Trading Off Career and Family at Labor Market Entry*

Elin Sundberg†

December 4, 2024

[Link to the most recent version]

Abstract

This paper studies gender differences in preferences at labor market entry and whether these preferences translate to divergent career trajectories for men and women. I focus on whether individuals who form cohabiting relationships prior to labor market entry differ from those who enter the labor market while single. To address these questions, I compile a novel dataset on employment and career preferences among Swedish law graduates. A crucial feature of the dataset are personal identifiers to link preferences to administrative data on cohabitation status, location and career choices and long-run outcomes. I show that women prioritize family-friendly career paths and are more selective in their location preferences compared to men. Cohabiting men and women are more alike than their single counterparts, expressing preferences consistent with facing a career/family trade-off. The gender gap in preferences is mainly driven by the differences between single men and women: Single women have preferences more in line with the cohabiting individuals. Turning to career outcomes, the variation in preferences translates to a short-run earnings gap between cohabiting and single women, but no difference in career trajectories for men. The convergence of cohabiting and single women's earnings coincides with single women's increasing fertility rates. In contrast, a gender gap in earnings emerges at labor market entry and widens over the first decade of the clerks' careers. These findings suggest that while both men and women in cohabiting relationships have more selective preferences, only women–regardless of cohabitation status at labor market entry–are adversely affected by the career/family trade-off in their career outcomes in the long run.

Keywords: career/family trade-off, preferences, early career decision-making, gender gaps
JEL Classifications: J12, J13, J16, J24, J61

*I thank my advisors Arizo Karimi and Per-Anders Edin for their feedback and support. Many thanks to Karin Hederos, Sofia Hernnäs, Louis-Pierre Lepage, Lillit Ottosson, Heather Sarsons, Michel Serafinelli, Camille Terrier and Giulia Vattuone for your comments. I completed parts of this project during my research visits at Booth School of Business and Queen Mary University of London. I thank Matt Notowidigdo and Anna Raute for their kind invitations and feedback, and the Thun foundation, the Anna-Maria Lundin foundation and the Hedelius foundation for generous financial support. I also thank the Söderström foundation for the financial support for administrative data. Finally, I collected the data for this project at the Swedish National Courts Administration. A special thanks to Caroline Magnevall and Helena Schelin for making my time in Jönköping so enjoyable.

†Department of Economics, Uppsala University

1 Introduction

There is growing evidence that a significant portion of gender inequality in the labor market can be attributed to the trade off that women face between career investments and family life. A number of studies point specifically to the impact that children have on women's careers (Angelov et al., 2016; Kleven et al., 2019a,b; Cortés and Pan, 2023). However, balancing career and family could affect women's outcomes at other points in their lives. For instance, studies have shown that a promotion leads to an increased risk of divorce for women (but not for men) and that women consider household dynamics when signaling career ambition with potential partners (Bursztyn et al., 2017; Folke and Rickne, 2020). Another context in which individuals may face a career/family trade-off is in their early career investment decisions.

In this paper, I study the career/family trade-off at labor market entry. I investigate whether there are gender differences in early career preferences and if these preferences translate to different career trajectories for men and women. In particular, I am focusing on whether men and women who are already in cohabiting relationships prior to labor market entry–and for whom the career/family trade-off should be more salient–differ from those who enter the labor market while single.

To address these research questions, I have collected novel data on employment and location preferences among law graduates in Sweden shortly after graduation. Specifically, I have digitized 4,000 law clerk applications from the Swedish National Courts Administration. A crucial feature of the dataset are personal identifiers to link preferences to administrative data on cohabitation status, location and career choices, and long-run career outcomes. The law clerk employment is a two-year entry-level position at one of 60 courts located across Sweden. The application process is centralized and applicants submit a strategy-proof rank-ordered list (ROL) of preferred placements. Each entry in a ROL reflects a law clerk placement, which is a choice bundle of $\{\text{Court}, \text{Court type}, \text{Location}\}$, allowing me to measure the trade-off between career and family through four groups of preference measures: 1) Length of the ROLs (measuring how selective clerks are), 2) prestige (average application score of each placement), 3) preferred career path (court types consistent with working in the private or public sector) and 4) location preferences.

In the first part of the paper, I analyze how law clerk preferences differ by gender and cohabitation status. The results indicate that women are more selective in their preferences than men by ranking fewer courts and showing a lower willingness to relocate. Although men and women rank similarly prestigious courts, women more often prefer courts that align with family-friendly career paths. The results are consistent with women anticipating a career and family trade-off. Cohabiting individuals are also more selective than singles. However, I find that cohabiting men and women express similar preferences, implying that cohabiting individuals are similarly restricted by career/family trade-off (even though cohabiting women remain somewhat more selective). In contrast, single women are more selective than single men, especially regarding career paths and in the number of courts they rank. This finding suggests that single women behave as if they are facing a career/family trade-off (or anticipate that they will).

In the second part of the paper, I study whether early career decision-making has consequences for career outcomes and if career trajectories differ by cohabitation status at labor market entry. Using an event design, I find that observed differences in preferences by cohabitation status do not translate to divergent long-term career trajectories. However, these differences translate to a short-term earnings gap between cohabiting and single women, driven by cohabiting women's lower labor supply. This gap closes after the clerkship, as single women reduce their labor supply and converge to the lower earnings trajectory of cohabiting women. In contrast, I find no evidence that variation in preferences translates to different career trajectories for men, regardless of cohabitation status. Moreover, a gender earnings gap emerges at labor market entry and widens over the first decade of the clerks' careers. The small initial gap is explained by gender differences in hours worked, as the

salary is uniform across clerkships. After the clerkship, women exhibit both lower labor supply (in terms of contracted hours) and lower wage rates compared to men. To study whether men and women make different career choices following the clerkship, I estimate the probability of entering specific occupations or industries three years after labor market entry. Women are less likely than men to enter private sector jobs, consistent with opting out of less family-friendly jobs involving long hours. Cohabiting women are even less likely to enter private sector jobs compared to single women, while no significant differences are observed between cohabiting and single men. Taken together, these findings suggest that even though both cohabiting men and women are more selective in their preferences than their single counterparts, only women—-regardless of cohabitation status at labor market entry–are adversely affected by the career/family trade-off in their long-run career outcomes. In the final part of the paper, I explore three potential explanations for why differences in preferences by cohabitation status do not lead to divergent career trajectories: placement outcomes, location choices, and family formation.

First, a potential explanation is that preference rankings do not mirror placement outcomes. Even if individuals express different preferences, these preferences may not translate to different career outcomes if the placement outcomes by gender and relationship status are the same on average. However, I find that the placement outcomes reflect preference rankings well. As follows, differences in placement outcomes is not a candidate explanation to the results I observe. Secondly, the preference results show that cohabiting individuals are particularly selective in the number of courts/CZ and their location preferences compared to singles. Cohabiting individuals may be residing in higher-paying CZs to begin with, and therefore reluctant to move. Using the same event study specification, I find that cohabiting women and men indeed are less likely to move at the start of the clerkship as well as at the end of the clerkship (consistent with their listed preferences and placement outcomes). However, I find that cohabiting individuals tend to live in lower-paying CZs in comparison to single individuals in the long run. A possible interpretation is that cohabiting individuals forgo career opportunities by their selective location preferences. In other words, while they are not doing worse than their single counterparts, cohabiting men and women might have had higher earnings had they relocated to higher-paying CZs. Thirdly, law clerks may differ in their family trajectories. I find suggestive evidence that women are more likely to be in a cohabiting relationship both before and after the clerkship. In particular, single women enter cohabiting relationships earlier than single men do. A possible interpretation is that single women are in committed (but non-cohabiting) relationships prior to labor market entry, which would explain why single women have more selective preferences than single men do. Next, I estimate the timing of entering parenthood and find women have higher fertility rates than men do after the clerkship. This gender gap is primarily driven by single women becoming mothers earlier than single men become fathers. Cohabiting men are slightly more likely to be parents compared to cohabiting women prior and during the clerkship, but the gender gap closes four years after labor market entry. Importantly, the timing of entering motherhood coincides with two patterns in the career trajectories: first, the earnings gap between cohabiting and single women start diminishing as more single women enter motherhood. These results indicate that the women who were single (or at least non-cohabiting) at labor market entry face more similar family constraints as women who were initally were cohabiting by the time the clerkship is finished, and may in turn partly explain the puzzle to why there are no long-run differences in career trajectories by initial cohabitation status for women. Second, a gender gap in earnings opens up as more women than men enter parenthood. In contrast, the career paths of men seem to be largely unaffected by the timing of fatherhood.

To summarize the results, I find that women on average are more selective in their preferences than men are. However, couple formation prior to decision-making affects the preferences of men and women very similarly: Cohabiting individuals are list fewer courts, have a stronger preference for staying in their current location and more likely than their single counterparts to select into a family-friendly career path. Taken together, I find that while cohabiting women and men face a similar career/family trade-off in their decision-making at

labor market entry, cohabiting men are at least not doing worse career-wise than single men (despite being fathers). In contrast, the career/family trade-off has long-run consequences on female career paths regardless of cohabitation status at labor market entry.

This paper builds on the literature investigating the causes of gender differences in labor market outcomes, in particular focusing on supply-side factors. Many explanations to the remaining gender gaps in earnings are related to motherhood (Cortés and Pan, 2023): Women choose lower wages in favor of job attributes that facilitate combining a family and a career, including flexible working arrangement such as part-time jobs and working from home (Mas and Pallais, 2017; Wiswall and Zafar, 2018). Morever, women dislike commuting and are willing to trade-off a higher wage for shorter commuting distances (Petrongolo and Ronchi, 2020; Le Barbanchon et al., 2021), which has been found to contribute to the within-household gender wage gap (Butikofer et al., 2024). While there is occupational segregation by gender in the labor market, the differentials in earnings *within* occupations are more important than the differences between occupations in understanding the remaining earnings gaps between men and women (Goldin, 2014). This notwithstanding, previous research has shown that women select into more family-friendly occupations than men for their initial occupation choices (Adda et al., 2017), suggesting that women anticipate the career/family trade-off already at labor market entry. The existing evidence is less clear on whether women at the top of the distribution correctly anticipate the career consequences of motherhood. On the one hand, women with a college degree have been found to underestimate the effects of motherhood on employment (Kuziemko et al., 2018). On the other, gender gaps in performance among young professionals have been found to be driven not only by the presence of young children, but also by gender differences in career aspirations (Azmat and Ferrer, 2017), which could indicate an anticipation of the motherhood penalty. Moreover, even high-performing female MBA graduates choose more family-friendly career paths in the years prior to becoming mothers (Bertrand et al., 2010).

A second strand of the literature related to this paper investigates how early career decisions influence long-term labor market outcomes (Weiss, 1986; Loprest, 1992; Topel and Ward, 1992; Rubinstein and Weiss, 2006; Gicheva, 2013). One of the first career investments at labor market entry is the decision on where to live and work. By focusing on the location decision, this paper additionally relates to the research on geographic mobility and labor market outcomes. Previous research relating the location choice to career outcomes shows that there is sorting by income prospects in mobility decisions (Dahl, 2002; Kennan and Walker, 2011). Joint decision-making deters migration, however, which implies that individuals may forgo career opportunities when the household costs of moving exceed the benefits (Mincer, 1978; Foged, 2016). Among couples who choose to move, the moves tend to benefit the male spouses' careers rather than the females' (Duncan and Perrucci, 1976; Sandell, 1977; Bielby and Bielby, 1992; Cooke, 2003; Nivalainen, 2004; Blackburn, 2010b,a; Sorenson and Dahl, 2016; Burke and Miller, 2018), even when the female spouse is predicted to outearn the male (Jayachandran et al., 2024). These results indicate that women face a trade-off between career advancement and family priorities in their joint location choices. However, much of the literature on location decisions focuses on individuals who have already made large investments into career and family. I focus on a setting where individuals differ in their initial relationship contraints, but have made the same educational investments and therefore face the same choice sets at labor market entry. As follows, this setting is ideal to study the trade-off between career investments and family life.

By tying together early career decision-making and gender differences in labor market outcomes, this paper most closely relates to the literature on entry-level employment, such as the internships and residencies of medical graduates (studied in e.g. Denmark (Fadlon et al., 2020a), France (Charpin et al., 2024) and the US (Wasserman, 2023)).[1] Even among individuals who have made the same human capital investments, there is

[1]Similar to the law clerk setting, these settings involve ROLs and some form of strategy-proof allocation mechanism of the placements. The National Residency Matching Program (NRMP) in the US involves a Gale-Shapley deferred acceptance mechanism, which is strategy-proof for applicants but not for the residency programs. The DA algorithm ensures stability by preventing any unmatched pair of participants from preferring each other over their current matches. Denmark and France use different versions of

occupational sorting by gender consistent with a career/family trade-off for women: Wasserman (2023) find that imposing a 80 hour work-week restriction led more women to choose specialities where the new time constraint was binding. This result is consistent with women avoiding jobs with extended hours. Similarly, Charpin et al. (2024) show that female medical graduates enter specialities demanding fewer working hours but lower wage rates than men. A survey on medical graduates suggests that the results are driven in part by women who are planning to become mothers in the near future. Finally, Fadlon et al. (2020a) find causal effects of initial labor market sorting on women's career paths using a randomized lottery of placement assignments. The study shows that women who end up in rural (and less preferred) locations are more likely to pursue family-friendly but lower-paying specializations, whereas men's career trajectories are unaffected by the temporary career set-back.

I contribute to the existing literature by examining how young male and female professionals differ in their early career decision-making concerning the career/family trade-off. Contrasting much of the existing research, I observe both listed preferences and the full choice sets the individuals are considering (in addition to their actual choices and long-run career outcomes). This setting is additionally informative about the career decision-making of workers in general, as most career tracks do not involve a randomized allocation of workers. The second contribution of this paper is that I study preferences by cohabitation status at labor market entry to see whether men and women face different constraints in decision-making by initial relationship investments.

The remainder of the paper is organized as follows: section 2 describes the data and sample construction. Section 3 outlines the research design and section 4 presents the results section. In section 5, I explore potential mechanisms. Finally, section 6 concludes.

2 Data

This section presents the data in two parts: I begin by presenting the administrative data, followed by a detailed description of the law clerk data from the Swedish National Courts Administration (SNCA). The SNCA data includes a sample of law clerk applications and an auxiliary data set of application scores. I also present information on the institutional setting.

i. Administrative data

I use administrative data of the full Swedish population between 1990 and 2022. The data on individual characteristics includes educational background (university, graduation year, education level and field) and a range of labor market variables such as occupational codes, industry codes and firm and establishment ID. There is detailed wage and earnings data, including e.g. parental benefits and sick leave. Most of the labor market-related data covers the entire working-age population (ages 15-74). The only exception is the Wage Structure Statistics data, including wage rates and contracted hours, which is a survey covering the full population of public sector workers and about 50% of the labor force in the private sector. There is annual geographical information on housing and workplaces (geocodes in 250×250 meter (1000×1000 meter) coordinates in urban (rural) areas) as well as municipality of birth data. Finally, there is information on family background and family formation, with links between individuals and their parents, siblings, partners and potential children. Cohabitating couples without joint children are identified in Swedish administrative data from 2011 and onwards.[2]

strategy-proof serial dictatorship mechanisms, where individuals are ranked either using a lottery or the national test exam scores to rank individuals, and is Pareto efficient.

[2]Statistics Sweden defines a cohabiting couple without children as two individuals of opposite genders who live in the same apartment, are not related to each other and with a maximum age difference of 15 years.

ii. Law clerk data

Institutional setting

Individuals who study law in Sweden undertake a 4.5 year undergraduate program (270 ECTS), after which they receive a Degree of Master of Law (*juristexamen*).[3] The law graduates can start practicing law following graduation, and there is no required bar exam following graduation (as in e.g. the U.S. system). This paper focuses on the law clerk employment, which is an entry-level employment. The law clerk position is not required for practicing law, but it is considered a prestigious merit in both the private and the public sectors, and the first step in of the judicial track. Approximately 40% of the law graduates have proceeded as law clerks since the beginning of the 1990s.

The law clerk employment is a two-year employment at one of 60 courts located across Sweden (see Figure A.1). There are 48 district courts and 12 administrative courts. The application process is a centralized process through Swedish National Courts Administration (SNCA), with six rounds of admissions per year. Not all courts are offering positions in each round. There are approximately 2,000 applications per year (some individuals apply multiple times) and approximately 500 individuals are hired in a given year. The complete application data is only stored for two years at the SNCA, but the applications of the (eventually) hired law clerks are stored permanently.

An applicant sends the application form to the SNCA through a recruiting platform. The application contains a rank-ordered list (ROL) of the law clerk placement the individual is applying to. There are four types of placements: a placement at a district/administrative court or a placement combining a district/administrative court and another government agency (e.g. the Chancellor of Justice, the Swedish Enforcement Agency and the Swedish Migration Agency). As follows, an entry in the ROL is a bundle: $\{\text{Court}, \text{Court type}, \text{Location}\}$.[4]

The SNCA rank all applicants using application scores. The application scores is scaled between 155 and 346 scores, where the university grades from the law degree yield between 155 and 310 points (ca 90% of the maximum).[5]. An additional 36 points can be earned through extra curricular university courses and/or through previous relevant labor market experience. In the case of a tie between applicants, the applicant with the highest grades is ranked higher.

