



## Report of the 2018 NAWL Survey on Retention and Promotion of Women in Law Firms

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The data regarding the stalled career trajectories of many women in the legal profession, especially in the law firm, is indisputable. NAWL itself has collected data for the last 11 years demonstrating a consistent and relatively undisturbed pattern showing the absence of women in the upper echelon of law firm and legal profession leadership, and in the 11 years that NAWL has tracked the data, there has been relatively little progress made in the representation of women in these roles. With this year's survey, NAWL thought it important to take the first steps toward more systematic study of the mechanisms underlying these well-known statistics. Each year, the goal of the NAWL Survey has been to provide objective statistics regarding the position and advancement of women lawyers in law firms in particular, and the NAWL Survey remains the only national survey that collects this industry benchmarking data in such detail.

### Survey Methodology in Brief

The 2018 NAWL Survey was sent to the 200 largest U.S. law firms<sup>1</sup>

<sup>1</sup> As reported in the 2017 AmLaw 200 Rankings.

in February 2018 and responding law firms had until April 30, 2018 to submit their responses. This year, 97 of 200 law firms completed all or significant portions of the survey,<sup>2</sup> a response rate of 48.5 percent.<sup>3</sup> An additional 7 firms formally declined to participate, an option given in this year's survey, and these firms answered questions about their reasons, leading to an overall response rate of 52%.<sup>4</sup>

As discussed in more detail below, firms completed questions regarding the demographics of attorneys at various levels, particularly women, as well as the structure of the partnership track, credit awarding processes, compensation and hours, and women's initiatives and other programming designed to support women in law firms.

The responding firms represent the full spectrum of the AmLaw 200 rankings. The quartile showing the lowest response rates were from Quartile 4 (AmLaw rank 151 – 200), with about 38% percent of those firms responding to the survey, and Quartile 1 (AmLaw rank 1 – 50), with about 42% of those firms responding. By comparison, 60% of those ranked in Quartile 2 (AmLaw 51 – 100) and 54% of Quartile 3 (AmLaw

rank 101 – 150) responded. Overall, there were few significant differences between firms of different quartiles, but some nuances are discussed in the results below.

### Following Women through the Law Firm

For over a decade, approximately 50% of law students nationwide have been women,<sup>5</sup> law firms have recruited women as entry-level associates roughly in proportion to their representation among law school graduates, and yet the statistics repeatedly show that these women are not reflected in the numbers of non-equity or equity partners in those same law firms. This report proceeds by highlighting the representation at three key points in the career trajectory of law firm lawyers: associate, non-equity (income) partner, and equity partner. Along the way, practices and procedures that could impact the experiences of women and diverse attorneys and their continued success in the law firm are also discussed, including management of the client relationship and succession planning, credit assignment and sharing procedures, and the ways that firms internalize their commitments to gender and racial/ethnic diversity as part of these practices and procedures.

<sup>2</sup> As noted in more detail in the compensation sub-section, fewer law firms completed questions about compensation and hours, with many declining to provide the data, often noting that it's either considered confidential or is not collected in a way that matches the reporting format requested on the survey. As in most survey administrations, very few questions receive 100 percent response rates for various reasons, and firms were encouraged to complete as much of the survey as they were willing while also maintaining the ability to skip other portions.

<sup>3</sup> This represents an increase in responses compared to the 2015 Survey (37 percent) and is consistent with response rates from 2017 (90 of 200 firms or 45% response rate). Firms that declined to participate cited reasons such as too many surveys, the length of this particular survey, and the sensitive nature of some of the data requested. NAWL will continue working to address some of these concerns to encourage increasing firm participation.

<sup>4</sup> The participation rate goes up to 60% (or 119 of the AmLaw 200 firms) when the participation rates for the last two years are taken together. There is a core group of firms that have participated in both years, but there is a sizable number of firms who participated in either 2017 or 2018.

<sup>5</sup> For all law schools, women made up a simple majority (51 percent) of all law students for the first time in 2016, as reported by Law School Transparency (LST), a non-profit organization aimed at making entry to the legal profession more transparent, affordable, and fair. Report available at [www.lstradio.com/women/documents/MerrittandMcEnteeResearchSummary\\_Nov-2016.pdf](http://www.lstradio.com/women/documents/MerrittandMcEnteeResearchSummary_Nov-2016.pdf). In the last 20 years, the percentage of women earning law school degrees has hovered between 45 and 50 percent according to statistics from the US Department of Education. Discussion of findings available at [www.theatlantic.com/saxes/archive/2012/12/more-women-are-doctors-and-lawyers-than-ever-but-progress-is-stalling/266115](http://www.theatlantic.com/saxes/archive/2012/12/more-women-are-doctors-and-lawyers-than-ever-but-progress-is-stalling/266115).



## Women as Associates & Non-Partner Track Attorneys

Women are 47% of all law firm associates,<sup>6</sup> 39% of counsel,<sup>7</sup> and 57% of “other”<sup>8</sup> attorneys. Women of color (including Black, Asian, and Hispanic/Latina women) are about 24% of law firm associates and 8% of non-partner track attorneys (made up of both counsel and other full-time attorneys). And for those firms reporting numbers,<sup>9</sup> LGBTQI individuals (of all genders) are about 4% of associates and 2% of non-partner track attorneys. Persons with disabilities are less than 1% of all associates and non-partner track attorneys.

As discussed further below, this year’s survey again shows that while women start off in essentially equal numbers as men at the entry level, they are

<sup>6</sup> Associates are partner-track attorneys who have not yet achieved partnership.

<sup>7</sup> Counsel attorneys are those attorneys known often as Senior Counsel, Special Counsel, Senior Attorney, and are neither associates nor partners and are full-time, permanent salaried employees of the firm.

<sup>8</sup> This “other” category is a catchall for any other full-time, permanent salaried lawyers at the law firm that do not fit into any of the above categories, regardless of title.

<sup>9</sup> For LGBTQI individuals and persons with disabilities, a large hurdle to getting an accurate picture of their representation in the law firm is in the collection of data on these identities. About 10% of firms explicitly indicated that they do not collect demographic data on LGBTQI individuals, and about 36% indicated they do not collect data on persons with disabilities.

