



**The National Association of Women Lawyers®
and The NAWL Foundation®**

**REPORT OF THE FOURTH ANNUAL
NATIONAL SURVEY ON RETENTION AND
PROMOTION OF WOMEN IN LAW FIRMS**

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REPORT OF THE 2009 NAWL SURVEY ON THE STATUS OF WOMEN IN LAW FIRMS¹

by

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The National Association of Women Lawyers[®](NAWL[®]) and the NAWL Foundation[®] are pleased to report the results of the fourth annual National Survey on the Status of Women in Law Firms (“Survey”).^{6,7}

The Survey program began in 2006 in recognition of the gap in objective statistics regarding the advancement of women lawyers into the highest levels of private practice. NAWL’s Survey is the only national study that annually tracks the professional progress of women in the nation’s 200 largest law firms⁸, by providing a comparative view of the careers and compensation of men and women lawyers at all levels of private practice, including senior roles as equity partners and law firm leaders, and data about the factors that influence career progression. By compiling annual objective data, the Survey aims to provide (a) an empirical picture of how women forge long-term careers in firms and what progress is being made in reaching the highest positions in firms; (b) benchmarking statistics for firms to use in measuring their own progress; and (c) over a multi-year period, longitudinal data for cause and effect analyses of the factors that enhance or impede the progress of women in firms. Several state and local bar associations have used the Survey to begin their own dialogues about the progress of women in particular regions. We would be pleased to work with other organizations to extend the Survey into local and regional areas.

Snapshot of the 2009 Survey Results

- **Women in Law Firm Leadership.** Women play a surprisingly small role in the highest levels of law firm leadership. In spite of more than two decades in which women have graduated from law schools and started careers in private practice at about the same rate as men, women continue to be markedly underrepresented in the leadership ranks of firms. The average firm's highest governing committee counts women as only 15% of its members – and about 14% of the nation's largest firms have no women at all on their governing committees. Only about 6% of law firms have women managing partners.
- **Women as Equity Partners.** Women lawyers account for fewer than 16% of equity partners, those lawyers who hold an ownership interest in their firms and occupy the most prestigious, powerful and best-paid positions. The relative lack of women equity partners may be a major factor in why the ranks of law firm leaders suffer a paucity of women. The likely result will be an extended period in which women are correspondingly underrepresented in leadership positions – unless firms focus on this continuing and, some might add, endemic problem of advancing women into the ranks of equity partners.
- **Women as Rainmakers.** Rainmaking was a major focus of the 2009 Survey. The ability to “make rain” – bring in substantial business to a firm – is well known to affect the prospects of a successful career in private practice. We found the role of women as major rainmakers is surprisingly

weak. Almost half the firms – 46% – count no women at all in their top 10 rainmakers. The fact that women do not play dominant or even substantial roles in law firm rainmaking also impacts their prospects for leadership and compensation.

- **Partner Compensation.** Women continue to earn less than their male counterparts at the highest levels of partnership, with women equity partners earning typically about \$66,000 less than their male counterparts. While this number shows substantially less disparity than in previous years, the result may stem from the fact that, on average, compensation in firms declined in the last year, narrowing the gender gap at least for the time being but certainly not close to eliminating it.
- **Impact of Lateral Hiring.** For both male and female lawyers, moving is likely to be a better strategy than staying in the lawyer's original firm. That said, males are recruited far more often for equity partnership than females. Firm structure impacts the extent to which home-grown lawyers or lateral hires are promoted to equity partner, with one tier firms more likely to promote women from within the firm to equity partner.
- **Impact of Recent Involuntary Terminations.** The deep dive taken by many law firms in 2008 and 2009 as a result of the weakened economy led to lawyer terminations in larger numbers than have been seen in many years. In the 2009 survey, we studied the comparative impact of law firm terminations on women versus men, by surveying law firm terminations through end of June 2009. Men and women generally have been cut in

rates proportionate to their numbers as associates and partners. The exception concerns terminations of part-time lawyers, which fall disproportionately on women even after taking into account that women fill the majority of part-time positions. The vast majority of part-timers who were cut were women lawyers, further decreasing the ranks of women lawyers and those who can position themselves to become equity partners or law firm leaders in the future.

