

*Diversity in Leadership:
The Profitability of Diversity*

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**“Profitability of Diversity”
LCA Meeting
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A. BACKGROUND

1. Where we are: the current statistics on diversity in the legal marketplace.
2. Where we have been: the “progress” that has been made with regard to diversity.
3. The reasons why the numbers don’t equate: why the diversity that is seen in law school graduates has not translated to diversity in law firms, etc.

B. SOME “BIG” ISSUES

1. The promotion and retention of women and minorities: what needs to be done to more equally promote and retain them.
2. Business inheritance: what needs to be done to ensure that women and minorities more equally inherit business from their colleagues in firms.
3. The issue of pay equity: the fact women and men are billed out at disparate rates, with women being paid less and billed out at lower rates.

C. “PROFITABILITY” OF DIVERSITY

1. The positive impact of the diverse workplace on the practice of law.
2. Why and how is diversity profitable?
3. How does a law firm improve diversity in the current climate?
4. “Talk is cheap”: the problem with implicit bias and how to overcome it as far as a diverse workplace is concerned.

D. THE ROLE OF CORPORATE AMERICA IN PROMOTING DIVERSITY

1. The commitment of corporate America to diversity in its suppliers, including law firms (and the impact of this commitment on diversity among suppliers.)
2. How did corporate America become the leading force in diversity, sexual harassment, and other problems disproportionately affecting women and minorities?
3. But, when the chips are down, does corporate America really want a female or person of color to represent it? Also, make sure that we mention the recent decline in female executives in large corporations, which over the last number of years, had been growing.

E. CONSTRUCTIVE SUGGESTIONS FOR “PROFITTING” FROM DIVERSITY



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Effort To Boost Diversity In Leadership Touts Top Law Firms

By **Bonnie Eslinger**

Law360 (August 20, 2018, 11:18 PM EDT) -- An effort launched last summer to encourage law firms to affirmatively consider women and attorneys of color for leadership roles and promotions by taking a page from the NFL's diversity playbook is cheering its first-year success — with 41 law firms crossing the goal line.

But this is no game. Similar to the Rooney Rule enacted by the National Football League in 2003 to promote diversity in general manager and head coach hiring, the goal of the Mansfield Rule is to increase the representation of women and minorities in law firm leadership. The corrective measure pushes law firms to widen the pool of candidates considered for leadership and governance opportunities, equity partner promotions and senior lateral positions, according to Diversity Lab, the organization championing the initiative.

The NFL rule, which requires every NFL team to interview at least one minority candidate for head coach vacancies, is named after former Pittsburgh Steelers Chairman Dan Rooney, who died last year. Arabella Mansfield, the first woman admitted to the practice of law in the United States, is the namesake inspiration behind the Diversity Lab program.

To be designated "Mansfield Certified," law firms have to show that their list of candidates considered for leadership spots includes at least 30 percent women and attorneys of color.

Within the group of 41 celebrated law firms, 27 were tapped as "Mansfield Certification Plus," because they have 30 percent diversity "in a notable number of their current leadership roles and committees," according to Diversity Lab CEO Caren Ulrich Stacy.

Those firms are: Arnold & Porter, Brinks Gilson & Lione, Bryan Cave Leighton Paisner LLP, Buchanan Ingersoll & Rooney PC, Cooley LLP, Covington & Burling LLP, Day Pitney LLP, DLA Piper, Dorsey & Whitney LLP, Faegre Baker Daniels, Fish & Richardson PC, Holland & Hart LLP, Holland & Knight LLP, Latham & Watkins LLP, Littler Mendelson PC, Miller Canfield Paddock & Stone PLC, Morris Manning & Martin LLP, Morrison & Foerster LLP, Munger Tolles & Olson LLP, Nixon Peabody LLP, Orrick Herrington & Sutcliffe LLP, O'Melveny & Myers LLP, Reed Smith LLP, Seyfarth Shaw LLP, Sheppard Mullin Richter & Hampton LLP, WilmerHale and Winston & Strawn LLP.

The challenge put in place by the Mansfield Rule is already showing results. Diversity Lab said 40 percent of the participating firms have increased the representation of women and diverse lawyers in leadership and governance roles; 33 percent increased the number of women and diverse senior associates hired; 35 percent increased the number of women and diverse partners hired; and 38 percent increased the number of women and diverse lawyers promoted to partner.

Covington Chair Timothy Hester said the firm is "extremely proud" to be recognized for having taken steps to improve its diversity, particularly in firm leadership.

"Diversity makes our law firm stronger, and we see the differences among us as an asset and a source of value for our clients and our workplace," Hester said in a statement, adding, "We recognize that the job is never done."

Roger Meltzer, DLA Piper's global co-chairman and co-chairman of the Americas, said implementing the Mansfield Rule has had a meaningful impact on the firm's hiring and promotion processes.

"We are proud to have been designated a Mansfield Certified Plus firm and to be part of an innovative initiative to create a more diverse and inclusive legal profession," Meltzer said in a statement.

O'Melveny diversity and inclusion partner Darin Snyder, a member of the firm's policy and executive committees, said the firm's belief in the value of having a diverse law firm informs "everything we do at O'Melveny, from recruiting and hiring to developing our talent for the most important and high-profile roles." Thus, the Mansfield Rule challenge became a logical extension of the firm's existing efforts, he said.

Orrick Chairman Mitch Zuklie said in a statement that the Mansfield Rule program has energized law firms.

"It's hard to think of a legal diversity program that has brought about more widespread and concrete change in as short a timeframe," Zuklie said. "And it's exciting to see law firm and corporate legal departments working together to fix this problem."

Likewise, Rose Ehler, co-chair of Munger's Women's Initiative, called the pilot program a "tremendous success."

Nixon Peabody's director of diversity and inclusion, Rekha Chiruvolu, also celebrated the "Certification Plus" honor.

"For the last several years, we have been making a concerted effort to increase the diversity in our leadership and partnership ranks through innovative programs and initiatives. By weaving diversity and inclusion into all core functions throughout the firm, we ensured that it became part of the culture and a firm wide priority," Chiruvolu said in an email, adding that participating in the Mansfield Rule pilot program allowed the firm to track its progress.

Sheppard Mullin Chair Guy Halgren called diverse organizations "stronger organizations," and joined the chorus of law firms saying that participation in the Mansfield program further focused the firm's diversity efforts.

"We have prided ourselves in considering a diverse pool of candidates for leadership and promotion," Halgren said in a statement. "We are flattered to be in such great company with so many outstanding firms."

The other firms that reached the certification benchmark are: Akerman LLP, Blank Rome LLP, Brownstein Hyatt Farber Schreck LLP, Clifford Chance LLP, Dentons, Fasken, Fenwick & West LLP, Goodwin Procter LLP, Jenner & Block LLP, Katten Muchin Rosenman LLP, McDermott Will & Emery LLP, Morgan Lewis & Bockius LLP, Troutman Sanders LLP and White & Case LLP.

The Mansfield Rule was one of the winning ideas from a 2016 competition hosted by

Diversity Lab, in collaboration with Bloomberg Law and Stanford Law School.

More than 44 law firms initially signed on to participate in the Mansfield Rule challenge, but Stacy said the point of this one-year celebration is not to call out those who missed the mark.

"Yes, there were a few firms that didn't complete the process or meet the requirements for the inaugural year," she told Law360 in an email Monday. "They will hopefully keep trying and we will work with them to do so. All of the participating firms — certified or not — recognized a problem and are trying to fix it."

Law360's 2018 **Diversity Snapshot** revealed that just over 15 percent of attorneys and just over 8 percent of equity partners at surveyed law firms identify as a minority, results that are nearly identical to last year's report. Women of color make up 8 percent of surveyed attorneys, a number that shrinks to 3 percent at the partnership tier.

--Additional reporting by Jacqueline Bell, Brandon Lowrey and Aebra Coe. Editing by Breda Lund.

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GCs Find New Urgency In Longtime Push For Diversity

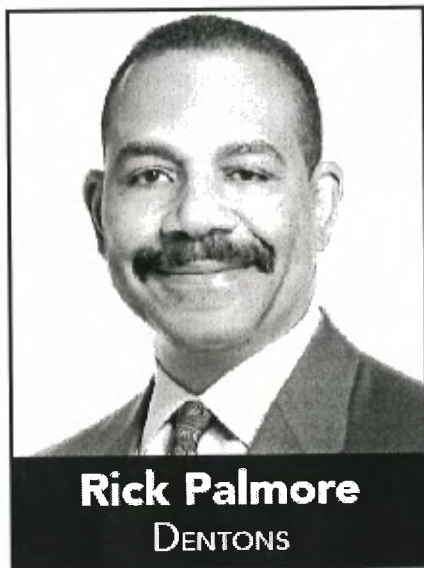
By Ed Beeson

Law360, New York (August 21, 2017, 7:44 PM EDT) -- The letter from Hewlett-Packard Inc.'s chief legal officer was just two pages long, but it packed a punch.

Issued in February, general counsel Kim Rivera laid out new marching orders to the company's outside law firms: Put diverse attorneys to work on HP's legal matters, or risk some of your pay.

Her demand was clear: Firms must either name a diverse attorney — who can be a minority, a woman, an LGBT person or someone with a disability — to be HP's relationship partner on assignments, or they must have at least one woman and one minority attorney on HP's legal team, with each performing or managing at least 10 percent of the billable hours. Alternately, the firm can meet the requirement by assigning one minority woman to the team, with her handling at least 10 percent of the billable hours.

Firms that can't meet that requirement by the second year of their engagement with HP may have to sacrifice up to 10 percent of their legal bills in the name of a "diversity holdback," Rivera wrote.



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In an email interview, Rivera told Law360 that HP ultimately wants its outside law firms to more closely mirror the diversity of the broader population and that it's already seeing firms make good progress in meeting its staffing requirements.

"We expect that as we hold law firms accountable there will be an increase both in the diversity of the teams providing us service as well as the firms overall," she wrote.

The new policy may be the first of its kind. It also might be a sign of things to come.

Over the past year, several large corporate law departments have announced they're overhauling how they select outside counsel to ensure they're getting minorities, women and other diverse lawyers assigned to them. Meanwhile, dozens of other general counsel have joined an American Bar Association pledge to create more opportunities and steer more business to diverse lawyers at firms.

Driving this push is a realization that, despite years of rhetorical commitments to diversity,

things haven't gotten much better for minorities and others who are chronically underrepresented in BigLaw, particularly within the senior ranks.

And it's not the first time a collective effort has been undertaken to address this problem. Hundreds of general counsel signed a 1999 statement called Diversity in the Workplace, penned by BellSouth Corp.'s then-GC Charles Morgan, as well as a 2004 follow-up known as the Call to Action. Both were pledges for GCs to consider diversity and commitment to improving it when hiring outside counsel.

But what appears to be different now is the fact that companies are approaching the challenge with more concrete goals, a greater focus on data, and a more explicit set of carrots and sticks for law firms.

Corporate clients, led in part by Microsoft Corp. and Wal-Mart Stores Inc., also appear to be taking diversity more seriously than they did 15 years ago. Partly that's because pressure has been building on companies to do more to reflect the diversity of their customer base, while businesses also want a wider pool of talent at their fingertips.

"There is increasingly an acknowledgement that this issue is fundamental to having the right and best talent at your disposal," said Rick Palmore, a senior counsel at Dentons who spearheaded the Call to Action when he was the general counsel of Sara Lee Corp.

But when it comes to changing the face of the sector, law department leaders recognize it will take more than a few to move the needle. It will take a critical mass.

"I'm realistic," said Craig Silliman, the top lawyer at Verizon Communications. "I as general counsel of Verizon or Verizon overall is not going to singlehandedly change the diversity of the legal profession."

"But a thousand people putting a brick at a time can make a huge, huge difference," he added.

A Push From the Bar

The Law360 **Diversity Snapshot**, now in its third year, reveals a gloomy truth about diversity in private practice. Minorities made up just over 15 percent of lawyers in surveyed firms at the end of last year and just under 8 percent of the equity partners — barely an improvement over prior years.

Corporate law departments have done slightly better.



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The Minority Corporate Counsel Association is slated to release the results of its latest diversity survey of in-house lawyers this fall, but its most recent data, from 2010, found that minorities accounted for about 18 percent of the U.S.-based lawyers at nearly 350 companies.

By comparison, minorities made up about 12.4 percent of the attorneys at law firms that same year, according to data from the National Association for Law Placement.

While it remains to be seen how the in-house numbers have changed over the years, Jean Lee, president of the MCCA, said in an interview she expects that minorities have made further advancements in-house, but there's still a long way to go.

One bright spot for diverse corporate counsel has been at the pinnacle of the profession. Last year, the MCCA counted 56 minorities serving as general counsel of Fortune 500

companies. Twenty years earlier, there were just three.

While there's a number of explanations for why minorities have struggled to break through in BigLaw, the ABA last year said it's clear law firms' efforts, while "valiant and commendable," haven't been enough. That's something managing partners are acutely aware of and want to change, according to Linda Klein, the immediate past president of the bar association.

