

2014

MAJOR,
LINDSEY
& AFRICA

PARTNER COMPENSATION SURVEY

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BACKGROUND

In the spring of 2014, Major, Lindsey & Africa® (MLA®) launched its third Partner Compensation Survey. The Survey, which was sent to nearly 44,000 law firm partners in Am Law 200-, NLJ 350- and Global 100-size firms across the United States, was a follow-up to MLA's ground-breaking **2010** and **2012** Surveys, which were the most comprehensive efforts ever undertaken to identify ranges of partner compensation, the criteria law firms use in determining partner compensation, and the satisfaction of law firm partners with their compensation and compensation systems.

This Report provides (i) an overview of the Survey, (ii) the demographic breakdown of the respondents to the Survey, (iii) selected highlights of compensation and other practice metrics as reported by the respondents, (iv) selected highlights of compensation satisfaction, factors and systems as reported by the respondents, and (v) an overview of various factors perceived by respondents to be important in the determination of their compensation.

THE SURVEY

The Survey consisted of 32 questions, with the results broken down into three major categories:

1. Demographic information about each respondent and the respondent's law firm, including:
 - Years as a partner
 - Partnership status (*i.e.*, Equity vs. Non-Equity)
 - Primary practice area
 - City
 - Lateral status (*i.e.*, "home grown" vs. lateral)
 - Compensation transparency of firm (*i.e.*, open vs. closed compensation system)
 - Lockstep nature of firm's compensation system (*i.e.*, lockstep vs. non-lockstep)
 - Size of law firm
 - Law firm Profits per (Equity) Partner, as reported in *The American Lawyer*
 - Gender
 - Ethnicity
2. Objective information about a respondent's compensation and practice metrics for 2013. Compensation and practice metrics include:
 - Total compensation
 - Total originations
 - Total working attorney receipts
 - Standard hourly billing rate
 - Total billable hours
 - Total non-billable hours
 - For lateral respondents, whether their compensation changed as a result of the lateral move and, if so, by what percent
3. Subjective information about a respondent's perception of his or her compensation and compensation system, including:
 - Factors perceived by respondent to be important to the firm in determining compensation
 - The factor which respondent believes should be most important in determining compensation

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- Whether there has been a change in the importance of factors and, if so, which factors have become more important or less important
- Satisfaction with total compensation
- For those respondents who were not satisfied with their compensation, whether such dissatisfaction was attributable to any perceived bias
- Whether respondent believed his or her compensation should be higher and, if so, by what percent
- Whether respondent would like to see changes in his or her firm's compensation system and, if so, what changes were desired

METHODOLOGY

This Survey was sponsored and developed by Major, Lindsey & Africa (MLA). It was conducted in association with ALM Legal Intelligence (ALI), a research arm of ALM Media, the publisher of *The American Lawyer*. ALI allowed respondents to answer confidentially and anonymously, and MLA at no time was made aware of respondents' names or firms, either individually or in the aggregate.

Data for this Survey was collected using an online questionnaire hosted by ALI. Invitations were emailed to 43,816 partners across the United States at firms who have been Am Law 200-, NLJ 350- or Global 100-ranked in the past 5 years. The emailed invitation contained a link which partners could use to access the online survey. To maximize the response rate, four email reminders, each spaced about two weeks apart, were also sent.

The sample was provided by ALI, selected from its proprietary database of practicing lawyers in the U.S. and abroad. The questionnaire was jointly developed by MLA and ALI. As an incentive to complete the Survey, respondents were entered into drawings to win American Express gift certificates valued at \$1,000 and \$500.

Responses were received from partners practicing across the United States (2,087) and abroad (7) for a total of 2,094 responses. 1,018 emails were returned as undeliverable. Assuming that all of the remaining partners contacted received the invitation, the overall response rate was approximately 4.9%.

As is customary with surveys of this nature, not every respondent answered every question. Each data table notes the actual number of respondents for each category. In order for us to present the data meaningfully, in certain cases, individual respondents were grouped into larger categories.

In Questions 11 through 16 of the Survey, respondents were given ranges as response choices. For example, total compensation values were typically grouped in \$50,000 ranges (*e.g.*, \$800,000 to \$850,000). In order to calculate the data for this Report, ALI used, wherever possible, the midpoint for all responses that were expressed as ranges. In those cases where midpoints were not identifiable (*e.g.*, responses where one parameter of the range was open-ended), ALI and MLA jointly agreed on values to be used for those responses.

For profits per equity partner (PPP) data, ALI used the most recent data available. For Am Law firms, ALI used PPP data from the Am Law 200 ranking. For international firms, ALI used the PPP data from the Global 100 ranking.

In order to protect respondents' identities, this Report does not disclose any information about any individual or any individual law firm. All information is reported in the aggregate to ensure anonymity. ALI did not provide the names, email addresses or any other identifying information of individual respondents or any law firm to MLA. At all times, MLA remained blind to the source of the data.

In most cases, this Report compares the results of the 2014 Survey with those of the 2012 Survey. The complete results of the 2012 Survey can be found on the [MLA website](#).

Statistical Terms Used

The statistical terms used in the Report are defined below.

- The median (or the 50th percentile) is the middle or central number in a series of numbers arranged in order of value. There are equal numbers of smaller and larger observations.
- The average (or mean) is the total value of all observations divided by the number of observations. While an average can be distorted by “outliers”—data that is aberrant—great care was taken to identify and remove outliers from this Report. Finally, percentages may not total 100 percent because of rounding.

KEY FINDINGS

The overarching story in the 2014 Partner Compensation Survey continues to follow our previous findings, namely: the longer the tenure, the larger the firm, and the bigger the legal market, the higher compensation likely will be. Key findings also include:

- Average compensation for all respondents was \$716,000, up 5% from 2012 (\$681,000). The average billing rate for all respondents was \$608, up \$24 (+4%) from 2012 (\$584). However, median compensation for all respondents was only \$475,000, which means that respondents at the higher end of compensation greatly skew the average compensation data.
- The compensation gap between Equity partners and Non-Equity partners continues to grow: Equity partners averaged \$971,000 in compensation in 2014, vs. \$338,000 for Non-Equity partners. While compensation for Non-Equity partners has remained essentially flat since 2010 (\$336,000 in 2010, vs. \$335,000 in 2012, vs. \$338,000 in 2014), compensation for Equity partners has jumped nearly 20% during that same period (from \$811,000 in 2010, to \$896,000 in 2012, to \$971,000 in 2014). While not as drastic a difference, median compensation for Equity partners was \$675,000, as compared to \$325,000 for Non-Equity partners. Equity partners also remain three times more likely to classify themselves as Very Satisfied with their compensation than Non-Equity partners (37% and 12%, respectively, in 2014 vs. 36% and 12%, respectively, in 2012), and much less likely to classify themselves as Not Very Satisfied (3% and 8% in 2014, vs. 4% and 11%, respectively, in 2012).
- Average originations for all respondents were \$1,957,000, up 3% from 2012 (\$1,893,000), mirroring the 3% increase from 2010 to 2012. As with compensation, median originations were significantly lower than the average: median originations for all respondents were \$1,050,000, with respondents at the higher end greatly skewing the average originations data. Equity partners reported average

originations of \$2.81 million (+7%), versus a 6% decline for Non-Equity partners. For the first time since we started measuring this data, Equity partners now originate more than four times the amount of business than Non-Equity partners. Moreover, whereas average originations for Equity partners has grown 13% since 2010 (\$2.81 million vs. \$2.49 million), average originations for Non-Equity partners has declined from \$700,000 to \$670,000 during that same period. Median originations for Equity partners and Non-Equity partners generally track the average: median originations for Equity partners were \$1,650,000, which is slightly less than four times the \$450,000 originated by Non-Equity partners.

- Similarly, unlike 2012, where all but the most senior grouping showed modest increases in originations and the most senior grouping showed an 11% decline, in 2014 partners in the 1 to 5 year category showed a 17% decline in originations (\$810,000 vs. \$980,000), whereas those in the 21+ year category posted a 10% gain (\$2,92,000 vs. \$2,660,000).
- Among the seven practice areas grouped for purposes of this Report, Labor & Employment partners continue to report the lowest average compensation (\$503,000), compared to a high of \$893,000 for Corporate partners.
- As in our prior Surveys, partners in Open compensation systems reported *significantly* higher average compensation (\$843,000; +4%) compared to partners in Partially Open (\$574,000; +11%) and Closed (\$484,000; +4%) systems. While both the Open and Closed system partners reported identical percentage gains in 2014, the compensation gap between the two groupings remains a surprising 74%. Median data is much more closely grouped: median compensation for Open system partners was \$575,000, as compared to \$425,000 for partners in Partially Open systems and \$325,000 for partners in Closed systems. Similarly, partners in Open compensation systems remained much more likely to classify themselves as Very Satisfied (32%) than partners in Partially Open (20%) or Closed (18%) compensation systems, though the gap has narrowed somewhat since 2012.
- The disparity in compensation and compensation satisfaction across cities continues to be quite pronounced. Average compensation ranged from a low of \$438,000 in Seattle to a high of \$1,167,000 in Silicon Valley. Unlike 2012, when compensation rose in virtually every city compared to 2010, the 2014 results showed wide swings in partner compensation among cities, with Philadelphia (+46%), Los Angeles (+24%) and Chicago (+20%) showing the largest gains, and Dallas (-19%) and Seattle (-18%) showing the most significant declines.
- Male partners continue to significantly outpace females in compensation: \$779,000 (+6%) for males vs. \$531,000 (+7%) for females in 2014, compared to \$734,000 vs. \$497,000 in 2012. Median compensation for males was \$525,000 vs. \$375,000 for females. Male partners reported average originations of \$2.19 million in 2014, representing a gain of 8% over 2012. Conversely, reported originations for females declined 12%, from \$1.41 million in 2012 to \$1.24 million in 2014. This nearly 77% spread in originations between males and females is significantly higher than the 50% spread reported in 2010 and the 44% spread reported in 2012. Median originations for males were \$1,150,000 vs. \$650,000 for females.
- Cronyism continues to be the most significant reason for dissatisfaction with compensation satisfaction, outpacing all of the other enumerated reasons combined. However, while perceived cronyism apparently remains high, it is worth noting that the percentage has fallen from 40% when we first measured it in 2010 to 30% in 2014.

- Originations continue to drive compensation decisions: 74% of all respondents noted that Originations were a Very Important factor in determining compensation, 66% of all respondents perceived it to be *the most important factor* (working attorney receipts was next closest at 21%) and 55% of all respondents cited originations as becoming more important in the compensation process. These numbers are all virtually identical to the 2012 results.

COMPENSATION, ORIGINATIONS, RECEIPTS, BILLING RATES AND HOURS

Questions 11 through 16 of the Survey dealt with the principal practice metrics of the respondents for the 2013 fiscal year, and address: total compensation, total originations, total working attorney receipts, standard hourly billing rate, total billable hours, and total non-billable hours. These key practice metrics were then sorted by the following categories:

- | | |
|------------------------------|------------------|
| 1. Partnership Tenure | 6. Lockstep Type |
| 2. Partnership Status | 7. Firm Size |
| 3. Practice Area | 8. Firm PPP |
| 4. City | 9. Gender |
| 5. Compensation Transparency | 10. Ethnicity |

Compensation

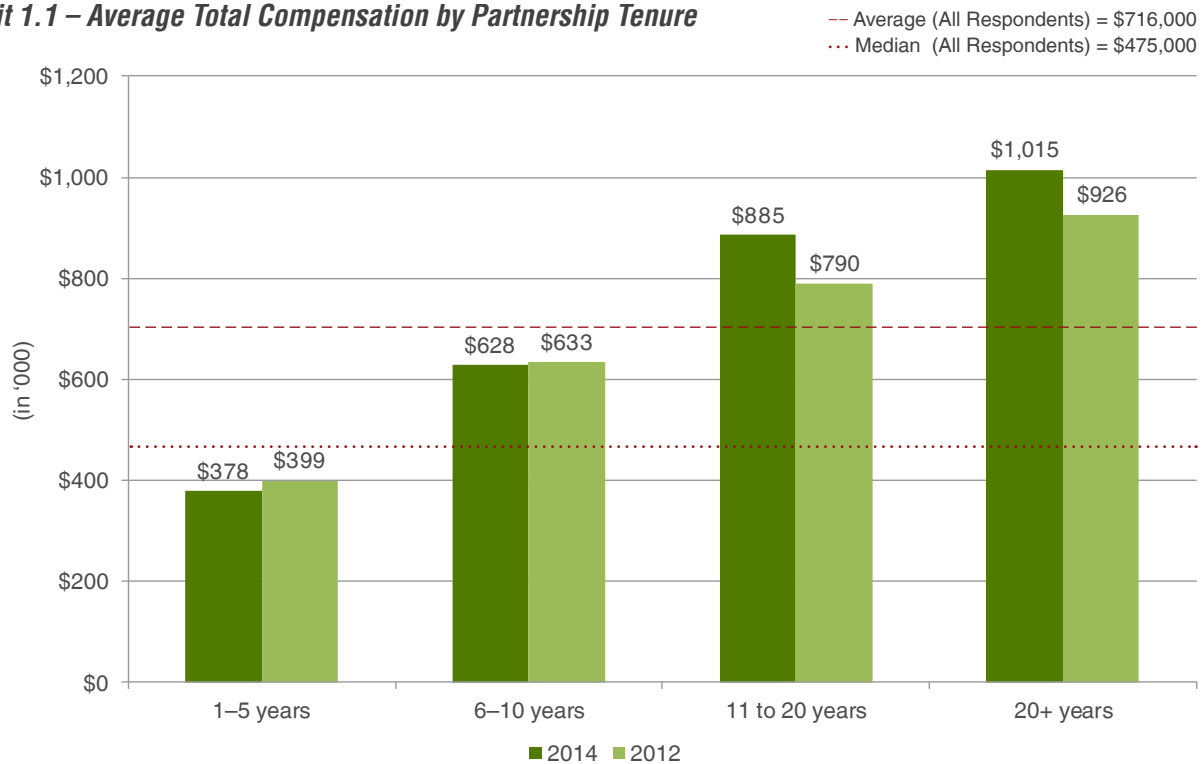
A total of 2,068 respondents provided their compensation data, with reported compensation ranging from less than \$100,000 (1 respondent) to over \$8 million (4 respondents). Average compensation for all respondents was \$716,000, up 5% from 2012 (\$681,000). However, median compensation data paints a very different picture: median compensation for all respondents was only \$475,000, which means that respondents at the higher end of compensation greatly skew the average compensation data.

Partnership Tenure and Partnership Status

As in previous years, when sorted by Partnership Tenure, average compensation climbs steadily by tenure grouping, ranging from \$378,000 for those in the 1 to 5 year category up to \$1,015,000 for those in the 20+ year category. However, while the two junior groupings (1 to 5 years and 6 to 10 years) both showed slight declines in average compensation this year, down 5% and 1%, respectively, the two more senior groupings (11 to 20 years and 20+ years) both showed strong gains, climbing 12% and 10%, respectively. Presumably, these strong gains by the more senior partners reflect the strong gains in partner compensation by Equity partners generally (discussed below), who presumably are more senior than Non-Equity partners.

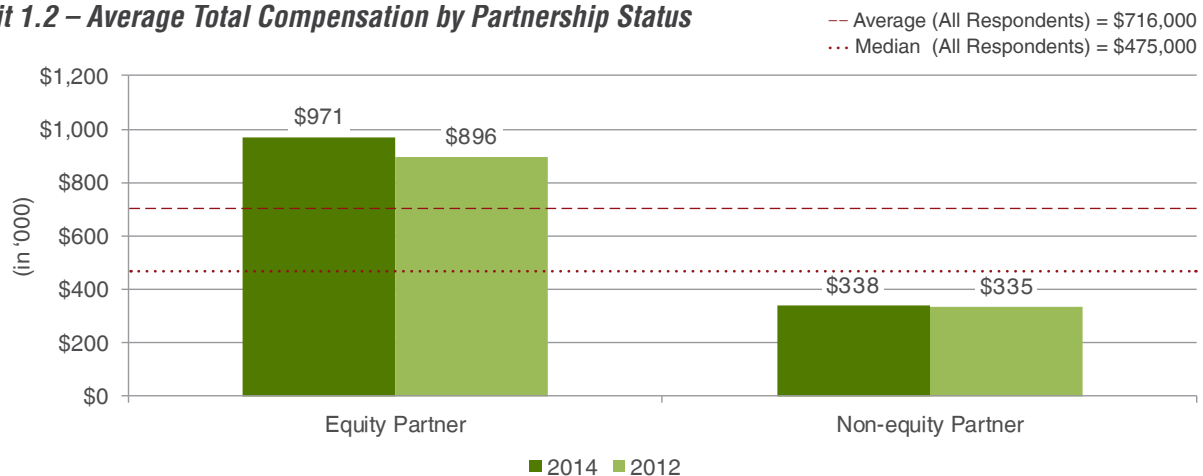
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Exhibit 1.1 – Average Total Compensation by Partnership Tenure



While we expected that Equity partners would continue to significantly outpace Non-Equity partners in compensation, the level of disparity has grown markedly since our first Survey in 2010. Compensation for Non-Equity partners has remained essentially flat since 2010, (\$336,000 in 2010 vs. \$338,000 in 2014), whereas compensation for Equity partners has jumped nearly 20% during that same period (from \$811,000 in 2010, to \$896,000 in 2012, to \$971,000 in 2014), with Equity partners now averaging about 2.9 times the total compensation of their Non-Equity colleagues. While not as drastic a difference, median compensation for Equity partners was \$675,000, as compared to \$325,000 for Non-Equity partners.

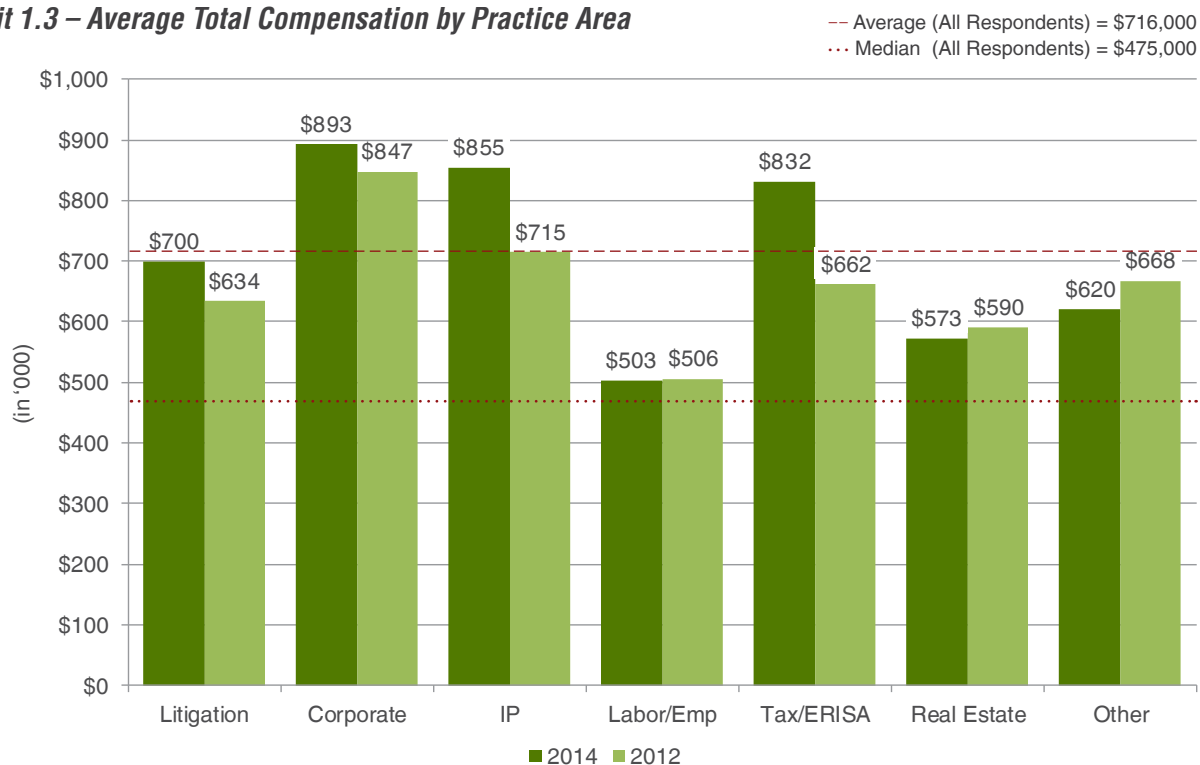
Exhibit 1.2 – Average Total Compensation by Partnership Status



Practice Area

Among the seven practice areas grouped for purposes of this Report, Labor & Employment partners continue to report the lowest average compensation (\$503,000), compared to a high of \$893,000 for Corporate partners. Tax and ERISA (+26%), IP (+20%), and Litigation (+10%) partners showed the largest percentage increases from 2012, while Real Estate (-3%) and Labor & Employment (-1%) partners were the only practice areas to show a decline in average compensation.

Exhibit 1.3 – Average Total Compensation by Practice Area



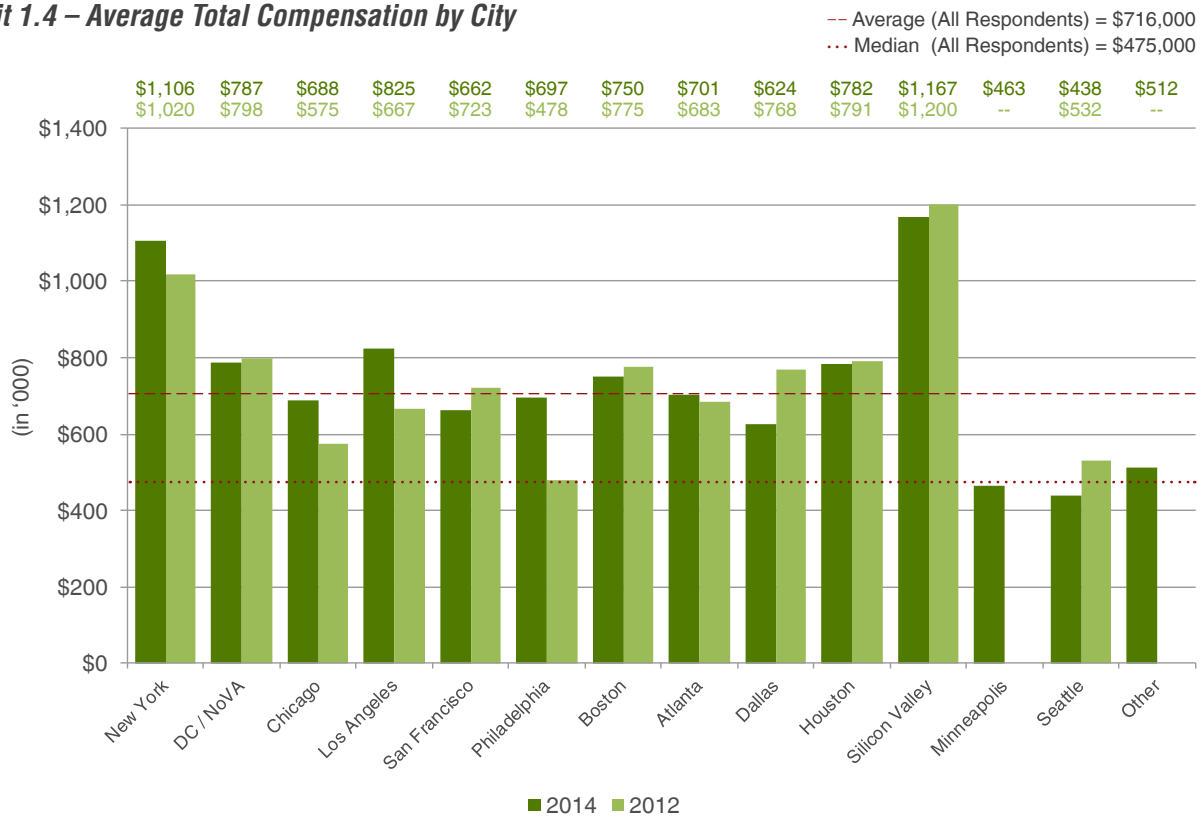
City

The disparity in compensation continues to be quite pronounced when sorted by city. Average compensation ranged from a low of \$438,000 in Seattle to a high of \$1,167,000 in the Silicon Valley area of California, a difference of more than 150%. Unlike 2012, when compensation rose in virtually every city compared to 2010, the 2014 results showed wide swings in partner compensation among cities, with Philadelphia (+46%), Los Angeles (+24%) and Chicago (+20%) showing the largest gains, and Dallas (-19%) and Seattle (-18%) showing the most significant declines. Average compensation for the 13 cities¹ highlighted in this Report is as follows:

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¹These 13 cities were chosen for their total response counts. Each of the 13 had 50 or more responses, with the exception of Seattle (38), which was included for purposes of trending with the 2012 Report, and Minneapolis (45), which was not broken out separately in the 2010 or 2012 Reports.

