The ABA Toolkit for Gender Equity In Partner Compensation
Study after study has shown that women—in particular those in law firm practice—are not compensated at the same level as men. In August 2012, American Bar Association President Laurel Bellows appointed a blue-ribbon Gender Equity Task Force to recommend solutions for eliminating gender bias in the legal profession, with a principal focus on compensation. This Toolkit for Gender Equity in Partner Compensation is the first in a series of projects the Task Force is implementing to achieve gender equity. Eliminating inequities at the partner level is the most straightforward approach to close gender gaps in compensation at all sizes and types of firms.

Bar associations can and should play a critical role in eliminating the gender gap. Bar groups have the stature to sponsor and lead the necessary discussions in collegial settings that address diverse points of view and constituents. The Toolkit provides all of the resources needed to jumpstart these dialogues. The Toolkit also offers solutions for firms that want to make meaningful changes to achieve gender equity in compensation.
A Troublesome Bias in the Legal Profession

Research by the American Bar Association and other independent groups consistently shows that, in the nation’s largest firms, women earn substantially less than men. The compensation gap persists even when hours and business development are equal. The gap widens with each step up the law firm ladder, all the way into the level of equity partners, where the greatest disparity exists. The highest-paid lawyers in firms are almost invariably male. The data is even more troubling for women of color, who generally earn less than both men and white women. These inequities exist, in part, due to compensation systems that rely on subjective decision-making and offer less than full transparency.

Pay inequities are a significant source of dissatisfaction for women partners, who leave firms in greater numbers than men to work in organizations where their contributions are more fairly valued. It is clear that gender bias limits firms’ ability to maintain a robust pool of talented partners and diverse leaders. Year after year, the percentage of women equity partners in the nation’s largest firms has been stuck at about 15%.* Women are not selected for leadership roles in firms at the same rate as men. Only about 5% of firm-wide managing partners are female. Even today, half of the nation’s 200 largest firms have only one woman or no women at all serving on their highest governing committee.

When a system is unfair, women vote with their feet. This severe talent drain impacts the bottom line. Firms lose their investment in talented lawyers and lose the potential revenue that women would generate if they remained in the firm. Attrition stunts firms’ ability to develop women as law firm leaders. Attrition flies in the face of client demands for firms to provide diverse and gender-balanced client service teams. If today’s firms are to survive and thrive, they must retain, promote, and fairly reward talented women lawyers—before they leave.

It is time to implement solutions: new ways for sharing origination credit, rewarding client development, recognizing contributions to firm growth, and implementing compensation systems that are viewed from diverse perspectives as fair and transparent.

* See, e.g., the series of annual NAWL reports on Retention and Promotion of Women in Law Firms at www.nawlfoundation.org.
Compensation Is Key. Pay equity builds loyalty; increases retention; and, by diminishing attrition and loss of institutional knowledge of clients’ businesses, boosts client satisfaction. Lawyers know that inequities in pay generally mean inequities in other firm systems, such as assignments, membership on high-profile teams, and key practices and standing within the firm. If firms eliminate gender pay inequities among their partners, the solutions will positively impact their firms.

Clients today demand more diverse legal teams and expect greater value for the fees spent on legal services. Clients are increasingly moving away from firms that cannot field, or retain, diverse teams. Recognizing the substantial benefits of retaining attorneys working on their matters, some companies require that firms give billing origination credit to women and diverse attorneys who are instrumental in their work. Firms cannot efficiently handle matters under the alternative billing arrangements sought by more and more clients if their skilled associates and income partners leave. Law firms can build and retain the experienced and diverse legal teams that clients want by stemming the disproportionate and unnecessary attrition caused by pay inequities.

The Time Is Now. Equitable compensation provides the foundation for an innovative, inclusive, and productive law firm. New systems for sharing origination credit and for expanding client relationships will help firms grow and diversify in these challenging times. Actions speak louder than words. Women (and minority) lawyers seek a demonstrated commitment from the top to ensure that they can make real progress in the partner ranks, in leadership positions, and in compensation. Getting pay right, and ensuring it does justice to the talents of all firm lawyers, demonstrates a commitment to equity in other decisions as well—partnership, client management, and leadership.
Taking Action: What You Can Do

Bar Associations Can Take the Lead.

Bar associations can and should play a leading role in achieving a level playing field. As a bar leader, you are in a unique position to bring attention to the problem of pay inequity and provide resources to help firms and their clients understand the issues and implement solutions.

Whether you lead a state, county, metropolitan, local, mandatory, specialty practice, or minority bar association, the ABA Toolkit for Gender Equity in Partner Compensation provides you with the necessary tools to conduct a conference on this critical issue. By presenting the program outlined in this Toolkit, your organization will be part of an important national effort to foster meaningful dialogue and effect change on an issue of vital importance to the legal profession.

We urge you to convene summits of your bar to discuss the bedrock principles of fair compensation systems and how to implement them in your communities and places of employment.
The ABA Toolkit: How It Works

The Toolkit gives you all the materials you need to present a successful program, including: a program outline, customizable PowerPoint slides, questions for panelists, program handouts, and a bibliography. The Toolkit also provides text for use in your promotional efforts and suggested dates so that your program can coincide with national events to maximize publicity.

With the Toolkit, you can:

>>> Design and present summits on gender pay equity.

The Toolkit:
- Suggests the format and topics for discussion;
- Identifies types of presentations; and
- May be customized for the time allotted and for multiple sessions.

>>> Establish and meet the following objectives:
- Increase awareness of facts about gender pay inequity and the impact of pay disparities on law firms, lawyers, and the profession;
- Identify factors that influence compensation decisions and discuss systems that firms can use to provide non-threatening and effective appeals of compensation decisions;
- Teach ways to recognize biases that affect the accuracy of compensation decisions; and
- Energize your legal community to apply broad recommended practices applicable to partner compensation decisions.

>>> Encourage law firm leaders to:
- Recognize each lawyer’s contributions to the firm’s business, including committee work and other non-billable activities that the firm needs and mandates;
- Give fair and appropriate credit for all components of firm revenue and activity;
- Select diverse members for compensation committees and related decision-makers;
- Train compensation decision-makers on implicit bias; and
- Give important feedback to members of the compensation committee and other leaders.
Materials in this Toolkit are available online at www.americanbar.org/GenderEquity and on a flash drive in the toolkit package available to bar leaders. Materials include:

1. **Program Outline**—A conference outline for either a 1½-hour or a 2½-hour program and content for presenting the program.

2. **PowerPoint Slides**—Customizable slides to use at the conference.

3. **Core Reading**—Copies of recommended articles that can be used as handouts at the program and may provide the necessary materials for CLE credit.

4. **Bibliography**—A list of additional resources for a more in-depth understanding of the problem and potential solutions to gender equity in compensation.

5. **Marketing the Program**—Program description, tips for attracting an audience, and suggested dates to consider holding the program to tie in with larger national events.

The ABA Toolkit for Gender Equity in Partner Compensation is a project of the American Bar Association Presidential Task Force on Gender Equity and the Commission on Women in the Profession.

For more information, visit www.americanbar.org/GenderEquity.