



National Association of Women Lawyers
Empowering Women in the Legal Profession Since 1899



WOMEN LAWYERS CONTINUE TO LAG BEHIND MALE COLLEAGUES

Report of the Ninth Annual NAWL National Survey
On Retention And Promotion Of Women In Law Firms

By: Lauren Stiller Rikleen

In 2006, the National Association of Women Lawyers issued its NAWL Challenge: Increase the number of women equity partners, women chief legal officers, and women tenured law professors to at least 30 percent by 2015.² As reported in the First Annual NAWL Survey, “The impetus for the Survey grew from the now familiar ‘50/15/15’ conundrum: For over 15 years, 50 percent of law school graduates have been women yet for a number of years, only about 15 percent

of law firm equity partners and chief legal officers have been women. The partnership pipeline is actually richer than these numbers suggest because, for over two decades, law schools have graduated women in substantial numbers and law firms have recruited women at the entry level in about the same ratio as men.”³

The NAWL surveys focus specifically on women in law firms, as detailed in this report. With respect to the two other

Among the non-equity partners who graduated from law school in 2004 and later, 38 percent were women and 62 percent were men

components of the NAWL Challenge, women in corporate general counsel positions and law school tenured faculty have fared better than women equity partners in law firms. Women now represent approximately 23 percent of Fortune 500 general counsels⁴ and 37.5 percent of tenured positions.⁵

This year's NAWL Survey of women in law firms demonstrates what we have long seen: The number of women equity partners in law firms has barely increased in the past 10 years, despite all the available talent and opportunity present in 2006, and earlier. Indeed, the NAWL Challenge goal seemed like one that could reasonably be accomplished. With a full pipeline, there was every reason to be optimistic that the legal profession would achieve these goals.

The data reported below, however, demonstrates that, particularly with respect to equity partner promotions and compensation, the gender gap is far more appropriately

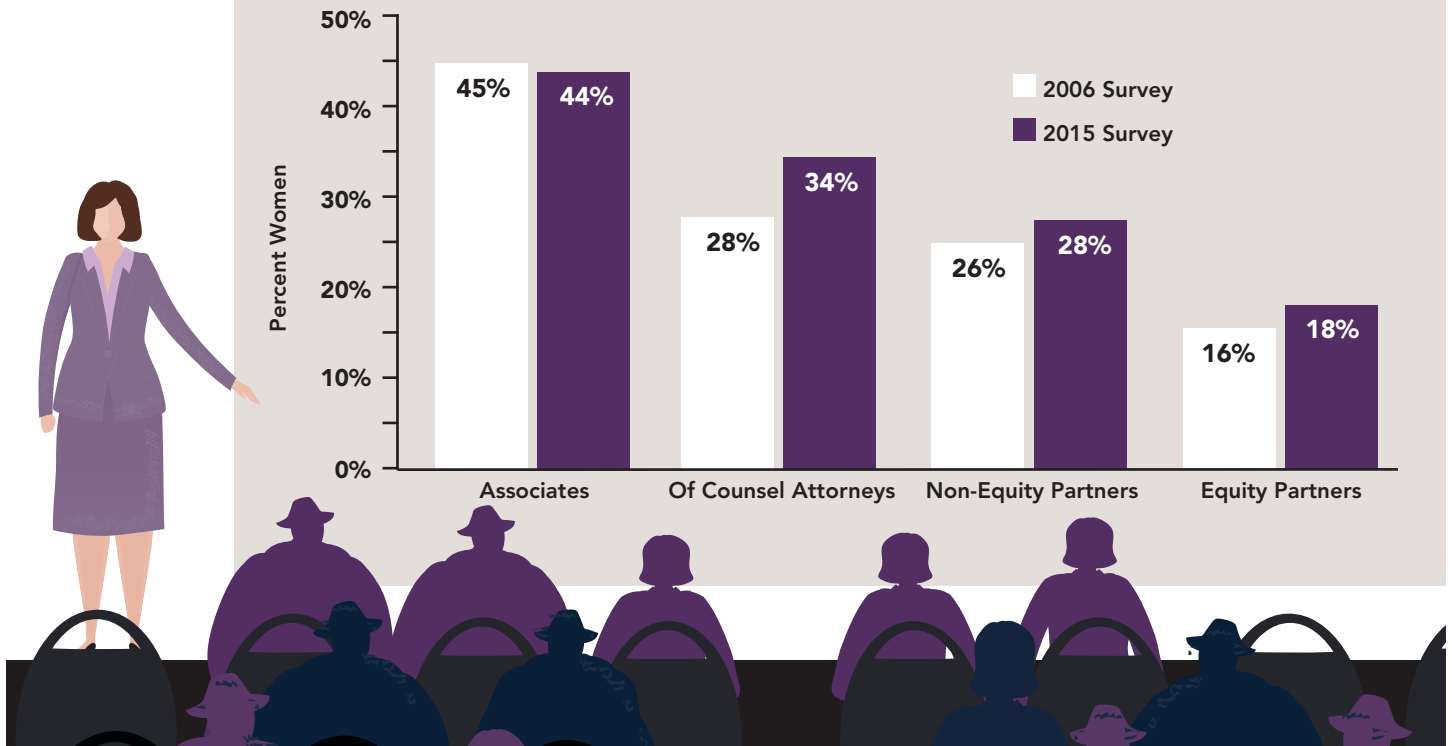
described as a gender gulf, and achievement of the NAWL Challenge within law firms remains an elusive goal. The survey responses report a level of stagnation with respect to achieving gender parity that ought to serve as a wake-up call to the profession.

Women still lag far behind their male colleagues in their promotion to equity partnership and senior leadership roles, as well as in the amount of compensation they are paid. Relative to their long-standing numbers in law school and as new lawyers, the results reported in this survey should be telling a vastly different story. That the results are generally similar to what we reported at the start of the NAWL Challenge nearly a decade ago is, instead, a story of institutional failure.

Recently, *The American Lawyer*, in its cover story addressing the continued challenges women are facing in achieving equality in private practice, wrote this about the NAWL Challenge: "The

Representation of women in attorney positions

Note: For equity partners, we restrict data to equity partner subsample. See appendix on survey methodology.



Ninth Annual Survey at a glance*

Firms have made no appreciable progress in the rate at which they are promoting women into the role of equity partner. The data demonstrate that women still comprise only approximately 18 percent of equity partnership.

Not only do the responses to the questions about equity partner elevation demonstrate the lack of progress for women, the data also suggest that the opportunities for equity partnership in general are diminishing for both male and female associates. For those who began their careers at their law firm, the overall elevation rates are lower than for lateral attorneys. Of new equity partners promoted in the year prior to the survey, the typical firm had one female equity partner who started with the firm and one who was a lateral. For men, the typical firm promoted one lawyer into the equity partnership who started with the firm and five who were laterals.

