

The 2000 Desktop Reference on the Economics of Law Practice in Michigan[©]



Conducted by
Applied Statistics Laboratory, Inc.
Ann Arbor, Michigan

Sponsored by
Law Practice Management Section,
State Bar of Michigan

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The Economics of Law Practice in Michigan

Objectives of the Economics Survey

Over the past 28 years, the State Bar of Michigan has surveyed and published information on the economics of law practice in Michigan. During this period, the number of attorneys actively practicing in Michigan has increased steadily from about 12,000 in 1972 to about 31,000 in 2000. At the same time, Michigan's population has grown and then stabilized while, within the state, regions have independently experienced concurrent periods of economic expansion and decline.

To determine some of the impacts of these changes on the profession, the Law Practice Management Section periodically monitors and reports on:

- Current membership demographics and its geographic distribution
- Attorney practice (legal) classification and net income by location, tenure, and firm size
- Associate, legal assistant, and secretary compensation by tenure and experience
- Prevailing average hourly billing rates for attorneys and legal assistants
- Time allocated to billable and non-billable professional activities
- Overhead expenses associated with maintaining a private practice by location and firm size
- Perceptions on current and future economic circumstances related to law practice

The above information has been consolidated into this reference guide and is organized both geographically and over time to track trends within and across the state's regional markets. Attorneys can compare themselves and their firm against "norms" established by the aggregation of survey data. Hopefully, such comparisons can lead

to the delivery of more effective and efficient services to clients and to the general citizenry in Michigan.

The Law Practice Management Section of the Bar receives many requests from attorneys for help in establishing assigned counsel fees, for help in cases involving judicial determination of attorney fees, and for updates from previous survey periods. This report consolidates the most recently available (summer 2000) data on average hourly billing rates.

Special attention has been given to the overall analysis of gender- and race-specific factors influencing attorney income and work time. Because of the small proportion of members who are African-American, they were over-sampled to gather as much information as possible. Only African-American and Caucasian responses are compared in race/ethnicity-specific exhibits in this report since there were insufficient data from other non-Caucasian groups, such as Hispanic-American and Asian-American groups.

Methods Used to Field the Survey

The previous six surveys were conducted during July 1981, April 1984, June 1988, March 1991, April 1994, and April 1997. This report is based on a June 2000 survey that replicated most questions found on previous questionnaires to track trends of attorney incomes, billing rates, and law office management practices. Reporting conventions remain identical to previous survey reports regarding geographic location of the law firm or place of work, office size, and "years in practice" breakdowns.

A 45-question questionnaire was designed by the Survey Committee, chaired

by Vince Romano of Grosse Pointe Park. The confidential questionnaire was mailed to a random sample of the State Bar Membership using a current roster of in-state, active members. The Applied Statistics Laboratory (ASL) of Ann Arbor tabulated and analyzed the data obtained from 1,600 usable returned questionnaires to prepare this report. These returns represent a response rate of 20 percent of the 8,000 questionnaires originally mailed. Approximately 400 returns were received from non-Caucasian attorneys from a separate mailing of approximately 2,500 surveys.

Appendix A summarizes the geographic distribution of the respondents compared with previous surveys. Appendix B compares the distribution of Bar membership by geographic area since 1976. Appendix C compares the distribution of the respondents by practice classification or legal occupation since 1976.

The mailing was based on a 25 percent (1 of 4 members) systematic Nth sample of State Bar active members rank ordered by office mailing address within Michigan only. This sample was drawn proportionately within each of the state's five-digit zip codes to assure a uniform sample representation throughout the state. For example, 12 questionnaires were mailed to offices in a zip code containing 48 members ($48 \div 4 = 12$), while 120 questionnaires were mailed to offices in a zip code containing 480 members ($480 \div 4 = 120$).

A separate mailing was targeted to 100 percent of Bar members self-identified on their dues applications as non-Caucasian.

All data were edited, verified, and converted to machine readable form during July and August 2000. Raw data is resident on computer files maintained at ASL.

The survey was confidential, with no identification of the respondents. All exhibits in the report present aggregate data to prevent respondent identification.

Additional tabulations can be generated for Bar members upon request. Inquiries can be made to ASL, 2855 Dexter Road, Ann Arbor, Michigan 48103, Attention: Dr. Lawrence Stiffman. Phone requests for assistance in interpreting data found in this report should also be directed to Dr. Stiffman at (313) 996-0262 or e-mail at ASLinfo@aol.com

A Review of Statistical Terms

To help interpret the information in this report, here is a brief discussion of measures of central tendency (median and mean) and measures of dispersion (spread).

Measures of Central Tendency

The mean (also called the average or arithmetic average) is calculated by adding the values of all responses, then dividing by the number of responses.

Example: Three responses, 3, 1, and 2, are reported. The average is calculated by adding their values ($1 + 2 + 3 = 6$), then dividing by the number of responses (3). Thus, the average is $6 \div 3 = 2$.

The median is the middle value of a series (distribution) of values, which is initially rank-ordered (from low to high or vice versa). By definition, half the numbers are greater than and half are less than the median.

Example: Three responses, 30, 1, and 2, are reported. The median is the middle number of the order of distribution (1, 2, 30) or 2. The average of this same distribution is 33 divided by 3, or 11. Use of the median as a statistic for central tendency reduces the effect of "outliers" (extremely high or low values, such as 30), while the average does not. Median values are utilized throughout this report to denote the measure of central tendency.

Measures of Dispersion

In addition to the median, three other percentile values are used in this report to reveal the spread or dispersion of a particular data distribution. These include:

- 25th percentile (lower quartile). One-fourth of the values is less than and three-fourths are more than this value.

- 75th percentile (upper quartile). Three-fourths of the values are less than and one-fourth is more than this value.

- 95th percentile. Ninety-five percent of the values are less than and five percent are more than this value.

Economic Regions Defined

Michigan was divided into six economic regions and 21 smaller areas for aggregation and reporting key statistics generated from the survey. These areas also conform to those of previous survey reports and include:

- Downtown Detroit
- South Oakland County
- Remainder of Metropolitan Detroit Area
- Lansing
- Standard Metropolitan Statistical Areas (cities) outside of Southeastern Michigan termed "Outstate Metro Areas"
- Remaining counties and cities termed "Other Outstate Areas"

Interpreting Findings

Net income, gross revenue, and overhead expense represent 1999 values, since the survey was fielded in the spring of 2000. All other data represent 2000 values covering the response period between May and June, 2000.

To denote gaps such as the "gender gap" of reporting incomes, the term *proportion* is used on selected exhibits. Proportion denotes the median value of one group

divided by another. Hypothetically, a reported income of \$75,000 for female or African-American attorneys divided by \$100,000 for male or Caucasian attorneys yields the proportion .75. Here, proportion communicates that females or African Americans earn "seventy-five cents on the dollar" compared with their male or Caucasian counterparts.

Caution should be exercised in interpreting data when only a small number of responses are available. This is because of the strong influence of a few "outliers" that might distort reality. In such cases, readers are advised to "group up" to a larger geographic area or job classification, where appropriate. No value is represented if less than five responses were reported (denoted by a —).

Personnel planning and decision-making include many personal factors not covered in surveys of this scope or nature. However, this report provides ranges of values that can help in developing sound and equitable hiring and compensation policies.

The sample of returns is closely correlated with the office location and gender of the overall membership, allowing inference from survey results to the overall Bar population. Statistical confidence levels are provided for three key measures used throughout the report: attorney 1999 net income (plus or minus 4.6 percent of the mean value), attorney 2000 billing rates (plus or minus 2.0 percent), and total hours in the 2000 work week (plus or minus 1.5 percent). ■

Summary Profile of the Typical Michigan Attorney and Firm

This section summarizes key statistics that are more fully documented throughout the report. Emphasis here is on the concerns of the “average” attorney and the “average” firm with respect to net income, hourly billing rates, and office management practices. Other summary data displays, compiled on a geographic basis, are appended to this report.

Membership Demographics

The population of attorneys is aging. The typical 2000 respondent is 46 years old and has been in practice for 17 years. In 1997, the typical respondent was 44 years old and in practice for 16 years. In both 1994 and 1991, the typical respondent was 42 and in practice for 13 years. In 1988, the typical respondent was 40 and in practice for 11 years; in 1984 the typical respondent was 38 and in practice for 7 years.

The proportion of attorneys that are female is increasing. The average male attorney is 48 years old and has been in practice 20 years. The average female attorney is 41 and has been in practice for 10 years. Twenty-six percent of respondents are female, up from 24 percent in 1997, 19 percent in 1994, and 22 percent in 1991. In 1988, 16 percent were female; in 1984, 12 percent were female.

Approximately 72 percent of respondents are private practitioners. Of the remainder, 12 percent work in government agencies, 9 percent are house counsel, and the remaining 7 percent are professors, work in legal aid or as law clerks, are unemployed, or are retired (“others”). Within these groupings, 31 percent of government attorney respondents are female and 35 percent of “others” are female.

Approximately 15 percent of all attorneys and 12 percent of private practitioners practice law on a part-time basis. This is a dramatic rise from 1997 where 8 percent of all attorneys and 7 percent of private practitioners reported part-time practicing. While 9.3 percent of male private practitioners work part-time, 23 percent of female private practitioners work part-time. The reasons reported for working part-time are “other businesses” (39 percent), “approaching retirement” (26 percent), “family considerations” (23 percent) and “economic necessity” (12 percent).

Changes in Median Net Income

The median net income reported for all respondents for the calendar year 1999 or the last fiscal year reported (hereafter, 1999) is \$71,167 while the mean (average) net income is \$92,178. Over time, the rate of increase of income has slowed. The slowdown is because of several interacting factors, including increased competition among attorneys, increased competition between attorneys and others providing professional services, an increased proportion of female attorneys in the workplace, increased proportion of part-time attorneys, and other factors not addressed by this survey. Over the past 18 years, there

has been little progress in real (adjusted for inflation) income and wages for many Americans, including attorneys.

Exhibit 1 displays changes in average and median net income for all Michigan attorneys since 1976. Exhibit 5 adjusts this trend for inflation.

Changes in Hourly Billing Rates and Work Volume

Approximately 93 percent of private practitioners have a standard or usual hourly rate that they apply as a guide, starting point, or basis for fee computation. The 1991 response was 90 percent.