Exhibit 1.4 – Average Total Compensation by City



Compensation Transparency and Lockstep Type

As in our prior Surveys, partners in Open compensation systems reported *significantly* higher average compensation (\$843,000; +4%) compared to partners in Partially Open (\$574,000; +11%) and Closed (\$484,000; +4%) systems. While both the Open and Closed system partners reported identical percentage gains in 2014, the compensation gap between the two groupings remains a surprising 74%. Median data is much more closely grouped: median compensation for Open system partners was \$575,000, as compared to \$425,000 for partners in Partially Open systems and \$325,000 for partners in Closed systems.

When sorted by Lockstep Type, Pure Lockstep partners reported average compensation of \$821,000 (-33%)² compared to average compensation of \$730,000 (+5%) for Non-Lockstep partners. Partners who classified their compensation system as Generally Lockstep continue to report significantly lower compensation than both categories, with an average compensation of \$629,000 (+12%).

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² Because the population size for the “Pure Lockstep” category (14 responses) is much lower than for the other categories, which had 1,794 (Non-Lockstep) and 280 (Generally Lockstep) responses, respectively, it is difficult to draw meaningful conclusions for this category due to potential greater variance in the reported data.

Exhibit 1.5 – Average Total Compensation by Compensation Transparency

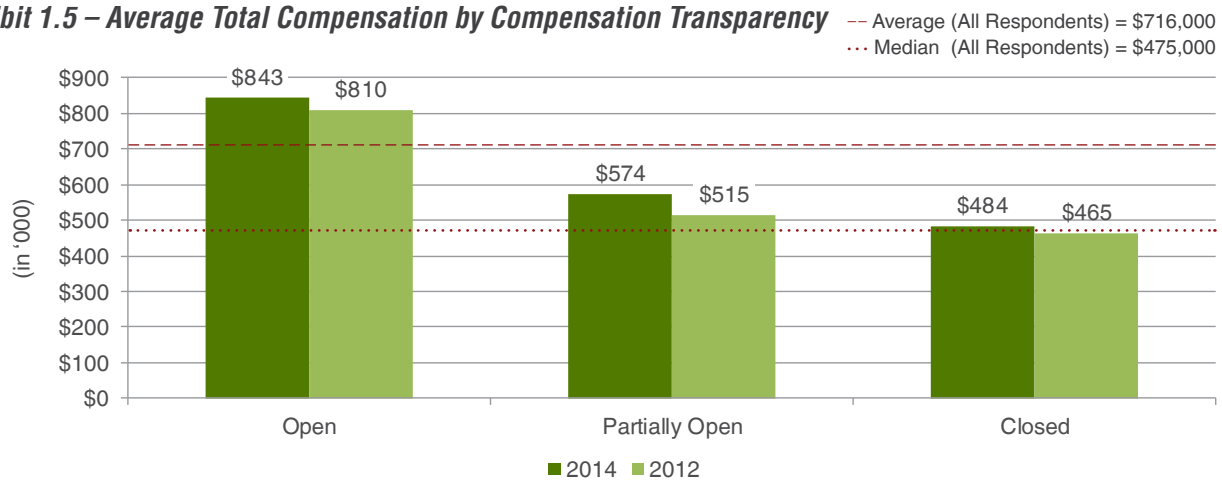
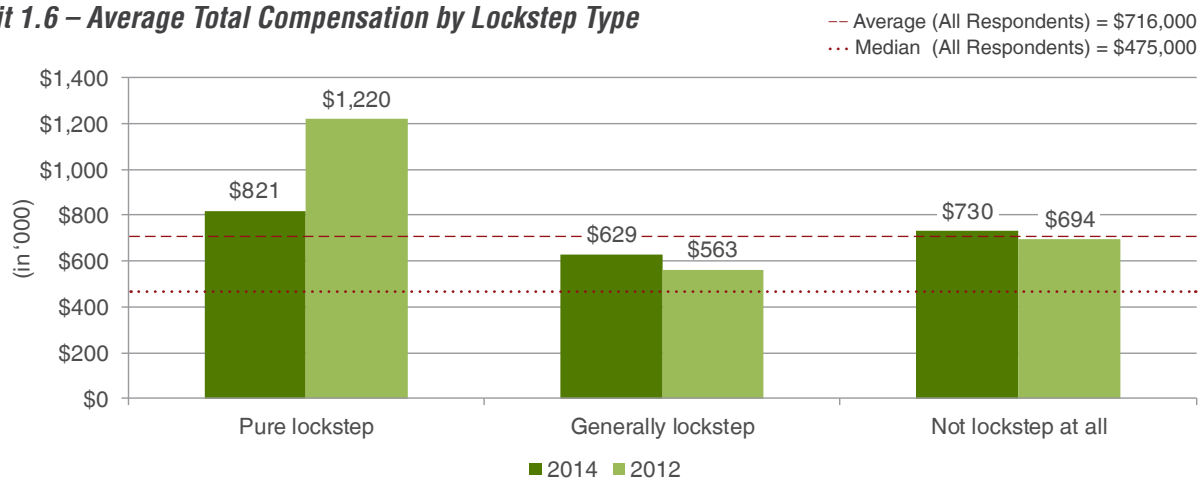


Exhibit 1.6 – Average Total Compensation by Lockstep Type

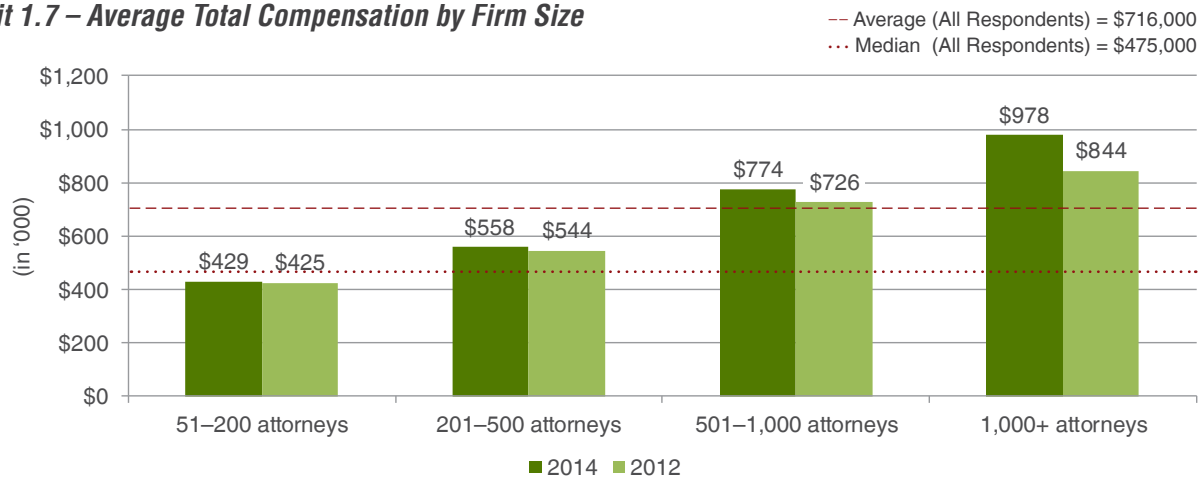


Firm Size and Firm PPP

Although average compensation for all partners as a group rose 5.1% (\$716,000 vs. \$681,000), the growth was very uneven, with average compensation at firms of 51-200 lawyers and firms of 201-500 lawyers rising only 1% and 3%, respectively, while average compensation at firms of 501-1,000 lawyers and firms of 1,000+ lawyers rising 7% and 16%, respectively.

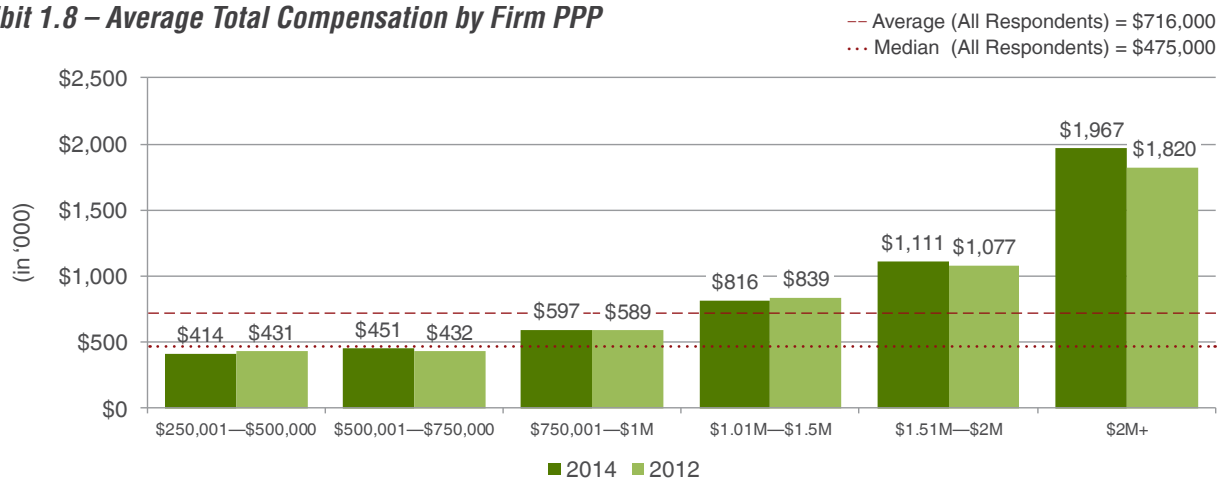
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Exhibit 1.7 – Average Total Compensation by Firm Size



Unlike 2012, when virtually every PPP category other than the two highest showed a decline in average compensation, the 2014 results were more uneven, with no apparent trend. The \$250,001–\$500,000 category showed the largest decline (\$414,000; -4%), while the \$2 million+ category reported the largest gain (\$1,967,000; +8%).

Exhibit 1.8 – Average Total Compensation by Firm PPP



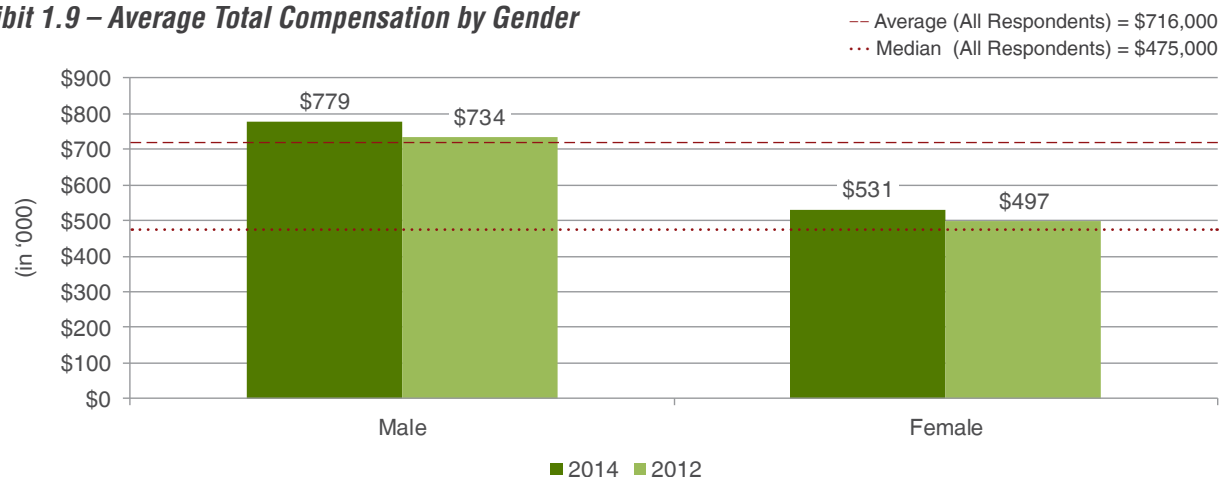
Gender and Ethnicity

As in our prior Surveys, when sorted by gender, male partners' average compensation continues to significantly outpace female partners. Average compensation for male partners was approximately 47% higher than for female partners, \$779,000 (+6%) vs. \$531,000 (+7%). This 47% difference in compensation is consistent with the 48% differential reported in our 2012 Survey. Median compensation for males was \$525,000 vs. \$375,000 for females.

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The average compensation of White partners was \$734,000, up 7% from 2012. Black partners reported significantly higher average compensation (\$574,000; +17%), whereas Hispanic and Asian Pacific partners reported declines of 27% (\$479,000) and 9% (\$645,000), respectively. Partners who categorized themselves as Mixed Races showed an increase of 10%, rising from \$670,000 to \$736,000.³

Exhibit 1.9 – Average Total Compensation by Gender



Changes in Compensation for Lateral Partners

Questions 7 through 9 of the Survey were directed at lateral partners, and asked whether their compensation changed as a result of the lateral move and, if so, by what percent. A total of 956 respondents reported that they joined their current firm laterally as a partner. Approximately 53% of respondents reported that their compensation increased 10% or more as a result of the lateral move, compared to 62% in 2012. Approximately 8% saw it decrease by 10% or more (compared to 9% in 2012), and approximately 39% said their compensation stayed basically the same (compared to 29% in 2012).

*For the complete results, please refer to **Appendix II – Average Total Compensation**, and **Appendix III – Compensation Change for Lateral Partners**.*

Originations

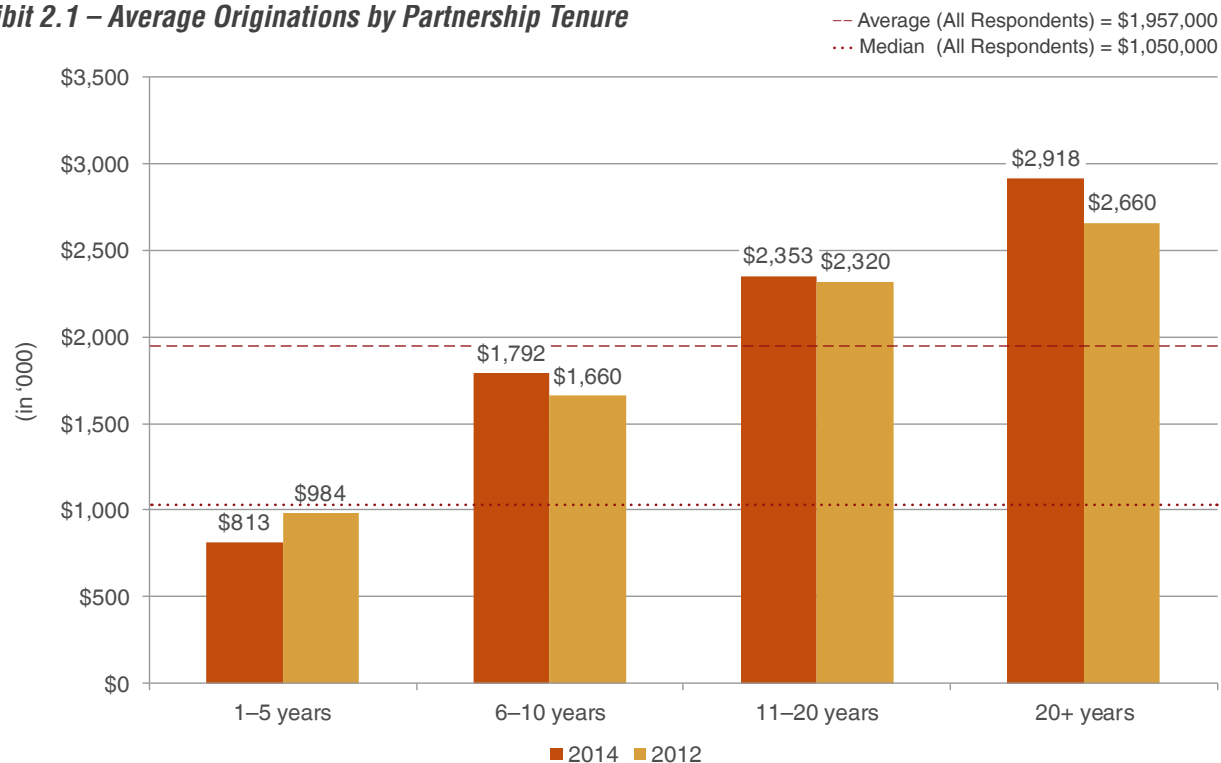
A total of 1,879 respondents provided their originations data, with reported originations ranging from less than \$100,000 (220 respondents) to over \$30 million (6 respondents). Average originations for all respondents were \$1,957,000, up 3% from 2012 (\$1,893,000), mirroring the 3% increase from 2010 to 2012. As with compensation, median originations were significantly lower than the average: median originations for all respondents were \$1,050,000, with respondents at the higher end greatly skewing the average originations data.

³The ethnic categories used in the Survey and this Report track those previously used by the American Bar Association. The number of respondents by ethnic category was as follows: White, not Hispanic (1,854), Black, not Hispanic (49), Hispanic (41), Asian Pacific, not Hispanic (74), American Indian, not Hispanic (4), Native Hawaiian or Pacific Islander, not Hispanic (1), Mixed Races (24). Because of the relatively small number of non-White respondents, it is difficult to draw statistically meaningful conclusions for those categories.

Partnership Tenure and Partnership Status

Unlike 2012, where all but the most senior grouping showed modest increases in originations and the most senior grouping showed an 11% decline, in 2014 partners in the 1 to 5 year category showed a 17% decline in originations (\$810,000 vs. 980,000), whereas those in the 21+ year category posted a 10% gain (\$2,92,000 vs. \$2,660,000). Partners in the 6 to 10 year category and the 11 to 20 year category reported increases of 8% and 1%, respectively.

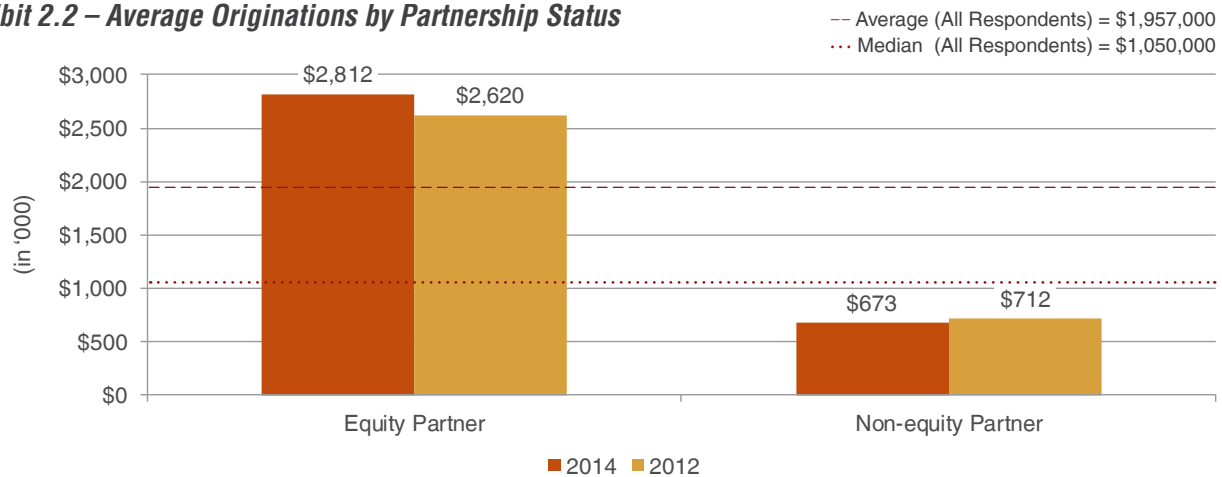
Exhibit 2.1 – Average Originations by Partnership Tenure



Equity partners reported average originations of \$2.81 million (+7%), whereas Non-Equity partners posted a 6% decline (\$670,000). For the first time since we started measuring this data, Equity partners now originate more than four times the amount of business than Non-Equity partners. Moreover, whereas average originations for Equity partners has grown 13% since 2010 (\$2.81 million vs. \$2.49 million), average originations for Non-Equity partners has declined from \$700,000 to \$670,000 during that same period. Median originations for Equity partners and Non-Equity partners generally track the average: median originations for Equity partners were \$1,650,000, which is slightly less than four times the \$450,000 originated by Non-Equity partners.

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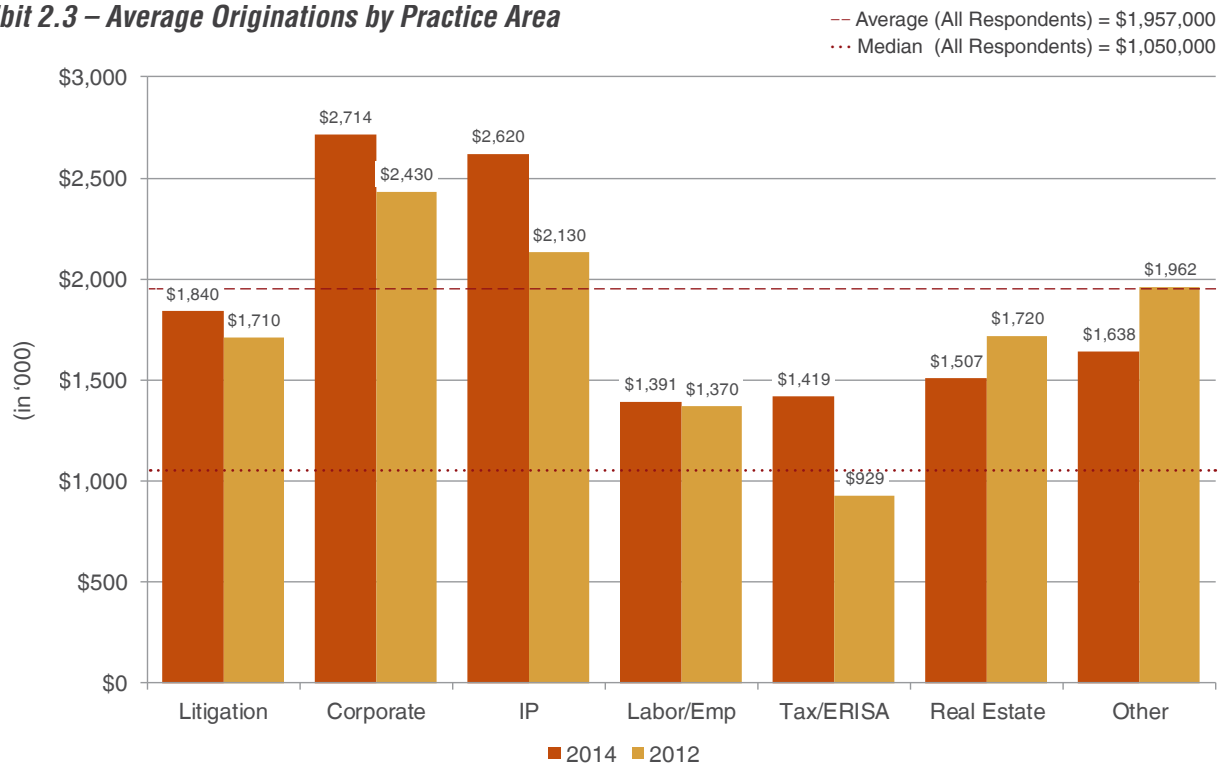
Exhibit 2.2 – Average Originations by Partnership Status



Practice Area

Average originations by Practice Area generally tracked with compensation trends. At the high end, Corporate partners reported average originations of \$2.71 million (+12%), and on the low end, Labor & Employment partners reported \$1.39 million in originations (+1%). Tax & ERISA (\$1.42 million; +53%) and IP (\$2.62 million; +23%) partners reported the most significant gains from 2012, while Real Estate partners showed the largest decline (\$1.51 million; -12%).

