

2019 ATTORNEY COMPENSATION REPORT



INTRODUCTION

In 2019, Martindale-Avvo undertook its second annual Attorney Compensation Report. The report catalogs the incomes of solo and small-firm attorneys across the United States.

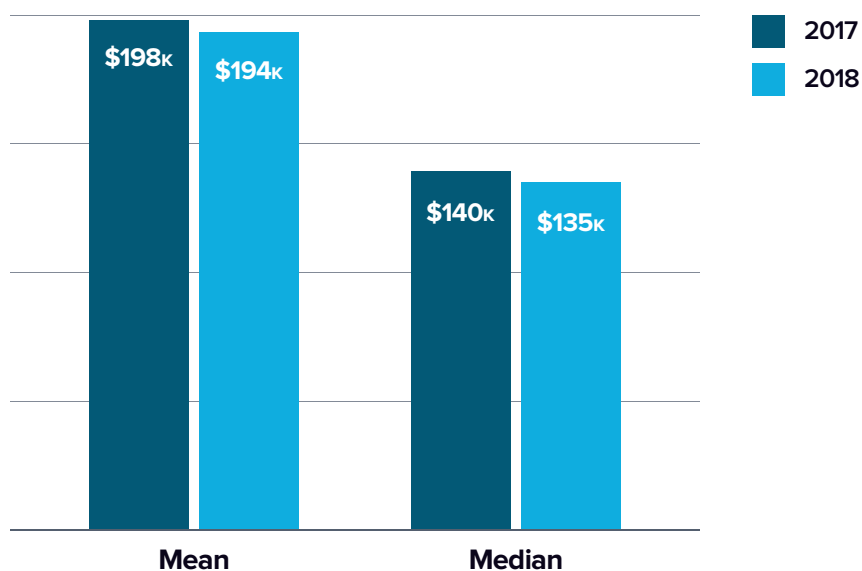
In addition to gathering compensation data, the Martindale-Avvo Attorney Compensation Report covers important factors that affect income, such as hours worked, time spent with clients, and firm size and location. New questions this year explore how attorneys spend their time when they're not at the office.

More than 7,800 attorneys across more than two dozen practice areas responded to the survey. The results focus on the 6,891 respondents who are practicing full-time.



How much did attorneys earn overall in 2018?

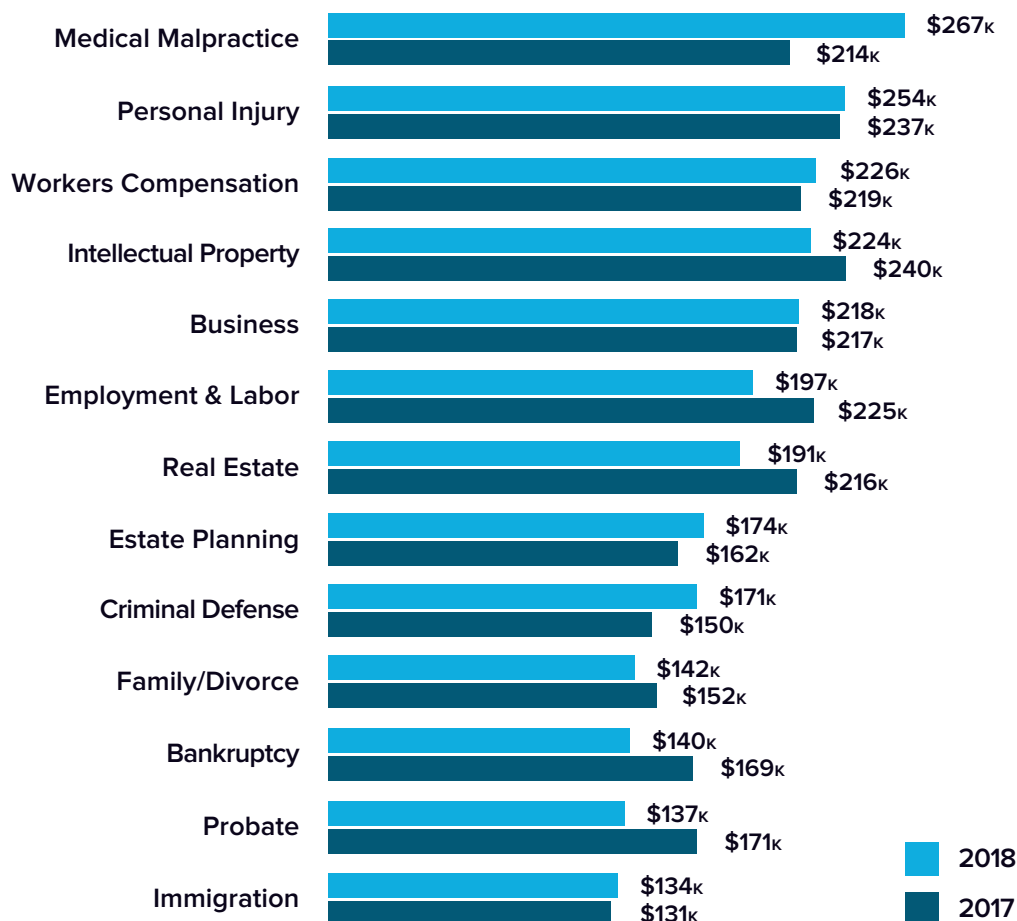
What was your 2018 compensation for providing billable legal services?



Year over year, the average annual full-time compensation among all U.S. solo and small firm attorneys who responded to the survey remained steady. This number excludes non-client-related activities such as serving as an expert witness or speaking engagements. For employed attorneys, reported compensation includes salary, bonus and profit-sharing contributions. For owners, compensation includes earnings after taxes and deductible expenses before income tax.

Medical Malpractice attorneys top the 2018 list

What was your 2018 compensation for providing billable legal services?

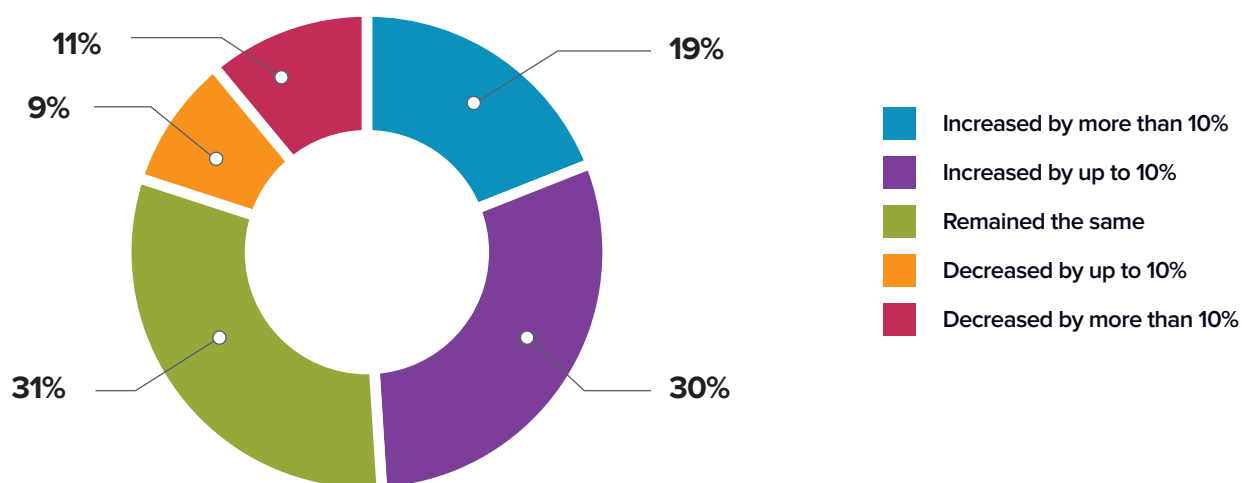


Attorneys who identified medical malpractice as their primary area of practice reported earning the most in 2018 with an average \$267,000 annually, up from \$214,000 in 2017. Intellectual property attorneys, the highest earners in 2018, dropped 6.6% to \$224 million. The largest drop was reported by probate attorneys, whose earnings decreased from an average of \$171,000 in 2017 to an average of \$137,000 in 2018.