"I don't think anyone in large law firm leadership is happy with the lack of diversity in the profession," Klein, who's also a senior managing shareholder of Baker Donelson Bearman Caldwell & Berkowitz PC, said in an interview.

To that end, the ABA last year adopted Resolution 113, which calls for general counsel to create more opportunities for diverse attorneys and devote more resources to hiring them. The pledge also calls for law departments to use an ABA-developed survey to quiz firms about their diversity and for general counsel to use this data in their selection process.

So far, GCs from nearly 100 companies have signed the resolution, and about 140 law firms have completed the survey, according to Klein, who also said the ABA intends to release aggregated data from the survey in the coming months.

Others in the industry say Resolution 113 appears to be having a positive effect already.

Leslie Richards-Yellen, director of inclusion at Hogan Lovells in the Americas, said the survey has opened up work opportunities for diverse lawyers at her firm because it asks questions about the diversity of the lawyers assigned to particular client matters. That's forcing relationship partners to think more about who they are putting on their teams, she said.

"In those ways, the ABA is directly responsible in a handful of people getting an opportunity they wouldn't have had before," Richards-Yellen said, adding that she suspects the same is true for lawyers at other firms.

"That to me is the real game-changing part," she said.

But others worry that the effort will only go so far if corporate clients aren't also striving to create business opportunities for diverse lawyers in private practice.

For example, if companies aren't asking to work with diverse lawyers and taking other steps to help them develop their careers, "then it becomes a thing about accumulating data without any real benchmarks for success," said a partner at a major law firm who serves on the firm's diversity committee.

He spoke on the condition of anonymity so he could talk candidly about matters that may relate to clients.

There are a number of things companies should be doing in addition to asking for diverse attorneys to work on their assignments, he said. For one, they need to be hawkish about ensuring that diverse lawyers are getting the credit for the work they are doing.

Secondly, clients can identify the diverse partners and senior associates they have relationships with, and they can create business plans that give these attorneys opportunities to do meaningful work and bring in revenue for their firm.

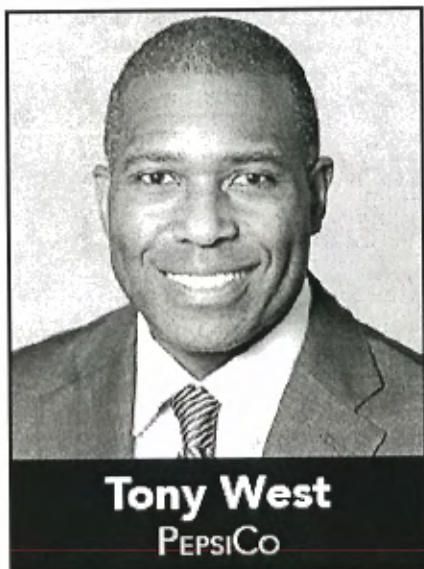
"Unless corporations do something to help diverse attorneys become partners, then help partners [succeed]," the lawyer said, "the chances of any real significant changes are relatively slim."

A Challenge From Pepsi

As a senior official in the U.S. Department of Justice, Tony West helped pave the way for marriage equality when he took part in the department's decision to no longer defend the Defense of Marriage Act. Now, as general counsel of PepsiCo, West is hoping he can help pave the way for diversity in the legal industry.

One was a hard fight, and so will be the other.

Achieving diversity "is one of the most intractable challenges we have" in the legal profession, said West, who came to PepsiCo in 2014 after serving as the associate attorney general at the Justice Department.



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To do his part, West has taken a data-driven approach. Under his watch, the soft-drink maker has started annually surveying the diversity of its outside law firms, giving extra weight to the ones that, for example, have assigned minorities and female attorneys to PepsiCo matters or have women of color on staff.

The law department creates a so-called diversity index score from the results and measures firms against it. The ones that outperform the median score become preferred providers for the following year, West said.

"We will take the lion's share of next year's legal spend and spend it with them," West

said. "It's important to put your money where your mouth is, and to encourage and further incentivize those efforts."

Diversity, of course, is not the only factor PepsiCo weighs when looking for outside counsel. But if an in-house lawyer wants to hire a firm that doesn't appear on the company's list of preferred partners — because of its history on PepsiCo matters or its expertise elsewhere — it's up to West to personally approve the request.

Now that the effort is in its third year, West said he's seen how linking business to diversity has been a motivating force for firms. It's also helped in other ways, he said. "People have told us it really helps them advocate within their firms for greater diversity," West said.

After HP announced its diversity holdback program in February, Facebook Inc. went a step further when it said in April that it would begin requiring that at least a third of its outside legal work be handled by minority or female attorneys, according to an interview its general counsel, Colin Stretch, gave to The New York Times.

MetLife Inc. also made headlines in April when its general counsel at the time, Ricardo Anzaldúa, told Bloomberg BNA that the company's outside law firms would have until the end of next year to come up with an acceptable plan to develop and retain diverse attorneys or risk losing the insurer as a client.

A MetLife spokesman told Law360 that the company's interim general counsel will continue the work of his predecessor. "This includes working with them to develop sponsor-like initiatives, similar to the initiative we have internally, by the end of 2018," he said.

Another unique approach to boosting diversity is being tested out at Verizon Communications.

Earlier this year, the company's legal department launched a secondment program for diverse lawyers in private practice. For three months at a time, these lawyers are embedded within Verizon's legal department, where they learn the company's business from the inside and get a chance to build relationships with in-house counsel.

To Silliman, the company's general counsel, the experience could provide the building blocks of a legal career.

"In order to be successful in a law firm, you ultimately have to build business, and you build business by building the relationships with people in-house," he said. "That then puts you in the position to get the call to get the work."

So far, the program has used attorneys from Greenberg Traurig LLP, but Silliman is hoping to expand the effort down the road. He's also optimistic about the good it can produce.

"Me simply telling law firms to do better doesn't necessarily get them there," he said. "I need to make sure I am taking steps to partner with the law firms to ensure that those diverse lawyers are getting the work."

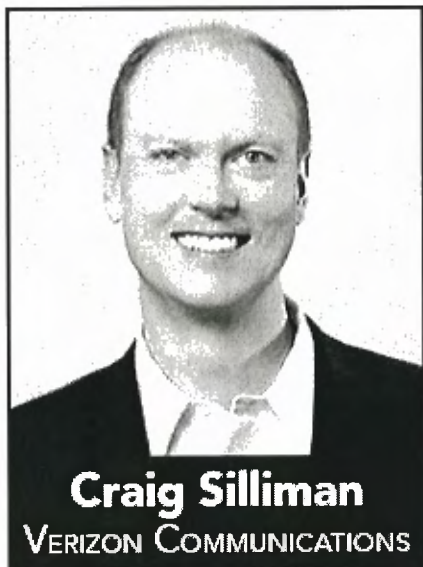
The Right Direction?

While it's too early to grade the latest corporate efforts to fix BigLaw's diversity problem, the push to get minorities and women more involved in legal assignments appears to hit the right target, according to some.

If anything, more of the same is not a fix.

"For some time, there were those who argued ever so strongly that good intentions and time would be enough to solve the issue," said Palmore, the former Sara Lee general counsel who penned the Call to Action. "Unfortunately, we've had enough time to show that is clearly not the case."

"There is more at work here than can be solved by the passage of time," he said.



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Now at Dentons, Palmore said he's had numerous conversations with diverse attorneys over the years and heard a common refrain about their experience in the business.

"If there is one theme, it would be, 'I am having challenges getting access to good work and exposure to good clients,'" he said.

A lot of this speaks to the problem with how work gets assigned at firms, Palmore said. It's often a question of who you know or who you've worked with in the past.

"If the firms and companies focus more on how work is assigned," he said, "we'd make better progress on this issue."

Robert Grey, a retired Hunton & Williams senior counsel who's the president of the Leadership Council on Legal Diversity, said the new generation of general counsel and

managing partners gives him hope that the current attention being paid to diversity in the legal industry will be more sustained and impactful.

But to accomplish change in the industry, he said, firms and clients need to focus on two intertwined challenges: First, grooming talented diverse lawyers to be tomorrow's leaders, and second, developing their own organizations to ensure these attorneys get access to challenges and opportunities throughout their career.

"That will then start to change the numbers and the trajectory based upon that," he said.

Of course, there's no one-size-fits-all approach to improving diversity at law firms. Nor does every company have the clout of an HP, which last year generated \$48 billion in revenue.

As one of the top lawyers at the securities broker-dealer LPL Financial, Peggy Ho said, she looks at efforts like the one that HP unveiled earlier this year and says, "Wow, that's power."

"They are able to do that because their spend is so great," said Ho, the chief of staff of LPL's legal department. But she can't imagine her firm, which reported \$4 billion in revenue last year, doing something similar. "I'm not so sure a firm would take too kindly to us."

But there's other power LPL has at its disposal, she said. Ho recalled the story of two female associates that her firm frequently hired for legal work. They were exceptional attorneys, but they weren't being promoted at the respective firms. Lawyers at LPL noticed this, and they called senior partners at these women's firms to sing their praises.

Not long after these calls, the associates got the news they were being made partners, Ho said.

"I think there are things that even smaller corporate law departments can do to help law firms see the value of the diverse associates that they have," Ho said, "and to realize that these folks need to be recognized."

--Editing by Jeremy Barker and Philip Shea.

Methodology: Law360 surveyed over 300 U.S. firms, or vereins with a U.S. component, about their overall and minority headcount numbers as of Dec. 31, 2016. Only U.S.-based attorneys were included in the survey, and firms had to have at least 20 U.S.-based attorneys to participate.



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Law Firms Head Back To School For Diversity Guidance

By **Aebra Coe**

Law360, New York (August 21, 2017, 8:04 PM EDT) -- Frustrated by a lack of progress on diversity, some law firms are starting to take a more academic approach.

Goodwin Procter LLP and Dickinson Wright PLLC are among a handful of firms that are turning to universities to study their workplace policies in action. By putting themselves under the microscope, they're hoping to root out structural inequalities or implicit biases that may be holding them back from building a more diverse workforce.

"Many law firms, but also companies, have tried other things before. They've done mentorship, affinity networks and more traditional diversity training programs," said Iris Bohnet, the director of the Women and Public Policy Program at Harvard University's Kennedy School of Government. "They're not moving the needle enough. That's why unconscious bias now is so prominent."

Bohnet, a behavioral economist, has been working one-on-one with Goodwin. She's been studying the international law firm's practices for months to identify areas where unconscious bias may be hindering its efforts to create a more inclusive work environment.

The study will ultimately lead to a tailored series of "diversity nudges" — policies and practices meant to curb the detrimental effects of bias by addressing them before they happen.

Meanwhile, Dickinson Wright has engaged the University of Michigan to examine its practices, and professors at Stanford Law School are exploring how other law firms might be able to apply so-called design thinking to diversity.

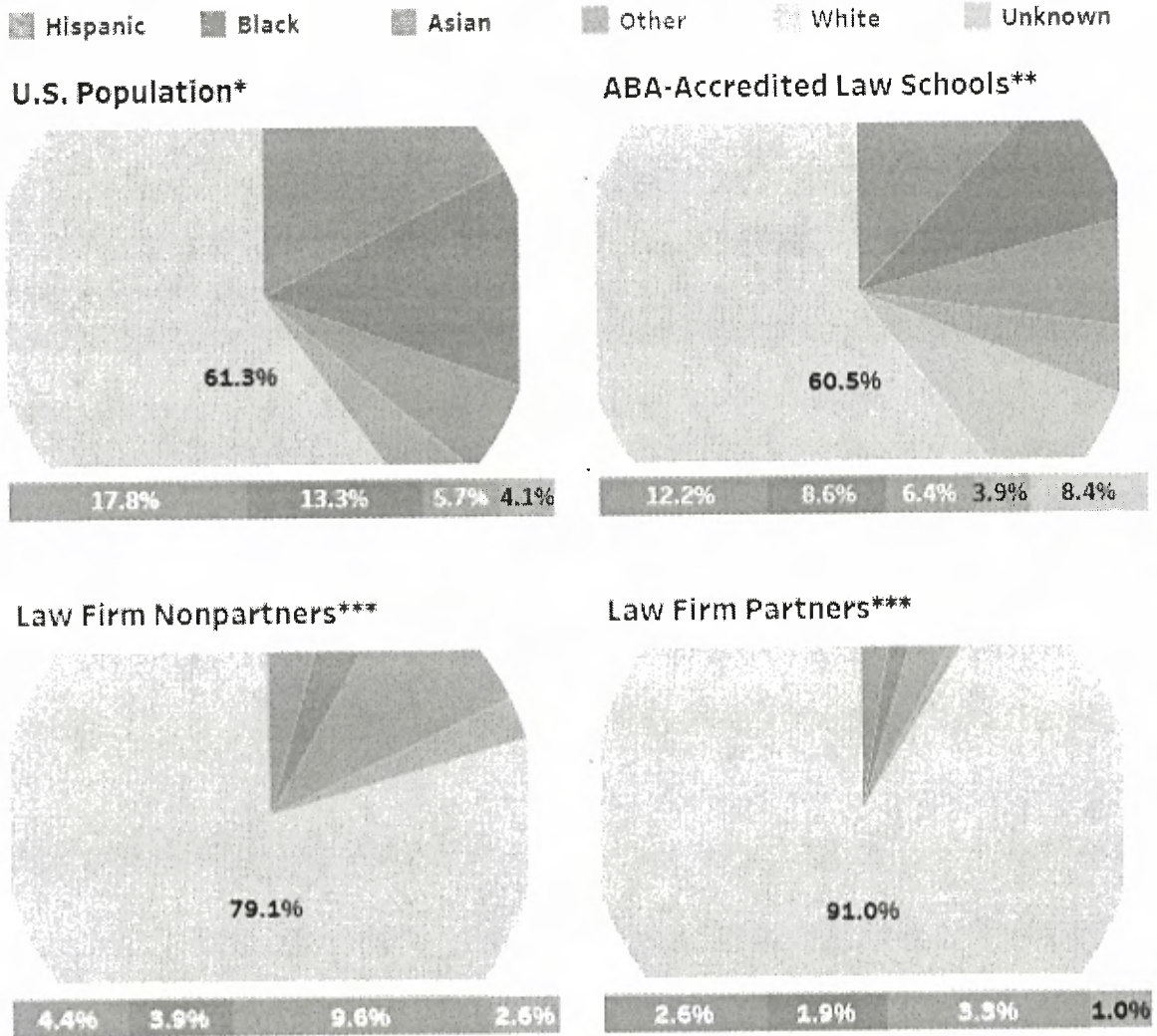
According to academics, getting a candid accounting of how a law firm is faring on bias and inclusiveness is a step that can put it on a path toward meaningful change.