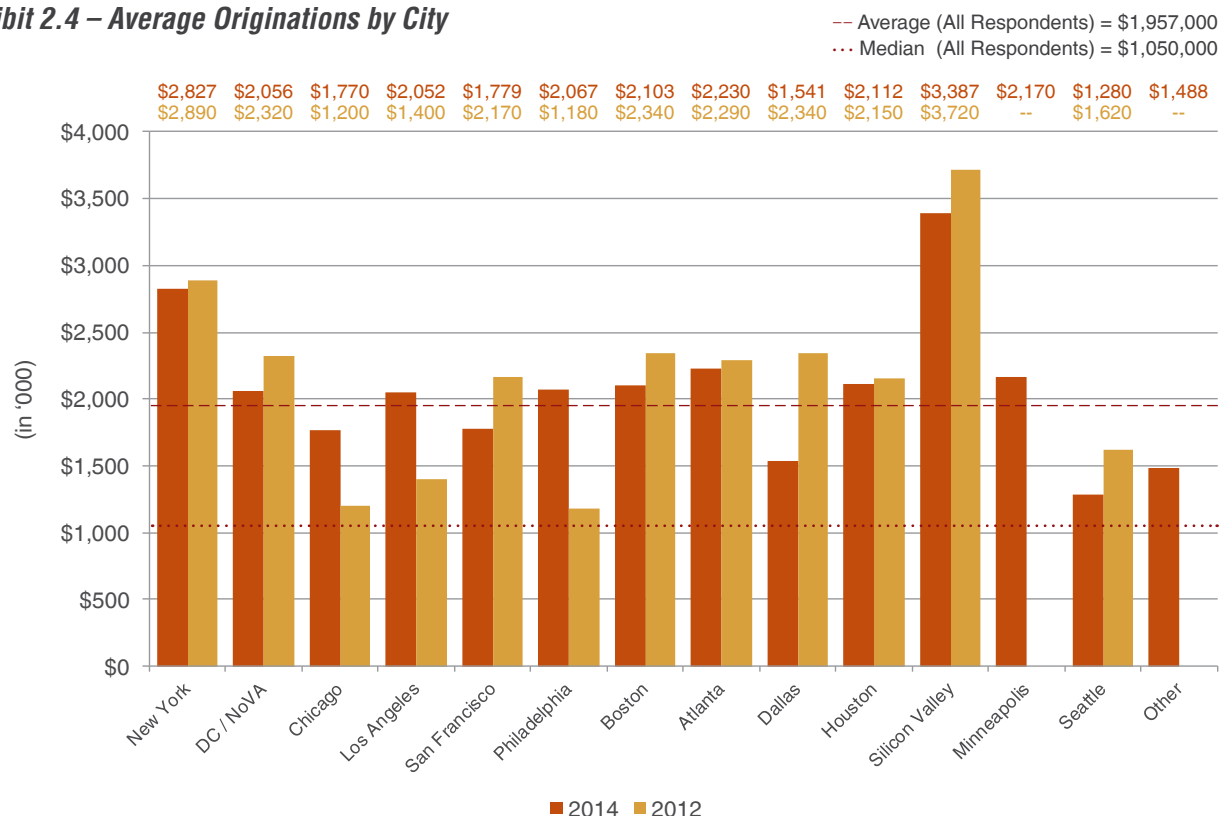
Exhibit 2.3 – Average Originations by Practice Area



City

Origination trends by City also tended to follow compensation trends. Average originations ranged from a low of \$1.28 million in Seattle (-21%) to a high of \$3.39 million in Silicon Valley (-9%). As we saw with total compensation, cities with the highest jumps in total originations were Philadelphia (+75%), Chicago (+48%) and Los Angeles (+46%). Dallas showed the largest decrease in originations, falling 34%, from \$2.34 million in 2012 to \$1.54 million in 2014.

Exhibit 2.4 – Average Originations by City

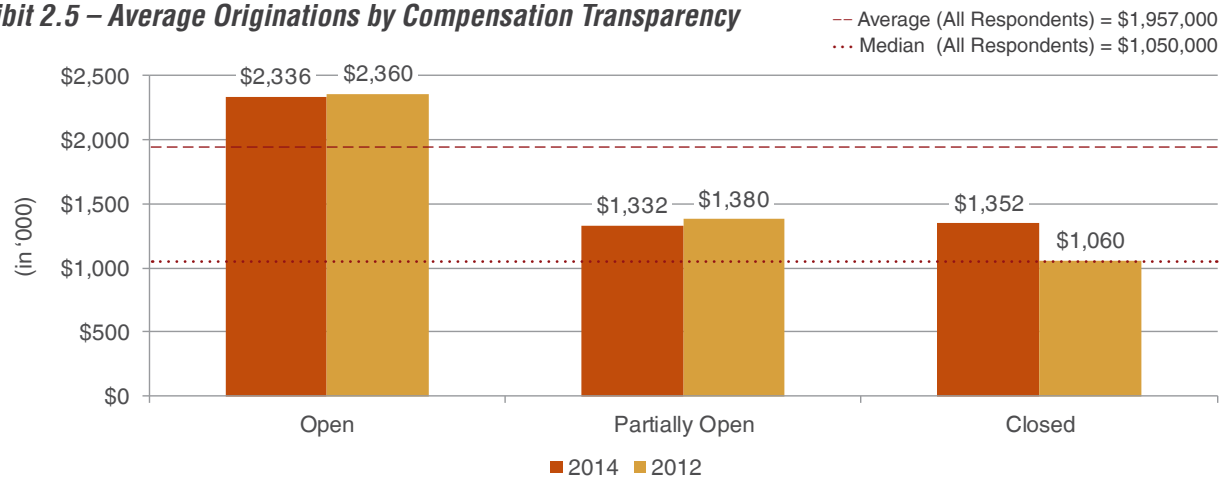


Compensation Transparency and Lockstep Type

While partners in Open compensation systems (\$2.34 million; -1%) continued to report average originations significantly higher than their Partially Open (\$1.33 million; -1%) and Closed compensation system (\$1.35 million; +27%) counterparts, Closed compensation system partners reported strong gains in 2014. We believe the wide disparity in originations among these groups accounts for much of the disparity in compensation for the groups, although it is interesting to note that while the Partially Open and Closed compensation groups reported nearly identical originations in 2014, partners in Partially Open systems earned nearly 19% more than those in Closed systems (\$574,000 vs. \$484,000). Median originations for Open system partners were \$1,250,000, as compared to \$750,000 for partners in Partially Open systems and \$650,000 for partners in Closed systems.

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Exhibit 2.5 – Average Originations by Compensation Transparency

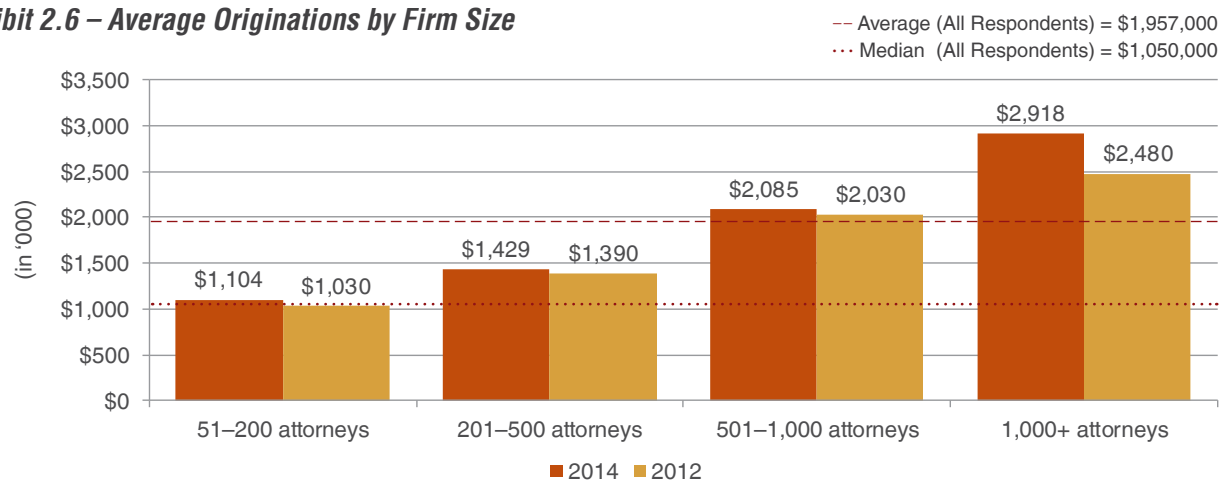


When sorted by Lockstep Type, Pure Lockstep partners showed a significant decline in originations (\$1.1 million; -67%), whereas Generally Lockstep partners reported an increase of 15% (\$1.80 million) and Non-Lockstep partners reported an increase of 3% (\$1.99 million). As noted above, given the relatively small number of Pure Lockstep respondents (14), it is difficult to draw any meaningful conclusions for this category.

Firm Size and Firm PPP

When sorted by Firm Size, much like we see for compensation, the larger the firm, the higher the average originations. Originations at firms with 1,000+ lawyers showed the strongest gains (\$2.92 million), representing an 18% increase from 2012 (\$2.48 million), likely accounting for the similarly strong gain in compensation (+16%) for this group. When sorted by PPP, the results were more uneven, with no apparent trend. The \$500,001-\$750,000 and \$2 million+ categories both posted 10% gains, whereas the \$1,500,001-\$2 million category showed the largest decline (-6%).

Exhibit 2.6 – Average Originations by Firm Size



Gender and Ethnicity

Male partners reported averaged originations of \$2.19 million, representing a gain of 8% over 2012. Conversely, reported originations for females declined 12%, from \$1.41 million in 2012 to \$1.24 million in 2014. This nearly 77% spread in originations between males and females is significantly higher than the 50% spread reported in 2010 and the 44% spread reported in 2012. Median originations for males were \$1,150,000 vs. \$650,000 for females.

White partners averaged \$2 million in originations (+6%). Hispanic partners reported a 26% increase in originations (\$1.83 million), whereas Asian-Pacific partners (\$1.85 million; -17%) and Black partners (\$1.35 million; -9%) both reported declines. Originations for those who classified themselves as Mixed Races were essentially flat (\$2.27 million; +1%).

*For the complete results, please refer to **Appendix IV – Average Total Originations**.*

In her corollary article to this Report, *Show Me the Money*, Natasha Innocenti, Leader of MLA's Northern California Partner Practice Group, examines the disturbing finding that women are still being paid less than men, even when adjusted for comparable levels of originations.

Working Attorney Receipts

A total of 1,981 respondents provided their working attorney receipts (WAR) data, with reported WAR ranging from less than \$100,000 (15 respondents) to over \$5 million (33 respondents)⁴. Average WAR for all respondents was \$1,097,000, up 3% from 2012 (\$1,070,000). Median WAR for all respondents was \$850,000.

Average WAR trends by tenure and status were relatively flat. When sorted by practice area, each group showed gains of at least 6% other than Real Estate partners, the only practice area to report a decline (-14%). Tax & ERISA partners showed the largest gains, at +16%. Notably, although Equity and Non-Equity partners both reported a 2% increase in WAR in 2014, and the spread in WAR between the two groups has actually narrowed from 70% (\$1.31 million vs. \$770,000) in 2010 to 48% (\$1.26 million vs. \$850,000) in 2014, compensation for Non-Equity partners has remained essentially flat whereas compensation for Equity partners continues to rise, lending further support (as if any were still needed) to the fact that in modern law firm life, one's compensation is much more a function of one's originations than one's billable hours.

Although partners in Open compensation systems continue to report dramatically higher average compensation as compared to partners in Partially Open and Closed systems, the differences among the three groups' WAR remains much smaller, at \$1.18 million, \$1.03 million and \$940,000, respectively. Similarly, although there continues to be a large disparity in compensation and originations based on gender, average WAR for male and female partners remain much closer, at \$1.14 million and \$950,000 respectively. Median WAR data for these groups generally tracked the averages.

*For the complete results, please refer to **Appendix V – Average Total Working Attorney Receipts**.*

⁴We question whether the respondents at the high end of the response range understood the question or accompanying instruction.

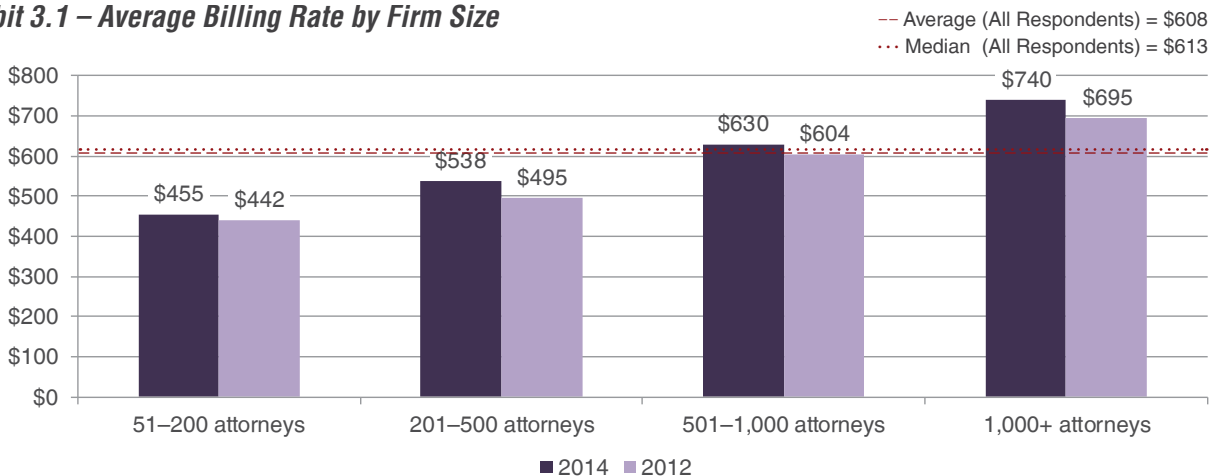
Billing Rates, Billable Hours and Non-Billable Hours

2,072 respondents provided their hourly billing rate data. Hourly billing rates ranged from less than \$50 (1 respondent) to greater than \$1,950 (1 respondent). The average billing rate for all respondents was \$608, up \$24 (+4%) from 2012 (\$584). Notably, unlike compensation data, which was much more uneven across practice areas and cities, every practice area reported higher billing rates in 2014 (with IP leading the way, +10%), and nearly every city reported higher rates as well (with Philadelphia showing the largest gains at +14%), other than Atlanta and Seattle, which both showed declines of 2%.

2,061 and 2,051 respondents provided billable and non-billable hour data, respectively. Reported billable hours ranged from 1,000 hours or below (101 respondents) to 3,000 hours or more (11 respondents). Reported non-billable hours ranged from 50 hours or below (31 respondents) to 1,000 hours or more (279 respondents). The average billable hours for all respondents was 1,686 hours, virtually identical to the 1,687 reported in 2012, and non-billed time averaged 526 hours, down slightly from 530 in 2012. Interestingly, despite variations in reported billable time and non-billable time over the course of our 2010, 2012 and 2014 Surveys, the total number of hours worked has remained essentially flat (2,220 hours in 2010; 2,217 hours in 2012; and 2,212 hours in 2014). Median billable hours and non-billable hours were 1,725 and 475, respectively.

Generally speaking, the larger the firm, the higher the billing rate and the higher the number of billable and non-billable hours (although the spread in non-billable hours was much, much tighter). When sorted by PPP, the more profitable firms naturally had higher billing rates, but the variance in billable hours was much tighter among the three lowest categories before rising appreciably for each of the three higher categories. This trend was also generally true as to non-billable hours, with the three lowest PPP categories being tightly grouped before rising for the higher PPP categories, with one notable exception: once again, partners at firms with PPP in excess of \$2 million reported significantly lower non-billable hours than partners in all other firm PPP categories.

Exhibit 3.1 – Average Billing Rate by Firm Size



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Exhibit 3.2 – Average Billable Hours by Firm Size

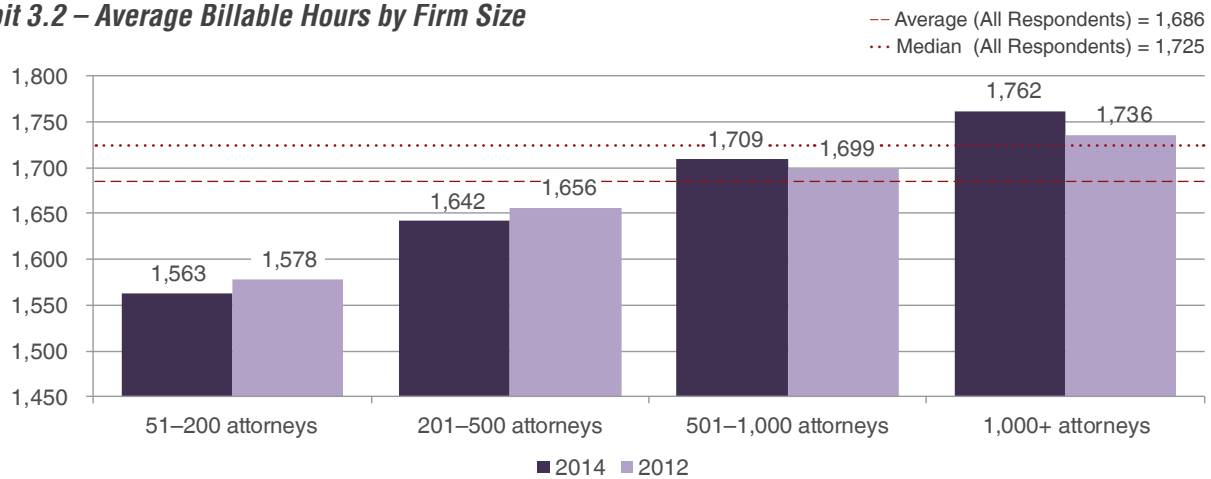
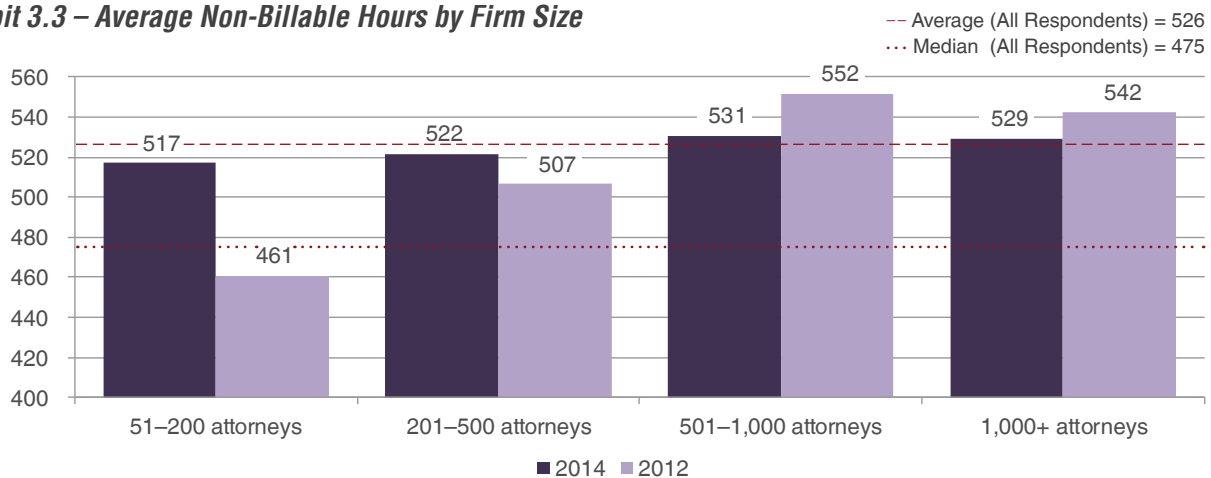


Exhibit 3.3 – Average Non-Billable Hours by Firm Size



Below are highlights of selected billing rates, billable hours and non-billable hours data.

BILLING RATES

- IP partners and Tax & ERISA partners showed the highest percentage gains in billing rates, climbing to \$662 (+10%) and \$680 (+8%), respectively, whereas Labor & Employment partners continued to report the lowest hourly billing rate at \$505, up 7% from \$473 in 2012. All practice areas showed at least a 3% increase in billing rates.
- Virtually every city reported an increase in billing rates, with the exception of Atlanta and Seattle, which both showed a 2% decrease.
- Average billing rates for male partners rose 4%, climbing from \$598 in 2012 to \$624 in 2014. Female partner billing rates rose 5% to \$561 from \$533.

BILLABLE HOURS

- For the first time since MLA began measuring this data, Non-Equity partners averaged higher billable hours than Equity partners (1,692 hours vs. 1,681 hours).

- Corporate partners showed the largest percentage gain in billable hours, up from 1,518 hours in 2012 to 1,601 in 2014 (+5%). Billable hours for Litigators, IP partners and Real Estate partners were essentially flat (+/- less than 1%), and billable hours for Tax & ERISA and Labor & Employment partners showed modest increases (+3% and +2%, respectively).
- Billable hours fell in eight of the 13 cities, with Boston posting the largest percentage decline (-8%; 1,653 in 2014 vs. 1,781 in 2012). Silicon Valley reported the highest percentage increase (+6%), rising from 1,718 to 1,826, which also represented the highest average number of billable hours for all cities.
- Male partners billed 1,702 hours in 2014, up 1% from 2012 (1,690). Female partners reported a 2% decline in billable hours, falling to 1,634 from 1,670 in 2012.

NON-BILLABLE HOURS

- Partners in the 20+ year category were the only tenure grouping to show an increase in non-billable hours, rising from 587 in 2012 to 614 in 2014 (+5%). All other tenure groupings reported lower non-billable hours, with the largest drop reported by the 6 to 10 year category (from 531 to 507; -5%).
- Equity partners continue to report higher non-billable hours than Non-Equity partners, 569 vs. 464.
- Open compensation system partners again significantly outpaced Closed compensation system partners in non-billable hours, reporting 560 non-billable hours vs. 453 hours in 2014 (versus 571 and 435, respectively, in 2012).
- Smaller firms reported an increase in non-billable hours (517 and 522 hours, respectively for firms of 51-200 attorneys (+12%) and 201-500 attorneys (+3%), respectively), versus a decline in non-billable hours for larger firms (531 and 529 hours, respectively, for firms with 501-1,000 attorneys (-4%) and 1,000+ attorneys (-2%), respectively).
- Non-billable hours of female partners rose 4%, from 490 in 2012 to 512 in 2014, vs. a 2% drop by male partners, from 541 to 531.