The allocation of placements is made by a serial dictatorship mechanism: The applicant with the highest score is allocated to their highest ranked court, the applicant with the second highest score is ranked to their highest available court. All remaining individuals are assigned to their highest ranked available court. If there are no remaining seats at the courts in an individual's ROL, the individual in question is not hired. There are no intermediary steps in the admission process such as interviews or employment offers, instead the accepted applicants are immediately hired at their highest ranked court, conditional on their (and the other applicants) scores. The applicant is therefore urged to only apply to the courts at which they are willing to work.[6]

Sample description

The SNCA data was collected and digitized between August 2020 and February 2022. I restrict the sample to individuals who applied to the SNCA between 2012 and 2019, so that I can both measure cohabitation

[3] During the study period, there are six universities offering the law program in Sweden: Gothenburg university, Lund university, Stockholm university, Umeå university, Uppsala university and Örebro university. Karlstad university started offering the degree in 2017.

[4] The definition of a bundle implies that I distinguish between a placement at e.g. a placement at Stockholm district court and a shared placement at Stockholm district court and the Swedish Enforcement Agency (*Kronofogdemyndigheten*). In addition, there is also some variation in when the employment starts within each round, but I will abstract from this as all listed starting dates are within a two-month period.

[5] A candidate is required to have Swedish citizenship and a degree of law (*Juristexamen* or *jur.kand.examen*) An individual with a law degree and the lowest grades in all courses is awarded 155 points, whereas an individual with a law degree and the highest grades in all courses is awarded 310 points.

[6] Approximately 10-15% of the individuals resign in a given round.

status the year before applying and observe the individuals after they have finished their placement. The data contains the ROLs, employment certificates (including court of employment and start dates) and application scores. Application scores are only available for a subsample of individuals. In an auxiliary data set, I have data on all law clerk placements between 2012 and 2019 (N=4,306). This data includes the application scores for the individuals who were initially assigned the placements (without any personal identifiers).

Panel a) of Figure 1 shows the distributions of application scores. The auxiliary dataset vis-à-vis the sample of hired clerks follow each other closely. The auxiliary data is slightly right-skewed, which is explained by the fact that some individuals resign and are replaced after the initial allocation. The differences in average total application scores between the auxiliary data and the main sample correspond to 0.11 of a standard deviation (2.2 scores).

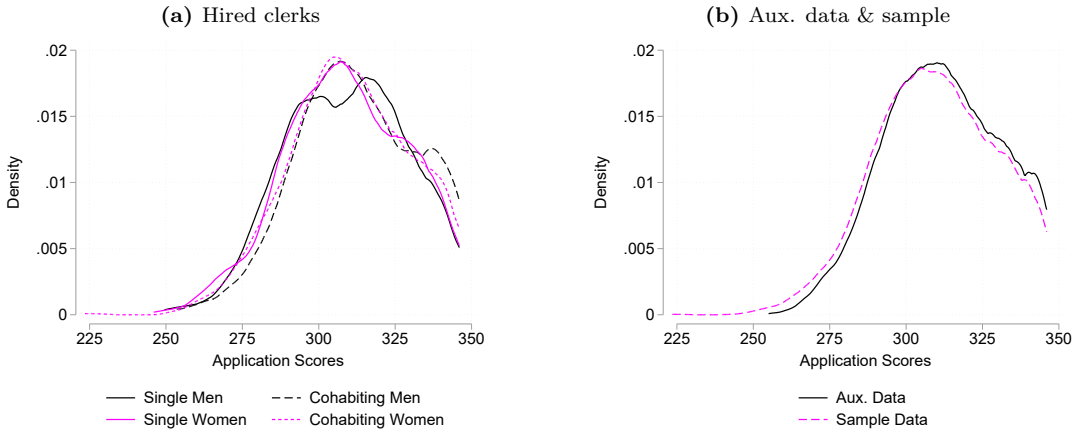


Figure 1: Application Score Kernel Density

NOTE: The figures show the distribution of application scores for law clerks. The left-side figure shows the distribution of application scores of the main sample of law clerks applicants by gender and cohabitation status at labor market entry. The main sample is defined as applicants who applied between 2012 and 2019, who were hired as law clerks in the given application round and who were registered in Sweden the year before applying to the SNCA. Application scores are available for a subsample of law clerks (N=2,884), corresponding to roughly three-quarters of the main sample of law clerks (N=3,815). The right-side figure shows the distribution of application scores of the main sample compared to an auxiliary sample of application scores of the individuals who initially were assigned to the full population of law clerk placements (N=4,306) between 2012 and 2019. The differences in distributions arise as 10-15% of the clerks resign after the initial allocation in each application round and is replaced by another applicant.

The main sample consists of 3,815 individuals who were hired as law clerks between 2012 and 2019 (90% of the population of hired law clerks).[7] Table 1 presents summary statistics of the main sample by gender and relationship status. Approximately two-thirds of the sample are women, and about 40% are cohabiting when they apply to the clerkship. The prevalence of cohabition is more common among the female sample than the male sample, with around 44% of women and 36% of men being in a cohabiting relation at the time of the application. In Appendix 6, I present the summary statistics for a sample of 2012-2019 graduates (including all education fields). In comparison to this sample, women and cohabiting individuals are overrepresented among the law clerks. Women and cohabiting individuals are also overrepresented in the clerk sample compared to the full population of 2012-2019 law graduates, where 60% of the sample are women and 36% are in a cohabiting relationship (34% of the men and 37% of the women are cohabiting prior to graduating).

[7] Without restricting the data to hired individuals between year 2012 and 2019, the collected data includes circa 7,300 applications (6,350 unique individuals) in total. Circa 6,100 applications are individuals who received a law clerk placement, and remaining 1,200 observations is a sample of applications from 2018 to 2020, where the individuals either did not receive a placement or resigned. The full auxiliary dataset of application scores amount to 6,217 placements between 2008 and 2019.

Table 1: Summary Statistics for Law Clerk Sample

	All	Men	Women	Cohab. Men	Cohab. Women	Single Men	Single Women
Clerk characteristics							
Female	0.66						
SD	0.47						
N	3815						
Cohabiting relationship	0.41	0.36	0.44				
SD	0.49	0.48	0.50				
N	3815	1296	2519				
Year of graduation	2014.61	2014.75	2014.54	2014.79	2014.45	2014.72	2014.62
SD	2.43	2.35	2.47	2.32	2.59	2.37	2.36
N	3815	1296	2519	472	1109	824	1410
Year of application	2015.62	2015.70	2015.57	2015.93	2015.66	2015.57	2015.50
SD	2.21	2.21	2.21	2.14	2.23	2.25	2.19
N	3815	1296	2519	472	1109	824	1410
Age at graduation	26.55	26.90	26.36	27.37	26.46	26.63	26.29
SD	2.08	2.23	1.97	2.45	2.01	2.05	1.93
N	3815	1296	2519	472	1109	824	1410
Application scores							
Total score	310.04	310.72	309.65	312.88	310.48	309.46	309.00
SD	19.84	19.78	19.87	19.75	19.76	19.70	19.95
N	2878	1027	1851	379	815	648	1036
Grade score	282.15	282.73	281.82	283.61	281.98	282.22	281.69
SD	19.85	19.56	20.01	18.89	20.16	19.94	19.91
N	2878	1027	1851	379	815	648	1036
Work experience score	18.56	17.19	19.32	19.20	20.90	16.02	18.08
SD	12.27	12.56	12.04	12.66	11.82	12.36	12.08
N	2878	1027	1851	379	815	648	1036
Additional course work score	12.24	14.08	11.22	13.78	10.45	14.25	11.82
SD	11.71	12.46	11.14	12.50	11.05	12.44	11.19
N	2878	1027	1851	379	815	648	1036
Partner characteristics							
Age at partner's graduation	29.43	28.13	30.00	28.13	30.00		
SD	4.07	3.46	4.19	3.46	4.19		
N	1573	478	1095	478	1095		
Years of educuation	14.89	15.08	14.80	15.08	14.80		
SD	1.69	1.44	1.78	1.44	1.78		
N	1567	476	1091	476	1091		
College degre	0.72	0.82	0.69	0.82	0.69		
SD	0.45	0.39	0.46	0.39	0.46		
N	1567	476	1091	476	1091		
Law degree	0.25	0.32	0.22	0.32	0.22		
SD	0.43	0.47	0.42	0.47	0.42		
N	1573	478	1095	478	1095		
Is in clerk sample	0.10	0.16	0.08	0.16	0.08		
SD	0.31	0.37	0.27	0.37	0.27		
N	1573	478	1095	478	1095		

NOTE: This table presents descriptive statistics for the main sample of law clerks (N=3,815). The main sample is defined as applicants who applied between 2012 and 2019, who were hired as law clerks in the given application round and who were registered in Sweden the year before applying to the SNCA (t-1). I measure cohabitation status in t-1. The year of graduation is defined as the year the individuals earned their law degree. Individuals who apply in multiple years are only included the first year of applying. Law degree is an indicator variable assuming the value of 1 if the clerk partner earned a law degree between 1990 and 2022.

A few key facts are worth highlighting: all groups graduate in the same year on average and apply to the SNCA about a year after graduating. This confirms that the applicants are at the early stages of their career, but also that some of them can already have made important career/family investments (with respect to e.g. location

choices or cohabitation) in the time between graduating and applying to the clerk placements.

There are differences in total application scores among the four groups. In Table 1, cohabiting men stand out in relation to the other three groups with an average total score that is 0.17 of a standard deviation higher compared to the other three groups' scores (3.3 scores, $p < 0.001$) and 0.12 of a standard deviation higher compared to cohabiting women (2.3 scores, $p = 0.052$). While cohabiting women have slightly higher application scores than singles, this difference is not statistically significant at any conventional level. Panel b) in Figure 1 shows that distribution of total scores are relatively similar among the four groups, with some differences: Single men stand out the most among the four groups, with a lower mass of individuals around the median. There are more cohabiting individuals at the top of the score distribution, and particularly cohabiting men, which could contribute to the higher average total score observed in Table 1. The grade application score will be used as a proxy for ability in the paper. There are no statistically significant differences in grade application scores by either gender, relationship status or the interaction of the two, that individuals–on average–are of similar ability. This notwithstanding, cohabiting men have somewhat higher scores than single men and women. As follows, the driver of the differences in application scores are mainly coming from extra scores (i.e. previous relevant labor market experience and/or relevant university courses in addition to the law degree).

Cohabiting men are also slightly older than the other three groups (with an age gap of roughly a year compared to single women, and a bit less than a year compared to the other two groups). Particularly worth noting also is that the cohabiting men on average are younger than their female partners, even though by less than a year (in contrast, cohabiting women are around 3.5 years younger than their partners). A substantial share of the sample have partners who are law graduates: 32% of the cohabiting men and 22% of the cohabiting women are partnered with another law graduate.[8] Moreover, 10% of the individuals have a partner who is also included among the full SNCA sample, but having a clerk partner is twice as common for men as for women (16% to 8%).

Taken together, the hired law clerks are overall a selected group of individuals which is important to have in mind for external validity. These descriptives further suggests that cohabiting individuals, and cohabiting men in particular, are an even more selected sample of individuals in comparison to the singles which will be relevant in interpreting any differences in preferences. For instance, the fact that cohabiting men are slightly older with higher 'extra' scores could suggest they have more specific preferences: they might have worked or studied to get the additional scores needed for a particular court or location.

3 Research design

In this paper, I study whether men and women are differently affected in their preferences and choices by relationship investments, and whether decision-making at labor market entry translates to different career trajectories for men and women. To answer these research questions, this section first outlines the empirical strategy of measuring the career/family trade-off in the preferences. I then estimate the first decade of career trajectories of the law clerks and their first career choice following the clerk placements.

i. Career/family trade-off in preferences

Measuring preferences

The ROLs of the law clerk applicants provide data on court and location preferences, and placement types, allowing me to measure the trade-off between career and family at labor market entry. I measure this trade-off using four groups of measures: I measure *specificity* by the length of the ROL and the share of individuals only

[8] The partners earn their degree at some point between 1990 and 2022.

ranking one option (court or CZ). A shorter ROL, or only ranking a single option, suggests that an individual is more specific (alternatively, more selective) in their preferences. The hypothesis is that individuals who have made relationship investments are more specific in their preferences than single individuals are.

I measure the *prestige* of preferences through 'average application scores', which are computed using an auxiliary application score dataset. The auxiliary dataset includes the application score of each individual who was initially allocated to a law clerk placements between 2008 and 2019. I compute the mean application score for a combination of court and court type (e.g. Stockholm district court is a different choice to the combination placement Stockholm district court/the Swedish Enforcement Agency). The hypothesis is that individuals who have made relationship investments rank less prestigious courts/CZ than singles do. There are a few different explanations why cohabiting individuals face a trade-off between career and family here: for instance, cohabiting individuals may live in other locations compared to where the most prestigious courts are, or opt out of courts they perceive to be more competitive and/or demanding longer work hours.

I measure *preferred career path* through placement types: a placement at an administrative court or a district court.[9] While neither public nor private sectors employers have any formal requirements for either placement type, the employment type can give an indication whether the individual considers pursuing a career within the private sector or the public sector following the clerk placement. The hypothesis is that there are more single individuals are listing a district court (or a district/combination placement), as the working conditions in the private sector include long hours and are likely less family friendly than the public sector opportunities for law graduates.

Finally, I study *location preferences*. I focus on the willingness to locate to another CZ. I measure the willingness to move through the highest-ranked court and whether it is located in a different CZ than the CZ of residency (the year before applying). I measure the (potential) relocation distance as the distance between current residency and the highest ranked court (i.e. the intensive margin correspondent to the willingness to move). The location choice is one of the first career investments at labor market entry, and individuals who are in a relationship need to make a joint location choice (contrasting singles who can choose their optimal location more freely). As follows, there may be a trade-off between career and family in the location choice. The hypothesis is that individuals who have made relationship investments are more restricted in their preferences than single individuals are, and are less likely to list courts in a different CZ compared to (a shorter distance away from) their current location.

Empirical design

I begin by presenting descriptive data on the preferences of the hired law clerks, both comparing choice sets to listed preferences through the full ROLs and focusing on the highest ranked entry. Next follows a descriptive analysis where I focus on the highest ranked choice and estimate the preferences in an OLS regression, using the following empirical specification:

$$y_i = \text{Female}_i + \text{Rel. status}_{i,t-1} + \text{Female}_i \times \text{Rel. status}_{i,t-1} + \gamma_i + \varepsilon_i, \tag{1}$$

where the outcomes y_i are the six of the preference measures listed above: the number of ranked courts and CZs (*preference specificity*), the average score at the highest ranked court (*prestige*), listing a district court as the highest ranked court (*preferred career path*), listing the highest ranked court in a different CZ than the CZ of residency, and the distance to the highest ranked court (*location preferences*).γ_i represents a vector of controls, including having children, what university the individual i attended and the location variables CZ at birth and in $t-1$, respectively. The main variables of interest are the relationship status indicator, as well as

[9] The 'combination' placements at a court and a government agency are categorised based on the court type of the placement.

the interaction between the gender and relationship status. The hypothesis is that individuals in a relationship are more restricted in their preferences than singles are (e.g. be more specific in their preferences or less willing to move). Moreover, the interaction between gender and relationship status would also indicate a restriction on preferences if women are more adversely affected by the career/family trade-off in this setting.

ii. Career trajectories

To study whether preferences translate to differential outcomes for men and women, I estimate the career trajectories by gender and cohabitation status employing an event study design. I run a gender-specific pooled regression model with two sets of event-time dummies, where the second set of event-time dummies is interacted with an indicator variable for relationship status at labor market entry:

$$Y_{it} = \alpha_0 + \sum_{j \neq -1} \alpha_j^g \times \boldsymbol{D}_{it}^{Event} + \sum_{j \neq -1} \beta_j^g \times \boldsymbol{D}_{it}^{Event} \times \boldsymbol{D}_i^{Cohab.} + \boldsymbol{\gamma}_i^g \times \boldsymbol{D}_i^{Cohab.} + \boldsymbol{\Delta}_{it}^g + \varepsilon_{it} \tag{2}$$

where Y is the outcome for individual i of gender g at event-time t. The first term represents an intercept, the second and third terms by the two sets of event-time dummies, omitting the year before the clerkship starts (event-time t-1). The fourth term includes an indicator variable for relationship status at labor market entry. The fifth term represents a set of dummies for year and age FE to capture time and life cycle trends respectively.

Next, I estimate the probability of entering a certain occupation/industry *following* the clerkship (in event-time t+1) and whether they differ by gender and cohabitation status. I measure occupation choice through 4-digit occupation codes and construct a categorical variable based on the six 4-digit occupation codes *within* the 3-digit group 'Lawyers' together with a seventh category for all other occupation codes that are not part of the occupational group 'Lawyers'. The six occupation codes are Lawyers (*Advokater*), Judges *Domare*, Prosecutors *Åklagare*, Corporate Lawyers *Affärs- och företagsjurister*, Administrative and Organizational Lawyers *Förvaltnings- och organisationsjurister* and Other lawyers (*Övriga jurister*). The law clerk placement is categorized into the final category by Statistics Sweden. I categorize industry into three categories, broadly capturing the career choice of working either in the public or private sector: 'Legal and accounting activities' (*Juridisk och ekonomisk konsultverksamhet*), 'Public administration and defense; compulsory social security' (*Offentlig förvaltning och försvar; obligatorisk socialförsäkring*) and all other industry codes.

