

**A Report on Findings
from the
Survey of Women Partners On Law Firm
Compensation**

Presented by:
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Minority Corporate Counsel Association (www.mcca.com)

- Mission: Advocate for expanded hiring, retention, and promotion of minority attorneys in corporate law departments and the law firms that serve them.
- 3 primary service areas: Research & Education, Publishing, Networking Events

MCCA Membership Consists of Nation's Leading Corporate Diversity Leaders



- Right to Do and Right for Business
- Diversity => Higher Quality of Results
- Focus Internally
- Communicate Diversity Values to Outside Counsel

Survey of Women Partners On Law Firm Compensation

- First-of-its-kind examination of women partners' experiences and perspectives re law firm compensation processes/practices – **694 survey respondents from law firms**
- Collaborative effort involving the Project for Attorney Retention (PAR), MCCA, and the ABA's Commission on Women

Survey Objectives

- Illuminate what women partners have to say about compensation practices at their law firms and how these impact their advancement and what they are paid.
- Identify and understand challenges faced
- Develop recommendations for “best practices” to overcome challenges

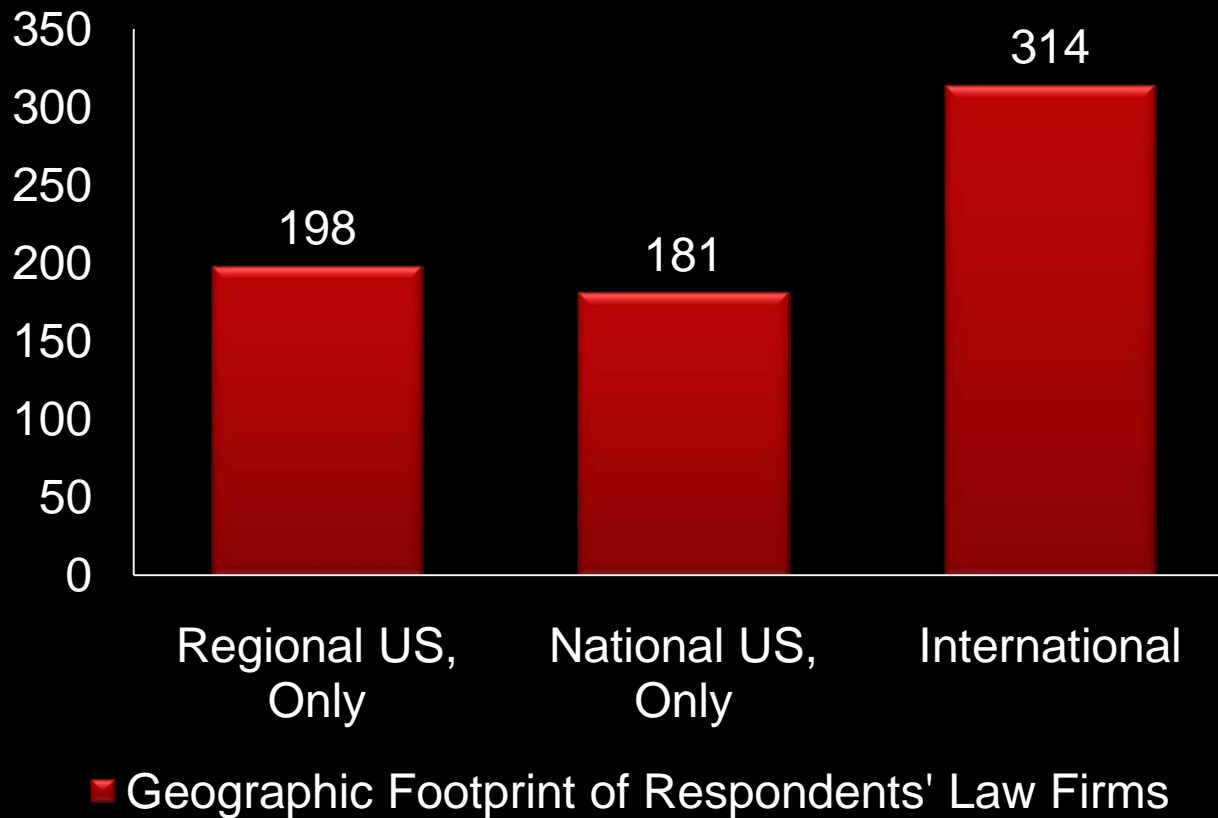
Survey Objectives

- Additional objective for MCCA and ACC members:

Educate our corporate counsel membership and empower them with information that will ultimately influence the way they select and retain outside counsel.