*For the complete results, please refer to **Appendix VI – Average Billing Rates**, **Appendix VII – Average Billable Hours**, and **Appendix VIII – Average Non-Billable Hours**.*

COMPENSATION SATISFACTION, FACTORS AND SYSTEMS

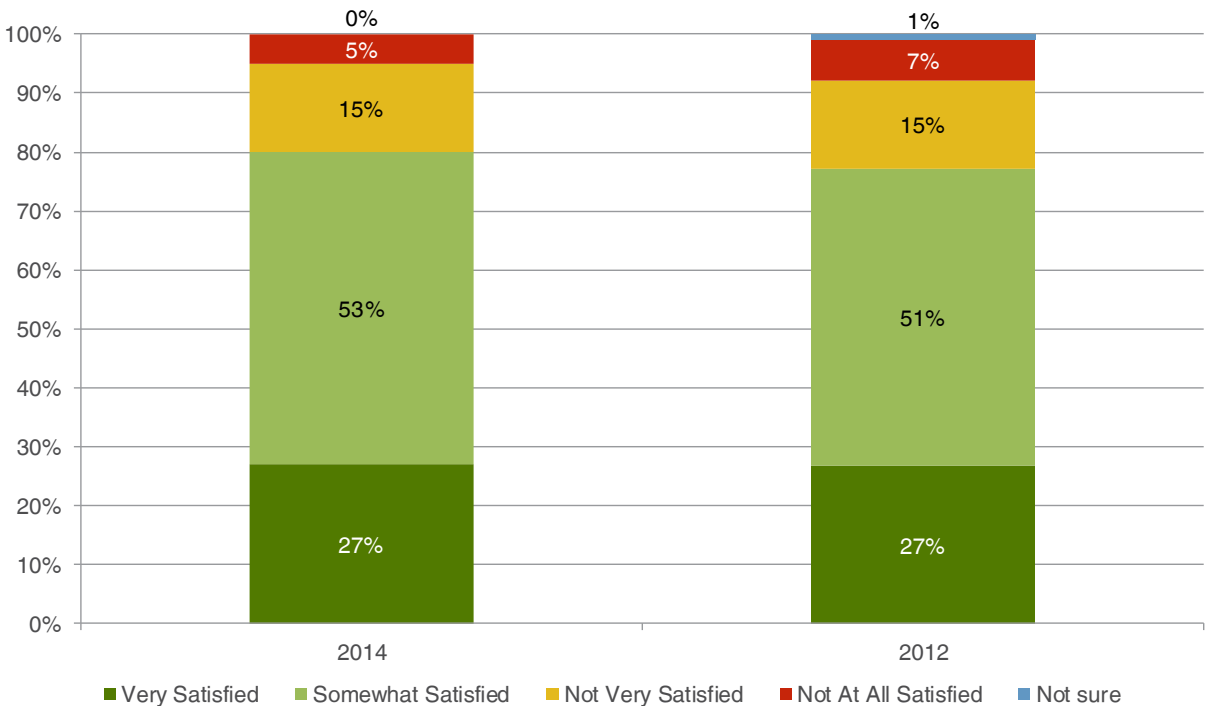
Questions 18 through 29 of the Survey dealt with compensation satisfaction and the respondents' perceptions of their compensation and compensation systems. Satisfaction data was then sorted by the following categories:

- | | |
|-------------------------------------|--------------------------|
| 1. Partnership Tenure | 9. Total Compensation |
| 2. Partnership Status | 10. Total Originations |
| 3. Practice Area | 11. Total Billable Hours |
| 4. City | 12. Firm Size |
| 5. Lateral Status | 13. Firm PPP |
| 6. Move-Related Compensation Change | 14. Gender |
| 7. Compensation Transparency | 15. Ethnicity |
| 8. Lockstep Type | |

Satisfaction Ratings

Question 24 addressed compensation satisfaction. A total of 2,082 respondents answered this question. 27% classified themselves as Very Satisfied, 53% classified themselves as Somewhat Satisfied, 15% said they were Not Very Satisfied, and 5% were Not at all Satisfied. These satisfaction levels are very similar to the results of the 2010 and 2012 Surveys and to the results of our most recent **Lateral Partner Satisfaction Survey**, where 86.5% of all *lateral* partners reported that they were either Very Satisfied or Somewhat Satisfied with their current firms.

Exhibit 4.1 – Overall Satisfaction with Total Compensation



Partnership Tenure and Partnership Status

The two most senior groupings of lawyers once again were more likely to classify themselves as Very Satisfied with their compensation (29% and 37% for categories 11 to 20 years and 20+ years, respectively, versus 19% and 23% for categories 1 to 5 years and 6 to 10 years, respectively). Moreover, the chasm between Equity partners’ and Non-Equity partners’ compensation satisfaction remains wide. Equity partners were once again three times more likely to classify themselves as Very Satisfied than Non-Equity partners (37% vs. 12%, as compared to 36% vs. 12% in 2012), and were also much less likely to classify themselves as Not at all Satisfied (3% vs. 8%, as compared to 4% vs. 11% in 2012).

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Exhibit 4.2 – Satisfaction by Partnership Tenure

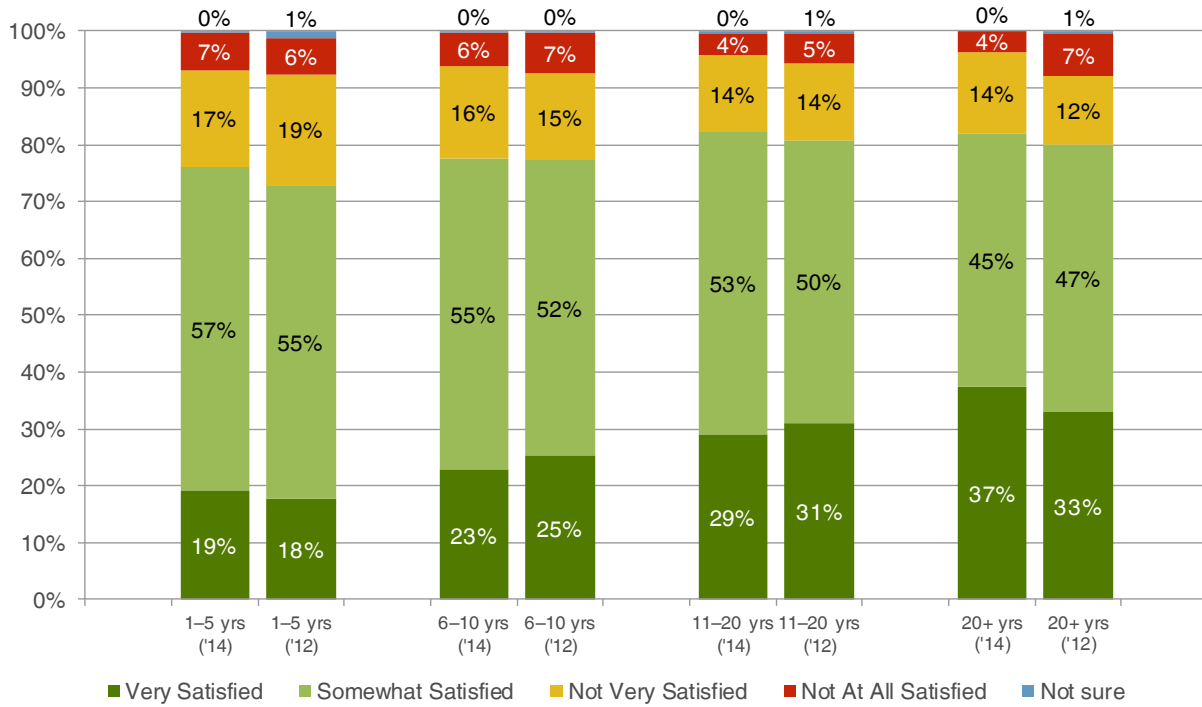
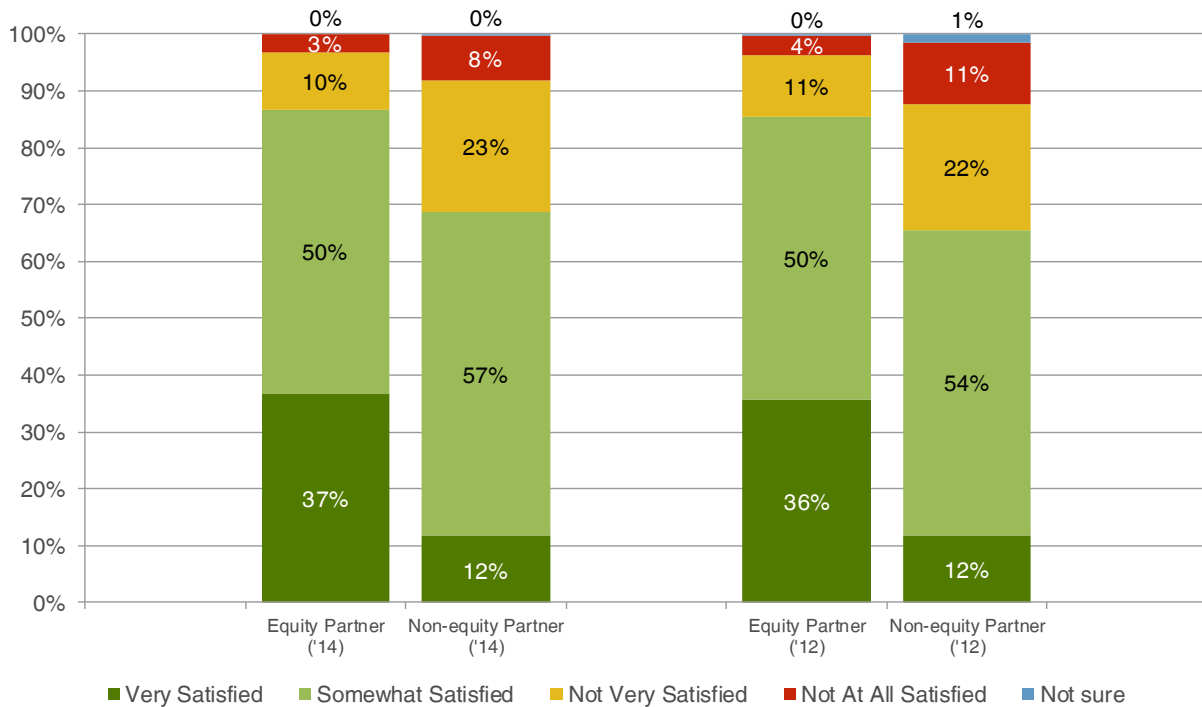


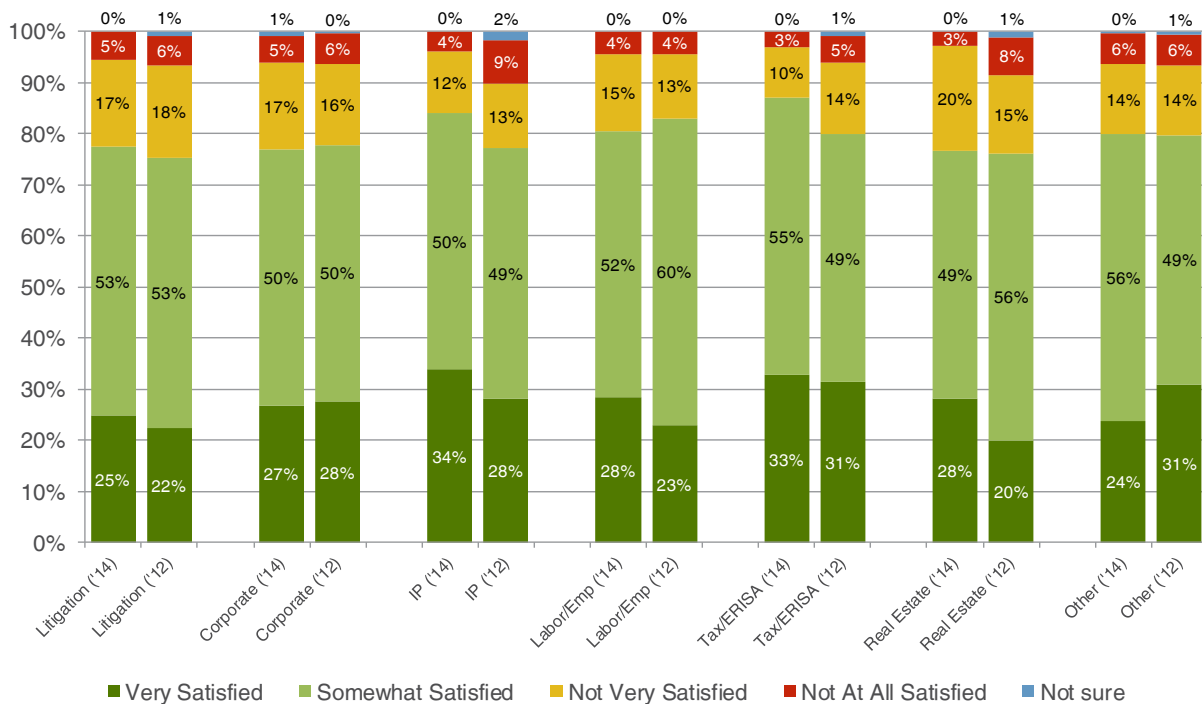
Exhibit 4.3 – Satisfaction by Partnership Status



Practice Area

Sorting the data by Practice Area, IP partners were most likely to classify themselves as Very Satisfied (34%), up strongly from 2012 (28%), whereas Litigation partners were least likely (25%), up slightly from 2012 (22%). Real Estate partners showed the strongest gains, with 28% classifying themselves as Very Satisfied in 2014 versus 20% in 2012. IP and Real Estate also showed the greatest decrease in percentage of partners classifying themselves as Not at all Satisfied, with IP falling from 9% to 4% and Real Estate falling from 8% to 3%. Tax & ERISA partners had the highest overall satisfaction rate, with 88% classifying themselves as either Very Satisfied or Somewhat Satisfied, up from 80% in 2012. The next closest were IP partners, at 84%, up from 77% in 2012.

Exhibit 4.4 – Satisfaction by Practice Area



City

Cities with high satisfaction (33% or more Very Satisfied) include Silicon Valley (36%), San Francisco (33%) and Philadelphia (33%). At the other end of the spectrum, only 18% of Seattle-based partners reported that they are Very Satisfied with their compensation, a drop of approximately 20 percentage points from 2012. Minneapolis and Silicon Valley had the highest percentage of partners classifying themselves as Not at all Satisfied (9%), with Seattle the lowest (3%, up from 0% in 2012). Unlike 2012, where five cities had 25% or more of their partners classifying themselves as either Not at all Satisfied or Not Very Satisfied, no cities hit that threshold in 2014. Philadelphia showed the strongest gains in overall satisfaction, with 80% of partners classifying themselves as either Very Satisfied or Somewhat Satisfied, up sharply from 69% in 2012. Conversely, partners in Houston and Dallas classifying themselves as either Not at all Satisfied or Not Very Satisfied rose sharply in 2014, from 8% and 9%, respectively, in 2012, to 19% and 16%, respectively, in 2014.

Exhibit 4.5a – Satisfaction by City (2014)

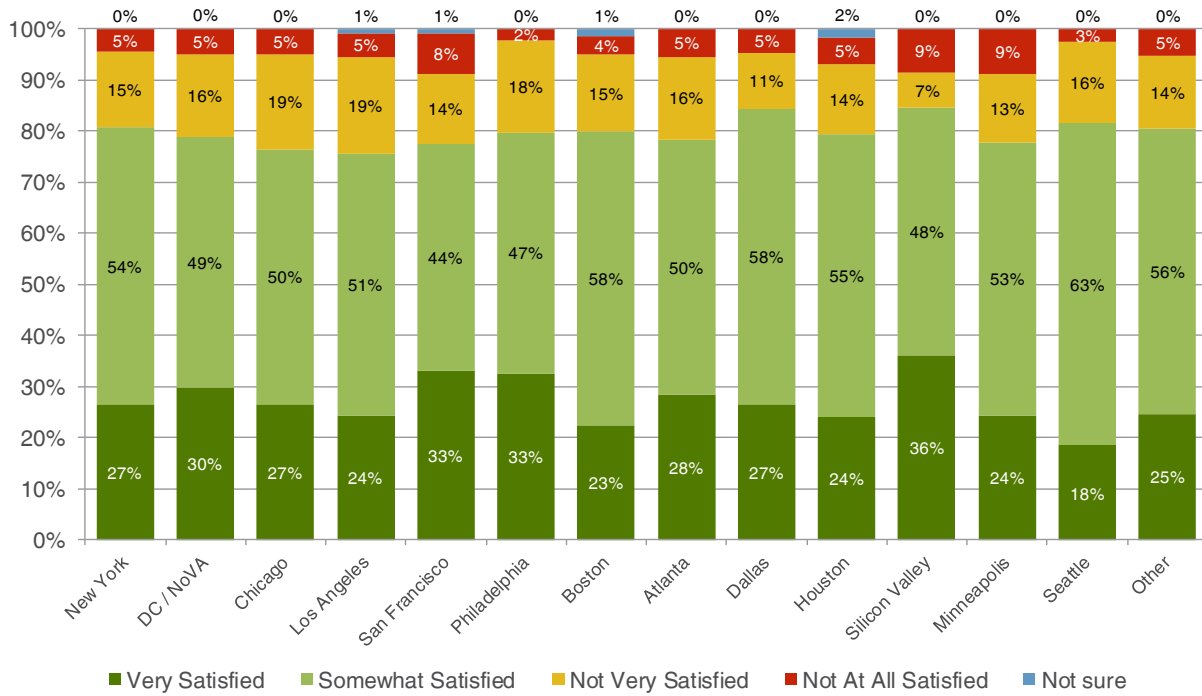
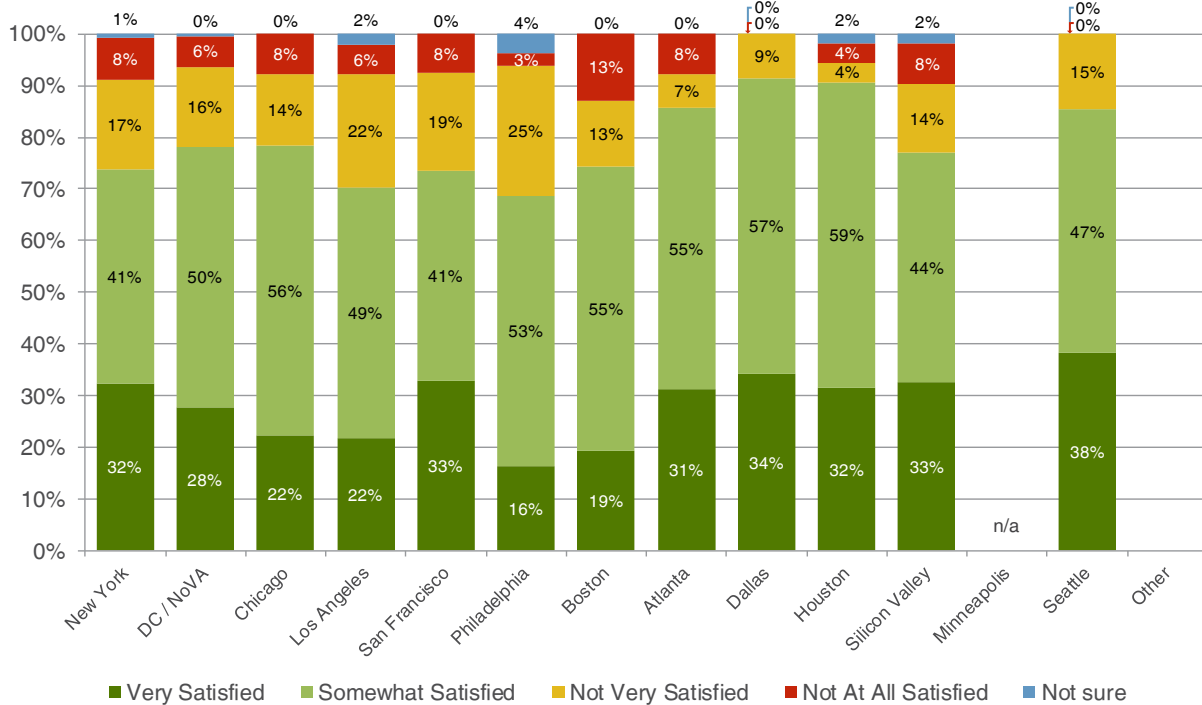


Exhibit 4.5b – Satisfaction by City (2012)



Compensation Transparency and Lateral Movement

Once again, partners in Open compensation systems were much more likely to classify themselves as Very Satisfied (32%) than partners in Partially Open (20%) or Closed (18%) compensation systems, though the gap has narrowed somewhat since our last Survey: In 2012, 34% of partners in Open systems classified themselves as Very Satisfied compared to 13% in Closed systems. Partners who joined their firms laterally as partners were also more likely to classify themselves as Very Satisfied (32%) than “home grown” partners (23%), which is generally consistent with the 2012 results (30% vs. 24%).