Men continue to be promoted to non-equity partner status in significantly higher numbers than women. Among the non-equity partners who graduated from law school in 2004 and later, 38 percent were women and 62 percent were men. This data remain vexing in light of the longstanding pipeline of women, as women have been graduating from law school in nearly equal numbers for decades.

The data continue to be challenging for other diverse groups. Lawyers of color represent 8 percent of the law firm equity partners. LGBT lawyers comprise 2 percent of equity partners.

The compensation gender gap remains wide. Not one of the responding law firms reported having a woman as its highest earner. Moreover, the gap between what women equity partners earn compared to men is striking: the typical female equity partner earns 80 percent of what a typical male equity partner earns.

Women continue to be under-represented on law firm compensation committees, yet law firms that report more women on their compensation committee have narrower gender pay gaps. In the 12 firms that reported having two or fewer female members on the compensation committee, the typical female equity partner earns 77 percent of that earned by a typical male equity partner. In the 18 firms that reported three or more women on the compensation committee, the typical female equity partner earns 87 percent of that earned by a typical male equity partner.

Men continue to outpace women in obtaining rainmaking credit. Moreover, client relationships are frequently passed down to the fortunate beneficiaries who inherit the internal credit, often with little client input on the decision. This year's survey shows a wider gender gap in client origination credit than last year. Among the firms that provided data regarding the gender of the 10 lawyers who generated the highest amount of revenue, 88 percent of the Top 10 were men and 12 percent were women. Similar to last year, approximately a quarter of the firms report that the current relationship partner selects his or her successor, meaning that valuable client credit is, in essence, an inheritance that can be passed from one individual to another.

There is a gender gap in revenues generated from client billings, even as women report overall higher working hours. The typical female equity partner bills only 78 percent of what a typical male equity partner bills. When asked to report total client billable and non-billable hours, however, the total hours for women equity partners exceeded the total hours for men equity partners. The median hours reported for the women were 2,224 and, for the men, were 2,198. The data raises questions about whether committee assignments, hourly billing rates, and the distribution of pro bono hours contribute to disparities in client billings.

Women continue to be under-represented on the highest governance committees. The typical firm has two women and eight men on their highest U.S.-based governance committee. Women do slightly better in achieving these key leadership roles at AmLaw 100 firms, compared to the Second Hundred, but both groups report numbers that demonstrate limited progress when compared to the decades-long pipeline of women in the profession.

Every respondent reported having a Women's Initiative, but the budgets allocated to these efforts reinforce that women's affinity groups lack sufficient resources to accomplish strategic goals. Seventy-five percent of the responding law firms reported having a formal budget for their Women's Initiative, which is lower than the 80 percent reported in the NAWL Foundation's 2012 survey of Women's Initiatives. Even as the responses indicate the limited overall financial resources available for Women's Initiatives, there is a significant variance between the average budgets in AmLaw 100 firms and the lower budgets reported in the Second Hundred. The median annual budget for the AmLaw 100 is \$112,500; for the Second Hundred, the median annual budget is \$82,000. Half of the reporting AmLaw 100 firms report that their Women's Initiative annual budget is \$100,000 or less; only 25 percent report that the budget exceeds \$200,000. None of the Second Hundred firms report an annual budget of \$200,000; 73 percent report being in the \$100,000 or less category.

Training programs vary significantly. Of note, 20 percent of the respondents reported that they do not provide training on diversity and inclusion, 26 percent reported that they do not provide training on unconscious bias, and 57 percent do not train on the topic of micro-inequities.

There are more male associates than female associates in the U.S. offices of the respondents, including at the more junior and senior levels, suggesting that women may be turning elsewhere for greater professional fulfillment. Women comprise 44 percent of associates. Even as the AmLaw 100 firms have more female associates than the Second Hundred, the AmLaw 100 also employs more females designated as staff attorneys.

*** Each of NAWL's nine surveys reflects annual data collected by responding law firms. Due to processing time, survey results have been tabulated and reported for nine out of the ten years since NAWL issued its challenge to the profession in 2006.**

100 percent of firms reported that its highest U.S. paid partner is male

goal seemed within reach. After all, since at least 1991 women have made up just under half of law school graduates and new associates, and partnership promotions would be expected to occur between eight and 10 years later, driving up the numbers. Across the country, firms responded: as of 2012, according to NAWL, 97 percent had rolled out women's initiatives to better retain and train women for advancement. But ... [t]heir efforts have mostly failed."⁶

As the article reported, if the pace of progress over the past 10 years continues, women equity partners will not reach 30 percent until the year 2181. NAWL believes this failure to make

past several years analyzing similar aspects of women's progress confirms the troubling results seen by NAWL.⁷

Overview comparison of women in law firms — then and now

Images can be an effective substitute for words. This is particularly true when comparing law firm data from the 2006 NAWL Survey — when the NAWL Challenge was first announced — to the data collected for this Ninth Annual Survey, the NAWL Challenge goal year. The chart on page 2 demonstrates (1) the slow pace of change at the higher echelons, (2) the increasing numbers of women in “counsel” slots, and (3) a slight decline in the number of women associates.

As discussed in greater detail below, the pace at which women are promoted into the partnership ranks is barely improving. The data show that, for this Ninth Annual NAWL Survey 44 percent of associates are women; 34 percent of attorneys designated as counsel are women; and 28 percent of non-equity partners are women.

The percentage of women designated as “Of Counsel” has increased significantly since 2006. NAWL fully supports the availability of alternative career paths for men and women, and recognizes that the counsel designation can be a beneficial way to retain lawyers who are not seeking partnership. The difficulty arises, however, when women are slotted in these roles less by choice than by the impact of unconscious biases, leading to a limiting of career options.

The slight decline in women associates may be consistent with the similarly slight decrease in women attending law school during this time period, two trends of concern with respect to the future pipeline. Even a modest drop in the number of women in the pipeline may be an indication that women are choosing alternative career paths because of a perception that law firms have fewer opportunities for advancement.

In 2006, the concept of “staff attorney” rarely existed and was not included in the survey. Over the past few years, an increasing number of firms have added this category of lawyers, which is generally considered a non-partnership track position. Within the firms reporting data regarding this position, 54 percent of staff attorneys are women. The typical AmLaw 100 firm employs

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measurable progress reflects poorly on the legal profession and makes law firms less attractive career options for women seeking professional growth and satisfaction.

Each year, NAWL has described the goal of this survey: to address the gap in objective statistics regarding the advancement of women lawyers into the highest levels of private practice. For many years, NAWL's Survey was the only national study that annually tracked the professional progress of women in the nation's 200 largest law firms by providing a comparative view of the careers and compensation of men and women lawyers at all levels of private practice, as well as by analyzing data about the factors that influence career progression.

