

# 2020

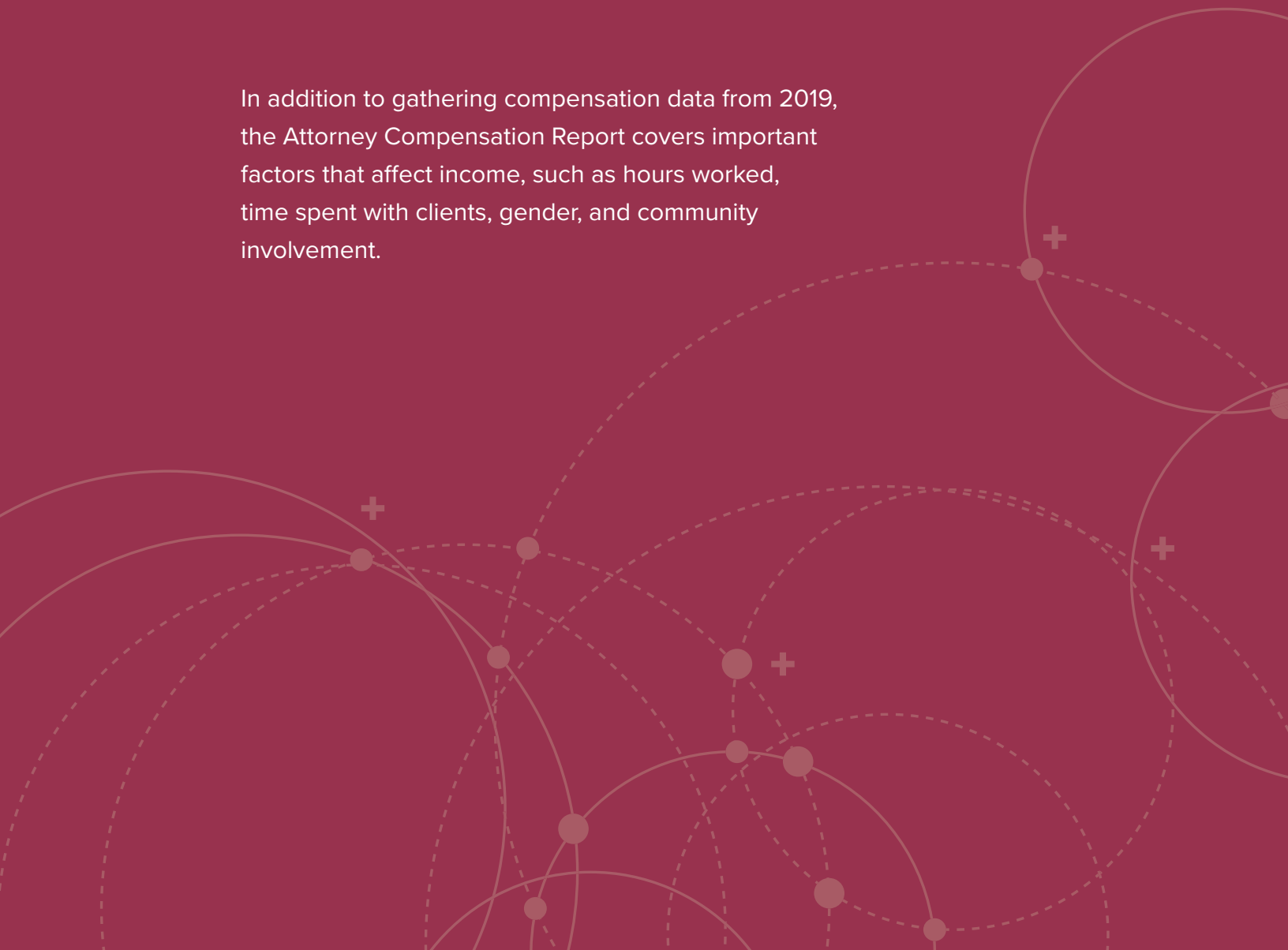
# ATTORNEY COMPENSATION REPORT



# INTRODUCTION

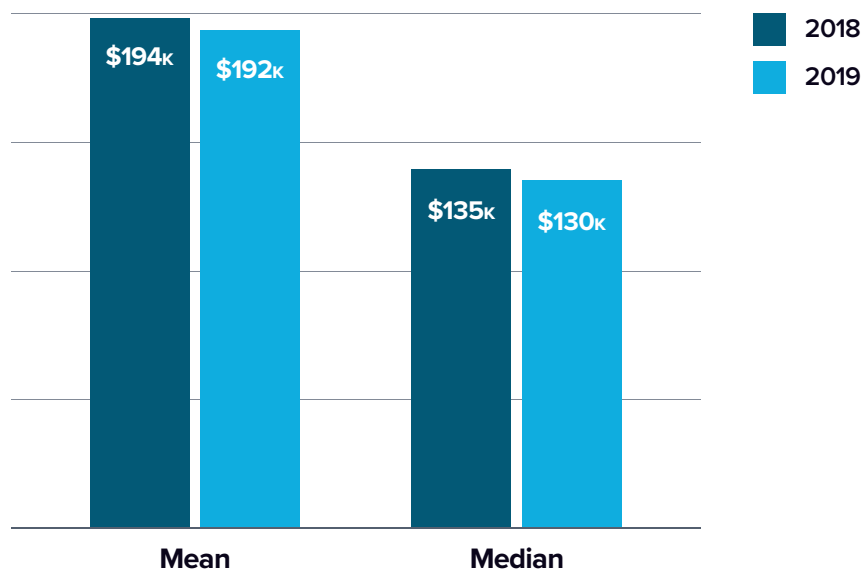
In 2020, Martindale-Avvo deployed and completed its third annual Attorney Compensation Report. We collected responses from 823 attorneys practicing full time as solo practitioners or within a small law firm across the United States.