Exhibit 4.6 – Satisfaction by Compensation Transparency

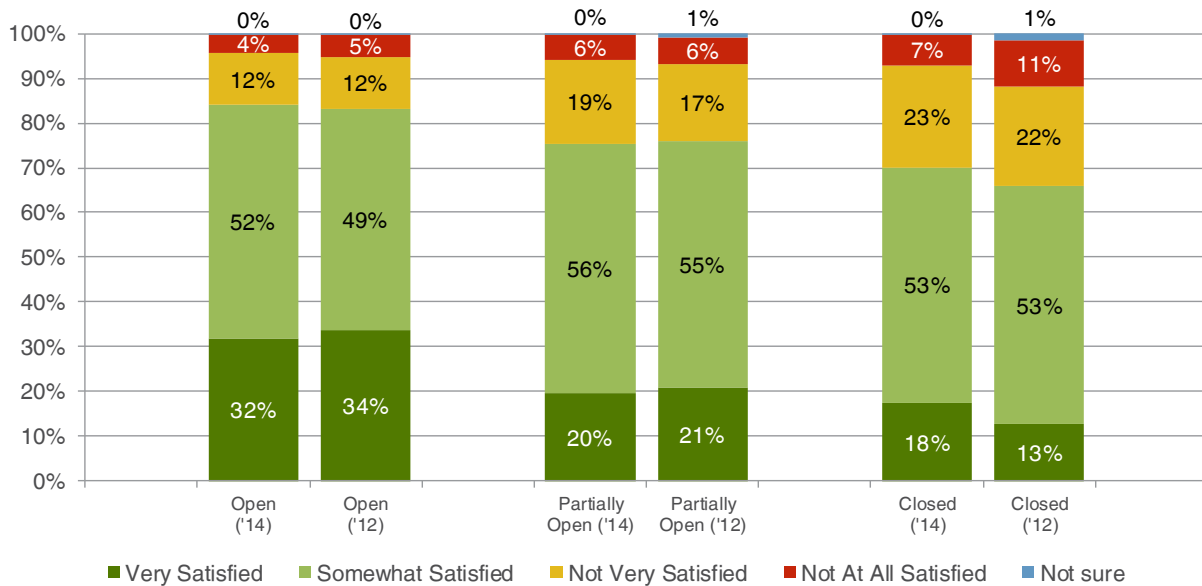
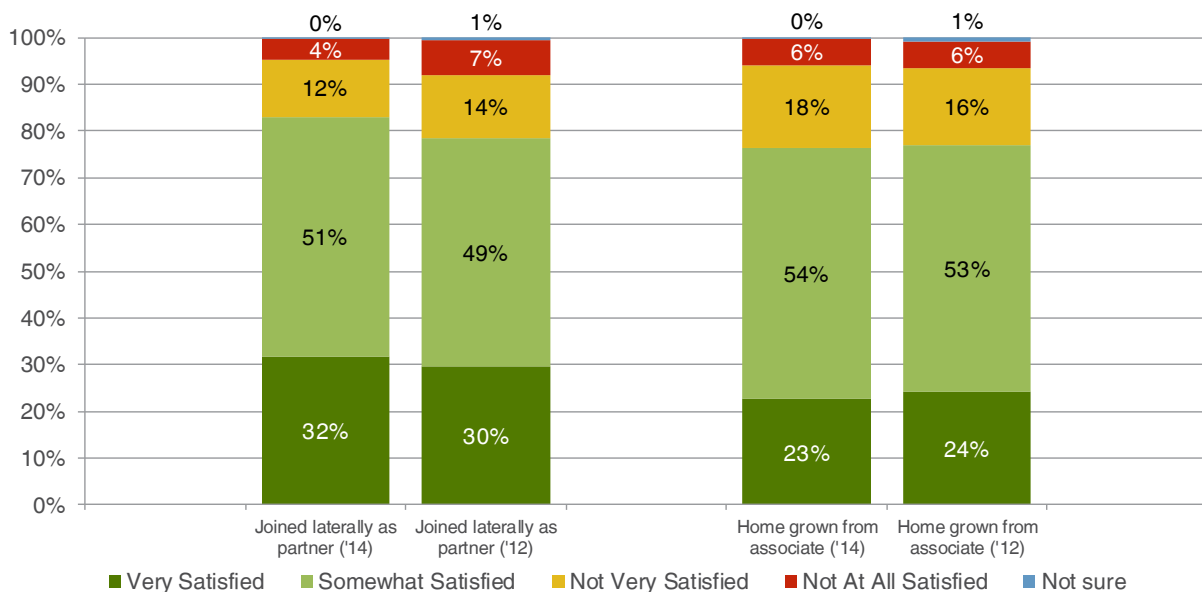


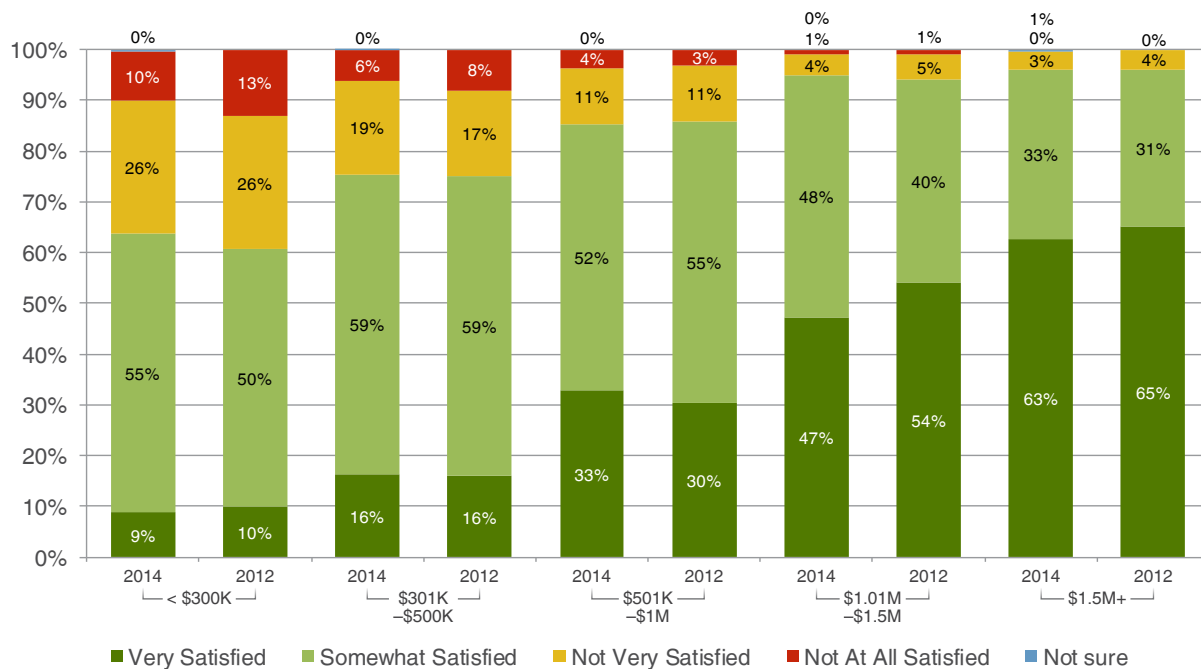
Exhibit 4.7 – Satisfaction by Lateral Movement



Total Compensation, Total Originations, Billable Hours

Not surprisingly, compensation satisfaction climbs in relation to total compensation. Once again, in 2014 we saw significantly higher levels of compensation satisfaction in the higher compensation ranges, though the percentage of partners in the \$1 million to \$1.5 million grouping classifying themselves as Very Satisfied fell from 54% to 47%. The relationship between compensation satisfaction and originations mirrors that of compensation, with satisfaction levels rising steadily as originations increase, though the groupings are somewhat tighter on both ends of the scale (*i.e.*, Very Satisfied and Not at all Satisfied). When sorted by billable hours, the spread between groupings is narrower, although it is interesting to note that partners in the higher billable hour groupings have higher levels of compensation satisfaction.

Exhibit 4.8 – Satisfaction by Total Compensation



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Exhibit 4.9 – Satisfaction by Total Originations

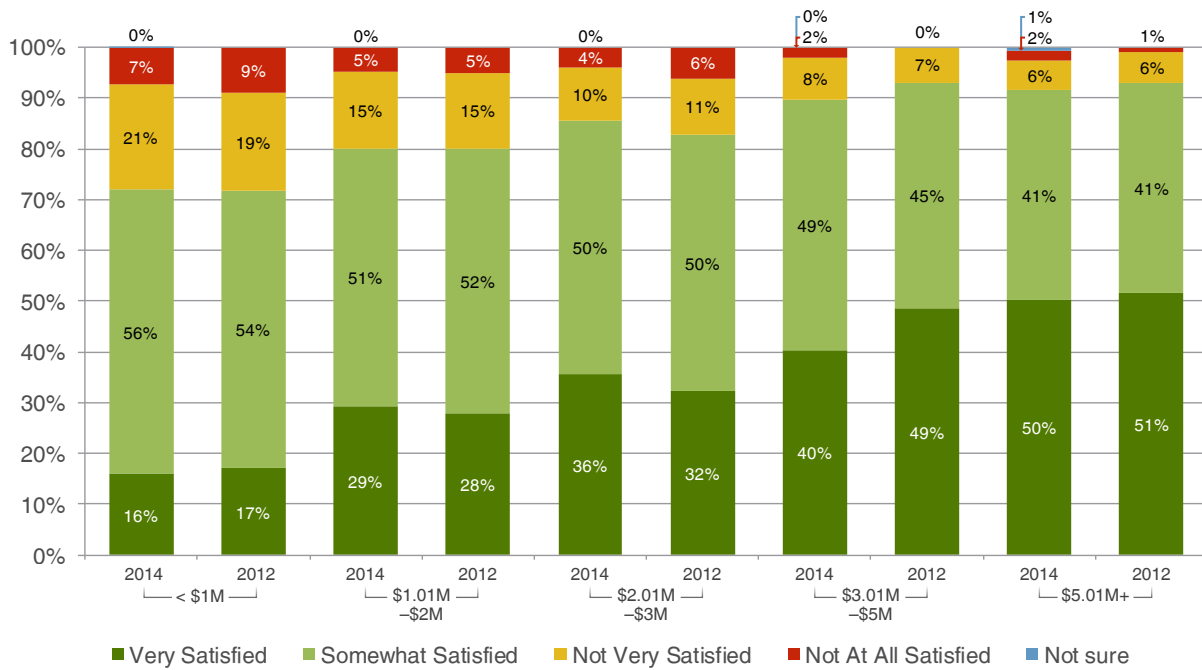
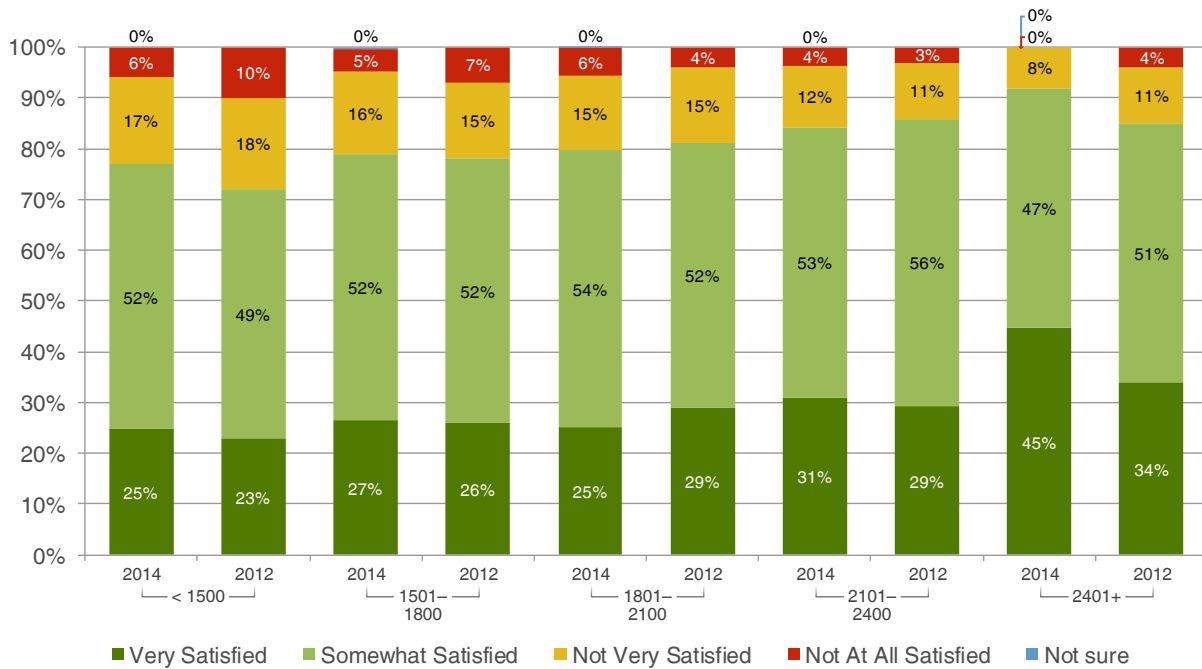


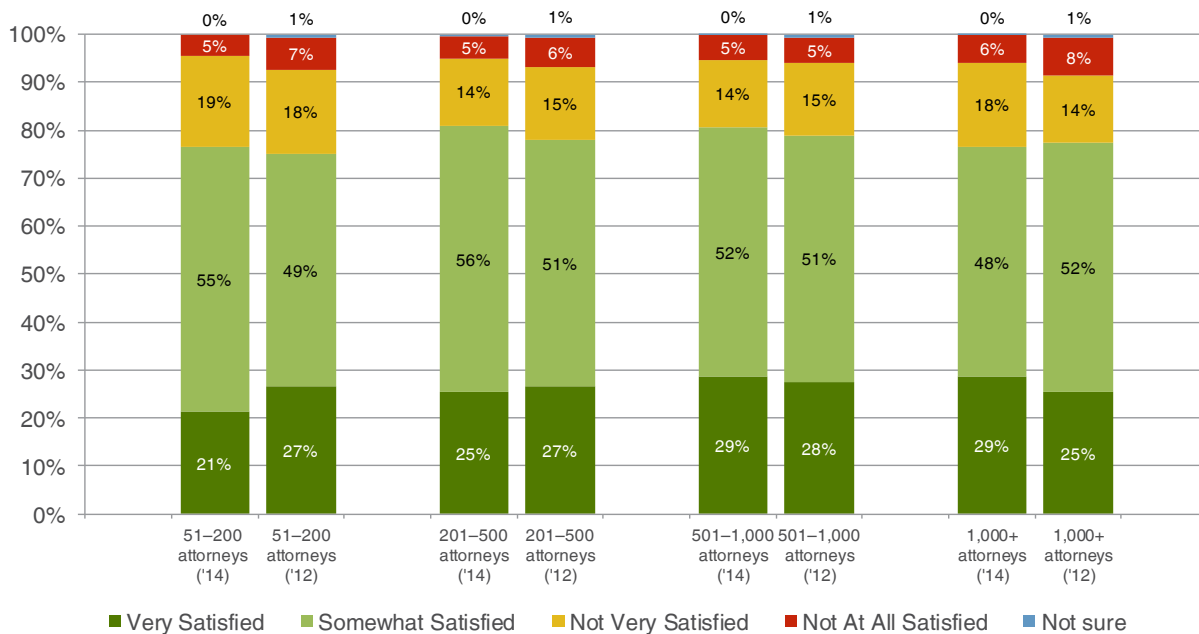
Exhibit 4.10 – Satisfaction by Billable Hours



Firm Size and Firm PPP

Although Firm Size seemed to have no significant bearing on compensation satisfaction in 2012, in 2014 partners at larger firms were more likely to classify themselves as Very Satisfied than those at smaller firms. Similarly, partners at firms with higher PPP generally were more likely to classify themselves as Very Satisfied and less likely to say they were Not Very Satisfied or Not at all Satisfied, which generally is consistent with the 2012 results, with the exception of firms at the lowest end of PPP, which also showed a large increase in Very Satisfied partners.

Exhibit 4.11 – Satisfaction by Firm Size



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Exhibit 4.12a– Satisfaction by Firm PPP (2014)

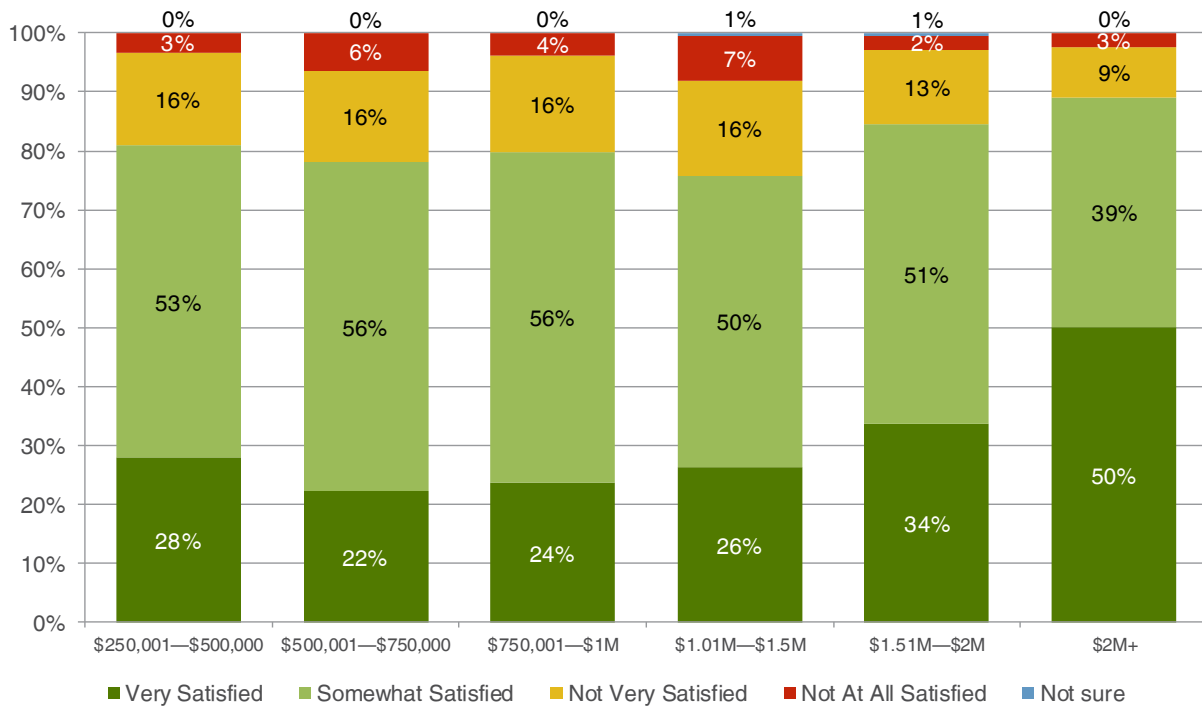
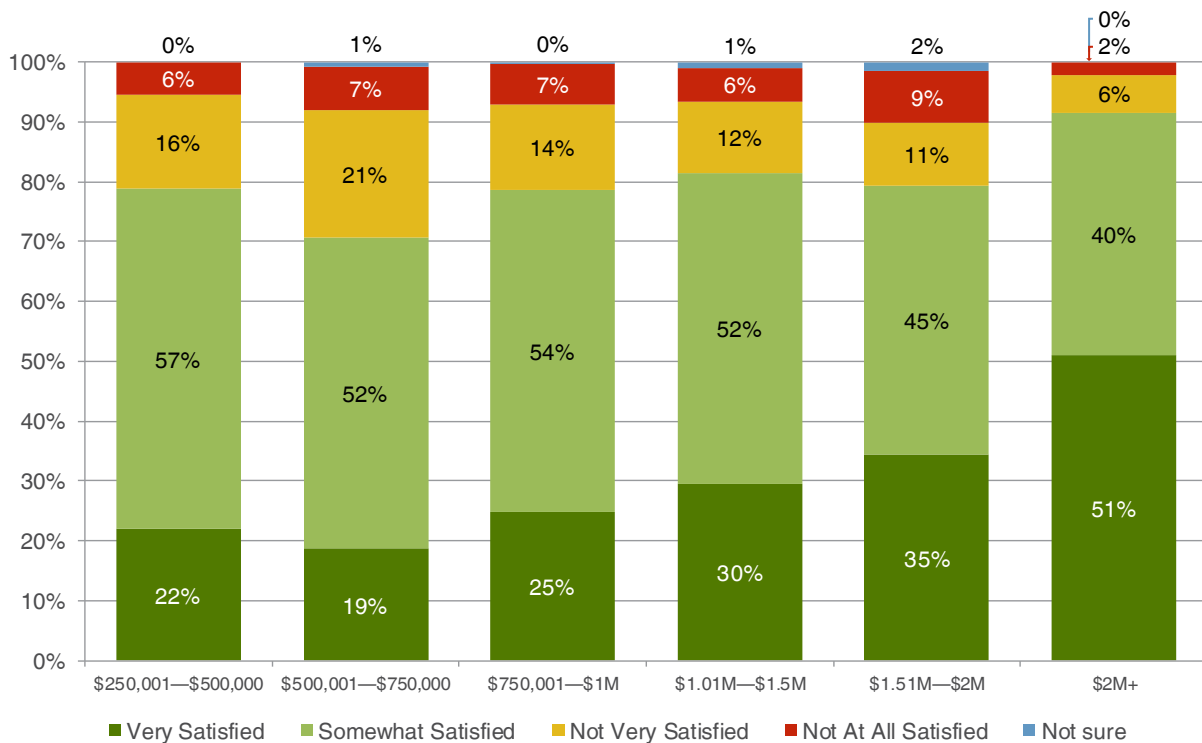


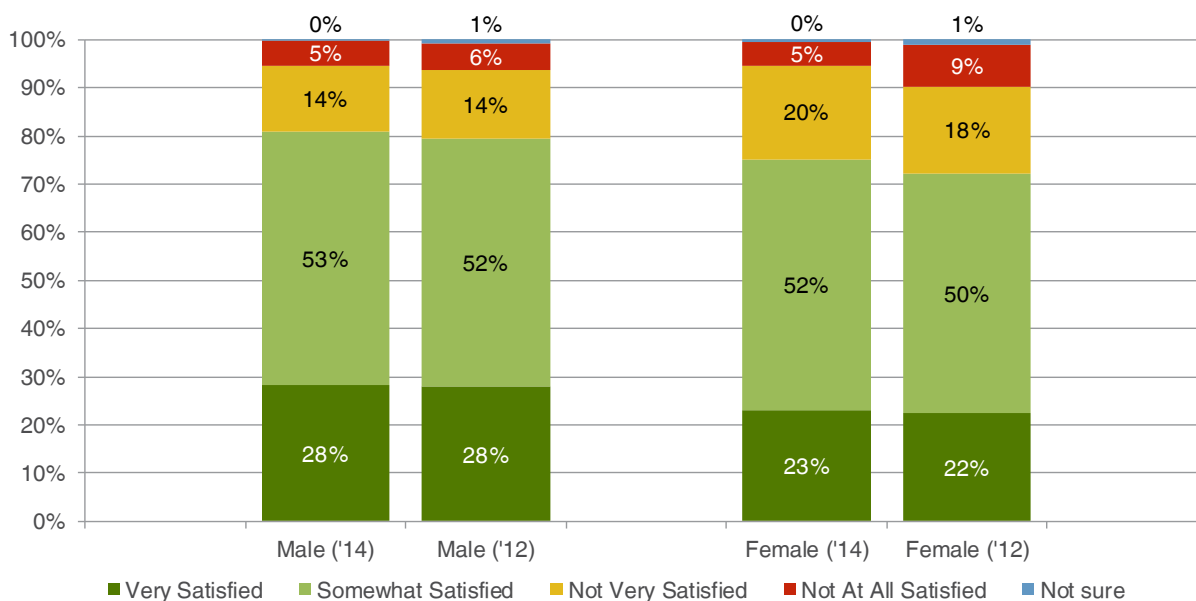
Exhibit 4.12b– Satisfaction by Firm PPP (2012)



Gender and Ethnicity

In 2014, 28% of males reported that they were Very Satisfied with their compensation, compared to 23% of females. These results are virtually identical to the 2012 results. At the opposite end, in 2012, 6% of males and 9% of females reported that they were Not at all Satisfied with their compensation, both of which have fallen slightly, to 5% and 5%, respectively, in 2014. However, while the change from 2012 to 2014 is not dramatic, the change from the dark days of 2010 is more striking, when 16% of males and 19% females classified themselves as Not at all Satisfied.

Exhibit 4.13 – Satisfaction by Gender



The level of satisfaction among White partners was generally consistent with the 2012 results, with 28% classifying themselves as Very Satisfied and only 4% classifying themselves as Not at all Satisfied (compared to 27% and 6%, respectively, in 2012). Conversely, the level of satisfaction among Black partners dropped precipitously in 2014, with only 14% classifying themselves as Very Satisfied and 43% classifying themselves as Somewhat Satisfied, compared to 24% and 52%, respectively, in 2012. Similarly, while nearly an equal number of Hispanic partners classified themselves as Very Satisfied in 2014 as in 2012 (24% versus 27%), the percentage of partners classifying themselves as Not Very Satisfied or Not at all Satisfied rose from 9% and 6%, respectively, in 2012 to 20% and 12%, respectively, in 2014. While Asian Pacific partners had a higher percentage of partners classifying themselves a Very Satisfied in 2014 (24%) compared to 2012 (19%), the percentage of partners classifying themselves as Not Very Satisfied or Not at all Satisfied rose from 15% and 8%, respectively, in 2012 to 22% and 10%, respectively, in 2014. Partners classifying themselves as Mixed Races also showed strong gains in satisfaction, with 25% and 58% classifying themselves as Very Satisfied or Somewhat Satisfied, respectively, compared with 15% and 40%, respectively, in 2012. Notably, only 17% classified themselves as Not Very Satisfied, compared to 25% in 2012, and *no* partners classified themselves as Not Very Satisfied in 2014, compared to 15% in 2012⁴.

⁴Again, it is difficult to draw meaningful conclusions for the non-White categories because of the relatively small number of respondents.