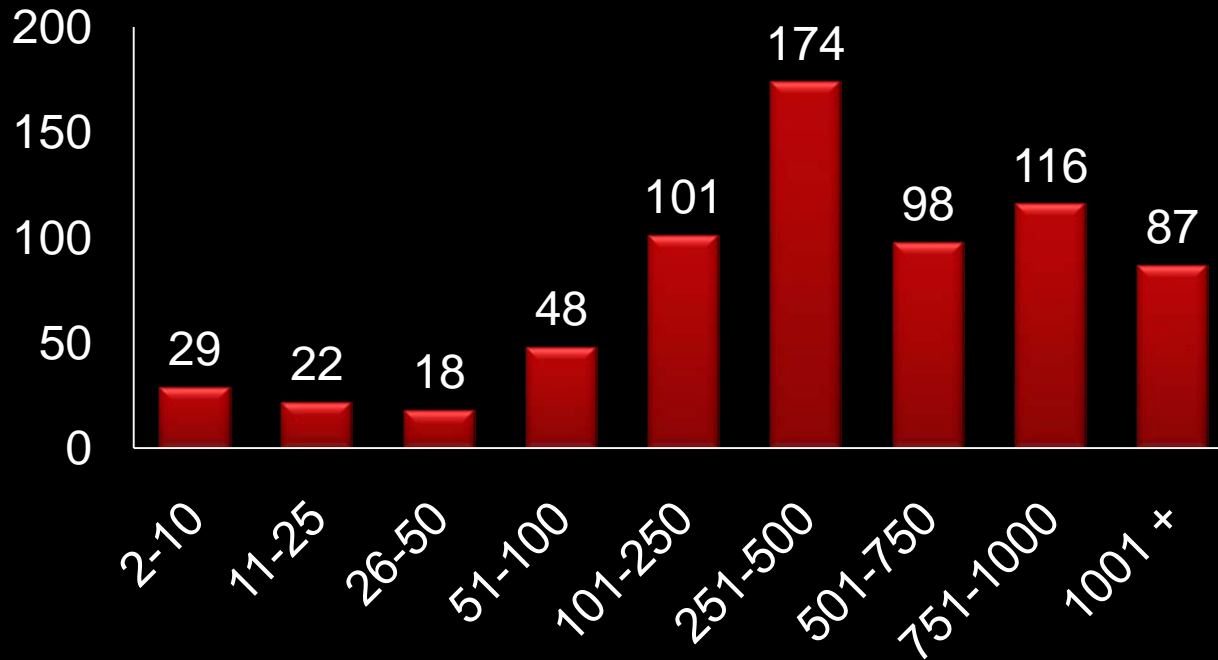
Respondent Demographics

Geographic Footprint



Respondent Demographics

Size of Law Firm



■ Size of Respondents' Law Firms (by number of attorneys)