By compiling annual objective data, the Survey continues to provide: (a) an empirical picture of how women forge long-term careers in law 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 law firms. The emergence of other surveys over the

16 women and 11 men in the staff attorney role, and the Second Hundred employs 8 women and 6 men as staff attorneys.

Advancement into partnership

Only 64 percent of the law firms that responded to the NAWL Survey provided reliable data regarding equity partner counts by gender and law firm graduating class (47 of 73 firms overall).⁸ Moreover, responses to the question about total equity partners in this year's survey are 43 percent lower than in the First Annual NAWL Survey. In light of that low response rate, it is reasonable to question whether the firms that respond to these questions tend to be those that believe they have a more positive story to tell, and that the number of those firms is declining.

These 47 firms reported that, in their U.S. offices, 18 percent of their equity partners were women and 82 percent were men. There was little difference in reported results between the AmLaw 100 and Second Hundred firms. Among the 25 AmLaw 100 firms reporting, the equity partner break-down was 19 percent women and 81 percent men; among the 22 Second Hundred firms reporting, women comprised 18 percent of the equity partnership.

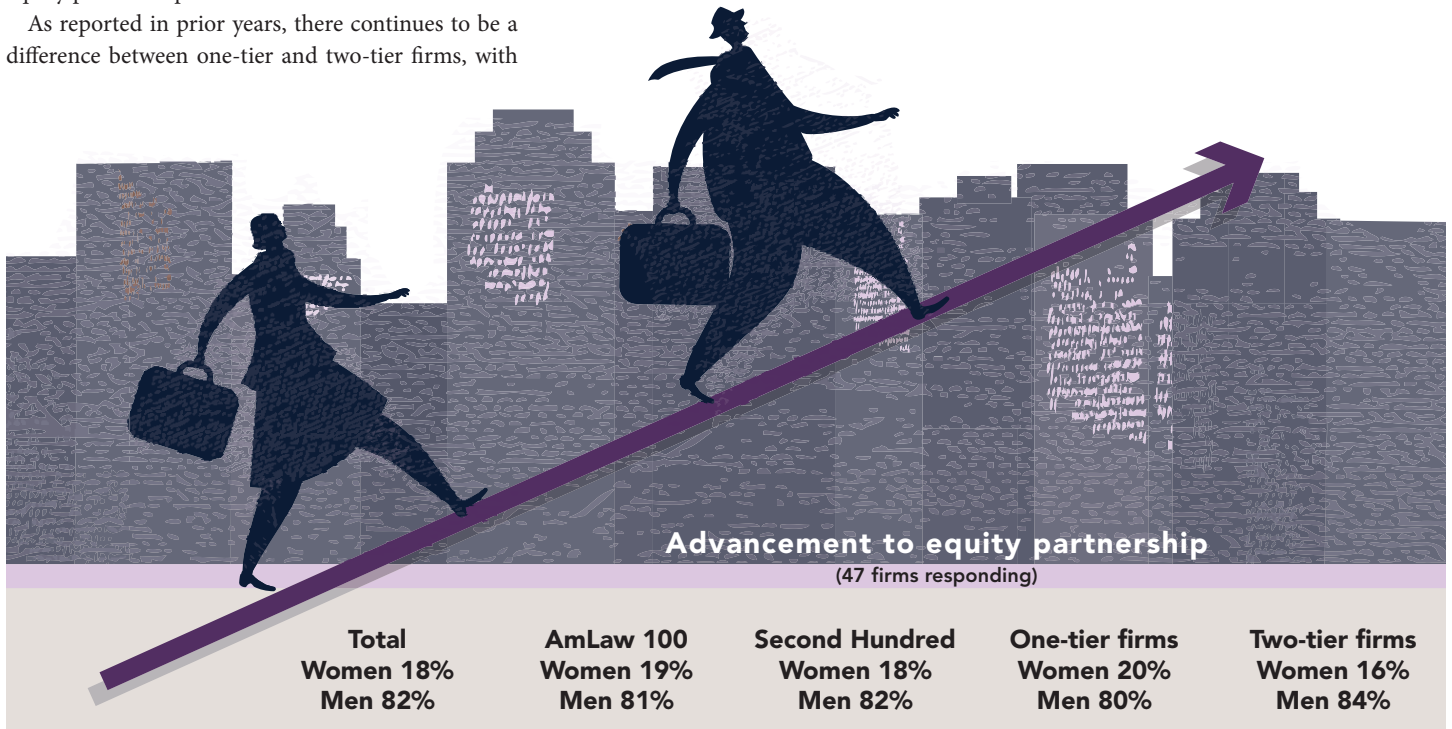
As reported in prior years, there continues to be a difference between one-tier and two-tier firms, with

women comprising a higher percentage of equity partners in the one-tier firms. Overall, women comprise 20 percent of the equity partners in one-tier firms and 16 percent in the two-tier firms. When the data is analyzed by AmLaw 100 and Second Hundred, the break-down is relatively similar.

The differential between one-tier and two-tier partnerships was noted in the First Annual NAWL Survey as well. At that time, women were reported to comprise 17 percent of equity partners in one-tier firms and 15 percent in two-tier firms.

For the second year in a row, NAWL asked respondents to provide data on equity partner elevations made in the past year. The question seeks to determine whether newer promotion decisions are more likely to include women. Of new equity partners elected between February 1, 2014, and January 31,

Of new equity partners elected between February 1, 2014, and January 31, 2015, 24 percent were women.



Minority women who advance continue to play the role of pioneers in the AmLaw 200

2015, 24 percent were women. This percentage is slightly lower than that reported last year.

In one respect, however, the responses regarding new equity partner promotions showed a significant decline from the data reported last year. The 2014 NAWL Survey reported that 40 percent of the newest equity partners in the Second Hundred were women, and further stated that “it remains to be seen if this is a one-year statistical aberration or whether it augers a new trend.”⁹ Based on this year’s data, it was an aberration. Among the Second Hundred firms, 22 percent of the new equity partners were female.

Of new equity partners promoted in the year prior to the survey, the typical firm had one female equity partner who started with the firm and one who was a lateral. For men, the typical firm promoted one lawyer into the equity partnership

at the rate they are entering law firms. Minority women who advance continue to play the role of pioneers in the AmLaw 200. Indeed, various reports over the past 10 years show that virtually no progress has been made by the nation’s largest firms in advancing minority partners and particularly minority women partners into the highest ranks of firms.”¹⁰

We again report discouraging data regarding lawyers of color, based on the data in this year’s survey. Lawyers of color constitute only 8 percent of the law firm equity partners. Among this small percentage of equity partners of color, even fewer are women. The typical firm has 105 white male equity partners and seven minority male equity partners, and 20 white female equity partners and two minority female equity partners. Women comprise only 24 percent

of Hispanic equity partners, 33 percent of black equity partners, and 29 percent of Asian equity partners. So few Native American and Asian Pacific equity partners were identified that the median reported for both men and women was zero.