<sup>10</sup> There may be increasing equity at the median compensation level, for individuals at the middle of the compensation distribution, but this pattern co-exists with a persistent pattern that women are not represented among the most highly compensated attorneys at law firms. Thus, the pay gap may have closed some in the middle (at the median), but has remained wide or is widening at the extremes. NAWL first mentioned this possibility in the 2017 report, but the 2017 data didn’t allow for an investigation of this hypothesis. In response, this year’s survey collected median compensation, allowing for comparison of the man and woman at the middle of their respective distributions, and mean or average compensation, which better captures and reflects the full range of compensation. Overall, we find little difference between the results based on median vs. mean numbers except at the level of equity partner, as discussed below. This suggests that the distributions are more equivalent between men and women until they reach the most highly compensated level in the law firm.

<sup>11</sup> As in the past and as mentioned previously, the response rate for the compensation and billing questions is lower than that for the other sections of the survey. For the compensation questions, we had an average n = 36, representing 18 percent of the AmLaw 200 and 37% of the responding firms. As with the overall response rate, those firms in Quartile 1 (AmLaw rank 1 – 50) were the least likely to respond, with only 11% of the responding firms in Quartile 1 providing the data compared to up to 37% of the responding firms in Quartile 3 (AmLaw rank 101 – 150) providing the data. Overall the response rates for these questions went down in 2018 even though the overall response rate for the survey as a whole increased.

not represented in similar numbers at the non-equity partner level and are even less represented at the equity partner level.

In this year’s report, we also break out the hours, billing rates, and compensation to better understand disparities and to compare data across attorney types in the law firm. Overall, the data shows not only relatively equal representation of women among associates, but also relatively equal compensation, billing rates, and hours worked for female and male associates. This evidences the continued importance of investigating the variables that contribute to the underrepresentation of women at higher levels in the law firm despite the starting points of men and women in the law firm being relatively equal on a number of dimensions.

## Associate & Non-Partner Attorney Compensation<sup>10,11</sup>

For associates, the median man makes, on average, about \$7,712 more a year than the median woman (\$190,614

vs. \$182,902, respectively). This pattern persists across the AmLaw 200, and on average, the median woman associate makes 96% of what the median man makes. When mean compensation is considered, the mean male associate makes about \$8,959 more a year than the mean female associate (\$192,536 vs. \$183,577, respectively). Thus, the mean female associate makes 95% of what the mean male associate makes. While this does represent a compensation gap, it suggests that men and women start off with relatively more equivalent compensation, and the gap widens over time.

For non-partner track attorneys, specifically counsel, the median man makes, on average, \$18,308 more a year than the median woman (\$237,500 vs. \$219,192, respectively). This pattern persists across the AmLaw 200, and on average, the median woman counsel makes 92% of what the median man makes. For mean compensation, the mean male counsel makes \$22,208 more a year than the mean female counsel (\$255,677 vs. \$233,469, respectively). Thus, the mean woman counsel makes 91% of what the mean man makes.

### **Associate & Non-Partner Attorney Hours<sup>12</sup>**

Despite existing hypotheses to the contrary, many years of NAWL data have shown that there are no

significant differences between the hours recorded by men and women attorneys at different levels and in different roles. This year's data show the same pattern. Among all lawyer types, including associates and non-partner track attorneys, there were no significant differences in total or billable hours recorded based on attorney gender. Gaps were up to but not greater than about 50 hours for the year, and there was no consistent pattern with respect to one gender recording more hours across the attorney types or the median and mean number of hours.

### **Associate Billing Rates<sup>13</sup>**

As part of the discussion about observable differences in both compensation and billings for men and women in the law firm, differential billing rates have been suggested as one possible source of a disparity that creates gaps at subsequent steps. For the first time this year, NAWL collected data on median and mean billing rates for men and women. We found that men and women start with similar billing rates at the associate level but diverge by the time they reach non-equity and equity partner. At the associate level, there was essentially no difference between reported billing rates for men and women (\$408 vs. \$403, respectively).

<sup>12</sup> The response rate for the client billing questions was consistent with that for the other compensation-related questions, about n = 40. Billable hours include client billable hours and at most firms (75%) at least some pro bono hours. A minority of firms include administrative hours, service to firm, firm legal work, etc. as billable hours. Non-billable hours include administrative hours (94%), personal professional development (89%), business development (88%), practice group development (88%), all or some pro bono hours (65%), and some other categories of hours. Most firms said they compensate non-billable pro bono hours (74%), but a majority of firms said they didn't compensate other categories of non-billable hours explicitly. Some firms reported that they took non-billable hours into account in a non-formulaic way when reviewing attorneys and determining base and bonus compensation, recognizing exceptional service in these areas.

<sup>13</sup> The response rate for billing rates questions was on par with that of the compensation data, with about n = 39.

## Supporting Women on the Path to Partner

There are many practices that law firms can and do engage in that are meant to support women and diverse attorneys throughout their careers. These practices often focus on trainings, diversity and inclusion efforts, and implementing policies that help support women and families.

**Diversity Training & Bias Reduction Efforts:** Firms engage in a variety of firm-wide training programs that often serve similar purposes as similar training and programming provided inside of women's or diversity initiatives. For example, 76% of firms report offering firm-wide implicit bias training, 36% offer training on micro-aggressions or micro-inequities, 79% offer diversity and inclusion training, 90% offer business development training, 72% offer management training, and 82% offer leadership training. These are most commonly reported to be made available to attorneys of all varieties and sometimes also include law firm staff.

This year we also asked firms about bias reduction efforts. Specifically, we asked firms whether they had implemented bias interrupting procedures and processes meant to reduce the likelihood of biases (such as gender and racial biases) affecting evaluations and outcomes. A moderate majority of firms (65%) reported that they had implemented bias

interrupting procedures in at least one of the following areas: recruitment, hiring, performance evaluation, promotion (pre-partnership), elevation to non-equity partner, and elevation to equity partner. Specifically, the earlier in the process, the more likely firms were to report that they engaged in bias interrupting processes and procedures: 89% at recruitment, 86% at hiring, 70% for performance evaluations, 58% at promotion, 44% at elevation to non-equity partner, and 54% at elevation to equity partner.