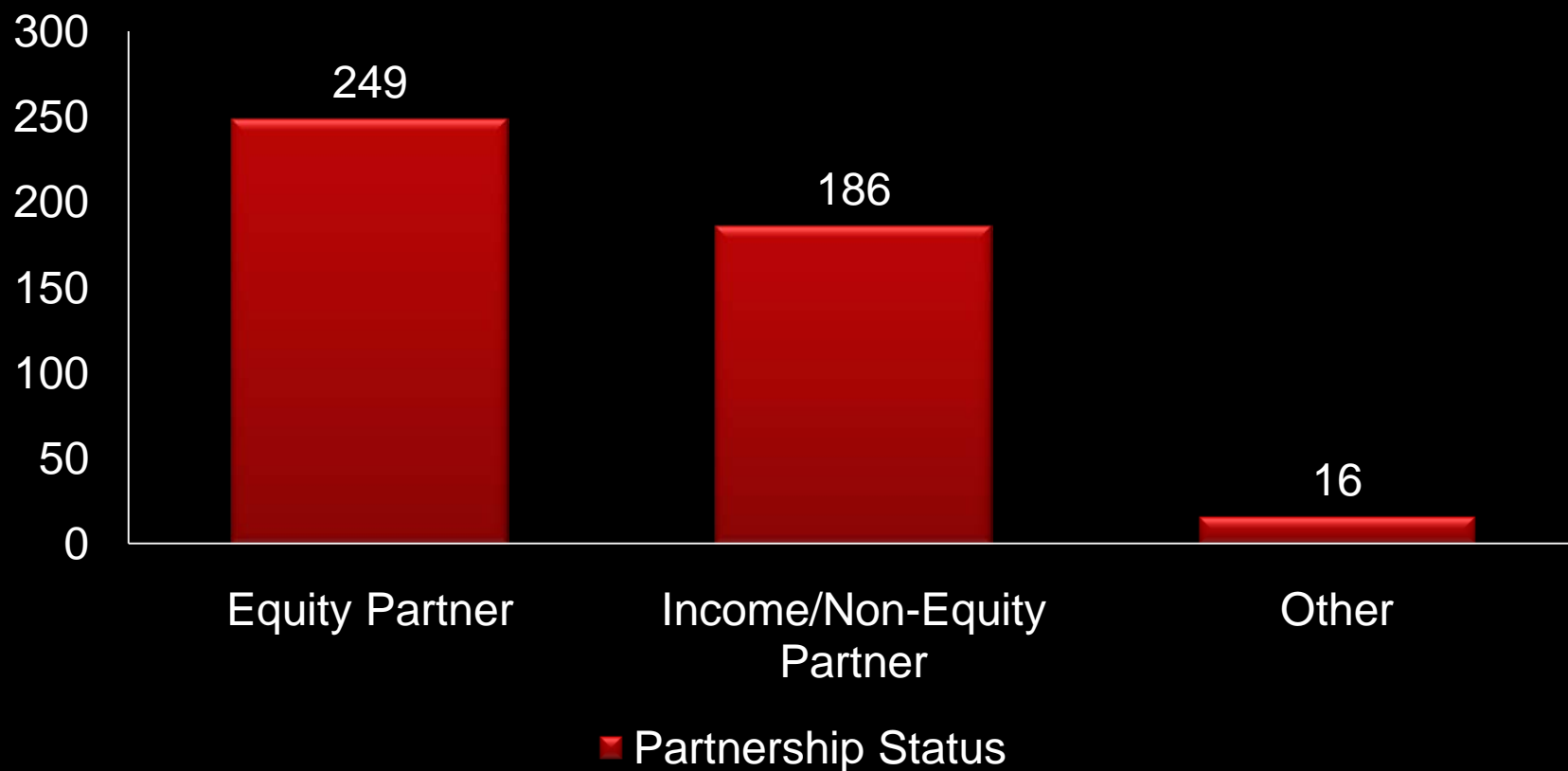
Respondent Demographics

Number of Partnership Tiers in Law Firms



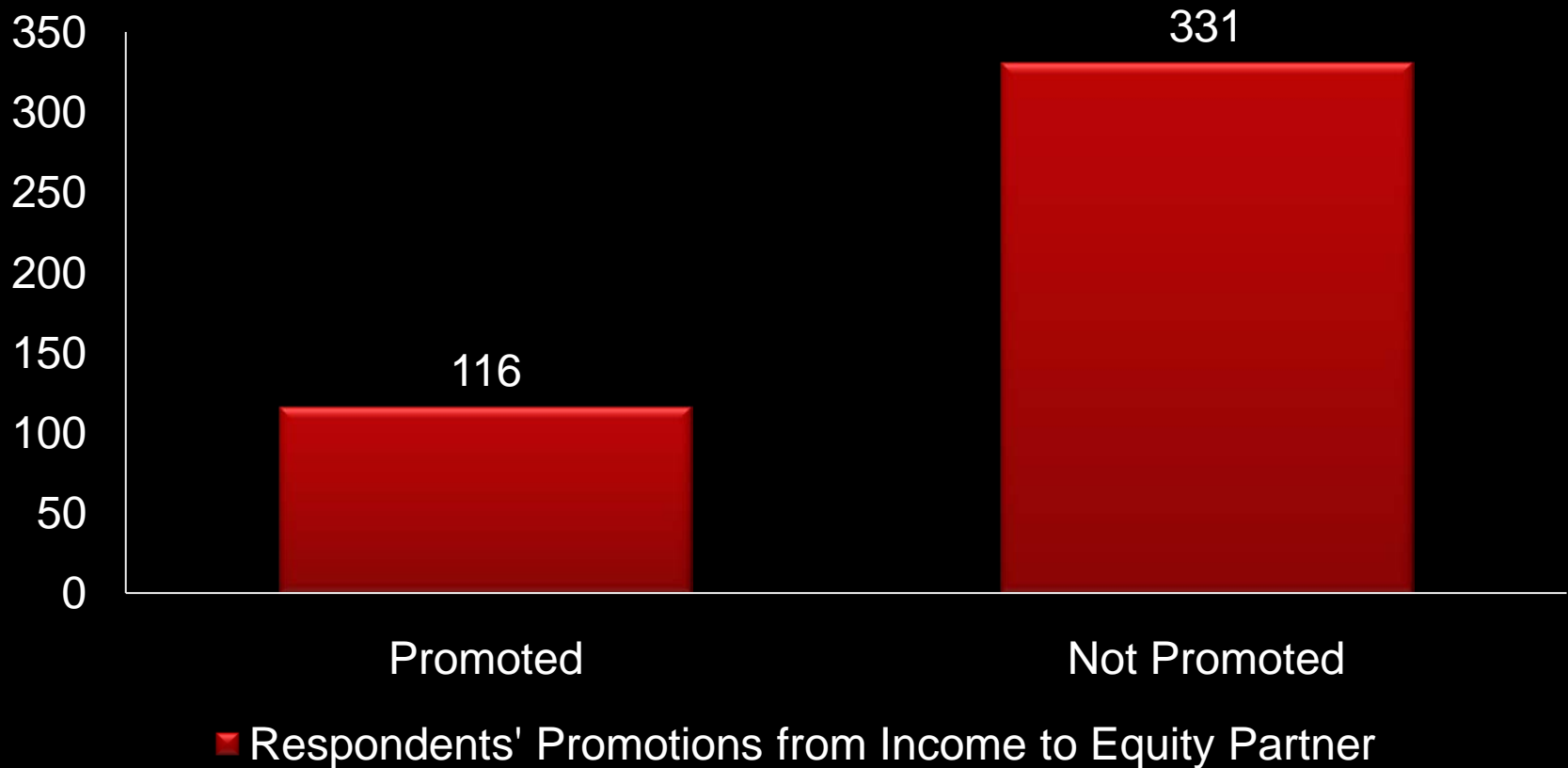
Respondent Demographics

Partnership Status of Respondents in Multiple Tier Partnerships



Respondent Demographics

Promotions from Income to Equity Partner



92.79% of Respondents reported that promotion to equity was not time-in-grade alone; the other key factors include

**Among all other factors,
revenue generation is key!**

- ✓ *By billable amounts collected (98%)*
- ✓ *By billable hours worked (94%)*
- ✓ *By new client origination (91%)*