I estimate a multinomial logistic regression for the probability of entering a certain occupation/industry in $t+3$ using the following empirical specification:

$$\log\left(\frac{P(Y_i = j)}{P(Y_i = 0)}\right) = \alpha_j + \beta_{1j} \cdot \text{Female}_i + \beta_{2j} \cdot \text{Rel. status}_{t-1} + \beta_{3j} \cdot (\text{Female}_i \times \text{Rel. status}_{t-1}) + \mathbf{X_i}'\gamma_\mathbf{j} + \varepsilon_i, \tag{3}$$

where $P(Y_i = j)$ represents the probability that individual i chooses occupation/industry j, while $P(Y_i = 0)$ is the probability of selecting the baseline category.[10] The coefficients β_{1j}, β_{2j}, and β_{3j} correspond to the indicator variables being female and in a cohabiting relationship in t-1, and their interaction, respectively. $\mathbf{X_i}$ is a vector of control variables, and $\gamma_\mathbf{j}$ the vector of associated coefficients for occupation/industry j. Lastly, J represents

[10] I use the baseline category Other lawyers for occupational choice, which implies that the law clerks remain within the same occupational category as during their clerkship. For the choice of industry, I use 'Public administration and defense; compulsory social security' as the baseline category.

the total number of occupation alternatives minus one, where the baseline category is excluded.[11]

4 Results

In this section, I present the main results of the paper. I begin by investigating whether men and women differ in their preferences by cohabitation status at labor market entry, followed by estimating the career trajectories for men and women over the first decade on the labor market.

i. Career/family trade-off in preferences

Table 2 presents summary statistics of law clerks' preferences. I measure preferences through the rank-ordered lists by gender and cohabitation status at labor market entry, compared to the average choice set each applicant is facing. In Figure A.2, I display the clerk preferences over the first 10 entries in the ROLs. Over the 63 application rounds between 2012 and 2019, there are on average 32 potential courts and 17 CZs. The average application score of the admitted applicants is 310 and circa 80% of the placements are either district court or district courts in combination with a government agency. Women are more selective in their preferences than men, with fewer courts (CZs) in their ROLs. The gender gap in the number of courts (CZs) corresponds to 16% (24%). Women and men apply to similarly prestigious courts, but men list a higher share of district courts over their full ROL (gender gap of 6%) consistent with a less family-friendly career path. A higher share of the courts women list are in the same CZ they are currently residing in (gender gap of 6%). These results are consistent with women anticipating a career/family trade-off.

Relationship constraints prior to labor market entry appears to restrict both women's and men's preferences. Cohabiting women and men are more selective in their preferences compared to their single counterparts, particularly with respect to the length of the ROLs and their location preferences. Even though cohabiting women remain somewhat more selective compared to cohabiting men, I find that cohabiting men and women express similar preferences, implying that cohabiting individuals are similarly restricted by career/family trade-off. In contrast, single women are more selective than single men, especially regarding career paths and in the number of courts/CZs they rank. This finding suggests that single women behave as if they are facing a career/family trade-off (or anticipate that they will).

In Table 3, I focus on summary statistics of the law clerks' highest-ranked entry. The motivation is two-fold: first, all individuals need to rank at least one option but the length of the ROLs may differ by group. Secondly, the highest ranked choice is the individuals most preferred alternative (individuals should be listing their true preferences given the strategy-proof mechanism design).

In terms of preference specificity, cohabiting individuals are more specific in their preferences: both cohabiting men and women list fewer courts/CZ in their ROL and a higher share of cohabiting individuals only list a single court/CZ, consistent with cohabiting individuals being more restricted in where they are willing to live and work. The preferences of cohabiting men and women are relatively similar, but single women display preferences that are more specific than single men's. This is true both for the top-ranked choice and over the first 10 court rankings (see Figure A.2). As follows, the within-gender gap is larger for men than for women. This pattern could be explained by a number of reasons: more single women than men could be in a non-cohabiting relationship, women may have more specific preferences independent of relationship status or cohabiting men are more selective in their choices due to their high application scores.

[11] The probability of choosing each occupation/industry is given by:

$$P(Y_{i,t+3}=j)=\frac{\exp\left(\alpha_j+\beta_{1j}\cdot\text{Female}_i+\beta_{2j}\cdot\text{Rel. status}_{t-1}+\beta_{3j}\cdot(\text{Female}_i\times\text{Rel. status}_{t-1})+\mathbf{X_i}'\gamma_\mathbf{j}\right)}{1+\sum_{k=1}^{J}\exp\left(\alpha_k+\beta_{1k}\cdot\text{Female}_i+\beta_{2k}\cdot\text{Rel. status}_{t-1}+\beta_{3k}\cdot(\text{Female}_i\times\text{Rel. status}_{t-1})+\mathbf{X_i}'\gamma_\mathbf{k}\right)} \quad (4)$$

Table 2: Summary Statistics of Preferences

	Choice sets	All	Men	Women	Cohab. Men	Cohab. Women	Single Men	Single Women
Length of ROL								
Nr of courts	32.06	8.21	9.24	7.67	7.09	6.60	10.48	8.53
SD	13.10	9.51	10.69	8.80	9.01	7.71	11.37	9.49
N	63	3677	1251	2426	457	1075	794	1351
Share of choice set		0.22	0.25	0.21	0.19	0.18	0.28	0.23
SD		0.23	0.26	0.21	0.22	0.19	0.27	0.23
N		3677	1251	2426	457	1075	794	1351
Nr of CZs	16.60	3.97	4.66	3.61	3.35	3.03	5.42	4.07
SD	5.48	5.14	5.80	4.72	4.74	4.13	6.21	5.10
N	63	3677	1251	2426	457	1075	794	1351
Share of choice set		0.21	0.25	0.19	0.18	0.16	0.29	0.22
SD		0.26	0.29	0.24	0.24	0.21	0.31	0.26
N		3677	1251	2426	457	1075	794	1351
Prestige								
Avg. score at court	310.30	317.41	317.67	317.27	318.11	317.07	317.41	317.43
SD	3.08	10.95	11.09	10.88	11.23	11.18	11	10.64
N	63	3677	1251	2426	457	1075	794	1351
Preferred Career Path								
Share DC/Combo	0.81	0.81	0.84	0.79	0.83	0.79	0.85	0.80
SD	0.08	0.28	0.25	0.30	0.26	0.31	0.25	0.29
N	63	3677	1251	2426	457	1075	794	1351
Location preferences								
Share t-1 CZ		0.60	0.58	0.62	0.66	0.69	0.53	0.56
SD		0.40	0.41	0.40	0.40	0.38	0.40	0.41
N		3677	1251	2426	457	1075	794	1351

NOTE: This table presents descriptive statistics over the choice sets in each application round in relation to law clerks' preferences over the full rank-ordered lists. A court is defined as a court-court type combination (e.g. Stockholm district court is a different choice to the combination placement Stockholm district court/the Swedish Enforcement Agency). *Preference specificity* is measured by the length of the ROL (number of courts/CZs). *Prestige* through 'average score', which are computed using an auxiliary dataset of application scores between 2008 and 2019. *Preferred career path* is measured through the placement type (using an indicator for a district court or combination placement at a district court and a government agency). *Location preferences* are measured using an indicator for whether the entry in the ROL is located in the clerk's current CZ of residency.

Singles apply to courts with higher application score than cohabiting individuals do, or in other words, cohabiting individuals are ranking courts that are less prestigious as their top choice than singles do. This pattern is consistent with cohabiting individuals facing a career/family trade-off by placing less value of the prestige of the court over other factors (such as location). The differences between the four groups are, however, relatively small. While cohabiting individuals are expressing more similar preferences than the singles are (the gender gap is 1.17 scores/0.083 std. for cohabiting individuals and 1.54 scores/0.109 std. for singles), cohabiting men and single women have close to identical application scores (0.2 scores/0.014 std.).

About 80% of the law clerks are ranking a district court or district court-combination type clerkship as their top choice (72% of the placements are offered at district courts, suggesting the labor supply is higher than labor demand). A higher share of singles compared to cohabiting individuals are ranking a district court as their top choice, which is consistent with singles preferring a career path in the private sector with longer working hours and higher competition. There is also a higher share of women compared to men ranking administrative courts. The gender gap within relationship status is identical (6 p.p.), which indicates that both cohabiting individuals and women are displaying preferences for a more family-friendly career path.

Table 3: Summary statistics of preferences

	All	Men	Women	Cohab. Men	Cohab. Women	Single Men	Single Women
Length of ROL							
Ranking 1 court	0.15	0.15	0.15	0.21	0.19	0.11	0.12
SD	0.36	0.35	0.36	0.41	0.39	0.31	0.33
N	3823	1300	2523	474	1112	826	1411
Ranking 1 CZ	0.49	0.47	0.51	0.57	0.57	0.40	0.46
SD	0.50	0.50	0.50	0.49	0.50	0.49	0.50
N	3823	1300	2523	474	1112	826	1411
Prestige							
Average Score at 1st Court	323.65	324.65	323.15	323.55	322.38	325.29	323.75
SD	14.10	14.11	14.07	13.93	14.12	14.18	14.01
N	3766	1274	2492	469	1102	805	1390
Preferred career path							
District Court/Combo	0.81	0.85	0.79	0.84	0.78	0.86	0.80
SD	0.39	0.35	0.41	0.37	0.42	0.34	0.40
N	3823	1300	2523	474	1112	826	1411
Location preferences							
Other CZ	0.26	0.28	0.25	0.22	0.19	0.31	0.30
SD	0.44	0.45	0.43	0.41	0.39	0.46	0.46
N	3823	1300	2523	474	1112	826	1411
Distance Home-Highest Ranked Court	95.21	100.08	92.70	80.21	65.01	111.50	114.56
SD	170.47	172.96	169.15	157.32	139.64	180.44	186.38
N	3820	1299	2521	474	1112	825	1409

NOTE: This table presents descriptive statistics over the law clerks' preferences, focusing on their highest ranked court. A court is defined as a court-court type combination (e.g. Stockholm district court is a different choice to the combination placement Stockholm district court/the Swedish Enforcement Agency). *Length of ROL* is measured by the share of individuals only ranking one option (court or CZ). *Prestige* is measured through 'average application score', which are computed using an auxiliary dataset of application scores. *Preferred career path* is measured through the placement type of the highest ranked court (using an indicator for a district court or combination placement at a district court and a government agency). *Location preferences* are measured in two ways: the willingness to move is measured through a change of CZ, in relation to the place of residency the year before applying. The (potential) relocation distance is measured as the distance between current residency and the highest ranked court.

Turning to location preferences, the large differences are observed between cohabiting and single individuals. Focusing on the highest ranked alternative, cohabiting individuals are less likely to list a court in a different CZ than the one they are currently residing in: around 20% of the cohabiting individuals vis-à-vis 30% of the singles. Cohabiting individuals are also applying to courts that are located closer to their current place of residency than singles are. Figure A.2 additionally shows three interesting patterns with respect to location preferences: first, cohabiting individuals are displaying a lower willingness to move compared to singles for the top-2 (cohabiting men) or top-3 (cohabiting women) highest ranked courts. Secondly, cohabiting women are consistently displaying a stronger home bias over the first 10 court rankings relative to the other three groups (showing that even cohabiting women with longer ROLs, i.e. women who are less specific in their preferences, are still more restrictive in their expressed location preferences in relation to singles and cohabiting men). Thirdly, while single women express preferences that are similar to single men (or even less restrictive), their preferences converge towards those of cohabiting men after the two highest ranked courts. Moreover, these patterns are the same both measuring the distance to the current place of residency and the distance between the courts (capturing that some individuals may have a strong preference for another location than the current place of residency).

Table 4 presents the results from the OLS regression, using the empirical specification outlined in Equation 1. The results are largely in line with the patterns observed in the raw data (Table 3): relationship investments prior to decision-making restricts the individuals' decision-making. Cohabiting individuals are more specific in

their preferences and are more restricted in their location preferences (both in terms of willingness to move and the distance to the courts they are applying to). While the point estimates are not statistically significant at any conventional level, the direction of the point estimates go in the same direction also for the measures of prestige and preferred career path: cohabiting individuals rank a less prestigious court as their top choice and show a lower willingness to follow a less family-friendly career path. A similar story is suggested through the coefficients for having a child prior to applying to the clerkship: parents are more restricted in their preferences for all measures, which are all negative except for the coefficient for preferred career path (which is close to zero and statistically insignificant). These results indicate that there is a trade-off between career and family.

Women, regardless of relationship status, express more restrictive preferences in comparison to men: the length of their ROLs are shorter, the most preferred court is less prestigious on average and they prefer a more family-friendly career path. These results are consistent with women prioritizing family over career, regardless of relationship status. Women could to a higher degree be in committed relationships than men (without cohabiting), but another explanation is that women anticipate the trade-off between career and family at the time of decision-making despite being singles. There are, however, no overall gender differences in location preferences, suggesting that the observed gender differences in location preferences are explained by background characteristics (such as age and current location).

Table 4: Preferences – Top Choice in ROL

	Length of ROL		Prestige	Career path	Location	
	(1) # court rank.	(2) # CZ rank.	(3) Avg. score	(4) Employment type	(5) CZ change	(6) Dist. home-top court
Female	-1.760***	-1.232***	-1.338**	-0.0606***	-0.00724	3.095
	(-3.66)	(-4.73)	(-2.30)	(-3.69)	(-0.39)	(0.42)
Cohabiting t-1	-2.908***	-1.776***	-0.647	-0.0127	-0.0609**	-18.65**
	(-4.81)	(-5.53)	(-0.87)	(-0.58)	(-2.52)	(-1.96)
Female × Cohabiting	1.256*	0.898**	0.0747	-0.00502	-0.0431	-27.42**
	(1.80)	(2.43)	(0.08)	(-0.18)	(-1.50)	(-2.45)
Parent in t-1	-2.342***	-1.523***	-3.575***	0.00945	-0.0760***	-22.16**
	(-3.56)	(-4.76)	(-4.22)	(0.28)	(-2.69)	(-2.09)
Age	✓	✓	✓	✓	✓	✓
CZ t-1	✓	✓	✓	✓	✓	✓
CZ birth	✓	✓	✓	✓	✓	✓
University	✓	✓	✓	✓	✓	✓
Observations	3805	3805	3749	3805	3805	3802

t statistics in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

NOTE: This table shows the point estimates and t-statistics (in parentheses) for the correlations between different preference measures, and gender and cohabitation status at labor market entry. The preference measures are based on clerks' highest ranked court in the ROLs. The following set of controls is included: age at labor market entry, CZ in the year prior to labor market entry, CZ at birth, and which university the clerk earned their degree from. Table A.1 additionally controls for application scores for a subsample of clerks.

Turning to the interaction between gender and relationship status, Table 4 shows that the many of the observed differences in preferences between cohabiting women and the other groups in part are explained by differences in background characteristics. While the point estimates for the two *specificity* measures are positive in columns (1) and (2), the measures for *prestige* and *preferred career path* are close to zero and statistically insignificant, indicating no differences by the interaction of gender and relationship status. The exception is the difference in location preferences, where there remains a gap between cohabiting women in relation to the other groups even after controlling for background characteristics (while both point estimates are negative, the willingness to move is not statistically significant at any conventional level).

In sum, both the raw data and controlling for a number of background characteristics suggest a trade-off between career and family investments, in that cohabiting individuals express more restrictive preferences than singles do. This is further confirmed by parents exhibiting even more restrictive preferences. The findings also suggest that women overall, and cohabiting women in particular, have more selective preferences than men, consistent with facing a career/family trade-off.

ii. Career trajectories

In the previous subsection, I established that there are differences in preferences by gender and relationship status. Cohabiting individuals have more selective preferences in line with relationship investments restricting career investments, especially with respect to location preferences. These results suggest a trade-off between career and family. In this section, I study whether the variation in preferences translates to different career trajectories for men and women, by cohabitation status at labor market entry.