Firms reported that the types of procedures and processes they used included the following: structured interviews, the use of objective criteria for decisions, intentionally diverse decision-making teams, targeted recruiting to diversify the applicant pools,<sup>14</sup> the use of centralized hiring processes (e.g., HR), training on implicit biases for decision-makers, standardized content for interview questions, and more. A minority of firms provided this detail, so a more systematic collection and analysis of firm processes and procedures would allow for a more nuanced view of both what firms are doing and whether they align (and to what degree) with evidence-based best practices for bias reduction in employment settings. Of those firms who reported implementing such bias reducing processes and procedures, firms said they had been doing so for an average of 5 years, with a range from 1 to 20 years. In addition, some firms reported that

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<sup>14</sup> Multiple firms reported using Diversity Lab's 2016 Women in Law Hackathon idea of incorporating the Mansfield Rule, which says law firms should consider at least 30% women, LGBTQ+, and minority lawyers for significant leadership roles. Information available at <http://www.diversitylab.com/pilot-projects/mansfield-rule>.

they began with one stage or process and then added additional measures in subsequent years.

It is important to point out that firms are much more likely to engage in these bias reduction efforts at the earliest stages of an attorney's relationship with the firm, where the disparities between men and women are non-existent or small, but less likely to engage in similar efforts across the career lifespan where men and women's trajectories diverge. Thus, firms may have found ways to effectively reduce bias at the recruitment and hiring stages, but the stalled progress of women at subsequent levels combined with the decreased likelihood that firms are engaging in bias reducing processes at these higher level decision points evidences a need for firms to consider expanding their bias reduction efforts to decisions made once a woman is at the firm and advancing through her career.

**Women and Family Friendly Policies:** In addition to active women's initiatives aimed at training and skill development (discussed in more detail below), we also asked firms about policies that are understood to benefit and support families and women in particular, such as flexible and part-time work schedules and help transitioning back into work after a family leave. Most firms reported offering both flexible (97%) and part-time work schedules (100%), the option to work from home (88%), as well as on-ramping for those attorneys returning from leaves (71%). As reported above, most

firms reported allowing partner-track attorneys who work part-time schedules to be promoted to partner, although it was more likely for firms to allow this for non-equity partnership promotion than equity partner promotion. In other words, most firms report allowing for flexible or part-time work schedules that don't prevent the possibility of future promotion in theory.

### **Pathways to Partnership**

Central to establishing the credentials for elevation to equity partner is building one's book of business and attaining and maintaining client relationships. Discussion in the field has begun to home in on the importance of client relationships and credit processes and procedures for partner promotion decisions. Better understanding how law firms manage both the client relationships and credit processes allows for a more nuanced view of who is getting access to the crucial building blocks of a book of business that merits promotion to equity partner.

### **Client Relationships & Credit Origination**

Another important component of career advancement in the law firm is the credit allocation and succession structures that affect how attorneys build their books of business. Most firms award credit for a variety of roles with respect to clients and matters at the firm: origination credit for relationship partners (86%), matter proliferation credit for partners eliciting new business from existing clients (71%), credit for

## 2018 NAWL Survey at a Glance

- The likelihood that women will become equity partners remains on a sluggish upward trajectory over the last 12 years, with the data reflecting an increase from 15 percent in 2006 to 20 percent in 2018.
- The representation of women declines significantly as she rises in seniority at law firms, making up 47 percent of associates, 30 percent of non-equity partners (unchanged from last year) and 20 percent of equity partners.
- Among equity partners, women work as many hours as men, but their client billings are only 92 percent of those of men. The billing rates for men and women start at the associate level essentially equal but develop a 5 percent gap by the time attorneys reach non-equity partnership and persist at 5 percent into equity partnership.
- Entering classes of equity partners were 31 percent women, a slight drop from last year (33 percent) and a failure to meet the NAWL One-Third by 2020 Challenge for incoming equity partner classes.
- Men continue to dominate the top earner spots, with 93 percent of firms reporting their top earner is a man and of the 10 most highly compensated lawyers in the firm 1 or none of those top 10 is a woman.
- Women make up 25 percent of firm governance roles, 22 percent of firm-wide managing partners, 20 percent of office-level managing partners, and 22 percent of practice group leaders. This is the area of the most progress, but the numbers still lag behind the representation of women in the legal profession as a whole.
- Firms bias interruption interventions reflect the lack of progress at the higher levels of law firms, with firms reporting that the earlier in the process, the more likely they were to engage in bias interrupting processes and procedures: 89 percent at recruitment, 86 percent at hiring, 70 percent for performance evaluations, 58 percent at promotion, 44 percent at elevation to non-equity partner, and 54 percent at elevation to equity partner.
- The median woman equity partner earns 91 percent of what the median male equity partner makes and 88 percent of what the mean male equity partner makes. However, female equity partners generate 94 percent of the revenue that male equity partners generate.
- Among new relationship partners - those that inherited clients due to transitions within firms' top 20 clients - 36 percent are women compared to 20 percent of the current relationship partners for all top 20 clients.
- People of color, women of color, LGBTQ and persons with disabilities fare worse across all positions. People of color make up about 8 percent of equity partners, and only two percent of equity partners are women of color. Openly LGBTQ attorneys represent only 2 percent of equity partners, and persons with disabilities represent less than 1 percent. These percentages match those measured in 2015 after a dip in the representation of people of color in equity partnership last year.

management of the matter for partners and attorneys actively managing the client's matters (73%), and production credit for partners and attorneys billing hours on the client/matter (57%). Of the responding firms that have credit allocation structures, 90% of firms reported that they allow credit sharing, and 97% of those firms reported that they encourage credit sharing. They report that they do so by taking credit sharing into account for both bonus allocations (75%) and promotion reviews (80%). About a third of firms indicated that they had credit sharing requirements on at least some projects. Firms also offered that they further encourage credit sharing via the following: considering credit sharing in compensation in general not just for bonuses; developing a culture of credit sharing, starting with endorsement and encouragement by firm management; tracking credit sharing; and allowing attorneys to report matters and clients they worked on. Collecting more information from firms as to how they allocate credit and encourage credit sharing will better represent what firms, on average, are doing to this end and allow for discussion of whether what firms are doing is effective in increasing credit sharing overall as well as whether credit is being allocated to and shared with women and diverse attorneys in the same way as White men attorneys.