In a research paper to be published in the forthcoming *Indiana Law Journal*, Seattle University School of Law professor Brooke Coleman writes that the first step for law firms seeking to improve diversity is simple: admitting there is an issue by creating awareness.

"Adopting that approach opens the door to structural changes that might actually work," she wrote. "For example, once a firm can openly discuss bias and how it impacts one's ability to succeed, it can create programs to educate individuals — especially those in leadership roles — on how bias functions."

Where Diversity Fades

The path to law firm partnership is marked by decreasing representation of minorities.



*Source: U.S. census estimate for July 1, 2016. Hispanics may be of any race, so they also are included in applicable race categories, except for the percentage of white population, which excludes Hispanics.

**Source: American Bar Association data for the 2016 academic year. Hispanics may be of any race. "Unknown" includes both nonresidents and those who decline to self-identify.

***Source: Law360 data, as of Dec. 31, 2016. "Unknown" includes attorneys who decline to self-identify.

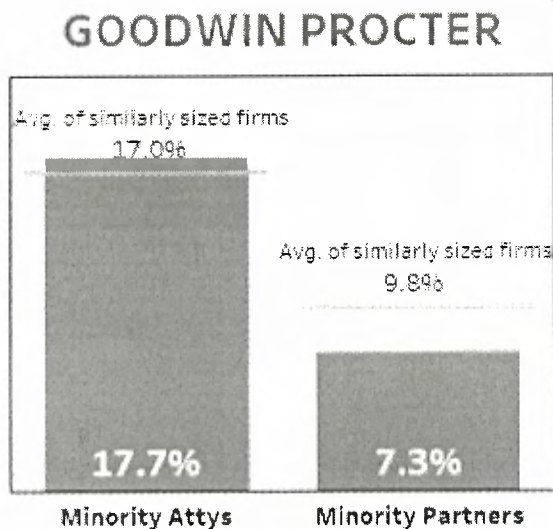
For U.S. Census Populations and ABA data, "other" includes those who identify as two or more races.

'Changing Systems'

At Goodwin, the effort to eliminate implicit bias involves an in-depth examination of how decisionmaking throughout the firm may be affected by biased thinking.

One way the law firm has looked at bias is through experimentation with structured interviews. Goodwin has been piloting the interview method in its Washington, D.C., office over the past

several months.



In a structured interview, an interviewer gives a set of candidates the same queries — such as “Tell me about a time when you demonstrated leadership” — in the same order, and then the interviewer evaluates each of their responses.

According to Bohnet, the Harvard professor working on the Goodwin study, the practice eliminates much of the “noise” that can cloud the judgment of hiring managers in an unstructured interview filled with conversation about interests the interviewer and interviewee may share, like hobbies or sports teams.

Bohnet and firm leaders are also looking at performance reviews and advancement opportunities at Goodwin.

“We decided to take on, as part of our diversity and inclusion work, a way to tackle and mitigate unconscious bias at all those important inflection points,” said Deborah Birnbach, who is the co-chair of Goodwin’s women’s initiative and a member of its inclusion advisory committee.

These efforts began about three years ago, with a campaign to raise awareness inside the law firm on matters of diversity and implicit bias. This was followed by reviews of the law firm’s hiring committee, attorney review committee, partnership committee and allocations committee, which all focused on the potential for implicit bias to enter decisionmaking.

Finally, the law firm brought on Bohnet to look at ways it can redesign processes and introduce interventions to reduce the effects of bias.

That final process has involved, among other things, the introduction of structured interviews, working through the firm’s performance review forms to examine whether the questions pertain strictly to objective information about lawyers’ performance at the firm, and introducing “bias interrupters” into important meetings, such as performance evaluations.

A bias interrupter would be a director of diversity or a chief human resources officer who sits in the room during an evaluation or compensation meeting, serving as a watchdog to flag anything that is a cause for concern when it comes to diversity.

As to potentially biased questions on performance review forms, the law firm learned that instead of asking an open-ended question about an individual’s strengths — which is what it had been doing — it is preferable to ask for two to three specific examples of the strengths in action.

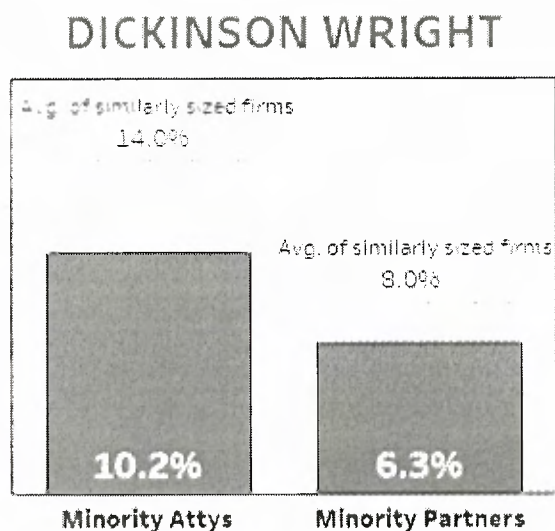
According to Laura Acosta, Goodwin's managing director of professional development and training, asking for specific examples helps avoid bias that researchers have observed in the field. For example, women tend to be judged on past performance and men tend to be judged on potential.

"Goodwin has taken this to the next level not only in changing minds, but in changing systems," Bohnet said. "If you take bias out of the system, then we level the playing field and we can be true to our culture, which is a meritocracy."

'The Courage to Test Ourselves'

Through a partnership with the University of Michigan's Ross School of Business, Dickinson Wright recently completed what's known as a multidisciplinary action project to help promote the professional growth and retention of women and minorities.

A group of business school students, with the guidance of a professor, spent a semester taking an intense look at the law firm's policies and practices. At the end of the period, they offered their suggestions for how the firm can improve, issuing a more than 100-page report in May.



The research process included a review of the law firm's policies and procedures related to diversity, interviews with attorneys about their experiences, and an extensive review of publications regarding the legal industry.

"I think the biggest benefit was that it was a very no-nonsense diagnostic tool," said Katheryne Zelenock, a member at Dickinson Wright in charge of the project. "We were very candid with them, and we got very candid feedback."

The students recommended changing the law firm's leave policy to clarify that parental leave applies to both men and women, and that the firm broaden the number of people to whom sexual harassment can be reported.

They also suggested that the firm create a parents affinity group in addition to its other affinity groups — all things the law firm is now working to implement.

In addition, the students said the firm should give its diversity committee and women's network a greater voice in policymaking and expand its recently formed minority attorneys affinity group.

As a result, Zelenock says, the law firm has begun recruiting more attorneys to participate in the minority attorney group by publicizing it internally.

Another resource the students were able to offer the law firm was an empirical method for measuring how often individual partners assign work to minority and female associates.

"As lawyers, we don't think about business problems the same way business students do," Zelenock said. "They offered us ways of looking at data and provided objective evidence on things like work allocation."

The students also uncovered positive aspects of the law firm's policies, including the conclusion that its compensation system is gender- and race-blind.

"A lot of firms wouldn't have opened themselves up to such a thorough review," Zelenock said. "We can say we had the courage to test ourselves and identified things we need to work on, and it helped us validate that there are a few things we're doing really well on."

'Money and Power'

A few other law firms are in the early stages of programs that partner them with Stanford Law School.

The programs involve participating in workshops conducted by Stanford's Legal Design Lab, which aims to develop innovations in legal services by bringing lawyers together with designers and technologists.

Lucy Ricca, executive director of the Stanford Center on the Legal Profession, is working alongside Margaret Hagan, who oversees the Legal Design Lab, to find solutions for diversity problems at law firms by using design thinking.

The design thinking process places a priority on keeping people affected by a given problem in mind when finding a solution to that problem, and it also highlights the need to empathize with those people.

In the case of law firms, the process can be used to work through diversity policies from the perspective of the people who are subject to them — and to develop prototypes of solutions that fit better with the needs of those attorneys.

Stanford is participating in an event this November with Kirkland & Ellis LLP, for example, in which the Legal Design Lab is scheduled to present a workshop on using design thinking to bring diverse attorneys more fully into the business-development process.

Design thinking can be especially useful in circumstances where conventional problem-solving has failed to yield adequate results, because the process forces people to think differently about the problems they're trying to solve, Ricca said.

One reason law firm diversity efforts have been coming up short, she said, is that they often involve only things like affinity groups, which are "on the edges" of the problem.

"What really matters is the central ways people are evaluated, promoted and how compensation is decided. Money and power," Ricca said. "Those structures must be interrogated and changed in ways that will really help women and minorities gain more leadership roles."

--Editing by Jeremy Barker and Philip Shea.

Methodology: Law360 surveyed over 300 U.S. firms, or vereins with a U.S. component, about their overall and minority headcount numbers as of Dec. 31, 2016. Only U.S.-based attorneys

were included in the survey, and firms had to have at least 20 U.S.-based attorneys to participate.

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Racial Diversity Stagnating At US Law Firms

By **Cristina Violante**

Law360, New York (August 20, 2017, 8:02 PM EDT) -- The legal industry has again failed to make substantial progress on hiring and promoting minority attorneys, according to Law360's annual headcount survey, despite more minorities graduating from law school than ever before.

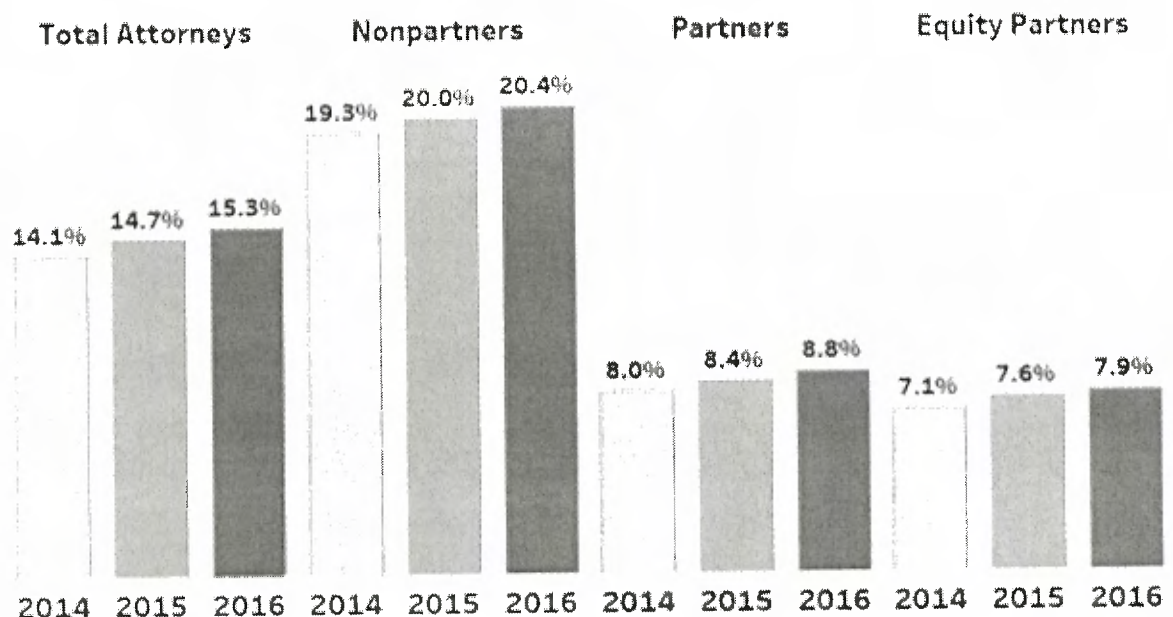
Just over 15 percent of attorneys and less than 9 percent of partners at surveyed law firms identify as a minority. Meanwhile, American Bar Association statistics show that minorities have made up more than 20 percent of law students for almost two decades and recently surpassed 30 percent.