- **Diversity Positions in Firms.** About 70% of firms reported that they employ a person whose primary responsibility is to oversee the firm's diversity goals. The professional background of the person in the diversity position varied widely: about 49% of these positions are held by persons with a law degree, even if in their current post they are not practicing law, and 37% are held by non-lawyers. Whether or not diversity personnel focus full time on matters of diversity also varies. Nearly 64% of firms maintain one or more full time diversity positions, while the remaining firms staff the position with one or more part time positions or through a part-time Committee.
- **Impact of Law Firm Structure.** The 2008 NAWL Survey was the first study to identify and collect data on a new type of law firm structure, the "mixed tier" firm, in which all equity partners are required to contribute capital to the firm but some are paid as if they were income partners. Our 2009 data show an increase in the structure with about 21% of the nation's largest firms now functioning as mixed tier firms. One tier firms appear

to be better settings for the advancement of women lawyers because, as examples, one tier firms have larger percentages of women equity partners, and new women equity partners, and a smaller proportion of firms with lawyer terminations.

We now turn to more detailed analyses.

Women Lawyers in Law Firm Governance

Women play a lesser role in firm management than would be expected from the pipeline of women entering firms. The leading example is the pervasive absence of women as members of the highest governing committees of law firms,⁹ which are ultimately responsible for the firm's strategies, policies and practices, including policies for recruiting, training and promoting lawyers.

The median number of total members on these highest governing committees is 10, and some firms report committees with well over 25 members. Remarkably – even today – 14% of firms report that they do not have any women members on the firm's highest governing body.¹⁰ In those firms where women do hold seats on the highest governing committee, the average percentage of female committee members has basically not changed over the past four years. In 2009, women comprised 15% of committee members. This translates into between one and two women, at the most, on the typical large firm governing committee. Of course, some firms reported four or five or six women on their highest governing committee but these levels are greatly the exception not the rule.

The advancement of women lawyers into the role of managing partner is even more disproportionate. In 2006, only 5% of managing partners in the largest firms in the country were women. Three years later, only 6% of women occupy this role.

We believe that the absence of women at the highest level of firm leadership has broad implications for the advancement of women in firms. It is at this level of management that decisions regarding firm policy, strategic growth and direction, recruiting and lateral hiring, compensation, billable hour requirements, elevation to partnership, prospects for part-time or time-off policies, and overall firm culture occur. When women are not part of the dialogue and the decision-making body that charts the future direction of firms, the chances are greater that whatever policies and practices are implemented will be less responsive to the career needs of women lawyers. Moreover, the quality of a law firm's decisions about all aspects of governance will be different and for the worse when a firm lacks a critical mass of women leaders.¹¹

We are aware that at the level of practice group leader, there has been an increase in the number of women leaders (at least as anecdotally reported). While these positions are not the ultimate decision making body, and there is great variation among firms as to how powerful a role these positions are, the increasing number of women as practice group leaders may serve as a stepping stone to positions on the highest governing body. Ultimately, however, until women are an integral part of the major committees that affect the internal workings and future direction of their firms, it is unlikely that the change necessary to achieve gender parity in law firms will occur.

Advancement of Women into Equity Partnership

Women start out in about equal numbers to men when they enter law firms as first year associates. But the fall-off of women lawyers begins early in their careers and gains momentum at each level of seniority, which ultimately shrinks the equity partnership pool of women lawyers.

The lack of progress is certainly not because of a lack of women lawyers. In 1980, 67% of law school graduates were men and 33% women. A decade later, by 1990, women had progressed to 43% of graduates. And by 2000, that number had increased to 48%. For nearly two decades, women have started out in about equal numbers to men when they enter law firms as first year associates.¹²

As steady as the increase has been for women entering the profession, that increase has not translated into staying power and advancement – rather there is a steady decrease of women at each higher position in firms. The impact? An ever *decreasing* source of women for partnership and leadership roles.

