



Women- and Minority-Owned Law Firms:

Taking the Pulse

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Taking the Pulse: A Survey of Women- and Minority-Owned Law Firms

The Minority Corporate Counsel Association, Inc. (MCCA) was founded in 1997 to advocate for the expanded hiring, retention, and promotion of minority attorneys in corporate law departments and the law firms that serve them. MCCA accomplishes its mission through the collection and dissemination of information about diversity in the legal profession.

While large law firms are slowly becoming more diverse, MCCA understands that a significant number of diverse attorneys do not practice in large law firms. Accordingly, and at the behest of several members of the MCCA Board of Directors—most notably Richard Amador and Anthony Greene—MCCA elected to perform a survey of women- and minority-owned law firms.

Distribution and Goals

MCCA developed an online survey using the SurveyMonkey.com data collection tool and requested the assistance of key partners and allies to distribute and to encourage their members' participation. The National Association of Minority & Women Owned Law Firms (NAMWOLF) was MCCA's primary distribution partner, and MCCA wants to thank NAMWOLF for all of its help and support. Other organizations that helped distribute the survey include: The National Association of Women Lawyers, Association of Corporate Counsel, National Asian Pacific American Bar Association, National Bar Association, Hispanic National Bar Association, National LGBT Bar Association, Texas Minority Counsel Program, California Minority Counsel Program, Metropolitan Bar Caucus, National Conference of Bar Presidents, the Asian American Justice Center, Asian American Legal Defense and Education Fund, Mexican American Legal Defense and Education Fund, and the Council on Legal Education Opportunity. Andre Sutton of Incisive Media also helped MCCA locate women- and minority-owned law firms. The assistance of our distribution partners was essential because, to our knowledge, no one, central database of women- and minority-owned law firms currently exists.

MCCA sought to accomplish three objectives with the survey: (1) to obtain a baseline of demographic information on women- and minority-owned law firms; (2) to ascertain how the economic decline is affecting this segment of the legal community; and (3) to gain insight into the business challenges and practices of these firms. MCCA did not intend for this report to be a comprehensive survey regarding all of issues that non-majority owned law firms might face. MCCA's hope is that this report serves as a springboard to additional research spotlighting women- and minority-owned law firms.

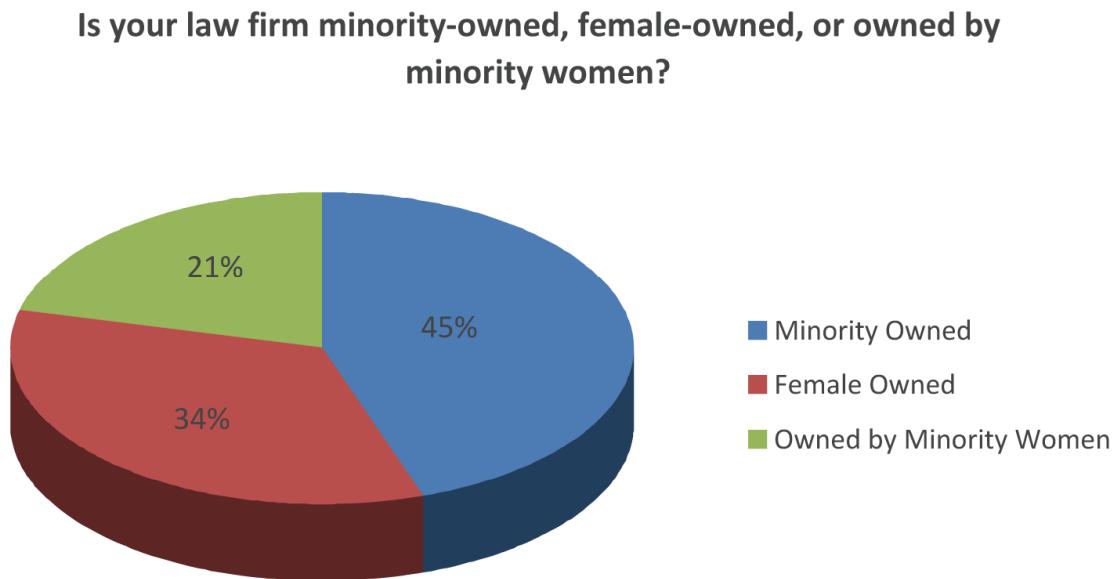
The survey is confidential and the raw data will not be shared with any party. The actual survey is contained in Exhibit 1 of this report. In order to maintain confidentiality, MCCA will present the findings in aggregate, and will generally summarize answers to questions that called for narrative responses. In limited instances, MCCA will share redacted individual responses that were particularly interesting or illustrative in answering such questions. Please note that, in some instances, MCCA rounded aggregated survey responses. Accordingly, the values in a given chart may not total 100%.