Law firms were also asked to report data regarding partners who identify as LGBT. According

to the data provided by 56 firms, only 2 percent of female and 1 percent of male equity partners are LGBT.

The graphic on the next page describes, for each diverse group, the percentage of total equity partners within that group who are female compared to the percentage who are male.

Compensation

Last year’s NAWL Survey noted the low response rate for questions regarding firm compensation, notwithstanding the promise of both confidentiality and complete anonymity. This year’s total number of responses to the compensation questions was even lower.

Forty-one firms responded to the inquiry about the gender of the U.S. partner receiving the highest compensation; 100 percent of those firms reported that it was a male. When this question was posed in the First Annual NAWL Survey, of the 62 firms that reported

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who started with the firm and five who were laterals. Clearly, the majority of equity partner promotions do not come from the existing associate pool within the law firms. This troubling trend should serve as a warning for the law firm pipeline.

In asking firms to report on their non-equity partner numbers, the survey asked for data in class year groupings. The purpose of this question is to determine if parity is being achieved with the younger classes of senior associates elevated to the non-equity partner level, since these classes began their careers with relatively equal numbers of men and women. Among the non-equity partners who graduated from law school in 2004 and later, 38 percent were women and 62 percent were men.

The continued barriers faced by diverse lawyers

Last year’s NAWL Survey observed: “It states the obvious to note that minority lawyers are not achieving partnership

whether a male or female lawyer earned the most compensation in the firm, 57 firms – or roughly 92 percent – reported that their highest paid lawyer was a man.

When asked to provide the median compensation for equity partners in the firm, only 30 firms provided data. Of these responses, the typical female equity partner earns only 80 percent of what a typical male equity partner earns. The median compensation is reported as \$504,000 for female equity partners and \$629,407 for male equity partners.

The gender compensation gap shrinks within other levels in a firm, although the response rate limits the conclusions that can be drawn. Only 25 firms responded to the compensation question about non-equity partners. Among those, the data indicated that the typical female non-equity partner earns 96 percent of the typical male non-equity partner. The median compensation reported for women non-equity partners is \$230,000 and, for men, the reported median is \$239,000.

Of the 30 responses to the median compensation question for counsel and the 33 responses to the median compensation question for associates, the typical woman in each category made 93 percent of the typical man. The median compensation for women counsel is \$189,000 and \$204,121 for men. For associates, the median compensation reported for women is \$151,162; for male associates, the median is \$162,000.

A comparison to the data in the First Annual NAWL Survey suggests that women have made little progress in the past decade in closing this gap. In that first survey, 35 firms reported male and female median compensation for the equity partner position. Among those firms, the average median compensation of a male equity partner was reported as \$510,000. The comparable figure for a female equity partner was \$429,000, which is 84 percent of the compensation of a typical male equity partner.¹¹ The gap in compensation among male and female equity partners reported a decade ago in the First Annual NAWL Survey was less than the gap reported in this more recent data.

Also in 2006, 27 firms reported male and female median compensation for non-equity partners. Among these firms, the average median compensation for men was reported as \$239,000 and for women as \$207,400, which is 87 percent of the typical male compensation.

The 2006 NAWL Survey stated that 29 firms reported male and female median compensation for of-counsel positions. The average median compensation for men of-counsel was reported as \$202,000, and the median for women was \$184,000, which is 91 percent of the typical male compensation.

We know from other studies of salary inequality that the gender pay gap widens with seniority and with the degree of discretion that exists in the compensation process. This is similarly demonstrated in the legal profession, where the gender gap in compensation is narrower among associates and lawyers designated as counsel, and grows significantly at the equity partner level.

Rainmaking credit and client succession

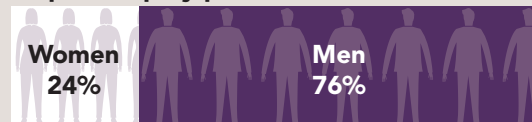
As observed in the Eighth Annual NAWL Survey, delving too deeply into origination credit data poses many challenges, due to the wide

Minority law firm equity partners

(Total equity partners of color 8%)

The typical firm has 105 white male equity partners, seven minority male equity partners, 20 white female equity partners and two minority female equity partners.

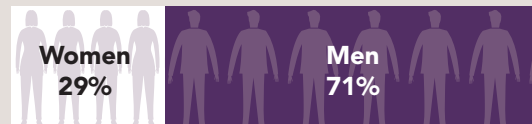
Hispanic equity partners



African American



Asian



Native American 0%

Asian Pacific 0%



A comparison to the data in the First Annual NAWL Survey suggests that women have made little progress in the past decade in closing this gap.

There is a gender gap in revenues generated from client billings, even as women report overall higher working hours

variations in how law firms attribute origination credit for new clients and new matters from existing clients. What remains clear, however, is that women continue to receive less credit than men for client work.

The limited data reported in this year's survey shows a wider gender gap in client origination credit than last year. Only 37 firms provided data regarding the gender of the 10 lawyers who generated the highest amount of revenue, which represents only about half of the overall survey respondents. Among these 37 firms, 88 percent of the Top 10 were men and 12 percent were women. When broken down by AmLaw category, it appears that women do better in the Second Hundred, where 15 percent of the top 10 business generators