In the typical firm¹³, women constitute 48% of first- and second-year associates, a percentage that approximates the law school population. By the seventh year, the ranks of women have dropped slightly to 45%.¹⁴ The gradual erosion of women heightens with seniority. On average, women constitute 34% of of-counsels, 27% of non-equity partners, and 16% of equity partners. This trend has not changed dramatically in a number of years despite the very substantial number of women law graduates who entered firms in the last 20 years.

From the perspective of law firms, the *sine qua non* of success in private practice is equity partnership. Women are not only underrepresented at that level, the data

suggest that it takes longer for women to achieve equity status, a factor that perhaps compounds the earlier exit of women from partnership and leadership tracks. In the typical one tier firm, where equity is the only form of partnership, 18% of equity partners are women. In two tier and mixed tier firms, by year ten, women comprise only 10% of equity partners. By year 15, women make up 17% of the equity partners and by year 25 it is 18%. The data suggest that not only are far fewer women than men achieving equity status, it takes women substantially longer to reach that goal.

What do these statistics mean for the progress of women in private practice? It is hard to understand why year after year, the proportion of women in equity partnership remains so dismally low. Talented women lawyers continue to either leave law firm practice or “stand still” at their firms, when they should be advancing. And, the prospects of an increase any time soon are not optimistic, as the sections on law firm governance, lateral moves, rainmaking and involuntary terminations illustrate. To paraphrase our conclusion from the 2008 report, the year-over-year failure to move the needle, in spite of near-universal commitment to the goal of advancing women in private practice, raises the concern that firms have not yet implemented effective strategies and practices to bring about needed change.¹⁵

Women as Rainmakers

“A lawyer’s ability to generate business is the single most determinative factor in whether a lawyer will become an equity partner.”¹⁶ Business development is critical for the advancement of any lawyer into the upper ranks of law firm leadership and

compensation. For reasons that we still do not fully understand, however, women have not achieved the same levels of rainmaking as their male counterparts.

The 2009 NAWL Survey collected hard data on the extent to which women play major rainmaking roles in large firms. Firms reported the gender of their biggest rainmaker and also reported the gender of the top ten rainmakers in the firm. These statistics are in the context of our law firm sample that had a median of 22 female equity partners and a median of 120 male equity partners.

The results are astounding, even to those of us familiar with the dynamics of legal business development. *Almost half of large firms in the US (46%) have no women at all among their top ten rainmakers.* Another third (32%) of large firms have only one woman among the top ten rainmakers in the firm. Some 15% of firms have two women among the top ten rainmakers, and the remaining small number of firms (6%) had three or four women rainmakers in their top ten. Consistent with this picture, almost three quarters of firms (72%) have no women at all in the top five rainmakers in the firm. The rest of the firms typically had only 1 woman in the top five.

These numbers show that women lawyers are terribly underrepresented in the ranks of major rainmakers in large US firms. Our data cannot tell us whether this underrepresentation is a function of less aggressive rainmaking activities among women, or the result of “inherited” clients of the firm flowing to men, whether women are given opportunities to participate in business development on an equal footing with men, whether women are receiving credit for business development at the same rate as men, or if there is some other explanation for the observed differences.

What do our data tell us about the impact of fewer women rainmakers on compensation within a firm? The firms without any women rainmakers in their top ten have a much greater pay differential between male and female partners. And, those large firms that have three or four women in their top ten rainmakers have basically eliminated overall differences in male/female compensation.¹⁷

<u>No. women in top ten rainmakers</u>	<u>Median female difference in compensation</u>
None	\$81,000 less than men
1 or 2 women	\$56,000 less than men
3 or 4 women	\$11,000 more than men (but few firms)

We were not able to observe a relationship between the number of women rainmakers and the percentage of female members of a firm's highest governing committee but that is because in most firms, the percentages are too low on both statistics to allow a meaningful relationship to emerge.