Immigration attorneys continue to earn the least with an average of \$134,000, a small increase over 2017 reported average earnings of \$131,000.

Attorney compensation is up

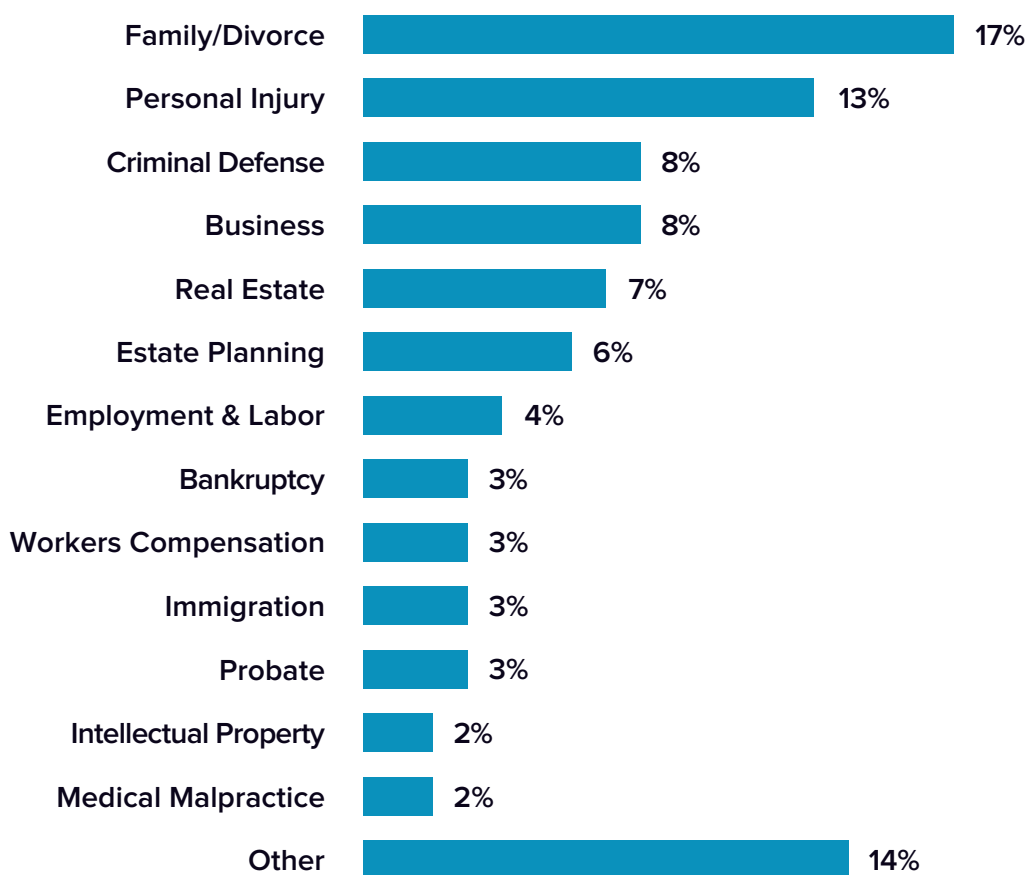
Did your 2018 earnings from legal services increase, decrease, or remain the same compared to 2017?



Attorneys were more likely to see an increase in year-over-year compensation in 2019, with 49% of practitioners reporting their compensation rose during the year. And, in line with 2017, the largest group experiencing an income increase were those under the age of 35 (86%).

17% of respondents reported receiving supplemental income

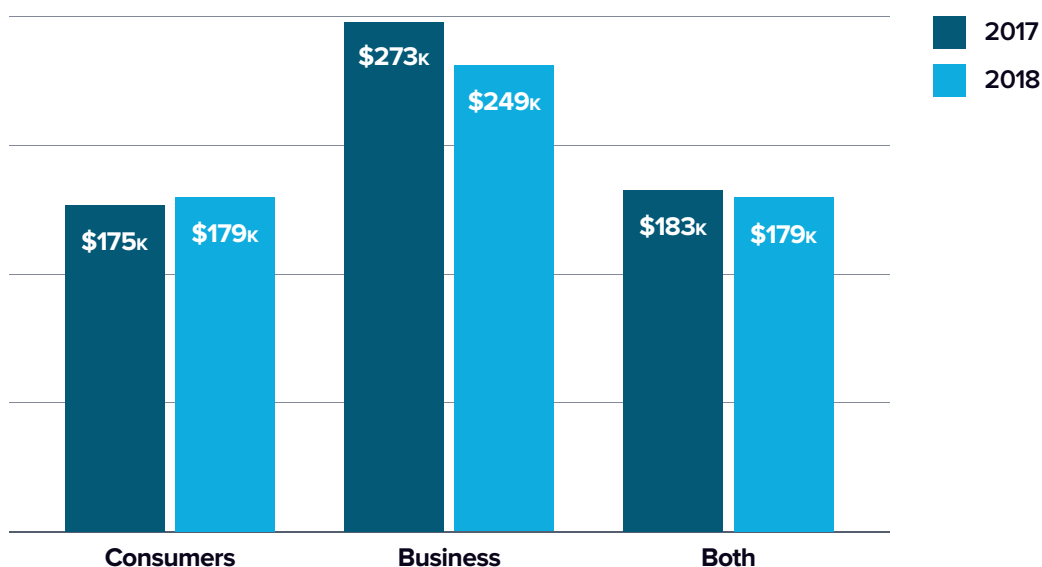
In 2018, how much money did you make in non-legal-services activities?



A majority of attorneys (83%) indicated they did not earn any supplemental income providing non-legal services during 2018. This includes income from speaking engagements, serving as an expert witness, etc. Among the different practice areas, family/divorce (17%) and personal injury (13%) had the largest proportion of practitioners who earned additional income. Only 12% of those in practice 1 to 5 years earned supplemental income, compared with 20% of those in practice 31+ years.

