

Female partner salaries lagging behind



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A recent survey of law firm partners across the country showed notable gaps in pay between men and women law partners but also that the Twin Cities overall pays partners far less than in many larger markets.

This bi-annual survey, by Maryland-based legal search firm, Major, Lindsey & Africa, showed that the average compensation nationwide for male partners is \$959,000, while female partners only earn \$627,000 on average.

The study also found that Minneapolis has the lowest average compensation for law firm partners at \$593,000 less than half of the average compensation in New York, \$1.45 million.

But according to a legal recruiter from Major, Lindsey & Africa's Minneapolis office, the survey results shouldn't be cause for alarm.

"The results of the survey when it comes to Minneapolis aren't surprising in the least," said Brian McMahon, managing director of that office. "Partner compensation is overwhelmingly driven by hourly rates and hours billed. Those figures are all lower in Minneapolis. It's not in any way a reflection on the vibrancy of this legal market."

Angie Rentz, regional search director at Special Counsel in Minneapolis, agreed that the compensation figures locally are in line with that in similarly-sized firms in bigger markets.

"While Minnesota, specifically Minneapolis, does have "Biglaw" representatives, there is a large gap in compensation, both at the associate and partner level, between the true top tier of AmLaw firms and the

remaining AmLaw 100 and 200 contingent,” said Rentz. “Minneapolis partner compensation is being compared to cities that house some of the largest firms in the nation, which is likely why it’s showing up as a much lower average.”

An ongoing trend

The survey, the fifth such one by Major, Lindsey & Africa, was compiled with UK legal market intelligence and research specialists Acritas, and based on the responses of 1,390 law firm partners in the U.S.

Throughout the history of the survey, male partners have consistently reported substantially higher average compensation than their female counterparts: The pay gap between genders was 44 percent in 2016, 47 percent in 2014, 48 percent in 2012, and 32 percent in 2010.

What are the factors behind such a discrepancy? Mostly, just the nature of the business and how it’s drummed up.

The survey found that male partners topped female partners in originations, reporting average originations of \$2.78 million, a gain of 8 percent over the 2016 survey. By contrast, originations from female partners averaged \$1.59 million, which was down 8 percent from the previous survey.

Then there’s the matter of billing rates. Male partners’ average hourly billing rates also were well above those of their female counterparts at \$736 (up 5 percent from the two years ago) compared to \$650 (down 2 percent). Even when accounting for originations, female partners still reported lower average compensation than males almost 80 percent of the time.

“Our findings show that originations and billing rates together were responsible for nearly 75 percent of the overall variation in compensation across all partners who responded to this survey,” Lucy Leach, technical researcher director of Acritas, said in a statement.

McMahon noted that while the data doesn’t suggest a conscious bias against women, it does reflect how the predominant compensation model in big law heavily rewards partners for their originations and hourly rates. Because of that, other contributions to law firm coffers might not be as readily recognized, possibly putting women at a disadvantage.

Rentz of Special Counsel pointed out that the path to partnership can be more challenging for women thanks to how firms are structured.

“Some firms that only have two-tier systems of equity and non-equity, which can factor into the pay

disparity,” she said. “Further, the gender composition of corporate decision-making committees makes a difference in the advancement and compensation of women. The lack of formal succession planning plays a factor as well in opportunities for women over 70 percent of firms don’t have a formal planning process for practice group leaders.”

Other factors affecting partner compensation include differences between equity and non-equity partners, practice areas, compensation transparency and lateral status. The survey showed that compensation disparities between cities are predictably substantial. Average compensation ranged from a low of \$593,000 in Minneapolis to a high of \$1.45 million in New York.

“Keep in mind that the other markets in the survey are all significantly larger, so there are scales of economics that you have to consider,” said McMahon. “I’m seeing a lot of attorneys who want to move here from other markets. They see this area developing a reputation as the perfect market for a solid legal career combined with a great lifestyle.”

Rentz is confident that demographic changes at large firms will eventually serve to shrink the compensation gap.

“It’s only been the past few years that we’ve seen firms put a dedicated focus on gender diversity when growing their partnership ranks,” she said. “As such we are only now starting to see the results of that dedicated focus.”

The full Major, Lindsey & Africa survey can be downloaded [here](#).

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