### **Managing Client Relationship Transitions**

We asked firms about the succession planning practices

and procedures in an effort to uncover more detail about how firms handle the transfers of highly valuable relationships and status in the law firm. A slight majority (59%) of firms reported having formal succession plans that govern all or most successions, but firms were not willing, at the present time, to share those processes with NAWL.<sup>15</sup> With respect to succession processes and procedures, whether formalized or not, 82% of firms reported that they have extended their diversity efforts to consider succession processes and outcomes. In addition, 74% of firms reported that they had succession processes for transitions in practice group leadership, and 76% reported that they had succession processes for transitions on governance committee(s). Firms overwhelmingly (91%) reported that they allowed for relationships to be passed down to multiple new partners (i.e., shared), although the results below show that more recent transitions haven't resulted in greater numbers of relationship partners overall. All responding firms report that they have made efforts to encourage the incorporation of women into client relationships. Some firms report fostering the development of women's relationships with clients through the following activities: hosting events, networking and substantive, for women to interact with clients; fostering ongoing collaboration and relationship-building between women in the law firm and clients, particularly women, through projects, pro bono work, and the development of mentoring

<sup>15</sup> We asked firms reporting formal plans to share their plans, procedures, or practices to gather information to work toward best practices, but only one firm opted to upload any information.

relationships that pair women lawyers with clients; placing attorneys in-house at their client to serve as ambassadors for the firm and to learn the client and their business from the inside; and training aimed at business development and client relationships. Again, a minority of firms elected to submit responses to this open-ended request for firm practices that encourage client relationship-building for women. More sharing of firm practices and analysis of what firms are doing would better allow for development of best practices in this area.

As for who makes the decisions about a succession and when, there was no standardized approach across firms. Most firms reported that some combination of the client (58%), the current relationship partner(s) (72%), firm leadership (58%), and the practice group leaders(s) (59%) determine how the succession will be assigned, and many firms acknowledged that exactly how the process plays out is dependent on the specifics of the particular client/matter. Further, succession planning is also largely an individualized and ongoing process, with 63% of firms reporting that the eventual succession is considered throughout the relationship and tenure of the existing relationship partner. Only 27% of firms reported that they started thinking about it either as the existing relationship partner approaches retirement age and/or once they announce retirement. While the idiosyncratic nature of existing succession

planning and the eventual transitions affords firms flexibility that may be, research suggests that less standardized, more subjective processes are ripe for the influence of biases that may lead certain groups or individuals to be disfavored in the process, such as women and racial/ethnic minorities.<sup>16</sup>

For the first time this year, NAWL asked firms about the relationship partners for their top 20 clients.<sup>17</sup> Specifically, firms were asked about recent transitions in relationship partners for these top clients and the representation of women and diverse attorneys among them. Among responding firms, 65% (63 firms) answered at least some questions about their relationship partners. On average, the total number of relationship partners assigned to the top-20 clients was 39. Of those 39, on average about 8 are women (21%), 2 are racial/ethnic minorities (5%), and none are openly LGBTQI or a person with a disability. Among the responding firms, about 57% reported they had relationship partner transitions for their top 20 clients in the last three years (Jan 1, 2015 – Dec 31, 2017). On average, firms reported that they had about 5 relationship partners change during that time, and the results reflect that the new relationship partners were more likely to be women than the departing relationship partners were (36% vs. 20%, respectively). There was no noticeable change in the representation of diverse attorneys between the departing and new

<sup>16</sup> See e.g., Melissa Hart's "Subjective Decision making and Unconscious Discrimination," 56 ALA. L. REV. 741 (2005).

<sup>17</sup> Firms were allowed to consider their top-20 clients based on their own, unreported, criteria.

relationship partners, and their representation was overall low, with racial/ethnic minorities, LGBTQI, and persons with disabilities all likely to be absent from both the departing and new relationship partner pools.

The vast majority of these decisions were made at the firm rather than as directed primarily by the client.

### **Women as Non-Equity (Income) Partners<sup>18</sup>**

As discussed in more detail in last year's report, NAWL documented the transition that many firms have made to a two-tier model of partnership.<sup>19</sup> One effect of a two-tier partnership model is that it creates an additional level before reaching the highest status (and most highly compensated) equity partner role, possibly making it harder to achieve equity partner in general, but particularly for women and other diverse groups who have been historically underrepresented. With the move over the last two decades toward two-tier partnership models in a majority of firms,

percentage of women equity partners has not followed suit.<sup>20</sup> This year, 81% of our sample reported that they are two-tier firms.

As in past years, women are 30% of non-equity or income partners. Women of color (including Black, Asian, and Hispanic/Latina women) are 5% of non-equity partners. LGBTQI individuals of all genders are 2% of non-equity partners. Persons with disabilities are less than 1% of non-equity partners.

### **Non-Equity Partner Compensation**

For non-equity partners, the median man makes, on average, about \$8,005 more a year than the median woman (\$309,279 vs. \$301,274, respectively). On average, the median woman non-equity partner makes 97% of what the median man makes. When considering mean compensation, the mean male non-equity partner makes about \$13,609 more per year

**Women are 30% of non-equity or income partners. Women of color (including Black, Asian, and Hispanic/Latina women) are 5% of non-equity partners. LGBTQI individuals of all genders are 2% of non-equity partners. Persons with disabilities are less than 1% of non-equity partners.**

women in non-equity partner and non-partner track attorney roles have reached or surpassed the 2006

NAWL Challenge goal of 30% representation, but the

than the mean female non-equity partner (\$323,008 vs. \$309,399, respectively). Thus, women non-equity partners make 96% of what the mean man makes.