The more than 300 firms we surveyed include 87 of the 100 largest U.S.-based firms, as ranked by the Law360 400, and this marks the third year in which we surveyed firms on the racial makeup of their headcount.

The survey shows little change from last year. At no firm level — nonpartners, equity partners, nonequity partners, overall headcount — did representation of minority attorneys increase by more than a percentage point.

The Lawyer Workforce, From Top To Bottom

Minority representation at U.S. law firms has barely budged in three years.



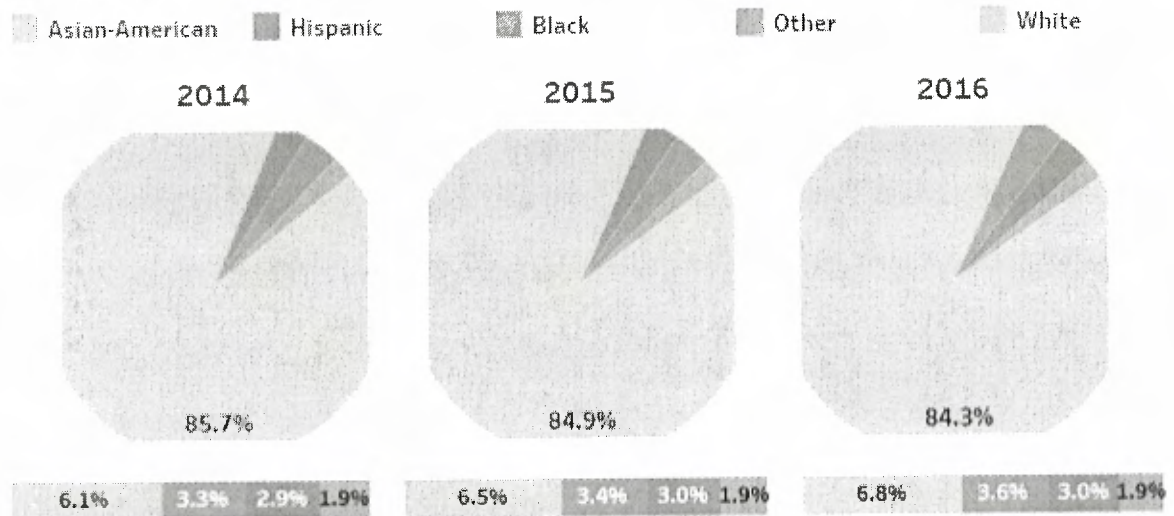
As you move up the law firm hierarchy, diversity diminishes. While just over 20 percent of

nonpartners identified as a minority, under 9 percent of partners and less than 8 percent of equity partners did so.

As in surveys past, black attorneys are the least represented in private practice. At law firms surveyed this year, only 3 percent identified as black, 3.6 percent identified as Hispanic and less than 7 percent identified as Asian-American.

The Racial And Ethnic Makeup Of Law Firms

The legal industry shows little progress on diversity in recent years.



Black attorneys are the least represented at every echelon, especially at the highest ranks. Of over 31,000 equity partners surveyed, just over 500 — less than 2 percent — identified as black. That means that for every black equity partner, there are just under 53 white equity partners.

African-Americans made up almost 9 percent of law students in 2016, and 7 percent since 2009, the first year of available ABA data.

For Every ...

... black attorney, there are 28 white attorneys.



... black nonpartner, there are 20 white nonpartners.



... black nonequity partner, there are 37 white nonequity partners.



... black equity partner, there are 53 white equity partners.



Black
 Asian
 Hispanic
 Other
 White

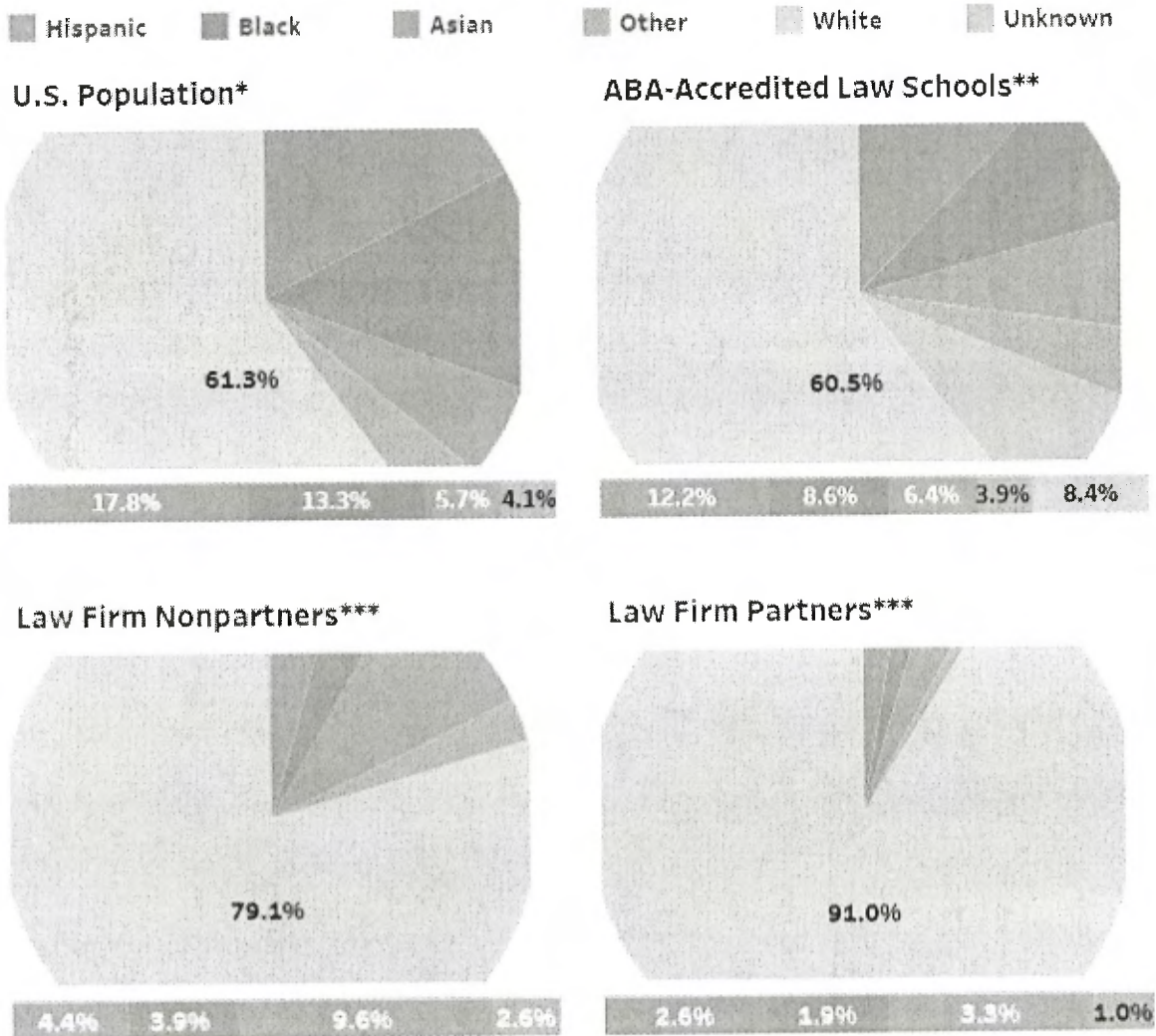
Source: Law360 data as of Dec. 31, 2016

After black attorneys, Hispanics are the least-represented minority in private practice. Yet Hispanics are also the largest minority group among law students, accounting for more than 12 percent of the 2016 student body, according to the ABA.

Conversely, Asian-Americans are the least-represented minority among law students, but they have the most representation in private practice. In 2016, they made up 6 percent of the student body but almost 7 percent of the attorneys at firms surveyed by Law360.

Where Diversity Fades

The path to law firm partnership is marked by decreasing representation of minorities.



*Source: U.S. census estimate for July 1, 2016. Hispanics may be of any race, so they also are included in applicable race categories, except for the percentage of white population, which excludes Hispanics.

**Source: American Bar Association data for the 2016 academic year. Hispanics may be of any race. "Unknown" includes both nonresidents and those who decline to self-identify.

***Source: Law360 data, as of Dec. 31, 2016. "Unknown" includes attorneys who decline to self-identify.

For U.S. Census Populations and ABA data, "other" includes those who identify as two or more races.

Even though Asian-Americans make up the largest minority in U.S. law firms, they are the least likely to be partners of any of their peers. Just over 20 percent of Asian-American attorneys at surveyed firms are partners, compared with 28 percent of blacks and 33 percent of Hispanics.

That number shoots up to 48 percent for white attorneys.

Eleven percent of over 300 firms that disclosed equity partnership data reported having an all-white equity partnership, and over a third reported that less than 5 percent of their equity partners are minorities.

While firms across the board are failing to hire, develop and retain minority attorneys, Law360's survey found that midsize firms are particularly struggling. Firms with 150 to 299 U.S.-based attorneys had the **lowest percentage of minority attorneys** at almost every level of firm hierarchy.

Turning to Academia

Legal and economic academics have now begun to research implicit bias at law firms and how unconscious behavior can perpetuate a white male-dominated workforce.

Firms such as Goodwin Procter LLP and Dickinson Wright PLLC have **opened up their offices** to professors to study the firms' hiring, review and advancement processes.

These studies not only offer opportunities for the firm to get targeted feedback on how they can do better, but they also create awareness around the problem at the institutional level.

Pushing for Improvement

While the industry as a whole struggles, a few firms surveyed by Law360 stood out from the rest, landing them on our lists of the **best firms for minority attorneys** and **best firms for minority equity partners**.

The latter list highlights a group of firms that have above-average diversity at the equity partner level. Part of their success, firms say, lies in cultivating minority attorneys early on in their careers.

By giving young minority attorneys work experience and instilling professional confidence, they can develop client relationships and build books of business — the key to equity partnership. This kind of environment helps retention of minority attorneys, giving them a pathway for advancement.

Law360 also spoke with firms that significantly **boosted their minority headcount** over the past year. While many of these firms take a deliberate approach to landing diverse talent, at least one says that hiring the best talent in any locale means that you will attract a broader array of attorneys.

Pressure From the Outside

Firms may start to feel some outside pressure to improve their ranks of diverse lawyers. Proactive clients such as Hewlett-Packard Inc. and Facebook have recently unveiled new incentive programs that aim to make diversity **part of the bottom line**.

While these are not the first attempts by general counsel to diversify private practice, experts agree the new programs could lead to progress.

Outside counsel can influence how projects are staffed and work gets assigned. Unless more of those assignments go to minorities and women, diverse attorneys will never be able to advance — leaving firms looking a lot like they do now.

--Editing by Jeremy Barker and Philip Shea.

Methodology: Law360 surveyed over 300 U.S. firms, or vereins with a U.S. component, about their overall and minority headcount numbers as of Dec. 31, 2016. Only U.S.-based attorneys were included in the survey, and firms had to have at least 20 U.S.-based attorneys to participate. Some attorneys declined to self-identify a race.

Update: This story has been updated to include links to the articles on midsize firms, implicit bias studies, and diversity efforts from general counsel, which appeared in our Aug. 22 newsletters.

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The Best Firms For Minority Attorneys

By **Jacqueline Bell**

Law360, New York (August 20, 2017, 8:02 PM EDT) -- After years of diversity initiatives, the legal industry is still coming up short.

Law360's 2017 **Diversity Snapshot** shows that racial and ethnic minorities make up just over 15 percent of the attorneys employed by U.S. law firms, a number that has inched up incrementally over the year before. Among the more than 300 law firms surveyed, minorities make up about 20 percent of nonpartners and almost 9 percent of partners.

Those numbers have long failed to match the diversity of law school students. Over the past two decades, minorities have made up at least 20 percent of law school graduates. The proportion of minorities attending law schools now hovers around 30 percent, according to data compiled by the American Bar Association.

In 2016, 44 percent of students entering Harvard Law School and 42 percent of those entering Yale Law School were minorities.

Although law firms have long struggled to recruit and retain minority attorneys, the firms on Law360's list are making some headway and enjoying the benefits of a more diverse attorney workforce.

Law360 grouped firms based on U.S. attorney headcount in order to evaluate them with similar-sized peers. We excluded any firm that had below-average minority representation at even a single level of the firm, and then we ranked the rest based on their percentage of minority attorneys both at the nonpartner and partner level.

At the largest firms on the list, minority attorneys make up at least 26 percent of nonpartners and at least 11 percent of partners. At the smallest firms, minority attorneys make up at least 40 percent of nonpartners and at least 26 percent of partners.

