



Financial and Billing Survey of ISBA Lawyers

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Overview of Survey

- ❑ Sent to ISBA members in April 2007
 - ❑ 1,592 Respondents
 - 75.9% Private practice (**1,208**)
 - 7.0% Government attorneys
 - 5.9% In-house counsel
 - 2.8% Judges and judicial staff
 - 2.6% Other law related
 - 2.0% In-house counsel (non-profit)
 - 0.8% Law faculty
 - 1.0% Retired
 - 0.4% Unemployed
- 90.0% work full-time



Demographics*

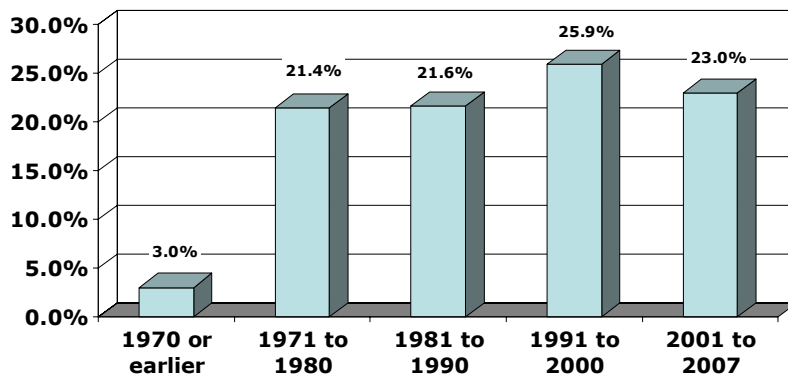
- Gender
 - 65.3% Male
 - 34.7% Female
- Race
 - 94.9% White
 - 1.5% Black
 - 1.2% Hispanic
 - 0.9% Asian
 - 0.4% American Indian or Pacific Islander
 - 1.1% Other
- Marital Status
 - 80.5% Married
 - 9.8% Never Married (single)
 - 7.8% Separated, Divorced, or Widowed
 - 1.9% Other
- Dependent Children
 - 48.9% Yes
 - 51.1% No

* Between 1,493 and 1,497 respondents answered these questions



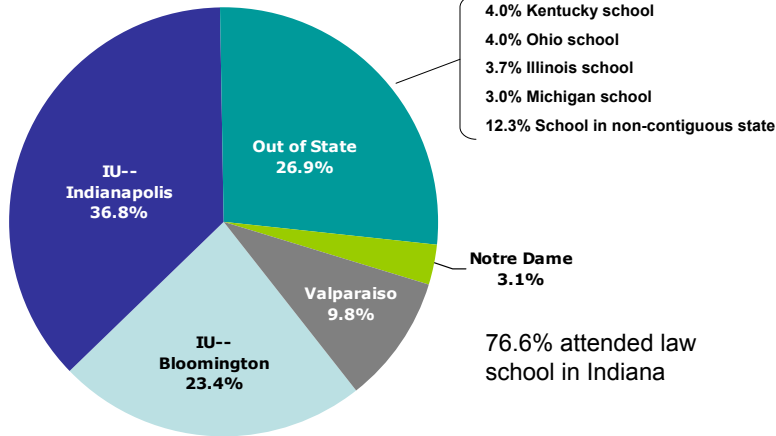
Experience

- Year they passed the bar





Education*



*1,477 respondents provided school information



Firm Size

- 24.5% Solo
- 27.9% 2 to 5
- 11.2% 6 to 10
- 12.9% 11 to 25
- 8.8% 26 to 50
- 7.3% 51 to 150
- 7.4% 150+