In addition to gathering compensation data from 2019, the Attorney Compensation Report covers important factors that affect income, such as hours worked, time spent with clients, gender, and community involvement.



# Average income slightly down

What was your 2019 compensation for providing billable legal services?

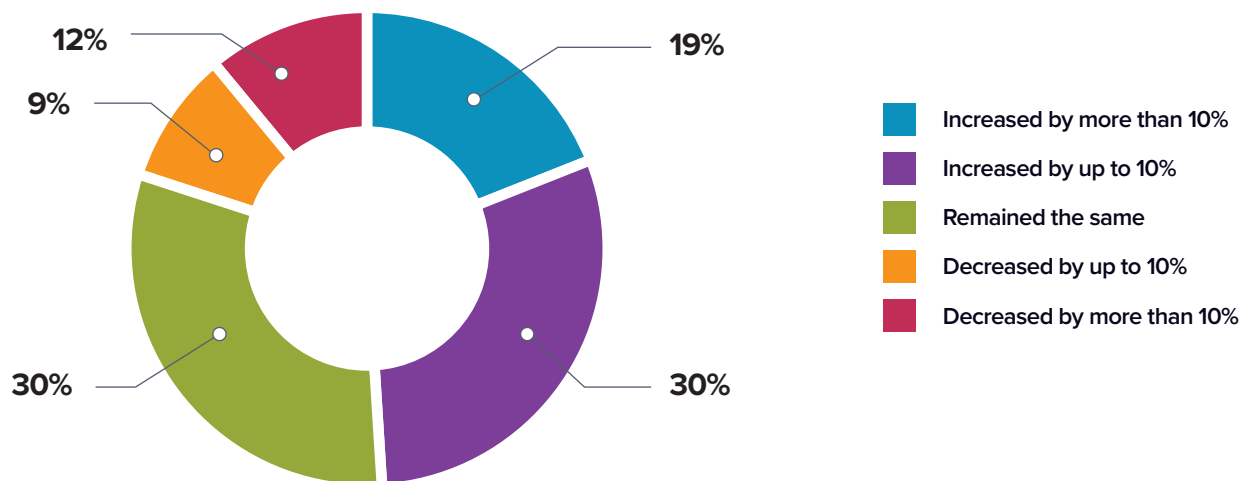


Year-over-year the average annual full-time compensation among all U.S. solo and small firm attorneys saw a slight decrease. Income excludes non-client related activities such as serving as an expert witness or taking part in speaking engagements. For employed attorneys, reporting includes salary, bonus and profit-sharing contributions. For owners, compensation includes earnings after taxes and deductible expenses before income tax.

Only 14% of attorneys reported supplemental income including expert witness work or speaking engagements.

# Attorney compensation is on the rise

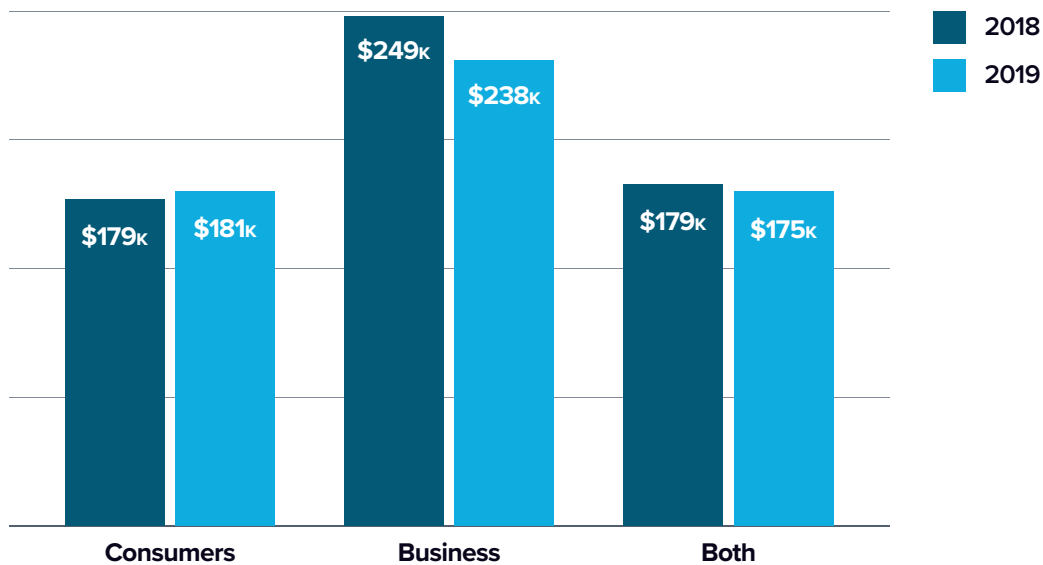
Did your 2019 earnings from legal services increase, decrease, or remain the same compared to 2018?



Average annual full-time compensation saw a slight decline from last year. However, attorneys individual compensation is rising. Attorneys continued to see an increase in their year-over-year earnings, with nearly half of respondents reporting earning more. The under-35 age group experienced the largest income increase.