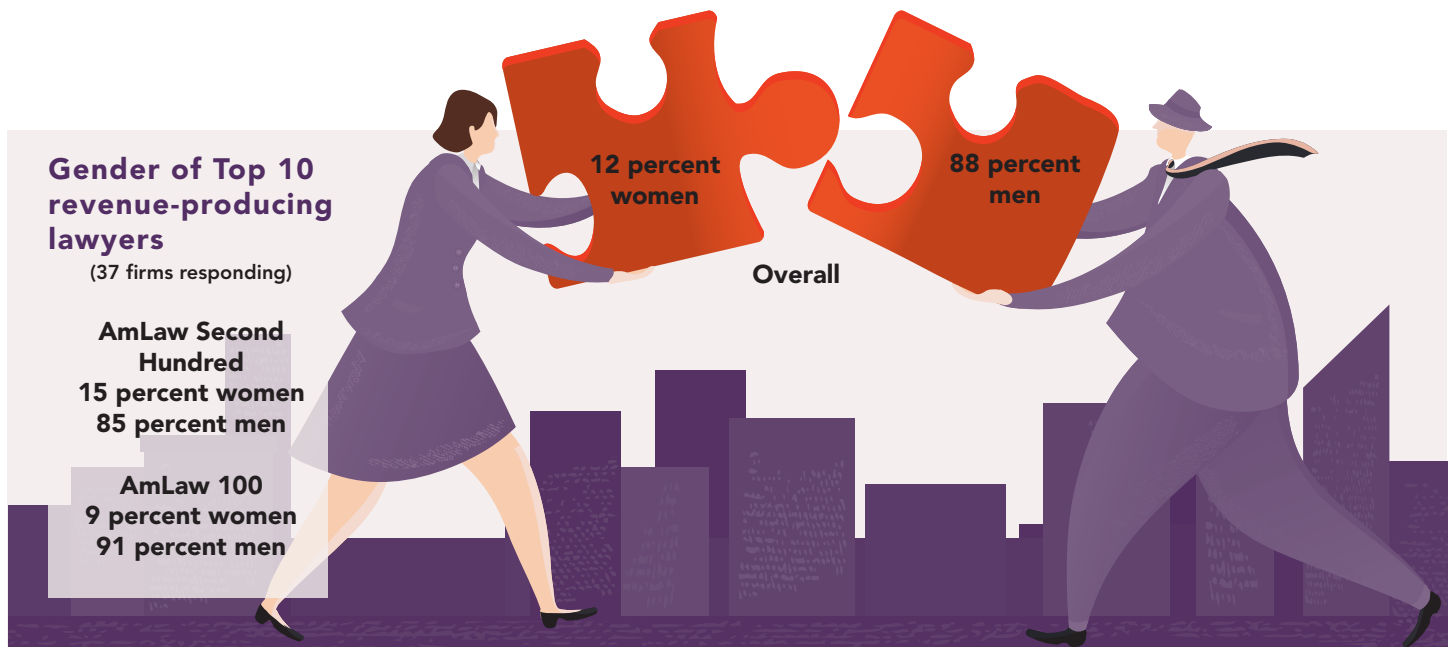
were women, compared to the AmLaw 100, where only 9 percent of the top 10 were women.

In the Eighth Annual NAWL Survey, firms were asked for the first time how the next client relationship partner is chosen when the current relationship partner retires or leaves the firm. Understanding this dynamic is critical, as many law firms generate significant revenue from institutional clients. For those lawyers who receive credit for clients when prior relationship partners are no longer with the firm, the impact on compensation can be significant, as can the advantage that comes with being perceived as a rainmaker.

Similar to last year, approximately a quarter of the firms report that the current relationship partner selects his or her successor,

meaning that valuable client credit is, in essence, an inheritance that can be passed from one individual to another. In 6 percent of the firms, the Practice Group Leader chooses the successor, and only one firm reported that the client chooses its successor relationship partner. Of the firms indicating that the successor relationship partner is

Of the firms indicating that the successor relationship partner is selected with input from a variety of individuals, less than half included client input as part of the process.



selected with input from a variety of individuals, less than half included client input as part of the process.¹²

The bottom line is that compensation and business generation credit are integrally entwined. To achieve gender parity in compensation, law firms must provide a credit origination system that: ensures rainmaking opportunities and pitch teams are inclusive of women; fairly allocates credit among teams; offers a process for resolving credit disputes among partners; removes decisions about the “inheritance” of client credit from individual partners; and develops a system that systematically involves clients, firm leadership, and the partners who service the work in credit succession decisions.¹³ Until firms engage in a genuine dialogue challenging historic practices in this area, these numbers are unlikely to improve significantly.

Billable hours and non-client billable time

Concerns regarding the gender gap in dollars billed, as discussed in the following section, are brought into sharper focus when analyzed against responses to questions about billable hours. Together, this data could suggest that women are working harder but with less opportunity and reward.

For example, when asked to report total client billable and non-billable hours, the total hours for women equity partners exceeded the total hours for men equity partners. The median hours reported for the women were 2,224 and, for the men, were 2,198.

Of importance, however, women had fewer client-billable hours and more pro bono hours. Specifically, the typical female equity partner’s median client-billable hours were 1,545, compared to the typical male equity partner’s median client-billable hours of 1,571; median annual pro bono hours were reported as 13.5 and 12, respectively.

When this data is analyzed by AmLaw 100 and Second Hundred firms, the results show a gap. The median client-hours billed for female equity partners in the AmLaw 100 are 1,585 and for male equity partners are slightly lower at 1,579. In the Second Hundred responses, the median client-billable hours for women equity partners are 1,450 and 1,530 for men equity partners.

Moreover, women equity partners in the Second Hundred are reported to have higher annual median pro bono hours

than men equity partners: 12.2 compared to 9.4; in the AmLaw 100, the female to male ratio for annual median pro bono hours reported for equity partners is 14 to 13.

Female full-time non-equity partners are reported to bill slightly fewer client hours and more pro bono hours than their male colleagues. With respect to the AmLaw 100 respondents, the median client-billable hours for full-time non-equity women partners are 1,468, compared to a median of 1,482 for the men equity partners. Among the Second Hundred respondents, the median client-billable hours is 1,530 for the women equity partners and 1,536 for the men equity partners.

The gender gap for women non-equity partners in reported pro bono hours is primarily seen among the AmLaw 100 firms; in fact, Second Hundred firms reported that men non-equity partners have slightly higher pro bono hours than women non-equity partners. Among the AmLaw 100 responding firms, full-time female non-equity partners bill an annual median of 17.3 pro bono hours compared to an annual median of 11.6 billed hours by their male colleagues. In the Second Hundred responses, women non-equity partners are reported to bill an annual median of 15 hours, compared to 16.5 median annual pro bono hours billed by men non-equity partners.

Revenue generation as working attorney

Survey participants were asked to report the median amount of client billings in 2014 for full-time equity partners. Only 27 of the 73 respondents overall provided data (a 37 percent response rate among the respondents and only 13.5 percent of the total AmLaw 200 law firms).

Female full-time non-equity partners are reported to bill slightly fewer client hours and more pro bono hours than their male colleagues.

Among these responses, there were two noticeable gaps: one between the men and the women, and the other between the total amounts billed in the AmLaw 100 compared to the Second Hundred.

The gender gap in client billings is significant. The median billings for male equity partners is \$1,325,310, and \$1,039,348 for female equity partners. Stated differently,

Are women being asked to undertake more non-billable roles, such as mentoring and associate recruitment than their male colleagues?

the typical female equity partner bills only 78 percent of what a typical male equity partner bills.

The data also reveals a significant gap between the total reported equity partner billings at AmLaw 100 and at Second Hundred firms. The overall median amount of client billings for full-time equity partners reported by AmLaw 100 respondents is \$1,445,795 and, at the Second Hundred firms, is \$812,345.