Representing businesses provides more income

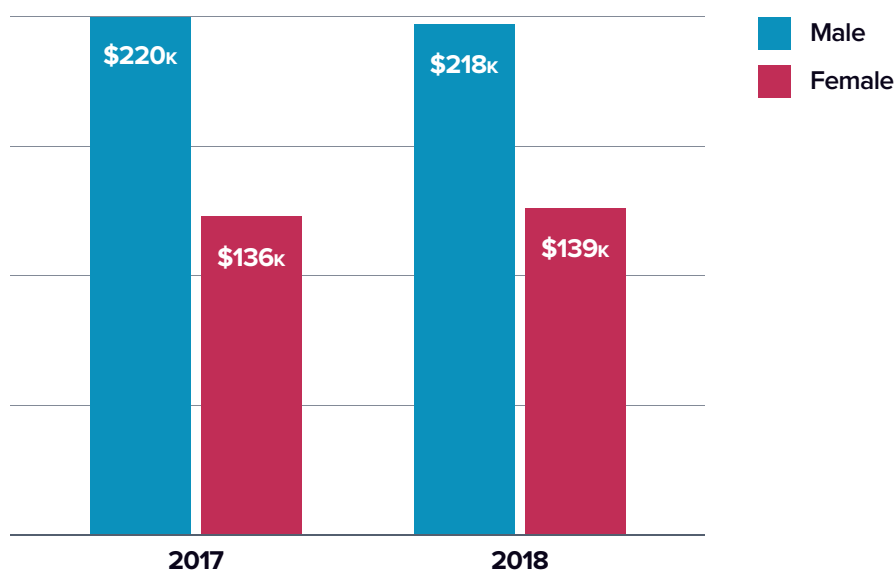
Do you primarily provide legal services to consumers, businesses or both?



Attorneys whose practices focus primarily on representing businesses reported earning 28% more income in 2018 than those whose practices focus primarily on representing consumers, although the average decreased by 8.8% year over year.

A gender gap persists

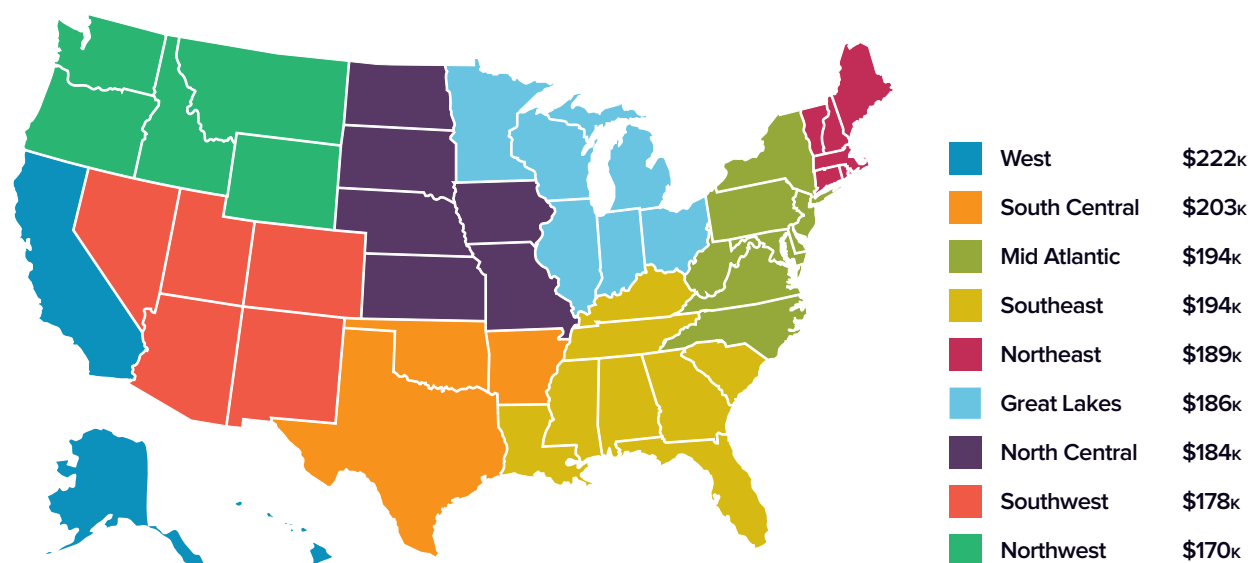
What was your 2018 compensation for providing billable legal services (by gender and client type)?



A gender-compensation gap exists among solo practitioners and attorneys employed at small firms, with female attorneys reporting receiving 36% less income in 2018 than their male counterparts. Some of this disparity may be attributed to the number of years spent practicing law, with female attorneys reporting substantially fewer average years (16.3) in practice than their male counterparts (22.7). A higher proportion of female attorneys also represent consumers, where reported income in 2018 was less than that of attorneys primarily representing businesses.

Western region attorneys continue to earn the most

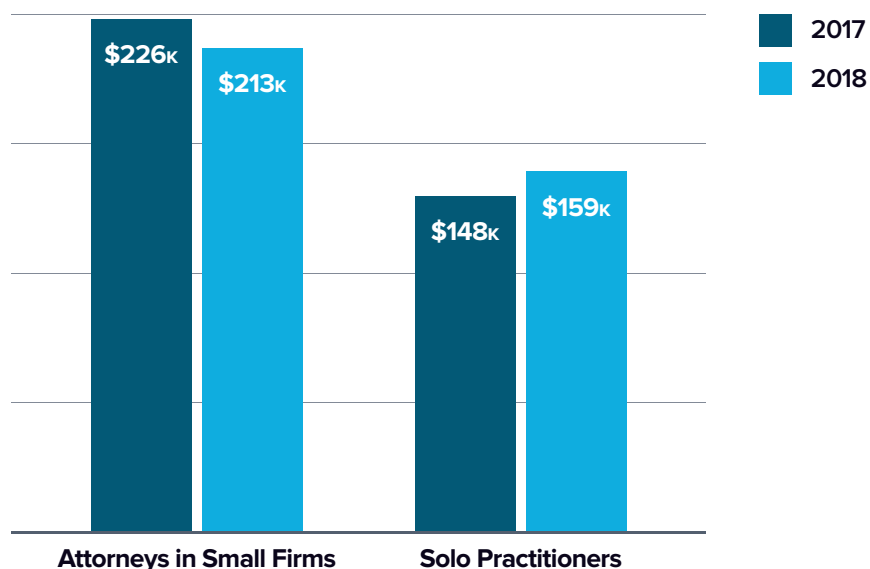
What was your 2018 compensation for providing billable legal services (by location)?



Solo practitioner and small-firm attorney compensation varied across the United States with lawyers in the Western region (CA, HI, AK) earning the most, followed by those in the South Central Region (TX, OK, AR). In a change from 2017, attorneys in the Northwestern region (WA, OR, ID, MT, WY) earned the least, replacing attorneys in the North Central region.