- ✓ *By client cross-selling or client matter expansion (81%)*
- ✓ *By “billing partner” status (68%)*
- ✓ *By work binding client to firm (63%)*

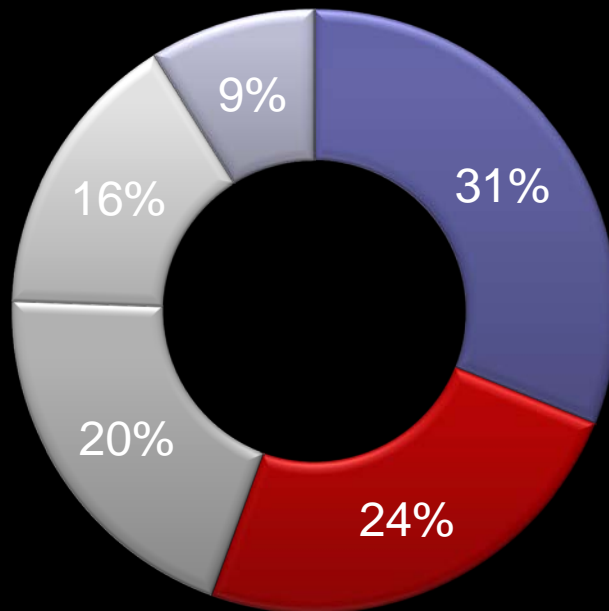
Talent Management Contributions are largely rated “Not Important”

The five factors that were RARELY listed by respondents as “very important” in compensation or promotion to equity partner

- ✓ *Effective development of “human capital”*
- ✓ *Contributions to firm’s diversity efforts*
- ✓ *Effective leveraging of associates*
- ✓ *Associate development work*
- ✓ *Pro bono and community service*

Good news! Only 7.87% of respondents reported having been “de-equitized”.