The Compensation Gap Between Men and Women Partners

The disparity between male and female compensation at the country's largest firms has been a subject of the NAWL Survey since its inception. The data collected each year continue to highlight the ongoing gap between what men and women earn at the most senior levels of firms.

As in previous Survey years, the highest compensated lawyer in the nation's largest firms continues to be male, 99% of the time. Clearly women lawyers are virtually non-existent among the elite group of those who are compensated the most by their firms. Also as in past NAWL Surveys, the 2009 data show that male equity partners in firms typically earn more than female equity partners by a substantial amount.

In 2009, the median compensation reported for male equity attorneys was \$565,200 and the median compensation reported for female equity attorneys was \$499,350. In other words, the typical female equity partner earns only 88% of (or \$65,850 less than) her median male counterpart.¹⁸

In comparing this year's results to past years, we saw a closing of the compensation gap at the equity level. However, the smaller gap is likely an overall effect of reduced compensation generally at the equity level. From 2008 to 2009, the median compensation fell for all positions and for both men and women. This decline was sharpest for equity partners, where 2009 median compensation fell below 87% of 2008 median compensation. The degree of this decrease differed for male and female equity partners, with men – higher paid on average to begin with – showing a greater reduction in median income than women. The reductions among male equity partners, though, were not so great that they came close to the lower compensation typically paid to female equity partners.¹⁹

The compensation gap at the non-equity partner level does show signs of some, albeit slow improvement. In 2009, the median non-equity male partner compensation was \$275,000 while the median non-equity female partner compensation was \$250,000. Interpreted differently, this means that women non-equity partners in 2009 made 92% of what the median non-equity male partner made, as compared to 87% in 2008, 86% in 2007, and 84% in 2006. Firm structure does not appear to have an impact on this differential.

Smaller median differences in compensation by gender are shown at the counsel level. Perhaps one of the reasons is that the counsel position is difficult to characterize

and, depending on its definition, is disproportionately affected by gender. While compensation data for counsel positions in 2009 ranged from seven figures to the very low five figures, some conclusions can be drawn. The median compensation for all counsel positions was \$207,500. The median compensation for male counsel was \$217,500 while the median compensation for female counsel was \$192,500. These differences are roughly the same as in past years.²⁰

Not surprisingly, given the lockstep nature of most (but not all) firms in compensation of associates, the compensation of male and females at the associate level appears to be on par.²¹ As the industry explores alternative compensation approaches in response to economic pressures, it will be interesting to see whether the lock-step approach remains predominant and, if not, what effect that will have on the parity of male and female associate salaries in years to come.

Our data also show that compensation generally is affected by a firm's structure. One tier firms had higher lawyer compensation than two tier firms at all levels. Compensation in two tier firms exceeded levels of compensation in mixed tier firms at all levels.²²

We have been quoted as saying, if money equals power, there is little question that with each move up the law firm ladder, power increasingly rests with male lawyers. While women begin their careers compensated at roughly the same rate as men, this parity in pay is short lived. Once women transition out of associate status and into counsel, non-equity, or equity positions in their firms, women receive less compensation than males regardless of the firm structure or status level in the firm. The severity of this

discrepancy appears correlated to the structure of the firm and, ironically, worsens the higher up the partnership ladder women go.

The Market for Lateral Partners: Should She Stay or Should She Go?

In 2008, we initiated questions designed to determine whether the better strategy for achieving equity partnership for a woman lawyer is to stay with her original firm or to make a lateral move.²³ The 2008 data showed that for both male and female lawyers, the better strategy may be to change firms although the findings were tempered by the fact that one tier firms were more likely to promote women from within than two tier firms.

In 2009, lateral partner movement has not abated, in the face of the unprecedented impact the faltering economy has had on law firms, the related forced movement of partners from now defunct firms and concern that efforts at cost-cutting will reach still more partners. And, as in 2008, the 2009 Survey data show that (1) men and women both benefit from lateral moves although the percentages favor men, and (2) one tier law firms are more likely to promote women from within.