Small-firm attorneys earn more than solo practitioners

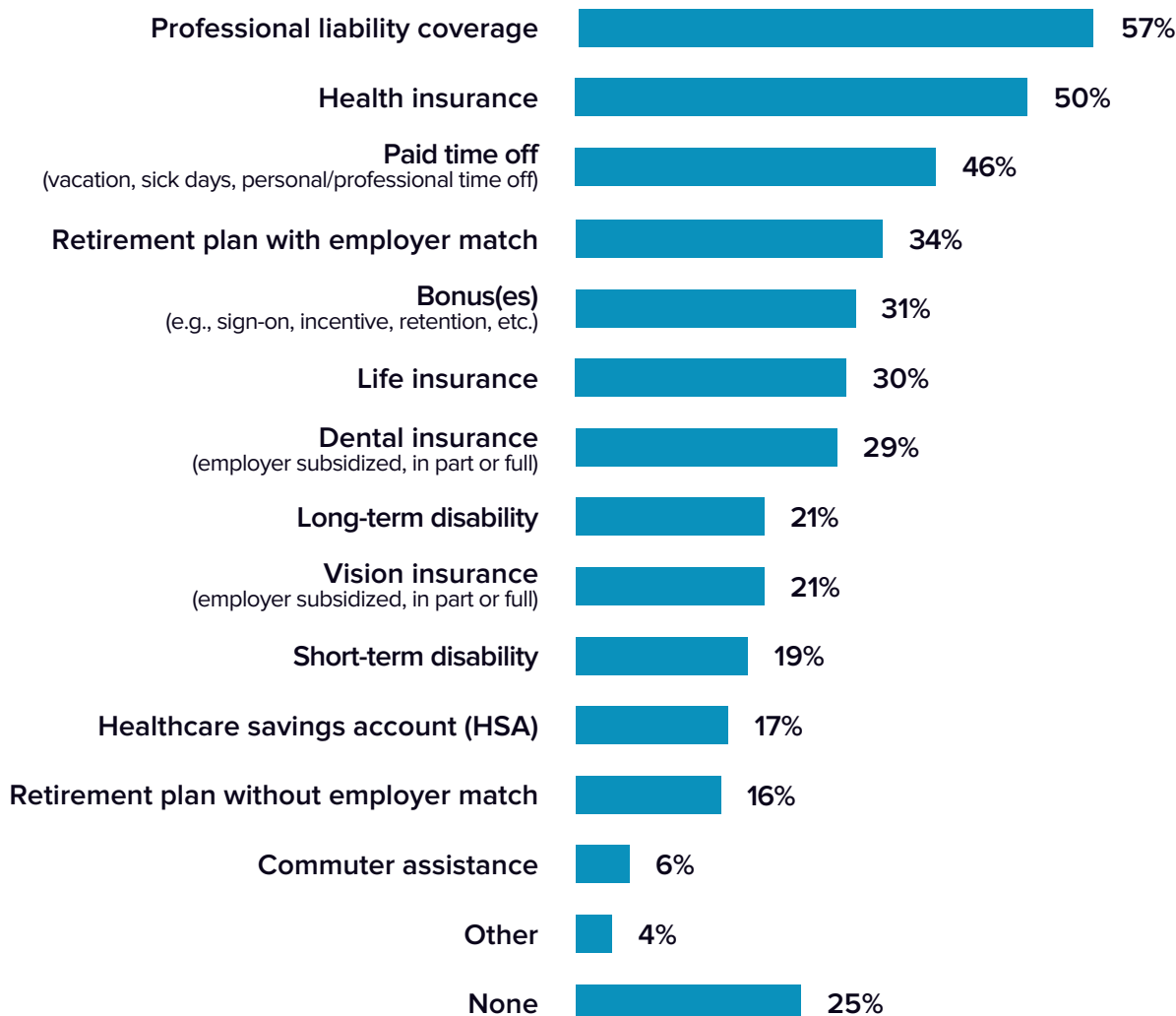
What was your 2018 compensation for providing billable legal services (by practice type)?



The majority of attorneys are employed by firms; a third are solo practitioners. While the earnings of solo practitioners increased to an average of \$159,000 in 2018, their counterparts in small firms still earned more with an average of \$213,000.

What benefits do attorneys receive?

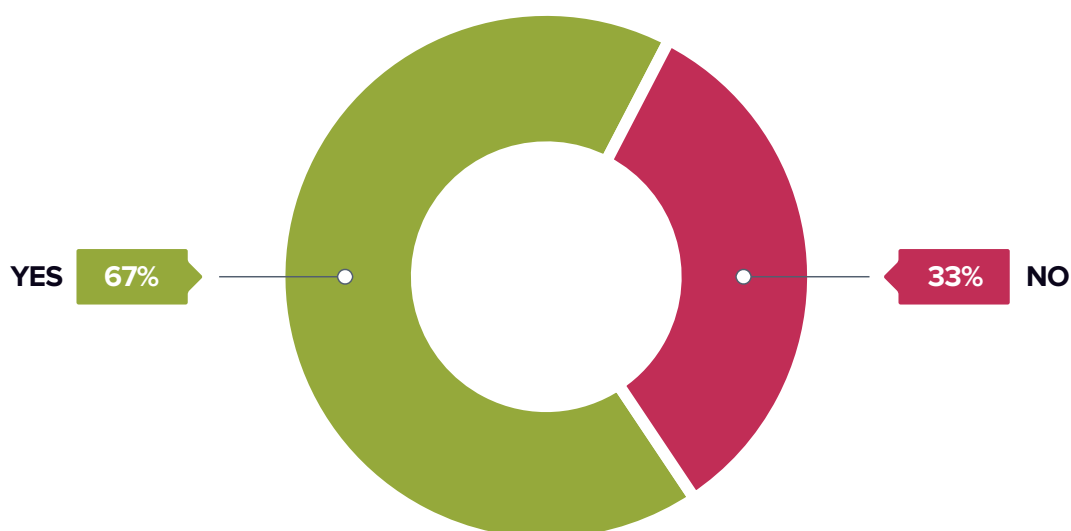
Which of these employment benefits do you receive (select all that apply)?



Three-quarters of attorneys receive some type of employment benefit. Liability coverage, health insurance and paid time off are most common. Ninety percent of attorneys who are employees receive at least some benefits, while more than half (56%) of solo attorneys reported receiving none of the benefits listed above.

Overall, attorneys feel fairly compensated for their work

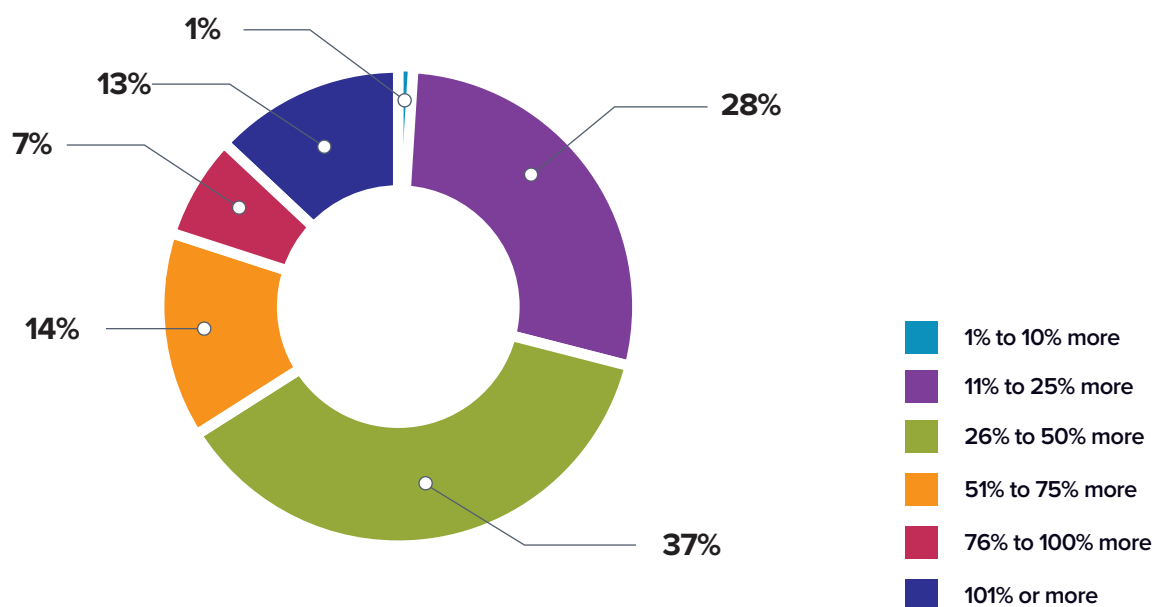
Do you feel that you are fairly compensated for your work?