<sup>18</sup> Non-equity or Income Partners are those who receive more than half of their compensation on a fixed-income basis and may have voting rights on firm matters.

<sup>19</sup> See e.g., 2017 NAWL Annual Survey on the Promotion and Retention of Women in Law Firms at page 4. Report available at <http://www.nawl.org/page/2017>.

<sup>20</sup> We found that women may be slightly more likely to be equity partner in firms with a one-tier partnership model compared to a two-tier model (21% vs. 20%, respectively), consistent with past reports.

Note, these numbers reflect a similar gap to that at the associate level, but it is a smaller gap than exists at the equity partner level where men's and women's salaries diverge more.

### Non-Equity Partner Billing Rates

As suggested above, the billing rates of men and women diverge by the time they reach non-equity partner despite starting at the same point as associates. For non-equity partners, the median billing rate for men was \$585/hour compared to a median for women of \$554/hour. This billing rate gap is similar to that seen between male and female equity partners, and represents an average premium of about 5% for male non-equity partners compared to female non-equity partners.

### Women as Equity Partners

The number of women equity partners and women in leadership roles in the law firm are of primary interest, given the focus of the *One-Third by 2020 Challenge* issued by NAWL in 2016.<sup>21</sup> This challenge renewed the call for the legal field to increase its representation of women to one-third of General Counsels of Fortune 1000 companies, of new law firm equity partners, of law firm lateral hires, and of law school deans. The *One-Third by 2020 Challenge* also calls for an increase of at least one-third for diverse women attorneys, including LGBTQ and women of color, in every segment of the legal profession.

This year's survey shows a similar percentage of women equity partners compared to last year (20% vs. 19%, respectively).<sup>22</sup> Last year we reported that this represents an increase over the 15% - 16% recorded

21 Full details of the *One-Third by 2020 Challenge* are available at [http://www.nawl.org/nawl\\_challenge](http://www.nawl.org/nawl_challenge).

22 In raw numbers, in 2017 there was an average of 29 female equity partners reported per firm compared to 33 in 2018. Although it's also of note that the average



10 years prior,<sup>23</sup> but it also highlights the uneven progression that often occurs whereby there may be larger increases over a period of time but incremental changes or plateaus in the short term.

### Diversity among Equity Partners

The *One-Third by 2020 Challenge* explicitly identified goals related to the representation of diverse women attorneys in the legal profession, including women of color, LGBTQI individuals, and people with disabilities. This specific challenge is to increase the numbers (with a baseline at the 2016 numbers) of these diverse women by a third by 2020. In 2018, White women represent 89% of female equity partners and 18% of equity partners overall. In the aggregate, women of color (including Black, Asian, Hispanic/Latina women) represent only about 12% of female equity partners, on average, and about 2% of all equity partners. For all equity partners, people of color (men and women) account for only 8% of equity partners<sup>24</sup> (Black equity partners are 2% of equity partners, Asian equity partners account for 3%, Hispanic/Latinx equity partners account for 2%, and all other racial/ethnic minorities combined account for about

1%).<sup>25</sup> This represents a bump up from 6% equity partners of color reported in 2017 and a return to the levels reported in 2015.<sup>26</sup> For those firms reporting numbers,<sup>27</sup> LGBTQI individuals were 2% of all equity partners and persons with disabilities were less than 1% of all equity partners. These numbers are unchanged since 2017.

### Equity Partner Compensation

Ninety-three percent (93%) of responding firms<sup>28</sup> reported that their most highly compensated attorney is a man. Of the 10 most highly compensated lawyers in the firm, on average, 1 of those top 10 is a woman. We also asked firms about their top 10 revenue-generators, and of those 10, firms reported that there was, on average, 1 woman among them. Most firms reported no women in the ranks of those attorneys generating the most revenue or those being the most highly compensated.

Taken with the above-reported data on compensation at the associate and non-equity partner levels, across all types and levels of attorneys, men made more per year than women, and this pattern existed without

number of equity partners reported overall was also higher in 2018 (153 in 2017 vs. 160 in 2018).

23 2017 NAWL Annual Survey, available at <http://www.nawl.org/page/2017>.

24 As a reminder, people of color (including but not limited to Black, Asian, Hispanic/Latinx individuals), make up an average of 24% of associates. And their representation is higher at higher-ranked firms. Quartile 1 and 2 firms (AmLaw 1 – 100) report 26% associates of color, whereas the bottom two quartiles report about 20% associates of color.

25 There was a noticeable difference especially in the percentages of Asian equity partners at AmLaw 50 firms (Quartile 1). These firms reported higher percentages of Asian equity partners (5% compared to about 2% in the other quartiles). For all other racial/ethnic groups, there was no noticeable difference across the AmLaw 200.

26 <https://www.nawl.org/page/2015-nawl-survey>.

27 As a reminder, for LGBTQI individuals and persons with disabilities, a large hurdle to getting an accurate picture of their representation in the law firm is in the collection of data on these identities. About 10% of firms explicitly indicated that they do not collect demographic data on LGBTQI individuals, and about 36% indicated they do not collect data on persons with disabilities.

28 The response rate for these questions compared to the more detailed compensation questions was slightly higher, ranging from n = 51 to n = 56, depending on the question. This represents about 25% of the AmLaw 200 and 55% of the responding firms.

significant variance across the AmLaw 200 for all attorney types and levels.

