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The Fruits of Our Labors: An Empirical Study of the Distribution of Income and Job Satisfaction Across the Legal Profession

Kenneth G. Dau-Schmidt and Kaushik Mukhopadhyaya

The law is known as a rewarding profession. Given the time, effort, and resources lawyers invest in mastering and conducting their vocation, the rewards of the profession would have to be great to attract so many new practitioners in recent years. The rewards may be pecuniary, in the form of a high annual income, or nonpecuniary, in the form of high job satisfaction in a challenging and esteemed profession.

However, there is good reason to believe that these rewards are not evenly distributed across all members of the profession. The lore of the placement office is that various types of practice, for example private practice in a large firm, are more remunerative than others, for example government or public interest work. Given job opportunities in both the more and the less remunerative types of practice, the hope of lawyers who go into the less remunerative must be that they will find greater job satisfaction. Accordingly, one might expect to find that lawyers who go into less financially rewarding types of practice report greater job satisfaction than lawyers who go into the more lucrative types of practice. Theoretical and empirical work also suggest that women and minorities may not share equally in the rewards of the profession.¹ Child care responsibilities and discrimination may affect their work histories

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1. See Lewis A. Kornhauser & Richard L. Revesz, *Legal Education and Entry into the Legal Profession: The Role of Race, Gender, and Educational Debt*, 70 N.Y.U. L. Rev. 829, 835–46 (1995); Robert G. Wood et al., *Pay Differences Among the Highly Paid: The Male-Female Earnings Gap in Lawyers' Salaries*, 11 J. Labor Econ. 417 (1993); Cathleen Donnell et al., *Gender Penalties: The Results of the Careers and Compensation Study*, Colorado Women's Bar Association (Denver, 1998).

and career choices, reducing their income and perhaps their job satisfaction, as has happened in other occupations.² So one might expect to find that women and minority lawyers enjoy less monetary compensation and job satisfaction than white men in the profession.

In this study we undertake a simple empirical analysis to examine the distribution of pecuniary and nonpecuniary benefits across the legal profession. Using the University of Michigan alumni data set, we conduct a series of regressions to examine how the participants' self-reported income and job satisfaction vary across the legal profession according to type of practice, gender, and whether the respondent is black or Hispanic. Regression analysis allows us to undertake this analysis while correcting for the effects of several other variables, including years of practice, hours worked, law school grades, satisfaction with family life, and population of the respondent's city of residence. We conduct the analysis on two separate subsamples of respondents—one for respondents who were surveyed five years after graduation and another for respondents surveyed fifteen years after graduation. Separate analysis of these subsamples allows us to obtain snapshots of the distribution of rewards across the profession at two distinct stages in lawyer careers. With the exception of certain tests that are performed on coefficients for minority status, the University of Michigan alumni data set is large enough and rich enough to allow a very interesting and detailed analysis of how the benefits of legal practice are distributed across the legal profession.

This Noble Profession: The Data

The legal profession exhibits diversity in both the types of practice lawyers undertake and the types of people who enter the profession. In addition to the traditional private practice, lawyers can be found in public interest work, education, and almost every corner of government and private industry. Although still dominated by upper-class white males, the legal profession also exhibits a fair amount of diversity with respect to the gender and race of its practitioners, at least in comparison to other professions.³ As we will discuss below, there are theoretical and empirical reasons to believe that the distribution of pecuniary and nonpecuniary rewards varies across the legal profession in predictable ways according to type of practice and gender or minority status.

As our representatives of the legal profession, we have chosen to examine graduates of the University of Michigan Law School. The restriction of our analysis in this way imposes limitations, but also offers advantages. The primary limitation is that graduates of that august institution are not fully representative of the entire profession. Because of the law school's prestige, it is able to attract better students than the national average and confer on them a

2. Glen G. Cain, *The Economic Analysis of Labor Market Discrimination: A Survey*, in *1 Handbook of Labor Economics*, eds. Orley C. Ashenfelter & Richard Layard, 693 (New York, 1986).
3. U.S. Bureau of the Census, *Statistical Abstract of the United States: 1983–1997* at 417 (Washington, 1998).

degree that is more marketable than the average law degree.⁴ Accordingly, Michigan graduates have more job opportunities and earn higher wages than lawyers generally, and they may exercise their greater freedom of job choice by congregating disproportionately in a certain type of practice—for example, large private practice. Nevertheless, we hope that our study will yield interesting and useful insights about the distribution of rewards across this small and privileged sample that, with some thought and qualification, might yield insights about the distribution of rewards across the profession as a whole. For example, if we find evidence of discrimination on the basis of gender or minority status in the payment of income among even such an advantaged subset of the legal profession, one could quite reasonably worry that the problem is only worse among women and minorities who do not enjoy the greater job opportunities of a Michigan graduate.

The primary (and determinative) advantage of restricting our analysis to University of Michigan graduates is that the university has already collected a rich data set on its graduates that provides an adequate basis for our analysis. The data set contains information on graduates from the class of 1952 through the class of 1991 derived from school records and from mail surveys conducted five and fifteen years after graduation.⁵ The information includes data on income, hours worked, job satisfaction, number of years in practice, type of practice, size of the metropolitan area in which the respondent lives, family satisfaction, hours of pro bono work, gender, race, and certain ethnic associations. To get a current picture of the distribution of rewards across the legal profession, we confine ourselves to data from the most recent surveys; and to have a sample of sufficient size with respect to certain minority groups, we examine data from the most recent five years of surveys together as a group. We analyze this data separately according to whether it comes from a five-year survey of the classes of 1987–91 or a fifteen-year survey of the classes of 1977–81 in hopes of obtaining meaningful depictions of the distribution of rewards across the legal profession at two distinct points in lawyers' careers. We omit some outliers from the analysis so as to prevent our regression analysis from being dominated by a few, possibly spurious, observations.⁶

Some explanation of the variables used in this study is necessary before we begin. The *income* variable represents each respondent's self-reported annual

4. In 1998 Michigan ranked approximately 9th, among 180 law schools in the country, in the quality of students it could attract. U.S. News & World Report, Mar. 29, 1999, at 94. It ranked approximately 18th in the average starting salary of its graduates.
5. The classes of 1952–67 have only fifteen-year surveys; the classes of 1982–91 have only five-year surveys to date; the classes of 1968–81 have both five- and fifteen-year surveys.
6. Our analysis is confined to five-year survey respondents who report annual income greater than zero but less than or equal to \$160,000 dollars per year in 1992 dollars, and who worked between 1,000 and 3,500 hours a year, and fifteen-year survey respondents who report annual income greater than zero but less than or equal to \$450,000 per year in 1992 dollars and who worked between 1,000 and 3,500 hours a year. All of these restrictions allow observations three or more standard deviations from the mean. In addition, we exclude respondents who list their type of practice as "other," so as to allow examination of our regression equations with large private practice as the default.

income from the practice of law, expressed in thousands of 1992 dollars using the general consumer price index for urban areas as a deflator. *Annual hours worked* is the respondent's reported hours of work in the practice of law during the last year, and *hourly wage* is the respondent's income divided by annual hours worked. *Years in practice* is the respondent's reported number of years in practice since leaving law school, while *hours pro bono* is the sum of the answer to a question inquiring how many hours of pro bono work the respondent performed in the last year representing clients and the answer to a question inquiring how many hours of other pro bono work the respondent performed. The satisfaction variables, *job satisfaction* and *family satisfaction*, record the respondent's rating of his overall satisfaction with those aspects of life on a 7-point scale from "very dissatisfied" to "very satisfied." In order to express dissatisfaction as a negative number, we have converted these variables to a scale from -3 to 3.

A number of variables are dummy variables: 1 if the respondent indicated that she was a member of a certain group, and 0 otherwise. The type-of-practice variables were computed in this way, based on the response to a question about the character of the respondent's practice. Respondents who indicated that they were engaged in *private practice* are divided into three categories—*large*, *medium*, *small*—according to the number of attorneys they report working in their firm. A large firm is defined as having more than 50 attorneys; a medium firm has 11 to 50; and a small firm has 10 or fewer. The *business counsel* category includes lawyers who act as in-house counsel for corporations, banks, accounting firms, and insurance companies. The *city* variables are dummy variables that are assigned the value 1 according to whether the respondent lives in a *large* city (population greater than 1 million), a *medium* city (100,000 to 1 million), or a *small* city (less than 100,000).

A few variables were computed on the basis of law school records rather than the respondents' answers to survey questions. The *male*, *female*, *black*, and *Hispanic* variables are dummy variables that are set equal to 1 if the records indicate that the graduate is a member of that group, and 0 otherwise. The *GPA* was also derived from law school records and is, of course, the respondent's grade point average on a 4-point scale.