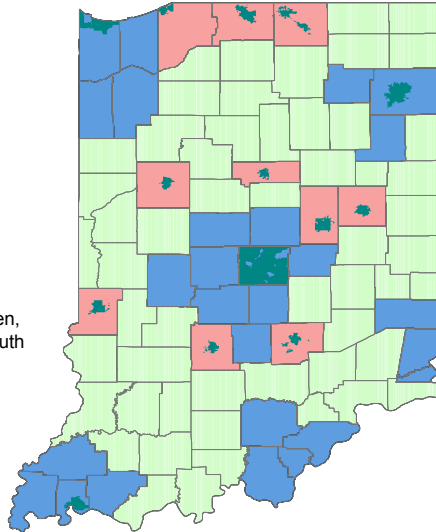
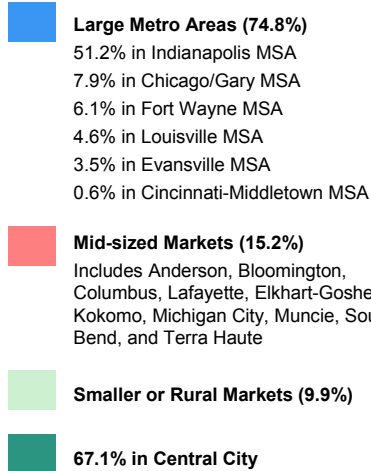
63.6%



36.4%



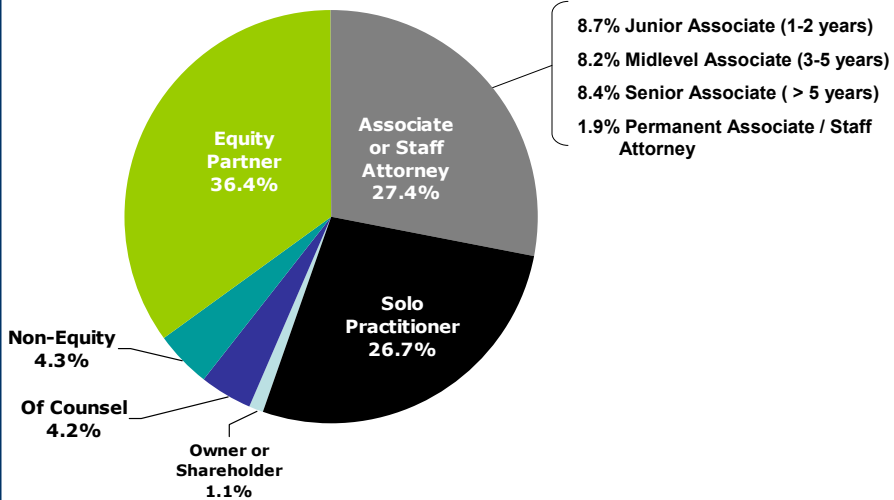
Location*



*1,498 in-state respondents



Position in Firm*



* 1,198 Respondents in full or part-time law practice in Indiana



Associate Income*

Title	Avg.	25 th %	50 th %	75 th %	90 th %	N
1-2 Yr. Associate	\$64,629	\$50,000	\$70,000	\$90,000	\$90,000	101
3-5 Yr. Associate	\$74,239	\$50,000	\$70,000	\$90,000	\$112,500	92
> 5 Yr. Associate	\$92,232	\$70,000	\$90,000	\$112,500	\$137,500	84
Perm. Associate or Staff Attorney	\$79,583	\$55,000	\$70,000	\$90,000	\$147,500	12

* 1,042 Respondents in full-time in-state private practice



Solo, Of Counsel, Partner Income*

Title	Avg.	25 th %	50 th %	75 th %	90 th %	N
Solo Practitioner	\$108,756	\$50,000	\$90,000	\$137,500	\$187,500	209
Of Counsel	\$140,543	\$90,000	\$112,500	\$187,500	\$225,000	23
Non-Equity Partner	\$135,815	\$90,000	\$137,500	\$175,000	\$225,000	46
Equity Partner, Shareholder or Owner	\$195,761	\$112,500	\$162,500	\$225,000	\$350,000	447