The Best Law Firms For Minority Attorneys

600+ Lawyers

Rank	Firm
1	Lewis Brisbois White & Case
3	Wilson Sonsini
4	Morrison & Foerster* Paul Hastings

300-599 Lawyers

1	Fenwick & West Fragomen, Del Rey
3	Finnegan Debevoise & Plimpton
4	Fish & Richardson Shearman & Sterling

150-299 Lawyers

1	Atkinson Andelson
2	Procopio Cory
3	Curtis Mallet-Prevost
4	Knobbe Martens
5	Shutts & Bowen

20-149 Lawyers

1	Bookoff McAndrews
2	Berry Appleman
3	Russ August Linebarger
4	Roig Lawyers

**Some attorneys declined to self-identify as a race*

To be eligible for the ranking, firms had to report at least an average representation of minority attorneys in each of the categories listed in the chart below. The remaining firms

were ranked by examining the minority representation at the nonpartner and partner tiers.

Sizing Up The US Law Firm

The average representation of minorities in law firm roles — from associate to equity partner — varies slightly by firm size.

	20-149 attys	150-299	300-599	600+
Minority Attorneys	13.6%	12.0%	14.0%	17.0%
Minority Nonpartners	17.7%	16.1%	18.9%	21.4%
Minority Partners	9.8%	7.9%	8.0%	9.8%
Minority Equity Partners	8.8%	6.5%	7.0%	8.4%

--Editing by Jeremy Barker and Philip Shea.

Methodology: Law360 surveyed more than 300 U.S. firms, or vereins with a U.S. component, about their overall and minority headcount numbers as of Dec. 31, 2016. Only U.S.-based attorneys were included in the survey, and firms had to have at least 20 U.S.-based attorneys to participate. At firms marked with an asterisk, some attorneys declined to self-identify a race.

For the ranking, firms were first grouped according to size: 20-149 attorneys, 150-299 attorneys, 300-599 attorneys and 600-plus attorneys. Then, firms that fell below the average in their group in any of the following categories were deemed ineligible for the ranking: (1) percentage of minority attorneys; (2) percentage of minority nonpartners; (3) percentage of minority partners, both equity and nonequity; and (4) percentage of minority equity partners. Finally, remaining firms were ranked using a formula that equally weights the percentage of nonpartners and percentage of total partners who are minorities. The ranking lists the top five firms in each group.

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The Top Firms For Minority Equity Partners

By **Natalie Rodriguez**

Law360, New York (August 20, 2017, 8:02 PM EDT) -- If progress on diversifying the legal industry in general is slow, progress at the equity tier is at a crawl, according to the latest survey of more than 300 firms for Law360's 2017 **Diversity Snapshot**.

While the proportion of minority attorneys at law firms that provided data grew from 14.11 percent in the 2015 survey to 15.27 percent this year, the number of minority equity partners inched up from 7.08 percent to 7.87 percent over the same two-year period.

Meanwhile, American Bar Association statistics show that minorities have made up more than 20 percent of law students for almost two decades.

These 40 firms, however, are outpacing their peers in maintaining a diverse equity partnership — often by a wide margin.

For the first time, this year's list focuses solely on minority equity partners. In doing so, it leaves out the nonequity tier, which isn't as lucrative or influential. It also separates firms into size categories for the first time in order to present a better peer-to-peer comparison.

The Best Law Firms For Minority Partners

Firm Size	Rank	Law Firm	Minority Equity Partners
600+ Attorneys	1	Wilson Sonsini	20.3%
	2	White & Case	18.8%
	3	Morrison & Foerster*	14.9%
	4	Lewis Brisbois	14.4%
	5	Paul Weiss	14.0%
	6	Arnold & Porter	12.4%
	7	Greenberg Traurig	12.0%
	8	Cooley	11.9%
	9	Covington & Burling	11.3%
	10	Akin Gump	11.0%
	1	Fragomen, Del Rey	18.5%
	2	Carlton Fields	17.3%
	3	Fennell & West	16.5%

	3	renwick & west	15.5%
	4	Winstead	11.5%
300-599 Attorneys	5	Cadwalader Wickersham	11.1%
	6	Dykema	10.9%
	7	Shearman & Sterling	10.1%
	8	Ballard Spahr	9.6%
		Bracewell	9.5%
	9	Eversheds Sutherland	9.5%
	1	Atkinson Andelson	25.0%
	2	Best Best	20.0%
	3	Hanson Bridgett	19.4%
	4	Sedgwick*	18.4%
150-299 Attorneys	5	Munger Tolles	17.1%
	6	Shutts & Bowen	16.1%
	7	Ford & Harrison	15.2%
	8	Knobbe Martens	14.5%
	9	Curtis Mallet-Prevost	13.8%
	10	Epstein Becker Green	13.3%
		Bookoff McAndrews	50.0%
	1	Roig Lawyers	50.0%
	3	Linebarger	40.0%
		Murchison & Cumming	33.3%
20-149 Attorneys	4	Russ August	33.3%
	6	Berry Appleman	28.6%
	7	Sughrue Mion	26.5%
		Archer Norris	25.0%
	8	Kacvinsky Daisak	25.0%
	10	Miller Starr	23.5%

*Some attorneys required to self-certify, since

While a handful of firms are showing a relatively large proportion of racially diverse equity partners, the top 10 in each size group can also cover a wide spectrum.

For example, among midsize firms with 300 to 599 lawyers, the firms in the second half of the top 10 are only a few percentage points above that size group's average of 6.98 percent.

Experts say this dearth of minority equity partners is due in part to diverse attorneys getting off the path early on.

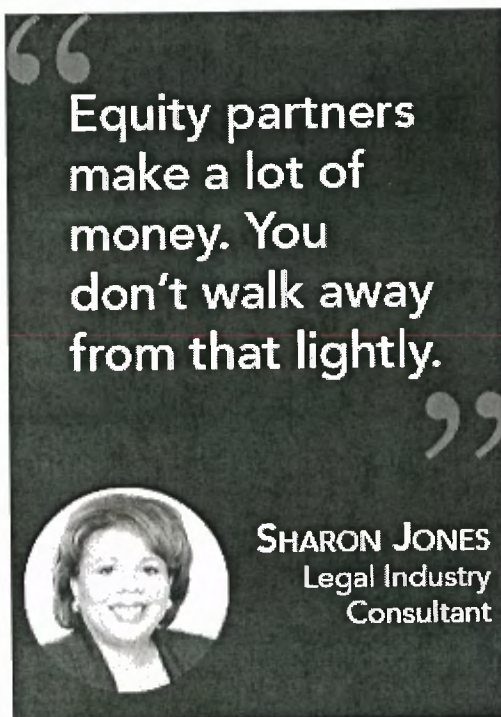
Many are taking a long-term pay cut and heading to a government job or in-house counsel role, according to legal industry consultant Sharon Jones. Many don't see a bright future in BigLaw, where they must rely on getting assignments and business from partners — at in-house or government jobs, there is no losing battle for billable-hour credit to contend with, she said.

"Equity partners make a lot of money. You don't walk away from that lightly," Jones said. "You already made a huge investment, and if you thought you could make it, you probably would try to do it. But if you don't think you have a chance, you make another plan."

So how are these top firms creating a clear path for minority attorneys to progress up the career rungs? Here are a few lessons from the firms that have made Law360's diverse partner list at least two out of the three years it has appeared.

Taking Center Stage

In 1995, Susan Pan was fresh out of George Washington University Law School when she joined Sughrue Mion PLLC. The intellectual property boutique has made Law360's list for the past three years running, and this year, it has an equity partnership tier that is 26.53 percent minority attorneys.



From the start, the Asian-American attorney was interacting with senior partners, and early on, she received opportunities to argue before district-level federal judges. Her husband, an Asian-American IP attorney who practiced at a large firm at the time, pointed out the differences between his experience and what Pan was encountering at Sughrue Mion.

"He was several years ahead of me in the track and said, 'I'm still waiting for the day when I can do more than carry the briefcase and take notes in the courtroom,'" she recalled.

Pan believes the firm's inclusion of young attorneys on tough tasks fosters a "psychological safety" that helps retain lawyers in general — and diverse attorneys in particular.

The experience of being part of high-level projects and cases helps them believe that they

will have a chance to build a relationship with a top client or open a new practice area or office, which in turn keeps diverse attorneys around long enough to rise to the equity tier, she said.

"I think the openness, safety and encouragement — that really makes a difference," Pan said.

Pan, who is based in Washington, D.C., was elected into the firm's nonequity partnership in 2001 and voted into the shareholder tier the following year.

That kind of inclusion and confidence-building also helps propel diverse senior attorneys upward, said Irma Rodriguez Moisa, a Hispanic equity partner with Atkinson Andelson Loya Ruud & Romo PLC. The midsize firm, which counts two Hispanic founding partners, has made the Law360 partner diversity list all three years. This year, a quarter of its equity partners are minorities.

Within months of Rodriguez Moisa joining the firm in January 2006, other partners asked her to handle matters for their clients without direct supervision, allowing her to forge credibility and long-term relationships with those clients, she said.

"You have to show a reputation for being able to connect with clients and build a book," Rodriguez Moisa said. "I think too many associates of color are relegated to working behind computers."

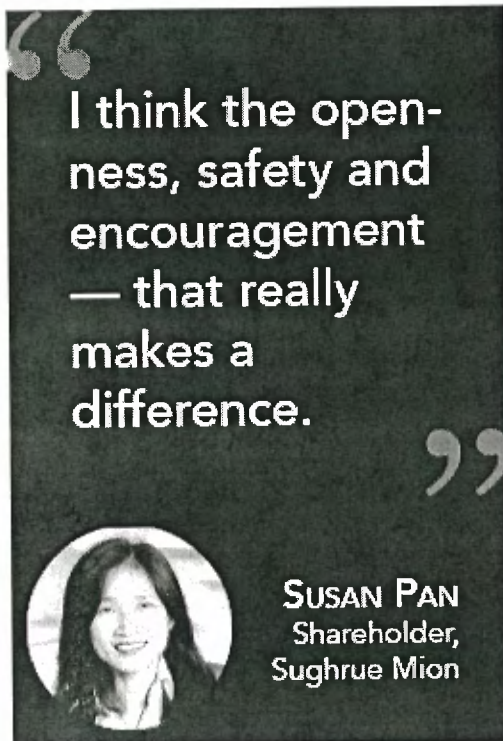
Making It Rain

Building a book of business is crucial for ambitious associates because it is often the first hurdle to clear on the path to partnership. For minority attorneys, though, there can be challenges that aren't readily apparent, according to experts.

"Many may be first-generation lawyers, and, for that reason, it may be a little more of a challenge in the beginning to get the concept of business development," said Catalina Sugayan, a Filipina-American equity partner at Sedgwick LLP. "Most are not running to the golf course and may not have those contacts from family and friends, so it may take a little bit more work on making sure these attorneys are being included in pitches and have mentors."

Sugayan came over to Sedgwick as an equity partner in 2008, and she now chairs the diversity committee at the firm, which made Law360's partner diversity list for the second time with 18.37 percent of its equity tier composed of racial and ethnic minorities. In that role, she oversees a program that aids up-and-coming minority attorneys in creating business marketing plans — ultimately leading to client development and a boost in billable hours.

At large law firms, however, the billable-hours hurdle to partnership can be exacerbated by rigid compensation systems that often don't let minority attorneys — who are usually not the lead attorney on a team — get credit for a project, Jones said.



The firms doing well at pushing diverse attorneys into their equity tier often have more flexibility on this end, she said.

For example, Wilson Sonsini Goodrich & Rosati PC, which made Law360's partner list for its third year with 20.3 percent diverse equity tier, recently created a shadow mentoring program where younger attorneys can sit in on partner calls with clients.

While the attorneys don't bill the client, they do get billable-hour credit for the time. It's a program that is open to all associates, but it particularly benefits diverse attorneys.

"It's great to provide that opportunity," said Myra Sutanto Shen, an Asian-American tax attorney who was elected into Wilson Sonsini's single-tier equity partnership in January.

The program didn't exist while Shen was a junior attorney. But as she approached the point where she could seriously be considered for partnership, the firm did give her a boost at client development in other ways.

Shen worked with a coach who polished up her presentation skills to help with client development. The firm also helped guide her in how to brand her expertise in corporate transactions.

In 2009, Shen co-authored a piece for the M&A Tax Report with her mentor and supervisor, Ivan Humphreys. Last year, she wrote a piece in the same journal on her own.

The firm "allows someone who can work independently and take initiative to really develop their career and achieve what their goals are without being constrained by hierarchy," Shen said. "The firm really encourages people to stake out their career and control the development of their career."