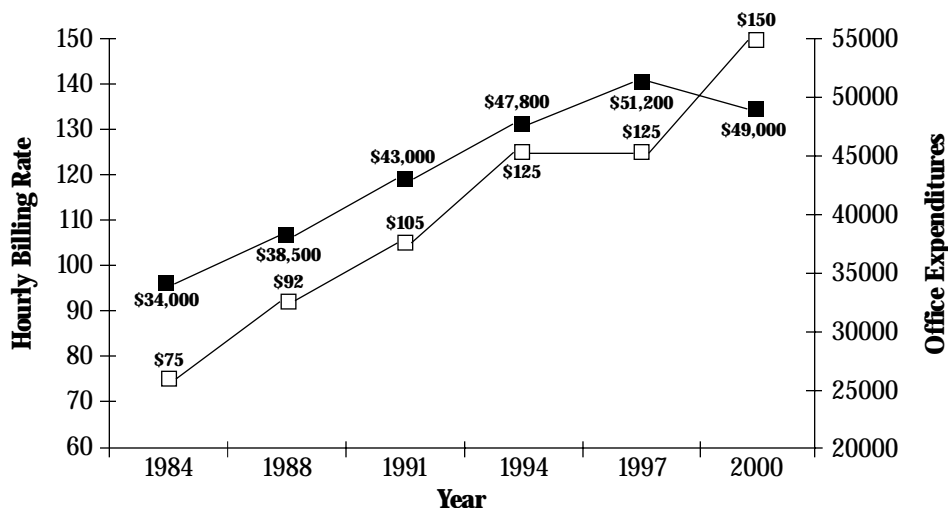
The 2000 reported median hourly billing rate is \$150, up 20 percent from 1997. Exhibit 2 displays the trend in hourly billing rates reported since 1984. Office overhead expenditures are overlaid for the same time period revealing strong congruence over time.

Chargeable work time has stabilized at 40 hours per week. This median value has dropped to 35 hours. There was no change in overall time allocation on a weekly basis since 1991. Approximately 43 percent of respondents report uncollectables of 9 percent or more of fees billed (the same level as reported in 1997 and 1994).

Exhibit 1
Trends in Net Income of Michigan Attorneys, 1980-1999

Statistic	1980	1983	1987	1990	1993	1996	1999
Mean (Average) Net Income	\$41,570	\$49,255	\$65,833	\$75,295	\$84,210	\$89,476	\$92,178
% Change from Previous Period	25.2%	18.5%	33.7%	14.4%	11.8%	6.3%	1.9%
Median (50th Percentile) Net Income	\$32,000	\$40,000	\$50,000	\$61,000	\$68,000	\$70,000	\$71,000
% Change from Previous Period	23.0%	25.0%	25.0%	22.0%	11.5%	2.9%	1.4%

Exhibit 2
**Trends in Hourly Billing Rates and per Attorney Office Expenses,
 Michigan, 1984-2000**



Perceptions of the Legal Services Market

Perceptions of the supply and demand for legal services continually shift. About 14 percent of respondents report insufficient work in 2000 (the same in 1997) compared with 17 percent in 1994, 12 percent in 1991, 13 percent in 1988, and 17 percent in 1984. The proportion that feel

they are overworked has decreased to 27 percent from 29 percent in 1997, 25 percent in 1994, and 28 percent in 1991. Approximately 59 percent feel that there are too many lawyers in Michigan, compared with 65 percent in 1997, 69 percent in 1994, 63 percent in 1991, 65 percent in 1988, and 77 percent who felt so in 1984.

Respondents show little optimism about economic prospects. Compared to 1999,

only 21 percent feel the economic circumstances of law practice are better than in 1997 while 25 percent feel circumstances are worse. Fifty-four percent perceived no change. At the same time, 15 percent feel that the economic circumstances of law practice will be better in 2001, while 23 percent see worsening conditions next year. The remainder see no change. Perceptions by office location, firm size, and years in practice are found as Appendices J-M.

Changes in Office Expenditures and Revenues

The median value for total office expenditures per attorney in 1999 is \$49,000, a decrease of 1.5 percent from \$51,500 reported for 1996. Exhibit 3 compares three overhead categories with gross revenues and the percent change in each between 1983 and 1999. Median levels of overhead rates are static around 40 percent (38-42 percent).

Labor cost represents a predominant expenditure. Changes in reported salary levels indicate overall increases in the productivity of the law office work force. Exhibit 4 compares reported median salary levels for associates, legal assistants, and secretaries by length of service to median levels for 1984 through 2000. ■

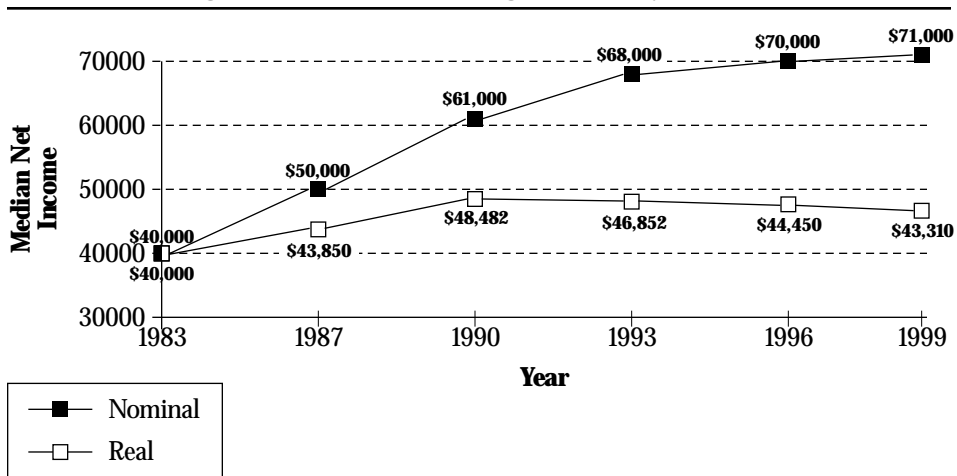
Exhibit 3
**Trends in Operating Expenses and Revenues per Attorney,
 Michigan Sole Practitioners and Firms, 1983-1999**

Expenditures/Attorney	Median Values					Percent Average Annual Change			
	1987	1990	1993	1996	1999	1987-1990	1990-1993	1993-1996	1996-1999
Nonlawyer Personnel	\$ 17,250	\$ 19,000	\$ 22,000	\$ 24,000	\$ 25,000	3.4%	5.3%	3.0%	1.4%
Rent, Phone, and Utilities	8,000	9,000	9,500	10,000	12,000	4.2	1.9	1.8	6.7
All Other Expenditures	13,100	12,500	14,000	15,000	15,000	-5.9	5.9	3.3	—
Total Expenditures	\$38,500	\$ 43,000	\$ 47,800	\$ 51,250	\$ 49,000	3.9%	3.7%	2.4%	-1.5%
Gross Receipts/Attorney	\$100,000	\$ 114,000	\$ 120,000	\$ 124,000	\$ 125,000	4.7%	1.8%	1.1%	0.3%
Expenditures/Receipts	0.39	0.38	0.4	0.42	0.39	N/A	N/A	N/A	N/A

Exhibit 4
Median Annual Salary Levels—Associates, Legal Assistants, and Secretaries, 1984-2000

Position	Median Values					Percent Average Annual Change			
	1988	1991	1994	1997	2000	1988-1991	1991-1994	1994-1997	1997-2000
Associates									
New, without experience	\$25,000	\$30,000	\$31,600	\$36,000	\$40,000	6.7%	1.8%	1.5%	3.7%
With 3 years experience	30,000	36,000	40,000	42,000	48,000	6.7	3.7	1.7	4.8
5 years experience	43,000	45,000	50,000	50,000	63,250	1.7	3.7	—	8.8
10 years experience	60,000	60,000	68,000	67,000	80,000	—	4.4	-0.5	6.5
Legal Assistants									
New, without experience	\$16,000	\$18,700	\$20,000	\$20,000	\$26,000	5.7%	2.3%	—	10.0%
With 3 years experience	18,000	22,000	25,000	25,000	29,000	7.3	4.6	—	5.3
5 years experience	20,000	25,000	28,000	30,000	34,000	8.3	4.0	2.4	4.4
10 years experience	25,000	28,000	30,000	32,000	40,000	4.0	2.4	2.2	8.3
Secretaries									
New, without experience	\$12,500	\$15,600	\$18,000	\$18,000	\$20,650	8.3%	5.1%	—	4.9%
With 3 years experience	15,200	18,000	20,300	22,300	25,000	6.0	4.3	3.3	4.0
5 years experience	18,000	20,000	24,000	25,500	28,000	3.7	6.7	2.1	3.3
10 years experience	\$20,000	\$24,000	\$26,000	\$30,000	\$31,500	6.7	2.8	5.1	1.7

Exhibit 5
Change in Net Income, Michigan Attorneys, 1983-1999



The Income of Michigan Attorneys

The median net income for all Michigan attorneys reported for 1999 is \$71,167, an increase of only 1.7 percent over the reported 1996 level of \$70,000. Mean 1999 net income is \$92,178, compared with \$89,476 in 1996. Exhibit 5 displays the change since 1983 in nominal or reported median net income, against levels adjusted for inflation (real levels). Real income has been essentially flat or decreasing for 18 years.

While there are many influences on attorney income levels, clues explaining income variation at a given point in time can be derived from seven factors addressed by questions in the survey:

- Legal occupation or classification and specialization
- Tenure (years in practice)
- Firm size (number of attorneys in firm)
- Office location (geographic area where law office is located)
- Gender and work style habits (full-time versus part-time status)

Each factor is discussed in the remainder of this section.

Legal Occupation and Specialization

Exhibit 6 summarizes 1996 net incomes of attorneys by 13 practice classifications reported by 940 respondents. By convention, this and subsequent exhibits providing percentile information offer four data points—the 25th, 50th, 75th, and 95th percentiles—on the variable (item) of interest. For example, 25 percent of all house counsel earn less than \$61,333, half earn less than \$90,000 while half earn more than \$90,000, 25 percent earn more than \$132,500 and 5 percent earn more than \$292,000. This “range” of net income is large—from \$20,750 for sole practitioners at the 25th percentile to \$427,000 for large firm partners at the 95th percentile level.

Exhibits 7 and 8 consider male-only and female-only distributions. Overall, median net income for females (\$57,783) is 73 percent of the median net income of males

(\$80,000). This is due, in part, to the higher proportion of male respondents who are partners in firms with eight or more partners (11 percent of all male respondents) versus the proportion of female respondents who are partners in large firms (6 percent of all female respondents).

Exhibits 9 and 10 array distributions of African-American and Caucasian respondents. Overall, median net income for African Americans (\$65,000) is 93 percent of that of Caucasian attorneys (\$70,000).

Exhibit 11 reveals income clustering for 10 occupational classifications. Changes in mean income between 1983 and 1999 are summarized as Exhibit 12.

Attorneys were asked to select from a list of various fields of law those that provided their highest sources of income. Exhibit 13 includes the median 1999 net incomes of respondents by their primary source of income reported.