* 1,042 Respondents in full-time in-state private practice



Income by Firm Size*

Firm Size	Title	Avg.	25 th %	50 th %	75 th %	90 th %	N
Solo	Solo Practitioner	\$108,756	\$50,000	\$90,000	\$137,500	\$187,500	209
2 to 5 lawyers	Associate	\$63,125	\$50,000	\$50,000	\$70,000	\$112,500	80
	Equity Partner, Shareholder or Owner	\$138,290	\$70,000	\$112,500	\$162,500	\$225,000	212
> 11 lawyers	Associate	\$73,621	\$50,000	\$70,000	\$90,000	\$90,000	42
	Equity Partner, Shareholder or Owner	\$181,533	\$90,000	\$137,500	\$225,000	\$350,000	75

* Limited to respondents in full-time in-state private practice



Solo Income by Location*

Location	Avg.	25 th %	50 th %	75 th %	90 th %	N
Indianapolis	\$97,532	\$50,000	\$80,000	\$112,500	\$175,000	78
Other Large Markets	\$115,375	\$50,000	\$90,000	\$137,500	\$187,500	60
Mid-Sized Markets	\$120,114	\$55,000	\$112,500	\$162,500	\$225,000	44
Small or Rural Markets	\$107,963	\$50,000	\$90,000	\$137,500	\$195,000	27

* Limited to respondents in full-time in-state private practice



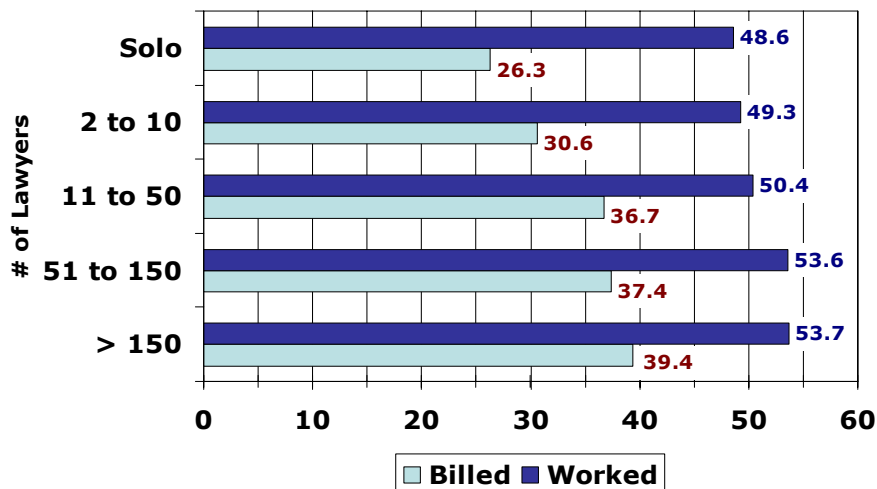
2 to 10 Lawyer Firm, Income by Location*

Location	Position	Avg.	25 th %	50 th %	75 th %	90 th %	N
Indianapolis	Associate	\$60,047	\$50,000	\$50,000	\$70,000	\$103,500	53
	Owner, SH or Partner	\$152,982	\$90,000	\$137,500	\$187,500	\$350,000	109
Other Large Markets	Associate	\$72,661	\$50,000	\$50,000	\$70,000	\$152,500	31
	Owner, SH or Partner	\$141,747	\$70,000	\$112,500	\$162,500	\$350,000	61
Mid-Sized Markets	Associate	\$55,800	\$40,00	\$50,000	\$70,000	\$99,000	25
	Owner, SH or Partner	\$158,482	\$75,000	\$112.500	\$187,500	\$350,000	56
Small or Rural Markets	Associate	\$63,654	\$50,000	\$50,000	\$70,000	\$140,500	13
	Owner, SH or Partner	\$147,115	\$75,000	\$137,500	\$187,500	\$225,000	52