Approximately two-thirds (67%) of attorneys believe they are fairly compensated for their work. When viewed through the lens of gender, men (70%) often feel more fairly compensated than women (61%), unchanged from 2017.

If undercompensated, how much more do attorneys expect to earn?

How much more do you feel you should make annually for legal services?

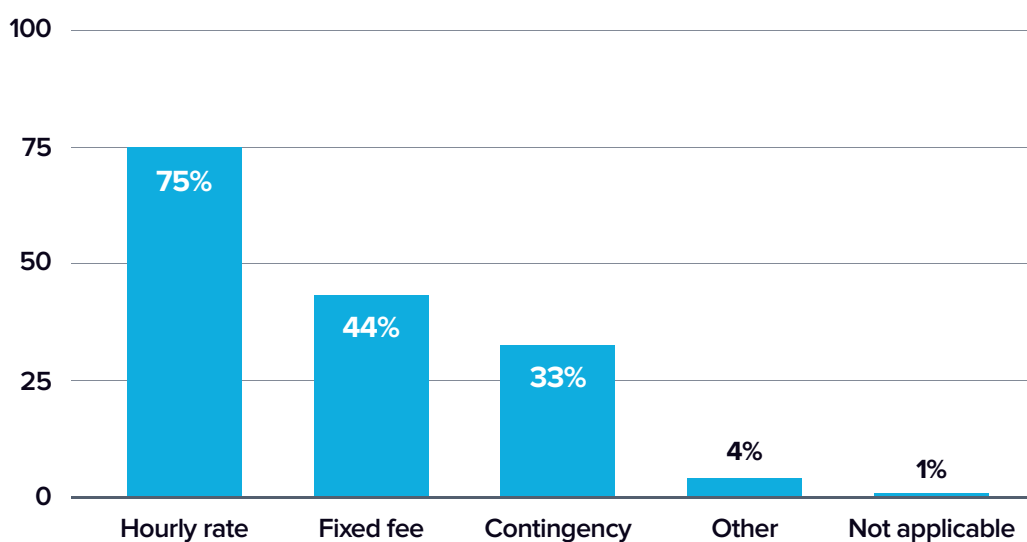


Of the 33% of attorneys who feel they deserve higher compensation, 13% believe they should be earning double what they're earning now, with 21% of solo practitioners believing they should be earning twice their current income.

Seven in ten attorneys feel they deserve more than 25% above their current compensation.

Hourly billing remains king

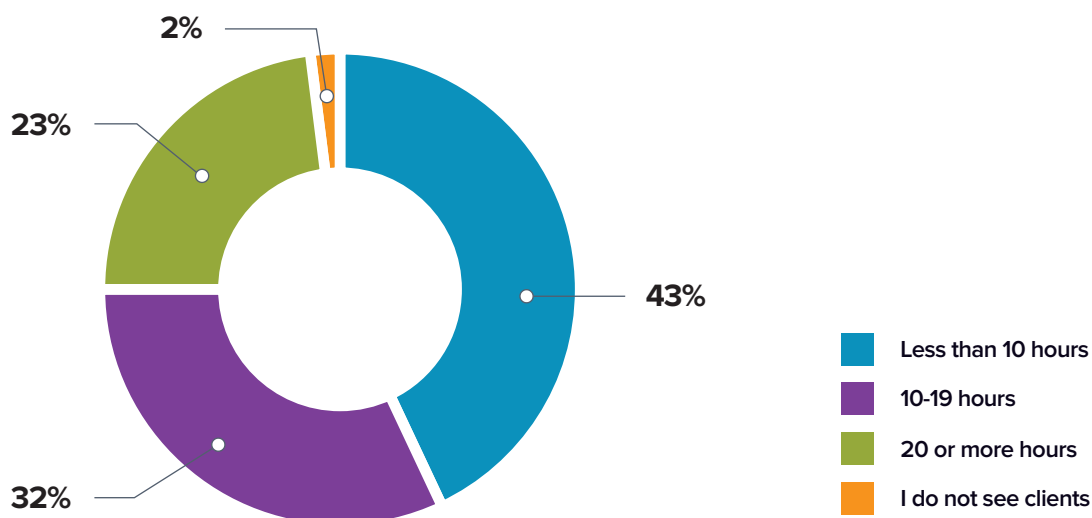
How do you currently bill for legal services (select all that apply)?



In a data point that is not expected to change any time soon, more than three-quarters of respondents use an hourly rate structure to bill clients, with the practice being more common among attorneys serving only businesses rather than those serving only consumers. Among attorneys using alternative methods, more than half of solo practitioners (57%) report using fixed fee billing compared to 39% of employed attorneys.

Time spent with clients averages less than 20 hours weekly

How many hours per week do you typically spend meeting with clients or representing clients in court or before other judicial bodies?

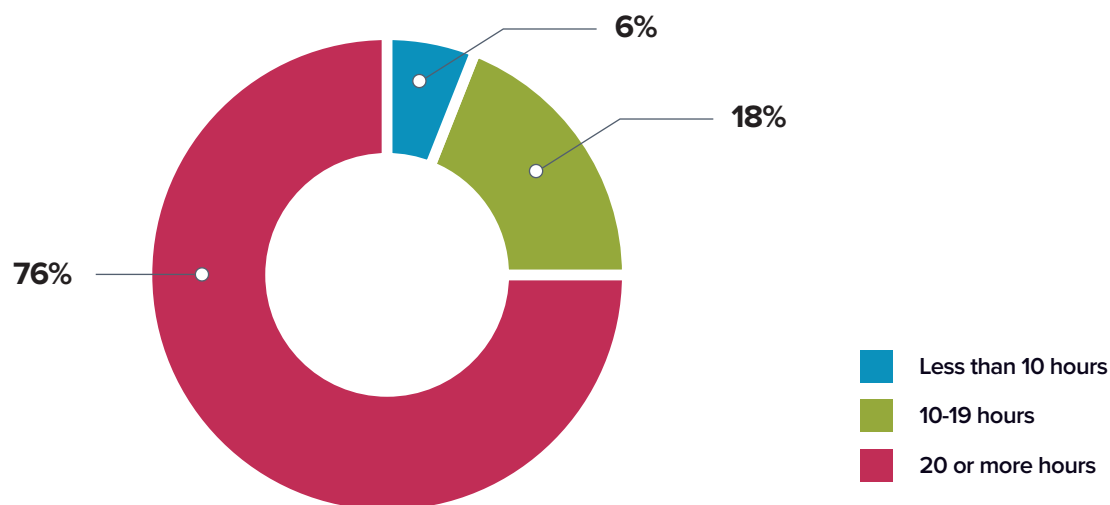


The majority of attorneys spend fewer than 20 hours weekly meeting with their clients or representing them in court or before other judicial bodies. Criminal defense/DUI attorneys continue to spend the most time meeting with clients – typically 20+ hours weekly – while intellectual property lawyers spend the least amount – less than 10 hours weekly.