Selected means, medians, and standard deviations for the examined variables are reported in Tables 1 through 6. We derived Tables 1, 3, and 5 from the data reported in the five-year surveys for the classes of 1987–91, while Tables 2, 4, and 6 are the corresponding values for the data reported in the fifteen-year surveys of the classes of 1977–81. Tables 1 and 2 report the selected statistics for the examined samples separated according to type of practice, while Tables 3 and 4 report the selected statistics for the examined samples separated according to gender and status as black or Hispanic. Tables 5 and 6 report the percentage of each sample subgroup, separated according to gender and membership in one of the minority groups, engaged in each type of practice of law. A brief examination of the statistics reported in Tables 1 through 6 will give us a preliminary overview of some of the important income and job satisfaction dynamics within the examined samples.

Table 1
Selected means, medians, and standard deviations for respondents to the
five-year survey for the classes of 1987-91, separated according to type
of practice—mean, median, (standard deviation)

<i>Variable</i>	<i>All observations</i>	<i>Large private practice (>50 attys)</i>	<i>Medium private practice (11-50 attys)</i>	<i>Small private practice (≤10 attys)</i>	<i>Business counsel</i>	<i>Government</i>	<i>Education</i>	<i>Public interest</i>
Income (in 1000s of 1992 dollars)	66.90 (24.44)	79.14** 76.64 (20.03)	64.31* 60.81 (17.13)	50.89** 47.33 (27.58)	69.70 67.97 (23.25)	49.50** 48.27 (13.34)	51.02** 52.07 (19.36)	35.12** 33.98 (11.43)
Hourly wage (1992 dollars)	26.94 25.94 (9.39)	30.89** 29.46 (8.06)	25.74* 23.97 (7.42)	22.12** 19.63 (11.14)	28.66** 28.40 (8.63)	21.18** 20.48 (5.66)	22.49** 20.71 (7.91)	15.11** 13.06 (4.96)
Annual hours worked	2500 2500 (435.8)	2593** 2568 (368.8)	2546 2550 (407.4)	2345** 2500 (547.1)	2467 2475 (505.2)	2367** 2400 (376.14)	2248** 2250 (534.3)	2367** 2346 (395.8)
Years in practice	4.68 (0.81)	4.86** (0.37)	4.83** (0.46)	4.78* (0.48)	4.43** (1.17)	4.56 (1.02)	2.85** (1.94)	4.47 (0.96)
Job satisfaction (-3 to 3)	0.98 (1.27)	0.68** (1.29)	0.67** (1.30)	1.09 (1.33)	1.38** (0.93)	1.61** (1.05)	1.92** (0.84)	1.68** (0.91)
Family satisfaction (-3 to 3)	1.62 (1.45)	1.58 (1.44)	1.55 (1.51)	1.69 (1.50)	1.73 (1.25)	1.63 (1.59)	1.77 (1.37)	1.86 (1.28)
Hours pro bono	51.58 (142.76)	65.25** (121.82)	44.04 (59.56)	56.21 (96.47)	15.17** (55.81)	8.90** (28.32)	M.D. (0.00)	161.36 (496.03)
Minimum number of cases <i>N</i>	987	469	111	101	103	115	26	42

*The mean is statistically different from the mean for the remainder of the sample at the 0.1 level under a 2-tailed test.

**The mean is statistically different from the mean for the remainder of the sample at the 0.05 level under a 2-tailed test.

Examining Tables 1 and 2, we see some predictable variation in the distribution of income and job satisfaction across the various types of legal practice. Attorneys in large private practices report the highest average annual income (\$79,140 five years out and \$184,300 fifteen years out, in 1992 dollars), while attorneys in public interest report the lowest average annual income (\$35,120 five years out and \$50,620 fifteen years out). The average reported annual incomes for the other types of practice fall predictably in between these two extremes. At least when examined according to type of practice, job satisfaction seems to have roughly the negative relationship with annual income predicted by the simple economic model: the high-earning practitioners in large private practices report the lowest average job satisfaction (0.68 five years out and 1.18 fifteen years out, on the -3 to 3 scale), and the lower-earning types of practice all report higher average job satisfaction, although it's the educators (1.92 five years out and 1.95 fifteen years out) and not the public interest lawyers (1.68 five years out and 1.70 fifteen years out) who report the highest average job satisfaction. The business counsel group also seems to be a bit of an aberration, reporting both relatively high average annual income

Table 2

Selected means, medians, and standard deviations for respondents to the fifteen-year survey for the classes of 1977–81, separated according to type of practice—mean, median, (standard deviation)

Variable	All observations	Large private practice (>50 attys)	Medium private practice (11–50 attys)	Small private practice (≤10 attys)	Business counsel	Government	Education	Public interest
Income (in 1000s of 1992 dollars)	128.91 110.47 (78.03)	184.30** 174.77 (75.89)	147.16** 124.15 (83.44)	101.82** 89.68 (61.46)	127.76 115.04 (66.15)	69.52** 69.95 (19.50)	71.75** 67.97 (30.59)	50.62** 46.03 (19.98)
Hourly wage (1992 dollars)	53.26 46.59 (30.92)	73.41** 68.17 (30.18)	60.82** 52.08 (35.30)	43.40** 40.09 (25.19)	52.01 47.45 (26.04)	30.94** 31.02 (8.23)	33.95** 31.56 (20.74)	24.25** 22.79 (8.15)
Annual hours worked	2410 2450 (412.5)	2532** 2500 (343.9)	2467 2450 (404.6)	2351** 2450 (447.6)	2474** 2450 (363.3)	2263** 2250 (374.3)	2250** 2250 (495.8)	2100** 2250 (449.0)
Years in practice	13.71 (3.28)	14.78** (0.75)	14.73** (0.62)	14.25** (2.13)	12.82** (4.57)	13.44 (3.46)	6.56** (4.93)	13.68 (2.77)
Job satisfaction (-3 to 3)	1.35 (1.08)	1.18** (1.04)	1.21 (1.09)	1.33 (1.06)	1.48* (0.99)	1.44 (1.15)	1.95** (1.07)	1.70* (1.18)
Family satisfaction (-3 to 3)	1.70 (1.35)	1.61 (1.37)	1.76 (1.30)	1.70 (1.36)	1.84* (1.20)	1.55 (1.56)	2.00** (0.93)	1.67 (1.27)
Hours pro bono	43.85 (83.57)	61.41** (90.46)	64.10** (89.89)	62.63** (95.23)	14.21** (33.12)	12.86** (58.46)	M.D. (0.00)	52.10 (141.81)
Minimum number of cases N	893	254	119	164	161	104	39	30

*The mean is statistically different from the mean for the remainder of the sample at the 0.1 level under a 2-tailed test.

**The mean is statistically different from the mean for the remainder of the sample at the 0.05 level under a 2-tailed test.

(\$69,700 five years out and \$127,760 fifteen years out) and relatively high average job satisfaction (1.38 five years out and 1.48 fifteen years out).

Other important variables—for example, annual hours worked and number of years in practice—also vary predictably across the types of practice and may in part account for some of the observed variation in income and job satisfaction. For example, practitioners in large private practices report both the highest average annual hours worked (2,593 hours per year five years out and 2,532 hours per year fifteen years out) and the greatest average number of years of practice experience (4.86 years five years out and 14.78 years fifteen years out), which may in part explain their higher income and lower job satisfaction.⁷ It will be interesting to see how much of the disparity in income

7. These means also suggest at least one systematic reporting error in the data: the reported numbers of years of practice for educators are clearly too low (2.85 years five years out and 6.56 years fifteen years out). For our purposes, we would have liked educators to include their years teaching law in their answer to the survey question concerning number of years of practice, but it seems clear that, while some did this, most educators assumed that the question referred only to the years they had practiced law before entering teaching. In our later regressions, this reporting inaccuracy will tend to give an upward bias to the coefficients

Table 3

Selected means, medians, and standard deviations for respondents to the five-year survey for the classes of 1987–91, separated according to gender and minority status—mean, median, (standard deviation)

Variable	All observations	Men	Women	Nonblack	Black	Non-Hispanic	Hispanic
Income (in 1000s of 1992 dollars)	65.90 65.00 (24.44)	68.98** 67.97 (24.12)	62.67** 60.00 (24.59)	67.09 65.45 (24.39)	62.88 60.81 (25.36)	67.34** 65.45 (24.36)	55.12** 50.00 (24.07)
Hourly wage (1992 dollars)	26.94 25.94 (9.39)	27.26 26.65 (9.19)	26.29 24.65 (9.75)	27.00 26.05 (9.36)	25.71 22.62 (10.04)	27.10** 26.01 (9.37)	22.71** 22.25 (9.13)
Annual hours worked	2500 2500 (435.8)	2546** 2500 (411.1)	2407** 2450 (469.0)	2502 2500 (429.7)	2471 2500 (551.4)	2501 2500 (435.0)	2478 2500 (463.0)
Years in practice	4.68 (0.81)	4.73** (0.74)	4.59** (0.93)	4.69 (0.80)	4.60 (1.01)	4.69 (0.81)	4.59 (0.86)
Job satisfaction (-3 to 3)	0.98 (1.27)	0.99 (1.24)	0.95 (1.35)	0.98 (1.28)	1.02 (1.21)	0.96** (1.28)	1.42** (0.91)
Family satisfaction (-3 to 3)	1.62 (1.45)	1.57 (1.44)	1.71 (1.46)	1.62 (1.45)	1.47 (1.42)	1.62 (1.45)	1.65 (1.38)
Hours pro bono	53.49 (145.03)	52.73 (120.41)	55.11 (187.27)	53.69 (147.23)	49.27 (86.93)	53.15 (146.71)	62.60 (89.53)
Minimum number of cases <i>N</i>	975	659	311	931	44	940	35

*The mean is statistically different from the mean for the remainder of the sample at the 0.1 level under a 2-tailed test.