Exhibit 14 compares the change in net income since 1987 for selected specialty categories that represent approximately 90

Exhibit 6
1999 Net Income of Michigan Attorneys by Practice Classification

Practice Classification	N	Value by Percentile			
		25th	50th	75th	95th
Sole Practitioner	300	\$ 20,750	\$ 45,000	\$ 80,000	\$ 185,100
Sole Pract. with 1 or more assoc.	60	39,625	98,333	160,250	424,200
Sole Pract. sharing space	56	35,750	59,000	106,250	246,000
Partner in firm (with 2-7 part.)	233	65,000	100,000	156,500	427,000
Partner in firm (with 8+ part.)	152	100,000	147,000	207,500	381,250
Assoc. in firm (with 2-7 part.)	151	38,833	50,000	68,500	113,000
Assoc. in firm (with 8+ part.)	105	50,000	69,333	90,000	225,000
Judge	36	79,375	112,000	119,000	143,000
Arbitrator/Mediator	20	68,750	79,333	84,000	95,000
City/State/County Government	177	45,000	60,000	79,333	101,000
Federal Service	23	76,000	95,000	110,000	129,000
House Counsel	150	61,333	90,000	132,500	292,000
Legal Aid	44	34,667	45,500	55,000	98,000
All Attorneys	1,612	\$43,000	\$71,167	\$110,000	\$250,000

Exhibit 7
1999 Net Income of Male Attorneys by Practice Classification

Practice Classification	N	Value by Percentile			
		25th	50th	75th	95th
Sole Practitioner	233	\$ 25,000	\$ 50,000	\$ 89,333	\$ 191,600
Sole Pract. with 1 or more assoc.	51	49,167	100,000	164,000	261,000
Sole Pract. sharing space	49	35,000	65,000	108,000	275,000
Partner in firm (with 2-7 part.)	201	70,000	105,000	160,000	417,280
Partner in firm (with 8+ part.)	129	100,000	150,000	219,000	401,000
Assoc. in firm (with 2-7 part.)	90	40,250	50,000	69,750	187,000
Assoc. in firm (with 8+ part.)	67	47,083	65,000	91,875	305,000
Judge	29	90,500	114,000	120,000	150,000
Arbitrator/Mediator/ALJ	14	70,500	81,000	88,500	95,000
City/State/County Government	112	46,500	64,000	85,000	106,100
Federal Service	17	79,000	95,000	102,000	130,000
House Counsel	97	68,000	100,000	160,000	330,000
Legal Aid	23	35,250	49,000	55,000	178,000
All Attorneys	1,112	\$ 46,108	\$80,000	\$ 125,000	\$254,000

Exhibit 8
1999 Net Income of Female Attorneys by Practice Classification

Practice Classification	N	Value by Percentile			
		25th	50th	75th	95th
Sole Practitioner	64	\$ 11,250	\$ 31,000	\$ 59,000	\$ 153,750
Sole Pract. with 1 or more assoc.	9	30,000	37,000	70,000	110,000
Sole Pract. sharing space	6	42,750	57,750	70,000	100,000
Partner in firm (with 2-7 part.)	29	42,000	75,000	103,500	497,500
Partner in firm (with 8+ part.)	23	100,000	130,000	165,000	393,000
Assoc. in firm (with 2-7 part.)	61	34,500	45,000	68,000	116,000
Assoc. in firm (with 8+ part.)	38	55,000	73,250	81,250	152,500
Judge	7	30,000	60,000	120,000	120,000
Arbitrator/Mediator/ALJ	6	27,250	75,500	79,500	81,000
City/State/County Government	61	44,500	56,700	70,000	86,900
Federal Service	5	73,000	84,000	112,500	115,000
House Counsel	47	52,500	74,333	90,000	209,000
Legal Aid	20	34,750	45,250	50,250	98,500
All Attorneys	376	\$37,750	\$57,783	\$ 81,075	\$172,500

Exhibit 9
1999 Net Income of Michigan Caucasian Attorneys by Practice Classification

Practice Classification	N	Value by Percentile			
		25th	50th	75th	95th
Sole Practitioner	302	\$ 22,750	\$ 47,500	\$ 80,000	\$ 180,000
Sole Pract. with 1 or more assoc.	60	38,000	94,000	150,000	250,000
Sole Pract. sharing space	55	35,000	55,000	100,000	223,000
Partner in firm (with 2-7 part.)	228	65,000	100,000	150,000	396,000
Partner in firm (with 8+ part.)	145	100,000	145,000	208,000	361,000
Assoc. in firm (with 2-7 part.)	147	37,000	50,000	62,000	100,000
Assoc. in firm (with 8+ part.)	105	47,000	69,000	88,500	192,500
Judge	34	79,000	111,000	118,000	145,000
Arbitrator	36	57,500	75,500	81,500	95,000
City/State/County Government	154	46,000	60,000	80,000	100,000
Federal Service	19	70,000	87,000	104,000	130,000
House Counsel	129	58,000	85,000	130,000	263,000
Legal Aid	40	35,000	45,000	54,000	85,000
All Attorneys	1,454	\$42,000	\$70,000	\$110,000	\$242,500

Exhibit 10
1999 Net Income of Michigan African-American Attorneys by Practice Classification

Practice Classification	N	Value by Percentile			
		25th	50th	75th	95th
Sole Practitioner	57	\$ 30,000	\$ 32,000	\$ 65,000	\$ 152,000
Sole Pract. sharing space	12	32,000	51,000	80,000	180,000
Partner in firm (with 2-7 part.)	10	50,000	72,500	166,250	350,000
Partner in firm (with 8+ part.)	6	83,750	185,000	200,000	200,000
Assoc. in firm (with 2-7 part.)	9	45,000	65,000	73,000	80,000
Assoc. in firm (with 8+ part.)	14	50,000	55,000	75,000	99,000
Judge	11	104,000	114,000	120,000	120,000
Arbitrator	12	81,000	85,000	87,750	90,000
City/State/County Government	57	45,500	58,000	77,500	101,000
Federal Government	6	49,000	92,500	112,500	123,000
House Counsel	26	62,000	85,000	106,250	309,000
Legal Aid	13	35,000	50,000	75,000	100,000
All Attorneys	242	\$40,750	\$65,000	\$ 90,000	\$170,000

Exhibit 11
Percent Distribution of 1999 Net Income by Practice Classification of Michigan Attorneys

Income Group	All Attorneys	Sole Practitioners	Sole Pract. w/Assoc.	Space Sharer	Part. in firms w/2-7 part.	Part. in firms w/8+ part.	Assoc. in firms w/2-7 part.	Assoc. in firms w/8+part.	House Counsel	State and Loc. Gov	Legal Aid
Less than \$20,000	8.5%	21.7%	10.0%	8.9%	4.3%	5.3%	4.0%	6.7%	4.8%	2.8%	4.8%
20-24,999	1.6	5.0	1.7	3.6	1.3	0.7	1.3	—	—	0.6	—
25-29,999	2.8	6.7	1.7	3.6	1.3	—	4.6	1.9	0.7	2.8	0.7
30-39,999	7.0	8.3	10.0	10.7	3.4	—	15.9	4.8	3.4	5.6	3.4
40-49,999	10.1	10.7	6.7	8.9	5.2	0.7	23.2	9.5	5.5	18.6	5.5
50-59,999	9.4	9.0	6.7	14.3	3.0	2.0	19.2	15.2	7.6	15.3	7.6
60-79,999	16.0	11.3	10.0	10.7	15.0	4.6	17.9	24.8	20.7	29.9	20.7
80-99,999	11.8	8.0	5.0	5.4	11.2	8.6	7.3	21.0	15.9	17.5	15.9
100-124,999	12.0	7.0	15.0	16.1	17.6	17.8	4.0	6.7	13.1	6.8	13.1
125-149,999	4.2	2.7	5.0	—	7.3	11.8	0.7	—	6.9	—	6.9
More than \$150,000	16.6	9.7	28.3	17.9	30.5	48.7	2.0	9.5	21.4	—	21.4
All	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Exhibit 12
Change in Mean (Average) Income by Practice Classification of Michigan Attorneys, 1983-1999

Practice Classification	Mean (Average) Net Income						Percent Change From:				
	1983	1987	1990	1993	1996	1999	1983-1987	1987-1990	1990-1993	1993-1996	1996-1999
All Attorneys	\$49,255	\$65,833	\$75,295	\$84,210	\$89,476	\$92,178	34	14.7	12.1	5.9	3.0
Sole Practitioner	34,759	48,659	52,145	54,261	69,559	61,413	40	7.2	4.1	22.0	(11.7)
Sole Pract. with Associates	70,750	88,103	153,177	119,395	134,410	105,906	24	74	-19	11.2	(21.2)
Sole Pract. Sharing Space	34,786	63,815	60,931	57,194	60,188	84,435	83	-4.7	-6.6	5.0	40.3
Partner	75,560	108,880	126,503	127,736	139,333	144,333	44	16.2	0.9	8.3	3.6
Associate	31,756	44,315	50,746	55,591	57,805	64,006	39	14.5	9.7	3.8	10.7
Judge	54,070	83,350	91,441	89,269	89,030	96,800	54	9.6	-2.2	-0.3	8.7
State and Local Government	36,210	46,101	54,708	64,563	65,331	61,975	28	18.7	18.5	1.2	(5.1)
House Counsel	56,139	62,315	71,540	83,481	105,494	108,494	11	14.8	16.9	20.9	2.8
Legal Aid	17,436	33,230	34,750	44,765	36,863	48,922	91	4.6	29.4	-21.4	32.7

percent of all respondents reporting such information.

Exhibit 15 arrays 1999 median net income by selected specialties and by gender. Here, the "gender gap" is defined as the proportion of median values. For example, "Females report incomes 69.5 percent of those for males for corporate legal work". The small sample size here indicates caution when reviewing these statistics for some areas of legal concentration.

Exhibit 16 arrays 1996 median net income by selected specialties and ethnicities. The "racial/ethnicity gap" is much smaller than the gender gap. Because of the small number of responses, caution in interpreting findings is, again, warranted.

Years in Practice

Exhibit 17 relates reported 1999 net income to the number of years in practice. Exhibit 18 summarizes changes since 1976

in median net income by years in practice. A trend of older attorneys now extending their work effort appears indicated.

Exhibit 19 displays median 1999 net income by gender for attorneys working full-time. Overall, the gender gap for full-time attorneys is 75 percent (\$80,000 for males versus \$60,000 for females). For part-time attorneys, the gap is smaller. (\$45,000 for males versus \$35,000 for females). In 1996, the "part-time" gap was 51 percent.

Exhibits 20 and 21 organize 1999 median net income for Caucasians and African Americans by years in practice. While Caucasian attorneys report incomes similar to African-American attorneys, the net income of young African-American attorneys slightly exceeds their Caucasian counterparts.

Size of Firm or Organization

Exhibit 22 displays 1999 net income by firm or organization size, measured by the

total number of attorneys in the firm. The firm size for those working in branch offices of larger firms is the total size of the firm. However, the geographic area of the branch office is used in exhibits displaying office location. Within the larger firm-size categories, lower percentile values generally represent associates, while higher percentile values generally represent partners. Median levels, here, represent a "mix" of both categories. Exhibit 23 and 24 distribute net income by gender and firm size.