Attorneys representing businesses spent significantly less in-person time with clients, with a majority (61%) reporting that they spend fewer than 10 hours weekly.

Hours per week spent on other billable work

How many hours per week do you typically spend on work other than meeting with clients or representing clients in court?

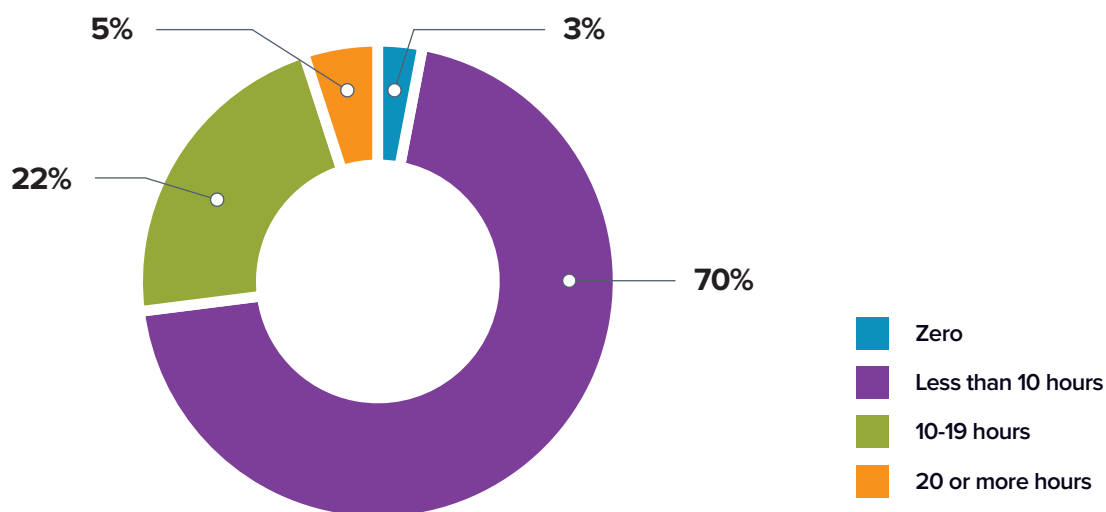


Most attorneys (76%) spend at least 20 hours on billable work weekly other than meeting with clients or representing them in court. This includes billable time spent on legal research, document filing, administrative/managerial work, etc.

Attorneys who serve only businesses spend considerably more time on legal research, document filing, etc. than those serving only consumers.

Hours per week spent on non-legal work

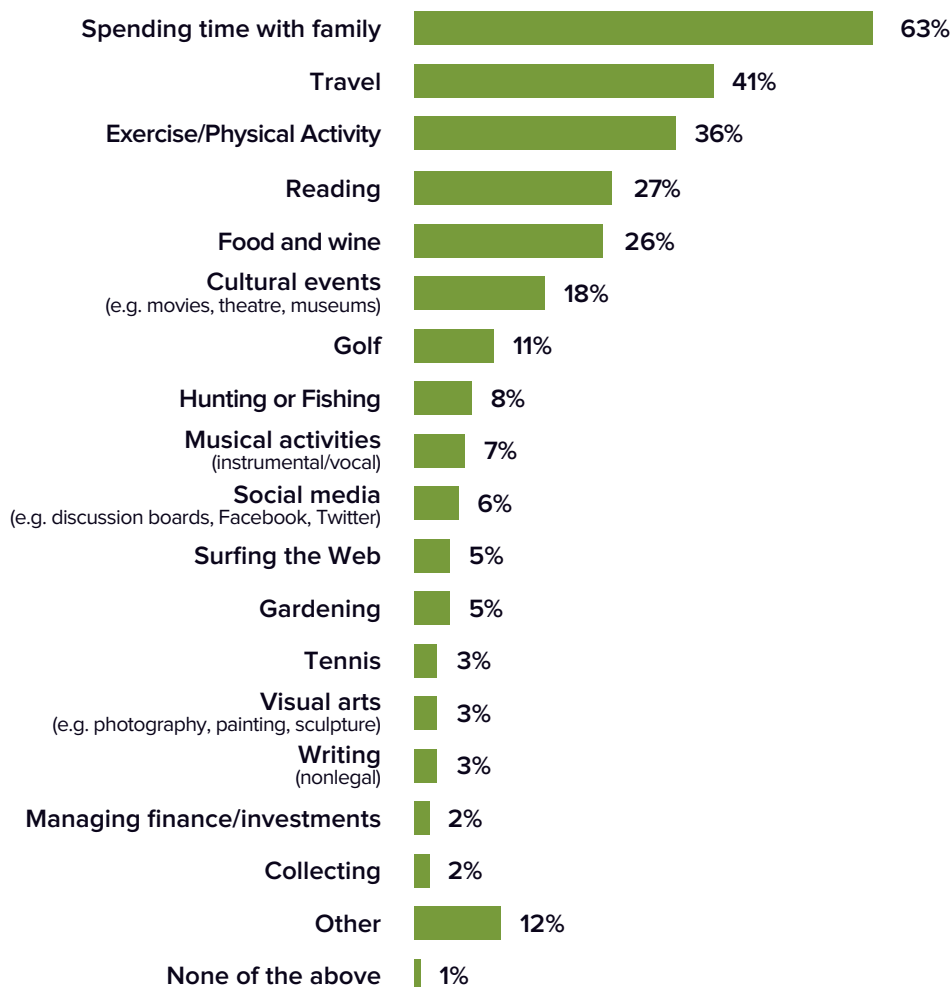
How many hours per week do you typically spend on non-billable activity such as business development, continuing legal education, teaching, etc.?



The majority of attorneys spend less than 10 business hours per week on non-billable activity. According to Question 14 (page 19), 17% of attorneys considered developing new business to be one of their top two challenges, yet only 6% of those attorneys spend 20 hours or more of time on non-billable activity such as business development, continuing legal education, etc.

Family time ranks first among attorneys' off hours activities

What are your favorite pastimes outside of work?