* Limited to respondents in full-time in-state private practice

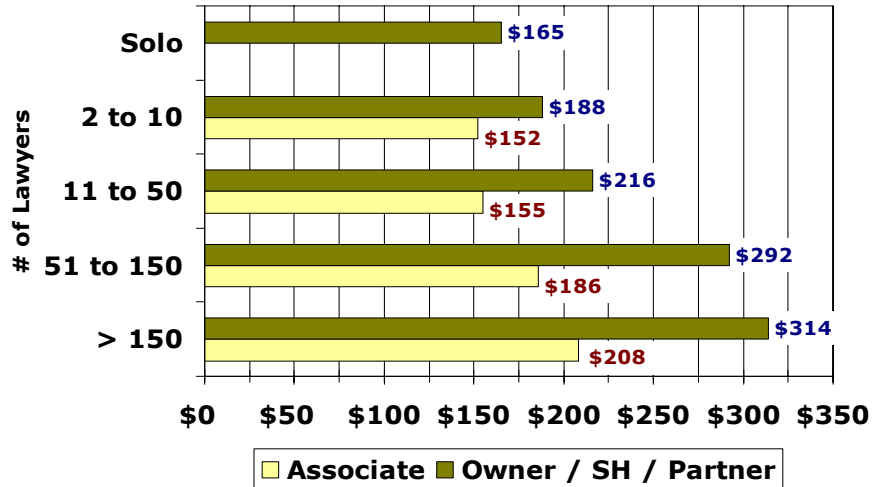


Average Hours Per Week* (by firm size)

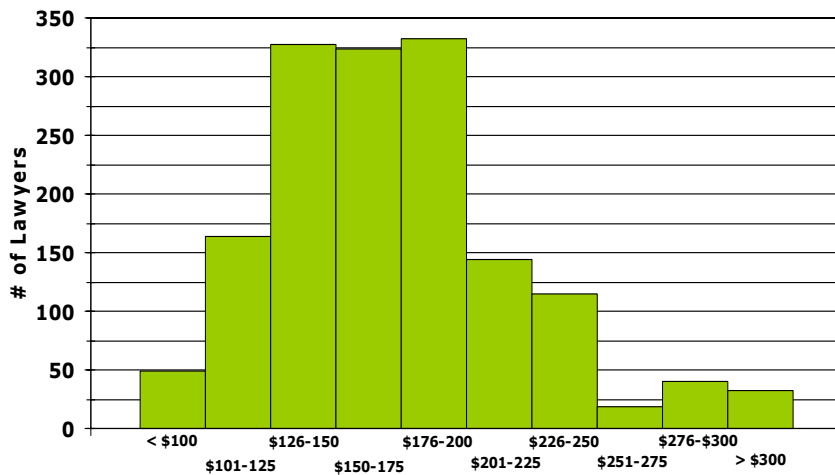




Average Billable Rate* (by firm size)



Billing Rates (solo & 2-10 lawyer firms)





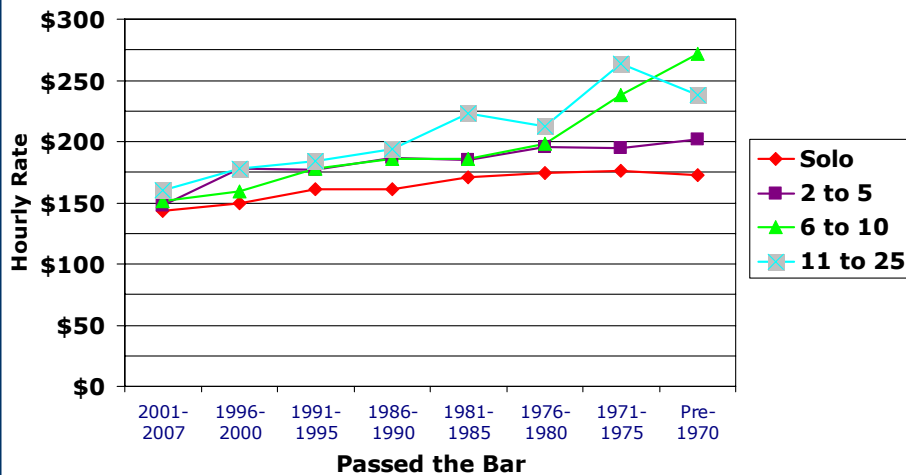
Billing Rates by Location

(solo & 2-10 lawyer firms)