Among equity partners, the median man makes, on average, about \$64,320 more a year than the median woman (\$750,215 vs. \$685,895, respectively).<sup>29</sup> On average, the median woman equity partner makes 91% percent of what the median man makes. Among equity partners, the mean man makes about \$99,421 more a year than the mean woman (\$847,266 vs. \$747,845, respectively). Thus, the mean woman equity partner makes 88% of what the mean male equity partners makes. These findings support the hypothesis that the compensation distribution skews higher for men than for women as evidenced by a greater pay gap when using the mean vs. median compensation numbers. This offers additional support to the data that shows that men tend to have near exclusive domain over the most highly compensated roles in the firm. In addition, it highlights that only looking at the median numbers may hide the differences in the distribution of compensation, particularly at the high end where women are less likely to be represented. Further, this difference only appears among the most highly compensated attorneys. There is no significant difference between median and mean compensation

numbers before reaching equity partner, suggesting that the smaller but persistent gap that begins at the associate level expands much more dramatically at the level of equity partner.

### **Equity Partner Hours**

As discussed previously, for the median female and male equity partners, there was essentially no difference in median billable hours on average (1532 vs. 1542 hours, respectively). No significant difference is recorded if mean hours for women and men are considered instead (1496 vs. 1507, respectively). For total hours there was also no significant difference between the median woman and man in hours recorded (2178 vs. 2134 hours, respectively). Again, the mean total hours also did not differ significantly between women and men (2215 vs. 2232, respectively).

### **Equity Partner Client Billings<sup>30</sup> & Billing Rates**

For equity partner median client billings, the median male equity partner bills more than the median woman (\$1,348,306 vs. \$1,262,683, respectively). On average, the median woman equity partner bills 94% of what the median man bills. The mean client billings show a similar pattern. It has been suggested before that disparities in compensation, at least among equity

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<sup>29</sup> Equity partners at Quartile 1 firms bill more hours than those in the other quartiles, with Quartile 1 equity partners averaging about a median of about 1625 billable hours and the equity partners in the other quartiles averaging a median 1512 billable hours. Across the quartiles, there appears to be no significant difference in hours billed between men and women equity partners. For total hours, Quartile 1 equity partners again record more hours compared to those from the other quartiles (average 2392 total hours vs. 2080 total hours). For total hours, there appear to be some small differences between men and women equity partners at the higher ranked firms, with women equity partners recording greater median total hours than men (in Quartile 1, women recorded a median of 2442 total hours to men's median of 2342 total hours). This effect reverses when mean hours are considered such that men record a higher mean total hours compared to women (in Quartile 1, 2676 vs. 2442, respectively).

<sup>30</sup> NAWL defined client billings as the dollar amount credited by the firm to a given equity partner as their billings. Variations on what NAWL was trying to identify with its definition of "client billings" include origination credit, fee credit, book of business, credited revenue, and similar terms.

partners, may align with differences in client billings between men and women. In other words, men bill more and thus they are compensated more. On the other hand, this raises questions as to how client billings are generated and how credit is assigned for client billings. For this reason, in this year's survey, we attempted to dig deeper into this question of what explains these disparities by collecting data on billing rates. In other words, one reason for higher billings could be a difference in the rates that underlie the billings. However, when compared to the pay gap at the equity partnership level (91% at the median and 88% at the mean), a discrepancy remains that cannot be explained by billing generation.

As discussed above, we found that men and women start with similar billing rates as associates but diverge by the time they reach non-equity partner. While billing rates go up overall for equity partners compared to non-equity partners, a gap between men and women remains. The overall median billing rate for equity partners was \$683/hour, and the overall mean billing rate for equity partners was \$676/hour. By gender, the median billing rate for male equity partners was \$686/hour compared to a median of \$655/hour for women equity partners. This, again, represents an

average premium of about 5% for male equity partners compared to female equity partners.

When hours and billing rates are taken together, the fact that women work the same hours as men but bill at 95% the rate of men at the same level could explain, in part, why women equity partners record 94% of the client billings of male equity partners. To get at perceptions of why these billing rate differences may exist, we asked firms which common anecdotal explanations they thought were tied to any billing rate differences that may exist between men and women. Most firms reported that they thought that men and women working in practice groups with different billing rates (65%) and men's longer tenures in law firms (73%) explained differences in billing rates of men and women. More work needs to be done to determine the more precise relationship between hours worked, billing rates, client billings, and compensation, particularly at the level of equity partner.

### **New Equity Partners & Availability of Partner-Track**

Firms were asked to report how many new equity partners they promoted in the previous two years (2016 and 2017). On average, 16 individuals were

**This billing rate gap is similar to that seen between male and female equity partners, and represents an average premium of about 5% for male non-equity partners compared to female non-equity partners.**

promoted to equity partner during that period. Of those 16 new equity partners, about 5 (31%) were women. This is similar to 2017 when firms reported that they had promoted, on average, 15 attorneys to equity partner in the prior two years, and 1/3 of those were women. In addition, a third of the new equity partners were homegrown (i.e., started their careers at the firm), and 13% of the new equity partners spent three or fewer years at the firm before promotion to equity partner, suggesting some recruitment of laterals that were expected to advance to equity partner. For homegrown partners, about 41 percent were women (2 of 5), and for recent laterals who were promoted to partner, 50 percent were women (1 of 2), on average. These numbers match those reported in 2017, providing another year of data suggesting that some firms in recent years may be promoting more gender equity in newer classes of equity partners, in line with the *One-Third by 2020 Challenge*.

In addition, most firms reported allowing partner-track attorneys who work part-time schedules to be promoted to partner, although it was more likely for firms to allow this for promotion to non-equity partnership (95%) compared to equity partnership (89%). All responding firms with non-partner track attorneys reported allowing non-partner track attorneys, such as counsel attorneys, to transition to the partner track. In theory, this access could also

serve to increase the diversity of the partnership track.

### *Women in Leadership Roles in the Law Firm*

#### **Women on Firm Governance Committees**

Much like the continued underrepresentation of women in the equity partner ranks, women have been consistently underrepresented among the leadership positions in the law firm, such as on the governance committee(s) that oversee the operations of the firm and often set compensation. While the particular name and function of the highest-level governance committee varies across firms, the responding firms reported an average membership for those governance committees of 12 people, and, on average, 3 of those 12 (25%) are women. These numbers are exactly the same as those reported in 2017.<sup>31</sup> In the last 10 years, the participation of women on these committees has increased substantially, with the 2017 and 2018 numbers nearly double those from 2007.<sup>32</sup> This increase in representation for women has not resulted in similar levels of representation for other diverse groups. The average governance committee of 12 people has only one person of color and no LGBTQI person or person with a disability on average.