Office Location

Exhibit 25 displays median 1999 net income by selected practice classifications within each of six office locations. Exhibits 26 and 27 expand the geographic categories for all attorneys (Exhibit 26) and for private practitioners only (Exhibit 27). Appendices E-J include income distributions by region within Michigan. ■

Exhibit 13
Distribution of 1999 Net Income by Legal Specialization of Michigan Attorneys

Primary Source of Income	N	Value by Percentile			
		25th	50th	75th	95th
Administrative Law	46	\$ 59,500	\$ 80,500	\$ 100,000	\$ 232,500
Bankruptcy	44	45,000	67,500	116,000	286,500
Civil Rights	23	35,000	77,000	100,000	412,000
Collections	24	40,000	50,000	96,500	304,500
Corporate Law	161	60,000	96,000	152,500	315,300
Criminal Law (Public Defense)	45	31,000	45,000	70,000	150,000
Criminal Law (Private Defense)	44	28,250	46,000	86,000	182,500
Criminal Law (Prosecution)	64	42,250	60,000	75,000	113,500
Domestic Relations (Family Law)	167	35,000	50,000	88,000	168,000
Environmental/Natural Resources Law	22	71,000	95,000	179,000	412,000
General Practice	58	30,250	55,000	84,500	153,000
Health and Hospital Law	15	65,000	79,000	150,000	350,000
Immigration Law	10	48,250	66,500	112,500	250,000
Intellectual Property	33	82,500	110,000	150,000	315,000
Labor Law (Defense)	37	63,000	99,000	200,000	302,000
Labor Law (Plaintiff)	22	39,000	70,500	86,500	197,000
Municipal Law	41	49,000	72,000	114,000	200,000
Personal Injury (Defense)	75	46,000	85,000	120,000	242,000
Personal Injury (Plaintiff)	90	38,300	95,000	171,000	404,000
Professional Malpractice	26	76,000	132,000	270,000	450,000
Public Benefits Law	5	38,500	55,000	80,000	100,000
Real Property Law	101	35,000	70,000	100,000	189,000
Securities	7	31,000	171,000	295,000	390,000
Taxation	26	51,000	87,500	157,500	241,000
Trial Practice (Civil/Personal)	24	51,000	73,000	141,000	663,000
Trial Practice (Civil/Commercial)	56	69,000	99,000	150,000	410,500
Wills, Estates, and Probate	90	26,000	51,000	98,000	172,000
Workers' Compensation	29	59,000	76,000	98,000	152,000
All Attorneys	1,385	\$40,000	\$70,000	\$120,000	\$266,000

Exhibit 14
**Change in Net Income by Top Ten Specialties of
 Michigan Attorneys, 1990-1999**

Primary Source of Income	Median Values				% Change		
	1990	1993	1996	1999	1990-1993	1993-1996	1996-1999
Personal Injury (Plaintiff)	\$ 70,000	\$ 74,200	\$ 76,000	\$ 95,000	6.0%	2.7%	25.0%
Corporate Law	80,000	85,000	75,000	96,000	6.3	-11.8	28.0
Wills, Estates, and Probate	56,000	70,000	57,000	51,000	25.0	-18.6	(11.0)
Criminal Law	47,000	50,000	75,000	—	6.4	50.0	—
Domestic Relations	40,000	44,000	50,000	50,000	10.0	13.6	0.0
General Practice	40,000	47,500	50,000	55,000	18.8	5.3	10.0
Real Property	67,000	72,000	75,000	70,000	7.5	4.2	(7.0)
Personal Injury (Defense)	64,000	75,000	80,000	85,000	17.2	6.7	6.0
Trial Practice	65,000	80,000	85,000	92,655	23.1	6.3	9.0
Workers' Compensation	67,000	73,000	75,000	76,000	9.0	2.7	1.0
All Attorneys	\$60,000	\$68,000	\$70,000	\$71,000	13.3%	2.9%	1.0%

Exhibit 15
1999 Median Net Income by Specialty and Gender of Michigan Attorneys

Primary Source of Income	Males		Females		1999 Income	Proportion
	N	1999 Income	N	1999 Income		
Corporate Law	155	\$100,000	19	\$ 69,500		69.5%
Criminal (Prosecution)	21	63,000	18	47,000		74.6
Criminal (Public Defense)	33	50,000	14	41,250		82.5
Domestic Relations	107	60,000	64	47,250		78.8
General Practice	54	55,000	8	55,000		100.0
Labor Law (Defense)	30	105,000	9	109,000		103.8
Municipal Law	34	78,750	9	64,500		81.9
Personal Injury (Defense)	57	97,000	19	48,000		49.5
Personal Injury (Plaintiff)	85	99,167	14	35,000		35.3
Real Property	86	72,500	22	44,250		61.0
Trial Practice	23	69,250	—	80,000		115.5
Wills, Estates, and Probate	73	65,500	34	42,750		65.3
Workers' Compensation	23	78,500	8	68,500		87.3
All Attorneys	781	\$80,000	238	\$41,250		51.6%

Exhibit 16
**1999 Median Net Income by Selected Specialties
 and by Race/Ethnicity of Michigan Attorneys**

Primary Source of Income	Caucasians		African Americans		Proportion
	N	1999 Income	N	1999 Income	
Criminal (Prosecution)	56	\$ 60,000	23	\$ 60,000	100%
Criminal (Private Defense)	45	55,000	22	45,000	82
Administrative Law	39	80,000	21	80,000	100
Corporate Law	147	94,000	19	65,000	69
Criminal (Public Defense)	44	42,000	16	54,000	129
Domestic Relations	164	50,000	15	33,000	66
Municipal Law	34	77,500	13	56,700	73
Wills, Estates, and Probate	84	51,000	11	22,000	43
General Practice	60	55,000	9	55,000	100
Trial Practice (Civil/Corporate)	53	97,000	9	73,000	75
Personal Injury (Plaintiff)	87	95,000	8	68,000	72
Real Property	99	67,000	7	67,000	100
Personal Injury (Defense)	72	82,500	6	81,500	99
Labor Law (Defense)	34	103,000	6	75,000	73
Civil Rights	20	73,000	5	35,000	48
All Attorneys	1,038	\$70,000	190	\$65,000	93%

Exhibit 17
1999 Net Income by Years in Practice of All Michigan Attorneys

Years in Practice	N	% of Responses	Value by Percentile			
			25th	50th	75th	95th
Less than 5	241	15.1%	\$32,000	\$ 45,000	\$ 60,500	\$ 70,000
5-9	226	14.1	40,000	59,333	82,250	106,500
10-14	226	14.1	48,500	75,000	108,750	173,600
15-19	211	13.2	50,125	78,325	120,000	229,600
20-29	438	27.4	60,000	95,000	150,000	300,000
30-39	174	10.9	63,250	100,000	180,000	364,250
40+	83	5.2	24,000	70,000	125,000	150,000
All Attorneys	1,688	100.0%	\$43,000	\$71,000	\$110,000	\$240,000

Exhibit 18
Trends in Median Net Income by Years in Practice of Michigan Attorneys, 1976-1999

Years in Practice	Median Net Income							
	1976	1980	1983	1987	1990	1993	1996	1999
Less than 5	\$18,700	\$19,000	\$25,000	\$30,000	\$37,000	\$40,000	\$38,000	\$45,000
5-9	31,550	30,000	36,700	44,000	54,000	54,500	50,000	59,333
10-14	40,000	43,500	48,600	56,000	65,000	70,000	72,000	75,000
15-19	36,800	51,600	54,000	60,000	75,000	80,000	80,000	78,325
20-29	41,200	53,000	60,000	88,000	90,000	85,000	90,000	95,000
30-39	30,000	51,000	58,000	76,000	93,000	92,500	100,000	100,000
40+	10,520	21,000	17,800	30,000	40,000	55,500	105,000	70,000

Exhibit 19
1999 Median Net Income by Years in Practice and Gender of Michigan Full-Time Attorneys

Years in Practice	N	Full-Time		N	Full-Time		Proportion 2000	Proportion 1997
		Males			Females			
Less than 5	120	\$ 46,900		92	\$ 45,000		96%	93%
5-9	122	60,000		62	57,000		95	99
10-14	131	80,000		59	70,000		88	75
15-19	125	85,500		50	70,000		82	92
20-29	344	98,500		49	90,000		91	70
30-39	144	100,500		3	25,000		25	—
40+	43	100,000		1	—		—	—
All (Full-time Only)	1,029	\$80,000		316	\$60,000		75%	67%
All (Part-time Only)	43	\$45,000		29	\$34,000		76%	1.08%

Exhibit 20
1999 Net Income by Years in Practice of Michigan Caucasian Attorneys

Years in Practice	N	Value by Percentile			
		25th	50th	75th	95th
Less than 5	220	\$ 32,000	\$ 44,000	\$ 54,750	\$ 100,000
5-9	199	40,000	58,000	82,500	137,000
10-14	196	50,000	75,000	110,000	192,000
15-19	190	50,000	75,000	120,000	270,000
20-29	374	60,000	95,000	151,000	321,000
30-39	147	55,000	95,000	173,000	286,000
40+	64	15,000	52,500	118,000	236,000
All Attorneys	1,454	\$42,000	\$70,000	\$110,000	\$243,000

Exhibit 21

1999 Net Income by Years in Practice of African-American Attorneys

Years in Practice	N	Value by Percentile			
		25th	50th	75th	95th
Less than 5	46	\$ 31,500	\$ 45,000	\$ 62,000	\$ 115,900
5-9	37	36,000	52,000	77,500	100,500
10-14	42	40,000	63,000	80,000	156,000
15-19	29	42,500	75,000	100,000	154,000
20-29	58	60,000	89,000	109,000	206,000
30-39	10	50,000	115,000	220,000	280,000
40+	6	74,000	99,500	120,000	120,000
All Attorneys	228	\$41,000	\$65,000	\$ 90,000	\$ 170,000

Exhibit 22

1999 Net Income by Size of Firm or Organization of All Michigan Attorneys

Size of Firm or Organization	N	Percent	Value by Percentile			
			25th	50th	75th	95th
1	355	23.8%	\$ 25,000	\$ 50,000	\$ 90,750	\$ 200,750
2	157	10.5	39,000	60,000	100,000	265,000
3-6	332	22.2	47,500	75,000	119,000	258,000
7-10	166	11.1	42,875	68,500	107,250	399,000
11-20	128	8.6	54,000	78,500	123,750	222,000
21-50	129	8.6	56,000	82,000	129,000	369,000
51-100	87	5.8	64,375	95,750	150,000	271,000
>100	139	9.3	70,000	99,000	178,200	391,000
All Attorneys	1,493	100.0%	\$43,000	\$72,000	\$110,000	\$ 250,000

Exhibit 23

1999 Net Income by Size of Firm or Organization of Male Michigan Attorneys

Size of Firm or Organization	N	Percent	Value by Percentile			
			25th	50th	75th	95th
1	247	23.8%	\$ 28,000	\$ 52,000	\$ 97,000	\$ 203,000
2	109	10.5	40,000	65,000	114,000	225,000
3-6	238	23.0	54,000	80,000	127,000	251,000
7-10	112	10.8	50,000	80,000	120,000	408,000
11-10	84	8.1	60,000	90,000	140,000	200,000
21-50	93	9.0	53,000	90,000	153,000	358,000
51-100	60	5.8	64,000	97,000	150,000	249,000
>100	94	9.1	75,000	104,000	200,000	373,000
All Males	1,037	100.0	\$ 46,100	\$80,000	\$125,000	\$ 254,000