Top 5 Reasons for De-Equitization



- Firm's Decision to Increase Profits Per Partner
- Low Revenue Generation (New Client Origination)
- Low Billable Hours
- Low Revenue Generation (Cross Selling or Client Matter Expansion)
- Seniority

More interesting findings. . .

- A combination of subjective and objective assessment factors influence compensation at the majority of firms
- Most firms have a “points or levels” system and revenue generation is key factor to move up in points/level structure
- Most firms annually re-evaluate levels/points allocation among partners

More interesting findings. . .

Compensation decisions are most influenced by:

- #1: Management or Executive Committees
- #2: Compensation Committees
- #3: Managing Partner, Chairman or President

And, women were severely underrepresented in each and every one of these groups/roles...

More interesting findings. . .

Women partners reported most compensation committees consist of between 5-8 people

Unfortunately, however, few white women have a seat at the table as members of the law firm's compensation committee.

And minority women are largely absent entirely from the table when compensation decisions are made.

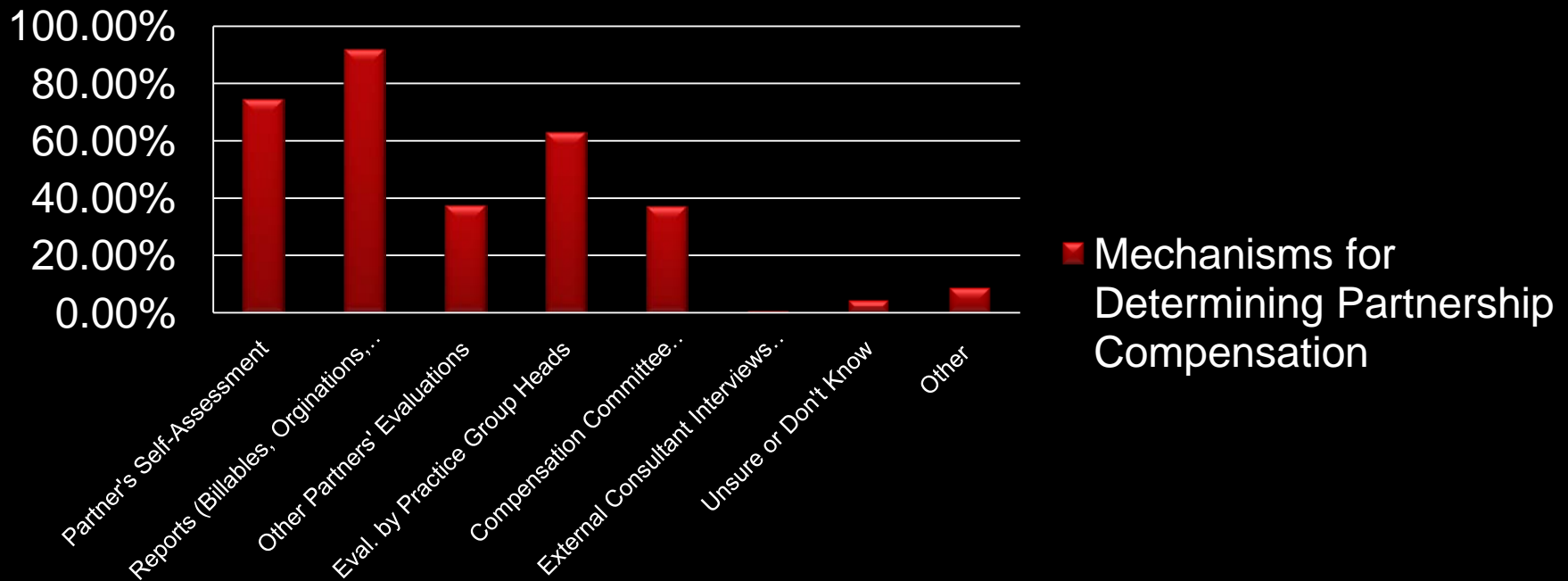
More interesting findings. . .