**The mean is statistically different from the mean for the remainder of the sample at the 0.05 level under a 2-tailed test.

and job satisfaction remains between the types of practice after correcting for these systematic variations in hours worked and number of years of practice through linear regression later in this article. One other fact of note in these tables, a comparison of the mean job satisfaction values with the mean family satisfaction values, suggests that there is a positive correlation between the two. Although these simple statistics can give us no sense of the direction of causation between these two variables, it does seem plausible to hypothesize that an added benefit of selecting a type of practice with high job satisfaction is that you will also be likely to enjoy higher family satisfaction.

Tables 3 and 4 present means and modes on the same variables as Tables 1 and 2, except that in Tables 3 and 4 the samples are divided according to gender and minority status rather than type of practice. Examining these

for years of practice in Regressions 1 and 2 on lawyers' income, since educators' relatively low incomes will be positively correlated with their inaccurately low number of years of practice and will give a downward bias to the coefficients for years of practice in Regressions 3 and 4 on lawyers' job satisfaction since educators' higher job satisfaction will be negatively correlated with their inaccurately low number of years of practice. We hope these biases will be small.

Table 4

Selected means, medians, and standard deviations for respondents to the fifteen-year survey for the classes of 1977–81, separated according to gender and minority status—mean, median, (standard deviation)

<i>Variable</i>	<i>All observations</i>	<i>Men</i>	<i>Women</i>	<i>Nonblack</i>	<i>Black</i>	<i>Non-Hispanic</i>	<i>Hispanic</i>
Income (in 1000s of 1992 Dollars)	128.91 110.47 (78.03)	137.10** 118.00 (80.21)	101.37** 87.92 (62.97)	130.86** 113.60 (78.38)	93.97** 80.23 (62.48)	129.66** 110.47 (78.23)	86.91** 78.65 (52.54)
Hourly wage (1992 dollars)	53.26 46.59 (30.92)	55.75** 47.95 (31.88)	44.93** 39.58 (25.80)	54.10** 47.45 (30.97)	38.24** 32.34 (25.92)	53.55** 46.65 (30.98)	37.17** 34.19 (22.45)
Annual hours worked	2410 2450 (412.5)	2458** 2450 (370.5)	2248** 2269 (497.8)	2406 2450 (413.6)	2478 2450 (390.2)	2411 2450 (413.1)	2345 2400 (384.8)
Years in practice	13.71 (3.28)	13.86** (3.13)	13.18** (3.70)	13.78* (3.14)	12.45* (5.09)	13.71 (3.27)	13.44 (3.58)
Job satisfaction (-3 to 3)	1.35 (1.08)	1.33 (1.09)	1.43 (1.05)	1.36 (1.07)	1.28 (1.16)	1.35 (1.08)	1.38 (0.89)
Family satisfaction (-3 to 3)	1.70 (1.35)	1.75** (1.29)	1.51** (1.49)	1.70 (1.36)	1.60 (1.10)	1.69 (1.35)	1.75 (0.86)
Hours pro bono	46.20 (85.14)	49.42** (91.00)	34.67** (58.37)	45.48 (84.80)	59.43 (91.18)	46.33 (85.47)	38.67 (65.26)
Minimum number of cases <i>N</i>	861	673	188	817	44	846	15

*The mean is statistically different from the mean for the remainder of the sample at the 0.1 level under a 2-tailed test.

**The mean is statistically different from the mean for the remainder of the sample at the 0.05 level under a 2-tailed test.

tables, we once again see predictable variation in income and job satisfaction across the examined groups.

Women, blacks, and Hispanics all report significantly lower average annual incomes than their male, nonblack, and non-Hispanic counterparts. Female practitioners report average annual income (\$62,670 five years out and \$101,370 fifteen years out) that goes from 90.9 percent of that reported by their male counterparts five years out (\$68,980) to 73.9 percent of that reported by their male counterparts fifteen years out (\$137,100). Black lawyers also report a lower average annual income that varies from 93.7 percent of the reported average income of nonblacks five years out (\$62,880 for black lawyers and \$67,090 for nonblack) to 71.8 percent of the reported average income of nonblacks fifteen years out (\$93,970 for black lawyers and \$130,860 for nonblack), although only the results from the fifteen-year survey are statistically significant. Hispanic lawyers describe a similar experience, reporting annual incomes that on average are 81.9 percent of that reported by non-Hispanics five years out (\$55,120 for Hispanic lawyers and \$67,340 for non-Hispanic) and 67.0 percent of that reported by non-Hispanics fifteen years out (\$86,910 for Hispanic lawyers and \$129,660 for non-Hispanic).

Table 5

Percent of respondents to the five-year survey for the classes of 1987-91 in each type of practice, separated according to gender and minority status (The number in parentheses is the standard deviation for the 0-1 dummy variable used to compute the percentage.)

Type of practice	All observations	Men	Women	Nonblack	Black	Non-Hispanic	Hispanic
Large private practice (> 50 attorneys)	48.4 (0.50)	51.7** (0.50)	41.7** (0.49)	49.3** (0.50)	31.9** (0.47)	48.8 (0.50)	38.9 (0.49)
Medium private practice (11-50 attorneys)	11.4 (0.32)	11.9 (0.32)	10.4 (0.31)	11.3 (0.32)	12.8 (0.34)	11.7** (0.32)	2.8** (0.17)
Small private practice (≤ 10 attorneys)	10.5 (0.31)	10.7 (0.31)	10.1 (0.30)	10.2 (0.30)	17.0 (0.38)	10.3 (0.30)	16.7 (0.38)
Business counsel	10.5 (0.31)	9.1** (0.29)	13.4** (0.34)	10.5 (0.31)	10.6 (0.31)	10.6 (0.31)	8.1 (0.28)
Government	11.8 (0.32)	11.3 (0.32)	12.8 (0.33)	11.4 (0.32)	19.1 (0.40)	11.7 (0.32)	13.5 (0.35)
Education	2.7 (0.16)	1.5** (0.12)	5.2** (0.22)	2.5 (0.16)	6.4 (0.25)	2.6 (0.16)	5.4 (0.23)
Public interest	4.4 (0.21)	3.6* (0.19)	6.1* (0.24)	4.5 (0.21)	2.1 (0.15)	4.0 (0.20)	13.5 (0.35)
Minimum number of cases <i>N</i>	991	665	326	944	47	955	36

*The mean is statistically different from the mean for the remainder of the sample at the 0.1 level under a 2-tailed test.

**The mean is statistically different from the mean for the remainder of the sample at the 0.05 level under a 2-tailed test.

All of the examined groups report roughly the same job satisfaction except blacks fifteen years out, who report lower job satisfaction than their nonblack counterparts (1.28 for blacks and 1.36 for nonblacks), and, interestingly, Hispanics five years out and women fifteen years out, who report greater job satisfaction, on average, than their non-Hispanic (1.42 for Hispanics versus 0.96 for non-Hispanics) and male counterparts (1.43 for women versus 1.33 for men). Only the result with respect to Hispanics five years out is statistically significant. At least some of the advantage in job satisfaction enjoyed by women and Hispanics may be due to the fact that women work fewer hours (2,248 hours per year fifteen years out versus 2,458 hours per year for men) and the types of practice women and Hispanics undertake. It will be interesting to see if these disadvantages and advantages persist in our later regression analyses, which will account for such variations in other variables.

Finally, Tables 5 and 6 examine systematic variations in the type of practice undertaken by the survey respondents, according to gender and minority status. As can be seen in these tables, both five years out of law school and fifteen years out, women, blacks, and Hispanics can be found disproportionately in the low-income but high-satisfaction types of practice. Women are underrepresented in all types of private practice, but especially the most

Table 6

Percent of respondents to the fifteen-year survey for the classes of 1977-81 in each type of practice, separated according to gender and minority status (The number in parentheses is the standard deviation for the 0-1 dummy variable used to compute the percentage.)