The gender gap in billings, however, narrows considerably in the Second Hundred firms. The median amount billed by men equity partners reported by the AmLaw 100 firms is \$1,787,900, and for women equity partners, is \$1,239,175. At the Second Hundred firms, the median amount billed by men equity partners is reported to be \$864,239, and, by women equity partners, is \$789,024.

Stated in terms of a percentage, the typical female equity partner in an AmLaw 100 firm bills only 69 percent of what a typical male equity partner bills. In the Second Hundred, the typical female equity partner bills 91 percent of what her male counterpart bills.

In light of the relatively similar levels of client billable hours billed by men and women, it is certainly reasonable to conclude that female partners work as hard as their male colleagues. It

will likely yield similar positive changes in resolving the gender compensation gap.

Firm governance and compensation committee representation

One data point of critical significance emerged when we compared compensation committee representation to the gender pay gap. Firms were asked about the number of women on their compensation committee. That data was then compared to the equity partner compensation gap in those firms. For the firms that provided responses to both sets of questions, the results indicate that the gender gap closes significantly as more women participate on compensation committees.

In the 12 firms that reported having two or fewer female members on the compensation committee, the typical female equity partner earns 77 percent of that earned by a typical male equity partner. In the 18 firms that reported three or more women on the compensation committee, the typical female equity partner earns 87 percent of that earned by a typical male equity partner.

Firms were asked to provide data regarding the composition of their highest governance committee in the United States. The typical firm reported having two women and eight men, a ratio that changed little between the AmLaw 100 and the Second Hundred. By way of further analysis, 35 percent of the respondents had zero or one woman member, 41 percent had 2 or 3 women, and only 24 percent had four or more women on their highest governance committee. Of note, only one Second Hundred firm reported having four or more women on its highest governance committee, compared to 12 firms in the AmLaw 100.

Of the 25 firms that reported having a single managing partner, 82 percent were men and only 18 percent were women.

To compare the representation of women on the highest governance committee in this year's responses with the data reported in the First Annual NAWL Survey, the following bar graph tells the story of the limited progress made since the inception of the NAWL Challenge. Specifically, in the past 10 years, women's representation on law firms' highest governance committees has increased from 16 percent to 22 percent, meaning that the average firm's highest governance committee only expanded by approximately one woman over a 10-year period.

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is also reasonable to conclude that women in the AmLaw 100 are as hard working as women in the Second Hundred. This data regarding client billings raises questions as to the possible reasons for this discrepancy. For example, are women being billed at significantly lower rates? Are women being asked to undertake more non-client billable committee roles, such as mentoring and associate recruitment that men are not asked, or possibly decline, to do? If so, does the time that women spend on these roles impede the time they might otherwise be able to devote to business development? Is it possible that there are differences in work flow and assignment opportunities?¹⁴ These questions are part of important conversations that law firms should have, as resolving the gender gap in client billings

Reduced-hours as a barrier to promotion

Firms were asked whether they permitted part-time lawyers to be promoted to either equity or non-equity partner status. Even after years of research and articles demonstrating the benefits of flexible work arrangements,¹⁵ there are still top law firms that do not permit women to advance if they are on a reduced-hours schedule. Of the 64 firms responding to this question, 14 percent reported they do not permit women to be promoted to equity partner if they work less than full-time. There is also a barrier, although less pervasive, for those seeking to become a non-equity partner while on a reduced-hours schedule: of the 46 respondents to this question, 7 percent said they would not promote someone on a part-time schedule to the non-equity partner ranks.

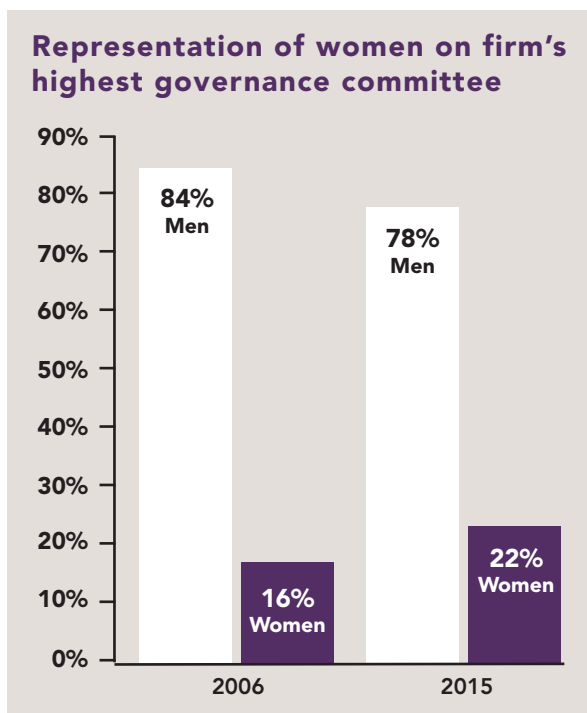
Women's Initiatives

In 2012, the NAWL Foundation conducted a separate survey on law firm Women's Initiatives.¹⁶ As the report noted, firm-wide

women's affinity groups have become a staple of law firm culture, but little was known about their resources or strategic design. The results of the Women's Initiatives survey revealed that Women's Initiatives generally lack both a specific mission and goals for the advancement of women. In addition, the survey responses revealed that Women's Initiatives are "woefully underfunded," noting that "the typical law firm spends far less on their [sic] women's initiatives than the salary of a first year associate."¹⁷

This year's survey incorporated questions on Women's Initiatives as a follow up to that 2012 survey, to determine

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whether firms were bringing a greater strategic direction or improved resources to their efforts. The results showed regrettably little progress.

All of the 70 firms responding to the question asking whether they had a Women's Initiative said yes. Asked if they had a formal budget for their Women's Initiative, 65 firms responded. Of these, 75 percent responded in the affirmative, which is a decrease from the 80 percent of respondents who reported affirmatively in the Women's Initiatives survey.

With respect to the actual budget allocation, the results were again woefully inadequate to the task of accomplishing many goals, particularly when compared to other investments made by law firms of this size. The median total annual Women's Initiative budget is \$90,000, far less than the salary of a first-year associate at an AmLaw 100 firm. When analyzed by sector, the median annual budget for the AmLaw 100 is \$112,500; for the Second Hundred, the median annual budget is \$82,000.

Half of the reporting AmLaw 100 firms report that their Women's Initiative annual budget is \$100,000 or less; only 25

Many respondents did not provide a response to the most critical questions regarding law firm equity partner metrics and compensation

percent report that the budget exceeds \$200,000. None of the Second Hundred firms report an annual budget of \$200,000; 73 percent report being in the \$100,000 or less category.