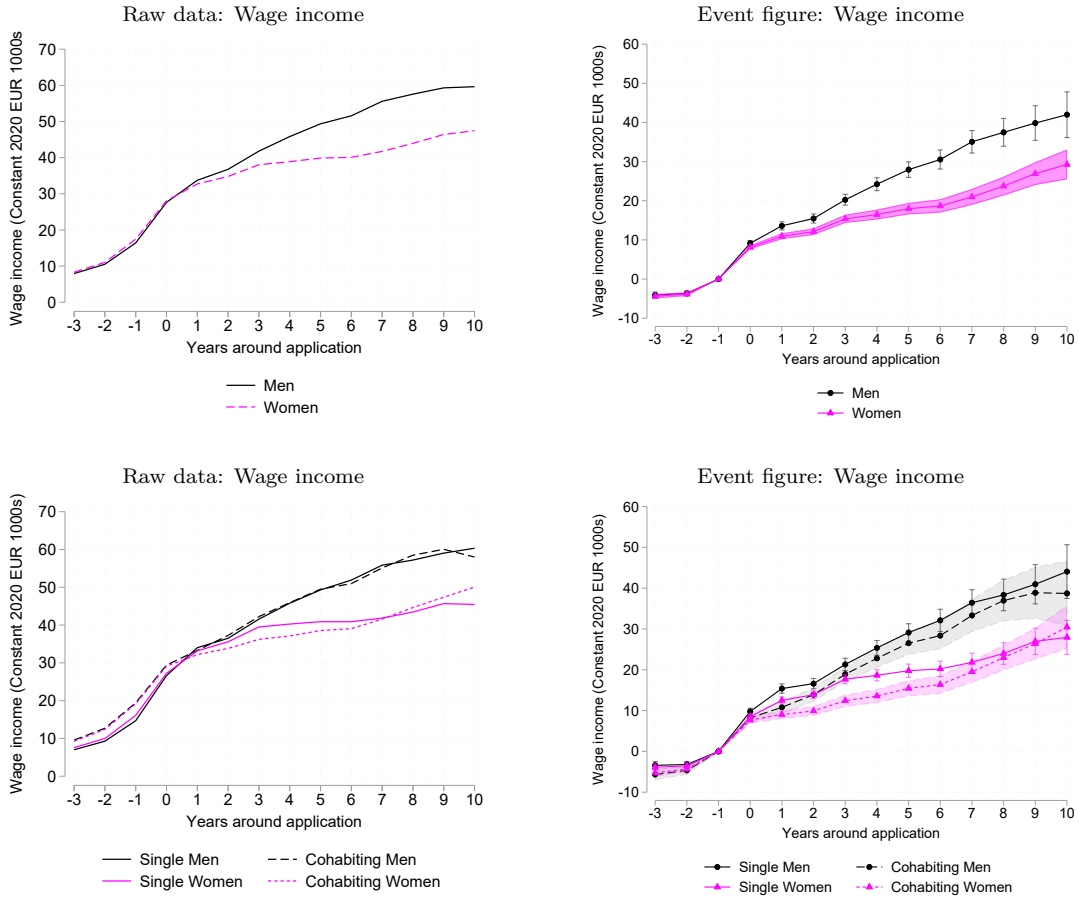


Figure 2: Wage Income by Gender and Cohabitation Status

NOTE: This figure displays clerks' wage income three years before and up to ten years after labor market entry. The left-side panel shows collapsed raw data (in levels). The right-side panel shows event study results, controlling for year and age FE in each year relative to the year before labor market entry (t-1). The regressions are run separately by gender, pooling together cohabiting and single individuals. Each point estimate has a corresponding 95% confidence interval calculated using standard errors clustered at the individual level.

Figure 2 shows the annual earnings by gender and relationship status. The left panel plots the raw data, whereas the figures in the right panel plot estimates obtained from regressions following Equation 2. There is a small, but statistically insignificant, difference between cohabiting and single individuals in the pre-periods.

The individuals have very similar earnings during their law clerk placements, as expected, but there is actually a small gap within-gender by relationship status even between event-time 0 and 2 which is particularly pronounced for women. The relationship gap widens for women following the clerkship, before it converges and even closes within a decade. The within-gender gap is, however, much smaller than the gender gap that emerges after the clerkship and widens throughout the follow-up period. There is no statistically significant difference between the relationship coefficients for men and women, suggesting that the careers of men and women are similarly affected by relationship investment.

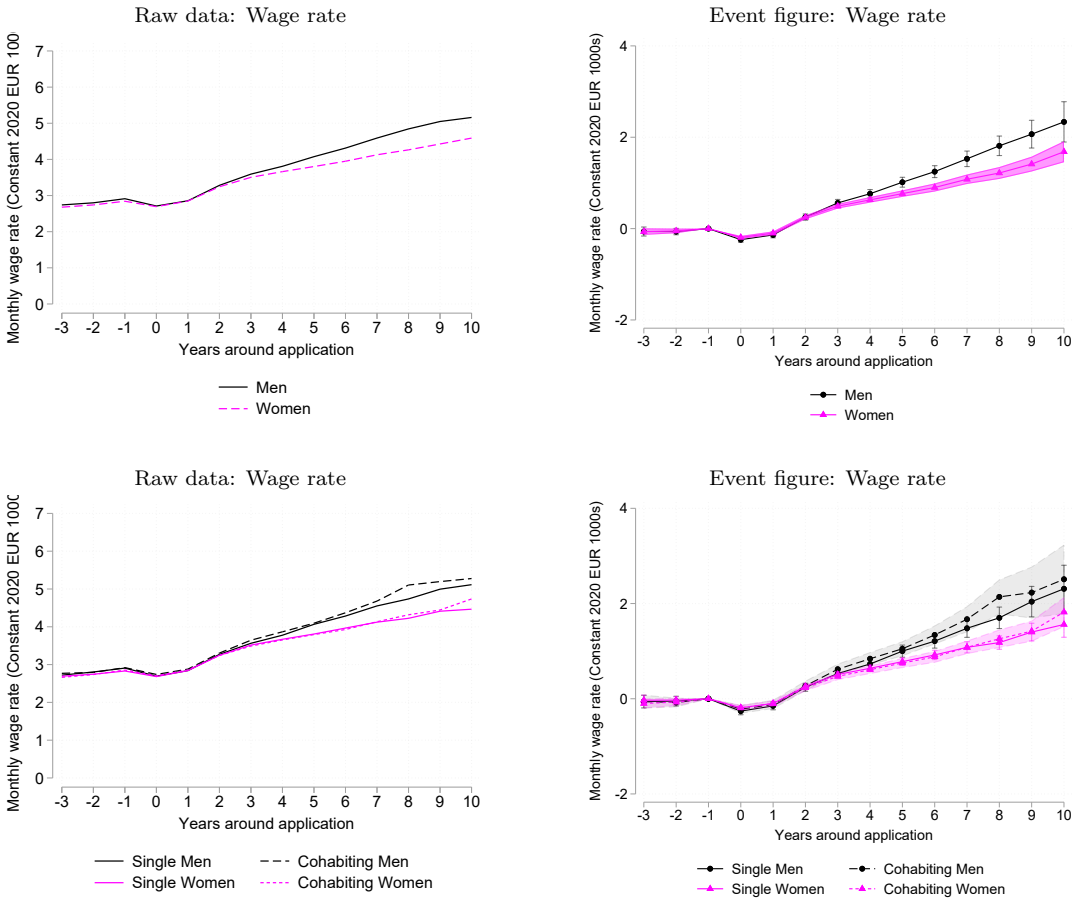


Figure 3: Wage Rate by Gender and Cohabitation Status

NOTE: This figure displays clerks' wage rates three years before and up to ten years after labor market entry. The left-side panel shows collapsed raw data (in levels). The right-side panel shows event study results, controlling for year and age FE in each year relative to the year before labor market entry (t-1). The regressions are run separately by gender, pooling together cohabiting and single individuals. Each point estimate has a corresponding 95% confidence interval calculated using standard errors clustered at the individual level.

Figure 3 presents the event studies for wage rates and contracted hours, exploring whether the gender and relationship gaps in earnings are driven by differences in wage or hours worked. The raw data in the left panel suggests that differences in wage rates and contracted hours both contribute to the observed gender gap in earnings, but the wage rates do not diverge until after the clerkship. There are some, but small, differences in contracted hours during the law clerk placement, mainly between cohabiting women and the other three groups. Single women converge to cohabiting women after a couple of year. This suggests that men and women end up on different career trajectories following their placement, but there is no difference by relationship status. Moreover, controlling for age and year FE, the gender gap in wage rates is only statistically significant in event-

time 6 and 7, and there are no statisically significant differences by gender and/or relationship status.[12] Again, there are small differences between cohabiting men and women and if anything, the within-gender gap is larger for men than for women.

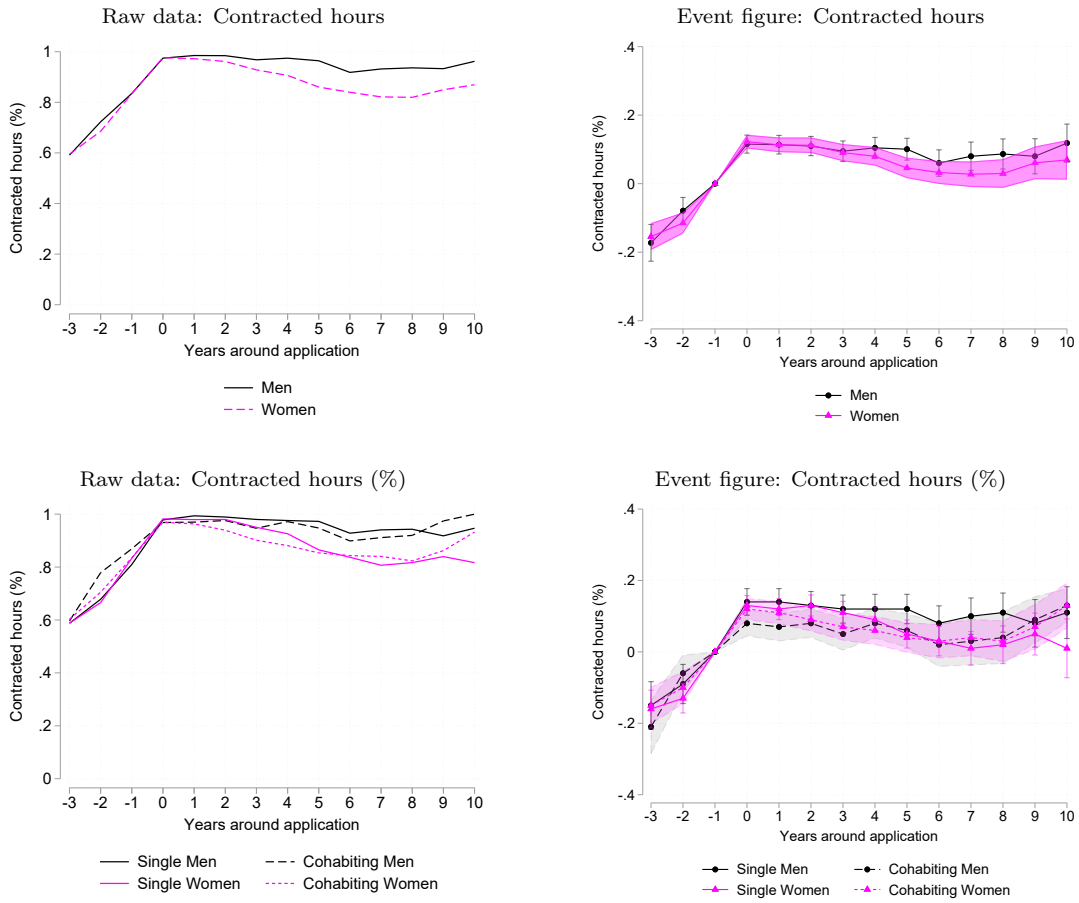


Figure 4: Contracted Hours by Gender and Cohabitation Status

NOTE: This figure displays clerks' contracted hours three years before and up to ten years after labor market entry. The left-side panel shows collapsed raw data (in levels). The right-side panel shows event study results, controlling for year and age FE in each year relative to the year before labor market entry (t-1). The regressions are run separately by gender, pooling together cohabiting and single individuals. Each point estimate has a corresponding 95% confidence interval calculated using standard errors clustered at the individual level.

Turning to the career choices after the clerkship, I estimate the choice of occupation and industry following the clerkship (using the specification outlined in Equation 3). Table 5 summarizes the results from a multinomial logistic regressions for two outcomes: occupational choice and industry choice. Around 85% of the law clerks remain within the 3-digit category including different legal occupations. 90% of them are hired in 'Public administration and defense; compulsory social security' or 'Legal and accounting activities'. These two 2-digit industry categories broadly represents working as a lawyer within the public or the private sector respectively.

Columns (1)-(6) presents the relative likelihood of entering an new occupational category after the clerkship.

[12]The variables *wage rate* and *contracted hours* are obtained from the Wage Structure Statistics data (*Lönestrukturstatistiken*). The data are obtained through annual surveys on all workers in the public sector, but a sample of workers in the private sector (roughly 50% of all private sector workers are sampled every year). As follows, the event study figures on wage rate and contracted hours are based on a smaller sample which likely explains why the estimates are more imprecise than the estimates in Figure 2. The gender gap may be underestimated here, as men are more likely to work in the private sector that generally has higher wage rates than the public sector.

The results are presented in relation to staying in the occupational category law clerks are included in. Relative to single men, there are overall no statisically significant changes in the likelihood of entering a new occupational category in t+3 for the other three groups. With that said, the point estimates suggest that women tend to stay in the same occupational category. Cohabiting individuals are overall less likely to enter another occupational category relative to single men, but the exception is the category 'Attorney'(*Advokat*). In contrast, the point estimate for the interaction between gender and cohabitation status suggest that cohabiting women are less likely to become an 'Attorney'(*Advokat*) after the clerkship. Again, no point estimates are statistically significant for the interaction between gender and cohabitation status where occupational choice is the outcome.

Columns (A)-(B) presents the results for industry choice and suggests that women are less likely to enter the private sector following the clerkship compared to single men, relative to the baseline of staying in the public sector. There is suggestive evidence that cohabiting women are even less likely to enter the private sector (weakly statistically significant, at a 10% level), whereas the point estimate suggests that cohabiting men are slightly more likely to enter the private sector. There is weak evidence suggesting women are less likely to work in another industry. The point estimates point toward cohabiting men being less likely to do so, and cohabiting women slightly more, but they are not statistically significant.

In sum, there is no strong evidence suggesting that cohabiting individuals are more likely to enter certain occupations or stay the public sector to a higher degree following the clerkship. These findings indicate that relationship investments prior to the clerkship to not seem to have a medium- or long-run impact on career choices. Less can be said about whether a potential trade-off between career and family affects men and women differently. Women are more likely to stay in the public sector, which is generally more family-friendly than the private sector (associated with long working hours). The point estimates suggests that cohabiting men are more likely to become attorneys, as well as enter the private sector, in comparison to single men and that cohabiting women are less likely to do so. While the results are not statistically signifcant, these results would suggest women, and particularly women who were cohabiting prior to the clerkship, make more family-friendly choices.

Table 5: Career Choices in t+3

	Occupational choice						Industry choice	
	Admin./ Org. Lawyer	Notary	Prose-cutor	Judge	Attorney (*Advokat*)	Other occ.	Legal/ Account. activities	Other industry
	(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)
Female	-0.273	-0.323*	-0.150	-0.228	-0.338	-0.106	-0.319**	-0.347*
	(-1.27)	(-2.36)	(-0.80)	(-1.67)	(-1.12)	(-0.73)	(-3.12)	(-2.28)
Cohabiting t-1	-0.250	-0.0581	-0.286	-0.286	0.281	-0.325	0.122	-0.199
	(-0.87)	(-0.33)	(-1.11)	(-1.55)	(0.81)	(-1.61)	(0.92)	(-0.95)
Female × Cohabiting	0.0996	-0.141	0.0438	0.233	-0.360	0.0802	-0.347*	0.160
	(0.28)	(-0.65)	(0.14)	(1.05)	(-0.80)	(0.33)	(-2.11)	(0.63)
N	3372	3372	3372	3372	3372	3372	3372	3372

t statistics in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

NOTE: This table shows log odds ratios from two separate multinomial logistic regressions (where the outcome is either occupational or industry choice). Columns (1)-(6) show the results for occupational choice in t+3. The baseline (omitted) category is the SSYK occupation code 'Other lawyers' (a 4-digit category within the 3-digit SSYK occupation code 'Lawyers'). The category 'Any other occupation' includes all occupation codes besides the 3-digit SSYK occupation code 'Lawyers'. Columns (A)-(B) show the results for industry choice in t+3. The baseline (omitted) category is 'Public administration and defense; compulsory social security'. The category 'Any other industry' includes all other industry codes besides'Public administration and defense; compulsory social security' and 'Legal and accounting activities'.

5 Mechanisms

The main results show that even thought cohabiting individuals are more selective in their preferences than singles are, the differences in preferences at labor market entry do not seem to translate to different career trajectories. In this section, I explore three potential mechanisms that could explain this puzzle: differences in placement outcomes, location choices and family trajectories.

i. Placement outcomes

One potential explanation is that preference rankings do not mirror placement outcomes. Even if individuals express different preferences, these preferences may not translate to different career outcomes if the placement outcomes by gender and relationship status are the same on average.

I estimate the following placement outcomes, where the *actual* outcomes (in the starting year of the clerkship) correspond to the preferences measures previously outlined: the rank of the court/CZ of employment (corresponding to the measure for *preference specificity*), the average score at the court of employment (*prestige*), an indicator for whether the court of employment is a district court or not (corresponding to the measure for *preferred career path*), an indicator for whether the court of employment is in another CZ than the CZ of residency, and the distance to the court of employment from the current place of residency (corresponding to the measure for *location preferences*). I repeat the descriptive analysis of the preference data for the placement outcomes, first presenting the descriptive data and then running the OLS regression (see Equation 1).

Table 6 presents summary statistics of the placement outcomes, by gender and cohabitation status. Conversely, Table 7 presents the estimates from the OLS regressions of placement outcomes and location choices using the specification outlined in Equation 1.

I find that singles are hired at lower ranked courts/CZ compared to cohabiting individuals. On average, cohabiting individuals are hired at their third or fourth ranked court on average, whereas single individuals are placed at their fourth or fifth highest ranked court. In general, women are slightly more likely than men to be hired at their most preferred court/CZ and at a higher ranking. Half of the cohabiting men and women are even hired at their most preferred court, whereas around 40% of the singles are located at their most preferred choice. One explanation is that cohabiting individuals have higher application scores than singles do, but it does not explain the full story. Cohabiting men have slightly higher application scores than the other three groups do, yet cohabiting women are somewhat better placed than cohabiting men. Another is that women on average are slightly more specific in their preferences, which could suggest that a man at the margin is hired at a lower ranked court whereas a woman at the margin is simply not hired. Controlling for background characteristics, Columns (1) and (2) of Table 7 show that women and cohabiting individuals are better placed than men and singles, but the interaction of the two is close to zero and statistically insignificant. The results suggest the differences in placement for cohabiting women in relation to the other groups are explained by factors such as age, parenthood and place of residency.