In the typical firm²⁴, and among all “new” equity partners (i.e., those promoted to equity partnership between February 1, 2008 and February 1, 2009), men still outpace women four to one in reaching equity partnership. That result holds regardless of law firm structure. In the typical firm, 53% of all new equity partners were “recent” laterals (i.e., joined the firm after February 1, 2007). The 2009 data outpaces the 2008 results, with a remarkable 21% increase in recent equity partner hires. It is possible that this increase is driven in some part by the impact of the economy on law firms. There has been a strong market for partners with books of business from law firms that have closed

or did not support specific practices. That said, while there is an overall increase in recent lateral moves, *the move still favors men, who make up an astounding 85% of all recent equity laterals while women make up only 15% of all recent equity laterals.*

One tier firms alter the dynamics because these firms had a much higher percentage of new equity partners who were women (33%), compared to two tier firms (20%) and mixed tier firms (18%). One tier firms are more amenable to women laterals, as well. Among one tier firms, laterals were about 25% female; among two tier firms and mixed tier firms, laterals were about 17% female in each.

The Impact of Recent Involuntary Terminations on Women

Law firms have scrambled to adjust to the 2008 and 2009 economic downturn, including for the first time in many years laying off large numbers of lawyers, paralegals and staff because of a lack of work. As a result, and with the strong support of the American Bar Association Commission on Women in the Profession, the 2009 survey included questions about involuntary terminations covering the time period February 1, 2008 to June 30, 2009.²⁵

Overall, 95% of large firms – virtually all of them – engaged in involuntary lawyer terminations. However, of the lawyers who were terminated, roughly 75% of them were associates. Although higher “leverage” became a cornerstone of greater law firm profits in years past, different pressures were apparently operating to focus firms on reductions at the more junior levels, perhaps including such factors as the cost of training young lawyers, client pushback about fees for junior lawyers and a recognition that the

long-term wellbeing of the firm may be higher by retaining trained and committed lawyers at more senior levels.

When broken out by gender, it appears that women were laid off in about equal proportion to men at each level of the partnership. Thus, in the typical firm when there were layoffs, about 43% of associates, 46% of counsels, 25% of non-equity partners and about 18% of equity partners who were laid off were women. However, for all positions, there was large firm to firm variability in this proportion. There were some firms that laid off only women and other firms that laid off as few as 5% women.

With respect to part-time positions, there was a different picture. Almost 2/3 of firms terminated one or more part time employees. In the typical firm, 100% of part time lawyer terminations were women.

Additionally, comparisons can be made between the time periods February 1, 2008 to January 30, 2009 (“2008 Period”) and February 1, 2009 to June 30, 2009 (“2009 Period”). While the trends were largely the same for both periods, a few differences did emerge. First, in the median firm, the number of layoffs in the 2009 Period was slightly larger than the number in the 2008 Period, despite the fact that the later period was less than half as long. These findings comport with our observation that it was not until 2009 that law firms began to make major adjustment to the economic downturn. Second, the typical percent of laid off women lawyers remained about the same for all positions except equity partners. In the 2008 period, in the median firm, 50% of equity partners laid off were women. In the 2009 period, virtually no women equity partners were laid off.

Many firms did not respond to our questions about lawyer terminations – in fact more firms were willing to answer questions about compensation than discuss the topic

of layoffs, suggesting that the issue is a highly sensitive one. As a result, our data base is smaller than we had hoped for and less robust with respect to detailed data analysis.

Nonetheless, the overall data suggest these two trends: (1) there is no significant gender effect with respect to the layoff of full-time lawyers, and (2) there is a gender effect with respect to the layoff of part-time lawyers, with women suffering the brunt of such layoffs. Virtually 100% of the part-time attorneys who were laid off were women although the proportion of part time women was smaller than 100%.²⁶ These results have some longer term implications for women who want or need to work part-time and for the retention and promotion of women in firms, generally. Cutting part-time attorneys, when so many are women, underscores that in the crunch (i.e., when it is long-term policy against short-term profits), law firms are generally less accommodating to non-standard work schedules – even for women who may seek such schedules for a limited number of years to accommodate family commitments.