Exhibit 24

1999 Net Income by Size of Firm or Organization of Female Michigan Attorneys

Size of Firm or Organization	N	Percent	Value by Percentile			
			25th	50th	75th	95th
1	36	11.4%	\$ 15,750	\$ 39,500	\$ 66,250	\$ 153,250
2	36	11.4	32,250	45,000	92,000	307,500
3-6	66	20.9	40,000	51,500	70,000	100,000
7-10	48	15.2	33,500	46,000	73,750	164,000
11-20	42	13.3	41,500	62,500	80,000	152,000
21-50	33	10.4	59,000	80,000	100,000	260,000
51-100	22	7.0	58,000	88,500	139,000	349,000
>100	33	10.4	66,500	75,000	113,000	216,000
All Females	316	100.0%	\$37,750	\$58,000	\$81,000	\$ 172,500

Exhibit 25

1999 Median Net Income by Practice Classification and Office Location of Michigan Attorneys

Practice Classification	Median Values by Office Location					
	Downtown Detroit	S. Oakland County	Remainder of Metro Detroit	Lansing	Outstate Metro Areas	Outstate
Sole Practitioner	\$ 68,839	\$ 55,000	\$ 35,000	\$ 25,000	\$ 40,000	\$ 45,000
Sole Pract. with associates	140,000	105,000	99,000	31,000	40,000	76,500
Sole Pract. sharing space	51,000	60,000	100,000	54,000	75,000	53,500
Partner in firm (with 2-7 part.)	125,000	127,500	100,000	100,000	100,000	80,000
Partner in firm (with 8+ part.)	175,000	135,000	150,000	165,000	112,500	101,000
Assoc. in firm (with 2-7 part.)	49,000	52,000	46,900	55,000	45,000	42,500
Assoc. in firm (with 8+ part.)	75,000	70,000	60,500	70,250	69,000	56,000
Judge	120,000	—	100,000	—	113,500	113,000
Arbitrator/Mediator/ALJ	81,000	55,000	78,500	79,000	76,000	30,000
State and Local Government	60,500	105,000	60,000	74,000	54,000	54,000
Federal Government	84,000	25,028	90,000	—	97,000	123,500
House Counsel	92,500	84,000	97,000	70,000	90,000	85,000
Counsel with Legal Aid	79,000	36,000	45,750	38,500	35,500	45,000
All Attorneys	\$85,500	\$80,000	\$61,000	\$73,000	\$68,000	\$57,500

Exhibit 26

Distributions of 1999 Net Income by Office Location of All Michigan Attorneys

Office Location	N	Value by Percentile			
		25th	50th	75th	95th
Downtown Detroit	196	\$ 58,750	\$ 85,750	\$ 135,250	\$ 315,100
Detroit, Not downtown	19	31,250	76,000	140,000	250,000
Out county (Wayne)	103	32,500	50,000	99,250	308,000
Pontiac	17	51,000	65,000	81,000	159,000
North Oakland County	110	40,250	79,500	143,750	431,540
South Oakland County	290	50,000	80,000	150,000	350,000
Mount Clemens	22	39,250	53,450	77,500	175,000
Macomb County	38	31,250	82,500	129,750	220,000
Ann Arbor	58	45,000	74,250	146,000	375,000
Battle Creek	11	39,500	95,000	132,500	135,000
Bay City	15	47,000	100,000	152,500	450,000
Flint	53	33,500	59,500	107,000	234,000
Grand Rapids	96	45,000	79,500	116,250	251,250
Jackson	18	45,500	85,000	158,750	265,000
Kalamazoo	42	37,667	65,500	106,250	250,000
Lansing	143	48,500	73,667	100,000	207,000
Muskegon	19	30,500	56,000	115,000	210,000
Saginaw	13	40,000	52,000	120,000	195,000
Outstate, Lower Peninsula	199	40,000	60,000	100,000	188,500
Upper Peninsula	31	33,000	44,667	91,500	95,000
All Attorneys	1,493	\$43,000	\$71,167	\$110,000	\$250,000

Exhibit 27

Distributions of 1999 Net Income by Office Location of Michigan Private Practitioners Only

Office Location	N	Value by Percentile			
		25th	50th	75th	95th
Downtown Detroit	186	\$ 59,417	\$ 88,500	\$ 136,750	\$ 308,250
Detroit, Not downtown	18	36,250	77,000	145,000	250,000
Out county (Wayne)	83	37,000	57,500	119,167	341,000
Pontiac	16	50,750	67,500	83,250	159,000
North Oakland County	93	50,000	90,000	150,000	427,280
South Oakland County	254	55,417	87,500	150,000	353,750
Mount Clemens	20	39,750	53,450	81,750	175,000
Macomb County	33	45,500	87,000	130,000	200,000
Ann Arbor	47	50,000	80,000	149,250	375,000
Battle Creek	10	44,750	100,000	133,750	135,000
Bay City	15	47,000	100,000	152,500	450,000
Flint	50	36,000	60,500	113,750	234,000
Grand Rapids	89	49,333	80,000	120,000	260,000
Jackson	16	56,500	81,250	181,250	265,000
Kalamazoo	36	47,500	69,250	107,750	250,000
Lansing	122	50,250	72,750	99,583	207,500
Muskegon	17	31,000	56,000	120,000	210,000
Saginaw	13	40,000	52,000	120,000	195,000
Outstate, Lower Peninsula	166	44,250	64,708	100,000	192,750
Upper Peninsula	28	34,000	44,833	89,750	92,000
All Attorneys	1,312	\$46,983	\$75,000	\$118,000	\$250,000

Law Firm Billing Rates and Billing Practices

Attorney Hourly Billing Rates

The reported 2000 median hourly billing rate of \$150 represents a 20 percent increase from \$125 in 1997, which had re-

mained unchanged from 1994. (Refer to Exhibit 2 for the trend line since 1984). While several interacting factors affect the setting and application of hourly billing rates, Exhibit 28 includes five discrete factors:

- Office location
- Size of firm
- Years in practice
- Primary source of income
- Practice classification or legal occupation

Exhibit 28
Distributions of 2000 Average Hourly Billing Rates by Selected Categories

Category	N	%	Value by Percentile			
			25th	50th	75th	95th
Office Location						
Downtown Detroit	117	12.7%	\$133	\$177	\$250	\$333
South Oakland County	247	19.8	125	158	200	250
Remainder Metro Detroit	226	21.4	125	150	180	250
Ann Arbor	46	4.2	126	161	200	250
Lansing	76	9.1	108	150	176	235
Outstate Metro Areas	192	17.9	125	150	175	250
Outstate Other	166	14.9	110	125	150	188
Firm Size						
1	297	23.8%	\$125	\$147	\$160	\$230
2	122	10.5	122	141	175	216
3-6	228	22.2	125	150	180	248
7-10	108	11.1	124	150	175	237
11-20	63	8.6	125	157	185	239
21-50	74	8.6	129	176	214	327
51-100	47	5.8	117	180	233	300
>100	81	9.3	150	222	257	343
Years in Practice						
<5	142	15.1%	\$110	\$125	\$150	\$188
5-9	137	14.1	120	135	150	197
10-14	149	14.1	125	150	175	248
15-19	135	13.2	125	150	191	250
20-29	299	27.4	125	150	197	255
30-39	126	10.9	150	184	226	323
40+	55	5.2	124	155	200	200
Primary Source of Income						
Administrative Law	14	1.3%	\$98	\$165	\$283	\$335
Bankruptcy	35	3.3	125	150	186	250
Civil Rights	18	1.7	125	158	183	240
Collections	22	2.1	124	148	174	195
Corporate/Business Law	123	11.7	138	163	200	307
Criminal (Pub. Def.)	35	3.3	105	125	129	150
Criminal (Priv. Def.)	44	4.2	123	148	175	225
Criminal (Prosecution)	7	0.7	75	118	175	175
Domestic Relations	134	12.7	125	149	175	250

Category	N	%	Value by Percentile			
			25th	50th	75th	95th
Environmental Law	16	1.5	133	163	239	295
General Practice	54	5.1	125	150	175	205
Health and Hospital Law	12	1.1	176	230	318	340
Immigration Law	10	0.9	143	188	219	225
Intellectual Property	21	2.0	175	190	225	300
Labor Law (Management)	21	2.0	150	195	250	280
Labor Law (Labor)	13	1.2	110	135	225	250
Municipal Law	32	3.0	118	147	169	215
Personal Inj./Ins. (Def.)	61	5.8	97	120	147	331
Personal Inj./Ins. (Plntf.)	76	7.2	125	150	181	279
Professional Malpractice	21	2.0	115	135	188	325
Real Property Law	86	8.2	125	150	179	236
Taxation	18	1.7	136	213	274	325
Trial Practice (Civil-Personal)	21	2.0	125	150	235	250
Trial Practice (Civil-Commercial)	58	5.5	144	179	224	334
Wills, Estates, and Probate	88	8.3	125	150	180	250
Workers' Compensation	14	1.3	75	105	148	195
Private Practitioner Classification						
Sole Practitioner	335	20.2%	\$125	\$145	\$160	\$225
Sole Practitioner with 1+ associates	67	4.0	125	150	190	302
Sole Practitioner sharing space	59	3.5	125	150	178	250
Partner in firm (with 2-7 partners)	247	14.9	130	150	190	250
Partner in firm (with 8+ partners)	160	9.6	170	200	250	331
Associate in firm (with 2-7 partners)	157	9.4	110	125	150	200
Associate in firm (with 8+ partners)	106	6.4	125	140	179	264
All Private Practitioners	1,131	100.0%	\$125	\$150	\$180	\$250

Exhibit 29
Distributions of 2000 Hourly Billing Rates by Office Location of All Michigan Attorneys

Office Location	N	Value by Percentile			
		25th	50th	75th	95th
Downtown Detroit	117	\$ 133	\$ 177	\$ 250	\$ 333
Detroit, Not Downtown	9	100	140	160	175
Out County (Wayne)	87	125	150	175	345
North Oakland County	82	144	164	198	271
South Oakland County	247	125	158	200	250
Mount Clemens	11	121	135	175	175
Macomb County	35	138	162	179	200
Ann Arbor	46	126	161	200	250
Battle Creek	8	94	144	150	150
Bay City	11	110	125	163	175
Flint	33	125	150	175	200
Grand Rapids	74	125	153	194	299
Jackson	14	115	124	176	200
Kalamazoo	30	116	150	179	225
Lansing	76	108	150	176	235
Muskegon	15	103	145	205	205
Saginaw	7	113	125	175	175
Outstate, Lower Peninsula	144	120	133	150	193
Upper Peninsula	22	92	100	119	119
All Areas	1,068	\$ 125	\$ 150	\$ 180	\$ 250

Exhibit 29 organizes hourly rates by office location, expanding the regional categories found on Exhibit 28 to 17 locations. Attorneys located in southeastern Michigan generally continue to report the highest rates. Exhibits 30 and 31 array slight differences in hourly billing rates by gender either by years in practice or by firm size.