# Business clients generate more income

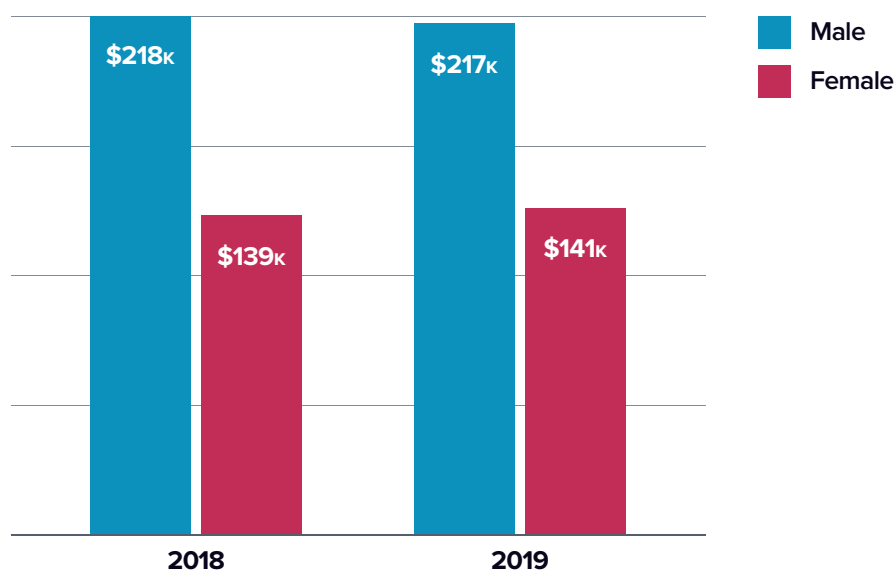
Do you primarily provide legal services to consumers, businesses, or both?



Attorneys who focus primarily on representing business reported earning 24% more income in 2019 than those whose focused primarily on representing consumers.

# A gender pay gap is still evident

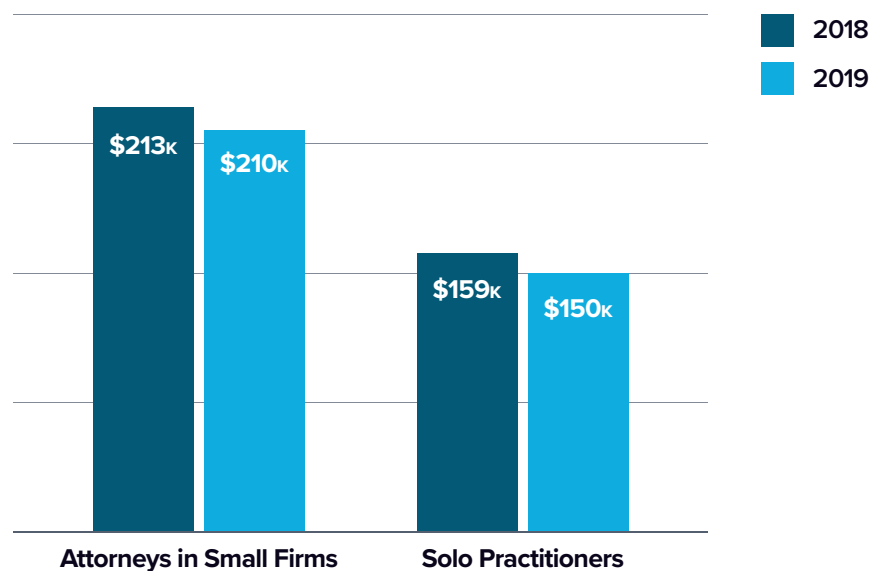
What was your 2019 compensation for providing billable legal services (by gender)?



In 2019, female attorneys reported receiving 35% less income than their male counterparts. This difference has remained steady since last year's report. Some of the disparity may be attributed to time spent in practice. Female attorneys who responded to the survey averaged 16 years in practice as compared to male respondents at 22 years.