<i>Type of practice</i>	<i>All observations</i>	<i>Men</i>	<i>Women</i>	<i>Nonblack</i>	<i>Black</i>	<i>Non-Hispanic</i>	<i>Hispanic</i>
Large private practice (>50 attorneys)	29.0 (0.45)	31.5** (0.46)	20.4** (0.40)	29.8** (0.46)	14.6** (0.36)	29.4** (0.46)	6.25** (0.25)
Medium private practice (11-50 attorneys)	13.5 (0.34)	14.8** (0.36)	9.0** (0.29)	13.9** (0.35)	6.3** (0.24)	13.6 (0.34)	6.25 (0.25)
Small private practice (≤10 attorneys)	18.9 (0.39)	20.3** (0.40)	13.9** (0.35)	19.1 (0.39)	14.6 (0.36)	18.5 (0.39)	37.5 (0.50)
Business counsel	18.2 (0.39)	16.8* (0.37)	22.9* (0.42)	17.8 (0.38)	25.0 (0.44)	18.2 (0.39)	18.75 (0.40)
Government	12.0 (0.32)	10.5** (0.31)	17.1** (0.38)	11.4* (0.32)	22.9* (0.42)	11.9 (0.32)	18.75 (0.40)
Education	4.6 (0.21)	3.4** (0.18)	8.3** (0.28)	4.3 (0.20)	8.3 (0.28)	4.5 (0.21)	6.25 (0.25)
Public interest	3.4 (0.18)	2.3** (0.15)	7.3** (0.26)	3.2 (0.18)	8.3 (0.28)	3.4 (0.18)	6.25 (0.25)
Minimum number of cases <i>N</i>	890	689	201	842	48	874	16

*The mean is statistically different from the mean for the remainder of the sample at the 0.1 level under a 2-tailed test.

**The mean is statistically different from the mean for the remainder of the sample at the 0.05 level under a 2-tailed test.

lucrative large private practices (for example, 41.7 percent of women five years out work in large private practices; 51.7 percent of men five years out work in such firms). Accordingly, women are overrepresented in all other forms of practice, but most strikingly in education (5.2 percent of women and 1.5 percent of men five years out; 8.3 percent of women and 3.4 percent of men fifteen years out) and public interest (6.1 percent of women and 3.6 percent of men five years out; 7.3 percent of women and 2.3 percent of men fifteen years out). Blacks are even more strikingly underrepresented in large private practices (31.9 percent of blacks and 49.3 percent of nonblacks five years out; 14.6 percent of blacks and 29.8 percent of nonblacks fifteen years out), but exhibit a disproportionately high presence in small private practices—at least among the respondents who were only five years out of law school (17.0 percent of blacks and 10.2 percent of nonblacks). Blacks are found in disproportionately high numbers in almost all of the other practice types for both samples, but are particularly prevalent in government practice (19.1 percent of blacks and 11.4 percent of nonblacks five years out; 22.9 percent of blacks and 11.4 percent of nonblacks fifteen years out) and education (6.4 percent of blacks and 2.5 percent of nonblacks five years out; 8.3 percent of blacks and 4.3 percent of nonblacks fifteen years out), although the

results with respect to education are not statistically significant. Hispanics are also highly underrepresented in the large private practices (38.9 percent of Hispanics and 48.8 percent of non-Hispanics five years out; 6.25 percent of Hispanics and 29.4 percent of non-Hispanics fifteen years out) and overrepresented in the small private practices (16.7 percent of Hispanics and 10.3 percent of non-Hispanics five years out; 37.5 percent of Hispanics and 18.5 percent of non-Hispanics fifteen years out). Like women and blacks, Hispanics are overrepresented in the lower-paying but higher-satisfaction types of practice, in particular education (5.4 percent of Hispanics and 2.6 percent of non-Hispanics five years out; 6.25 percent of Hispanics and 4.5 percent of non-Hispanics fifteen years out) and public interest (13.5 percent of Hispanics and 4.0 percent of non-Hispanics five years out; 6.25 percent of Hispanics and 3.4 percent of non-Hispanics fifteen years out), although none of these results is statistically significant.

Our Daily Bread: The Distribution of Income Across the Legal Profession

Our analysis of the distribution of income across the legal profession might end with the simple examination of means in the prior section. This analysis establishes that, on average, lawyers in large private practices earn more than lawyers in any other type of practice, lawyers in public interest work earn the least, women lawyers earn less than men, blacks earn less than nonblacks, and Hispanics earn less than non-Hispanics. Moreover, the analysis assigns fairly reliable dollar amounts to the size of these disparities, at least for the examined population of Michigan graduates. These findings are themselves important in the consideration of questions concerning the distribution of income across the legal profession.

But our analysis of sample means also indicates that these groups differ systematically in many other ways. For example, public interest lawyers work fewer hours a year than their counterparts in large private practices and include a disproportionately high number of women and minorities among their ranks. Similarly, the women and minority lawyers in our sample have fewer annual work hours and fewer years of practice experience, on average, than their male and majority counterparts, and are disproportionately found in the lower-paying types of practice.

The sources of these variations among examined groups are not always clear. Some of the variation may be the result of discrimination. Women and minorities may work fewer hours and have fewer years of practice experience because they suffer discrimination and have greater trouble finding jobs. Similarly, the fact that women and minorities are underrepresented in the large private practices and overrepresented in the lower-paying types of practice may be the result of being excluded from the large private practices and being shunted into the lower-paying types of practice. But some of the variation could be the result of voluntary choice. Women may work fewer hours and have fewer years of work experience, on average, than men because more women value childcare than men and voluntarily undertake this role at the expense of their legal careers. Furthermore, women and minorities may exhibit disproportionate representation in the lower-paying types of legal

practice because they are more “caring” or have stronger social consciences and thus voluntarily undertake government work or public service work, despite its low pay, in greater proportions than male and majority lawyers. It is beyond the scope of this study, and perhaps the capacity of even so rich a data set as the Michigan alumni data set, to determine to what extent these variations are the result of discrimination and to what extent they are the result of voluntary choice.⁸

We can, however, use linear regression to separate out variations in annual income due to variations in hours worked, years of practice experience, and other variables, and to examine the residual variation in annual income associated with a certain type of practice, gender, or minority status. Through the process of linear regression, we can examine dependent variables such as annual income or job satisfaction as functions of a variety of independent variables such as hours worked, years of practice experience, whether the person is a public interest lawyer, and whether the person is female, black, or Hispanic, and estimate coefficients for each of the independent variables that define a linear relationship between the dependent and independent variables in such a way as to minimize the sum of the squared deviations of the observations from the estimated line.⁹ These coefficient estimates constitute estimates of the amount each of the independent variables—for example, being a public interest lawyer or a woman—contributes to the observed variation in income, independent of the effects of the other examined variables. Moreover, the estimates can be tested for statistical significance to determine whether the variation in annual income attributable to the independent variable (for example, being a public interest lawyer, a woman, or a black), apart from the effect of other variables, is significantly different from zero. Although this process may minimize the impact of type of practice, gender, or minority status on annual income in that it separates out effects on annual income due to hours worked, years of practice, or the other independent variables that may be inextricably connected with a type of practice, gender, or minority status, it is also interesting to examine the effect of these variables on income independent of the effect of other possibly associated variables. If, for example, even after correcting for differences in hours worked, years of practice experience, and type of practice, women suffer significantly lower annual income in the practice of law for no apparent reason other than the fact they are women, this would seem an important and particularly damning fact for the legal profession to consider in evaluating its treatment of women.

8. For example, one might hope to sort out whether women choose or are shunted into the lower-paying types of practice by looking at survey responses as to what type of practice they had hoped to go into when they entered law school, before their possible disappointment in the labor market. The women in the Michigan survey do indeed report a desire, during law school, to go into government work or public interest work more frequently than their male counterparts. David L. Chambers, *Accommodation and Satisfaction: Women and Men Lawyers and the Balance of Work and Family*, 14 *Law & Soc. Inquiry* 251, 271 n.76 (1989). But this approach could be criticized on the basis that the women's preferences during law school might be affected by the extent of discrimination they anticipate in each of the types of practice they might choose.
9. Robert S. Pindyck & Daniel L. Rubinfeld, *Economic Models and Economic Forecasts* 6 (New York, 1976).

Regression 1

Regression using data from the five-year surveys of the classes of 1987-91.

Income (expressed in 1000s of 1992 dollars) is the dependent variable.