The firms were also asked to state the strategic purpose of their firm's Women's Initiative. The results reveal a substantial disconnect between the potential and the reality of women's affinity groups. Most described an outward-facing mission: networking, events relating to the expansion of client relationships, community engagement, mentoring,

coaching, programs focused on work-life integration, pro bono opportunities, sponsorships of non-profit organizations and their events, showcasing women's skills, and other career and leadership skills and development programming.

Each of these and related areas of focus are important, but absent a concerted effort to address the internal, institutional barriers to women succeeding in parity with men, the data is likely to continue to disappoint. Women's Initiatives can provide an important opportunity to assess internal structural and cultural barriers that prevent women from succeeding into leadership roles and equity partner positions, and that result in lower compensation levels.

When a Women's Initiative focuses primarily on female skill development, it unfairly assumes that women themselves are the barrier to their own achievement of parity. Decades of research prove otherwise.¹⁸

Conclusion

Over the 10-year period that NAWL has been tracking the percentage of women equity partners, the numbers have barely moved. Especially in this year in which the NAWL Challenge was intended to be met, it is disappointing that the slight improvement in the numbers do not seem to reflect a more inclusive legal profession for all lawyers. As stated in the First Annual NAWL Survey: "At this point, the results are both encouraging and disheartening. While

When a Women's Initiative focuses primarily on female skill development, it unfairly assumes that women themselves are the barrier to their own achievement of parity. Decades of research prove otherwise.



Response rate

It is axiomatic that what is not measured is not accomplished. Law firms know this well. Most law firms, for example, articulate billable hour expectations and targets for matter originations to drive profits and provide measurable data that is factored into compensation decisions. Yet, when it comes to diversity and inclusion metrics, numbers are harder to find.

Since its inception, the survey has been sent to the largest 200 firms in the country. As noted in the chart below, in 2008, the year with the highest response rate, 69 percent of the firms responded to the survey. By 2012, the response rate dropped to 54 percent and has declined since then.

This year, 73 law firms responded, a response rate of 37 percent. Like previous years, not one question was answered by 100 percent of the respondents. Many respondents did not provide a response to the most critical questions regarding law firm equity partner metrics and compensation, nor inquiries such as the total number of associates in their firm.

Appendix on survey methodology

The NAWL Survey was sent in February, 2015, to the 200 largest firms in the United States.²¹ The top 200 law firms are selected based on the compilation provided annually in *The American Lawyer*, which ranks law firms according to measures of financial performance that includes profits per partner and revenue per lawyer. The firms are divided into the categories of: the AmLaw 100 (the top 100 firms as measured by financial performance) and the Second Hundred (the firms which rank 101-200 in financial performance). In referring to AmLaw, the AmLaw 100, and the Second Hundred, NAWL is referencing survey respondents that fall within these categories.

To measure representativeness of the Survey sample, we compare

Survey respondents to the population, the 200 AmLaw firms. Of the 200 firms contacted, 73 responded.

On average the typical respondent to this year's NAWL Survey may be different than the typical AmLaw 200 firm. In this year's NAWL Survey, there are more AmLaw 100 firms responding, 42, than Second Hundred Firms, 31.

The typical firm that responded to this year's NAWL Survey has a higher total lawyer count, 511 lawyers, than the median firm in the AmLaw 200, 436 lawyers.

Measured by four financial indices published by AmLaw, the typical NAWL 2015 participating firm is slightly larger and more profitable than the typical non-participating firm. First, the typical (median) participating firm, has a higher gross revenue (\$320,500,000) than the typical non-participating firm (\$306,500,000). Second, the typical participating firm is slightly more efficient in terms of revenue per lawyer (\$715,000 vs. \$710,000). Third, the typical participating firm has a higher net operating income than the typical non-participating firm, \$109,500,000 and \$99,000,000 respectively. Finally, the typical participating firm is more profitable per equity partner. The typical participating firm earns \$905,000 in profits per equity partner, slightly larger than the typical non-participating firm's \$880,000.

We ran quality checks to verify survey responses. In doing so, we identified nine respondents that each had an implausible response to question 7, which asked firms how many equity partners they have by gender and by the year they graduated law school. Each of these respondents had conflicting responses to the subparts of question 7; accordingly, we dropped responses from these nine firms when we created analyses involving equity partner counts. We refer to the set of responses without these nine respondents as the Equity Partner Subsample. Other than this modification, all analyses use the full sample of data received.

Total survey respondents by year

Year	Requests	Responses	% Responses	Y-o-Y Change	% Change
2006	200	103	52%		
2007	200	112	56%	5%	9%
2008	200	138	69%	13%	23%
2009	200	116	58%	-11%	-16%
2010	200	117	59%	1%	1%
2011	200	121	61%	2%	2%
2012	200	107	54%	-7%	-12%
2014	200	92	46%	-8%	-14%
2015	200	73	37%	-10%	-21%

Without addressing the institutional barriers to women succeeding in parity with men, Women's Initiatives will continue to disappoint

there has been marked improvement in the number of women equity partners from the last generation of lawyers to this one — comparing women who graduated before 1980 with those who graduated between 1980 and 1995 — there is a considerably lower percentage of equity partners than the number of women law school graduates would predict.

This is an especially striking finding given that the number of women and men who start out as associates in the large law firms is roughly the same, and has been for a number of years. In addition, these data cannot tell us whether the somewhat higher number associated with the most junior level of equity partner represents a meaningful increase in the rate at which women lawyers are currently achieving and maintaining the position of equity partner or whether, as these younger women progress in their legal careers, there will be a noticeable loss of women from the ranks of equity partnerships. One reason why NAWL intends to complete its Survey on an annual basis is to be able to address such questions with meaningful trend data.”¹⁹

At a time when NAWL hoped to celebrate significant gains for women, particularly in the key areas of compensation parity, equity partner elevations,

and participation in top governance committees, we, instead, are reporting little change.

The legal profession has learned a great deal about diversity and inclusion since the NAWL Challenge was first issued in 2006. We have the benefit of many studies that prove a clear business case for gender parity, demonstrate that women generally leave law firms only after all efforts to succeed have failed, and demonstrate that, when women do leave, they are generally successfully employed elsewhere.²⁰

We also know that the legal profession is changing dramatically. Clients are demanding a stronger voice in the way their outside lawyers manage their legal issues and their bills. Equity partner opportunities are narrowing for both men and women, and the compensation gap between those at the senior levels and those at the junior levels has never been higher. Technology has introduced competitive threats to services that lawyers have historically performed, but now are available at the download of an app. Younger lawyers are paying attention to these dynamics, questioning the value of following the same traditional path that lawyers at the top of AmLaw 200 firms have followed.

Law firms that do not manage their talent pool with a critical level of care and attention are squandering expensive resources and may be putting their future at risk. The NAWL Challenge should no longer be viewed as a gender issue alone; it is the tip of the iceberg that is human capital development in our service-driven profession.