How do you get a seat?

- Elected by partnership per 28.6%
- Appointed by Chairman, Managing Partner or Equivalent per 28.22%
- Combination of elected and appointed at 14.2%
- About 7% did not even know how to get a seat!

What goes into partnership compensation?

Mechanisms for Determining Partnership Compensation



Appealing compensation decisions?

- At many firms you cannot appeal. At some, you can. But, even when you can appeal, how comfortable with appealing decisions are women partners?
- Only 7% of minority income partners, 19% of majority income partners, 26% of minority equity partners and 32% of majority equity partners felt comfortable appealing. However you cut it, 2/3rds of the respondents were uncomfortable appealing!!

More interesting findings. . .

About half of the women partners said the “originator” is always paid on work he/she or others bill to the client he/she opened.

About 55% of women partners reported being occasionally or frequently denied their “fair share” of origination points.

These disputes are resolved by the partners in most firms, but at some, Compensation Committees play a role.

More interesting findings. . .

- All women have it hard but minorities, especially
- Minority equity partners are the most likely to report having their credit improperly denied.
- Minority income partners were the most likely to report being bullied.
- Minority income partners, followed by minority equity partners, were the most likely to go on successful pitches and not receive origination credit.

When partners retire, who gets to choose who “inherits” their clients?

- 29.68% say the current partner selects his/her successor to clients.
- 32.04% say there is no consistent approach
- 15.7% don't know
- At 5.59%, firm management chooses the new engagement partner
- At 2% there's an objective selection process
- Clients choose per only 2.15%

Disputes about origination point allocation can get ugly.

- Almost 30% of Women Partners report having been subjected to intimidation, threats, or *bullying* to back down after origination point disagreements with their partners.
- A significant number report being dissatisfied (39%) with how such disputes are resolved at their firms.

In their own words. . .

- One was told “I can make your life difficult. On the other hand, I can be helpful.”
- Experienced others pulling rank, belittling
- “[I received] subtle hints that compensation would be adversely effected because I stood up for myself.”
- “[The] partner was more senior and just tried to intimidate me because I was a more junior partner.”

In their own words. . .

- “This issue has been the most challenging for me. Some of the young male partners are just handed shared origination because ‘their brains also brought in the client.’ I have not had the same level of shared financial opportunity, despite more years of helping to build the very clients whom I requested to share in the financial wealth with other partners.”

In their own words. . .

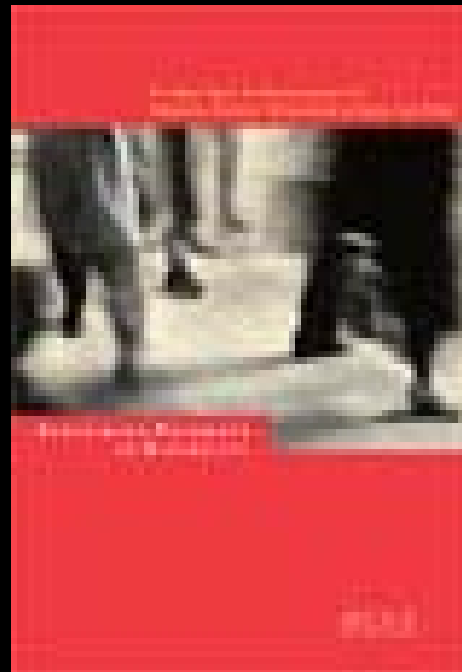
- “Implicit threat that if they had to share credit on this matter, they wouldn't come to you with another.”
- “It has been clear that I am not in a position to dispute credit allocations as long as I am a income partner, especially in this economy.”

In their own words. . .

- “It is subtle. You just know not to make an issue.”
- “Bullying.”
- “Intimidation by email.”
- “[I was told] that it would ‘make more sense to send all work to associates.’ I struggled for a year trying to build up my own practice separate from the managing partner who made the threat (and stood by it).”

In their own words. . .

- “[M]y practice group leader demanded a large percentage of origination credit for a client where I had the relationship. Since he was my practice group leader, I felt intimidated to agree.”
- “. . . my contribution was totally trashed, until I agreed to waive any claim to credit It was just me arguing against the 2 guys claiming the credit should be totally theirs although it had been my client for many years.”