<i>Model</i>	<i>Coefficient</i>	<i>Robust standard error</i>	<i>t</i>	<i>Significance</i>
(Constant)	-29.921	12.350	-2.423	0.016
Years in practice	1.743	0.706	2.468	0.014
Work hours/year	0.049	0.009	5.592	0.000
Work hours squared	-7.7E-06	0.000	-4.161	0.000
GPA	9.610	1.732	5.548	0.000
City medium	-9.706	1.428	-6.796	0.000
City small	-8.370	1.489	-5.622	0.000
Medium private practice	-12.216	1.739	-7.023	0.000
Small private practice	-19.132	2.969	-6.444	0.000
Business counsel	-4.258	2.413	-1.765	0.078
Government	-24.460	1.512	-16.177	0.000
Education	-15.601	2.952	-5.285	0.000
Public interest	-35.812	2.355	-15.205	0.000
Female	-2.054	1.287	-1.596	0.111
Black	5.405	3.269	1.653	0.099
Hispanic	-1.013	3.780	-0.268	0.789
<i>Summary Statistics</i>				
<i>Number of Observations = 944</i>				
Multiple <i>R</i>	0.658		Adjusted <i>R</i> ²	0.423
<i>R</i> ²	0.432		Standard error	18.411
<i>F</i> (15,928) robust	66.13		Significance	0.000

In this section we present the results of Regressions 1 and 2 on the distribution of income across the legal profession. Regression 1 presents the results with respect to the five-year survey of the classes of 1987-91, while Regression 2 presents analogous results with respect to the fifteen-year survey of the classes of 1977-81. The regressions were constructed to be analogous to the traditional econometric model of labor supply except that annual income is treated as the dependent variable while years in practice, annual hours worked, annual hours worked squared,¹⁰ and a measure of the productivity of labor—the respondent's final law school GPA—are included as independent variables. To this basic labor supply model we appended dummy variables for

10. The square of the annual-hours-worked variable is included in the regression equation because experimentation with the form of the equation suggested a nonlinear relationship between income and hours worked. This nonlinear relationship is not surprising since one would expect average hourly wage to rise as lawyers moved from part-time to full-time work, and fall as salaried full-time lawyers worked long hours of overtime. Experimentation with the inclusion of the square of other independent variables in the regression equation—for example, the square of years of practice experience or the square of the respondent's GPA—demonstrated that inclusion of these squared variables added little to the explanatory power of the model.

Regression 2

Regression using data from the fifteen-year surveys of the classes of 1977–81. Income (expressed in 1000s of 1992 dollars) is the dependent variable.

<i>Model</i>	<i>Coefficient</i>	<i>Robust standard error</i>	<i>t</i>	<i>Significance</i>
(Constant)	-8.975	47.328	-0.190	0.850
Years in practice	-0.430	0.784	-0.549	0.583
Work hours/year	0.092	0.035	2.622	0.009
Work hours squared	-1.4E-05	0.000	-1.857	0.064
GPA	20.747	7.354	2.821	0.005
City medium	-23.057	5.362	-4.300	0.000
City small	-9.878	5.375	-1.838	0.066
Medium private practice	-28.831	9.109	-3.165	0.002
Small private practice	-68.944	6.863	-10.045	0.000
Business counsel	-48.684	6.899	-7.056	0.000
Government	-98.116	5.564	-17.635	0.000
Education	-98.598	9.542	-10.333	0.000
Public interest	-107.349	6.401	-16.771	0.000
Female	-13.508	4.407	-3.065	0.002
Black	-3.369	10.605	-0.318	0.751
Hispanic	-6.591	10.026	-0.657	0.511
<i>Summary Statistics</i>				
<i>Number of Observations = 871</i>				
Multiple <i>R</i>	0.599		Adjusted <i>R</i> ²	0.348
<i>R</i> ²	0.359		Standard error	63.363
<i>F</i> (15,855) robust	54.50		Significance	0.000

the size of city the respondent lives in,¹¹ the type of practice in which the respondent engages, whether the respondent is female, and whether the respondent is black or Hispanic. The dummy variables that are added to the basic labor supply model are set up so that the default for the equation, when all of the dummy variables take a value of zero, is a white male who lives in a large city and is engaged in private practice in a large firm. As a result, all of the coefficients for the dummy variables in the equations can be read as the amount of annual income that the associated characteristic “costs” a person who deviates from the “norm” of a white male in a large private practice. For example, in Regression 1 the coefficient for public interest work suggests that, holding all other factors in the equation constant (years of experience, hours

11. These variables are included to correct for any systematic variation in income between practice in small, medium, and large cities. We would have liked to include dummy variables for the region of the country in which the respondent lives, to correct for regional variations in wages, but unfortunately the data set had too much missing data on region of habitation during the examined years to meet our purposes. We hope that some regional effect will be captured by the size-of-city variables.

worked, GPA, gender, etc.), after five years of practice it costs someone \$35,812 per year (-35.812,) to be in public interest work rather than a large private practice.

Examining Regressions 1 and 2, we see a lot of results that reinforce our prior analysis of sample means. All of the coefficients for the various type-of-practice dummy variables are negative, indicating that practice in the default type of practice—a large private practice—is indeed the most lucrative. The next-most-remunerative types of practice are practice in a medium-sized private firm (\$12,216 less five years out and \$28,831 less fifteen years out), business counsel (\$4,258 less five years out and \$48,684 less fifteen years out), and practice in a small private firm (\$19,132 less five years out and \$68,944 less fifteen years out). The most poorly compensated practice types include education (\$15,601 less five years out and \$98,598 less fifteen years out), government work (\$24,460 less five years out and \$98,116 less fifteen years out), and public interest work (\$35,812 less five years out and a whopping \$107,349 less fifteen years out). These coefficients describe a truly remarkable variation in income among the various types of legal practice even after accounting for variations in years of experience, hours worked, and GPA.

The coefficients for the female and minority dummy variables also provide some predictable results—and one surprise. First, the coefficients for the female and Hispanic dummy variables indicate that women and Hispanics on average earn less than their male and non-Hispanic counterparts even after correcting for years of experience, hours worked, and the type of practice. The coefficients show that on average women annually earn \$2,054 less than men five years out and \$13,508 less than men fifteen years out for no apparent reason other than that they are female. The latter result is significant at the 0.05 level. The regressions also show that on average Hispanics earn \$1,013 less than non-Hispanics five years out and \$6,591 less than non-Hispanics fifteen years out, although neither of these results is statistically different from zero. The surprise comes with blacks: our results suggest that on average they are paid \$5,405 *more* than their nonblack counterparts five years out and \$3,369 less than their nonblack counterparts fifteen years out. Although the decrease in blacks' income fifteen years out is not statistically significant, the increase in blacks' income five years out *is* statistically significant at the 0.1 level.

How to explain this surprising result with respect to black Michigan graduates five years out of law school? Several possible explanations come to mind, but none of them is entirely satisfactory. One possible explanation is that blacks in the five-year survey systematically underreported their hours worked. This would explain both their relatively high hourly wage in Table 1 and the curious coefficient for blacks in Regression 1. But we can think of no good explanation as to why they would make such a systematic underreporting, especially in light of the fact that the data for blacks fifteen years out does not seem to suffer from the same problem. A second possible explanation is that the data in the survey suffers from a self-selection bias for successful practitioners, and that this bias is worse for black practitioners than for nonblack practitioners. Initially this explanation seems promising: data on the complete

Michigan classes surveyed indicates that graduates who responded to the survey did tend to have higher GPAs than those who did not respond, and that this problem is worse for blacks, who have a significantly lower response rate than nonblacks.¹² But once again this account fails to explain why we don't see the same problem of self-selection bias in the fifteen-year data for blacks, since those surveys suffer from similar differentials in response rates. A third possible explanation is that affirmative action programs in the last ten years have bid up wages for talented blacks so that now they receive a wage premium. But a supplemental regression on the magnitude of this wage premium in the different types of practice shows that this "premium" exists across almost all types of practice and is largest in large private practices and small private practices, rather than government or education, where affirmative action programs are arguably strongest.¹³ The fact that the premium is strongest in small private practices suggests that it is not a premium at all but in fact a payment for greater productivity, since many of the small firms are solo practitioners or small practices in which lawyers, so to speak, only eat what they kill. This last finding suggests a fourth explanation: it may be that the GPA data used as a measure of productivity in Regressions 1 and 2 systematically underestimates the potential productivity of black graduates. Once again this explanation fails to account for the seeming lack of any similar problem in the fifteen-year data, although it may be that during the 1980s the University of Michigan admissions office recognized the foibles of using only traditional measures of likely success with respect to black applicants and found better methods of predicting future productivity among black students. Further study of this curiosity is necessary.