Hourly Billing Rates for Associates and Legal Assistants

The distribution of hourly billing rates for associates and legal assistants are summarized by level of experience in Exhibit 32. For firms using legal assistants, the following trend in client billing patterns was reported:

Billing Pattern for Legal Assistants	% of Responses					
	1984	1988	1991	1994	1997	2000
Included in attorney's rate	25%	24%	21%	21%	16%	25%
Time basis	67	62	70	73	74	65
Self-developed fee schedule	7	10	6	3	3	4
Other system	2	5	3	3	7	6

Billing Practices and Uncollectables

The time since respondents last changed their hourly rate compares over sixteen years as follows:

Exhibit 30
2000 Median Hourly Billing Rates by Gender and Years in Practice of Michigan Attorneys

Years in Practice	Males	Rate	Females	Rate	Proportion 2000	Proportion 1997
<5	84	\$ 126	58	\$ 125	100%	100%
5-9	88	135	47	125	93	100
10-14	100	150	48	140	93	89
15-19	100	150	33	150	100	100
20-29	261	150	35	175	117	100
30+	175	180	6	135	75	100
Total	808	\$ 150	227	\$ 140	93%	100%

Exhibit 31
2000 Median Hourly Billing Rates by Gender and Size of Firm of Michigan Attorneys

Firm Size	Males	Rate	Females	Rate	Proportion 2000	Proportion 1997
1	237	\$ 150	60	\$ 138	92%	80%
2	90	145	31	137	94	104
3-6	180	150	43	140	93	89
7-10	87	150	21	125	83	94
11-20	48	168	15	140	84	80
21-50	59	175	15	170	97	96
51-100	36	178	11	140	79	79
>100	58	235	22	180	77	89
All Attorneys	795	\$ 150	218	\$ 140	93%	100%

Months Since Hourly Rate Was Changed	% of Responses					
	1984	1988	1991	1994	1997	2000
0-6	20%	28%	25%	26%	26%	26%
7-11	26	21	18	12	12	18
12-24	36	33	40	31	33	29
25+	18	18	17	31	29	27

Fifty-six percent of the respondents had not changed their rates in one year or more. The percent increase in the level of hourly rates since the last change was:

Amount of Increase	% of Responses				
	1988	1991	1994	1997	2000
5% or less	19%	19%	27%	26%	25%
6-10%	40	43	42	40	41
11-19%	22	20	15	18	18
20% or more	19	18	17	16	16

Compared to previous reporting periods, the 2000 level of billing rate increases is similar.

Only 15 percent of respondents *usually* add a service charge to delinquent accounts. Only 9 percent of respondents *always* add a service charge. The remainder *sometimes* adds the charge. For those who add a charge, 53 percent charge less than 1 percent, 33 percent charge 1-2 percent and 14 percent charge over 2 percent.

Only 25 percent of respondents *always* send an engagement letter, 32 percent *usually* do, 30 percent *sometimes* do, while 13 percent *never* send an engagement letter.

Most respondents charge for telephone calls as follows:

Charge for Time Spent on Phone	% of Responses				
	1988	1991	1994	1997	2000
Always	31%	22%	31%	24%	26%
Usually	44	50	45	49	44
Sometimes	19	22	20	21	24
Never	7	6	4	6	6

Uncollectables remains a serious problem in many firms as follows:

Percent of Fees Billed Which Are Uncollectable	% of Responses				
	1988	1991	1994	1997	2000
2% or less	33%	31%	29%	29%	30%
3-8%	32	34	29	28	28
9-12%	21	19	23	21	21
13% or more	14	16	19	22	21

The Average Work Week and Record-Keeping Practices

Attorneys report a varied work week regarding billable hours and other activities comprising their professional time. Exhibit 33 distributes the range of time spent on 9 activities. These distributions are broken down by geographic area in Appendices E through J.

Exhibit 32

Distributions of 2000 Average Hourly Billing Rates for Associates and Legal Assistants by Years of Experience

Billing Rates	N	Value by Percentile			
		25th	50th	75th	95th
Associates					
New hires without experience	68	\$100	\$112	\$133	\$177
With 3 years experience	78	109	125	146	212
With 5 years experience	67	119	148	166	300
With 10 years experience	66	124	150	187	355
Legal Assistants (Paralegals)					
New hires without experience	34	\$ 44	\$ 56	\$ 71	\$108
With 3 years experience	47	50	60	75	107
With 5 years experience	43	56	72	88	123
With 10 years experience	52	60	70	91	137

Exhibit 33

Distributions of Workweek Components of All Michigan Attorneys, 2000

Workweek Category	N	Hours per Week			
		25th	50th	75th	95th
Billable Legal Work (Total)	1,396	30	38	45	58
Based on hourly rate	830	18	30	40	50
Based on flat rate	347	5	10	21	45
Based on contingency work	322	5	10	30	50
Office Administration	1,089	3	5	10	20
Unbilled Community/Public Service	601	1	2	5	10
Marketing Activities	778	2	3	5	20
Non-Legal Work/Personal Investments	498	2	5	10	38
Total Hours	1,343	40	47	55	70
CLE courses per year	837	2	3	4	13
<i>Pro Bono</i> hours per year	570	10	20	40	50

About 54 percent of attorneys who keep time records *always* keep them. About 15 percent *usually* keep time records, 14 percent *sometimes* keep them and 17 percent *never* keep them. For those maintaining time records, 58 percent track time at 6-

minute intervals, 26 percent at 15-minute intervals, 7 percent at 10-minute intervals, and 4 percent at 30-minute intervals. About 5 percent report no tracking unit.

Exhibit 36 distributes reported billable and total hours in the work week by gen-

der and ethnicity. Median billable hours per week have dropped from 40 to 35 since 1997 for all categories except for African-American males. ■

Exhibit 34
Billable and Total Hours in Work Week by Gender and Race/Ethnicity, 2000

Demographic Group	N	Billable Hours in Workweek			
		25th	50th	75th	95th
Caucasian Males	795	30	35	40	55
Caucasian Females	215	25	35	40	50
African-American Males	96	35	40	50	63
African-American Females	92	30	35	40	60
Total Hours in Workweek					
Caucasian Males	758	40	48	55	70
Caucasian Females	197	40	47	55	70
African-American Males	93	45	52	65	80
African-American Females	74	38	43	55	80

Exhibit 35
1999 Gross Revenues and Overhead Expenses per Attorney by Size of Firm

Expenses/Attorney	Median Value by Firm Size (Number of Attorneys)				
	1-2	3-6	7-10	11-20	>20
Nonlawyer Salaries	\$ 24,000	\$ 32,500	\$ 35,000	\$ 40,000	\$ 27,800
Rent, Phone, Utilities	10,900	15,000	12,000	10,881	12,000
All Other Expenses	12,000	20,000	34,500	27,501	15,000
Total Expenses	40,060	62,000	69,000	75,500	54,200
Gross Receipts/Attorney	\$100,000	\$156,833	\$162,500	\$177,084	\$120,000
Ratio of Expenses to Receipts	0.40	0.40	0.42	0.43	0.45
Number of Responses	248	88	26	16	47

Exhibit 36
1999 Gross Revenues and Overhead Expenses per Attorney by Office Location

Expenses/Attorney	Median Values by Office Location					
	Downtown Detroit	S. Oakland County	Remain. of Met. Detroit	Lansing	Outstate Met. Areas	Outstate
Nonlawyer Salaries	\$ 30,000	\$ 32,200	\$ 30,000	\$ 20,300	\$ 25,000	\$ 25,000
Rent, Phone, Utilities	16,500	13,800	12,000	10,881	12,000	10,000
All Other Expenses	30,000	15,000	15,000	15,000	15,012	16,700
Total Expenses	70,300	50,000	51,500	40,120	45,600	46,000
Gross Receipts/Attorney	\$170,000	\$140,000	\$120,000	\$130,000	\$122,500	\$110,000
Ratio of Expenses to Receipts	0.41	0.36	0.43	0.31	0.37	0.42
Number of Responses	25	106	80	27	81	101

Aspects of Law-Office Economics of Michigan Attorneys

This section summarizes various economic aspects of the private practice of law in Michigan, providing historic data where available. The following topics are discussed:

- Law office overhead expenses and gross receipts
- Staffing patterns for secretaries and legal assistants
- Salary levels for associates, legal assistants, and secretaries
- Legal services marketing and advertising practices

Overhead Expenses and Gross Receipts Per Attorney

More than 425 respondents, representing sole practitioners and firms, provided financial information on 1996 operating expenses and gross revenues per attorney. Exhibits 35 and 36 summarize three categories of overhead expenses against gross receipts by firm size and office location.

Overhead components are differentially reported; thus, "total expenses" is not the exact sum of components.

Personnel expenses generally correlate directly with firm size, while total expenses are most sensitive to the "all other cost" category, which includes taxes and insurance. The range of overhead ratios is wider when comparing firms by office location as opposed to firm size. Reporting of overhead data is skewed toward smaller firms and solo practitioners.

Secretarial and Legal Assistant Staffing Patterns

Exhibit 37 describes the ratio of full-time equivalent (35-40 hours per week) secretaries to lawyers for seven reporting periods. Firms are maintaining the trend toward greater sharing of secretarial services among attorneys.

Exhibit 38 compares the number of full-time-equivalent legal assistants employed

by firms between 1981 and 2000. Within larger firms, there are no discernable trends toward increased use of legal assistants.

Starting and Current Salary Levels

Exhibit 39 displays the 2000 annual median salary levels for four categories of associates, legal assistants, and secretaries by firm size. Salary levels distributed by office location are appended. (Appendices E-J)

While 76 percent of firms would hire part-time staff, only 39 percent would hire part-time attorneys; both practices are essentially unchanged since 1994.

Legal Services Marketing

Approximately 60 percent of respondents market their services through a variety of mechanisms, compared with 68 percent in 1997 and 64 percent in 1994. Exhibit 40 summarizes trends in the use of each marketing device. ■

Exhibit 37

Changes in the Ratio of Secretaries to Lawyers in Michigan, 1981-2000

Secretary/ Lawyer Ratio	Percent of Firms by Year						
	1981	1984	1988	1991	1994	1997	2000
<1	10.4%	10.6%	13.4%	11.4%	10.4%	12.5%	8.0%
1:1	42.7	35.6	42.1	40.6	31.2	36.1	34.0
1:1.5	24.4	25.0	16.8	19.3	19.6	18.1	18.6
1:2	17.1	23.7	21.1	22.3	30.1	25.2	26.3
1:3+	5.4	5.0	6.2	6.4	8.7	8.1	13.0

Exhibit 38

Changes in the Employment of Legal Assistants in Michigan, 1981-2000

Number Employed	Percent of Firms by Year					
	1981	1988	1991	1994	1997	2000
None	72.6%	72.3%	67.3%	67.2%	64.2%	68.4%
1	15.0	13.2	17.5	17.6	17.6	14.9
2	5.7	4.6	5.7	4.5	5.6	4.6
3	1.1	5.3	3.8	2.1	4.1	2.8
4-6	2.9	2.8	2.1	3.2	3.3	3.0
7-10	0.7	1.3	0.7	1.3	1.6	2.3
11+	1.2	2.5	2.8	4.0	3.6	3.9

Exhibit 39
**Median 2000 Salary Levels of Associates and Support Personnel by
 Size of Firm and Years of Experience**