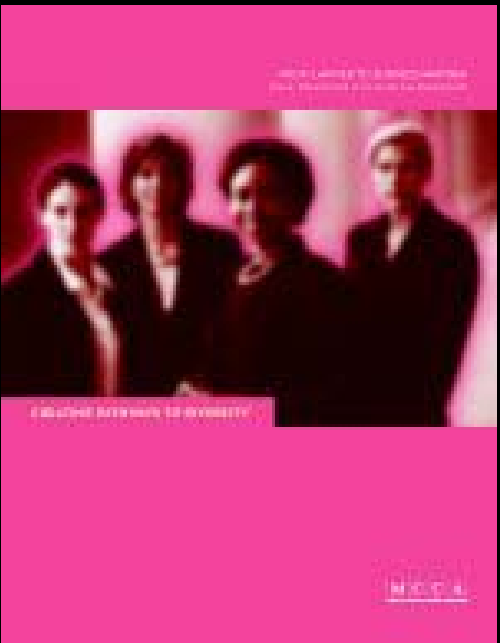
Latest Research Report on Top 200 Law Firm Diversity Efforts and Attorney Experiences



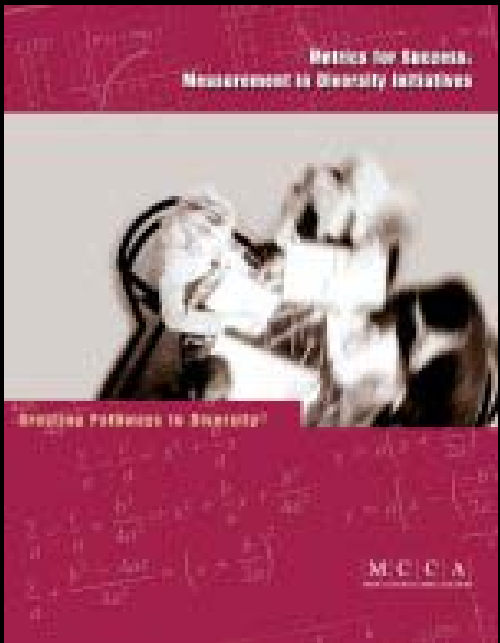
More Available Resources – www.MCCA.com



Gay & Lesbian Attys.