# Attorneys in small firms continue to earn more

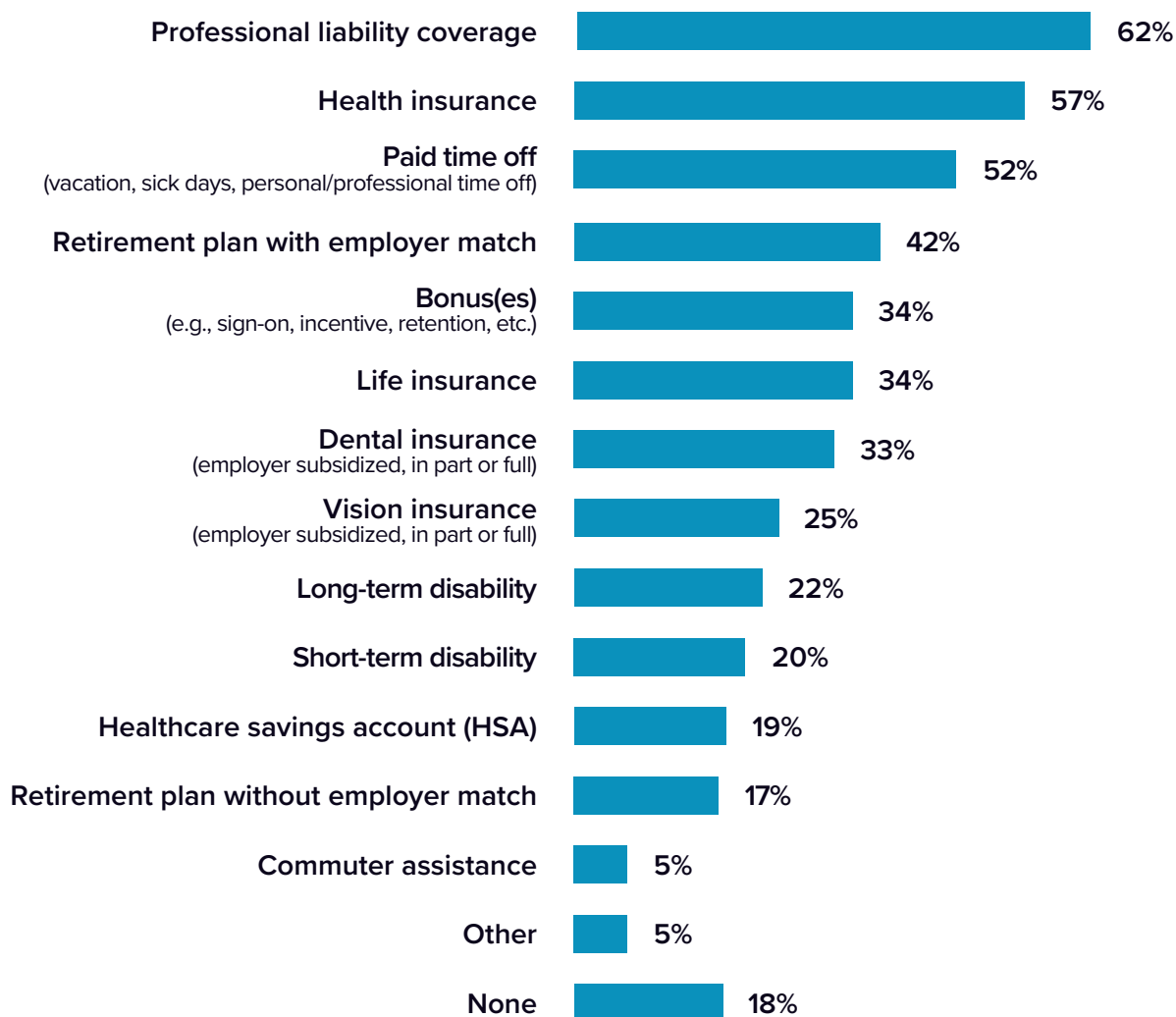
What was your 2019 compensation for providing billable legal services (by practice type)?



Small firm attorneys continue to earn more than solo practitioners, though both groups saw slight decreases in compensation compared to last year.

# Professional liability coverage most common

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

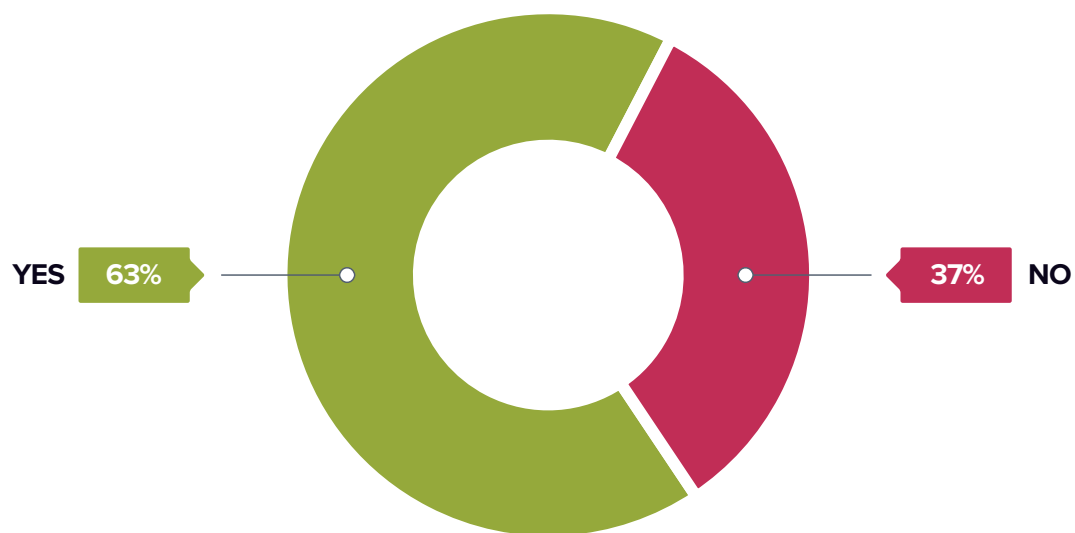


Professional liability coverage was the most commonly received benefit. Nearly half of the solo attorneys who responded to our survey had none of the listed benefits, compared to only 7% of employed attorneys.



# Most attorneys feel fairly compensated for their work

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

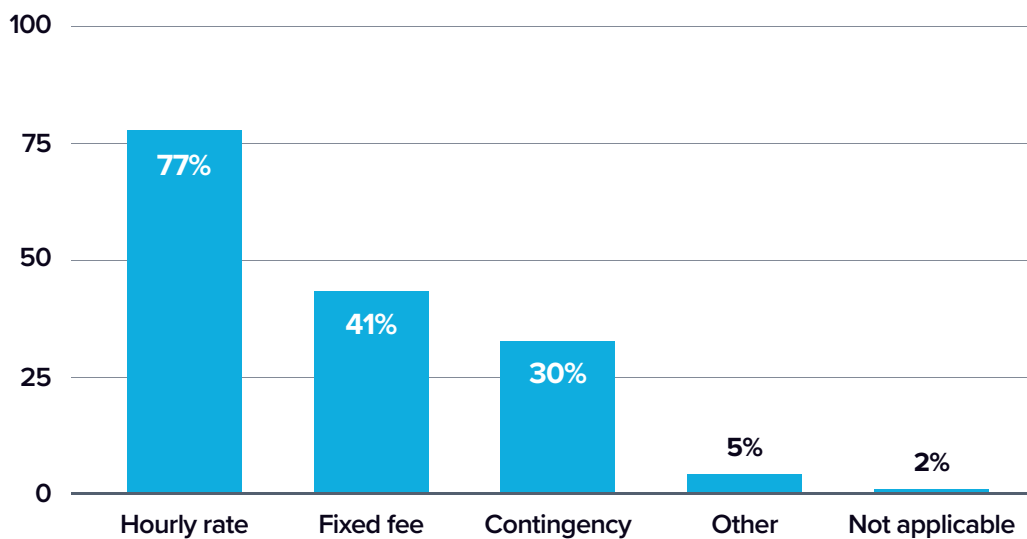


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A majority (63%) of attorneys believe they are fairly compensated for their work. That is down slightly from last year's report when 67% responded yes. There continues to be a slight difference in satisfaction among men and women, with men reporting satisfaction at 65% and women at 60%.