In terms of prestige, both the raw data and Column (3) in 7 show that cohabiting individuals end up at courts where the average score is slightly higher than the scores at the courts single individuals are employed at. Cohabiting men end up hired at courts with higher average scores than cohabiting women and singles do, but there are no statistically significant differences between men and women within relationship status. As follows, while single individuals *want* to go to more prestigious courts (as observed in Table 3), cohabiting individuals actually do. This finding is consistent with the higher average application scores of cohabiting individuals, and suggest that cohabiting individuals do not a trade-off between career and family in this regard. Turning to preferred career paths, cohabiting individuals and women are hired at administrative courts to a higher extent than singles and men are (which is consistent with the listed preferences). The within-relationship gap is larger

for men than for women in the raw data, but these differences disappear once background characteristics are accounted for (see Column (4) in 7). The results indicate that women end up in courts associated with a more family-friendly career path.

Table 6: Summary statistics of placement outcomes

	All	Men	Women	Cohab. Men	Cohab. Women	Single Men	Single Women
Court/CZ of employment							
Rank of court	3.90	4.29	3.70	3.55	3.21	4.72	4.10
SD	5.29	5.87	4.95	5.15	4.09	6.21	5.50
N	3726	1271	2455	466	1087	805	1368
Employed at court choice 1	0.45	0.43	0.47	0.52	0.51	0.38	0.43
SD	0.50	0.49	0.50	0.50	0.50	0.49	0.49
N	3726	1271	2455	466	1087	805	1368
Rank of CZ	1.98	2.21	1.86	1.86	1.61	2.41	2.06
SD	2.51	2.85	2.31	2.46	1.79	3.04	2.64
N	3744	1275	2469	468	1092	807	1377
Employed at CZ choice 1	0.72	0.68	0.74	0.76	0.79	0.64	0.70
SD	0.45	0.47	0.44	0.43	0.41	0.48	0.46
N	3744	1275	2469	468	1092	807	1377
Prestige							
Average Court Score	314.92	315.17	314.79	316.22	315.19	314.57	314.48
SD	14.14	14.79	13.80	14.39	13.67	14.99	13.90
N	3732	1268	2464	465	1089	803	1375
Preferred career path							
Employed at District Court	0.73	0.77	0.71	0.74	0.70	0.79	0.72
SD	0.44	0.42	0.46	0.44	0.46	0.41	0.45
N	3769	1283	2486	469	1098	814	1388
Location placement							
Employed in Another CZ	0.43	0.46	0.42	0.38	0.33	0.50	0.48
SD	0.49	0.50	0.49	0.48	0.47	0.50	0.50
N	3823	1300	2523	474	1112	826	1411
Distance to Court	136.49	146.56	131.27	111.23	98.48	167.01	157.36
SD	197.80	204.28	194.20	174.37	164.13	217.24	211.60
N	3724	1271	2453	466	1087	805	1366

NOTE: The table shows descriptive statistics over the sample of 2012-2019 law clerks' placement outcomes.

Finally, half of the singles are hired at a court located in a different CZ than their CZ of residency, whereas 33% (38%) of the cohabiting women (men) are. Singles report a higher willingness to move compared to cohabiting individuals and, within-relationship status, men a slightly higher willingness compared to women (as suggested by Table 3). For all four groups, the share of individuals who are hired at a court in a different CZ is higher than the share ranking a court in a different CZ as their most preferred choice. The gap between the listed preference and the placement outcome is somewhat smaller for cohabiting individuals (14-16 p.p) compared to singles (18-19 p.p) which could be explained by the differences in application scores. The fact that the gap is smaller for women than for men (within-relationship status) could suggest that women prioritize their location to a higher extent than men do (given that women on average have somewhat lower application scores, particularly among cohabiting individuals). Another explanation is that women rather forgo the opportunity of a clerkship because of their location preferences. Columns (5)-(6) shows that individuals who have made relationship investments are hired in their CZ of residency (and closer to home) to a higher degree than singles. While the point estimates are negative, there are no statistically significant differences by gender or by the interaction between gender and relationship status.

Table 7: Placement outcomes

	Specificity		Prestigiousness	Career path	Location	
	(1)	(2)	(3)	(4)	(5)	(6)
	Rank court of emp.	Rank CZ of emp.	Avg. score	Employment type	Emp. in diff. CZ	Distance to court of emp.
Female	-0.510*	-0.278**	-0.0650	-0.0710***	-0.0116	-6.761
	(-1.88)	(-2.12)	(-0.10)	(-3.69)	(-0.53)	(-0.72)
Cohabiting in t-1	-0.934***	-0.407**	1.813**	-0.0278	-0.0851***	-40.78***
	(-2.70)	(-2.50)	(2.16)	(-1.07)	(-2.98)	(-3.61)
Female × Cohabiting	0.192	0.0266	-0.738	0.0223	-0.0454	-12.80
	(0.48)	(0.14)	(-0.76)	(0.70)	(-1.33)	(-0.95)
Child in t-1	-1.197***	-0.595***	-0.270	-0.0236	-0.165***	-42.23***
	(-3.37)	(-3.86)	(-0.29)	(-0.64)	(-4.80)	(-3.38)
Age	✓	✓	✓	✓	✓	✓
CZ t-1	✓	✓	✓	✓	✓	✓
CZ birth	✓	✓	✓	✓	✓	✓
University	✓	✓	✓	✓	✓	✓
Observations	3678	3699	3686	3723	3805	3680

t statistics in parentheses
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

NOTE: This table shows the point estimates and t-statistics (in parentheses) for the correlations between placement outcomes (i.e. where clerks were hired), and gender and cohabitation status at labor market entry. The following set of controls is included: age at labor market entry, CZ in the year prior to labor market entry, CZ at birth, and which university the clerk earned their degree from. Table A.2 additionally controls for application scores for a subsample of clerks.

In all, cohabiting individuals end up at placements that are more close to their expressed preferences. In other words, they are hired at higher-ranked courts and courts that are located closer to their current residencies. They are also less likely to be placed in a CZ different from their CZ of residency. There are some differences by gender: women are more likely to be hired at a higher ranked court, as well as less likely to be hired at a district court. There are, however, no statistically significant differences in placements by the interaction of gender and cohabitation status. As follows, I find that the placement outcomes reflect preference rankings well.

ii. Location choices

The preference results show that cohabiting individuals are particularly selective in the number of courts/CZ and their location preferences compared to singles. Cohabiting individuals may be residing in higher-paying CZs to begin with, and therefore reluctant to move. I investigate whether the location choice can explain the puzzle in the main results using two empirical strategies: Again employing an event study design (see Equation 2), I study the willingness to move by estimating the cross-CZ moving rates around the time of applying to the SNCA. In addition to cross-CZ moving rates, I additionally plot the CZ FE around the time of application to capture whether law clerks select into high or low-paying locations by gender and cohabitation status. The CZ FE are estimated in a Mincerian regression, using the following specification:

$$Y_{it} = \alpha + \boldsymbol{\beta} \times \text{CZ FE} + \boldsymbol{\gamma}_{it} + \varepsilon_{it} \tag{5}$$

where Y_{it} represents the log wage income for individual i in year t. $\boldsymbol{\gamma}_{it}$ is a vector of control variables, including 3-digit education level and field (and the interaction of the two), potential experience, and year FE.[13] I estimate the CZ FE on two samples between year 1990 and 2021: first a sample of individuals aged 25-54, then a sample of law graduates aged 25-54 (excluding the 3-digit education level and field indicator variables). I drop all observation with earnings below 1 price base amount, but do a sensitivity analysis where I include them (see

[13]Potential experience is measured as an individual's age minus years of schooling minus 7, which is the school starting age in Sweden.

6).

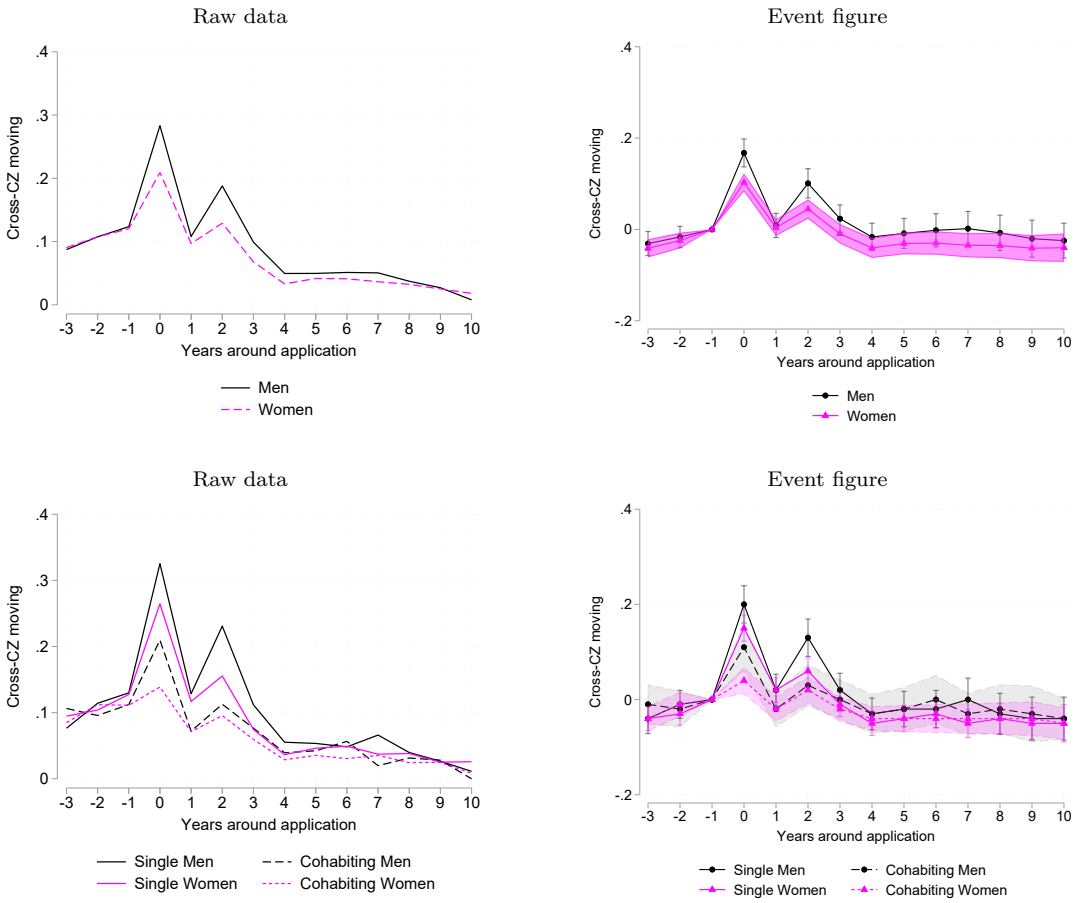


Figure 5: Location choices: Cross-CZ moves

NOTE: This figure displays clerks' cross-CZ moving rates three years before and up to ten years after labor market entry. Commuting zones are defined based on Statistics Sweden's 60 'functional analysis' regions. The left-side panel shows collapsed raw data (in levels). The right-side panel shows event study results, controlling for year and age FE in each year relative to the year before labor market entry (t-1). The regressions are run separately by gender, pooling together cohabiting and single individuals. Each point estimate has a corresponding 95% confidence interval calculated using standard errors clustered at the individual level.

Figure 5 plots cross-CZ migration rates around the time of the application. The top panel presents raw data, whereas the bottom panel shows event study estimates the event study specifications outlined in Equation 2. A couple of things are worth noting. The cross-CZ migration rate is around 10% in the years prior to starting the clerkship, making the law clerks substantially more mobile compared to the average individual in Sweden (2% per year), but comparable to the 2012-2019 graduates observed in Figure B.1. There is a spike in the cross-CZ rates at event-time 0 (start year of the clerkship in most cases), similar to that of the 2012-2019 graduates, but there are some important differences. First, single women have lower cross-CZ rates compared to single men. There is also more dispersion: cohabiting female law clerks are in fact moving to a lower degree than the cohabiting women in the graduate sample, but the other three groups are moving to a higher degree. Single male law clerks have a near 50% higher cross-CZ rate than single men in the graduate sample. Lastly, while the cross-CZ rates eventually decrease in a similar way as for the graduate sample, there is a second spike in event-time 2 (end date of the clerkship in most cases). The cross-CZ rates are lower than for the start year, which could imply that a share of the individuals stay at the clerkship location. Controlling for age and year FE, the bottom panel shows that there is a difference in the cross-CZ moving rates between singles and

cohabiting individuals at event-time 0, but no gender difference conditional on cohabitation status. In other words, relationship investments seem to affect men's and women's decision to move for the clerkship in the same way (conditional on being hired as a law clerk).

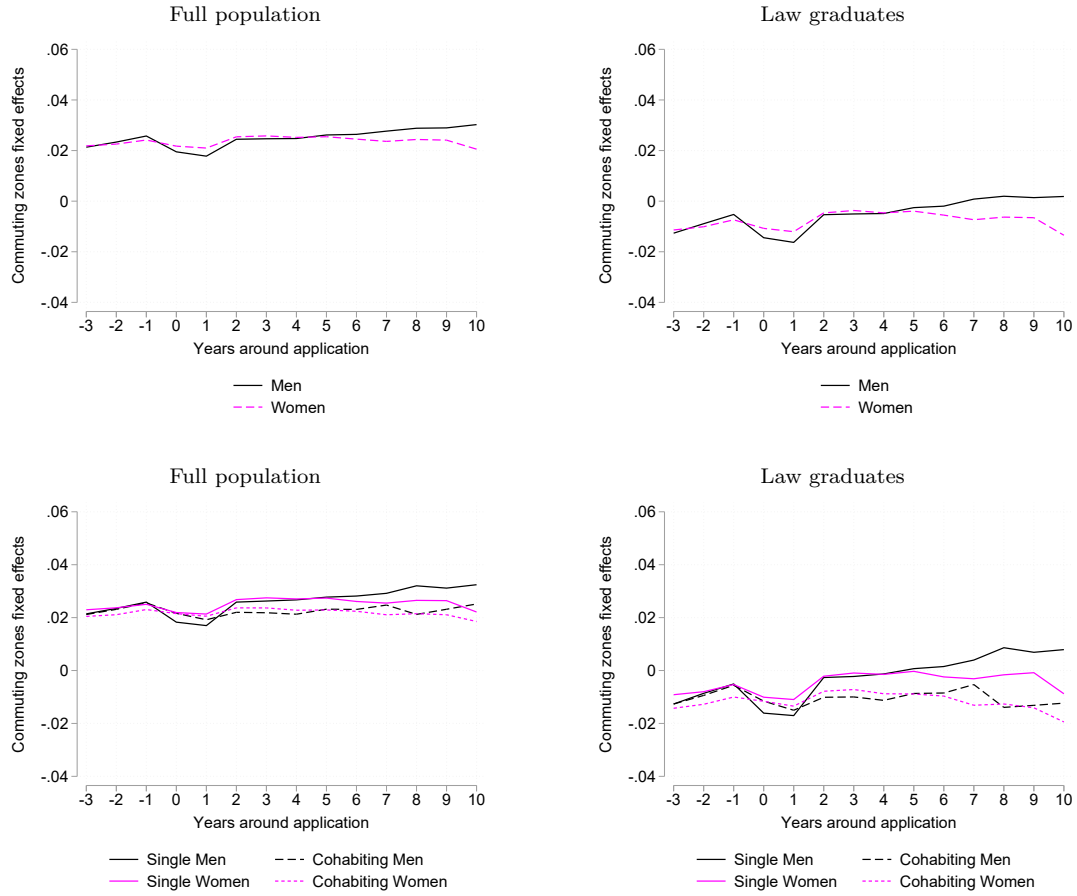


Figure 6: Location choices: CZ FE

NOTE: This figure displays clerks' CZ FEs three years before and up to ten years after labor market entry. The estimates in the left-side figure are obtained from a regression on a sample of 25 to 54 year olds, regardless of educational background, whereas the estimates in the right-side figure are obtained from a regression on a sample of law graduates, ages 25 to 54. The CZ FE estimates obtained from gender-specific Mincerian regressions, excluding non-employed individuals. Non-employed individuals are included in Figure A.4.