Building a Network

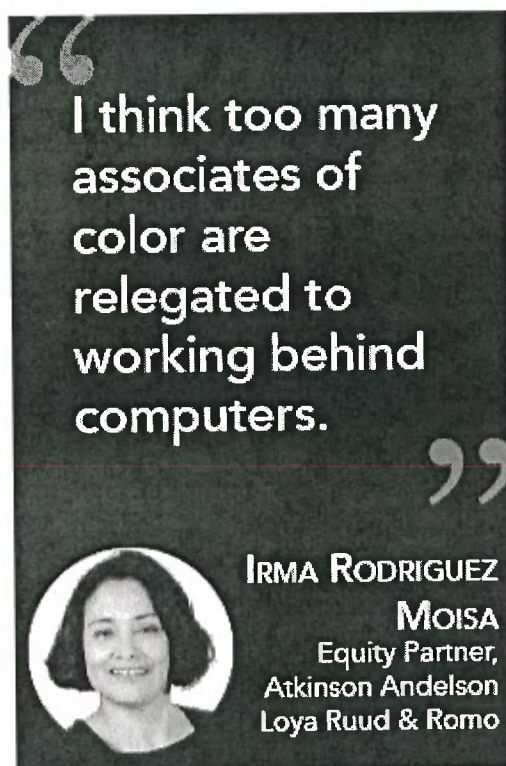
In October, about 75 Sedgwick attorneys filed into a conference room for the firm's seventh inclusion and diversity committee symposium to listen to keynote speaker David

Kelly, general counsel for the Golden State Warriors, talk about the importance of sponsorship in promoting diversity up the career ladder.

Around the same time, the firm's diversity committee sent out one of its biannual newsletters touting accomplishments of minority attorneys to the firm at large. And last year, the firm's San Francisco office held its first "diversity potluck," adding to regular events like ice cream socials and book drives.

For the firm, these efforts help ensure minority attorneys are fully integrated into the Sedgwick community. The efforts also put these attorneys on the radar of law firm brass, who can offer them opportunities that ultimately lead to equity partnership.

Programs like Sedgwick's can address the problem of affinity bias, in which people instinctually gravitate to people who are like them, according to Jones. Such bias can silo minority attorneys, leaving them bereft of the connections and client-sharing needed to secure them work and sponsorship to the equity partner track.



"You want to disrupt that bias," Jones said.

Some of the top firms for minority partners also encourage minority attorneys to form strong connections with other attorneys of color. Forging such a support network can in turn carry diverse attorneys to equity partnership.

At Northern California's Hanson Bridgett LLP, which has seen its proportion of minority attorneys in the top ranks increase for the past three years to 19.35 percent, the firm encourages minority attorneys to join the Leadership Council on Legal Diversity and the California Minority Counsel Program.

The firm sponsors memberships and supports attorneys' leadership roles in various minority bar associations, according to Naomi Smith, director of attorney recruitment and diversity at the firm.

Another firm that pushes for leadership roles in organizations that promote diversity is

Roig Lawyers, a Florida boutique with 50 percent of its equity tier composed of minority attorneys.

Julie Nelson, a black equity partner at Roig Lawyers who sits on the diversity and inclusion committee of the Florida Bar, believes this can help up-and-coming attorneys strengthen ties to the diverse community that the firm serves, ultimately securing more work.

"I do believe when you look at our partners, it reflects the community we serve," Nelson said.

For Robert Kum, a recently elected equity partner and litigator at Sedgwick, being an active member of the firm's Asian Pacific Islanders Lawyers Forum has led to connections that helped build his environmental toxic tort business — all while combating the feeling of getting lost in the BigLaw crowd.

"Especially when you get into larger firms," he said, "it's hard to get noticed."

--Editing by Jeremy Barker and Christine Chun.

Methodology: Law360 surveyed more than 300 U.S. firms, or vereins with a U.S. component, about their overall and minority headcount numbers as of Dec. 31, 2016. Only U.S.-based attorneys were included in the survey, and firms had to have at least 20 U.S.-based attorneys to participate.

Firms are ranked based on the percentage of equity partners who self-identify as minorities. At firms marked with an asterisk, some attorneys declined to self-identify. Firms that declined to disclose their equity partnership gender data were not eligible for the ranking.

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How 5 Firms Are Building More Diverse Ranks

By **Erin Coe**

Law360, New York (August 20, 2017, 8:02 PM EDT) -- When litigator Juan Alcalá interviewed at Holland & Knight LLP in Miami last year, he couldn't believe what he heard.

As he walked by offices on the 29th and 31st floors of the international firm's downtown space, all he could hear were lawyers speaking Spanish. For a Hispanic attorney who had grown used to being one of the few Spanish-speakers at other firms for nearly two decades, the sound of the language filling the hallways was music to Alcalá's ears.

"I felt like I finally have a team; I finally belong," Alcalá recalled.

Alcalá joined the firm as a partner in its Austin, Texas, office in May 2016, focusing on litigation and international disputes.

"Here, I'm not just a token — the minority, the Spanish-speaker or the Latino partner," he said. "It's a good feeling to know you're part of a larger group."

While many law firms struggle to make significant strides to diversify their workforce, particularly in their upper echelons, Holland & Knight is part of a group that is bucking the trend, with each member adding a net of 20 minority attorneys or more in 2016, according to Law360's **Diversity Snapshot**.

Many of these firms are intentionally spending more time on recruitment, retention and mentoring initiatives aimed at minority attorneys, while at least one is finding that it is gaining more diverse talent when it focuses on ways to engage lawyers in general.

Firms like these also recognize that attracting and promoting a mix of lawyers from different backgrounds has business benefits that go beyond appealing to clients that are demanding diverse teams.

"Having a more diverse population and an appreciation of differences results in a more creative, flexible and nimble workforce," said Sandra Flow, a partner at Cleary Gottlieb Steen & Hamilton LLP who chairs its committee on diversity and inclusion.

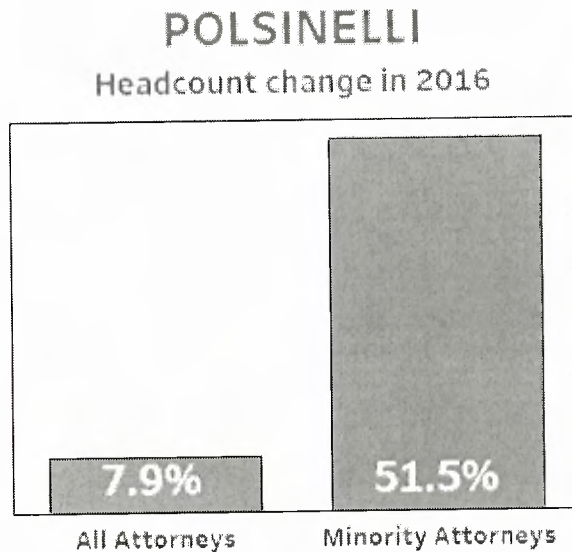
Here's how five firms are making substantial progress on diversifying their ranks:

Polsinelli PC

When employment litigator Carmen Cole interviewed at Polsinelli this year, she already had three job offers, but Polsinelli's diversity agenda helped make the decision easy.

She was interested in a firm that took action — promoting female and minority attorneys to partner, offering them management and practice leader positions and assigning them

substantive work tied to the firm's bottom line.



"Polsinelli was taking a lot of strides to not just talk the talk, but walk the walk," said Cole, an African-American attorney who joined the firm as a principal in May.

Polsinelli added 34 minority attorneys, including nine partners, in 2016, according to Law360 data.

But while Polsinelli hired many minority lawyers last year, its total minority attorney and minority partner levels of 13 percent and 7 percent, respectively, lagged behind industry averages of 14 percent and 9 percent, according to Law360 data.

Dan Cranshaw, Polsinelli's chief diversity officer, acknowledged that the firm's diversity efforts are a "work in progress."

"It's a journey we started years ago, and it's begun to escalate," he said. "We don't think we're done or that we're ever going to be done."

One of the biggest changes Polsinelli made last year is it hired J. Danielle Carr as its first director of diversity and inclusion. That move coincides with a 52 percent increase in the firm's minority attorney headcount in 2016 compared with the previous year, according to Law360 data.

Carr and Cranshaw, along with the diversity and inclusion committee, developed a strategic plan that was approved by the executive board, and moving forward with a plan that comes from the top down shows "everybody is rowing in the same direction," Cranshaw said.

"We want to ensure that diversity does not become something extra or off to the side, but that it's within what we do," he said.

Hiring a full-time diversity director, rather than having an attorney juggle the role with billable hours, signaled to Cole that Polsinelli was investing in its future.

"There has to be buy-in from the senior-most executives of the firm for diversity to be taken seriously. Otherwise, it's just a club," Cole said.

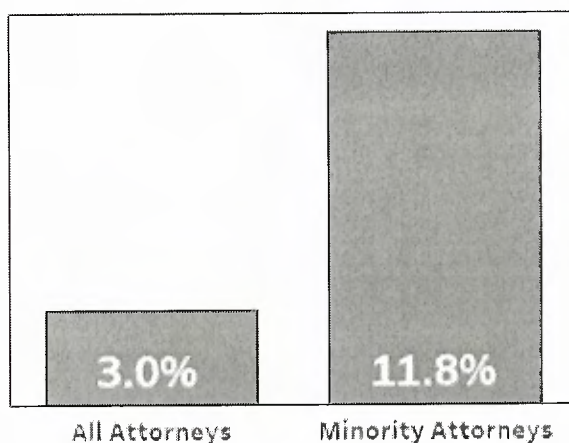
Holland & Knight LLP

Seeking an edge in the war for talent, Holland & Knight has taken a “village approach” to recruiting, said Tiffani Lee, its firmwide diversity partner. This means that multiple attorneys work together to engage candidates — particularly diverse lawyers.

About three years ago, Lee convinced a talented African-American junior associate who wasn’t looking at Holland & Knight to consider the firm’s Tampa, Florida, office. Next, other Holland & Knight lawyers joined in the effort, with the head of the firm’s litigation section, that office’s executive partner and Lee’s managing partner also jumping in to help recruit the lawyer.

HOLLAND & KNIGHT

Headcount change in 2016



It was satisfying to see an attorney switch from “I’m not going to apply to Holland and Knight” to “I’m going to Holland & Knight,” Lee said, and the firm even received compliments from rivals unable to woo the candidate.

Holland & Knight is also among the firms that recently agreed to pilot the Mansfield Rule, a program requiring that at least 30 percent of candidates for firm leadership positions be women or minorities.

“If firms really want to improve, it requires some intentions, strategies and effort,” Lee said.

In 2016, the firm added 20 minority attorneys, including five partners, according to Law360 data.

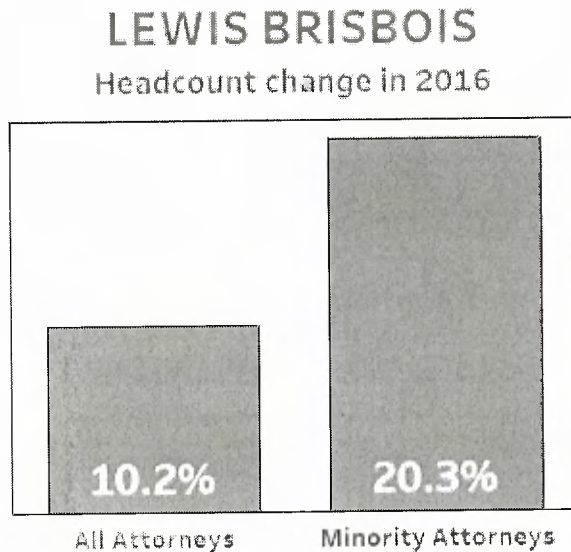
This year, the firm also has become more proactive about reviewing lawyers’ productivity. Instead of looking at the data once or a few times a year, it is now looking at it on a monthly basis to see if it helps with overall retention.

“If you don’t pay attention regularly, you can be caught in a situation where a person goes out the door before the firm has a chance to address any issues,” Lee said.

Lewis Brisbois Bisgaard & Smith LLP

While some firms take a deliberate approach to diversity, Lewis Brisbois relies on a hiring method where it looks for attorneys with key expertise in a wide array of locales. Yet its diversity numbers stand well above industry norms.

The firm enlisted 50 minority attorneys, including 20 partners, to its team last year, according to Law360 data. Lewis Brisbois' lawyer ranks consist of 26 percent minorities, surpassing the industry's 14 percent average, and it has a partnership of 21 percent minorities, more than double the industry's 9 percent average.



"We have a strategy of hiring the best lawyers available in each locale, and with that strategy, it inevitably leads to a cross-section of the local community," said R. Gaylord Smith, a firm co-founder. "We have no specific strategies to hire any particular ethnic class."

What Lewis Brisbois considers the "best attorney" depends on the expertise needed at the moment, he said. Sometimes, it's the lawyer with strong technical skills while other times, it's the rainmaker with a big book of business.

Law360 data shows Lewis Brisbois has more than 1,100 lawyers, and Smith said the firm's large size likely contributes to its diversity. Since many of its clients are major institutions seeking a range of expertise, the firm draws on a wide talent pool to match clients' needs.

"I suppose a smaller firm may not have the same luxury to bring in a lot of talent in a lot of different cities ... and may not hire enough to get a fair spread," Smith said. "The large amount of hiring we do allows us to have a better chance to reflect the communities in which we work."

The firm also encourages attorneys to work as a team rather than as individual silos and emphasizes a culture of civility. These aspects create a comfortable place to build a career that appeals to all kinds of attorneys, Smith said.

"It's not that we're not aggressive on behalf of our clients, but we still can be civil in doing that," he said. "When word gets out that you work in a good environment, that type of success feeds on itself."

Targeting the best lawyers is a strategy in its own right, according to Smith.