# Hourly billing is preferred

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

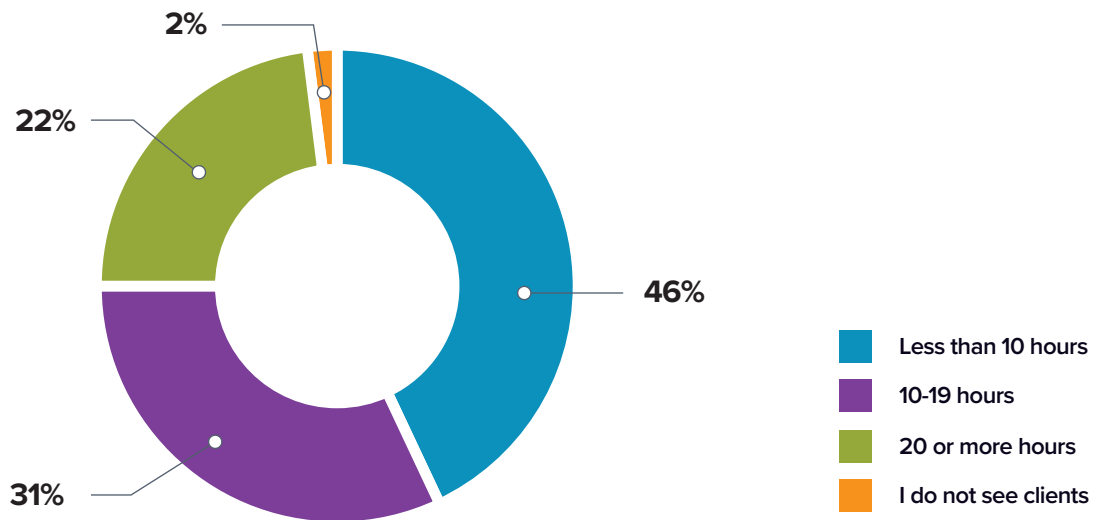


Since 2018, the majority of attorneys (77%) have responded that they use an hourly rate billing structure with clients. Hourly billing was more common among respondents serving businesses (89%) or both consumers and businesses (89%) than respondents only serving consumers (63%).

Fixed fee billing is more common among solo practitioners (60%) than employed attorneys (35%).

# Most attorneys spend less than 20 hours a week with clients

How many hours per week do you typically spend meeting with clients or representing them?

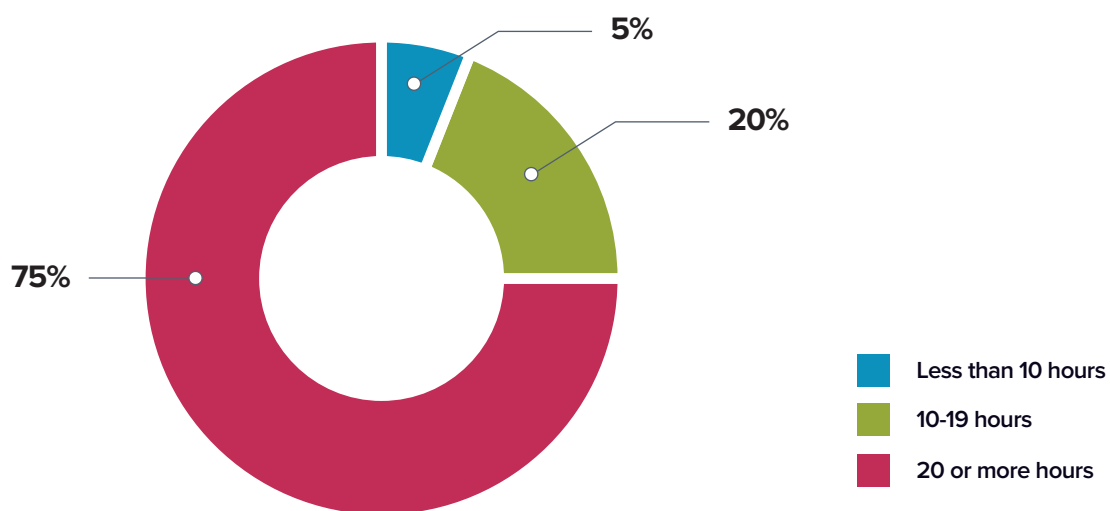


The majority of attorneys spend fewer than 20 hours a week meeting with clients or representing them in court or in front of judicial bodies.

Attorneys who represent consumers spend more time with their clients. Thirty four percent reported that they spend less than 10 hours a week, compared to business attorneys at 61%.