Finally, it is informative to assess how large the estimated coefficients for the female and the minority status variables are with respect to the decreases in income women and minorities suffer due to differences in years of experience, hours worked, and type of practice. To do this, we took the mean values of the independent variables in Regressions 1 and 2 for subsamples of men, women, nonblacks, blacks, non-Hispanics, and Hispanics drawn from the relevant sample of five- and fifteen-year survey respondents and plugged them back into the relevant regression. Through this method, we were able to calculate the difference in the mean annual incomes for men and women, nonblacks and blacks, and non-Hispanics and Hispanics predicted by Regres-

12. The response rate for blacks in the survey was about 43 percent; the rate for nonblacks was about 65 percent.
13. To examine the extent of the wage premium in the different types of practice, we replaced the black dummy variable in Regression 1 with a series of interaction terms consisting of the black dummy variable multiplied by the dummy variables for each of the types of practice. In this way the black dummy variable was fragmented into seven different dummy variables representing whether the respondent was black and worked in a large private firm, was black and worked in a medium-sized private firm, etc., for each of the seven types of practice. The interaction term for black with public interest work was ultimately omitted since there were no observations without relevant missing data for black respondents who worked in public interest law. The coefficients and (robust standard error) for each of the remaining six dummy variables were as follows: black x large private practice, 8.578 (5.59); black x medium private practice, -4.412 (5.08); black x small private practice, 12.152 (10.79); black x corporate counsel, -2.437 (8.12); black x government, 6.550 (4.89); and black x education, 5.920 (6.08). None of these coefficients was significantly different from zero.

Table 7

Difference in mean incomes predicted by Regressions 1 and 2 (expressed in 1992 dollars with percentage of the total deviation in parentheses)

	<i>Net difference</i>	<i>Difference due to years and hours worked</i>	<i>Difference due to type of practice</i>	<i>Difference due to gender or minority status</i>	<i>Difference due to other factors</i>
Male/female five-year survey using Regression 1	6,715	2,116 (31.5%)	1,724 (25.7%)	2,054 (30.6%)	821 (12.2%)
Male/female fifteen-year survey using Regression 2	35,620	6,693 (18.8%)	13,560 (38.1%)	13,508 (37.9%)	1,859 (5.2%)
Nonblack/black five-year survey using Regression 1	3,790	1,354 (14.7%)	3,121 (33.9%)	-5,405 (-58.8%)	4,720 (51.3%)
Nonblack/black fifteen-year survey using Regression 2	36,664	-2,574 (-6.6%)	18,914 (48.2%)	3,369 (8.6%)	16,955 (43.2%)
Non-Hispanic/Hispanic five-year survey using Regression 1	11,730	571 (4.9%)	4,310 (36.7%)	1,013 (8.6%)	5,836 (49.8%)
Non-Hispanic/Hispanic fifteen-year survey using Regression 2	43,600	1,123 (2.6%)	22,754 (52.2%)	6,591 (15.1%)	13,132 (30.1%)

sions 1 and 2, and break these differences in predicted income down into the portion attributable to differences in years and hours worked, differences in the type of practice, differences attributable only to gender or minority status, and "other" differences between the examined groups.¹⁴ These estimates are reported in Table 7 in 1992 dollars, along with the percentage each estimate constitutes of the total deviation between the examined groups.

From Table 7 one can make a number of observations concerning the relative importance of differences in work history, differences in type of practice, and residual gender or minority discrimination in explaining disparities in income between men and women lawyers and majority and minority lawyers. First, work history, or differences in years of experience and hours worked, is a much more important factor in the diminution of women's income than in that of blacks or Hispanics. Approximately a fourth of women's shortfall in annual income relative to men across the five-year and fifteen-year surveys is caused by their interrupted and part-time work histories, while differences in work histories play a very small role in the income shortfalls of blacks and Hispanics.¹⁵ Second, for women, selection of type of practice

14. "Other" differences include differences between the groups in the mean value of GPA, the variables for the size of city in which respondents live, and the gender or minority status of the respondents. (For example, in examining the predicted mean difference in income between men and women, a portion of the predicted difference will be due to the fact that the women in the sample had relatively more black and Hispanic members than the men.)

15. The only significant income loss to blacks or Hispanics from differences in work histories occurs to blacks in the five-year survey, who suffer a \$1,354 shortfall, primarily because of a shortage of hours worked. But given the fact that blacks in the fifteen-year survey report

becomes relatively more important in the diminution of their income relative to men as their careers progress over time. Comparing the results obtained for women from the five-year survey with those obtained for women from the fifteen-year survey, we see that the diminution of income due to differences in type of practice grows from 25.7 percent of the total shortfall in the five-year survey to 38.1 percent of the total shortfall in the fifteen-year survey. For blacks and Hispanics, the type of practice is the predominant factor, among the three examined, in diminishing their income relative to majority lawyers, although residual discrimination still accounts for a significant portion of the variation in income. As with women, the significance of type of practice grows as a percent of the minorities' diminution in income between the five-year and fifteen-year surveys. Apparently the results of discrimination or career choices have cumulative effects over time.

Man Does Not Live by Bread Alone: The Distribution of Job Satisfaction Across the Legal Profession

Just as it was useful to separate out the effect of other variables through linear regression when we examined the distribution of income over our samples, so too it is useful to follow this same process in examining differences in job satisfaction across our samples. As demonstrated in Tables 1 through 6, the different types of practice vary systematically in their income and hours, and this will undoubtedly affect job satisfaction. Moreover, women work fewer hours than men, and women and minorities both receive lower incomes than their male and majority counterparts and are found disproportionately in certain types of legal practice. These factors also will undoubtedly affect their job satisfaction. It would be useful to separate out the effects of all of these variables on job satisfaction, and this can be done through the tool of linear regression.

In this section we present the results of Regressions 3 and 4 on the distribution of job satisfaction across the legal profession. Regression 3 presents the results with respect to the five-year survey of the classes of 1987-91, while Regression 4 presents analogous results with respect to the fifteen-year survey of the classes of 1977-81. The basic regression model used is grounded in simple labor supply theory and prior empirical research. Job satisfaction is used as the dependent variable,¹⁶ while annual income, work hours per year, work hours squared, and family satisfaction are used as independent variables. Income, work hours, and work hours squared are included in the equation

working *more* hours than their nonblack counterparts, the singularity of the income shortfall for blacks in the five-year survey is perhaps another reason to question the hours reported by the black respondents in that survey.

16. Use of a discontinuous variable as the dependent variable in a linear regression model technically violates one of the assumptions of the model: that the residual errors of the equation will be normally distributed. Pindyck & Rubinfeld, *supra* note 9, at 55. Violation of this assumption can result in biased coefficient estimates and the undermining of the tests of statistical significance that are performed on the coefficients. This can be a serious problem for binary dependent variables, but our dependent variable can take on seven different values and thus constitutes a reasonable approximation of a continuous variable. However, future work using logistic regression for the job satisfaction variable is warranted. *Id.* at 247.

Regression 3

Regression using data from the five-year surveys of the classes of 1987-91.
Job satisfaction is the dependent variable (-3 to 3).

Model	Coefficient	Robust standard error	t	Significance
(Constant)	-0.988	0.788	-1.253	0.210
Income	2.9E-03	0.002	1.483	0.138
Work hours/year	9.0E-04	0.001	1.404	0.161
Work hours squared	-1.6E-07	0.000	-1.184	0.237
Years in practice	-0.243	0.153	-1.592	0.112
Years in practice squared	0.047	0.025	1.907	0.057
Family satisfaction	0.164	0.029	5.639	0.000
Hours pro bono	6.8E-04	0.000	3.388	0.001
Medium private practice	0.024	0.129	0.188	0.851
Small private practice	0.542	0.155	3.510	0.000
Business counsel	0.801	0.117	6.817	0.000
Government	1.078	0.127	8.476	0.000
Education	1.586	0.204	7.764	0.000
Public interest	1.023	0.173	5.911	0.000
Female	-0.147	0.087	-1.693	0.091
Black	-0.021	0.184	-0.111	0.912
Hispanic	0.274	0.163	1.682	0.093

Summary Statistics

Number of Observations = 949

Multiple R	0.400	Adjusted R ²	0.146
R ²	0.160	Standard error	1.175
F (16,932) robust	13.30	Significance	0.000

because they are important job characteristics which would logically affect job satisfaction.¹⁷ We include family satisfaction as an independent variable because Tables 1 and 2 and prior empirical work¹⁸ suggest a positive correlation and perhaps causation between family satisfaction and work satisfaction.¹⁹ We

17. As with Regressions 1 and 2, work hours squared is included in Regressions 3 and 4 because experimentation with the form of the regression suggests that the relationship between job satisfaction and hours worked is nonlinear and our regression estimates are improved by inclusion of the work hours squared variable.