There may be sorting prior to the application explaining why some individuals do not wish to move. Figure 6 plots the average CZ FE estimates by gender and cohabitation status, obtained from the Mincerian regressions outlined in Equation 5. The left-side figure shows the CZ FE based on a sample of 25 to 54 year-olds, whereas the right-side figure is based on a sample of 25 to 54 year-old law graduates. These figures show three interesting patterns: first, law clerks reside in relatively more well-paying CZ in relation to the full population, as suggested by the left-side panel, but in relatively lower-paying CZ in relation to other law graduates. Secondly, the law clerks reside in relatively lower-paying CZ on average during their clerkship. Thirdly, there is important variation among the groups and over time which are larger focusing on the right-side figure. Cohabiting women are located in lower-paying CZ both before and after the clerkship, which is likely explained by their low moving rates. The other three groups have similar pre-trends but diverge after the clerkship. Most importantly, cohabiting men end up on the same or even worse (lower-paying CZ) trajectory as cohabiting women whereas singles continue on a positive trajectory (moving to better-paying CZ) after the temporary decline. Again, a potential explanation

could be that cohabiting men are less mobile after the clerkship is completed (event-time 2). This is further evidence pointing toward a trade-off between career and family for individuals who have relationship constraints at labor market entry. A possible interpretation is that cohabiting individuals forgo career opportunities by their selective location preferences. In other words, while they are not doing worse than their single counterparts, cohabiting men and women might have had higher earnings had they relocated to higher-paying CZs.

iii. Family formation

Finally, law clerks may differ in their family formation. I estimate family formation using an event study design to study whether men and women differ in their family investments in the first decade on the labor market. Figure 7 shows the couple formation patterns of individuals who are single the year prior to starting the clerkship. A small fraction are cohabiting in the years leading up to the clerkship and separate. Already at the starting year, 20% of the singles are already cohabiting. There is also a small gender gap, with women moving in together with partners to a higher degree than men do. This result is important in relation to the observed baseline gender differences in career trajectories, as the interpretation of the findings is that single women are more likely to be in a committed relationship than single men are at the time of making their decisions. In turn, this suggests that the within-gender gaps is a lower bound to the true effect of relationship investments on preferences.

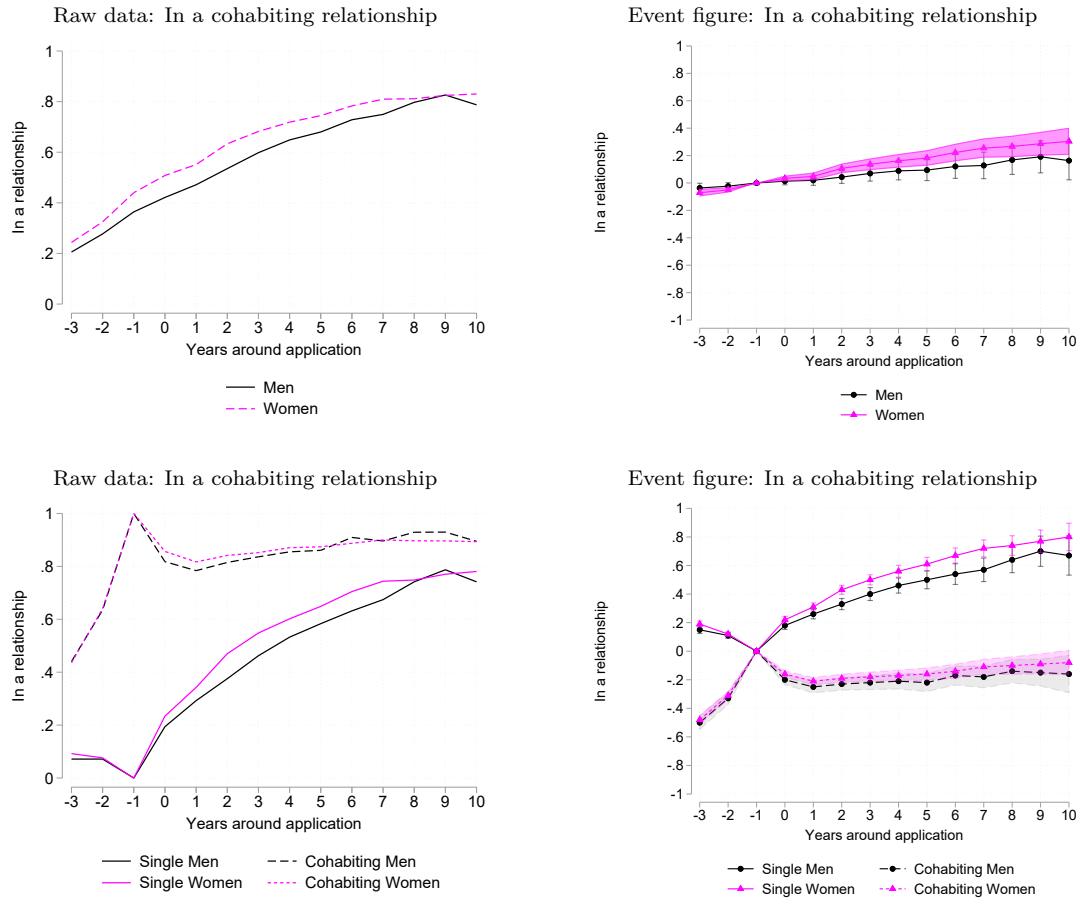


Figure 7: Couple Formation by Gender and Cohabitation Status

NOTE: This figure displays clerks' relationship status three years before and up to ten years after labor market entry. Relationship status is measured as an indicator for being in a cohabiting relationship. If the couple is not married or have joint children, cohabitation status is defined as two individuals of opposite sexes who are living in the same household, are not related and with a maximuma age difference of 15 years. The left-side panel shows collapsed raw data (in levels). The right-side panel shows event study results, controlling for year and age FE in each year relative to the year before labor market entry (t-1). The regressions are run separately by gender, pooling together cohabiting and single individuals. Each point estimate has a corresponding 95% confidence interval calculated using standard errors clustered at the individual level.

Figure 8 shows how stable the partnership is for the cohabiting individuals. 40% of the couples are living together at least two year prior to the time of measurement (event-time -1), indicating that 60% of the couples have only been cohabiting for 1 or 2 years at the start of the clerkship. Men and women move in with their partners to the same degree. The separation rate is the highest in the starting year (around 20% of the couples separate), which indicates that a substantial share of cohabiting individuals do face a trade-off between career and family. There is a small gender gap in the separation rate. A potential explanation is that cohabiting men have a higher willingness to move, and a higher moving rate, compared to cohabiting women. The couples remain relatively stable afterwards, but the gender gap in couple stability remains: 67% of the men and 70% of the women remain in their pre-clerkship relationship five years after the starting year.

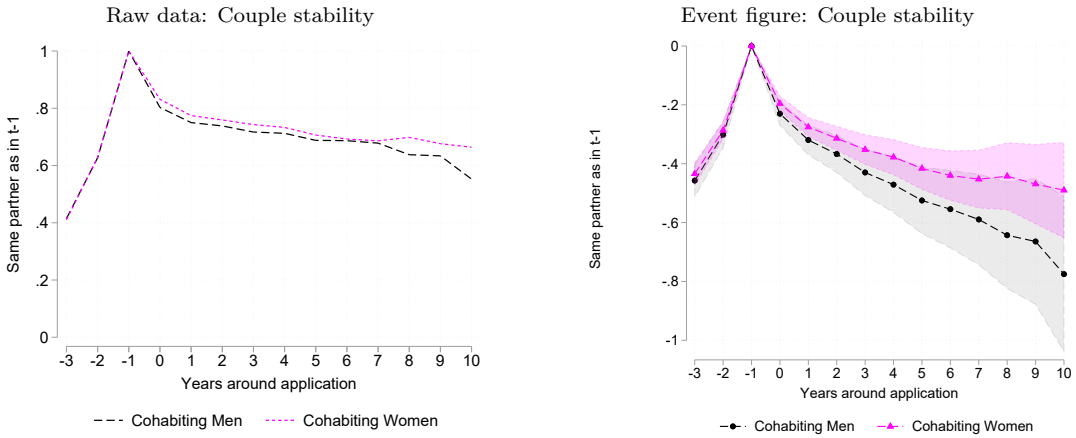


Figure 8: Couple Stability by Gender and Cohabitation Status

NOTE: This figure displays cohabiting clerks' couple stability three years before and up to ten years after labor market entry. Couple stability is measured as an indicator for whether the clerk is together with their t-1 partner in event-time t. The left-side panel shows collapsed raw data (in levels). The right-side panel shows event study results, controlling for year and age FE in each year relative to the year before labor market entry (t-1). The regressions are run separately by gender, pooling together cohabiting and single individuals. Each point estimate has a corresponding 95% confidence interval calculated using standard errors clustered at the individual level.

Figure 9 presents the family formation patterns by gender and cohabitation status. There is no gender gap in parenthood among singles prior to the clerkship, but there are more fathers among the cohabiting men compared to mothers among the cohabiting mothers. Cohabiting women enter motherhood to a higher degree during the years following the start of the clerkship and converge to the cohabiting men three years after the start. In contrast, the paths of single men and women diverge around event-time 2 with more women than men entering parenthood.

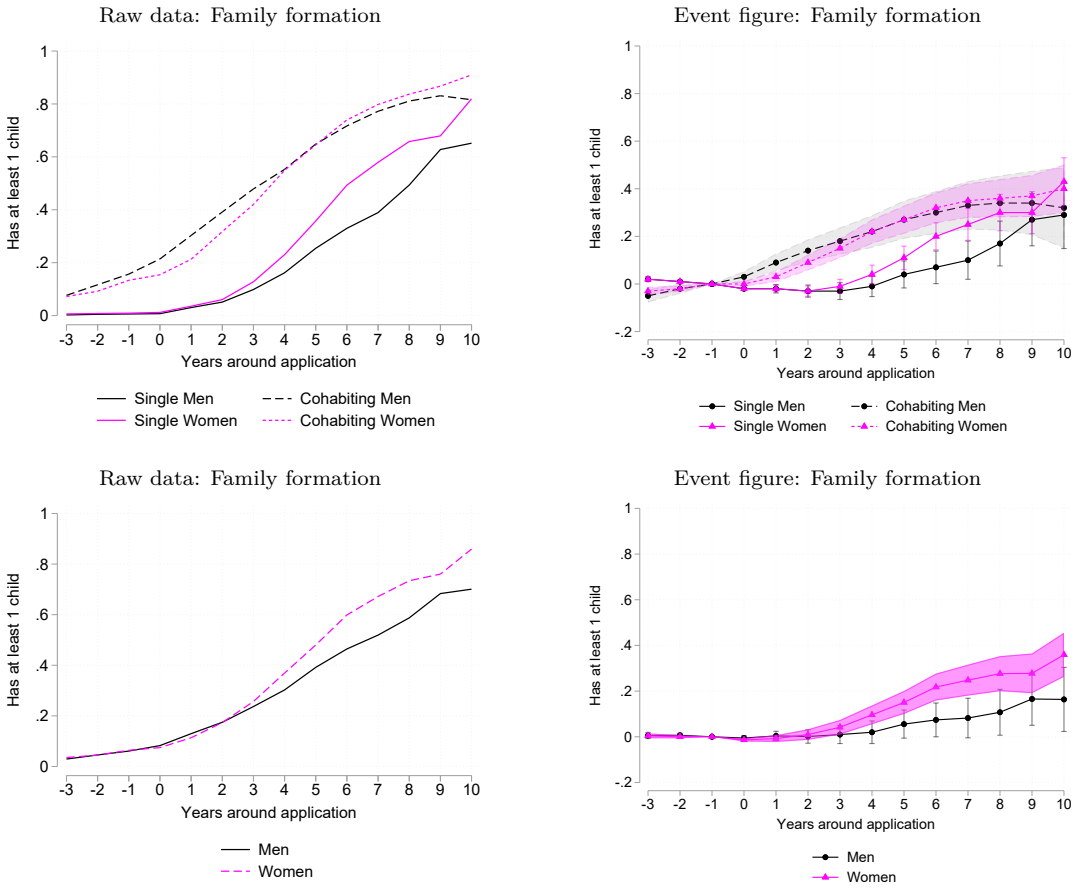


Figure 9: Family Formation by Gender and Cohabitation Status

NOTE: This figure displays clerks' family formation patterns three years before and up to ten years after labor market entry. Family formation is a cumulative measure, using an indicator for whether an individual's first child has been born or not. The left-side panel shows collapsed raw data (in levels). The right-side panel shows event study results, controlling for year and age FE in each year relative to the year before labor market entry (t-1). The regressions are run separately by gender, pooling together cohabiting and single individuals. Each point estimate has a corresponding 95% confidence interval calculated using standard errors clustered at the individual level.

To summarize, I estimate the timing of entering parenthood and find women have higher fertility rates than men do after the clerkship. This gender gap is primarily driven by single women becoming mothers earlier than single men become fathers. Cohabiting men are slightly more likely to be parents compared to cohabiting women prior and during the clerkship, but the gender gap closes four years after labor market entry. Importantly, the timing of entering motherhood coincides with two patterns in the career trajectories: first, the earnings gap between cohabiting and single women start diminishing as more single women enter motherhood. These results indicate that the women who were single (or at least non-cohabiting) at labor market entry face more similar family constraints as women who were initally were cohabiting by the time the clerkship is finished, and may in turn partly explain the puzzle to why there are no long-run differences in career trajectories by initial cohabitation status for women. Second, a gender gap in earnings opens up as more women than men enter parenthood. In contrast, the career paths of men seem to be largely unaffected by the timing of fatherhood.

6 Conclusion

This paper sheds light on how gender differences in early career decision-making are shaped by the trade-offs between career investments and family life. I collect a new dataset of employment and location preferences and link these preferences to actual choices and long-run career outcomes.

I show that women exhibit more selective preferences than men, prioritizing family-friendly career paths and showing a lower willingness to relocate. These patterns are especially pronounced among cohabiting individuals, suggesting that relationship commitments constrain career choices for both men and women at labor market entry. However, single women exhibit preferences more similar to cohabiting individuals than single men do, indicating an anticipation of a career/family trade-off also among women who are not cohabiting at labor market entry.

The variation in preferences between cohabiting and single women translates to a short-run earnings gap: While single women's earnings initially surpass those of cohabiting women, they converge as fertility rates increase among single women. I do not see that the variation in preferences between cohabiting and single men translates to different career trajectories. In contrast, women experience an earnings gap compared to men that widens over the first decade of their careers. I find that the divergence of male and female career trajectories coincides with family formation. These findings suggest that while cohabitation constrains preferences for both women and men, the broader impact of the career/family trade-off disproportionately affects women's long-term career outcomes.

This research contributes to the understanding of supply-side factors underlying gender gaps in the labor market, particularly focusing on how relationship constraints shape early career preferences and long-term career outcomes. A remaining puzzle is why relationship constraints, while clearly influencing early career preferences for both men and women, do not seem to have an impact on male earnings. This highlights the need for further exploration of how household dynamics affects the career choices of men and women.

Appendix A: Additional tables and figures

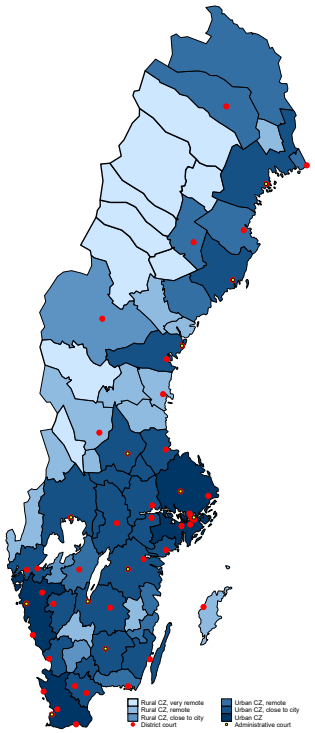


Figure A.1: Commuting Zones and Courts in Sweden

NOTE: The figure shows the 2015 CZ categorization 'functional analysis' region (defined by population density and proximity to larger cities) with markers for the 60 district and administrative courts in Sweden as of 2019.

Table A.1: Preferences by Gender and Cohabitation Status

	Length of ROL		Prestige	Career path	Location	
	(1) # court rank.	(2) # CZ rank.	(3) Avg. score	(4) Employment type	(5) CZ change	(6) Dist. home-top court
Female	-1.872***	-1.292***	-1.290**	-0.0536***	-0.00661	1.229
	(-4.00)	(-5.14)	(-2.07)	(-2.94)	(-0.31)	(0.14)
Cohabiting t-1	-2.480***	-1.440***	-1.226	-0.00858	-0.0540**	-15.50
	(-4.70)	(-5.01)	(-1.56)	(-0.37)	(-1.96)	(-1.42)
Female × Cohabiting	1.002	0.626*	0.391	-0.0204	-0.0517	-28.21**
	(1.54)	(1.80)	(0.41)	(-0.69)	(-1.57)	(-2.18)
Parent in t-1	-1.249*	-0.985***	-4.218***	0.000879	-0.0633**	-17.27
	(-1.94)	(-3.19)	(-4.77)	(0.03)	(-1.99)	(-1.43)
Age	✓	✓	✓	✓	✓	✓
CZ t-1	✓	✓	✓	✓	✓	✓
CZ birth	✓	✓	✓	✓	✓	✓
University	✓	✓	✓	✓	✓	✓
Application score	✓	✓	✓	✓	✓	✓
Observations	2837	2837	2797	2837	2837	2835

t statistics in parentheses
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

NOTE: This table shows the point estimates and t-statistics (in parentheses) for the correlations between different preference measures, and gender and cohabitation status at labor market entry. The preference measures are based on clerks' highest ranked court in the ROLs. The following set of controls is included: age at labor market entry, CZ in the year prior to labor market entry, CZ at birth, which university the clerk earned their degree from, and application scores.