In-House Women

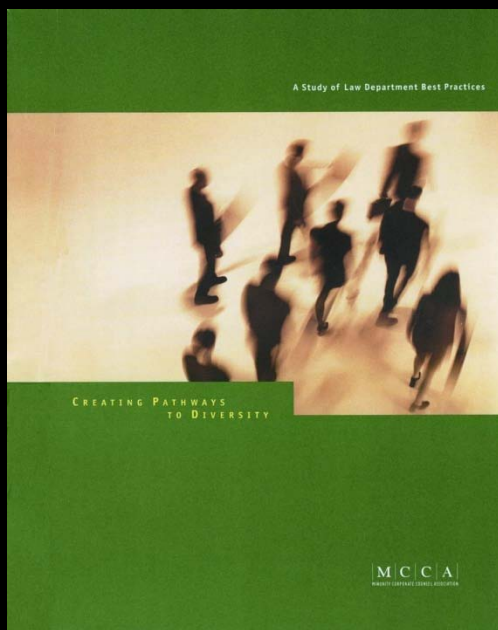


Diversity Metrics

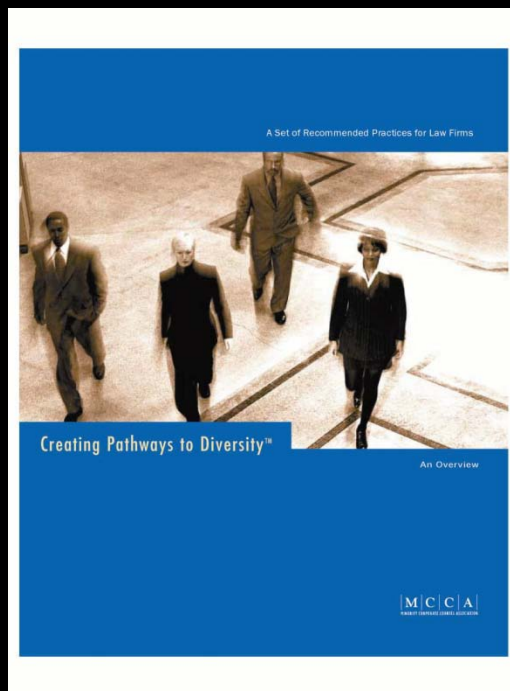


Available Resources – www.MCCA.com

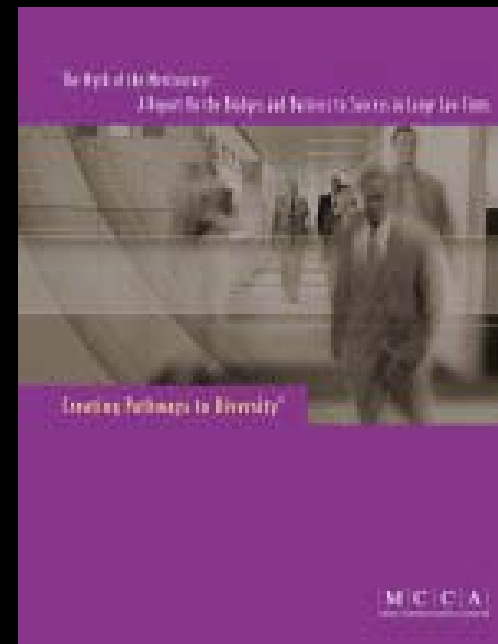
CREATING PATHWAYS TO DIVERSITY® RESEARCH



Law Departments



Law Firms



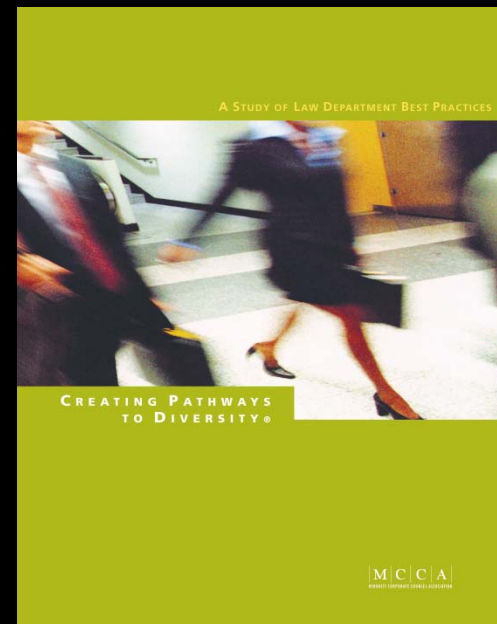
Myth of Meritocracy



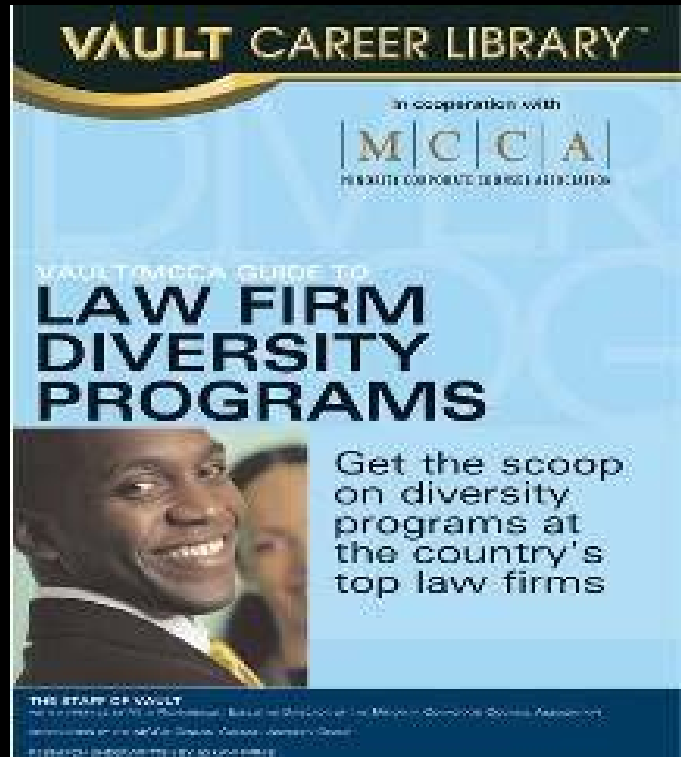
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Mentoring Across Differences



Corporate Best Practices II



Vault/MCCA Law Firm Diversity Guide