# Time apart from clients is mostly billable work

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

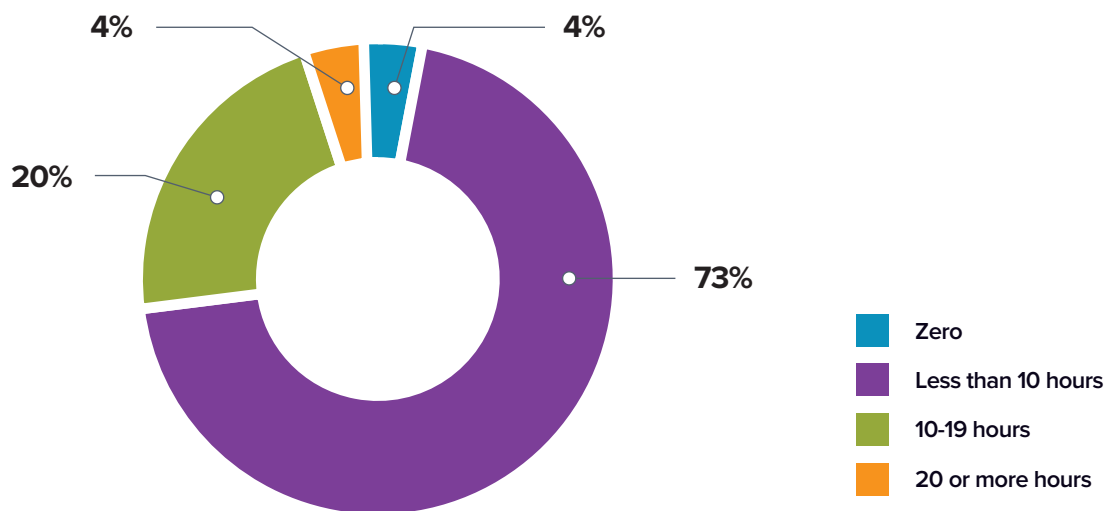


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The trend from our 2018 report continues. Most attorneys (75%) spend 20 hours or more on billable work such as legal research, document filing, and administrative work. This work is more common among attorneys who focus on businesses compared to those who represent consumers.

# Little time spent on non-billable hours

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




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Most attorneys (77%) spend less than 10 hours per week on non-billable activities.

# Attorneys' post-case etiquette varies

What do you do once a case or matter is completed (in addition to invoicing the client)?

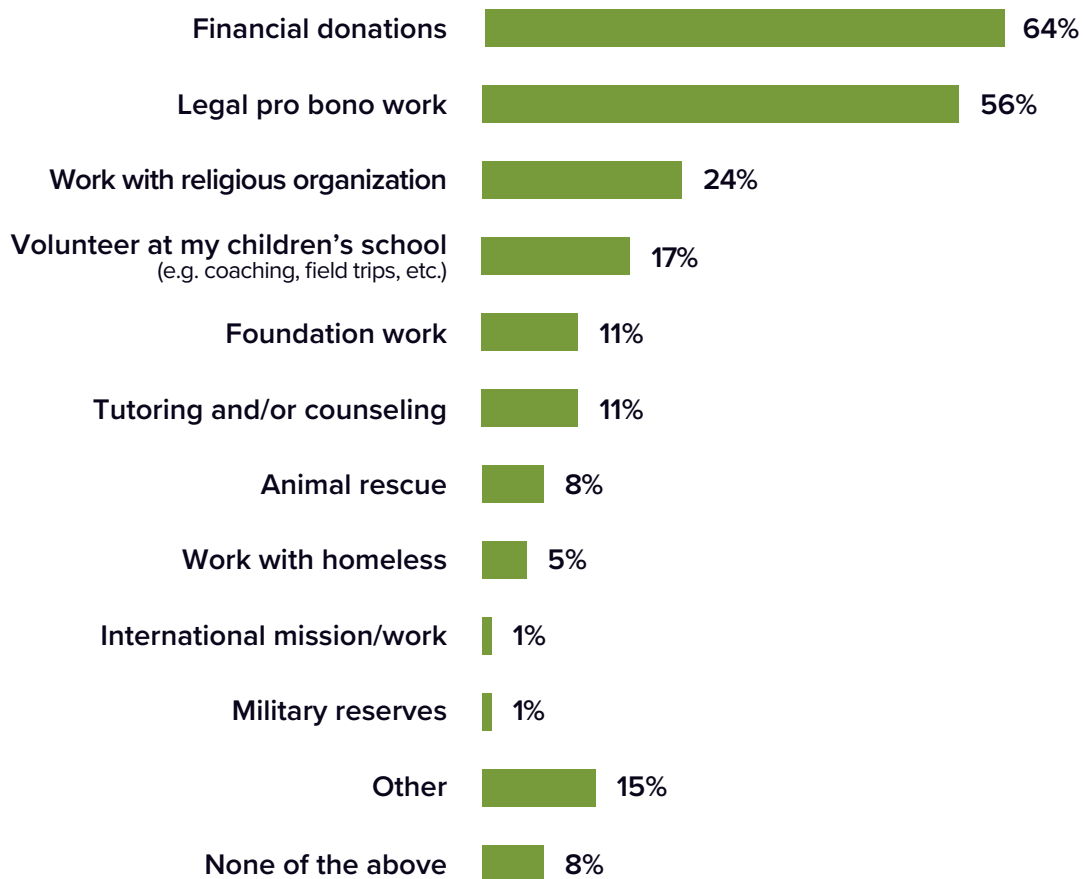


Thirty three percent of attorneys sent a thank you note to clients once the case or matter was completed. Interestingly, this is roughly the same percentage of attorneys who took no action beyond invoicing the client.

Other common actions included asking the client to write an online review (27%) or asking for referrals (26%). Attorneys who represented consumers were more likely to ask for reviews and referrals.

# Attorneys favor financial donations to help those less fortunate

In the past year, how have you given back to your community?