Location	Position	Avg.	25 th %	50 th %	75 th %	N
Indianapolis	Associate	\$168	\$139	\$168	\$188	44
	Owner, SH or Partner	\$196	\$162	\$188	\$221	198
Other Large Markets	Associate	\$155	\$113	\$168	\$188	27
	Owner, SH or Partner	\$173	\$138	\$175	\$188	129
Mid-Sized Markets	Associate	\$137	\$113	\$138	\$139	25
	Owner, SH or Partner	\$176	\$150	\$173	\$188	98
Small or Rural Markets	Associate	\$148	\$113	\$138	\$178	14
	Owner, SH or Partner	\$155	\$138	\$138	\$175	95



Billing Rate (by experience & firm size)



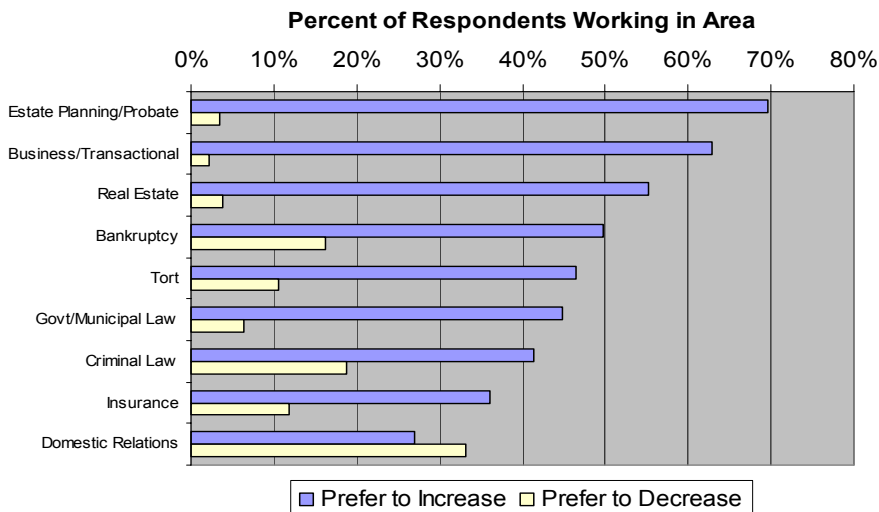


Billing Rates by Practice Area (solo & 2-10 lawyer firms)

Practice Area	Avg.	25 th %	50 th %	75 th %	90 th %	N
Civil-Commercial Litigation	\$197	\$163	\$188	\$213	\$238	76
Business Transactional	\$188	\$138	\$188	\$213	\$238	115
General Litigation	\$188	\$163	\$188	\$201	\$258	61
Elder Law	\$187	\$163	\$188	\$213	\$251	44
Wills-Trust-Probate	\$172	\$138	\$163	\$188	\$213	228
Real Estate	\$171	\$138	\$163	\$188	\$238	124
Family Law	\$168	\$138	\$163	\$188	\$213	219
Creditor-Debtor	\$166	\$138	\$163	\$188	\$213	40
Criminal	\$160	\$138	\$163	\$188	\$213	86
Insurance	\$134	\$113	\$113	\$157	\$188	40

