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“New Millenium, Same Glass Ceiling? The Impact of Law Firm Compensation Systems on Women”

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A report released today by the Project for Attorney Retention and the Minority Corporate Counsel Association, based on a survey of nearly 700 women law firm partners, concludes that existing compensation systems for lawyers open the door to gender bias because they contain tremendous subjectivity, lack transparency, and because so much of the negotiation surrounding salaries takes place out of sight.

The report raises doubts about the conventional wisdom that women’s family responsibilities and lack of time for rainmaking are the key reasons why women partners make 22% less than men.

The report finds low levels of satisfaction among women with law firm compensation. Fewer than half the women equity partners and roughly one-third of women income- and minority-partners are satisfied with their compensation. An earlier study, which also found roughly half of women lawyers satisfied with their compensation, found that nearly three-quarters of men were.

The survey tapped a deep vein of anger, evidenced by comments submitted online, over compensation issues among women law partners. “We knew there was a compensation gap, but we were surprised to find such intense dissatisfaction,” said Joan C. Williams, Director of the Project for Attorney Retention.

One woman partner said: “I was the highest paid woman in my office, and my compensation was about 50% less than any... male partner in my department in my office. “ Another reported: “It is hard to say that gender is not a factor, when the median compensation for male partners is almost double that of female partners in my department, which is the largest department in a large international law firm. Once bonuses (which are confidential) are factored in, it is my informed belief that women partners in my practice group make less than half as much as the male partners.”

Roughly one-third of the women surveyed reported having been bullied, threatened or intimidated out of origination credit, a key factor in setting compensation. More than half the women reported being denied their fair share of origination credit.

Many survey respondents reported a lack of opportunities to participate in, or to benefit from their participation in, client pitches. Of the women surveyed, over 70% of minority income partners, 58% of minority equity partners, and slightly lower percentages of white

partners, reported that they had participated in client pitches that yielded work for their firms—but that they were excluded when the time came to do the work.

Additionally, the survey found that women, who make up 16% of equity partners nationwide, are underrepresented or completely missing from their firms' compensation committees. One-fifth of the women surveyed reported that no women sit on such committees; one-half of the respondents indicated one woman on the relevant committee. The absence of minority women on the relevant committee was even starker.

“With few women on compensation committees and in top management positions, women law firm partners' ability to influence compensation decisions and address salary differentials is limited,” said Veta Richardson, MCCA Executive Director. “This report confirms prior MCCA findings that women and people of color are less likely to feel fully informed about the rules regarding what it takes to advance and achieve a higher compensation for their work.”

The report details recommendations that law firms can use to address the problems identified in the study. “Firms can address many of women's concerns by adopting practices already recommended, for purely business reasons, by law firm consultants who specialize in compensation,” said Williams. In addition, the report recommends instituting best practices to control for implicit bias and ending the practice of allowing originating attorneys to pass on origination credit without input from clients or their firms, among other practices.

Preliminary results of the survey were released this spring. An executive summary and the full report, *New Millennium, Same Glass Ceiling? The Impact of Law Firm Compensation Systems on Women*, written by Joan C. Williams and Veta T. Richardson, is available at [www.attorneyretention.org](http://www.attorneyretention.org), and will be published in the *Hastings Law Journal* this winter. A companion report titled *Sustaining Pathways to Diversity – A Survey of Women Partners on Law Firm Compensation and Recommended Approaches for a More Equitable Playing Field* is also being developed by MCCA, PAR, and the ABA Commission on Women, and is expected to be available later this summer.

The Project for Attorney Retention helps organizations work towards retention and advancement of women lawyers, and better work-life balance for all lawyers. An initiative of the Center for WorkLife Law at the University of California, Hastings College of the Law, PAR invented the modern part-time policy now used in many law firms. PAR's Diversity and Flexibility Connection brings law firm chairs and general counsel together to implement best practices to level the playing field in the legal profession. PAR's influential reports include studies of part-time partners, work-life issues in law firms, work-life issues facing in-house lawyers, and the impact of law firm compensation systems on women. Other PAR initiatives include the Leadership Academy for Women (for law-firm partners) and the Opting Back In Program (for returning lawyers). For more information, see [www.attorneyretention.org](http://www.attorneyretention.org).

**Joan C. Williams** is Distinguished Professor of Law at Hastings College of the Law and co-founder and director of the Center for WorkLife Law, based at Hastings. Her latest book, *Reshaping the Work-Family Debate: Why Men and Class Matter*, will be published by Harvard later this year.

The MCCA advocates for the expanded hiring, promotion, and retention of minority lawyers in corporate legal departments and the law firms that serve them. MCCA furthers its mission by publishing research on achieving diversity and best practices in the legal profession, honoring innovative diversity programs with its Employer of Choice and Thomas L. Sager awards, and assisting diverse law students through the Lloyd M. Johnson, Jr. Scholarship Program. MCCA's work has been recognized with awards from the National Minority Business Council, Inc., the U.S. Equal Employment Opportunity Commission, the National LGBT Bar Association, and the Association of Corporate Counsel. For more information, see [www.mcca.com](http://www.mcca.com).

**Veta T. Richardson** is the Executive Director of MCCA, CEO of *Diversity & the Bar*, and a member of the Advisory Council of Women Business Executives for CapitalOne.