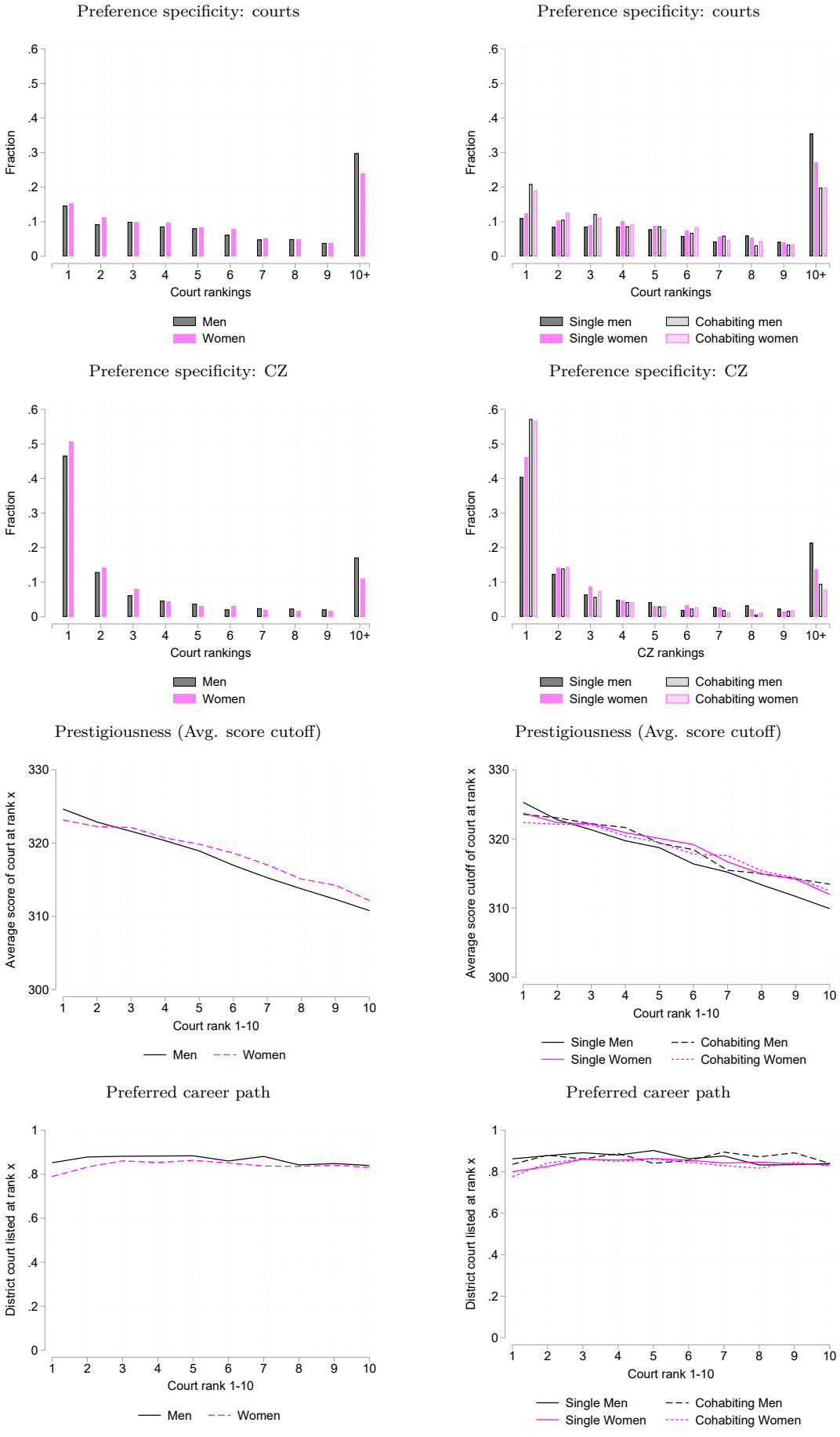
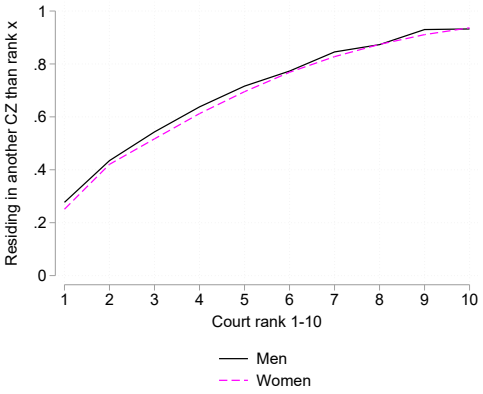
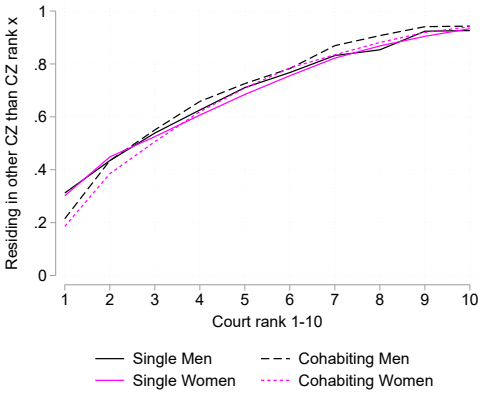


Figure A.2: Preferences by Gender and Cohabitation Status

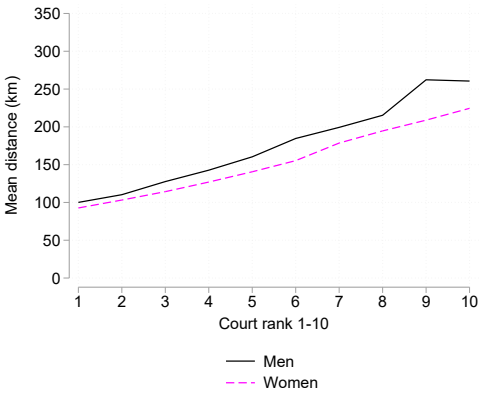
Location preferences: Change of CZ



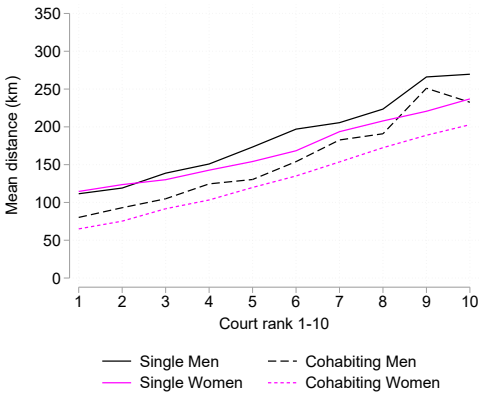
Location preferences: Change of CZ



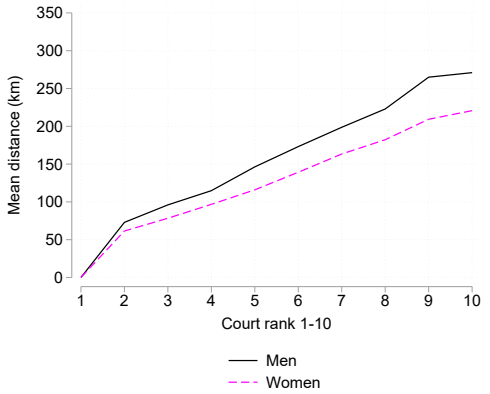
Location preferences: Distance to home



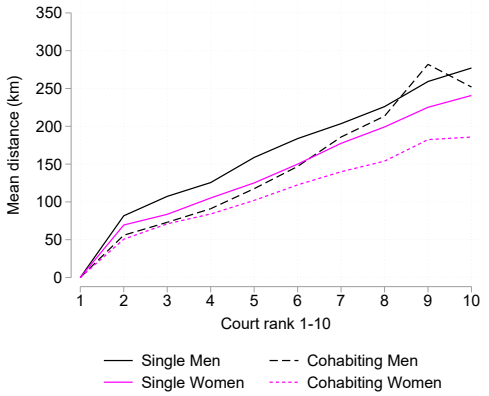
Location preferences: Distance to home



Location preferences: Distance to highest ranked court



Location preferences: Distance to highest ranked court



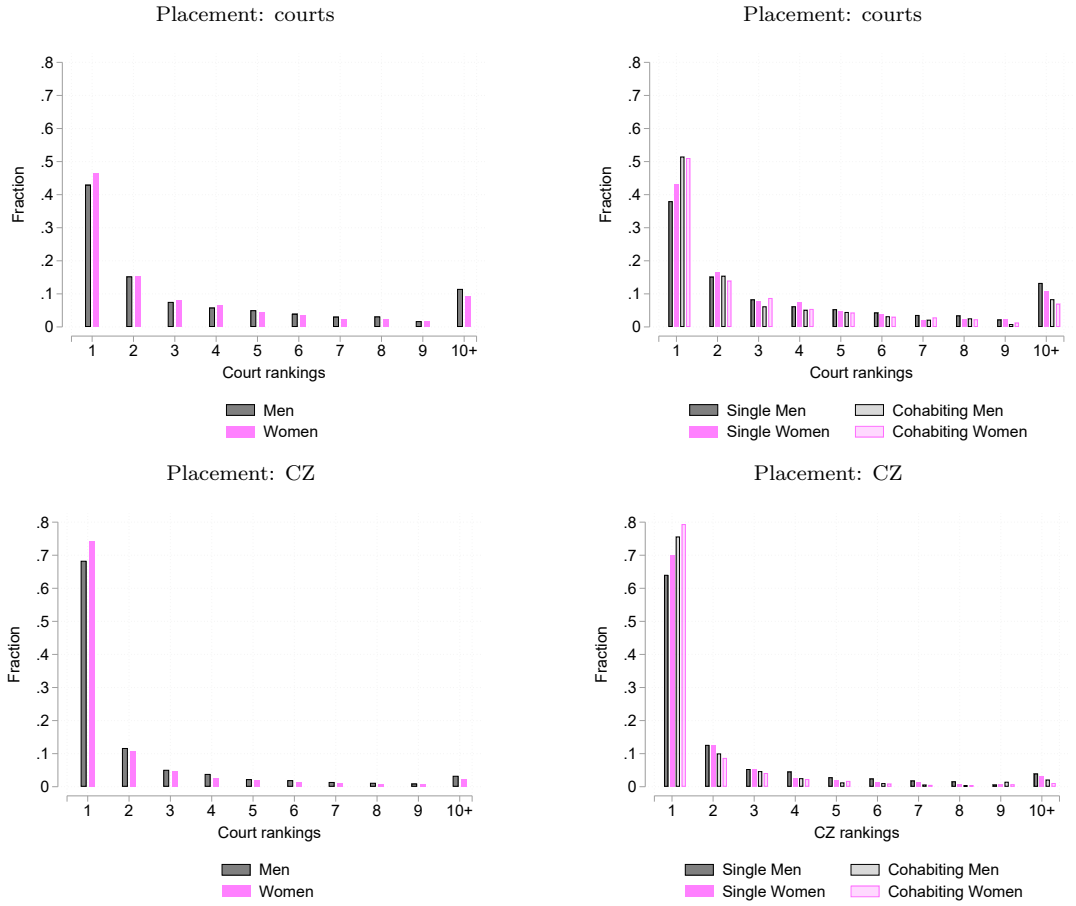


Figure A.3: Placement Outcomes by Gender and Cohabitation Status

NOTES: The figures show which at which rank an individual got hired, by gender and cohabitation status over the first 10 court/CZ rankings.

Table A.2: Placement Outcomes by Gender and Cohabitation Status

	Specificity		Prestige	Career path	Location	
	(1)	(2)	(3)	(4)	(5)	(6)
	Rank court of emp.	Rank CZ of emp.	Avg. score	Employment type	Emp. in diff. CZ	Distance to court of emp.
Female	-0.465*	-0.248*	-0.0838	-0.0569***	-0.0102	-4.144
	(-1.72)	(-1.83)	(-0.17)	(-2.73)	(-0.46)	(-0.41)
Cohabiting in t-1	-0.532*	-0.214	-0.192	-0.0366	-0.0207	-22.06*
	(-1.69)	(-1.34)	(-0.29)	(-1.34)	(-0.70)	(-1.81)
Female × Cohabiting	-0.0546	-0.124	0.811	0.0116	-0.0910**	-24.88*
	(-0.14)	(-0.65)	(1.03)	(0.34)	(-2.57)	(-1.69)
Parent in t-1	-0.695*	-0.395**	-1.789**	-0.0439	-0.135***	-30.59**
	(-1.96)	(-2.48)	(-2.41)	(-1.15)	(-3.90)	(-2.39)
Age	✓	✓	✓	✓	✓	✓
CZ t-1	✓	✓	✓	✓	✓	✓
CZ birth	✓	✓	✓	✓	✓	✓
University	✓	✓	✓	✓	✓	✓
Application score	✓	✓	✓	✓	✓	✓
Observations	2774	2792	2778	2810	2834	2778

t statistics in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

NOTE: This table shows the point estimates and t-statistics (in parentheses) for the correlations between placement outcomes (i.e. where clerks were hired), and gender and cohabitation status at labor market entry. The following set of controls is included: age at labor market entry, CZ in the year prior to labor market entry, CZ at birth, and which university the clerk earned their degree from.

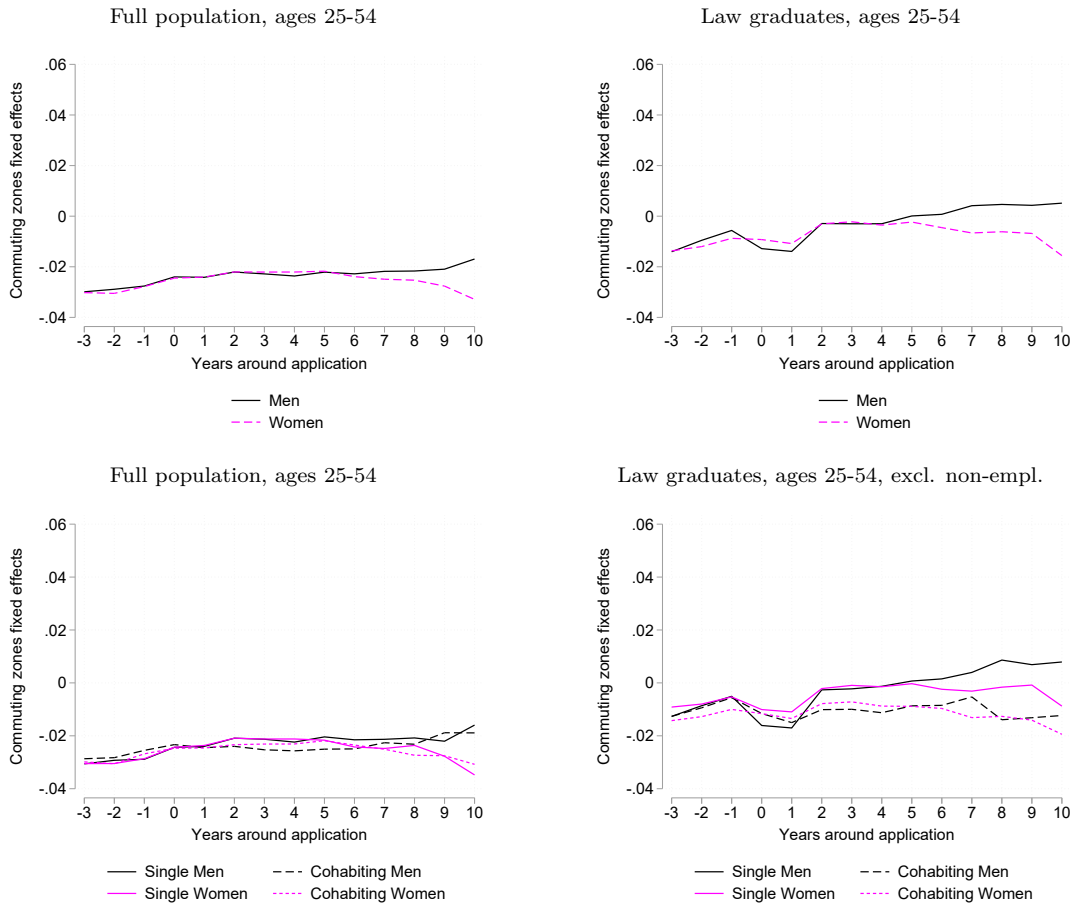


Figure A.4: Location choices: CZ FE

NOTE: This figure displays clerks' CZ FEs three years before and up to ten years after labor market entry. The CZ FE estimates obtained from gender-specific Mincerian regressions, including non-employed individuals. The estimates in the left-side figure are obtained from a regression on a sample of 25 to 54 year olds, regardless of educational background, whereas the estimates in the right-side figure are obtained from a regression on a sample of law graduates, ages 25 to 54.