18. Chambers, *supra* note 8, at 270, 276 n.88.

19. Because of the interdependent relationship between job satisfaction and work satisfaction and the interdependent relationship between job satisfaction and income, it is probably more appropriate to estimate the relationships among these variables through a two-stage least squares process involving three first-stage equations and three second-stage equations. Pindyck & Rubinfeld, *supra* note 9, at 144. The first-stage regressions would estimate each of the three "endogenous" variables—income, job satisfaction, and family satisfaction—as functions of "predetermined exogenous" variables that did not include the endogenous variables. The second-stage regressions would then estimate each of the three variables—income, job satisfaction, and family satisfaction—as functions of the predetermined variables and estimates of the appropriate endogenous variables from the first-stage regressions. For example: income is probably a function of job satisfaction, hours worked, type of practice, etc.; job

Regression 4.

Regression using data from the fifteen-year surveys of the classes of 1977–81. Job satisfaction is the dependent variable (-3 to 3).

<i>Model</i>	<i>Coefficient</i>	<i>Robust standard error</i>	<i>t</i>	<i>Significance</i>
(Constant)	0.147	0.902	0.163	0.870
Income	2.7E-03	0.001	4.936	0.000
Work hours/year	3.3E-05	0.001	0.047	0.963
Work hours squared	-1.4E-08	0.000	-0.097	0.923
Years of practice	-8.5E-03	0.063	-0.136	0.892
Years of practice squared	1.2E-03	0.003	0.352	0.725
Family satisfaction	0.209	0.029	7.261	0.000
Hours pro bono	1.1E-03	0.000	2.809	0.005
Medium private practice	0.116	0.117	0.987	0.324
Small private practice	0.344	0.111	3.086	0.002
Business counsel	0.480	0.109	4.393	0.000
Government	0.648	0.147	4.414	0.000
Education	1.123	0.213	5.268	0.000
Public interest	1.020	0.166	6.159	0.000
Female	0.081	0.085	0.953	0.341
Black	-0.084	0.144	-0.582	0.561
Hispanic	-0.040	0.228	-0.174	0.862

Summary Statistics
Number of Observations = 860

Multiple <i>R</i>	0.373	Adjusted <i>R</i> ²	0.123
<i>R</i> ²	0.139	Standard error	0.994
<i>F</i> (16,843) robust	8.54	Significance	0.000

include the annual hours of pro bono work reported by the respondents primarily to test our own pet theory that pro bono work can increase a lawyer's satisfaction with his practice, and because it does indeed prove to be empirically useful in the model. To this basic model of job satisfaction, we append dummy variables representing each of six practice types and female and minority group status just as we did in Regressions 1 and 2. Just as in Regressions 1 and 2, we constructed Regressions 3 and 4 so that the default case in which all dummy variables equal zero is the case of a white male in a large private practice.²⁰ Accordingly, all coefficients for dummy variables in the

satisfaction is probably a function of income, family satisfaction, hours worked, type of practice, etc.; and family satisfaction is probably a function of income, job satisfaction, marital status, number of children, etc. Although we have experimented with some two-stage estimations to ensure their consistency with the results presented here, such an estimation procedure is beyond the scope of this article and the patience of our intended audience of law students, law teachers, and lawyers.

20. Dummy variables for the size of the city the respondent lives in were omitted from Regressions 3 and 4 because they proved not to contribute significantly to the explanatory value of the model.

regressions can be read as deviations on the 7-point job satisfaction scale (-3 to 3) from the "norm" of a white male in a large private practice.

Inspecting Regressions 3 and 4, we see a variety of interesting results that are consistent with our prior analysis of means. First, all of the coefficients for the type-of-practice dummy variables are positive, which confirms that, after accounting for differences in income, hours, family satisfaction, and so on, practice in a large private firm remains the least satisfying type of practice. All of the coefficients on the type-of-practice dummy variables are significantly greater than zero, except for the coefficient for medium private practice. The coefficients for government work, education, and public interest work indicate that, after correcting for the independent variables, practitioners in these fields are about an entire point happier with their jobs on the 7-point scale than practitioners in large private practices.²¹ To give this difference some meaning, consider that the mean level of job satisfaction for practitioners in large private practices (0.68 five years out and 1.18 fifteen years out) falls at approximately the 30th percentile in job satisfaction five years out and the 50th percentile fifteen years out, and to move one point higher in job satisfaction would place a person at the 60th percentile five years out and the 90th percentile fifteen years out.²² Of course, practitioners in large private practices get to console themselves for having a less satisfying job by having a more satisfying income. Nevertheless, the above results suggest that lawyers in all other types of practice find their work intrinsically more satisfying than their counterparts in large private practices—sometimes considerably more satisfying.

Second, it appears that, after accounting for variations in all of the independent variables included in the regressions, there is little relationship between job satisfaction and gender or minority status. The only coefficients for the female, black, and Hispanic dummy variables that are statistically significant are the negative coefficient for women in Regression 3, which suggests that the women in the sample five years out enjoyed their jobs less, and the positive coefficient for Hispanics in Regression 3, which suggests that the Hispanics in the sample five years out enjoyed their jobs more. In Regression 4, however, on the sample fifteen years out of law school, the coefficient for women is insignificantly positive and the coefficient for Hispanics is insignificantly negative. Discrimination might still play a role in decreasing women's and minorities' job satisfaction through decreasing work hours or income or by frustrating individual women who would be happiest in private practice. Although discrimination in job choice might decrease women's and minorities' income by shunting them away from large private practices, our

21. The exceptions to this statement are that educators five years out are 1.586 points happier than their large-private-practice counterparts and government attorneys fifteen years out are only 0.648 points happier than their large-private-practice counterparts.

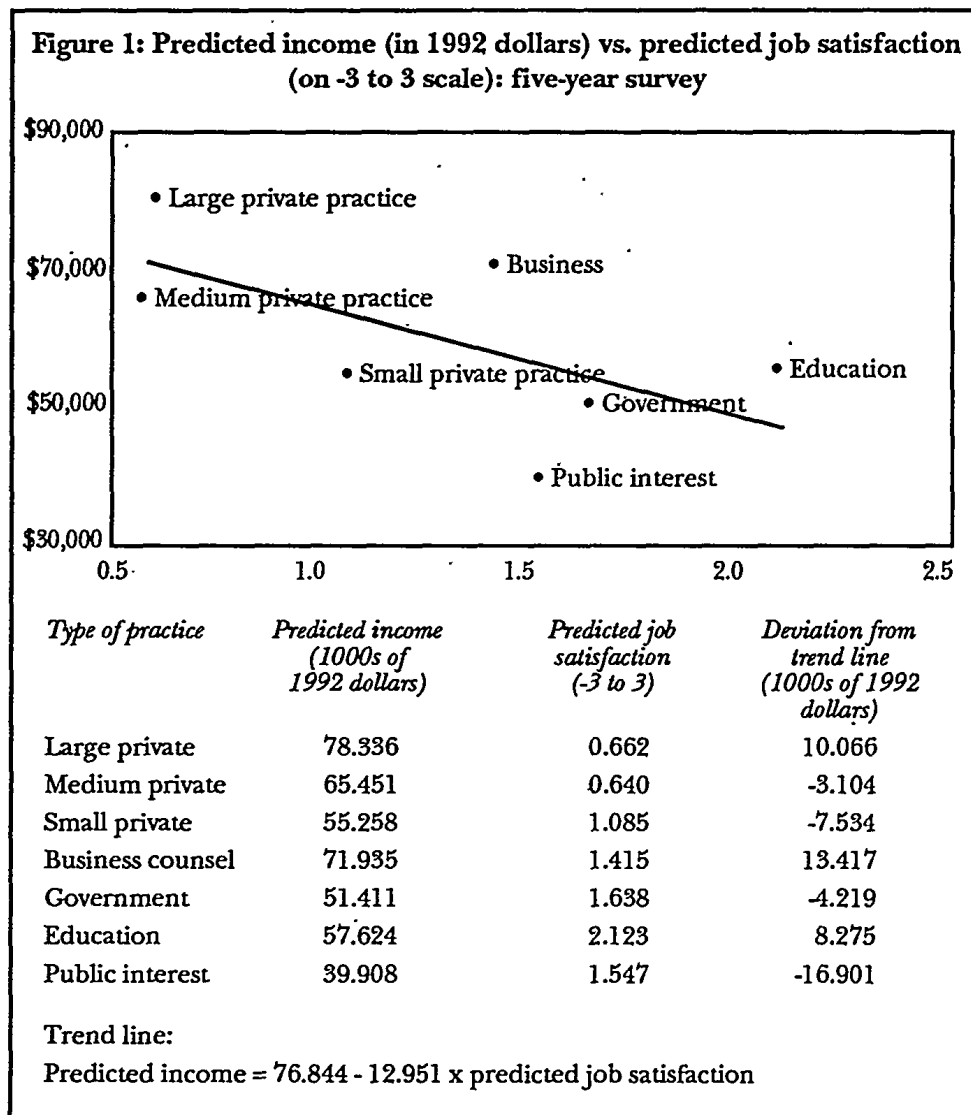
22. In the five-year survey sample 30.27 percent of respondents reported job satisfaction of 0 or less, 60.44 percent reported job satisfaction of 1 or less, and 92.61 percent reported job satisfaction of 2 or less. In the fifteen-year survey sample 18.01 percent of respondents reported job satisfaction of 0 or less, 50.22 percent reported job satisfaction of 1 or less, and 88.93 percent reported job satisfaction of 2 or less.

data suggests that, paradoxically, such shunting would tend to increase their job satisfaction, on average, since practitioners in the types of practice they now occupy report significantly greater job satisfaction than their counterparts in large private practices.