"It's an affirmation that people of all genders, races and orientations are good lawyers, and we want them all," he said. "If people are fair about it, you will be seeing a lot of folks in the ranks that is reflective of the population."

Lewis Brisbois focuses on adding candidates to the team who are a good fit, and if that

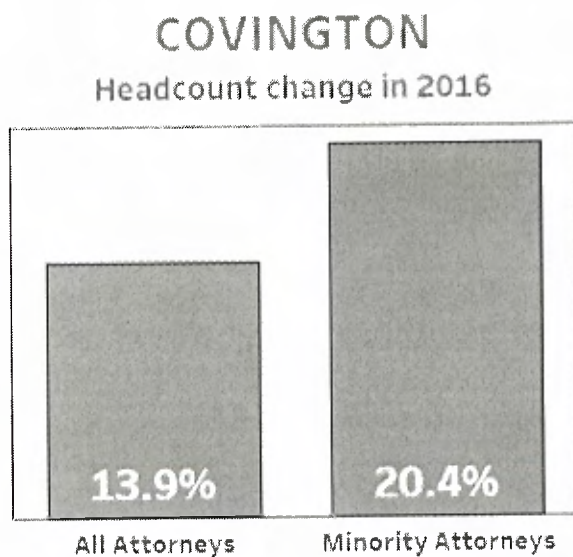
happens to be a diverse lawyer, it happens to be a diverse lawyer, said Karen Campbell, the firm's diversity committee chair.

"We embrace all people here," she said.

Covington & Burling LLP

As a sixth-year associate at Covington, Anne Lee was asked by a senior partner to do an antitrust compliance presentation for a client by herself. She worried the opportunity was a bit of stretch for her, but the partner assured her she could handle it and helped her fine-tune the presentation.

"The firm is thoughtful about creating opportunities for developing attorneys, and that's what has kept me here," said Lee, a Korean-American attorney who is now a partner. "It's helping me grow."



Covington landed 33 minority attorneys, including four partners, last year, according to Law360 data.

The firm focuses on providing meaningful work to associates and has affinity groups led by partners who encourage senior lawyers to advocate for opportunities on behalf of associates, said Tammy Albarrán, a Covington partner and diversity co-chair.

The firm, which also is piloting the Mansfield Rule, fosters a collaborative culture that aligns with diversity goals, Albarrán said. For instance, it endorses developing clients as a team instead of compensating partners based on origination credits.

"We don't view clients as a particular partner's — rather, they are the firm's," she said. "It makes it a place where diverse lawyers can succeed in ways that they might not be able to under a cutthroat, eat-what-you-kill compensation system."

One way Covington promotes the firm is by inviting diverse recruits who have received job offers to fly back to Washington, D.C., or San Francisco. The firm puts on programs in these locales where diverse attorneys discuss their experiences at the firm and affinity group members host events at their homes, according to partner and diversity co-chair Michael Imbroscio.

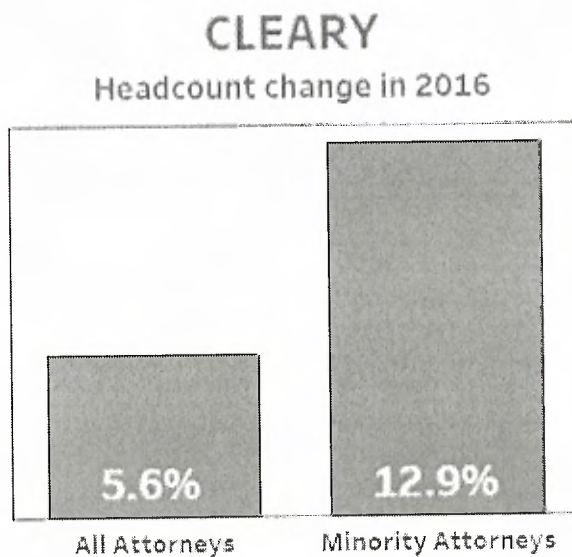
"It creates a sense of community, and we've found that to be a tremendously effective and

valuable way to communicate what it's like to be a lawyer at Covington," he said.

Cleary Gottlieb Steen & Hamilton

For years, Cleary Gottlieb has been intentional in ensuring incoming summer and first-year associates are diverse. Its recent class of first-years in New York, for example, consisted of 53 percent women, 48 percent minorities and 7 percent who are part of the LGBTQ community, based on data provided by the firm.

In 2016, Cleary Gottlieb picked up a total of 23 minority attorneys, according to Law360 data. Its attorney ranks are made up of 30 percent minorities, twice as much as the industry average.



The firm is now looking to make sure it is tapping into the full potential of its lawyers and developing their skills.

By engaging and investing in associates' development early and often, the firm hopes these efforts will help elevate attorneys, including minorities, into senior positions, said Carlos Dávila-Caballero, the firm's director of diversity and inclusion.

Among the ways Cleary Gottlieb seeks to accomplish this is through mentoring circles. Associates can join a circle of about 15 to 20 lawyers from all levels of seniority and gain different perspectives on handling firm and client issues. More than 235 lawyers took part in its most recent program, and with so many participants, the circles increase the chances of forming long-lasting mentoring relationships, Flow said.

"When we talk to diverse associates, they often focus on the importance of mentoring and access to networks that senior lawyers can introduce them to," said Flow, the diversity committee chair. "If we have efforts that ensure that kind of contact, and opportunity is taking place for everybody, our feeling is that increases [the advantages] exponentially for diverse associates."

--Editing by Jeremy Barker and Christine Chun.

Methodology: Law360 surveyed over 300 U.S. firms, or vereins with a U.S. component, about their overall and minority headcount numbers as of Dec. 31, 2016. Only U.S.-based attorneys were included in the survey, and firms had to have at least 20 U.S.-based attorneys to participate.

Firms had to participate in last year's Diversity Snapshot, based on the Law360 400 survey, in order to be eligible for this story.

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2 Ways To Combat Law's Gender Inequality Problem

By **Aebra Coe**

Law360, Grand Rapids (July 19, 2017, 8:27 PM EDT) -- A Seattle University law professor on Tuesday offered up her thoughts on combating gender inequality in the legal profession, which include confronting and changing sexism on a societal level and making structural changes at law firms.

Brooke D. Coleman of Seattle University School of Law outlines her ideas for how the profession can promote better gender equality in a draft academic paper titled "A Legal Fempire?: Women in Complex Litigation," which was posted online Tuesday and is set to be published in the forthcoming *Indiana Law Journal*.

"There is much to overcome. Yet, the sheer breadth of what needs to change should not distract from the fact that the effort, if fruitful, is more than worth it," Coleman said.

Confronting Societal Sexism

Beginning at a broader societal level, Coleman said those in the legal industry must confront and strive to change base sexism and societal norms that hinder gender equality.

"As the events of the past year and the results of the national election demonstrate, there is a foundational sexism and misogyny that underlies our culture," she said.

While doing research for her essay, Coleman said an internet query of "first woman lawyer" turned up a website and others like it listing the "10 most attractive lawyers in the world," reducing the achievements of lawyers like Amal Clooney and Shaheed Fatima to descriptions of "breathtaking beautiful eyes" and "delightful dimples."

"Overcoming this kind of latent sexism and objectification of women continues to be a struggle," and the focus on women and their appearance is detrimental to their success in the workplace, Coleman said.

"The answer to this challenge is not an easy one," she said. "Awareness, education, movements, and overt action by allies can only help. Failing to acknowledge that this most basic challenge in our culture must be overcome — as hard and intractable a problem as it might be — would be a mistake."

Changing Law Firm Structures

While elite law firms hire men and women at close to equal rates, the rates of women and women of color promoted to the partnership is much smaller, Coleman said. She also pointed to a recent study that said 25 percent of top law firms have no women on their

management committees and 1 of out 8 did not have even one female practice group leader.

"The normalization of whiteness and maleness allows implicit biases to persist and prevents 'different' people from succeeding," Coleman said. "If white men are the dominant group, their biases will have an unequal impact on who carries favor within the workplace."

She added, "When the blind merits are the measuring stick, the benefits that individuals gain from being mentored by those who are leaders and who look like them are not considered and weighed."

Coleman suggests that law firms adopt a "bias awareness" approach to their workplace structure, in which partners and management are educated extensively on bias.

"Adopting that approach opens the door to structural changes that might actually work. For example, once a firm can openly discuss bias and how it impacts one's ability to succeed, it can create programs to educate individuals — especially those in leadership roles — on how bias functions," she said.

And law firms can implement concrete changes such as rewarding partners who mentor diverse associates who are successful.

"With that kind of mentoring, white women and women of color would gain valuable experience and — most important for ascension within a firm — be exposed to clients and engage in client development," Coleman said.

--Editing by Brian Baresch.

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The Best Law Firms For Female Attorneys

By **Cristina Violante**

Law360, New York (July 23, 2017, 8:02 PM EDT) -- While the legal industry continues to struggle with gender parity, this year's Glass Ceiling Report reveals that some firms are ahead of the rest.

Law360's 2017 **Glass Ceiling Report** shows that women make up around one-third of the attorneys in private legal practice, a number that has stayed largely static over the past four years. Among the law firms surveyed, just under 45 percent of nonpartners and 23 percent of partners identified as female — despite women making up over 40 percent of law students since 1986, according to the American Bar Association.

But the firms on this list have bucked the trend. Law360 grouped firms based on U.S. attorney headcount in order to evaluate them with similar-sized peers. We excluded any firm that had below-average female representation at even a single level of the firm, and then we ranked the rest based on their percentage of female attorneys both at the nonpartner and partner level.

At the No. 1 firm in each of the four size groupings, women made up at least 49 percent of attorneys. At two of those top firms — Fragomen, Del Rey, Bernsen & Loewy LLP and Outten & Golden LLP — women constituted more than 60 percent of the headcount.

And that well-above-average representation holds true at every level of these firms. At Fragomen, for example, 40 percent of equity partners are female — double the **industry average**. Adding nonequity partners into the mix, at least one-third of all partners at each of the top four firms are women.

With an aggregate workforce that is over 40 percent female, the firms on this list are outpacing their peers in breaking down the old boys' club and moving the industry toward a more inclusive status quo.

The Best Law Firms For Women

600+ Lawyers

Rank	Firm
1	Littler
2	Jackson Lewis
3	Baker McKenzie
	WilmerHale
	Esquire

5	raeyre
6	Hogan Lovells
8	Morgan Lewis
9	McDermott
10	Ropes & Gray
	Jones Day

300-599 Lawyers

1	Fragomen, Del Rey
2	Quarles & Brady
3	Schiff Hardin
4	Ice Miller
5	Crowell & Moring
	Fisher Phillips
7	Manatt Phelps
	Kutak Rock
8	Marshall Dennehey
10	Ballard Spahr

150-299 Lawyers

1	Constangy Brooks
2	FordHarrison
3	Bowman and Brooke
4	Hanson Bridgett
5	Shipman & Goodwin
6	Best Best
	Gray Plant
7	Miller Nash
9	Thompson Coe
	Chapman and Cutler
10	Fredrikson & Byron
	Epstein Becker

20-149 Lawyers

1	Outten & Golden
2	Liebert Cassidy
	Berry Appleman
3	Walsworth

5	Fross Zelnick
6	Meagher & Geer
7	Frankfurt Kurnit Stokes Lawrence
9	Conrad O'Brien
10	Burke Williams

To be eligible for the ranking, firms had to report above-average representation of female attorneys in each of the categories listed in the chart below.

Sizing Up The Average Law Firm

The average representation of women in law firm roles — from associate to equity partner — varies slightly by firm size.

	20-149 attys	150-299	300-599	600+
Total Female Attorneys	33.4%	33.2%	33.7%	36.1%
Female Nonpartners	42.9%	43.6%	43.5%	45.2%
Total Female Partners	24.7%	23.7%	22.5%	22.2%
Female Equity Partners	19.3%	18.9%	19.0%	18.7%

--Editing by Jeremy Barker and Mark Lebetkin.

Methodology: Law360 surveyed more than 300 U.S. firms, or vereins with a U.S. component, about their overall and female headcount numbers as of Dec. 31, 2016. Only U.S.-based attorneys were included in the survey, and firms had to have at least 20 U.S.-based attorneys to participate.

For the ranking, firms were first grouped according to size: 20-149 attorneys, 150-299 attorneys, 300-599 attorneys and 600-plus attorneys. Then, firms that fell below the average in any of the following categories were deemed ineligible for the ranking: (1) percentage of female attorneys; (2) percentage of female nonpartners; (3) percentage of female partners, both equity and nonequity; and (4) percentage of female equity partners. Finally, remaining firms were ranked using a formula that equally weights the percentage of nonpartners and percentage of total partners who are women.

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BigLaw Survey Shows Lack Of Progress On Female Pay Gap

By **Andrew Strickler**

Law360, New York (October 27, 2015, 9:06 PM ET) -- BigLaw has suffered "institutional failure" over the last decade to make any real progress in achieving more equitable pay and partner promotions for female lawyers, according to a Tuesday report, which found women have fallen even further behind male partners in areas like origination credit.