Law Firm Approaches to Achieving Diversity

As corporate clients continue to demand that firms play more proactive roles in staffing matters with a more inclusive mix of lawyers, one of the responses by law firms has been the development of diversity goals and diversity program initiatives. The success with which these diversity initiatives are carried out depends, in part, on what resources firms commit to the process, such as whether there is a professional designated to oversee and promote the implementation of a firm's diversity goals. This year, NAWL asked the nation's largest firms about the personnel they devote to their diversity initiatives.

About 70% of firms reported that they do employ a person whose primary responsibility it is to oversee the firm's diversity goals – a much greater percentage than we anticipated, and indicative of the recognition by firms that they need help in focusing internally on diversity goals. There was only slight variation by firm structure.²⁷

The professional background of the person in the diversity position varied widely: about 49% of these positions are held by persons with a law degree, even if in their current post they are not practicing law, and 37% are held by non-lawyers. About 15% of firms reported that they employ multiple people (both lawyers and non-lawyers) whose responsibility is to implement diversity goals.

Whether or not diversity personnel focus full time on matters of diversity also varies. Nearly 64% of firms maintain one or more full time diversity positions, while the remaining 24% staff the position with one or more part time positions. About 12% of firms rely on a committee and do not have a designated employee with oversight for their diversity program.

Clearly many firms are experimenting with a variety of ways in which to staff their diversity programs and initiatives. The extent to which these efforts have an impact is an area for further study. It will also be interesting to see whether the additional economic pressures of 2009 will result in firms' decreasing attention to diversity initiatives or whether the economic climate will spark a rethinking of past law firm policies and practices, some of which may create opportunities for increased inclusiveness and diversity in the future.

The Impact of Firm Structure on the Advancement of Women

Statistics about careers in law firms traditionally focused on the blunt distinction between associate and partner. In most firms today, however, the term “partner” does not have a singular meaning because firms have moved from the traditional one tier partnership structure to a two tier or even a mixed tier structure. Indeed, it was the 2008 NAWL Survey that first created the term “mixed tier” and studied the characteristics of such firms.

In this year’s Survey, 29% of firms are *one tier* partnerships, meaning that at least 95% of their partners own equity in the firm and are compensated on the basis of their equity investment. Another 52% of firms govern under a *two tier* structure, in which some but not the large majority of partners are equity partners²⁸ who contribute capital in exchange for an ownership stake in the firm, receive annual compensation on the basis of their ownership interest, and have governing authority. In two tier firms, the non-equity partners are paid a fixed annual salary with bonus based on performance and have less say, if any, in the governance of the firm. While typically marketed to the outside world as “partner,” large firm non-equity partners have neither the level of compensation, authority nor obligations of an equity partner.

The remaining 21% of firms govern under a *mixed tier* structure, an even greater percentage of mixed tier firms than we observed in 2008. While mixed tier firms may officially describe themselves as “one tier” or “two tier”, their structure is sufficiently different not to fall into either category. In mixed-tier firms, there are “equity” partners who are required to contribute capital to the firm but at the same time are paid on a fixed income basis – an arrangement that significantly strains the meaning of

the term equity partner. We note that one disadvantage of mixed-tier firms is that they do not usually publicize their structure and even attorneys in the firm may not have a clear understanding of what the structure means for governance and compensation. In 2009, in the typical mixed tier firm, about 15% of equity partners were salaried partners.²⁹