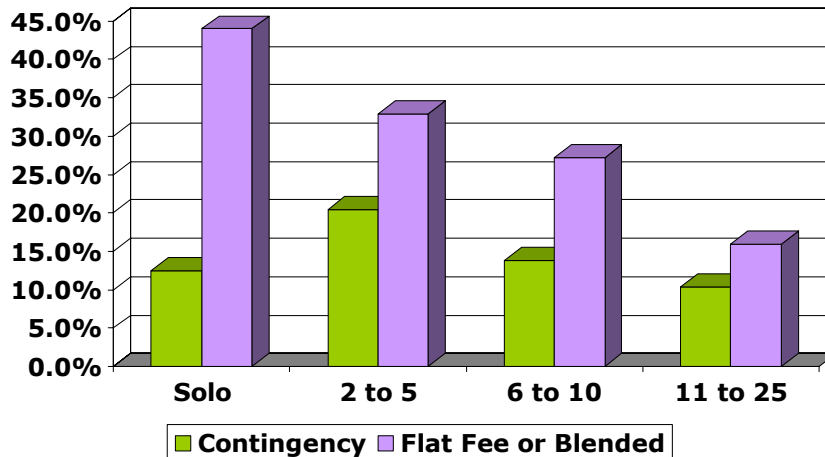


Desirability of Work (solo & 2-10 lawyer firms)





Percentage of Income from Contingent and Flat Fees



Alternative Billing (by firm size)

- Flat fees, blending billing, or contingency arrangement in next 12 months?
 - **34.6%** Solos
 - **30.5%** 2 to 5 Lawyers
 - **36.1%** 6 to 10 Lawyers
 - **45.3%** 11 to 25 Lawyers



Change in Income, Last 5 Years (by firm size)

Firm Size	Real Increase	Nominal Increase	Real Decline	N
Solo	42.6%	37.2%	20.2%	223
2 to 5	48.7%	34.8%	16.5%	267
6 to 10	62.5%	21.9%	15.6%	96
11 to 25	65.3%	25.4%	9.3%	118
26 to 50	63.5%	25.7%	10.8%	74
51 to 150	77.6%	11.9%	10.4%	67
> 150	77.4%	18.9%	3.8%	53



Relationship of Fee Arrangement to Income

- After controlling for:
 - Small (1-10) versus large firm (>10)
 - Present in or out of Indianapolis
 - Length of work week
 - Years of experience
- 1. Contingency arrangements modestly associated with higher income ($R = .099$, $p < .05$).
- 2. Flat-fees and blending rates had no statistically significant relationship.



Income*

- Using multivariate regression analysis, the following factors influence lawyer income at statistically significant levels:
 - (+) being in firm > 10 lawyers
 - (+) being located in Indianapolis
 - (+) years of experience
 - (+) billable hours per week
 - (+) hours per week rainmaking
 - (+) percentage of cases on contingency