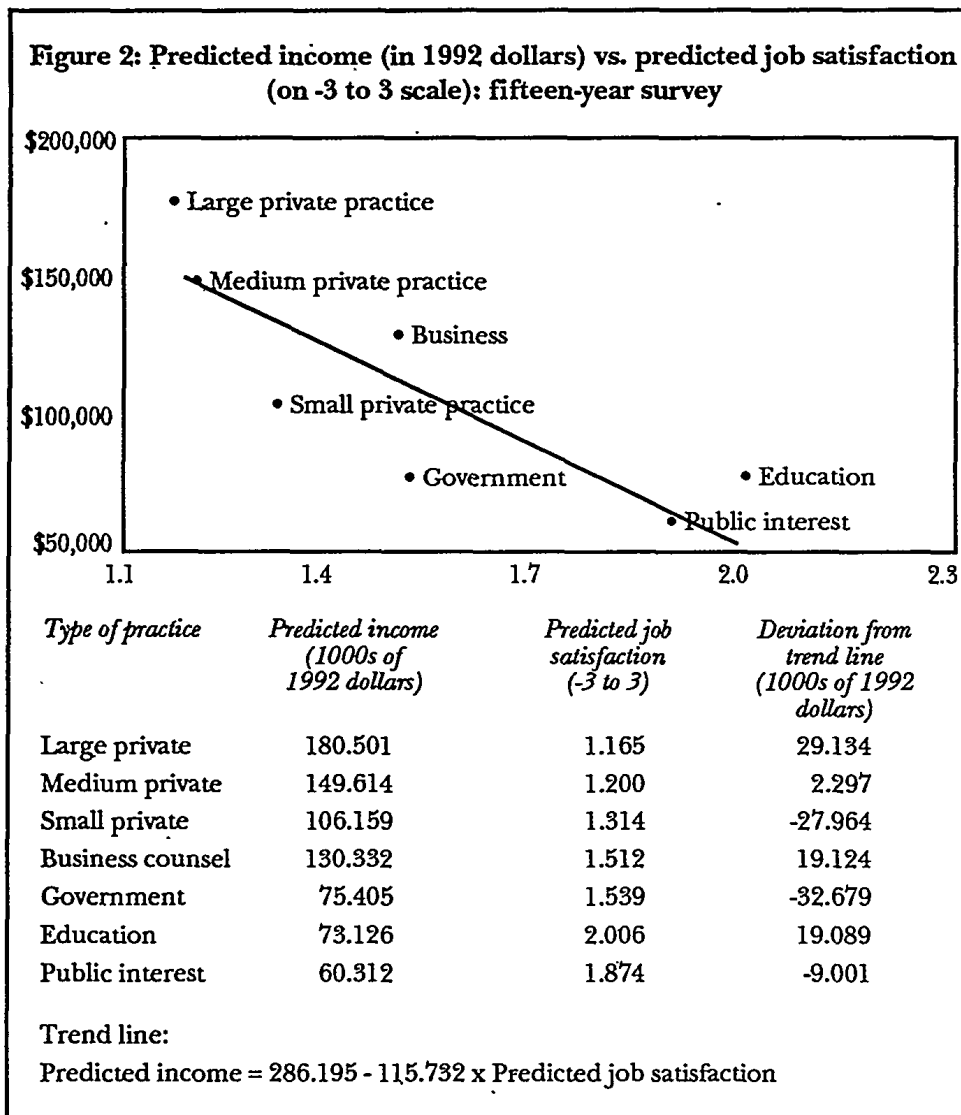
Of course how satisfying a person finds a particular type of legal practice is a matter of personal taste. A person who is happy working in private practice might be miserable working in public interest law and vice versa. Nevertheless, considering the results of Regressions 1 through 4 together suggests that there is an implicit tradeoff between income and job satisfaction at work in the legal profession, at least for those attorneys who are open to considering more than one type of practice for their career. To examine this implicit tradeoff, we computed predicted values for income and job satisfaction for each of the examined practice types using Regressions 1 through 4. We computed the predicted income for each practice type by substituting the mean values of the practice-type dummy variables and hours-worked variable for the relevant members of that practice type back into Regressions 1 or 2, along with the relevant sample means of the remainder of the dependent variables for the complete five- or fifteen-year sample. We computed the predicted job satisfaction for each practice type by substituting the predicted income we computed for that practice type and the mean values of the practice-type dummy variables and hours-worked variable for the relevant members of that practice type back into Regressions 3 or 4, along with the relevant sample means of the remainder of the dependent variables for the complete five- or fifteen-year sample. Use of these predicted values allows us to examine variations in income and job satisfaction among the various types of practice based just on differences in hours worked and the type of practice undertaken rather than variations due to other factors, for example the under- or overrepresentation of women or minorities in certain types of practice. We then calculated a "trend line" on the tradeoff between income and satisfaction across the examined practice types by conducting a simple linear regression of the predicted income we computed for each practice type as a function of the predicted satisfaction we computed for each practice type. The results of these computations and regressions are represented in Figures 1 and 2.

Examining Figures 1 and 2, we see that some types of practice are consistently above the trend line and so are a "good deal" in terms of the tradeoff between income and job satisfaction relative to the other types of practice. Other types of practice are consistently below the trend line and thus are a bad deal in terms of the tradeoff between income and job satisfaction they require.

Large private practice, business counsel, and education are consistently above the trend line and are thus good deals in terms of their relative tradeoff between income and job satisfaction. For lawyers five years out of law school, working as a business counsel is the best deal (\$13,417 above the trend line) followed by private practice in a large firm (\$10,066 above the trend line) and education (\$8,275 above the trend line). But once the private practitioners make partner fifteen years out of law school, private practice in a large firm emerges as clearly the best deal (\$29,134 above the trend line), while business counsel and education both remain good deals (both approximately \$19,000



above the trend line). Although practitioners in large private practices work long hours and have low job satisfaction, the tremendous advantage they enjoy in earnings ensures that they trade job satisfaction for earnings on the most favorable basis of any of the examined types of practitioners. Government work, small private practice, and public interest work are all consistently below the trend line and thus are bad deals in terms of their relative tradeoff between income and job satisfaction. For lawyers five years out of law school, public interest work trades income for job satisfaction on the least favorable terms (\$16,901 below the trend line) followed by small private practice (\$7,534 below the trend line) and government work (\$4,219 below the trend line). Public interest's relative position improves fifteen years out (\$9,001 below the trend line) while the biggest losers are small private practice (\$27,964 below the trend line) and government (\$32,679 below the trend line). Although public interest work is paid the least, our respondents fifteen years out of law



school report high enough job satisfaction to move this type of practice closer to the trend line while small private practitioners' and government lawyers' relative positions on both income and job satisfaction deteriorate, taking them further off the trend line.

Conclusions

The results of our study suggest that attorneys' income and job satisfaction vary in predictable ways, and also in some unpredictable ways, across various types of legal practice and across gender and minority groups.

Perhaps predictably, there appears to be a strong negative relationship between the income enjoyed by practitioners in the various types of practice and the job satisfaction these practitioners report. Examining the implicit tradeoff between income and job satisfaction among the examined types of

practice, we see that large private practice, business counsel, and education are all good deals in terms of their relative income/job satisfaction tradeoff, while small private practice, government work, and public interest work are not-so-good deals.

Slightly less predictable are our results in examining differences in income and job satisfaction between men and women and between majority and minority groups. Predictably, women, blacks, and Hispanics all earn less on average than their male and majority counterparts. This is due in significant part to the fact that women work fewer hours and have fewer years of practice experience than their male counterparts and to the fact that women, blacks, and Hispanics are disproportionately found in the lower-paying types of practice. After correcting for differences in hours worked, years of practice experience, type of practice, and other variables, we found that women attorneys were still paid significantly less than men, for no apparent reason other than their gender, but that black Michigan graduates five years out of law school were paid significantly more than their nonblack counterparts. Further study of this result is necessary.