ratios for the specific organizational settings where lawyers work.

Finally, data on the work and family histories of men and women over the course of their careers are needed to capture the complex interplay of family and work as they effect salaries over the life cycle. In order to fully understand the effects of sector on the salaries of males and females, information on job changes across sectors and movements in and out of the profession are needed. Similarly, data on the timing of marriage and parenthood relative to changes in sectors and earnings would in-

crease our knowledge about the relationship between family events and salary outcomes.

In conjunction with the individualistic and rational choice explanations of sex differences in the incomes of lawyers offered by human and social capital, recent explanations incorporating industrial segmentation have failed to analyze the organizational settings where lawyers work. Future research explicating salary differences in the legal profession would profit from integrating individual and organizational explanations to capture the ways in which stratification in the legal profession is based on both sex and organizational segmentation. We hope that we have shown that it is premature to close the issue of sex differences in the earnings of lawyers until research examines the degree to which the relationship between sex and salary varies across organizational contexts.

**Appendix 1. Summary Measures for Males and Females**

	Males ( <i>N</i> = 605)		Females ( <i>N</i> = 188)	
	Mean	SD	Mean	SD
Law school prestige	2.13	1.18	2.28	1.13
Perceived class rank	3.49	0.70	3.57	0.65
Experience	16.24	13.72	8.06	8.58
On-track career	1.69	0.46	1.63	0.49
Father's occupational prestige	54.93	23.21	55.97	22.20
Mother's occupational prestige	22.95	27.99	31.88	29.67
Married	0.77	0.42	0.61	0.50
Children	0.64	0.48	0.34	0.49
Corporate	0.11	0.31	0.14	0.35
Private	0.75	0.43	0.64	0.49
Government	0.14	0.35	0.22	0.43
Income	2.21	0.81	1.81	0.82

**Appendix 2. Summary Measures for the Three Organizational Sectors**

	Private ( <i>N</i> = 546)		Government ( <i>N</i> = 152)		Corporate ( <i>N</i> = 95)	
	Mean	SD	Mean	SD	Mean	SD
Law school prestige	2.23	1.23	1.89	0.95	2.19	1.07
Perceived class rank	3.53	0.69	3.41	0.71	3.50	0.65
Experience	15.54	14.54	9.74	8.79	12.03	8.27
On-track career	1.69	0.47	1.64	0.44	1.67	0.47
Father's occupational prestige	56.03	22.89	47.73	21.78	60.27	23.22
Mother's occupational prestige	24.77	29.37	25.44	26.03	27.37	28.61
Married	0.75	0.44	0.61	0.45	0.77	0.42
Children	0.60	0.50	0.44	0.46	0.55	0.50
Sex	0.78	0.43	0.66	0.44	0.71	0.45
Income	2.26	0.83	1.43	0.51	2.10	0.76

**Appendix 3. Correlation Matrix for Income Levels of Female and Male Lawyers**

	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Sex	1.00												
2. Law school prestige	-.06	1.00											
3. Perceived class rank	-.05	.09	1.00										
4. Experience	.27	.10	.03	1.00									
5. On-track career	.05	.21	.03	.09	1.00								
6. Father's occupational prestige	-.02	.18	.01	-.13	.00	1.00							
7. Mother's occupational prestige	-.14	.04	-.05	-.25	-.03	.15	1.00						
8. Married	.16	-.03	-.00	.40	-.07	-.07	-.18	1.00					
9. Children	.26	-.07	.04	.48	-.07	-.09	-.20	.67	1.00				
10. Government	-.09	-.10	-.06	-.15	-.03	-.14	.00	-.12	-.11	1.00			
11. Private	.10	.08	.05	.16	.03	.06	-.02	.07	.11	-.71	1.00		
12. Corporate	-.04	.01	-.00	-.06	-.01	.08	.03	.03	-.02	-.16	-.59	1.00	
13. Income	.21	.15	.20	.37	.04	-.00	-.16	.33	.35	-.36	.30	.00	1.00

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