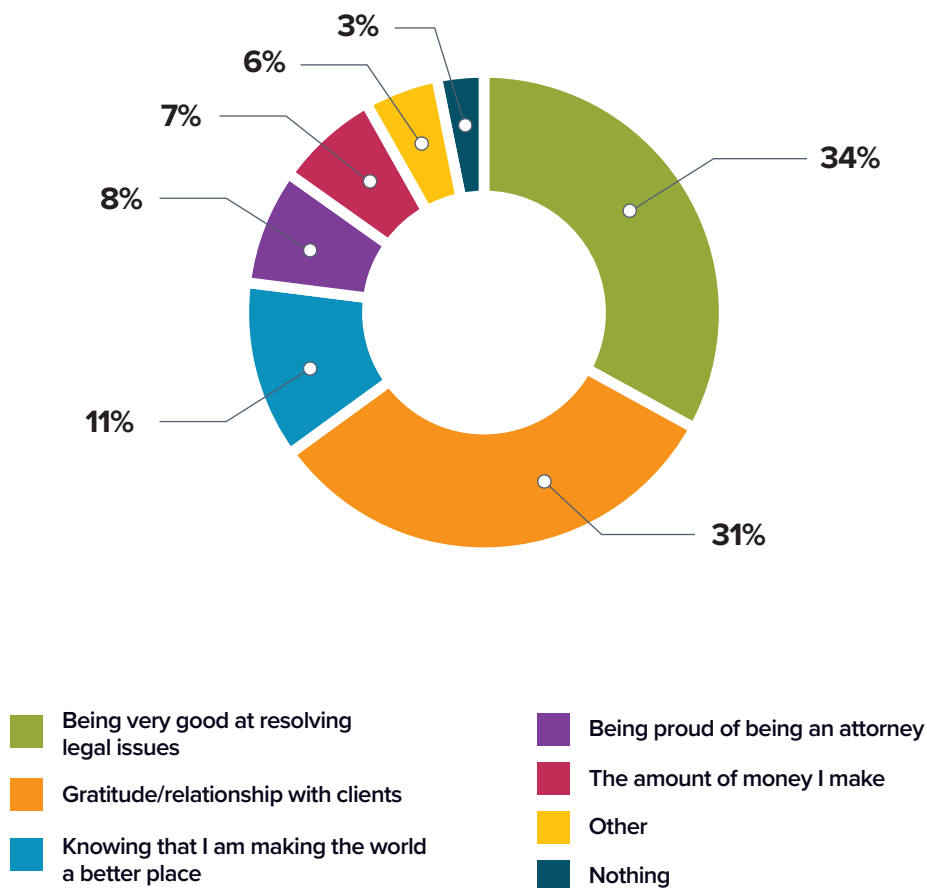


Over half of attorneys give back to their community through financial donations (64%) and legal pro bono work (56%).

Thirty eight percent of respondents gave back to their community once per month. This figure excludes financial donations. Overall, older attorneys (65+) were more involved in giving back to the community.

# Attorney satisfaction comes from within

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

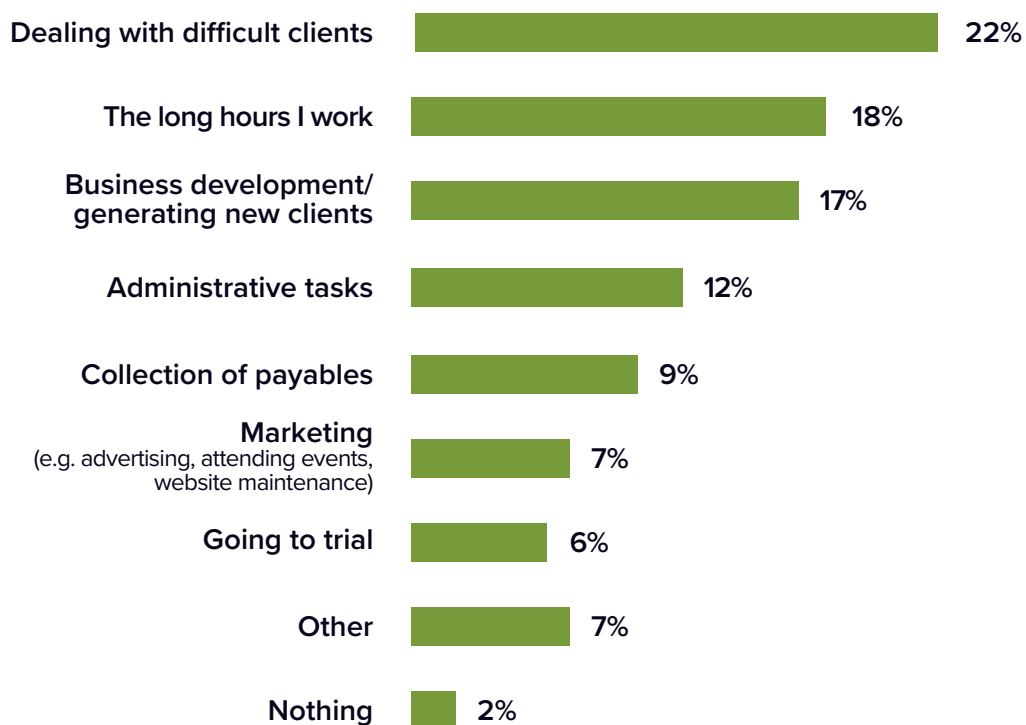


When asked to select the most rewarding aspect of their jobs, attorneys gave the most weight to being good at resolving legal issues (34%) followed by their relationships with clients (31%). In last year's report, relationships were regarded as slightly more important than being good at resolving legal issues.