Law firms that do not manage their talent pool with a critical level of care and attention are squandering expensive resources and may be putting their future at risk.



Endnotes

- 1 The data is analyzed by Russell Bittmann, Ph.D. Candidate in Economics at the University of Chicago. This is Russell's third year assisting with the NAWL Survey.
- 2 Of importance, the NAWL Challenge was widely reported and influenced other organizations seeking to advance opportunities for women in the profession. For example, at the 2009 Women's Power Summit on Law and Leadership, convened by the Center for Women in Law at The University of Texas School of Law, the Austin Manifesto was adopted by acclamation. Through the Austin Manifesto, the attendees at the Women's Power Summit pledged: "...to identify goals and timetables that are specific, measurable, achievable, relevant, and trackable. We commit to achieve no less than 30% women equity partners, tenured law professors, and general counsel by 2015..."
- 3 Report of the First Annual NAWL National Survey on Retention and Promotion of Women in Law Firms, (October 2006), at 1.
- 4 Mark Roellig and Catherine Simes, "Storm on the Horizon: Implications of the Growing Diversity Disparity Between Corporate America and their Law Firms," (July 2015), http://www.lclcdnet.org/media/mce_filebrowser/2015/07/28/Article_-_Storm_on_the_Horizon_-_Final_07.24.15.pdf.
- 5 Catalyst Knowledge Center, "Women in Academia", (July 9, 2015). <http://www.catalyst.org/knowledge/women-academia>. The summary further noted that 32.5% of women faculty are in non-tenure track positions compared to 19.6% of men faculty.
- 6 Julie Triedman, "A Few Good Women," The American Lawyer, at 38 (June, 2015). Her reference to women's initiatives in law firms is attributed to the NAWL Foundation 2012 study, Report of a National Survey of Women's Initiatives: The Strategy, Structure and Scope of Women's Initiatives in Law Firms.
- 7 See, e.g.: Major, Lindsey & Africa, "2014 Partner Compensation Survey"; Aaron Vehling, "Meager 4% of Wall Street Attorneys are Female Partners," Law360 (April 20, 2015).
- 8 Also note that this percentage drops considerably when viewed against the entire population of AmLaw 200 firms: a total of only 23.5% provided equity partner data. For analyses regarding equity partners, we use a subsample of the data, the Equity Partner Subsample. See Appendix on Survey Methodology.
- 9 Report of the Eighth Annual NAWL National Survey on Retention and Promotion of Women in Law Firms, (February 2014), at 8.
- 10 *Id.* at 15-16.
- 11 In 2006 and 2015, each firm reported median compensation by position. The 2006 first NAWL Survey summarized compensation by presenting the average of these responses. In this 2015 NAWL Survey, compensation is summarized by presenting the median of these responses.
- 12 The question about client succession also included an open-ended component for those whose responses did not fit within the multiple choices offered. Of the 33 Firms who provided additional information, most described varying combinations of consultation between the current relationship partner and the practice group leader(s). Less than half mentioned client input as a part of the process.
- 13 These issues and related recommendations were discussed in depth in the report issued by the American Bar Association Task Force on Gender Equity. See: Lauren Stiller Rikleen, Closing the Gap: A Road Map for Achieving Gender Pay Equity in Law Firm Partner Compensation, (American Bar Association 2013). See also: Actions for Advancing Women in Law Firm Leadership and in the General Counsel's Office, Report of the National Association of Women Lawyers, Report on Second Summit, (July 2013).

- 14 A recent study of billing patterns and price realization in law firms revealed significant differences by gender, including females being billed at lower rates compared to their male counterparts, even as female partners billed more minutes in a day. See: [Sky Analytics, White Paper – Gender Study of Legal Spend Management](#) (Spring 2014).
- 15 See, e.g. information available on the Diversity & Flexibility Alliance website, <http://dfalliance.com/research/>
- 16 [Report of the NAWL Foundation’s National Survey of Women’s Initiatives: The Strategy, Structure and Scope of Women’s Initiatives in Law Firms](#), (November, 2012).
- 17 Id. At 5.
- 18 See, e.g., sources cited in: Lauren Stiller Rikleen, *Ending the Gauntlet: Removing Barriers to Women’s Success in the Law*, (Thompson West 2006); Holly English, *Gender on Trial: Sexual Stereotypes and Work/Life Balance in the Legal Workplace*, (Law Journal Press, 2003); Judith S. Kaye, “Women Lawyers in Big Firms: A Study in Progress toward Gender Equality,” 57 *Fordham L. Rev.* 111 (1988-1989); Joan C. Williams, *Unbending Gender: Why Family and Work Conflict and What To Do About It*, (Oxford University Press, 2000); Lauren Stiller Rikleen, *Closing the Gap: A Road Map for Achieving Gender Pay Equity in Law Firm Partner Compensation*, (American Bar Association 2013); Boston Bar Association Task Force on Professional Challenges and Family Needs, “Facing the Grail: Confronting the Cost of Work-Family Imbalance,” (1999).
- 19 [Report of the First Annual NAWL National Survey on Retention and Promotion of Women in Law Firms](#), (October 2006), at 4 and 5.
- 20 See, e.g.: “[Women Lawyers and Obstacles to Leadership: Report of MIT Workplace Center Surveys on Comparative Career Decisions and Attrition Rates of Women and Men in Massachusetts Law Firms](#)” (Spring, 2007); McKinsey & Co., “Women Matter: Gender Diversity, A Corporate Performance Driver”, (2007); Center for Talent Innovation, “How Diversity Drives Innovation: A Compendium of Best Practice,” (2014); Michael Sinkinson, “The Business Case for Diversity,” *The Wharton Journal*, (April 6, 2015).
- 21 As noted in prior NAWL Surveys, although most lawyers in private practice work in smaller settings, focusing on the top 200 firms provides a year-to-year benchmark, and serves as a bellwether for the profession as a whole.



Lauren Stiller Rikleen, president of the Rikleen Institute for Strategic Leadership, provides training, consulting and speaking on topics of women’s leadership and advancement, unconscious bias, and the multi-generational workplace. A former law firm equity partner, Lauren is the author of *Ending the Gauntlet: Removing Barriers to Women’s Success in the Law* (Thompson West 2006) and of *You Raised Us – Now Work With Us: Millennials, Career Success, and Building Strong Workplace Teams* (ABA 2014). Among other American Bar Association leadership roles, Lauren was a member of the Task Force on Gender Equity and author of its report, *Closing the Gap: A Road Map for Achieving Gender Pay Equity in Law Firm Partner Compensation* (American Bar Association 2013). Lauren is also a Visiting Scholar at the Boston College Center for Work & Family.