For 47% of responding firms, the highest governance committee sets compensation for equity partners. The other 53% of firms reported having dedicated compensation committees, and the average compensation committee looks similar to the

<sup>31</sup> This year's data did show that Quartile 1 firms (AmLaw 1 – 50) reported greater representation of women on governance committees compared to both their numbers last year and firms in the other quartiles this year. Quartile 1 firms reported 37% of their governance committee members were women compared to the 20 – 25% women reported by firms in the other three quartiles.

<sup>32</sup> 2017 NAWL Annual Survey, available at <http://www.nawl.org/page/2017>.



high-level governance committees.<sup>33</sup> The average membership of the compensation committee is 11 people, and the average number of women is 3 of those 11(27%). The numbers for women are the best of any underrepresented group. At best 1 of 11 members, on average, is likely to be a person of color, and none are likely to be openly LGBTQI or a person with a disability. These numbers, again, mirror those from 2017.

### **Women as Managing Partners & Practice Group**

### **Leaders**

In addition to serving on governance committees, managing partner roles at the firm, office, and practice group levels provide additional leadership opportunities. The average firm has two firm-wide managing partners, and most firms have no women, people of color, LGBTQI individuals, or persons with disabilities among those firm-wide managing partners. Only 22% of firms report having a woman among their firm-wide managing partners. In addition, only 9.5%

<sup>33</sup> The size of Governance and Compensation Committees do differ across the AmLaw 200 given the differences in firm size. Quartile 1 and 2 firms (AmLaw 100) average 14 members on the Governance Committees compared to about 10 members on average for Quartile 3 and 4 firms. The AmLaw 100 averages about 12 members on dedicated Compensation Committees compared to an average of 9 members for firms in the AmLaw 101 – 200.

of firms have a person of color, 6% of firms have an LGBTQI individual, and 1.5% of firms have a person with a disability serving in this role.

Most firms (90%) also report having office-level managing partners. On average, firms have 12 of these office-level managing partners, and, on average, 2.5 are women (20%), one is a person of color (8%), and none are LGBTQI or a person with a disability. Finally, 98% of firms report having practice group partners/leaders. Most firms (86%) report allowing for co-leadership of practice groups. Firms have an average of 25 practice group partners/leaders, and of those, 6 are women (24%), two are people of color (8%), and none are LGBTQI or a person with a disability.

Across the governance positions in the law firm, in terms of committees and managing positions, the results are consistent, with women representing about a quarter of all of these positions.

### **Time to Rethink the Women's Initiative?**

As in 2017, all but one responding firm reported having a women's initiative (99%), and this number represents firms across the AmLaw 200 rankings. In addition, firms reported that their initiatives had been in place for an average of 13 years, with a range from two years to a few decades.<sup>34</sup> Overall, women's initiatives, once

implemented, report similar longstanding practices over time, but it is unclear what impact, if any, these efforts have had on women's representation in more senior and higher status positions in the law firm.

**Women's Initiative Mission & Objectives:** Most (91%) firms report that they have mission statements specifically for their women's initiatives. Ninety-percent (90%) report that their women's initiative is part of the overall strategic plan of the firm. In addition to women's initiatives being incorporated into the strategic vision of the law firm, essentially all firms also report that they have specific objectives for their initiatives (93% percent). Finally, 96% percent of firms report that their women's initiative is part of the firm's diversity plan.

**Women's Initiative Budget & Resources:** In terms of resources, 60% of firms report that they have specific budgets for their women's initiatives. Other firms indicated that their women's initiative budgets fall under the umbrella of their broader diversity budgets or did not report any specific budget numbers for their women's initiative.<sup>35</sup> For the firms that have dedicated women's initiative budgets, the average budget is \$176,971, and the range of budgets is \$15,000 to \$1.5 million. Firms in higher-ranked quartiles reported larger budgets than those in lower-ranked quartiles. Firms in Quartile 1 (AmLaw 1 – 50) reported an

<sup>34</sup> Last year we reported a suggestive finding that firms that reported more mature women's initiatives had greater percentages of women equity partners. This year, by capturing how many years the initiatives had been in place, we could examine the relationship between years of existence and the numbers of women equity partners. We found no statistical relationship between the tenure of a firm's women's initiative and the percentage of women equity partners.

<sup>35</sup> If firms indicated that their reported budgets were not funds earmarked specifically for the women's initiative, their reported numbers were not included in the calculations. We asked firms to report only budgets designated specifically for women's initiatives.

average budget of \$335,834 compared to \$217,712 for firms in Quartile 2 (AmLaw 51 – 100), \$79,598 for firms in Quartile 3 (AmLaw 101 – 150), and \$100,129 for firms in Quartile 4 (AmLaw 151 – 200).

### **Women’s Initiative Organizational Infrastructure**

**& Support:** Firms take different approaches to the structural integration of their women’s initiatives, but 74% report having a hybrid structure that involves both firm-level budget and strategy, as well as specific activities (and sometimes budget and strategy) determined at a more local level. Specifically, nearly all firms (95%) report that women’s initiative leaders are in place at the firm level, in the form of a firm-level Chair, firm-level Co-Chairs, and/or a firm-level planning committees. Some firms report multi-layered levels of leadership from the firm-level down to the office level, but it was clear that nearly all firms view the head of the initiatives as existing at the firm-level. In addition to firms providing firm-level support and resources, many firms report that there is also active monitoring of the career trajectories of women in the firm. For example, most firms report monitoring promotion rates (83%) and succession plans (61%) by gender, taking into account the performance of women compared to men in these processes. Almost half of firms report monitoring work assignments by gender (46%).

### **Women’s Initiative Participation:**

There is widespread participation in the women’s initiative programming across the different levels and positions in the firm. All firms report relatively high rates of participation from women in general, across attorney type. For example, 83% of firms report that at least half of their female equity partners participate in women’s initiative events and programs and 91% of firms report that at least half of their women associates participate. In most firms, access to women’s initiatives is not limited to partner-track attorneys, and firms report that 75% of women counsel and 54% of other full-time attorneys participate in the programming.

