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Study: Women lawyers paid less

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It has long been argued that the main reason women partners are paid less than their male counterparts at law firms is because they are less productive due to family commitments. But that's not true, according to a study conducted by law and business professors from [Temple University](#) and the [University of Texas-Pan American](#).

"It has been said for such a long time that women aren't as productive as men," Beasley School of Law — Temple University professor **Marina Angel** said. "Even I had bought the party line on that. But women are at least just as productive as men and sometimes even more."

Angel's group performed a statistical analysis of law firm compensation at the 200 highest-grossing law firms between 2002 and 2007, while also taking data about law firm diversity from Vault.com and the Minority Corporate Counsel Association. Angel had done a similar project for the Pennsylvania Bar Association and wanted to take her research national.

The study found that the average gross revenue of firms with the highest percentages of women lawyers was about \$20 million higher than firms with the lowest percentage of women lawyers, but the revenue per lawyer (RPL) of these firms dropped by about \$120,000 per lawyer. The average compensation for the lawyers at the firm goes down as the proportion of women at a firm rises, indicating that women in all positions at a firm are paid less than their male counterparts.

If women are not compensated like men at law firms, the study concludes a possible root of the problem is intentional discrimination. While the researchers admit that women who take time off for child care are often taken off the partnership track, they found that women who don't do that still earn less than their male counterparts.

The study was conducted when life was good for law firms. But the recession has brought much change to the legal industry, such as an enhanced focus on alternative billing arrangements with clients — something that could benefit women who have long complained about a perceived over-emphasis on billable hours. Angel, though, said her perception is that "things are not getting any better."

The issue might be helped if more women achieved equity partner status but the needle on those numbers has not moved much for several years. Between 1983 and 2001, 40 percent to 50 percent of the associate hires at law firms were women, but they only comprise 16 percent of equity partners today.

Deborah Epstein Henry, a former [Schnader Harrison Segal & Lewis](#) litigator and current law firm consultant, just wrote a book called "Law & Reorder: Legal Industry Solutions for Restructure, Retention, Promotion & Work/Life Balance." She said women are paid less partly because law firms place priority when dividing profits from client work to those who originate the relationship, largely older male lawyers, and not to those who service the clients work or expand the business generated.

Henry also noted that women are not represented heavily on firm compensation committees that determine how much money each lawyer receives for client matters and often struggle with self-advocacy.

Succession planning and advocating for their proper share of business development of client work are also major issues, according to Fine Kaplan & Black partner **Roberta Liebenberg**, who chairs the American Bar Association's Commission on Women in the Profession. Liebenberg's ABA Commission released its own study this summer.

"One of the most shocking revelations was that 30 percent of women lawyers claimed they were threatened, intimidated or bullied to giving up credit for their contributions to business development," she said.

She encourages women lawyers to make sure clients are involved in succession planning as a slew of baby boomers are set to retire over the next 10 years.

"And many of those lawyers will want to see their book of business go to their protégés [largely junior male

partners] rather than those who actually advanced the work," Liebenberg said.

The ABA study, called "New Millennium, Same Glass Ceiling?," found that only 2 percent of women partners surveyed said clients were involved in the process of book of business succession planning while 30 percent said the partner selected his own successor.

Liebenberg said firms need to look at metrics other than billable hours to determine compensation because that metric is incompatible with women's lifestyles because of family responsibilities as there is truly a stigma attached to working flex-time.

Schnader Harrison Chairman **David Smith** said if there is a bias in law firm compensation, it would occur in attribution of credit for work, which, depending on the firm, can be determined by a committee or one key lawyer.

Smith said it is tough to overlook the value of billable hours being that law firm profits essentially derive from the difference between what clients pay for the work and what it costs to do the work. But he said clients are also now looking for more value and that could place a higher emphasis on the solutions coming from outside counsel, regardless of the hours billed.

"Those are short-term economic issues," Smith said. "If a firm has excess capacity and not enough business, it will tend to over-value business origination. If a firm has a lot of business, they tend to overvalue hours."

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