# Difficult clients top the list of challenges

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



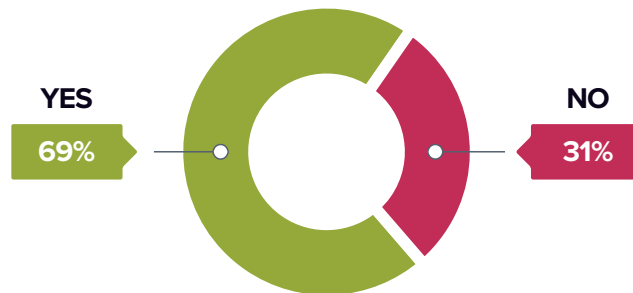
Difficult clients continues to rank as the most challenging aspect of the job. The second highest ranked challenge was the long hours, then business development which includes generating new clients.

Consumer attorneys were more likely to struggle with difficult clients (28% for consumer vs. 13% for business). However, business attorneys were more likely to struggle with long hours.

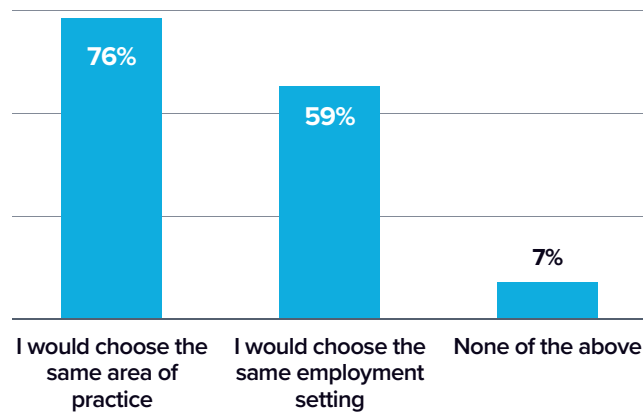
# Most attorneys have no regrets

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?

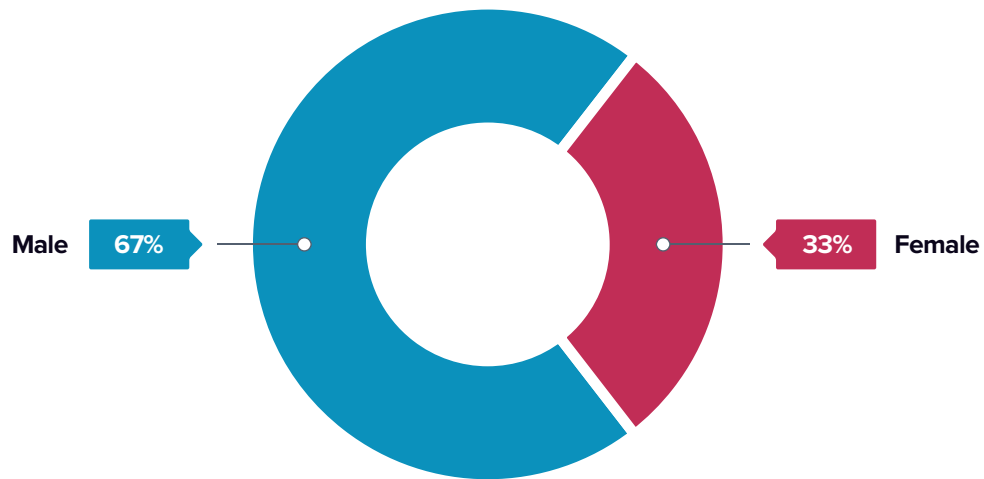


Nearly 70% of attorneys responded that they would still choose law as a career if they had to do it all over again. Respondents 65 and older were most likely to respond that they would choose their career again.

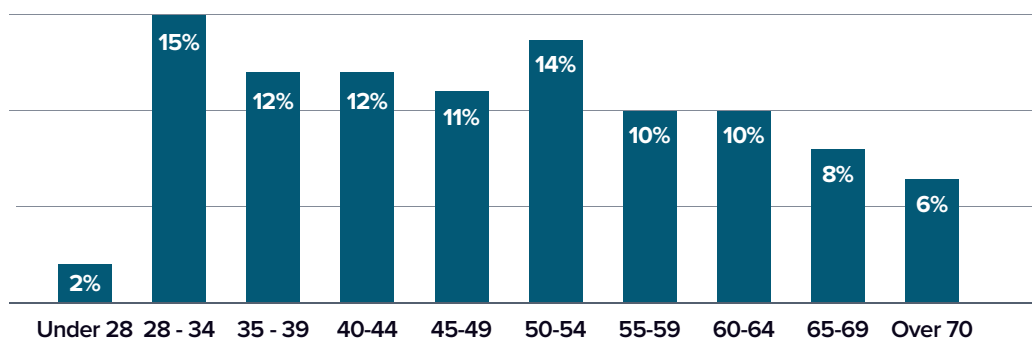
Among attorneys who would still choose a career in law, 76% would also choose the same area of practice. However, fewer would choose the same employment setting (e.g. solo practitioner vs. small firm).

# SURVEY DEMOGRAPHICS

## Gender



## Age ranges



# METHODOLOGY



Sample Size: 900 attorneys met the screening criteria and completed the survey. This analysis focuses on the 823 respondents who are practicing full time.



Data Collection Period: February 14, 2020 to April 17, 2020



Survey Method: Online survey of solo and small firm attorneys in the Martindale-Avvo database



Sampling Error: The margin of error for the full time employed respondents was +/- 3.42% 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.

# Martindale-Avvo™

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