	Size of Firm				
	1 to 2	3 to 6	7 to 10	11 to 20	>20
Associates					
New hires without experience	\$32,000	\$39,000	\$38,000	\$38,000	\$65,000
With 3 years experience	45,000	45,000	45,000	42,000	71,000
With 5 years experience	45,000	65,000	50,000	55,000	77,500
With 10 years experience	55,000	80,000	85,000	85,000	90,000
Legal Assistants (Paralegals)					
New hires without experience	\$20,250	\$26,500	\$25,000	\$27,000	\$30,000
With 3 years experience	25,700	30,000	25,000	26,000	30,000
With 5 years experience	33,000	35,000	17,510	32,000	35,000
With 10 years experience	35,000	35,000	42,000	35,000	40,000
Secretaries					
New hires without experience	\$18,000	\$22,000	\$21,500	\$22,440	\$25,000
With 3 years experience	25,000	26,000	28,500	28,000	28,000
With 5 years experience	25,000	30,000	32,000	30,000	33,500
With 10 years experience	30,000	32,140	34,500	35,000	33,500

Exhibit 40
Use of Marketing Devices by Michigan Attorneys, 1984 to 2000

	Percent of Firms Using Device					
Marketing Device	1984	1988	1991	1994	1997	2000
Yellow pages	67%	70%	58%	51%	56%	64%
Firm brochure	23	30	31	46	42	48
Newspapers/periodicals	18	18	18	28	17	25
PR firm	2	6	6	8	8	7
Established firm development plans	19	14	15	19	16	21
Radio/TV	3	8	5	8	9	11
Seminars	—	27	31	33	38	42
Client newsletters	—	—	21	26	23	24
Web page	—	—	—	—	22	46

Appendices—Summary Data Displays

Appendix A
 Respondents to the Economics Surveys by Geographic Area, 1981-2000

Office Location	Percent of respondents by year						
	1981	1984	1988	1991	1994	1997	2000
Wayne County	32.2%	29.3%	29.9%	28.1%	25.0%	22.6%	21.4%
Oakland County	19.8	20.9	21.4	24.1	27.1	29.5	28.2
Macomb County	4.1	4.6	3.1	2.5	3.5	4.1	4.2
Total Metro Detroit	56.0%	55.0%	54.0%	55.0%	56.0%	56.1%	53.8%
Ann Arbor	4.0	3.0	4.0	4.0	2.0	4.2	4.2
Battle Creek	<1.0	<1.0	<1.0	0.7	0.8	0.7	0.7
Bay City	<1.0	1.2	1.4	1.0	0.9	0.4	1.0
Flint	3.2	3.2	3.7	3.1	1.6	2.1	3.7
Grand Rapids	5.8	6.7	6.7	7.7	8.9	5.7	6.4
Jackson	1.1	2.3	1.3	1.2	1.2	1.4	1.2
Kalamazoo	3.6	2.5	2.8	2.2	2.9	2.8	2.6
Lansing	6.8	9.1	9.7	9.7	8.9	8.9	9.1
Muskegon	1.6	1.2	1.4	0.8	0.7	0.8	1.3
Saginaw	1.9	1.6	1.3	2.0	1.6	1.1	0.9
Outstate (L.P.)	11.9	10.6	9.9	11.4	11.2	14.1	12.9
Outstate (U.P.)	2.5	2.4	2.2	1.7	2.3	1.8	2.0
Total Outstate	44.0%	45.0%	46.0%	45.0%	44.0%	43.9%	46.2%

Appendix B
 Instate Membership of the State Bar of Michigan by Geographic Area, 1981-2000

Area	1981		1985		1988		1991		1994		1997		2000	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Wayne County	5,833	32.4%	6,385	30.3%	6,715	29.1%	7,012	28%	7,090	27.2%	6,976	24.4%	6,828	22.1%
Oakland County	4,129	22.9	5,179	24.6	5,925	25.7	6,641	26.5	7,454	28.6	8,320	29.1	8,974	29.0
Macomb County	825	4.6	1,002	4.7	1,092	4.7	1,162	4.6	1,285	4.9	1,474	5.1	1,645	5.3
Total Metro Detroit	10,787	59.9%	12,566	59.6%	13,732	59.5%	14,815	59.1%	15,829	60.7%	16,770	58.6%	17,447	56.4%
Ann Arbor	490	2.7	587	2.7	671	2.9	730	2.9	829	3.2	925	3.2	1,246	4.0
Battle Creek	112	0.6	121	0.5	116	0.5	117	0.5	138	0.5	143	0.5	197	0.6
Bay City	129	0.7	145	0.6	163	0.7	162	0.6	176	0.7	170	0.6	224	0.7
Flint	410	2.3	481	2.2	515	2.2	518	2.1	549	2.1	561	2.0	771	2.5
Grand Rapids	882	4.9	1,136	5.4	1,286	5.6	1,439	5.7	1,567	6.1	1,657	5.8	1,969	6.4
Jackson	213	1.2	215	1.1	223	1.1	231	0.9	244	0.9	227	0.8	271	0.9
Kalamazoo	423	2.4	479	2.2	519	2.2	537	2.1	540	2.1	573	2.0	672	2.2
Lansing	979	5.4	1,396	6.6	1,700	7.4	1,439	5.7	1,510	5.8	1,579	5.5	2,307	7.5
Muskegon	177	1.1	180	0.8	200	0.9	179	0.7	188	0.7	207	0.7	244	0.8
Saginaw	324	1.8	360	1.7	390	1.7	404	1.6	429	1.7	430	1.5	466	1.5
Outstate (L.P.)	2,766	15.4	3,021	14.3	3,220	13.9	4,094	16.3	3,597	13.8	4,956	17.3	4,699	15.2
Outstate (U.P.)	308	1.7	345	1.6	362	1.6	387	1.5	431	1.7	441	1.5	444	1.4
State Total	18,000	100.0%	21,032	100.0%	23,097	100.0%	25,052	100.0%	26,027	100.0%	28,639	100.0%	30,957	100.0%

Appendix C
Respondents to the Economics Survey by Practice Classification, 1984-2000

Practice Classification	Percent of respondents by year					
	1984	1988	1991	1994	1997	2000
Private Practitioners						
Sole Practitioners	26.1%	25.3%	23.6%	25.5%	27.8%	27.7%
Partners	24.1	22.9	26.6	30.2	25.6	24.6
Associates	13.4	18.3	21.6	17.1	16.8	15.9
Total Private Practitioners	63.6%	66.5%	71.4%	72.8%	70.2%	68.2%
Others						
Judges	3.8%	4.1%	3.1%	2.9%	3.6%	3.4%
Government Service	13.8	12.7	9.6	8.1	12.3	12.4
House Counsel	14.1	12.1	12.3	10.8	9.3	8.9
Law Professors	1.6	0.9	1.1	0.5	0.8	0.6
Counsel with Legal Aid	2.2	2.8	2.2	2.2	2.1	2.6
Law Clerks	1.1	0.9	0.3	0.5	NA	NA
Not Practicing/Retired	NA	NA	NA	2.2	2.0	3.9
Total Others	36.4%	33.5%	28.6%	27.2%	29.4%	31.8%

Appendix D
Source of Income of Attorneys by Primary Field of Law or Specialty, 2000

Primary Field of Law or Specialty	Source of Income		
	Primary	Secondary	Tertiary
Administrative Law	3.2%	1.6	1.8
Bankruptcy	3.1	2.7	1.7
Civil Rights	1.6	1.8	1.8
Collections	1.9	1.8	1.9
Corporate/Business Law	11.8	10.9	6.9
Criminal (Public Defense)	3.2	2.2	1.4
Criminal (Private Defense)	3.3	5.2	3.9
Criminal (Prosecution)	4.4	0.5	0.4
Domestic Relations	11.4	9.6	6.1
Environmental Law	1.5	1.2	0.9
General Practice	4.2	6.3	12.3
Health and Hospital Law	1.2	1.1	0.8
Immigration Law	0.7	0.2	0.4
Intellectual Property	2.2	1.1	0.2
Labor Law (Management)	2.6	2.8	1.8
Labor Law (Labor)	1.5	0.9	0.9
Municipal Law	2.9	3.0	2.5
Personal Injury/Insurance (Defense)	5.2	3.1	2.1
Personal Injury Insurance (Plaintiff)	6.7	4.6	5.9
Professional Malpractice	1.8	2.5	1.3
Public Benefits	0.4	0.5	0.6
Real Property Law	7.3	10.4	9.5
Securities Law	0.5	0.9	1.1
Taxation	2.2	3.2	2.0
Trial Practice (Civil-Personal)	1.8	5.7	7.7
Trial Practice (Civil-Commercial)	4.0	5.1	8.0
Wills, Estates, and Probate	7.2	10.1	13.9
Workers' Compensation	2.1	1.0	1.9
Total	100.0%	100.0%	100.0%
Number of Responses	1,494	1,113	843

Appendix E
Statistical Profile of Michigan Attorneys—Downtown Detroit Offices

Item	N	Value by Percentile			
		25th	50th	75th	95th
Income					
1999 Net Income	196	\$58,750	\$85,750	\$135,250	\$ 315,100
2000 Hourly Billing Rate	117	133	177	250	333
Hours per Week					
Billable Legal Work					
Based on hourly rate	92	30	40	45	60
Based on flat rate	24	5	10	33	30
Based on contingency work	28	5	10	39	58
Total billable hours	182	35	40	50	60
Office Administration	134	3	5	10	20
Other Work					
Marketing Activities	76	2	3	7	16
Non-billable community/public service	83	2	3	6	29
Non-legal work/Personal investments	47	2	4	7	—
Total hours in work week	165	42	50	60	73
Annual Salaries (June 2000)					
Associates					
New hires without experience	4	\$48,750	\$90,000	\$105,000	\$110,000
With 3 years experience	8	40,500	55,000	107,500	145,000
With 5 years experience	8	61,250	80,000	113,750	175,000
With 10 years experience	6	47,500	69,500	93,750	120,000
Legal Assistants (Paralegals)					
New hires without experience	NA	NA	NA	NA	NA
With 3 years experience	3	26,000	32,000	37,000	37,000
With 5 years experience	3	32,000	35,000	40,000	40,000
With 10 years experience	4	35,250	38,000	46,000	46,000
Secretaries					
New hires without experience	5	20,000	25,000	37,500	50,000
With 3 years experience	6	21,500	30,000	31,500	33,000
With 5 years experience	6	27,250	34,000	36,500	38,000
With 10 years experience	11	35,000	40,000	40,000	42,000

Appendix F
Statistical Profile of Michigan Attorneys—South Oakland County Offices