**Women’s Initiative Programming:** All firms report that their women’s initiatives sponsor programming at least quarterly and 55% of firms hold programs monthly or weekly. A vast majority of firms report that their women’s initiatives offer programming around business development (98%) and development of “soft skills” such as negotiation and navigating the law firm (87%), but only about a third offer programming around developing legal and research skills. Further, most firms’ women’s initiatives offer women management and leadership training (65% and 76%, respectively). Besides programming around business development, the most common activity for women’s initiatives is networking, including opportunities for women to network with clients (95%) and for women within the firm to network with each other (99%). Women’s initiatives are more likely to have mentorship

programs than sponsorship programs (85% vs. 50%, respectively). Finally, most firms report that their women's initiatives highlight the achievements of women in the firm (87%), advocate for women- and family-friendly policies (79%), and advocate for individual women in the firm (70%).

**Women's Initiative Impacts & Outcomes:** Nearly all firms (91%) report that they attempt to measure the outcomes of their women's initiatives, and they look at factors like the business development of women in the firm, women's relationship development with clients, others in the firm, mentors, etc., as well as the

particular, it is likely that firms still struggle to be strategic with their programming such that they do not tie it effectively to the goals and objectives they identify, they do not direct it specifically at different audiences (e.g., attorney type) with unique needs, or the programming is not deep or targeted enough to produce changes in the law firm where women's advancement is most affected.<sup>36</sup> Overall, what firms report doing within their women's initiatives has changed little since at least the comprehensive study of women's initiatives published by NAWL in 2012, and the progress of women in the law firm, especially at the higher levels, has remained similarly stalled. As called

The median woman equity partner makes 91% percent of what the median man makes. Among equity partners, the mean man makes about \$99,421 more a year than the mean woman (\$847,266 vs. \$747,845, respectively). Thus, the mean woman equity partner makes 88% of what the mean male equity partners makes.

representation of women in leadership positions. On the other hand, despite the now universal adoption of women's initiatives, reports of near universal adoption of mission statements and objectives, and high rates of participation and diverse programming for women attorneys across their career spans, there is little evidence that these initiatives have led to substantial increases in the representation of women at the highest levels of the law firm. As suggested in NAWL's 2012 report on the efficacy of women's initiatives in

for in 2012, firms may need to rethink their women's initiatives and broaden diversity initiatives to more effectively utilize them in service of supporting and advancing women and diverse attorneys.

### **Promising Trends for Women's Advancement in Law Firms**

While the percentage of women equity partners (and diverse equity partners) has not changed dramatically in a decade, there are some promising results that may

<sup>36</sup> 2012 NAWL Report of a National Survey of Women's Initiatives, available at <http://www.nawl.org/p/cm/Id/fid=82>

suggest focused attempts to increase representation that will translate into greater representation of women going forward. These results also show that firms seem to be taking NAWL's 2020 Challenge seriously. Among recently promoted equity partners - those promoted in the last two years - about one-third (31%) are women compared to 20% overall. In 2017, 33% of new equity partners were women compared to 19% overall.

Among new relationship partners - those that inherited clients due to transitions within the top 20 clients - 36% are women compared to 20% of the current relationship partners for all top 20 clients.

Over the last decade, women have seen significant increases in their representation in firm leadership roles, including service on governance committees and compensation committees, and as managing partners and practice group leaders.<sup>37</sup> This year, firms in the AmLaw 50 reported that 37% of their governance committee seats were filled by women, an increase from their own numbers from last year, as well as a greater percentage than that reported by the rest of the AmLaw 200 this year or last.

### **Continued Challenges for Women in Law Firms**

On the whole, the numerical results of the 2018 survey are an almost exact replication of those from 2017. This may not come as a surprise, as NAWL has observed that

the progress women have made in law firms over the last decade has been slow and incremental at best, and law firms continue to face challenges with respect to supporting and promoting women. Despite universal adoption of women's initiatives, a ramping up of broader diversity initiatives, and increased awareness of the challenges women face in their advancement through the law firm, there has been little progress made in recent years that is reflected in noticeable increases in representation of women and diverse attorneys, particularly at the more senior and higher status levels of the law firm. As law firms confront this reality, it has become clear that there is more that needs to be done to interrogate the processes and decision points for women's advancement to better identify where and why women's progress stalls during their careers. And what's needed most to do this is a willingness of firms to share their practices and data to provide as full a picture as possible of what is happening as attorneys progress through the law firm over the course of their careers. NAWL hopes this year's report will serve as a call to action for firms - a call to share both practices and data that can help the profession, as a whole, better understand the problem of stalled advancement and the potential solutions to that problem by more completely capturing what firms are doing that is and is not producing changes in status quo for women in the law firm.

As discussed above, there are multiple areas where

<sup>37</sup> See e.g., 2017 NAWL Annual Survey, available at <http://www.nawl.org/page/2017>

data would help flesh out our collective understanding of what mechanisms are holding women back despite increased awareness of the problem and expanding diversity efforts. The areas that call for more research include the practices, policies, and procedures of law firms with respect to employment decisions, such as hiring, evaluation, and promotion; bias reduction in employment decisions; credit allocations and credit sharing; parental leave management; succession planning and implementation; encouragement of relationship building with clients, particularly for women and diverse attorneys; client billings and billing rates; and monitoring of promotion, succession, and work assignments for diversity, including gender and race.

Many firms are hungry for best practices, and it is the collection of baseline data on practices, policies, and procedures currently in place that allow for a comparison to the evidence on best practices from the organizational research literature, but also allow for benchmarking the existing practices of law firms and identifying innovative practices and procedures that may not be well-known externally. NAWL hopes that law firms will take this call for more information seriously and consider ways that they can contribute to the general knowledge about the practices, policies, and procedures that can increase the rate of advancement of women and other underrepresented attorneys in law firms across the profession.

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