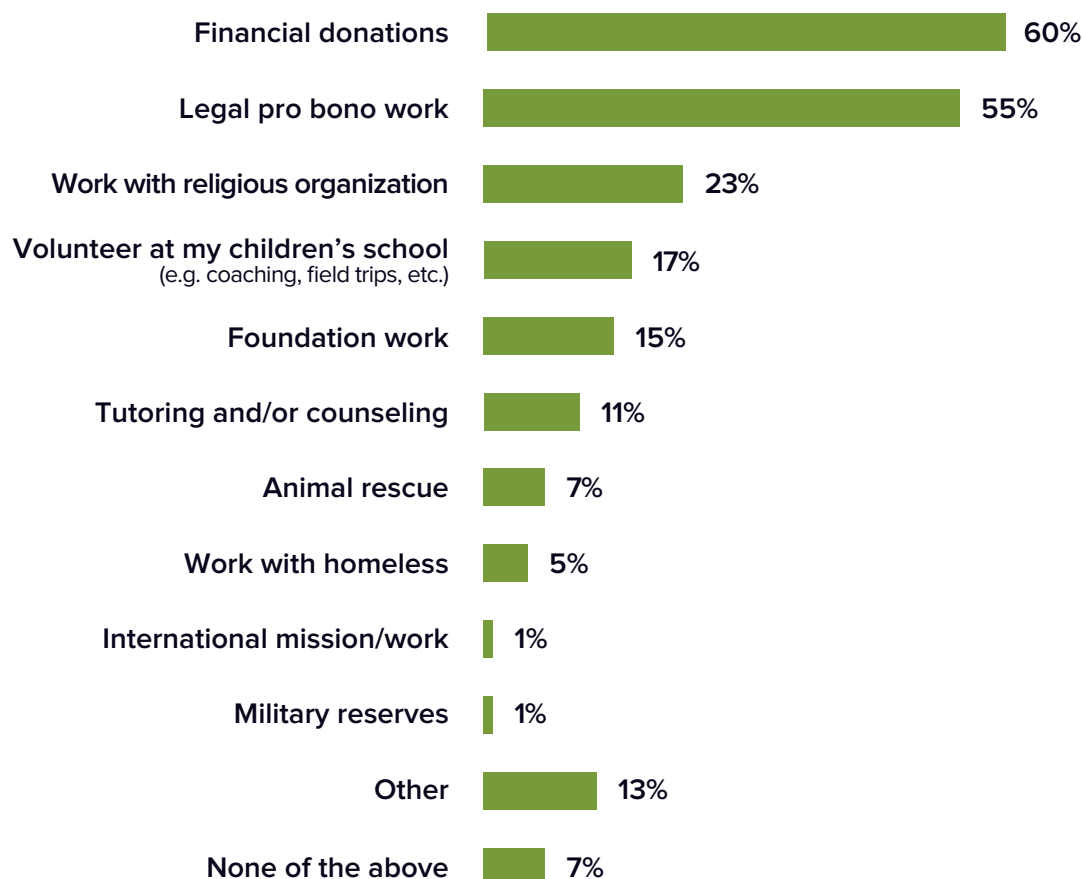


When not at work, the majority of attorneys prefer to spend time with their families, with 76% of attorneys spending more than one hour daily. A majority of attorneys also spend more than an hour per day surfing the web and on social media.

While both men and women participate in each of these pastimes, more men than women prefer golf, hunting and collecting, while more women prefer exercise/physical activity, reading and food and wine.

Attorneys use their legal skills to help those less fortunate

How are you giving back to your community?

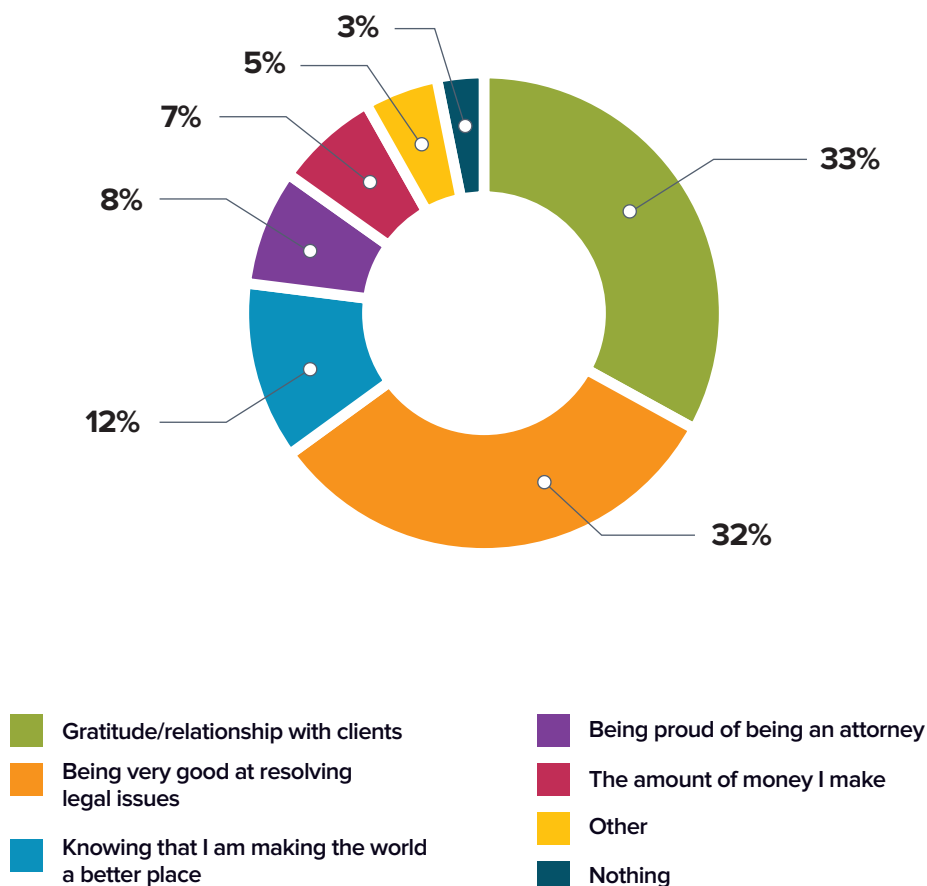


Over half of attorneys give back to their community through legal pro bono work or financial donations.

Men donate time to the community more frequently than women, with nearly half giving back once a week or more. Older attorneys engage in community service more often than younger attorneys, with 60% of those 55 or older giving back more than once a week.

Attorneys value client relationships the most

What do you consider to be the most rewarding aspect of your job?