The ninth annual National Association of Women Lawyers report on female lawyer retention and promotions is a largely gloomy assessment of BigLaw failures to move the numbers in a host of categories, most notably in equity partnership representation, compensation spread and leadership roles.

And in light of some positive momentum in BigLaw in 2006, the first year of the annual NAWL survey on female lawyer retention and promotion, the ongoing stagnation is particularly troubling, said attorney and diversity consultant Sharon Jones, who chaired the NAWL survey committee.

"I think managing partners will be sobered by these numbers," Jones told Law360. "It's time to be more serious and more invested, and break down what's been done that hasn't worked and come up with some new approaches."

This year's survey found women in 18 percent of all equity partner positions — just 2 percent higher than in 2006, according to the NAWL report, authored by Lauren Stiller Rikleen of the Rikleen Institute for Strategic Leadership.

While the typical firm has two women and eight men on its highest U.S.-based governance committee — a 22 percent female representation, up from 16 percent nine years ago — the report notes that the increase represents just one additional woman over a 10-year period.

Among firms that responded to questions regarding the gender of the 10 lawyers who generated the highest revenue, 12 percent were women, down from 14 percent in last year's survey.

The typical female equity partner earns 80 percent of the typical male partner, according to report, down four percentage points from a decade ago, according to NAWL.

"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," the report states. "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."

Jones attributed the failings largely to stubborn internal barriers in matters like partner-controlled client succession, "black box" compensation policies that disadvantage women partners, and non-shared origination, among other problems.

"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," according to the report.

Jones also questioned the willingness of BigLaw leaders to go beyond lip service in backing women partner promotions and pay equity, despite years of research pointing to the benefits of gender equity for companies and their clients.

"Some of these firms are global institutions handling the biggest deals and litigations in the world, and when they set their mind to change something, they do it," she said. "And that kind of commitment, I don't see it in these numbers."

The survey was conducted in February and drew 73 responses from the top 200 law firms by size, according to NAWL, the third time in a row the survey's response rate has declined.

--Editing by Mark Lebetkin.

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The New York Times

California's Publicly Held Corporations Will Have to Include Women on Their Boards

By Matt Stevens

Sept. 30, 2018

California became the first state to require its publicly held corporations to include women on their boards after Gov. Jerry Brown signed a bill into law on Sunday.

The bill, which applies to companies “whose principal executive offices” are in California, requires them to have at least one woman on their boards by the end of 2019.

In 2021, the companies must have a minimum of two or three women, depending on the size of their boards.

Hundreds of companies will be affected by the law, according to The Los Angeles Times, and those that fail to comply can be fined \$100,000 for a first violation and \$300,000 for a second.

In signing the legislation, Mr. Brown acknowledged that critics have raised “serious legal concerns” about it, which he conceded “may prove fatal to its ultimate implementation.”

Still, he copied his letter to the United States Senate Judiciary Committee, which last week narrowly voted to recommend Judge Brett M. Kavanaugh’s nomination to the Supreme Court and send it to the full Senate, despite allegations of sexual assault against him.

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“Recent events in Washington, D.C. — and beyond — make it crystal clear that many are not getting the message,” Mr. Brown said.

Hannah-Beth Jackson, a Democratic state senator who represents Santa Barbara and helped write the legislation, applauded its signing on Twitter.

She has said that a quarter of California's publicly traded companies do not have a woman on their boards, despite studies showing that companies that do are more profitable and productive. (Some research, however, has suggested that the findings are less conclusive.) For instance, Stamps.com — which has its headquarters in El Segundo, Calif., but is incorporated in Delaware — has an all-male, five-member board, and told The Los Angeles Times on Sunday that it “is reviewing the law.”

Although California is the first state to enact such a mandate, others have passed resolutions about increasing the number of women on company boards, Ms. Jackson has said. Several nations, such as France, Germany and Norway, have already developed gender diversity requirements for corporate boards, she has said.

“Yet another glass ceiling is shattered, and women will finally have a seat at the table in corporate board rooms,” Ms. Jackson said on Sunday. She added, “This is a giant step forward for women, our businesses and our economy.”



State Senator Hannah-Beth Jackson, who helped write the legislation. She has said that a quarter of California's publicly traded companies do not have a woman on their boards.
Rich Pedroncelli/Associated Press

Charles Elson, a professor and the director of the John L. Weinberg Center for Corporate Governance at the University of Delaware, said that while the goal of the legislation was laudable, the law was unwise and California will “ultimately regret it.”

Company shareholders, he said, “should be able to elect any representatives they want.” And it is in their best interest to be able to pick representatives from a broad pool “to get the best possible people regardless of their sex.”

“When you start telling people they have to elect someone on the basis of an immutable characteristic, it’s very problematic,” he said. “This goes to the heart of democracy.”

The bill was opposed by a coalition of business groups led by the California Chamber of Commerce, which argued that the quotas were “likely unconstitutional, a violation of California’s Civil Rights statute, and a violation of the internal affairs doctrine for publicly held corporations.”

In a letter, the coalition said the intent of the bill was good, but expressed concern that the legislation “potentially elevates” gender “as a priority over other aspects of diversity.”

“If there are two qualified candidates for a director position, one male and one female,” the letter said, the bill “would require the company to choose the female candidate and deny the male candidate the position, based on gender.”

And that has raised legal concerns.

Jessica Levinson, a professor at Loyola Law School in Los Angeles who has written about the bill, said on Sunday that it amounts to a “blatant gender preference.” To pass legal muster, she said, a law of this kind must show that there is both an important governmental reason for it, and that there is not a better way to achieve the outcome.

“I don’t think the courts will uphold the law,” she said, adding that legal challenges could surface as soon as next week. “I so, so strongly believe that we don’t have anything near gender equality. And I really don’t think the government mandating it is the answer. You could have incentives, tax breaks or preferential government treatment if you reach certain diversity thresholds.”

Professor Levinson also said she believed that the move by Mr. Brown amounted to an “enormous raising of a certain finger” to the Senate Judiciary Committee. In essence, she said, it was Mr. Brown’s “MeToo moment.”

“If ever there was a week to sign this bill, it was this week,” she said. “Governor Brown is not really in the business of liking to sign laws that are subject to serious legal challenges.”

Mr. Brown, though, signed it anyway. And as has become his habit over decades in political office, Mr. Brown sprinkled a hint of historical whimsy into the conclusion of his signing letter.

“As far back as 1886, and before women were even allowed to vote, corporations have been considered persons within the meaning of the Fourteenth Amendment,” he wrote. “Given all the special privileges that corporations have enjoyed for so long, it’s high time corporate boards include the people who constitute more than half the ‘persons’ in America.”



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

By: Destiny Peery, JD/PhD

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 firms¹

¹ 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,² a response rate of 48.5 percent.³ 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%.⁴

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

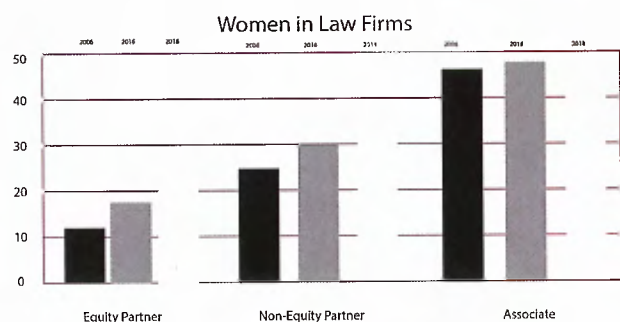
For over a decade, approximately 50% of law students nationwide have been women,⁵ law firms have recruited women as entry-level associates roughly in proportion to their representation among law school graduates, and yet the statistics repeatedly show that these women are not reflected in the numbers 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.

² 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.

³ 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.

⁴ 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.

⁵ 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. 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/sexes/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,⁶ 39% of counsel,⁷ and 57% of “other”⁸ 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,⁹ 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

6 Associates are partner-track attorneys who have not yet achieved partnership.

7 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.

8 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.

9 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.

10 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.

11 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^{10,11}

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 Hours¹²

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 Rates¹³

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).

12 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.

13 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,¹⁴ 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

¹⁴ 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 LGBTQI 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.¹⁵ 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

¹⁵ 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.¹⁶

For the first time this year, NAWL asked firms about the relationship partners for their top 20 clients.¹⁷ 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

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

¹⁷ 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) Partners¹⁸

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.¹⁹ 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.²⁰ 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.

¹⁸ 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.

¹⁹ 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>.

²⁰ 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 2016.²¹ 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).²² 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.

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,²³ 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 partners²⁴ (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%).²⁵ This represents a bump up from 6% equity partners of color reported in 2017 and a return to the levels reported in 2015.²⁶ For those firms reporting numbers,²⁷ 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 firms²⁸ 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).²⁹ 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 Billings³⁰ & 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

²⁹ 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).

³⁰ 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

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

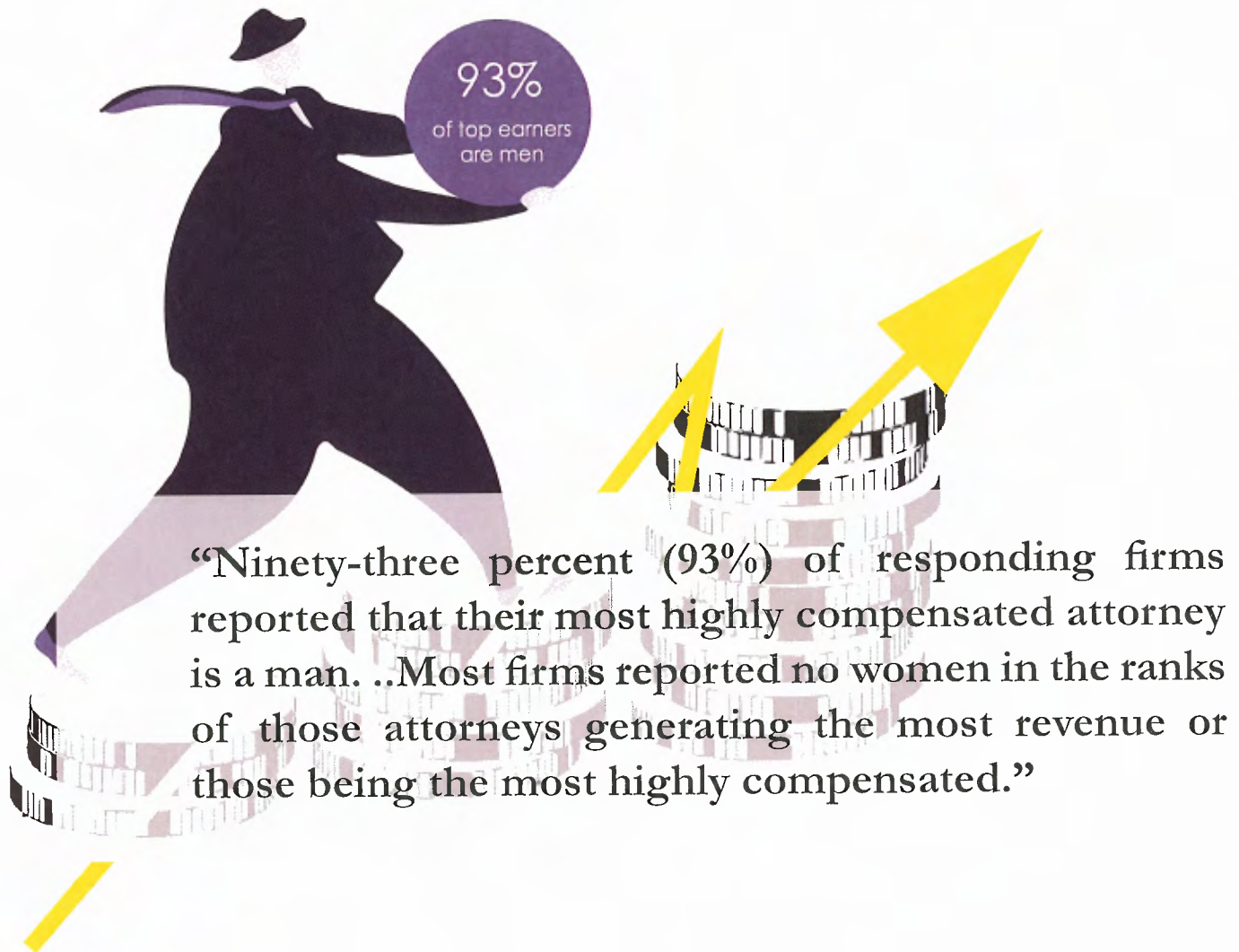
Women on Firm Governance Committees

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 2017.³¹ 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 2007.³² 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

³¹ 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.

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



“Ninety-three percent (93%) of responding firms reported that their most highly compensated attorney is a man. ..Most firms reported no women in the ranks of those attorneys generating the most revenue or those being the most highly compensated.”

high-level governance committees.³³ 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%

³³ 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.³⁴ 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.³⁵ 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

³⁴ 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.

³⁵ 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.³⁶ 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

³⁶ 2012 NAWL Report of a National Survey of Women's Initiatives, available at <http://www.nawl.org/p/cm/ld/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.³⁷ 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

³⁷ 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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