In at least some regards, women fare better in one tier firms. In one tier firms, 18% of equity partners are women compared to 14% and 15% respectively in two tier and mixed tier firms. In the typical one tier firm, 25% of new equity partners are women, compared to 20% in the median mixed tier and 16% in the median two tier firm. Similarly, in one tier firms over 33% of new equity partners that come from within the firm are women, compared with 20% for two tier and 18% for mixed tier firms. Somewhat paradoxically, while only 3% of managing partners at one and two tier firms consist only of women,³⁰ 13% of managing partners at mixed tier firms are women. Additionally, one tier firms seem to have weathered the economic conditions better. In 2008, 69% of one tier firms terminated lawyers compared to 89% of two tier firms and 100% of mixed tier firms. In 2009, although three quarters of one tier firms terminated lawyers, 84% and 89% respectively of two tier and mixed tier firms terminated lawyers.

Conclusion

The NAWL Foundation, in cooperation with NAWL, sponsors an annual Survey designed to provide reliable benchmarks about the status of women lawyers in private firms and the factors that impede or advance their retention and promotion. We know from our communications and activities with law firms that there is a desire within firms

to implement meaningful, concrete steps that assist women lawyers in advancing to more senior levels in greater numbers. We thank all of the firms that participated in the Survey. We especially applaud NAWL's Law Firm Members and Sponsors for their interest in initiatives like the Survey and their cooperative efforts to enhance the role of women in the profession.

Appendix on Survey Methodology

The NAWL Survey was sent in early Spring 2009 to the 200 largest firms in the U.S. as reported by *American Lawyer*.³¹ Although most attorneys in private practice work in smaller settings, we chose to focus on the largest firms because they are an easily defined sample, include firms from all parts of the U.S., and are viewed as benchmarks for the larger profession.

The Survey solicited information about each firm's U.S.-based lawyers as of February 1, 2009. The 2009 questionnaire included comparative questions about associates, of-counsel, non-equity and equity partners, law firm structure, compensation, governance, rainmakers, management of diversity goals, lateral promotions and involuntary terminations.

As part of the Survey, as in each of the prior years, NAWL committed not to publish individual law firm data. We also believe that, at the current time, aggregate analyses rather than a focus on particular firms allows greater response rates on sensitive questions and is consistent with the goal of tracking how women are doing overall and setting benchmarks.

The Survey was designed and developed under the auspices of NAWL by Stephanie Scharf, a practicing lawyer and former Senior Study Director at NORC. The survey was first administered in 2006 and annually since then. The 2009 analysis was assisted by Elizabeth Tipton, an MPES fellow in the Department of Statistics at Northwestern University.

A total of 116 firms responded to the 2009 Survey. Responding firms were not significantly larger than non-responding firms in terms of revenue per lawyer, net operating income, profits per equity partner, or regional distribution. However, responding firms were larger than non-responding firms in terms of both gross revenue and number of lawyers. Not all firms answered every question. The Survey's questions on compensation and involuntary terminations obtained the lowest response rates with, on average, 50 firms responding to questions about compensation and from 20 to 65 firms responding to questions about involuntary terminations.

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⁶ In addition to the authors, two NAWL Foundation Board and NAWL Survey Committee members provided essential support. Lorraine Koc, General Counsel of DebShops, Inc., and a former President of NAWL, supported the concept and implementation of the annual Surveys and continues to provide strategic and practical advice for Survey activities. Survey Committee Co-chair Barbara Flom contributed to the

2009 Survey design and supervised many of the “back room” activities needed for a successful survey response. Additional 2009 Survey Committee members who participated in this year’s Survey work include: Linda Monica of Monica & Associates, PC, Kathleen Russo of FDIC, Alicia Harrison of Starnes & Atchison LLP, Lynn Whitcher Alvarez of McGuire Woods LLP, Amanda Groves of Winston & Strawn LLP and Catherine MacDonagh of Legal Sales and Service Organization. Courtney Murtaugh and Katherine Petrussek provided administrative assistance and we thank them for their fine service.

⁷ We gratefully acknowledge the support of the American Bar Association Commission on Women in the Profession, in particular Chair Roberta Liebenberg, for the impetus to study the impact of law firm terminations on women lawyers.