* Sample = 892 lawyers who worked in full-time in private practice in Indiana



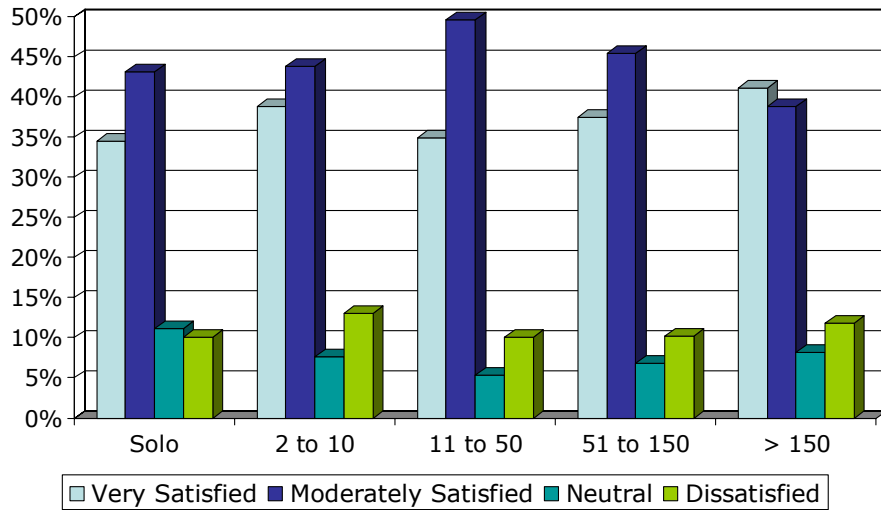
Law Schools feed regional markets

= Largest Proportion of JD's in Market

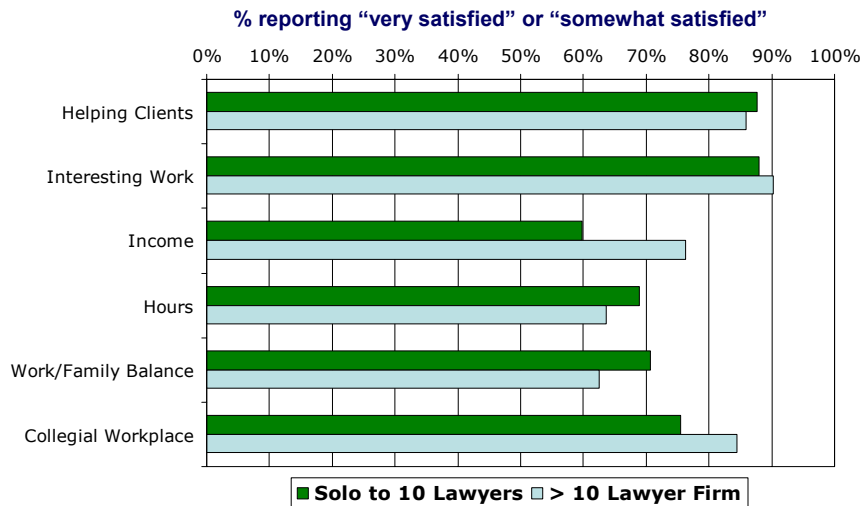
Law School	Chicago/Gary MSA	Indianapolis MSA	Evansville MSA	Louisville MSA	Fort Wayne MSA	Mid-sized markets
IU-Bloomington	13.0%	15.9%	24.5%	23.2%	38.4%	28.1%
IU-Indianapolis	4.3%	52.2%	26.4%	10.7%	13.7%	19.8%
Valparaiso	52.2%	2.7%	8.2%	0.0%	9.6%	16.8%
Notre Dame	1.1%	1.2%	4.4%	0.0%	2.7%	10.2%
Illinois law school	10.9%	3.3%	6.1%	0.0%	0.0%	0.6%
Kentucky law school	0.0%	0.6%	2.0%	46.4%	0.0%	3.0%
Ohio law school	0.0%	2.0%	8.2%	1.8%	11.0%	4.2%
Michigan law school	1.1%	1.8%	0.0%	1.8%	9.6%	3.6%
LS in non-contiguous state	8.7%	10.0%	12.2%	12.5%	6.8%	9.0%



Indiana Lawyers are Happy!



Dimensions of Satisfaction





Perceptions of the Profession (by law firm size)

Issue	Firm Size	Serious problem	A Concern	Not a problem	Improving
Emphasis on Billable hours*	Solo to 10	24.4%	48.3%	26.3%	1.0%
	> 10 lawyers	32.5%	47.9%	18.8%	0.7%
Less civility & collegiality*	Solo to 10	32.1%	49.1%	17.9%	0.9%
	> 10 lawyers	20.3%	51.7%	25.2%	2.7%
Change in IN Economy	Solo to 10	15.2%	54.2%	28.8%	1.8%
	> 10 lawyers	11.7%	57.9%	28.7%	1.7%
Less emphasis on ethics*	Solo to 10	28.3%	47.8%	21.9%	2.0%
	> 10 lawyers	18.8%	50.0%	28.8%	2.4%
Inadequate LS training	Solo to 10	14.6%	37.0%	46.0%	2.4%
	> 10 lawyers	12.8%	37.3%	48.4%	1.5%

Bold = most frequent response * statistically significant difference between practice settings