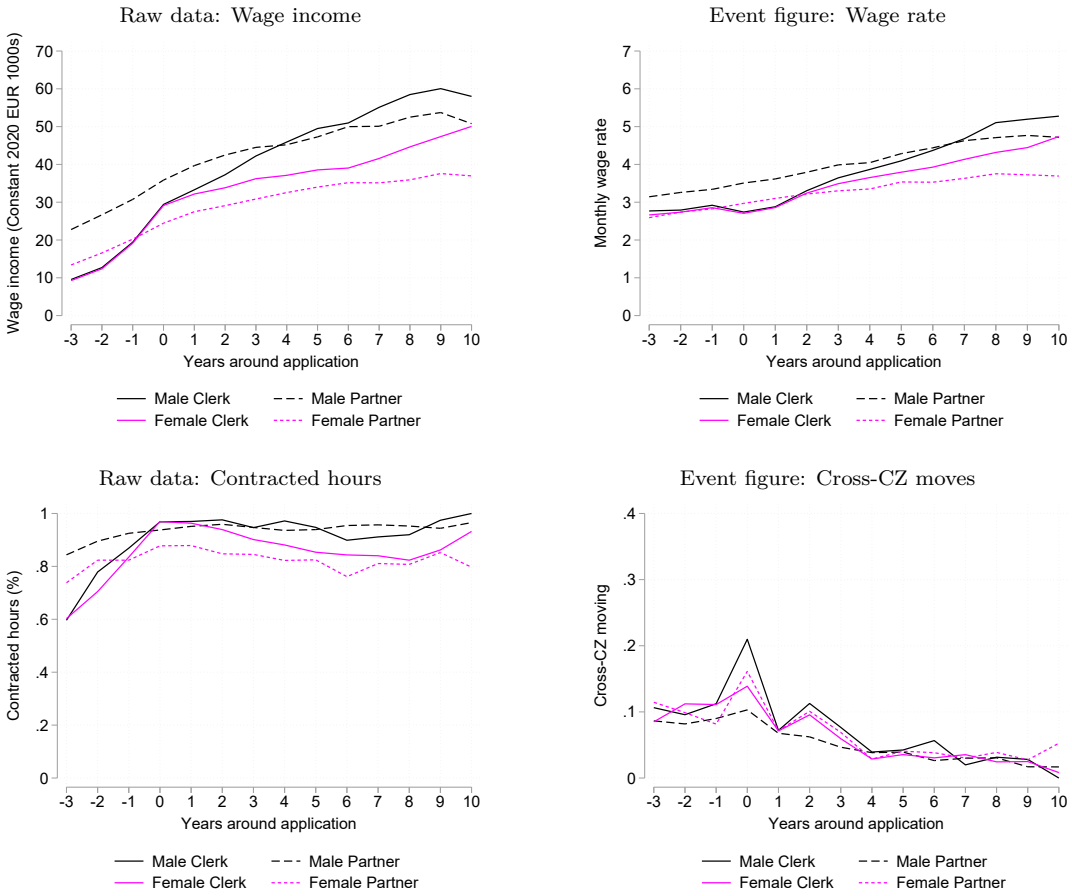


Figure A.5: Career trajectories, cohabiting law clerks and their partners

NOTE: This figure displays cohabiting clerks' outcomes, together with their t-1 partners outcomes, three years before and up to ten years after labor market entry. The figure shows collapsed raw data (in levels).

Appendix B: Career Trajectories of 2012-2019 College Graduates

This study examines the career/family trade-off in the specific context of law clerks. The law clerks are a highly selected group of individuals, and the setting is unique through its temporary nature and the uniform distribution of salaries across geographic locations. In this section, I show that there is suggestive evidence of a trade-off between career and family at labor market entry using a sample of university graduates between 2012 and 2019.

I focus on a subset of individuals, with at least three years of university studies, who graduated from university in Sweden between 2012 and 2019 and follow their career and family trajectories from labor market entry up to nine years after graduation[14]. I restrict the sample to individuals between ages 22 and 32, who are single or cohabiting without children, and exclude all individuals who are married and/or have children at graduation. The sample contains 285,081 individuals (see Table B.1).

Table B.1: Stepwise Sample Restrictions

Sample restriction	# graduates	# law graduates	# clerks
Initial restrictions	466,358	7,096	4,471
Balanced t-1 to t+1 (in LISA)	452,289	7,052	4,435
Not married in t-1	369,986	6,515	4,099
No children in t-1	320,986	6,202	3,944
Cohabiting HH, no kids	312,701	6,050	3,855
Ages 22-32 at graduation	285,081	5,810	3,803

NOTE: The 'initial restrictions' includes two sample definitions: First, I define the university graduates based on the LISA variable 'year of graduation' (*examar*): a graduate is an individual whose latest year of graduation is reported in year t which is not updated in *t+1*. This restriction is applied to remove individuals who are still studying (but allows for individuals to continue studying in $t > t + 1$). The second restriction is that I only include individuals who graduated (or applied to SNCA) between 2012 and 2019 (2011 is the first year cohabitation status is available).

Table B.2 shows summary statistics of the university graduates and their partners the year prior to graduating. The prevalence of cohabitation the year before graduating is higher among women than men (33% compared to 25%), even though male university graduates are somewhat older than the female university graduates. The spousal age gap also differs by gender: the male university graduates are less than a year older than their partners, while female university graduates are over two years younger than theirs. There is stronger positive assortative mating among the male university graduates than the female university graduates: 69% of the men have a partner with a college degree whereas the corresponding figure for women is 45%. These descriptives suggest that female graduates face joint decision-making at labor market entry to a higher extent than the male graduates do. It is not, however, clear whether having an older/younger or more/less educated partner is more restrictive in the early career decision-making.

[14]The year of graduation is measured using the variable *examar*, keeping all individuals whose last year of graduation is t and who did not have any new university credits reported in *t+1*. The individuals may continue studying after t, and around 30% of the sample do. An alternative measure is using the degree data.

Table B.2: Summary Statistics of 2012-2019 Graduates

	All	Men	Women	Cohab. Men	Cohab. Women	Single Men	Single Women
Graduate characteristics							
Female	0.60						
SD	0.49						
N	285081						
Cohabiting	0.30	0.25	0.33				
SD	0.46	0.43	0.47				
N	285081	114644	170437				
Grad yr	2015.75	2015.74	2015.76	2015.74	2015.74	2015.74	2015.76
SD	2.28	2.30	2.27	2.29	2.28	2.30	2.27
N	285081	114644	170437	28701	56280	85943	114157.00
Age at grad	26.16	26.47	25.95	27.01	26.22	26.30	25.81
SD	2.42	2.44	2.39	2.39	2.35	2.42	2.40
N	285081	114644	170437	28701	56280	85943	114157.00
Yrs of educ	15.38	15.46	15.32	15.50	15.35	15.44	15.31
SD	0.85	0.96	0.77	1.03	0.79	0.93	0.75
N	285081	114644	170437	28701	56280	85943	114157.00
Partner characteristics							
Age at partner's grad	27.54	26.30	28.16	26.30	28.16		
SD	3.50	2.87	3.63	2.87	3.63		
N	84192	28381	55811	28381	55811		
Yrs of educ	14.13	14.70	13.84	14.70	13.84		
SD	1.83	1.47	1.92	1.47	1.92		
N	83829	28283	55546	28283	55546		
College	0.53	0.69	0.45	0.69	0.45		
SD	0.50	0.46	0.50	0.46	0.50		
N	83829	28283	55546	28283	55546		

NOTE: The table shows summary statistics for the sample of 2012-2019 university graduates by gender and relationship status in t-1.

Figure B.1 plots the raw data of wage income and cross-CZ moving rate by gender and relationship status over the first decade following labor market entry. Three important patterns with respect to annual earnings are discernable. First, there is a gender gap in earnings already after the first year after graduation. The initial gap is driven by cohabiting men (who are outearning all groups consistently over the decade), but single men start outearning women two years after graduation. This gender earnings gap grows larger in the first decade on the labor market. Second, there are within-gender gaps by relationship status but they are of opposite signs: the relationship gap in earnings is positive for men but negative for women. This finding could suggest that there is selection into couple formation, but also that women and men are differently affected by relationship investments in their career decision-making. Third, the relationship gaps are decreasing over time: While single men are converging toward cohabiting men through a higher growth in earnings, single women are converging towards cohabiting women by a lower growth in earnings.

There are large differences in cross-CZ migration rates between the four groups at labor market entry. There is almost no difference between single men and women, but cohabitating individuals move much less than singles do. Particularly cohabiting women move to a much lower degree than the other three groups: the within-gender gap is around 9.6 p.p for women and 4.3 p.p for men. This difference indicate that cohabiting individuals are more restricted in their location choices than singles are, and cohabiting women more so than men.

Taken together, there is some evidence suggesting that relationship investments restrict decision-making at labor market entry. While there are larger differences by gender, than within-gender by relationship status, cohabiting women appear to be more restricted in their location choices in comparison to men. In the remainder of this paper, I study this question further by focusing on the law clerk setting where I can observe the listed location preferences by gender and relationship status, compare these to the actual choices the law clerks make, and finally – study how the choices translates to differences in career and family trajectories.

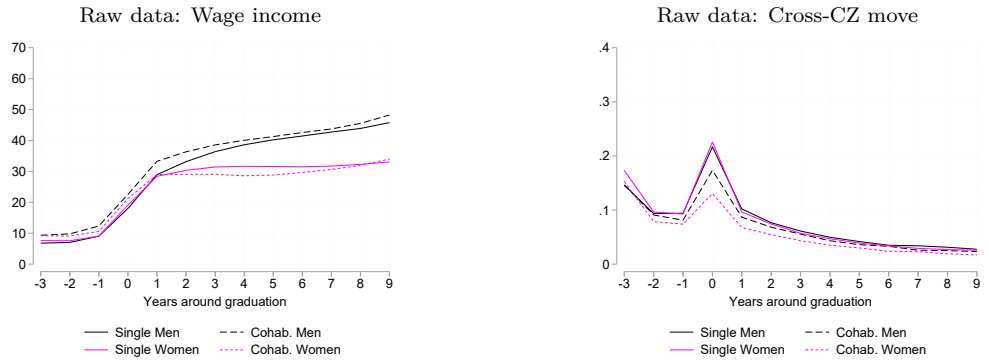


Figure B.1: Career trajectories by gender and relationship status

NOTE: The left-side panel shows collapsed raw data in levels, whereas the right-side panel presents event-study estimates from Equation 2 with 95% confidence intervals. The figures are produced using an unbalanced panel of 2012-2019 graduates.

References

Adda, J., C. Dustmann, and K. Stevens (2017): "The Career Costs of Children," *Journal of Political Economy*, 125, 293–337.

Albrecht, J., A. Björklund, and S. Vroman (2003): "Is there a glass ceiling in Sweden?" *Journal of Labor Economics*, 21, 145–177.

Albrecht, J., P. S. Thoursie, and S. Vroman (2015): "Parental Leave and the Glass Ceiling in Sweden," in *Gender Convergence in the Labor Market*, Emerald Publishing Ltd, vol. 41, 89–114.

Angelov, N., P. Johansson, and E. Lindahl (2016): "Parenthood and the Gender Gap in Pay," *Journal of Labor Economics*, 34, 545–579.

Azmat, G. and R. Ferrer (2017): "Gender Gaps in Performance: Evidence from Young Lawyers," *Journal of Political Economy*, 125, 1306 – 1355.

Bertrand, M. (2018): "Coase Lecture - The Glass Ceiling," *Economica*, 85, 205–231.

Bertrand, M., C. Goldin, and L. F. Katz (2010): "Dynamics of the Gender Gap for Young Professionals in the Financial and Corporate Sectors," *American Economic Journal: Applied Economics*, 2, 228–55.

Bielby, W. and D. Bielby (1992): "I Will Follow Him: Family Ties, Gender-Role Beliefs, and Reluctance to Relocate for a Better Job," *American Journal of Sociology*, 97.

Blackburn, M. L. (2010a): "The Impact of Internal Migration on Married Couples' Earnings in Britain," *Economica*, 77, 584–603.

——— (2010b): "Internal Migration and the Earnings of Married Couples in the United States," *Journal of Economic Geography*, 10, 87–111.

Blau, F. D. and L. M. Kahn (2017): "The Gender Wage Gap: Extent, Trends, and Explanations," *Journal of Economic Literature*, 55, 789–865.

Burke, J. and A. R. Miller (2018): "The Effects of Job Relocation on Spousal Careers: Evidence from Military Change of Station Moves," *Economic Inquiry*, 56, 1261–1277.

Bursztyn, L., T. Fujiwara, and A. Pallais (2017): "'Acting Wife': Marriage Market Incentives and Labor Market Investments," *American Economic Review*, 107, 3288–3319.

Butikofer, A., K. V. Løken, and A. Willén (2024): "Building Bridges and Widening Gaps: Efficiency Gains and Equity Concerns of Labor Market Expansions," *Review of Economics and Statistics*, 106, 681—-697.

Charpin, A., J. Amer-Mestre, N. Berlin, and M. Dumontet (2024): "Gender Differences in Early Occupational Choices: Evidence from Medical Specialty Selection," EconomiX Working Papers 2024-5, University of Paris Nanterre, EconomiX.

Cooke, T. J. (2003): "Family Migration and the Relative Earnings of Husbands and Wives," *Annals of the Association of American Geographers*, 93, 338–349.

Cortés, P. and J. Pan (2023): "Children and the Remaining Gender Gaps in the Labor Market," *Journal of Economic Literature*, 61, 1359—-1409.

Dahl, G. B. (2002): "Mobility and the Return to Education: Testing a Roy Model with Multiple Markets," *Econometrica*, 70, 2367–2420.

Duncan, R. P. and C. C. Perrucci (1976): "Dual Occupation Families and Migration," *American Sociological Review*, 252–261.

Fack, G., J. Grenet, and Y. He (2019): "Beyond Truth-Telling: Preference Estimation with Centralized School Choice and College Admissions," *American Economic Review*, 109, 1486–1529.

Fadlon, I., F. P. Lyngse, and T. H. Nielsen (2020a): "Early Career, Life-Cycle Choices, and Gender," Working Paper 28245, National Bureau of Economic Research.

——— (2020b): "Early Career Setbacks and Women's Career-Family Trade-Off," Working Paper 28245, National Bureau of Economic Research.

Foged, M. (2016): "Family migration and relative earnings potentials," *Labour Economics*, 42, 87–100.

Folke, O. and J. Rickne (2020): "All the Single Ladies: Job Promotions and the Durability of Marriage," *American Economic Journal: Applied Economics*, 12, 260–287.

Gicheva, D. (2013): "Working Long Hours and Early Career Outcomes in the High-End Labor Market," *Journal of Labor Economics*, 31, 785–824.

Goldin, C. (2014): "A Grand Gender Convergence: Its Last Chapter," *American Economic Review*, 104, 1091–1119.

Goldin, C., S. P. Kerr, C. Olivetti, and E. Barth (2017): "The Expanding Gender Earnings Gap: Evidence from the LEHD-2000 Census," *American Economic Review*, 107, 110–14.

Haeringer, G. and F. Klijn (2009): "Constrained school choice," *Journal of Economic Theory*, 144, 1921–1947.

Jayachandran, S., L. Nassal, M. J. Notowidigdo, M. Paul, H. Sarsons, and E. Sundberg (2024): "Moving to Opportunity, Together," Working Paper 32970, National Bureau of Economic Research.

Kennan, J. and J. R. Walker (2011): "The Effect of Expected Income on Individual Migration Decisions," *Econometrica*, 79, 211–251.

Kleven, H., C. Landais, J. Posch, A. Steinhauer, and J. Zweimüller (2019a): "Child Penalties across Countries: Evidence and Explanations," *AEA Papers and Proceedings*, 109, 122–26.

Kleven, H., C. Landais, and J. E. Søgaard (2019b): "Children and Gender Inequality: Evidence from Denmark," *American Economic Journal: Applied Economics*, 11, 181–209.

Kuziemko, I., J. Pan, J. Shen, and E. Washington (2018): "The Mommy Effect: Do Women Anticipate the Employment Effects of Motherhood?" Working Paper 24740, National Bureau of Economic Research.

Le Barbanchon, T., R. Rathelot, and A. Roulet (2021): "Gender Differences in Job Search: Trading off Commute against Wage," *Quarterly Journal of Economics*, 136, 381–426.

Loprest, P. J. (1992): "Gender Differences in Wage Growth and Job Mobility," *American Economic Review*, 82, 526–532.

Mas, A. and A. Pallais (2017): "Valuing Alternative Work Arrangements," *American Economic Review*, 107, 3722—-59.

Mincer, J. (1978): "Family Migration Decisions," *Journal of Political Economy*, 86, 749–73.

Nivalainen, S. (2004): "Determinants of Family Migration: Short Moves vs. Long Moves," *Journal of Population Economics*, 17, 157–175.

Petrongolo, B. and M. Ronchi (2020): "Gender Gaps and the Structure of Local Labor Markets," *Labour Economics*, 64, 101819.

Rubinstein, Y. and Y. Weiss (2006): "Post Schooling Wage Growth: Investment, Search and Learning," Elsevier, vol. 1, 1–67, 1 ed.

Sandell, S. H. (1977): "Women and the Economics of Family Migration," *The Review of Economics and Statistics*, 59, 406–14.

Sorenson, O. and M. S. Dahl (2016): "Geography, Joint Choices, and the Reproduction of Gender Inequality," *American Sociological Review*, 81, 900–920.

Svensson, Lars-Gunnar (1994): "Queue Allocation of Indivisible Goods," 11, 323–330.

Topel, R. H. and M. P. Ward (1992): "Job Mobility and the Careers of Young Men," *The Quarterly Journal of Economics*, 107, 439–479.

Wasserman, M. (2023): "Hours Constraints, Occupational Choice, and Gender: Evidence from Medical Residents," *Review of Economic Studies*, 90, 1535–1568.

Weiss, Y. (1986): "Chapter 11 The determination of life cycle earnings: A survey," Elsevier, vol. 1 of *Handbook of Labor Economics*, 603–640.

Wiswall, M. and B. Zafar (2018): "Preference for the Workplace, Investment in Human Capital, and Gender," *The Quarterly Journal of Economics*, 133, 457–507.