⁸ As compiled by *The American Lawyer*. For more detail, see Appendix of Methodology.

⁹ Called by such names as the Executive Committee, Policy Committee, Management Committee, or similar title.

¹⁰ This figure is consistent with the 2008 and 2007 data in which 15% of firms reported that they did not have woman holding such positions.

¹¹ V. Kramer, et. al., *Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance* (Executive Summary) (2006).

http://www.wcwonline.org/component/page.shop.getfile/file_id,21/product_id,1113/option.com_virtuemart/Itemid,175.

¹² American Bar Association, *Legal Education Statistics, Enrollment and Degrees Awarded, 1980-2008*.

¹³ When we speak of the typical firm, we are basing our conclusions on the median for a given statistic or indicator.

¹⁴ Law firm structure may have some impact on the attrition rate but it is not large. The percentage decrease for women from year one to year seven in the two tier firm is 4%, in the one tier firm is 2%, and in the mixed tier firm is 1%.

¹⁵ *Actions for Advancing Women Into Law Firm Leadership*, Report of the National Association of Women Lawyers (July 2008). <http://www.nawl.org/Assets/Documents/2008+Summit+Report.pdf>.

¹⁶ *Ibid* at 17.

¹⁷ Because these data are from large firms, the reduction in male/female compensation differences is not merely a function of the compensation paid to one or at most few women among the top ten rainmakers.

¹⁸ Women equity partners earn 88% of their male counterparts whether you look at the difference in median male and median female compensation among the AmLaw 200 or whether you look at the median level of firm by firm differences in male versus female compensation.

¹⁹ Comparative data on median income for male and female lawyers include these results:

		2008	2009
Associates	M	175,000	169,000
	F	168,000	167,000
Counsel	M	220,000	218,000
	F	205,000	193,000
Non EQ/P	M	292,000	275,000
	F	269,000	250,000
EQ/P	M	660,000	565,000
	F	573,000	499,000

²⁰ The median for women was 89% of the median for male compensation, while in 2008 this figure was 93%, in 2007 it was 90%, and in 2006 it was 91%.

²¹ The median compensation for all male associates was \$168,750, while the median compensation for all female associates was \$166,495.

²² The median equity partner compensation at one tier firms was \$667,000, compared to \$550,000 at two tier firms and \$450,300 at mixed tier firms. Non-equity partner median compensation at two tier firms exceeded that of mixed tier firms by \$45,000. Median counsel compensation at one tier firms was \$266,000, and \$200,000 at two tier firms, followed by \$193,100 at mixed tier firms. The median compensation for all associates in one tier firms was \$201,000, and \$165,000 in two tier firms, followed by \$144,500 in mixed tier firms.

²³ A “lateral” lawyer is a lawyer who started practice in a different firm from his or her current firm.

²⁴ As defined by median statistics.

²⁵ In the 2009 survey, information on involuntary terminations was collected separately for the time periods 2/2008 to 2/2009 and from 2/2009 to 4/2009. A follow up survey asked the same questions for 4/2009 to 6/2009.

²⁶ In the median firm, 43% of part time lawyers were associates, and of these 93% were women. An additional 31% of part time lawyers were of counsel, and of these 66% were women. The remaining part time lawyers were non-equity and equity partners, and approximately 90% of these part time partners were women.

²⁷ 74% of one tier firms, 68% of two tier firms, and 67% of mixed tier firms have an individual designated with heading up their diversity programs.

²⁸ Known variously as “equity,” “share,” “point,” or “principal” partners.

²⁹ It appears that a very small number of mixed tier firms put the large majority of their equity partners on salary.

³⁰ Note that about 3% of one and two tier firms combined list both a man and a woman as managing partners.

³¹ The list of the nation’s largest 200 firms was published by *American Lawyer* in 2008 and was the basis for the population of firms surveyed in early 2009. Certain other data about these firms was obtained from lists published in *American Lawyer* at various times in 2008 and 2009.