Exhibit 4.14a – Satisfaction by Ethnicity (2014)

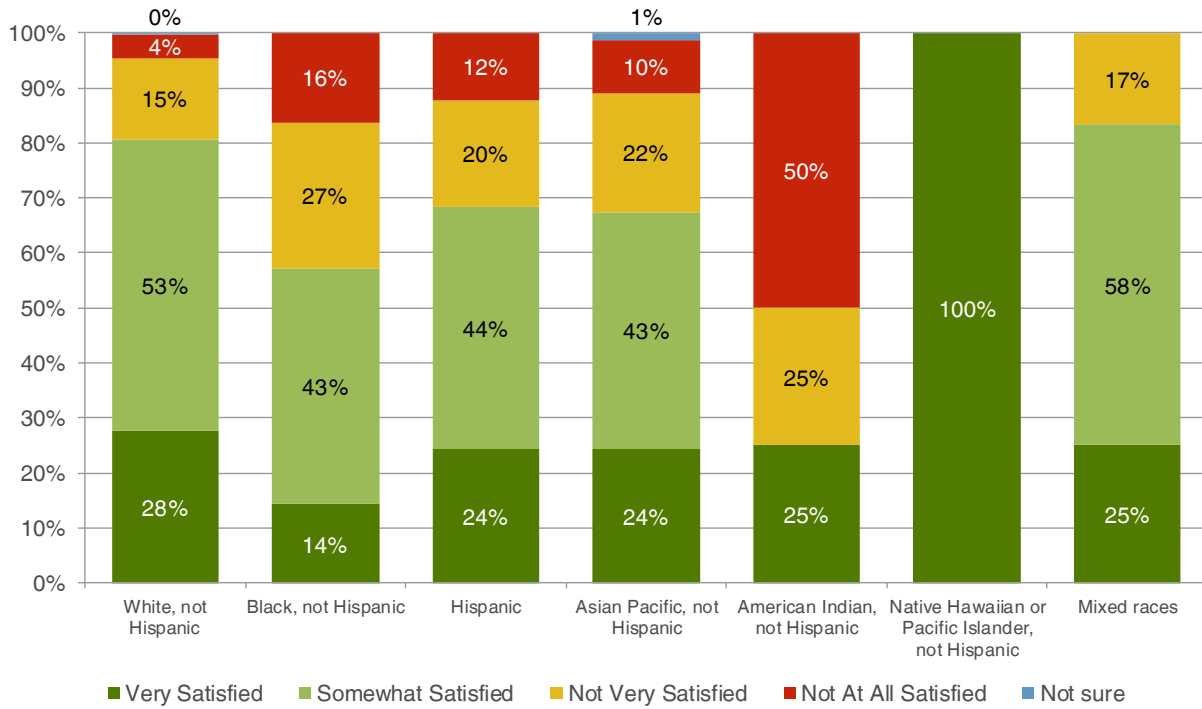
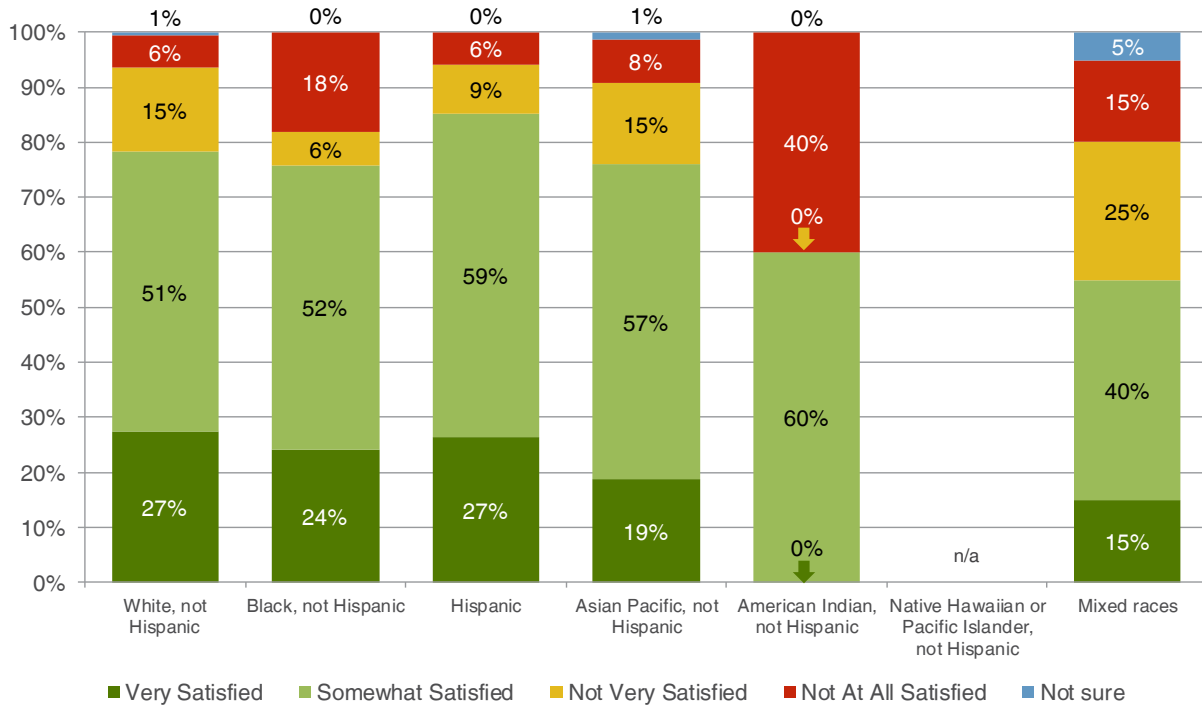


Exhibit 4.14b – Satisfaction by Ethnicity (2012)



Compensation Satisfaction and Perceived Bias

Respondents who answered Not Very Satisfied or Not at all Satisfied to Question 24 were then asked if their lack of satisfaction was attributable to any biases on the part of their firms, such as cronyism, gender bias, racial bias, sexual orientation bias and bias against laterals. A total of 386 respondents answered this question.

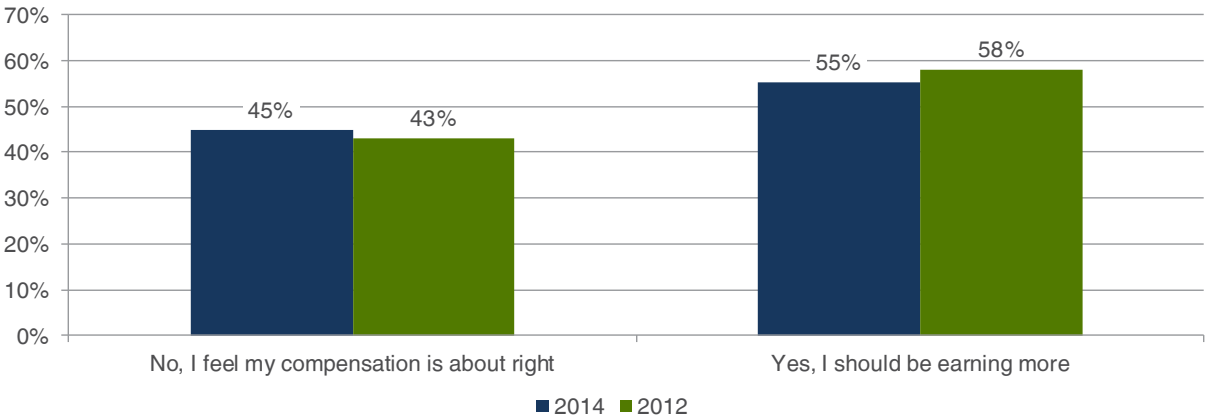
Approximately 30% of the respondents attributed their lack of compensation satisfaction to cronyism, with that factor once again (35% in 2012) outpacing all of the other enumerated reasons combined (although 36% percent answered Not Sure and 17% answered Other Reason). While perceived cronyism remains high, it is worth noting that the percentage has fallen from 40% when we first measured it in 2010. 12% of respondents cited gender bias (up slightly from 11% in 2012), followed by racial bias (2%, up from 1% in 2012), bias against laterals (2%, even from 2012), and sexual orientation bias (1%, down from 2% in 2012).

For the complete results, please refer to **Appendix IX – Satisfaction with Total Compensation**.

Desire for Higher Compensation

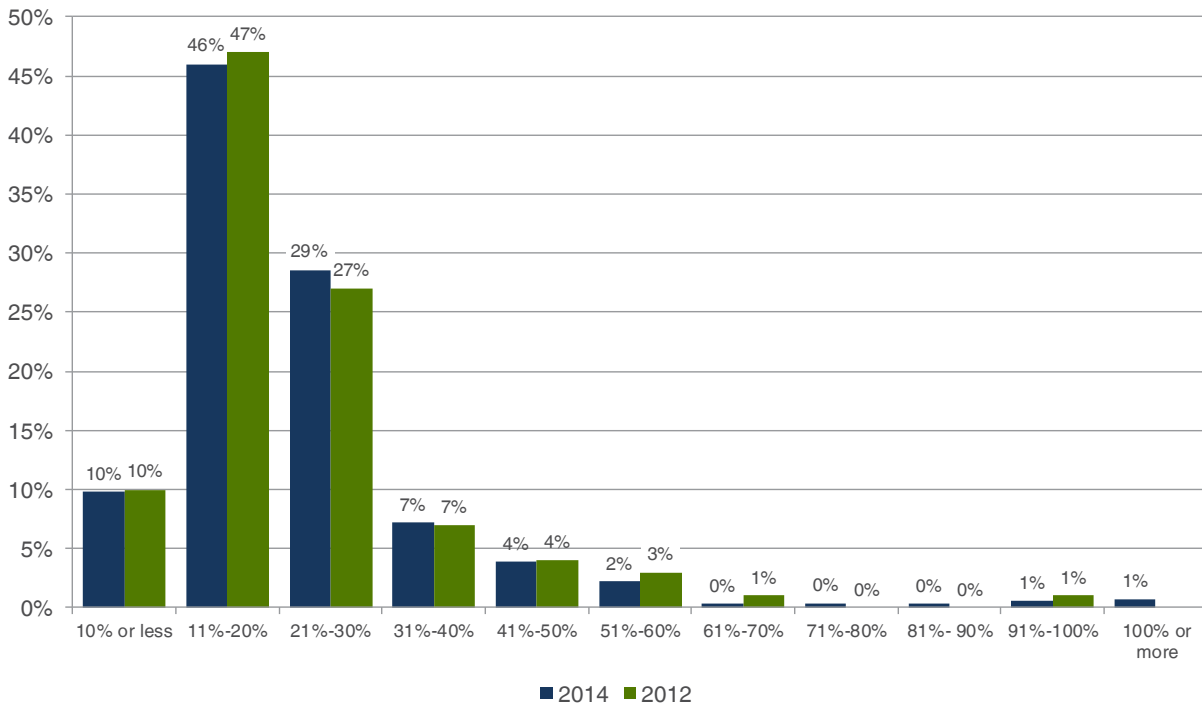
Questions 26 and 27 of the Survey asked respondents whether they thought their total compensation should be higher and, if so, by what percentage. A total of 2,072 respondents answered the question, with 55% answering that they believed it should be higher (vs. 58% in 2012) and 45% answering that they felt their current compensation was about right (vs. 43% percent in 2010). Of those who felt that their compensation should be higher, 10% believed their compensation should be between 0-10% higher, 46% believed it should be between 11-20% higher, 29% believed it should be between 21-30% higher, 7% believed it should be between 31-40% higher and 4% believed it should be between 41-50% higher. The remaining 4% of respondents believed their compensation should be between 51% to greater than 100% higher. Once again, these numbers are *virtually identical* to our prior Survey results.

Exhibit 5.1 – Satisfaction with Compensation Level



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Exhibit 5.2 – Level of Compensation Desired (Percentage Increase)



*For the complete results, please refer to **Appendix X – Desired Compensation**.*

IMPORTANCE OF FACTORS IN DETERMINING COMPENSATION

Questions 18 through 23 of the Survey sought subjective information from respondents about their perception of factors they felt were important to their firms in determining compensation. Questions 28 and 29 asked respondents whether they'd like to see a change in compensation methods and, if so, what changes they would like to see.

Perceived Importance of Factors

In Question 18, respondents ranked the importance of nine factors as Very Important, Somewhat Important, Not Very Important or Not at all Important in determining compensation (responses for each individual importance rating can be found in Appendix XI). Approximately 2,057 respondents answered this question. Of the nine enumerated factors, originations had the highest percentage (74%) of Very Important ratings, followed by WAR (59%) and billable hours (39%). The next highest factor was realization rate at only 25%. Not surprisingly, once again non-billable hours received the lowest number of Very Important ratings, at just 2%. These numbers are virtually identical to the 2012 results.

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Exhibit 6.1a – Importance of Factors Determining Compensation (2014)

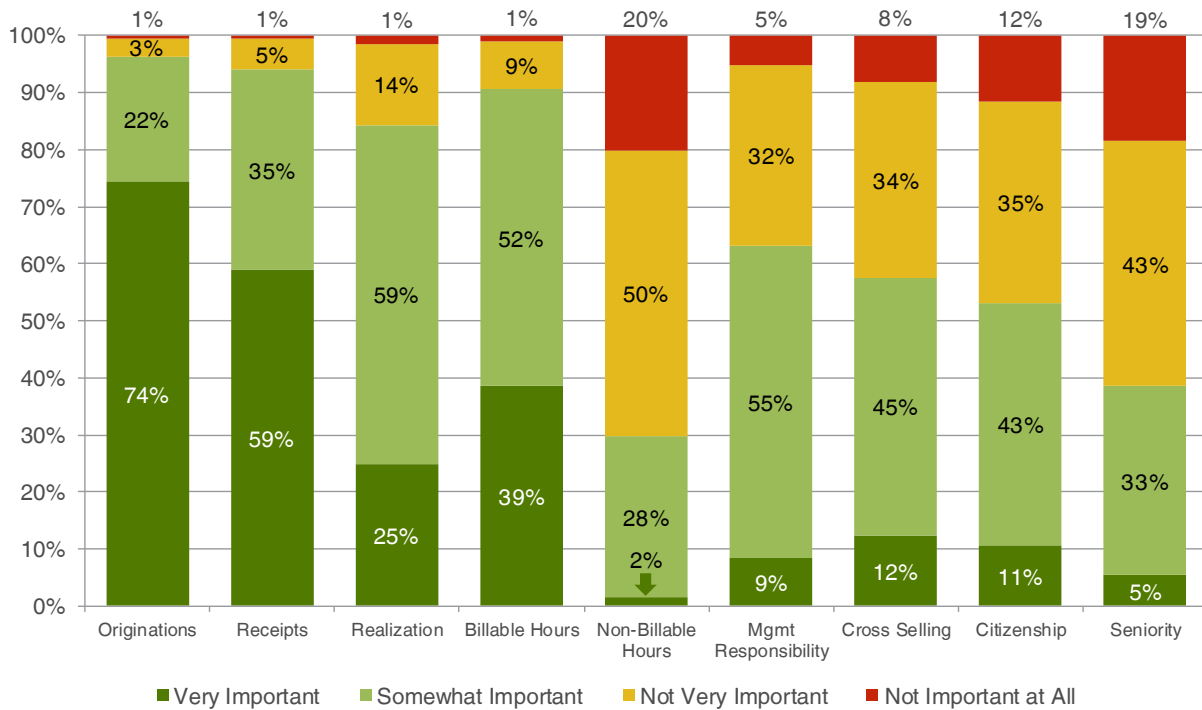
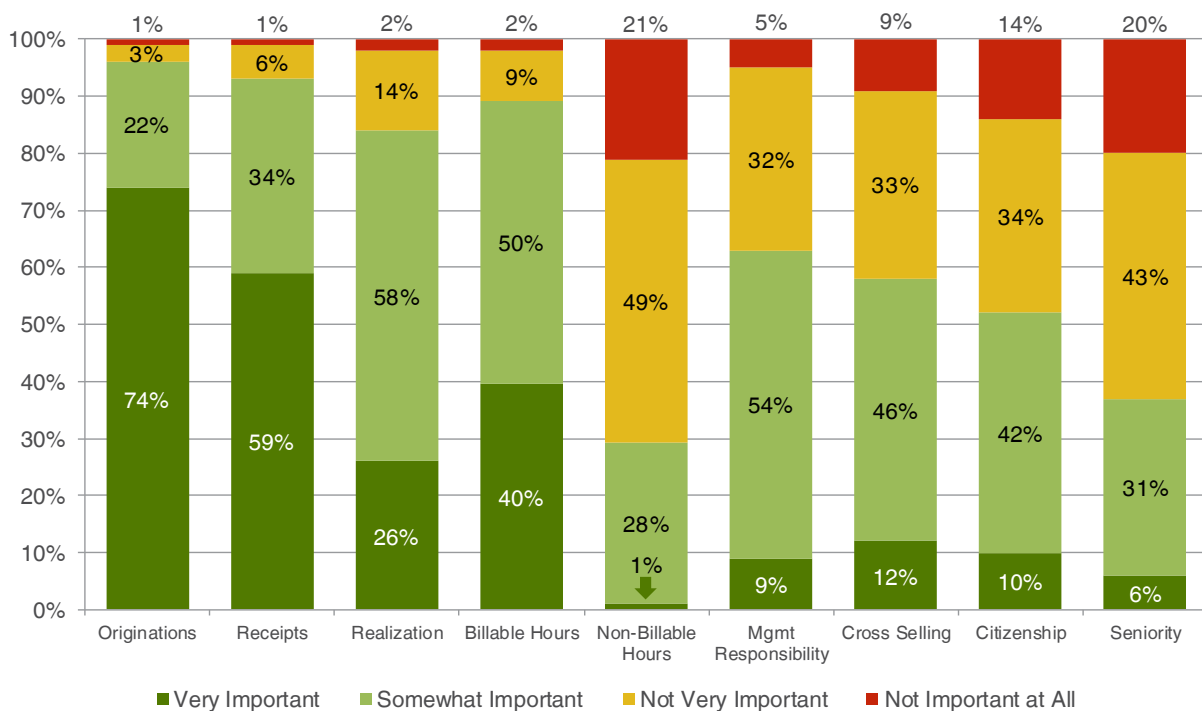


Exhibit 6.1b – Importance of Factors Determining Compensation (2012)



In Questions 19 and 20, respondents were asked what factor was perceived by them to be most important in determining compensation, and what factor did they believe *should be* most important. Once again, originations was the most frequently chosen of the listed response options, with 66% perceiving it to be most important and 56% saying it should be most important. WAR was the second most cited, at 21% and 26%, respectively. No other factor received more than 8%. These responses are also virtually identical to the percentage breakdown we saw in the 2012 Survey.

Exhibit 6.2a – Perceived Importance of Factors Determining Compensation (2014)

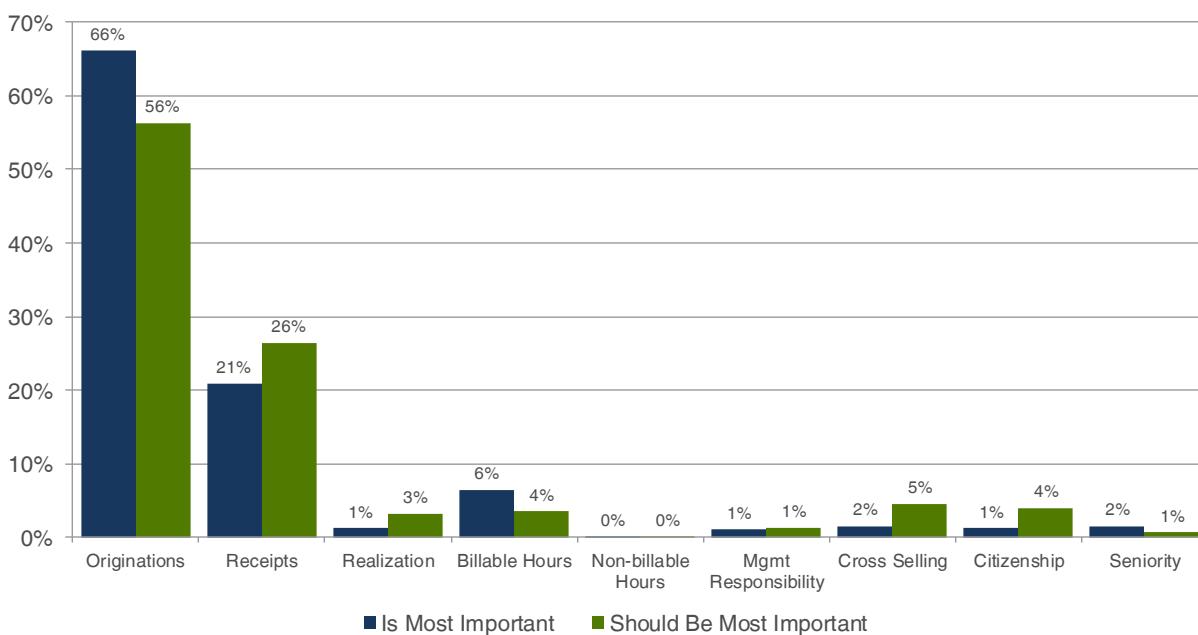
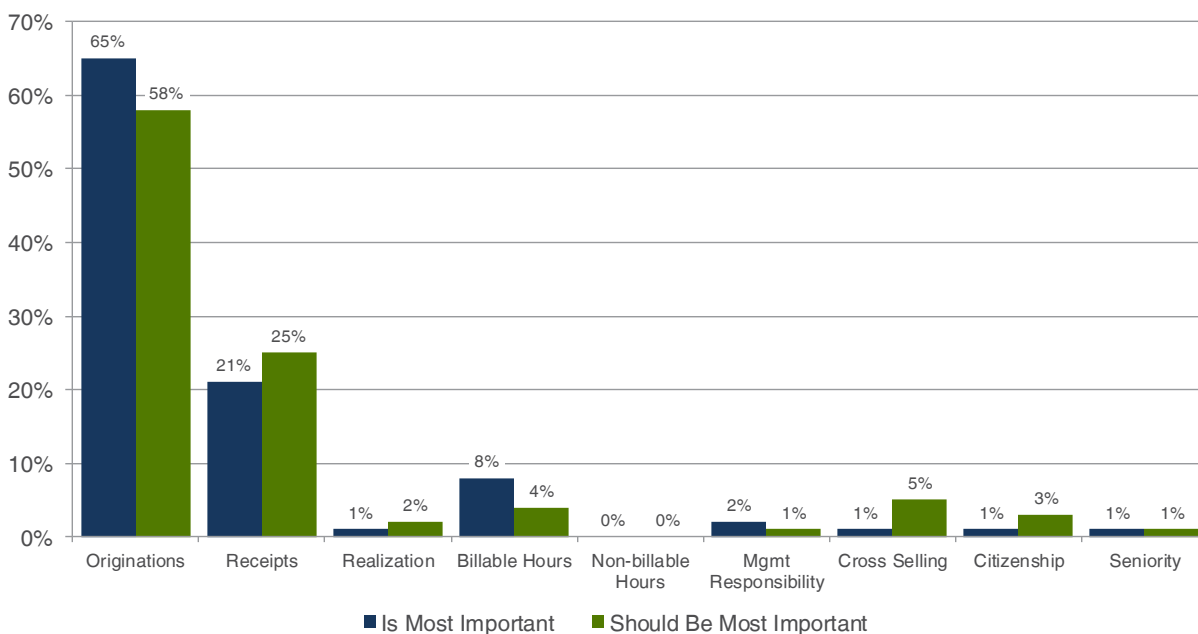


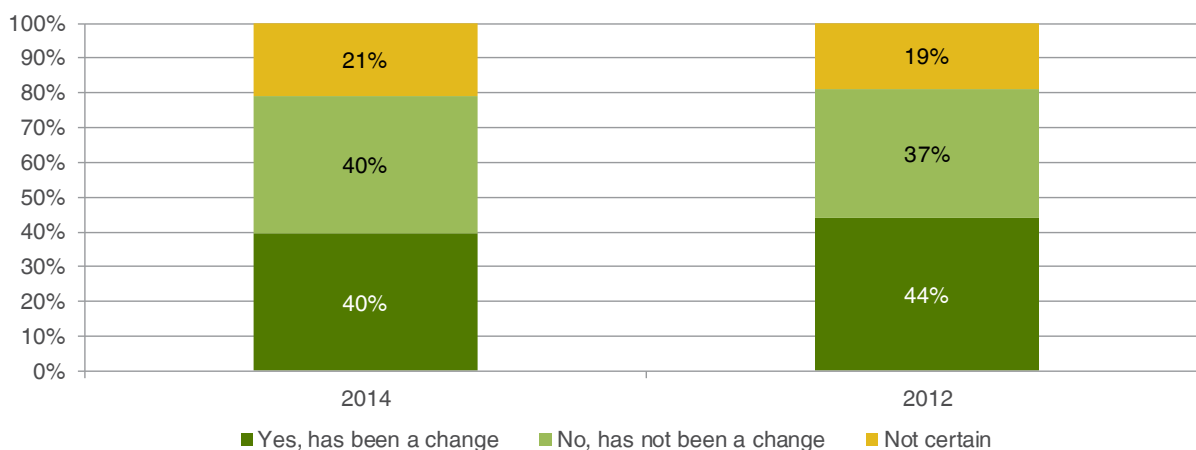
Exhibit 6.2b – Perceived Importance of Factors Determining Compensation (2012)



Perceived Change in Importance of Factors

In Question 21, respondents were asked whether there has been a change in the importance of various factors in determining compensation. Of the 2,036 respondents to this question, 40% believed that there had been a change, 40% felt that there had not been a change, and 21% were not certain. These results are generally consistent with the 2012 Survey (44%, 37% and 19%, respectively).