Item	N	Value by Percentile			
		25th	50th	75th	95th
Income					
1999 Net Income	290	\$50,000	\$80,000	\$ 150,000	\$350,000
2000 Hourly Billing Rate	247	125	157.5	200	250
Hours per Week					
Billable Legal Work					
Based on hourly rate	185	20	30	40	55
Based on flat rate	70	5	10	20	49
Based on contingency work	92	5	20	41	61
Total billable hours	277	30	40	47	60
Office Administration	227	3	5	8	13
Other Work					
Marketing Activities	143	1	3	5	14
Non-billable community/public service	120	1	3	5	10
Non-legal work/Personal investments	111	2	5	10	42
Total hours in work week	263	42	50	56	70
Annual Salaries (June 2000)					
Associates					
New hires without experience	23	\$34,500	\$42,500	\$ 50,000	\$ 84,000
With 3 years experience	23	40,833	60,000	75,000	124,000
With 5 years experience	23	55,500	65,000	83,328	225,000
With 10 years experience	26	65,417	85,833	100,000	306,000
Legal Assistants (Paralegals)					
New hires without experience	10	24,250	29,500	34,750	40,000
With 3 years experience	10	27,875	30,000	35,000	46,000
With 5 years experience	15	32,250	35,000	40,000	49,000
With 10 years experience	16	35,250	40,000	50,000	55,000
Secretaries					
New hires without experience	23	18,000	23,000	28,000	47,000
With 3 years experience	32	26,000	30,000	32,000	36,750
With 5 years experience	27	30,000	33,000	35,500	45,200
With 10 years experience	40	29,750	35,000	39,750	44,850

Appendix G
Statistical Profile of Michigan Attorneys—Remainder of Metro Detroit Offices

Item	N	Value by Percentile			
		25th	50th	75th	95th
Income					
1999 Net Income	367	\$36,500	\$62,000	\$115,750	\$252,500
2000 Hourly Billing Rate	272	125.0	150.0	180.4	250.0
Hours per Week					
Billable Legal Work					
Based on hourly rate	198	13.1	20.7	35.0	51.9
Based on flat rate	96	5.0	10.0	21.0	48.4
Based on contingency work	70	5.0	10.0	27.9	76.8
Total billable hours	343	25.0	35.0	45.0	60.0
Office Administration	270	3.0	5.0	10.0	20.0
Other Work					
Marketing Activities	148	2.0	3.0	5.0	10.0
Non-billable community/public service	197	2.0	4.0	8.0	15.0
Non-legal work/Personal investments	131	2.0	5.0	10.0	40.0
Total hours in work week	335	40.0	46.0	55.0	70.0
Annual Salaries (June 2000)					
Associates					
New hires without experience	16	\$32,000	\$40,000	\$58,750	\$90,000
With 3 years experience	20	45,000	50,000	60,000	99,450
With 5 years experience	19	45,000	65,000	80,000	125,000
With 10 years experience	25	62,500	85,000	132,500	199,000
Legal Assistants (Paralegals)					
New hires without experience	11	15,500	19,000	25,000	37,000
With 3 years experience	12	21,250	28,000	31,500	37,000
With 5 years experience	11	25,000	35,000	38,000	50,000
With 10 years experience	8	26,100	38,500	45,000	50,000
Secretaries					
New hires without experience	25	16,640	20,000	23,500	29,100
With 3 years experience	24	24,063	29,500	30,000	34,750
With 5 years experience	21	25,000	30,000	33,500	38,000
With 10 years experience	40	30,000	35,000	38,000	42,950

Appendix H
Statistical Profile of Michigan Attorneys—Lansing Offices

Item	N	Value by Percentile			
		25th	50th	75th	95th
Income					
1999 Net Income	143	\$48,500	\$73,667	\$ 100,000	\$ 207,000
2000 Hourly Billing Rate	76	108	150	176	235
Hours per Week					
Billable Legal Work					
Based on hourly rate	61	10	25	40	60
Based on flat rate	31	10	15	30	42
Based on contingency work	15	5	10	20	40
Total billable hours	124	30	40	44	59
Office Administration	80	3	5	10	20
Other Work					
Marketing Activities	42	2	4	5	10
Non-billable community/public service	60	2	3	9	45
Non-legal work/Personal investments	38	2	5	10	40
Total hours in work week	124	40	45	55	70
Annual Salaries (June 2000)					
Associates					
New hires without experience	6	\$28,750	\$33,500	\$ 65,000	\$ 95,000
With 3 years experience	8	40,000	42,000	63,750	110,000
With 5 years experience	6	33,250	50,000	82,500	120,000
With 10 years experience	6	72,500	92,000	125,000	140,000
Secretaries					
New hires without experience	5	21,400	24,000	29,600	31,200
With 3 years experience	11	21,000	25,000	32,000	34,800
With 5 years experience	11	16,000	26,000	30,000	35,000
With 10 years experience	9	17,000	29,000	38,000	60,000

Appendix I
Statistical Profile of Michigan Attorneys—Outstate Metro Area Offices

Item	N	Value by Percentile			
		25th	50th	75th	95th
Income					
1999 Net Income	269	\$40,000	\$68,000	\$ 110,000	\$214,000
2000 Hourly Billing Rate	192	125	150	175	250
Hours per Week					
Billable Legal Work					
Based on hourly rate	153	20	30	38	53
Based on flat rate	50	5	10	30	60
Based on contingency work	62	5	15	27	44
Total billable hours	254	30	37	40	55
Office Administration	204	2	5	9	15
Other Work					
Marketing Activities	116	2	2	5	10
Non-billable community/public service	153	2	3	5	39
Non-legal work/Personal investments	91	2	4	5	37
Total hours in work week	243	40	45	54	71
Annual Salaries (June 2000)					
Associates					
New hires without experience	17	\$30,500	\$40,000	\$ 51,500	\$ 75,000
With 3 years experience	21	35,000	45,000	60,000	79,100
With 5 years experience	20	20,250	48,500	65,000	85,450
With 10 years experience	11	25,000	80,000	90,000	100,000
Legal Assistants (Paralegals)					
New hires without experience	8	28,500	30,000	31,125	35,000
With 3 years experience	12	20,000	27,500	37,250	40,000
With 5 years experience	11	25,000	30,560	40,000	46,000
With 10 years experience	17	31,000	40,000	45,000	54,000
Secretaries					
New hires without experience	27	18,350	21,000	25,000	32,200
With 3 years experience	31	20,750	25,000	27,500	30,800
With 5 years experience	27	25,000	28,000	31,000	34,600
With 10 years experience	35	28,000	31,000	35,000	40,000

Appendix J
Statistical Profile of Michigan Attorneys—Other Outstate Area Offices

Item	N	Value by Percentile			
		25th	50th	75th	95th
Income					
1999 Net Income	230	\$40,000	\$58,333	\$99,167	\$ 175,700
2000 Hourly Billing Rate	166	110	125	150	188
Hours per Week					
Billable Legal Work					
Based on hourly rate	129	15	25	30	45
Based on flat rate	70	5	10	22	41
Based on contingency work	50	5	9	15	48
Total billable hours	197	26	35	40	54
Office Administration	160	3	5	10	16
Other Work					
Non-billable community/public service	68	1	2	5	10
Marketing activities	156	2	3	5	32
Non-legal work/Personal investments	75	2	4	8	22
Total hours in work week	194	40	45	50	69
Annual Salaries (June 2000)					
Associates					
New hires without experience	14	\$30,375	\$36,000	\$45,000	\$ 95,000
With 3 years experience	10	42,500	45,000	52,500	105,000
With 5 years experience	8	52,500	65,000	77,500	115,000
With 10 years experience	7	40,000	65,000	80,000	100,000
Legal Assistants (Paralegals)					
New hires without experience	5	21,400	25,000	26,500	27,000
With 3 years experience	9	20,500	25,000	30,000	30,000
With 10 years experience	10	28,000	34,000	37,000	40,000
Secretaries					
New hires without experience	29	14,780	18,000	21,500	25,000
With 3 years experience	25	18,000	21,000	25,000	30,000
With 5 years experience	29	20,000	25,000	27,500	35,000
With 10 years experience	40	22,000	26,750	30,000	39,750

Appendix K
**Percent Distributions of Current Perceptions
on Economic Circumstances**

Office Location	N	Compared to last year, economic circumstances of law are:		
		Better	Worse	Same
Downtown Detroit	212	24%	25%	51%
Remainder SE Mich.	400	20	26	55
Other Metro Areas	277	16	23	61
Lansing	142	23	20	57
S. Oakland County	246	23	30	47
Outstate	232	21	22	56
Size of Firm				
1	345	21%	24%	54%
2	155	20	28	52
3-6	323	18	27	55
7-10	161	19	24	58
11-20	125	18	31	50
21-50	76	23	24	53
51-100	84	31	24	45
>100	133	26	20	54
Years in Practice				
1-4	221	30%	16%	54%
5-9	215	26	19	55
10-14	219	19	27	53
15-19	207	18	33	49
20-29	428	17	29	54
>30	240	18	26	56
All Attorneys	1,590	21%	25%	54%

Appendix L
**Percent Distribution of Perceptions
on Future Economic Conditions**

Office Location	N	One year from now, economic circumstances of law will be:		
		Better	Worse	Same
Downtown Detroit	197	16	25	58
S. Oakland County	391	15	24	60
Remainder Metro Area	271	14	20	66
Lansing	141	16	23	61
Outstate Metro Areas	307	18	28	54
Outstate Other	227	12	18	70
Size of Firm				
1	338	18%	24%	58%
2	153	14	22	65
3-6	318	19	21	60
7-10	159	14	26	60
11-20	122	11	28	61
21-50	123	12	22	66
51-100	81	17	26	57
>100	131	12	22	66
Years in Practice				
1-4	216	25%	13%	62%
5-9	212	18	16	66
10-14	214	12	26	63
15-19	202	14	28	57
20-29	419	11	29	60
>30	231	13	26	61
All Attorneys	1,560	15%	23%	62%

Appendix M
**Percent Distributions of Perceptions
on the Supply of Lawyers**

Office Location	N	The number of lawyers in the community in which I practice is:		
		About right	Too many	Too few
Downtown Detroit	197	38%	58%	5%
S. Oakland County	397	34	65	1
Remainder Metro Area	281	46	53	1
Lansing	138	31	68	1
Outstate Metro Areas	316	30	69	1
Outstate Other	236	58	39	3
Size of Firm				
1	344	38%	60%	2%
2	153	39	59	3
3-6	325	41	59	1
7-10	162	40	59	1
11-20	125	42	57	2
21-50	122	44	54	2
51-100	81	32	63	5
>100	133	36	61	3
Years in Practice				
1-4	226	47%	51%	1%
5-9	218	44	54	2
10-14	218	39	58	3
15-19	201	37	62	1
20-29	421	37	62	1
>30	237	33	63	3
All Attorneys	1,580	39%	59%	2%

Appendix N
**Percent Distributions of Perceptions
on the Demand for Legal Services**

Office Location	N	The quantity of legal work is:		
		Insufficient	All I can handle	More than I prefer
Downtown Detroit	205	9%	56%	35%
S. Oakland County	407	18	56	26
Remainder Metro Area	282	13	62	26
Lansing	144	13	63	25
Outstate Metro Areas	313	15	60	25
Outstate Other	236	11	58	31
Size of Firm				
1	351	22%	57%	21%
2	157	18	57	25
3-6	326	13	64	23
7-10	164	8	60	32
11-20	125	12	48	40
21-50	129	8	64	29
51-100	85	9	58	33
>100	139	7	59	34
Years in Practice				
1-4	232	16%	59%	25%
5-9	217	10	66	24
10-14	218	10	62	28
15-19	204	14	58	28
20-29	430	14	54	32
>30	239	19	56	26
All Attorneys	1,610	14%	59%	27%