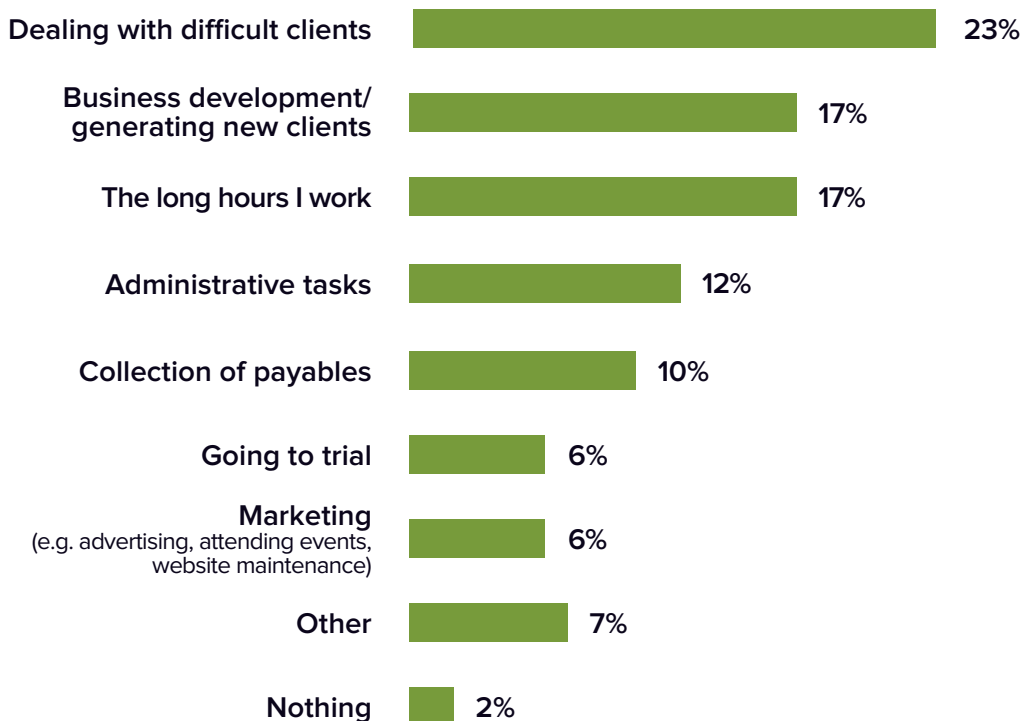


When asked to select the most rewarding aspect of their jobs, attorneys gave far more weight to “Gratitude/relationships with clients” and “Being very good at resolving legal issues” than all other choices, particularly as time spent practicing increases.

Of the attorneys who represent consumers, 15% chose “Knowing I’m making the world a better place” compared to only 3% of those serving businesses. Among consumer attorneys, 31% of immigration, 26% of consumer protection, and 24% of SSDI attorneys cited this category.

Difficult clients top the list of challenges

What do you consider to be the most challenging aspect of your job?



Difficult clients continue to rank as the most challenging aspect of attorneys' jobs, followed by the need to find new clients. Thirty percent of consumer-focused attorneys ranked difficult clients as their greatest challenge, more than double the percentage (13%) of those representing businesses. Conversely, 26% of the attorneys focused on businesses ranked the need to generate new clients as the greatest challenge, double the number of consumer-focused attorneys (13%).

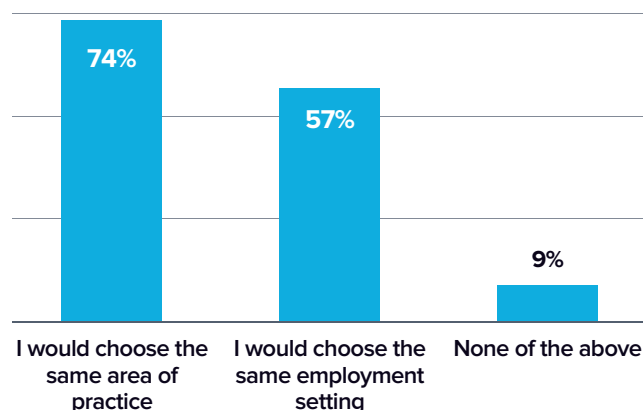
The practice of law remains the top career choice

If you had it to do all over again, would you choose law as a career?

Would you still choose law as a career?



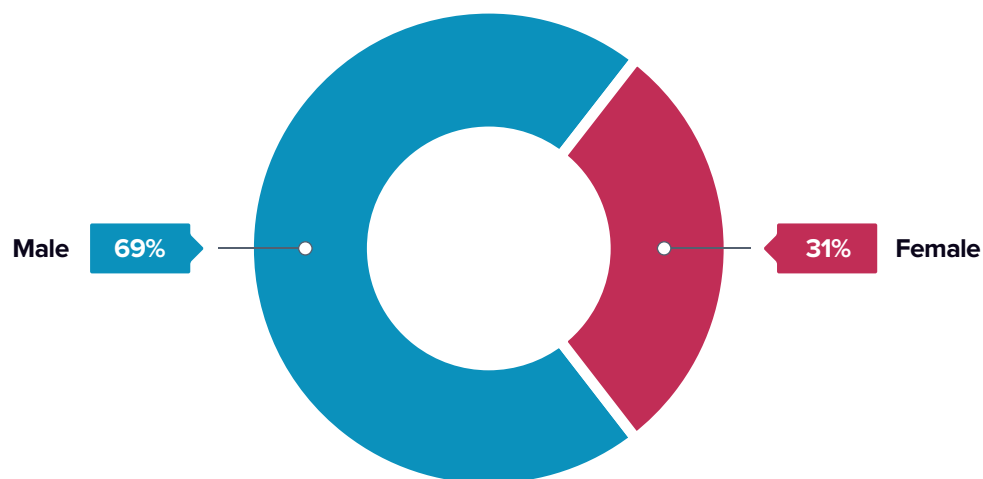
Would you still choose the same practice area and/or employment setting?



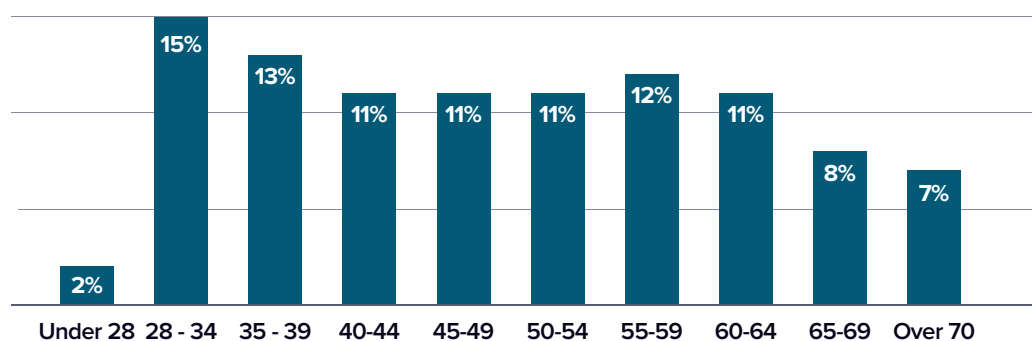
The majority of attorneys are satisfied with their choice of law as a career as well as with their career path. Just under three-quarters would choose to practice in the same area/s of the law and 57% would choose the same employment setting (solo practitioner versus employed at a small law firm). Sixty-eight percent of those under age 55 would choose law again, compared with 84% of those age 65+.

SURVEY DEMOGRAPHICS

Gender



Age ranges



METHODOLOGY

- > 7,814 United States-based solo practitioner and small-law-firm attorneys met the screen criteria. Results focus on the 6,891 attorneys practicing full-time.
- > Recruitment period: January 9, 2019 through February 2, 2019.
- > Data collection: Via online survey collection site.
- > The margin of error for the survey was +/- 1.1% at a 95% confidence level using a point estimate of 50%.

Martindale-Avvo would like to thank the WebMD Market Research team for its assistance in this project.

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