Exhibit 6.3 – Change in Importance of Factors Determining Compensation



When asked in Question 22 to name those factors which respondents believed had become more important, 55% of the 1,778 respondents cited originations, 32% cited WAR, 29% billable hours and 28% realization rate. These results are virtually identical to the 2012 results. Once again, seniority (50%), good citizenship (44%) and non-billable hours (35%) were cited most often as factors that were becoming less important, which results are also nearly identical to the 2102 results.

DESIRE FOR CHANGE IN COMPENSATION METHODS

Questions 28 and 29 asked respondents whether they'd like to see a change in compensation methods and, if so, what changes they'd like to see. Of the 2,083 respondents to Question 28, 65% said they would like to see a change in compensation methods, 19% did not desire any changes and the remainder were not sure. These results generally track the 2012 Survey. Of the 1,150 respondents who were in favor of change and offered suggested changes, these suggestions once again included:

- Increased transparency
- More recognition for good citizenship and team work
- More appreciation for cross-selling
- Less emphasis on originations
- Less emphasis on billable hours/working attorney receipts
- Less value placed on firm management
- Greater value given to specialized practices
- More consideration for non-billable hours
- Reducing compensation of non-performing lawyers faster
- Less cronyism

For the complete results, please refer to **Appendix XI – Importance of Factors Determining Compensation; Desire for Changes**.

The individual responses are also examined in greater detail by Ron Nye, Managing Partner of MLA's Chicago office, in his corollary article to this Report, **Changes Law Firm Partners Would Like to See in Their Compensation Systems**.

Survey participants, managing partners and other members of firm management who desire a more detailed briefing on the results of the Survey and this Report may contact Jeffrey A. Lowe, Global Practice Leader, Law Firm Practice, and Managing Partner, Washington, D.C., at jlowe@mlaglobal.com or 202-628-0661. For a listing of all Major, Lindsey & Africa offices, please visit our website at www.mlaglobal.com.

NOTES

About the Author

Jeffrey A. Lowe is the Global Practice Leader of Major, Lindsey & Africa's Law Firm Practice Group, the Managing Partner of MLA's Washington, D.C. office, and the leader of the Washington, D.C. Partner Practice Group. His practice focuses on the representation of high-profile law firm partners and groups as well as high-ranking government officials. He is widely regarded as one of the leading partner recruiters and advisors in the United States. In addition to being the creator and author of the **2010, 2012** and **2014 Partner Compensation Surveys**, he is also the co-author of the **2014 Major, Lindsey & Africa Lateral Partner Satisfaction Survey**. He is regularly quoted by leading legal newspapers and periodicals, such as *The American Lawyer*, *Businessweek*, *Law 360* and *The Wall Street Journal*, and his articles have been published in the *D.C. Legal Times*; *The New York Law Journal*; *The National Law Journal*; the *Law Firm Partnership & Benefits Report*; and the *Texas Lawyer*.

Prior to opening the Washington, D.C. office of Major, Lindsey & Africa in 2003, Jeffrey was a partner in the Washington, D.C. office of Hogan & Hartson L.L.P. (now HoganLovells). He joined Hogan & Hartson L.L.P. in 1991 and was elected to the partnership in 1998. In 1994-1995, Jeffrey worked in Tokyo, Japan with Mori Sogo Law Offices (now Mori Hamada & Matsumoto), one of Japan's leading international and domestic law firms.

About Major, Lindsey & Africa

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APPENDICES

APPENDIX I – RESPONDENT PROFILE

Respondents by *Partnership Tenure*

	FREQUENCY	PERCENT
1–5 years	574	28%
6–10 years	478	23%
11–20 years	563	27%
20+ years	475	23%
TOTAL	2,090	

Respondents by *Partnership Status*

	FREQUENCY	PERCENT
Equity Partner	1248	60%
Non-equity Partner	834	40%
TOTAL	2,082	

Respondents by *Practice Area*

	FREQUENCY	PERCENT
Litigation	558	27%
Corporate	366	18%
IP	252	12%
Labor & Employment	161	8%
Tax & ERISA	102	5%
Real Estate	103	5%
Other	552	26%
TOTAL	2,094	

Respondents by *City*

	FREQUENCY	PERCENT
New York	265	13%
DC / NoVA	241	12%
Chicago	230	11%
Los Angeles	131	6%
San Francisco	115	6%
Philadelphia	89	4%
Boston	80	4%
Atlanta	74	4%
Dallas	65	3%
Houston	59	3%
Silicon Valley	58	3%
Minneapolis	45	2%
Seattle	38	2%
Other	604	29%
TOTAL	2,094	

Respondents by *Lateral Status*

	FREQUENCY	PERCENT
Laterally as partner	956	46%
Home grown from associate	1130	54%
TOTAL	2,086	

Respondents by *Compensation Transparency*

	FREQUENCY	PERCENT
Open	1,273	61%
Partially Open	268	13%
Closed	532	26%
TOTAL	2,073	

Respondents by *Lockstep Type*

	FREQUENCY	PERCENT
Pure lockstep	14	1%
Generally lockstep	280	13%
Not lockstep at all	1794	86%
TOTAL	2,088	

Respondents by *Total Compensation*

	FREQUENCY	PERCENT
< \$300K	470	23%
\$300,001–\$500,000	626	30%
\$500,001–\$1M	574	28%
\$1.01M–\$1.5m	197	10%
\$1.51M+	201	10%
TOTAL	2,068	

Respondents by *Firm Size*

	FREQUENCY	PERCENT
51–200 attorneys	240	12%
201–500 attorneys	605	29%
501–1,000 attorneys	775	37%
1,000+ attorneys	461	22%
TOTAL	2,081	

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Respondents by Firm PPP

	FREQUENCY	PERCENT
\$250,001—\$500,000	183	9%
\$500,001—\$750,000	393	19%
\$750,001—\$1M	366	18%
\$1.01M—\$1.5M	520	25%
\$1.51M—\$2M	220	11%
\$2M+	121	6%
Unknown	291	14%
TOTAL	2,094	

Respondents by Gender

	FREQUENCY	PERCENT
Male	1555	75%
Female	515	25%
TOTAL	2,070	

Respondents by Ethnicity

	FREQUENCY	PERCENT
White, not Hispanic	1854	91%
Black, not Hispanic	49	2%
Hispanic	41	2%
Asian Pacific, not Hispanic	74	4%
American Indian, not Hispanic	4	0%
Native Hawaiian or Pacific Islander, not Hispanic	1	0%
Mixed races	24	1%
TOTAL	2,047	

APPENDIX II – AVERAGE TOTAL COMPENSATION

Partnership Tenure

	2014	2012
1–5 years	\$378,000	\$399,000
6–10 years	\$628,000	\$633,000
11–20 years	\$885,000	\$790,000
20+ years	\$1,015,000	\$926,000

Partnership Status

	2014	2012
Equity Partner	\$971,000	\$896,000
Non-equity Partner	\$338,000	\$335,000

Practice Area

	2014	2012
Litigation	\$700,000	\$634,000
Corporate	\$893,000	\$847,000
IP	\$855,000	\$715,000
Labor & Employment	\$503,000	\$506,000
Tax & ERISA	\$832,000	\$662,000
Real Estate	\$573,000	\$590,000
Other	\$620,000	\$668,000

City

	2014	2012
New York	\$1,106,000	\$1,020,000
DC / NoVA	\$787,000	\$798,000
Chicago	\$688,000	\$575,000
Los Angeles	\$825,000	\$667,000
San Francisco	\$662,000	\$723,000
Philadelphia	\$697,000	\$478,000
Boston	\$750,000	\$775,000
Atlanta	\$701,000	\$683,000
Dallas	\$624,000	\$768,000
Houston	\$782,000	\$791,000
Silicon Valley	\$1,167,000	\$1,200,000
Minneapolis	\$463,000	--
Seattle	\$438,000	\$532,000
Other	\$512,000	--

Gender

	2014	2012
Male	\$779,000	\$734,000
Female	\$531,000	\$497,000

Compensation Transparency

	2014	2012
Open	\$843,000	\$810,000
Partially Open	\$574,000	\$515,000
Closed	\$484,000	\$465,000

Lockstep Type

	2014	2012
Pure lockstep	\$821,000	\$1,220,000
Generally lockstep	\$629,000	\$563,000
Not lockstep at all	\$730,000	\$694,000

Firm Size

	2014	2012
51–200 attorneys	\$429,000	\$425,000
201–500 attorneys	\$558,000	\$544,000
501–1,000 attorneys	\$774,000	\$726,000
1,000+ attorneys	\$978,000	\$844,000

Firm PPP

	2014	2012
\$250,001–\$500,000	\$414,000	\$431,000
\$500,001–\$750,000	\$451,000	\$432,000
\$750,001–\$1M	\$597,000	\$589,000
\$1.01M–\$1.5M	\$816,000	\$839,000
\$1.51M–\$2M	\$1,111,000	\$1,077,000
\$2M+	\$1,967,000	\$1,820,000

Ethnicity

	2014	2012
White, not Hispanic	\$734,000	\$682,000
Black, not Hispanic	\$574,000	\$489,000
Hispanic	\$479,000	\$655,000
Asian Pacific, not Hispanic	\$645,000	\$712,000
American Indian, not Hispanic	\$438,000	\$860,000
Native Hawaiian or Pacific Islander, not Hispanic	\$175,000	--
Mixed races	\$736,000	\$670,000

APPENDIX III – COMPENSATION CHANGE FOR LATERAL PARTNERS

Compensation Change (Total)

	2014	2012
Increased 10% or more	53%	62%
Decreased 10% or more	8%	9%
Stayed about the same	39%	29%

Compensation Increase (Total)

	2014
10%–20%	36%
21%–30%	27%
31%–40%	10%
41%–50%	7%
51%–60%	4%
61%–70%	2%
71%–80%	1%
81%–90%	1%
91%–100%	3%
100%+	9%
	2012
10% or less	19%
11%–20%	31%
21%–30%	19%
31%–40%	11%
41%–50%	4%
51%+	17%

Compensation Decrease (Total)

	2014
10%–20%	51%
21%–30%	26%
31%–40%	9%
41%–50%	10%
51%–60%	3%
61%–70%	1%
	2012
10% or less	24%
11%–20%	37%
21%–30%	15%
31%–40%	11%
41%–50%	8%
51%+	4%

APPENDIX IV – AVERAGE TOTAL ORIGINATIONS

Partnership Tenure

	2014	2012
1–5 years	\$813,000	\$984,000
6–10 years	\$1,792,000	\$1,660,000
11–20 years	\$2,353,000	\$2,320,000
20+ years	\$2,918,000	\$2,660,000

Partnership Status

	2014	2012
Equity Partner	\$2,812,000	\$2,620,000
Non-equity Partner	\$673,000	\$712,000

Practice Area

	2014	2012
Litigation	\$1,840,000	\$1,710,000
Corporate	\$2,714,000	\$2,430,000
IP	\$2,620,000	\$2,130,000
Labor & Employment	\$1,391,000	\$1,370,000
Tax & ERISA	\$1,419,000	\$929,000
Real Estate	\$1,507,000	\$1,720,000
Other	\$1,638,000	\$1,962,000

City

	2014	2012
New York	\$2,827,000	\$2,890,000
DC / NoVA	\$2,056,000	\$2,320,000
Chicago	\$1,770,000	\$1,200,000
Los Angeles	\$2,052,000	\$1,400,000
San Francisco	\$1,779,000	\$2,170,000
Philadelphia	\$2,067,000	\$1,180,000
Boston	\$2,103,000	\$2,340,000
Atlanta	\$2,230,000	\$2,290,000
Dallas	\$1,541,000	\$2,340,000
Houston	\$2,112,000	\$2,150,000
Silicon Valley	\$3,387,000	\$3,720,000
Minneapolis	\$2,170,000	--
Seattle	\$1,280,000	\$1,620,000
Other	\$1,488,000	--

Gender

	2014	2012
Male	\$2,195,000	\$2,030,000
Female	\$1,240,000	\$1,410,000

Compensation Transparency

	2014	2012
Open	\$2,336,000	\$2,360,000
Partially Open	\$1,332,000	\$1,138,000
Closed	\$1,352,000	\$1,060,000

Lockstep Type

	2014	2012
Pure lockstep	\$1,105,000	\$3,300,000
Generally lockstep	\$1,802,000	\$1,560,000
Not lockstep at all	\$1,986,000	\$1,940,000

Firm Size

	2014	2012
51–200 attorneys	\$1,104,000	\$1,030,000
201–500 attorneys	\$1,429,000	\$1,390,000
501–1,000 attorneys	\$2,085,000	\$2,030,000
1,000+ attorneys	\$2,918,000	\$2,480,000

Firm PPP

	2014	2012
\$250,001–\$500,000	\$1,120,000	\$1,100,000
\$500,001–\$750,000	\$1,375,000	\$1,250,000
\$750,001–\$1M	\$1,503,000	\$1,580,000
\$1.01M–\$1.5M	\$2,330,000	\$2,400,000
\$1.51M–\$2M	\$3,409,000	\$3,635,000
\$2M+	\$5,163,000	\$4,700,000

Ethnicity

	2014	2012
White, not Hispanic	\$1,995,000	\$1,880,000
Black, not Hispanic	\$1,345,000	\$1,480,000
Hispanic	\$1,830,000	\$1,450,000
Asian Pacific, not Hispanic	\$1,852,000	\$2,240,000
American Indian, not Hispanic	\$1,125,000	\$2,130,000
Native Hawaiian or Pacific Islander, not Hispanic	\$50,000	--
Mixed races	\$2,270,000	\$2,240,000

APPENDIX V – AVERAGE TOTAL WORKING ATTORNEY RECEIPTS

Partnership Tenure

	2014	2012
1–5 years	\$936,000	\$933,000
6–10 years	\$1,142,000	\$1,140,000
11–20 years	\$1,163,000	\$1,120,000
20+ years	\$1,166,000	\$1,130,000

Partnership Status

	2014	2012
Equity Partner	\$1,265,000	\$1,230,000
Non-equity Partner	\$850,000	\$834,000

Practice Area

	2014	2012
Litigation	\$1,027,000	\$952,000
Corporate	\$1,338,000	\$1,260,000
IP	\$1,249,000	\$1,140,000
Labor & Employment	\$888,000	\$821,000
Tax & ERISA	\$1,131,000	\$968,000
Real Estate	\$937,000	\$1,090,000
Other	\$1,026,000	\$1,120,000

City

	2014	2012
New York	\$1,603,000	\$1,550,000
DC / NoVA	\$1,208,000	\$1,270,000
Chicago	\$1,186,000	\$1,070,000
Los Angeles	\$1,157,000	\$1,120,000
San Francisco	\$1,185,000	\$1,340,000
Philadelphia	\$1,062,000	\$851,000
Boston	\$1,273,000	\$1,380,000
Atlanta	\$1,006,000	\$1,130,000
Dallas	\$961,000	\$962,000
Houston	\$1,012,000	\$912,000
Silicon Valley	\$1,666,000	\$1,540,000
Minneapolis	\$688,000	--
Seattle	\$777,000	\$840,000
Other	\$796,000	--

Gender

	2014	2012
Male	\$1,142,000	\$1,120,000
Female	\$948,000	\$906,000

Compensation Transparency

	2014	2012
Open	\$1,178,000	\$1,140,000
Partially Open	\$1,027,000	\$1,030,000
Closed	\$939,000	\$960,000

Lockstep Type

	2014	2012
Pure lockstep	\$1,023,000	\$2,230,000
Generally lockstep	\$1,153,000	\$1,110,000
Not lockstep at all	\$1,090,000	\$1,050,000

Firm Size

	2014	2012
51–200 attorneys	\$704,000	\$667,000
201–500 attorneys	\$946,000	\$835,000
501–1,000 attorneys	\$1,143,000	\$1,100,000
1,000+ attorneys	\$1,431,000	\$1,430,000

Firm PPP

	2014	2012
\$250,001–\$500,000	\$651,000	\$662,000
\$500,001–\$750,000	\$790,000	\$765,000
\$750,001–\$1M	\$1,005,000	\$997,000
\$1.01M–\$1.5M	\$1,279,000	\$1,325,000
\$1.51M–\$2M	\$1,660,000	\$1,735,000
\$2M+	\$2,438,000	\$2,220,000

Ethnicity

	2014	2012
White, not Hispanic	\$1,104,000	\$1,060,000
Black, not Hispanic	\$1,023,000	\$1,110,000
Hispanic	\$1,069,000	\$963,000
Asian Pacific, not Hispanic	\$1,152,000	\$1,290,000
American Indian, not Hispanic	\$800,000	\$1,390,000
Native Hawaiian or Pacific Islander, not Hispanic	\$550,000	--
Mixed races	\$904,000	\$1,240,000

APPENDIX VI – AVERAGE BILLING RATES

Partnership Tenure

	2014	2012
1–5 years	\$531	\$510
6–10 years	\$595	\$582
11–20 years	\$646	\$602
20+ years	\$668	\$650

Partnership Status

	2014	2012
Equity Partner	\$667	\$632
Non-equity Partner	\$519	\$506

Practice Area

	2014	2012
Litigation	\$551	\$537
Corporate	\$694	\$671
IP	\$662	\$601
Labor & Employment	\$505	\$473
Tax & ERISA	\$680	\$629
Real Estate	\$593	\$565
Other	\$603	\$596

City

	2014	2012
New York	\$772	\$760
DC / NoVA	\$705	\$662
Chicago	\$628	\$586
Los Angeles	\$643	\$584
San Francisco	\$633	\$622
Philadelphia	\$581	\$511
Boston	\$685	\$687
Atlanta	\$546	\$560
Dallas	\$614	\$602
Houston	\$632	\$607
Silicon Valley	\$803	\$732
Minneapolis	\$471	--
Seattle	\$482	\$490
Other	\$474	--

Gender

	2014	2012
Male	\$624	\$598
Female	\$561	\$533

Compensation Transparency

	2014	2012
Open	\$636	\$610
Partially Open	\$590	\$563
Closed	\$549	\$536

Lockstep Type

	2014	2012
Pure lockstep	\$646	\$814
Generally lockstep	\$579	\$555
Not lockstep at all	\$612	\$585

Firm Size

	2014	2012
51–200 attorneys	\$455	\$442
201–500 attorneys	\$538	\$495
501–1,000 attorneys	\$630	\$604
1,000+ attorneys	\$740	\$695

Firm PPP

	2014	2012
\$250,001–\$500,000	\$438	\$432
\$500,001–\$750,000	\$481	\$464
\$750,001–\$1M	\$598	\$590
\$1.01M–\$1.5M	\$722	\$680
\$1.51M–\$2M	\$792	\$768
\$2M+	\$909	\$883

Ethnicity

	2014	2012
White, not Hispanic	\$611	\$580
Black, not Hispanic	\$560	\$531
Hispanic	\$559	\$563
Asian Pacific, not Hispanic	\$612	\$651
American Indian, not Hispanic	\$663	\$778
Native Hawaiian or Pacific Islander, not Hispanic	\$288	--
Mixed races	\$613	\$650

APPENDIX VII – AVERAGE BILLABLE HOURS

Partnership Tenure

	2014	2012
1–5 years	1,795	1,774
6–10 years	1,716	1,759
11–20 years	1,683	1,652
20+ years	1,524	1,555

Partnership Status

	2014	2012
Equity Partner	1,681	1,701
Non-equity Partner	1,692	1,663

Practice Area

	2014	2012
Litigation	1,785	1,792
Corporate	1,601	1,518
IP	1,774	1,769
Labor & Employment	1,694	1,660
Tax & ERISA	1,691	1,649
Real Estate	1,600	1,593
Other	1,612	1,691

City

	2014	2012
New York	1,719	1,696
DC / NoVA	1,658	1,743
Chicago	1,688	1,723
Los Angeles	1,783	1,801
San Francisco	1,731	1,796
Philadelphia	1,615	1,664
Boston	1,653	1,781
Atlanta	1,767	1,777
Dallas	1,650	1,709
Houston	1,628	1,662
Silicon Valley	1,826	1,718
Minneapolis	1,554	--
Seattle	1,705	1,687
Other	1,661	--

Gender

	2014	2012
Male	1,702	1,690
Female	1,634	1,670

Compensation Transparency

	2014	2012
Open	1,672	1,677
Partially Open	1,696	1,677
Closed	1,717	1,722

Lockstep Type

	2014	2012
Pure lockstep	1,775	1,672
Generally lockstep	1,821	1,756
Not lockstep at all	1,664	1,674

Firm Size

	2014	2012
51–200 attorneys	1,563	1,578
201–500 attorneys	1,642	1,656
501–1,000 attorneys	1,709	1,699
1,000+ attorneys	1,762	1,736

Firm PPP

	2014	2012
\$250,001–\$500,000	1,638	1,651
\$500,001–\$750,000	1,656	1,653
\$750,001–\$1M	1,628	1,602
\$1.01M–\$1.5M	1,696	1,750
\$1.51M–\$2M	1,806	1,645
\$2M+	2,052	2,043

Ethnicity

	2014	2012
White, not Hispanic	1,688	1,689
Black, not Hispanic	1,671	1,578
Hispanic	1,652	1,720
Asian Pacific, not Hispanic	1,702	1,605
American Indian, not Hispanic	1,694	1,320
Native Hawaiian or Pacific Islander, not Hispanic	2,025	--
Mixed races	1,611	1,616

APPENDIX VIII – AVERAGE NON-BILLABLE HOURS

Partnership Tenure

	2014	2012
1–5 years	443	455
6–10 years	507	531
11–20 years	552	556
20+ years	614	587

Partnership Status

	2014	2012
Equity Partner	569	570
Non-equity Partner	464	467

Practice Area

	2014	2012
Litigation	451	459
Corporate	603	615
IP	503	542
Labor & Employment	508	489
Tax & ERISA	555	511
Real Estate	499	511
Other	567	552

City

	2014	2012
New York	532	512
DC / NoVA	575	599
Chicago	447	432
Los Angeles	460	475
San Francisco	514	511
Philadelphia	580	495
Boston	570	490
Atlanta	578	600
Dallas	494	511
Houston	533	545
Silicon Valley	581	606
Minneapolis	469	--
Seattle	534	513
Other	531	--

Gender

	2014	2012
Male	531	541
Female	512	490

Compensation Transparency

	2014	2012
Open	560	571
Partially Open	503	530
Closed	453	435

Lockstep Type

	2014	2012
Pure lockstep	473	589
Generally lockstep	460	512
Not lockstep at all	536	534

Firm Size

	2014	2012
51–200 attorneys	517	461
201–500 attorneys	522	507
501–1,000 attorneys	531	552
1,000+ attorneys	529	542

Firm PPP

	2014	2012
\$250,001–\$500,000	527	501
\$500,001–\$750,000	511	516
\$750,001–\$1M	516	576
\$1.01M–\$1.5M	541	528
\$1.51M–\$2M	580	599
\$2M+	472	489

Ethnicity

	2014	2012
White, not Hispanic	525	525
Black, not Hispanic	559	551
Hispanic	497	497
Asian Pacific, not Hispanic	538	634
American Indian, not Hispanic	456	865
Native Hawaiian or Pacific Islander, not Hispanic	175	--
Mixed races	583	542

APPENDIX IX – SATISFACTION WITH TOTAL COMPENSATION

Compensation Satisfaction

	2014	2012
Very satisfied	27%	27%
Somewhat satisfied	53%	51%
Not very satisfied	15%	15%
Not at all satisfied	5%	7%
Not Sure	0%	1%

Partnership Tenure

	2014				2012			
	1–5 yrs	6–10 yrs	11–20 yrs	20+ yrs	1–5 yrs	6–10 yrs	11–20 yrs	20+ yrs
Very satisfied	19%	23%	29%	37%	18%	25%	31%	33%
Somewhat satisfied	57%	55%	53%	45%	55%	52%	50%	47%
Not very satisfied	17%	16%	14%	14%	19%	15%	14%	7%
Not at all satisfied	7%	6%	4%	4%	6%	7%	5%	12%
Not Sure	0%	0%	0%	0%	1%	0%	1%	1%

Partnership Status

	2014		2012	
	Equity Partner	Non-Equity Partner	Equity Partner	Non-Equity Partner
Very satisfied	37%	12%	36%	12%
Somewhat satisfied	50%	57%	50%	54%
Not very satisfied	10%	23%	11%	22%
Not at all satisfied	3%	8%	4%	11%
Not Sure	0%	0%	0%	1%

Practice Area

	Litigation		Corporate		IP		Labor/Emp		Tax/ERISA		Real Estate		Other	
	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012
Very satisfied	25%	22%	27%	28%	34%	28%	28%	23%	33%	31%	28%	20%	24%	31%
Somewhat satisfied	53%	53%	50%	50%	50%	49%	52%	60%	55%	49%	49%	56%	56%	49%
Not very satisfied	17%	18%	17%	16%	12%	13%	15%	13%	10%	14%	20%	15%	14%	14%
Not at all satisfied	5%	6%	5%	6%	4%	9%	4%	4%	3%	5%	3%	8%	6%	6%
Not Sure	0%	1%	1%	0%	0%	2%	0%	0%	0%	1%	0%	1%	0%	1%

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City

	New York		DC / NoVA		Chicago		Los Angeles		San Francisco		Philadelphia		Boston	
	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012
Very satisfied	27%	32%	30%	28%	27%	22%	24%	22%	33%	33%	33%	16%	23%	19%
Somewhat satisfied	54%	41%	49%	50%	50%	56%	51%	49%	44%	41%	47%	53%	58%	55%
Not very satisfied	15%	17%	16%	16%	19%	14%	19%	22%	14%	19%	18%	25%	15%	13%
Not at all satisfied	5%	8%	5%	6%	5%	8%	5%	6%	8%	8%	2%	3%	4%	13%
Not Sure	0%	1%	0%	0%	0%	0%	1%	2%	1%	0%	0%	4%	1%	0%
	Atlanta		Dallas		Houston		Silicon Valley		Minneapolis		Seattle		Other	
	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012
Very satisfied	28%	31%	27%	34%	24%	32%	36%	33%	24%	--	18%	38%	25%	--
Somewhat satisfied	50%	55%	58%	57%	55%	59%	48%	44%	53%	--	63%	47%	56%	--
Not very satisfied	16%	7%	11%	9%	14%	4%	7%	14%	13%	--	16%	15%	14%	--
Not at all satisfied	5%	8%	5%	0%	5%	4%	9%	8%	9%	--	3%	0%	5%	--
Not Sure	0%	0%	0%	0%	2%	2%	0%	2%	0%	--	0%	0%	0%	--

Lateral Status

	Joined Laterally		Home Grown	
	2014	2012	2014	2012
Very satisfied	32%	30%	23%	24%
Somewhat satisfied	51%	49%	54%	53%
Not very satisfied	12%	14%	18%	16%
Not at all satisfied	4%	7%	6%	6%
Not Sure	0%	1%	0%	1%

Move-related Compensation Change

	Increased 10% or more		Decreased 10% or more		Stayed about the same*	
	2014	2012	2014	2012	2014	2012
Very satisfied	37%	35%	15%	10%	28%	25%
Somewhat satisfied	51%	48%	41%	43%	53%	53%
Not very satisfied	9%	11%	28%	20%	14%	17%
Not at all satisfied	3%	5%	15%	28%	4%	6%
Not Sure	0%	1%	0%	0%	1%	1%

*Increased or decreased by less than 10%

Compensation System

	Open		Partially Open		Closed	
	2014	2012	2014	2012	2014	2012
Very satisfied	32%	34%	20%	21%	18%	13%
Somewhat satisfied	52%	49%	56%	55%	53%	53%
Not very satisfied	12%	12%	19%	17%	23%	22%
Not at all satisfied	4%	5%	6%	6%	7%	11%
Not Sure	0%	0%	0%	1%	0%	1%

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Lockstep Type

	Pure Lockstep		Generally Lockstep		Not Lockstep At All	
	2014	2012	2014	2012	2014	2012
Very satisfied	29%	55%	26%	26%	27%	26%
Somewhat satisfied	29%	24%	56%	54%	52%	51%
Not very satisfied	21%	12%	14%	14%	15%	15%
Not at all satisfied	21%	9%	5%	6%	5%	7%
Not Sure	0%	0%	0%	0%	0%	1%

Law Firm Size

	51–200 attorneys		201–500 attorneys		501–1,000 attorneys		1,000+ attorneys	
	2014	2012	2014	2012	2014	2012	2014	2012
Very satisfied	21%	27%	25%	27%	29%	28%	29%	25%
Somewhat satisfied	55%	49%	56%	51%	52%	51%	48%	52%
Not very satisfied	19%	18%	14%	15%	14%	15%	18%	14%
Not at all satisfied	5%	7%	5%	6%	5%	5%	6%	8%
Not Sure	0%	1%	0%	1%	0%	1%	0%	1%

Firm PPP

	\$250,001—\$500,000		\$500,001—\$750,000		\$750,001—\$1M		\$1.01M—\$1.5M		\$1.51M—\$2M		\$2M+	
	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012
Very satisfied	28%	22%	22%	19%	24%	25%	26%	30%	34%	35%	50%	51%
Somewhat satisfied	53%	57%	56%	52%	56%	54%	50%	52%	51%	45%	39%	40%
Not very satisfied	16%	16%	16%	21%	16%	14%	16%	12%	13%	11%	9%	6%
Not at all satisfied	3%	6%	6%	7%	4%	7%	7%	6%	2%	9%	3%	2%
Not Sure	0%	0%	0%	1%	0%	0%	1%	1%	1%	2%	0%	0%

Gender

	Male		Female	
	2014	2012	2014	2012
Very satisfied	28%	28%	23%	22%
Somewhat satisfied	53%	52%	52%	50%
Not very satisfied	14%	14%	20%	18%
Not at all satisfied	5%	6%	5%	9%
Not Sure	0%	1%	0%	1%

Perceived Bias

	2014	2012
Racial bias	2%	1%
Sexual orientation bias	1%	2%
Bias against laterals	2%	2%
Gender bias	12%	11%
Cronyism	30%	35%
Other reason	17%	21%
Not sure	36%	29%

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Ethnicity

	White, not Hispanic		Black, not Hispanic		Hispanic		Asian Pacific, not Hispanic		American Indian, not Hispanic		Native Hawaiian or Pacific Islander, not Hispanic		Mixed races	
	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012
Very satisfied	28%	27%	14%	24%	24%	27%	24%	19%	25%	0%	100%	--	25%	15%
Somewhat satisfied	53%	51%	43%	52%	44%	59%	43%	57%	0%	60%	--	--	58%	40%
Not very satisfied	15%	15%	27%	6%	20%	9%	22%	15%	25%	0%	--	--	17%	25%
Not at all satisfied	4%	6%	16%	18%	12%	6%	10%	8%	50%	40%	--	--	0%	15%
Not Sure	0%	1%	0%	0%	0%	0%	1%	1%	0%	0%	--	--	0%	5%

Total Compensation

	< \$300K		\$301K–\$500K		\$501K–\$1M		\$1.01M–\$1.5M		\$1.51M+	
	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012
Very satisfied	9%	10%	16%	16%	33%	30%	47%	54%	63%	65%
Somewhat satisfied	55%	50%	59%	59%	52%	55%	48%	40%	33%	31%
Not very satisfied	26%	26%	19%	17%	11%	11%	4%	5%	3%	4%
Not at all satisfied	10%	13%	6%	8%	4%	3%	1%	1%	0%	0%
Not Sure	0%	1%	0%	1%	0%	0%	0%	0%	1%	0%

Total Originations

	< \$1M		\$1.01M–\$2M		\$2.01M–\$3M		\$3.01M–5M		\$5.01M+	
	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012
Very satisfied	16%	17%	29%	28%	36%	32%	40%	49%	50%	51%
Somewhat satisfied	56%	54%	51%	52%	50%	50%	49%	45%	41%	41%
Not very satisfied	21%	19%	15%	15%	10%	11%	8%	7%	6%	6%
Not at all satisfied	7%	9%	5%	5%	4%	6%	2%	0%	2%	1%
Not Sure	0%	1%	0%	0%	0%	1%	0%	0%	1%	0%

Billable Hours

	< 1,500		1501–1800		1801–2100		2101–2400		2401+	
	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012
Very satisfied	25%	23%	27%	26%	25%	29%	31%	29%	45%	34%
Somewhat satisfied	52%	49%	52%	52%	54%	52%	53%	56%	47%	51%
Not very satisfied	17%	18%	16%	15%	15%	15%	12%	11%	8%	11%
Not at all satisfied	6%	10%	5%	7%	6%	4%	4%	3%	0%	4%
Not Sure	0%	1%	0%	1%	0%	1%	0%	1%	0%	0%

APPENDIX X – DESIRED COMPENSATION

Should your compensation be higher than it is?

	2014	2012
No, I feel my compensation is about right	45%	43%
Yes, I should be earning more	55%	58%

How much higher should your compensation be?

	2014	2012
10% or less	10%	10%
11%-20%	46%	47%
21%-30%	29%	27%
31%-40%	7%	7%
41%-50%	4%	4%
51%-60%	2%	3%
61%-70%	0%	1%
71%-80%	0%	0%
81%- 90%	0%	0%
91%-100%	1%	1%
100% or more	1%	--

APPENDIX XI – IMPORTANCE OF FACTORS IN DETERMINING COMPENSATION / DESIRE FOR CHANGES

Importance of Factors

2014	Originations	Receipts	Realization	Billable Hours	Non-Billable Hours	Mgmt Respons.	Cross Selling	Citizenship	Seniority
Very Important	74%	59%	25%	39%	2%	9%	12%	11%	5%
Somewhat Important	22%	35%	59%	52%	28%	55%	45%	43%	33%
Not Very Important	3%	5%	14%	9%	50%	32%	34%	35%	43%
Not Important at All	1%	1%	1%	1%	20%	5%	8%	12%	19%
2012	Originations	Receipts	Realization	Billable Hours	Non-Billable Hours	Mgmt Respons.	Cross Selling	Citizenship	Seniority
Very Important	74%	59%	26%	40%	1%	9%	12%	10%	6%
Somewhat Important	22%	34%	58%	50%	28%	54%	46%	42%	31%
Not Very Important	3%	6%	14%	9%	49%	32%	33%	34%	43%
Not Important at All	1%	1%	2%	2%	21%	5%	9%	14%	20%

Perceived Importance of Factors

2014	Originations	Receipts	Realization	Billable Hours	Non-Billable Hours	Mgmt Respons.	Cross Selling	Citizenship	Seniority
Is Most Important	66%	21%	1%	6%	0%	1%	2%	1%	2%
Should Be Most Imp.	56%	26%	3%	4%	0%	1%	5%	4%	1%
2012	Originations	Receipts	Realization	Billable Hours	Non-Billable Hours	Mgmt Respons.	Cross Selling	Citizenship	Seniority
Is Most Important	65%	21%	1%	8%	0%	2%	1%	1%	1%
Should Be Most Imp.	58%	25%	2%	4%	0%	1%	5%	3%	1%

Change in Importance

	2014	2012
Yes, has been a change	40%	44%
No, has not been a change	40%	37%
Not certain	21%	19%

Compensation System Changes

	2014	2012
Yes, would like to see changes	65%	67%
No, no need for changes	19%	20%
Not sure	16%	14%

Factor has become...

2014	Originations	Receipts	Realization	Billable Hours	Non-Billable Hours	Mgmt Respons.	Cross Selling	Citizenship	Seniority
More important	55%	32%	28%	29%	2%	12%	23%	7%	1%
Less important	6%	10%	8%	12%	35%	20%	13%	44%	50%
2012	Originations	Receipts	Realization	Billable Hours	Non-Billable Hours	Mgmt Respons.	Cross Selling	Citizenship	Seniority
More important	55%	32%	27%	31%	2%	14%	21%	7%	1%
Less important	7%	11%	8%	11%	36%	19%	15%	45%	52%

QUESTIONNAIRE

2014 PARTNER COMPENSATION SURVEY

Thank you for agreeing to participate in this survey. Your responses will be kept strictly confidential by ALM Legal Intelligence and no identifying information will be associated with your answers or forwarded to Major, Lindsey & Africa or any other party.

1. How many years have you been a partner at your current law firm?

- 1 to 5 years
- 6 to 10 years
- 11 to 20 years
- More than 20 years

2. How many years have you been a partner at a law firm in total? Please include any and all law firms including your current one.

- 1 to 5 years
- 6 to 10 years
- 11 to 20 years
- More than 20 years

3. What was your Partnership Status during the 2013 compensation year?

For your response, please use The American Lawyer definitions of Partnership Status, which defines Equity Partners as those who receive no more than half their compensation on a fixed-income basis and Non-Equity Partners as those who receive more than half their compensation on a fixed basis.

- Equity Partner
- Non-equity Partner

4. What is your primary practice area?

Administrative/Regulatory	Environmental	Litigation - Appellate
Antitrust	ERISA/Benefits	Litigation - White Collar/
Banking	Government Contracts	Securities
Bankruptcy	Healthcare	Enforcement
Corporate - General	Immigration	Project Finance
Corporate - Finance/Securities	Insurance	Real Estate
Corporate - M&A	International	Tax
Employment/Labor	IP - Litigation	Trusts & Estates
Energy	IP – Transactional	Other
Entertainment	Litigation - General	

5. In what city do you practice?

Drop down menu of cities and states, as listed below

Akron, OH	Houston, TX	Philadelphia, PA
Albuquerque, NM	Indianapolis, IN	Phoenix, AZ
Arlington, TX	Irvine, CA	Pittsburgh, PA
Atlanta, GA	Jacksonville, FL	Portland, OR
Austin, TX	Kansas City, MO	Providence, RI
Baltimore, MD	Las Vegas, NV	Raleigh, NC
Birmingham, AL	Long Beach, CA	Richmond, VA
Boston, MA	Los Angeles, CA	Sacramento, CA
Buffalo, NY	Louisville, KY	San Antonio, TX
Charlotte, NC	Memphis, TN	San Diego, CA
Chicago, IL	Mesa, AZ	San Francisco, CA
Cincinnati, OH	Miami, FL	San Jose, CA
Cleveland, OH	Milwaukee, WI	Seattle, WA
Colorado Springs, CO	Minneapolis, MN	St. Louis, MO
Columbia, SC	Mountain View, CA	Tallahassee, FL
Columbus, OH	Nashville, TN	Tampa, FL
Dallas, TX	New Orleans, LA	Tucson, AZ
Denver, CO	New York, NY	Tulsa, OK
Detroit, MI	Newark, NJ/Northern NJ	Virginia Beach/Tidewater, VA
El Paso, TX	Oakland, CA	Washington, D.C./NoVA
Fort Worth, TX	Oklahoma City, OK	Westchester, NY
Fresno, CA	Omaha, NE	Winston-Salem, NC
Greenville, SC	Orange County, CA	Other
Hartford, CT	Orlando, FL	
Honolulu, HI	Palo Alto/Silicon Valley, CA	

6. Did you join your present firm laterally as a partner, or were you previously an associate or counsel with your present firm before making partner?

- I joined my present firm laterally as a partner
- I was previously an associate or counsel with my present firm before making partner

[IF RESPONDENT DID NOT JOIN PRESENT FIRM Laterally AS A PARTNER, SKIP TO Q.10]

7. When you joined your present firm laterally as a partner, did your total compensation increase, decrease or stay about the same as in your previous position?

By total compensation we mean all base and bonus compensation earned by you in respect of a fiscal year, even if it was paid in the following fiscal year.

- Compensation increased 10% or more
- Compensation decreased 10% or more
- Compensation stayed about the same (increased or decreased by less than 10%)

8. **[IF COMPENSATION INCREASED – FROM Q.7] By about what percent did your total compensation increase?**

- Drop down menu of percentages ranging from “10%–20%” to “More than 100%,” in 10% increments.

9. **[IF COMPENSATION DECREASED – FROM Q.7] By about what percent did your total compensation decrease?**

- Drop down menu of percentages ranging from “10%–20%” to “100%,” in 10% increments.

10. **Is your firm’s compensation system an open or closed one, i.e., do you know what other partners make?**

- Open: I know what everyone makes, or can easily find out
- Partially Open: I know ranges of compensation, but do not know exactly who makes what
- Closed: I don’t know what anyone else makes

11. **What was your total compensation for 2013?**

For purposes of this question, total compensation means all base and bonus compensation received by you in respect of your 2013 fiscal year, even if a portion of it was paid in your 2014 fiscal year. [Please exclude one-time contingency case payments or other unusual payments that are unlikely to re-occur.]

- Drop down menu of compensation values ranging from “Less than \$100,000” to “more than \$8,000,000,” in \$50,000 increments.

12. **What were your total originations for 2013?**

By total originations we mean the total dollar value of work performed and collected by you and the other attorneys at your firm for which your efforts were the proximate cause of such work coming to the firm.

- Drop down menu of origination values ranging from “Less than \$100,000” to “more than \$30,000,000,” in \$100,000 increments through \$10 million and \$1 million increments between \$10 million and \$30 million.
- My firm does not track originations, but my best guess would be [SAME DROPS]
- My firm does not track originations at all and I have no idea what the number would be

13. **What were your total working attorney receipts for 2013?**

By total working attorney receipts we mean the number of dollars collected (or expected to be collected) by your firm for work performed personally by you in a fiscal year, even if it was collected in the following fiscal year. [Please exclude one-time contingency case payments or other unusual payments that are unlikely to re-occur.]

- Drop down menu of working attorney receipts values ranging from “Less than \$100,000” to “more than \$5,000,000,” in \$100,000 increments.

14. **What was your standard hourly billing rate for 2013?**

- Drop down menu of standard hourly billing rate values ranging from “\$0-50” to “more than \$2,000,” in \$25/hour increments.

15. What were your total billable hours for 2013?

- Drop down menu of billable hours values ranging from “1,000 or less” to “more than 3,000,” in 50-hour increments.

16. What were your total non-billable hours for 2013?

This would include management, recruiting, business development, CLE, etc.

- Drop down menu of non-billable hours values ranging from “0-50” to “more than 1,000,” in 50-hour increments.

17. Is your firm’s compensation system pure lockstep, generally lockstep but it allows for some variance based on certain factors, or not lockstep at all?

As you may know, lockstep means that compensation is based on seniority and not on ability, experience or work product.

- My firm is pure lockstep
- My firm is generally lockstep, but allows for some variance
- My firm is not lockstep at all

[IF RESPONDENTS’ FIRM IS PURE LOCKSTEP SKIP TO Q.24]

18. For each factor below please tell us how important it is to your firm when determining compensation.

- Drop down menu of importance listing “Very Important”, “Somewhat Important”, “Not Very Important” and “Not At All Important”.

Originations

Working attorney receipts

Realization rate

Billable hours

Non-billable hours

Management responsibilities

Cross-selling

Good citizenship

Seniority

19. Which one of these factors do you feel is the most important?

Originations

Working attorney receipts

Realization rate

Billable hours

Non-billable hours

Management responsibilities

Cross-selling

Good citizenship

Seniority

20. And which one do you feel should be the most important?

Originations
Working attorney receipts
Realization rate
Billable hours
Non-billable hours
Management responsibilities
Cross-selling
Good citizenship
Seniority

21. Do you feel that over the past few years there has been any change in the importance of these factors for determining compensation?

- Yes, has been a change
- No, has not been a change
- Not certain

22. Which factors, if any, do you feel have become more important? (Please select as many as apply)

Originations
Working attorney receipts
Realization rate
Billable hours
Non-billable hours
Management responsibilities
Cross-selling
Good citizenship
Seniority

23. And which factors, if any, do you feel have become less important? (Please select as many as apply)

Originations
Working attorney receipts
Realization rate
Billable hours
Non-billable hours
Management responsibilities
Cross-selling
Good citizenship
Seniority

24. Generally, how satisfied are you with your total compensation?

- I am very satisfied
- I am somewhat satisfied
- I am not very satisfied
- I am not at all satisfied
- Can't say

25. [ASK Q.25 ONLY IF NOT VERY OR NOT AT ALL SATISFIED] If you are not satisfied with your compensation, do you feel it is because of any bias on the part of your firm such as any of the following:

- Racial bias
- Sexual orientation bias
- Bias against laterals
- Gender bias
- Cronyism
- Cannot say

26. Do you feel your total compensation should be higher than it is?

- Yes, I feel it should be higher
- No, I feel it is about right

27. Roughly how much higher do you feel your compensation should be?

- *Drop down menu of percentages ranging from "10% or Less" to "100% or more," in 10% increments*

28. Are there any things about your compensation system that you would like to see changed?

- Yes, would like to see some things changed
- No, no need for changes
- Can't say

[IF "YES, WOULD LIKE TO SEE SOME THINGS CHANGED", ASK Q.29].

29. What would you like to see changed?

- *Write-in responses allowed at this point*

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Finally, just a few background questions.

30. How large is your law firm?

- 1-50 attorneys
- 51-200 attorneys
- 201-500 attorneys
- 501-1,000 attorneys
- 1,000+ attorneys

31. What is your gender?

- Male
- Female

32. Which of these categories, used by the American Bar Association, best describes your ethnicity?

- White, not Hispanic
- Black, not Hispanic
- Hispanic
- Asian Pacific, not Hispanic
- American Indian, not Hispanic
- Native Hawaiian or Pacific Islander, not Hispanic
- Mixed races

Thank you for participating in the Major, Lindsey & Africa Partner Compensation Survey.

For Managing Partners and members of firm management who want a more detailed briefing on the results of this survey, please contact Jeffrey Lowe, Global Practice Leader, Law Firm Practice and Managing Partner, Washington D.C. at Jlowe@mlaglobal.com or 202-628-0661.

To learn more about Major, Lindsey & Africa, visit www.mlaglobal.com.