Executive Summary

MCCA received more than 155 responses to its survey.¹ Our analysis of the responses seems to indicate that women- and minority-owned law firms are “holding their own” from a business standpoint despite the current economic climate. In many instances, responses to the survey suggest that race-neutral or gender-neutral challenges represent the most serious hurdles for women- and minority-owned firms. Nevertheless, these firms also face obstacles that appear to be unique from their majority peers. Part III of this report will examine those issues. Additionally, in Exhibit 2, MCCA extracts the statistical responses of firms that currently have Fortune 1000 clients in order to provide in-house counsel a picture of the “pulse” of those women- and minority-owned firms.

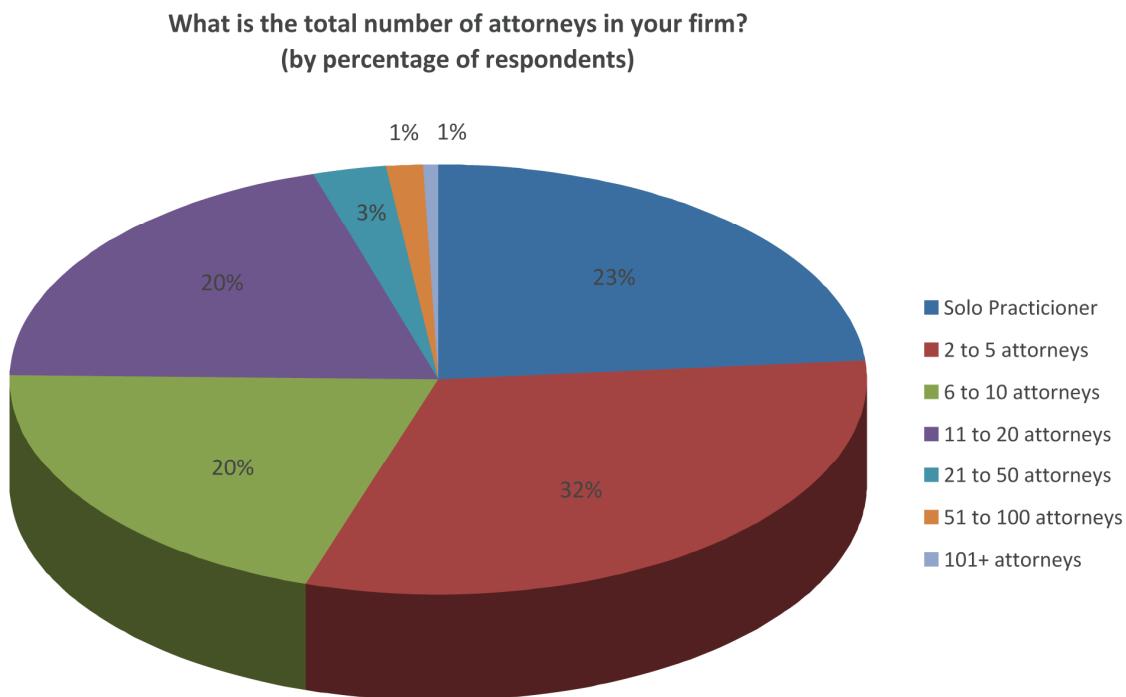
Part I: General Information

Chart 1



¹ The total number of respondents replied in the affirmative when asked if their law firm was a woman- or minority-owned law firm was 155.

Chart 2



Interestingly, the results about the size of women- and minority-owned law firms appear to mirror existing data about firm size across the profession. For example, according to the American Bar Foundation, most lawyers are solo practitioners.² Firms with two to five lawyers are the next most common and the percentages generally decline after that. Additionally, only one percent of all law firms have more than fifty lawyers. Those percentages equal MCCA's findings regarding the percentages of women- and minority-owned law firms with a similar number of attorneys.

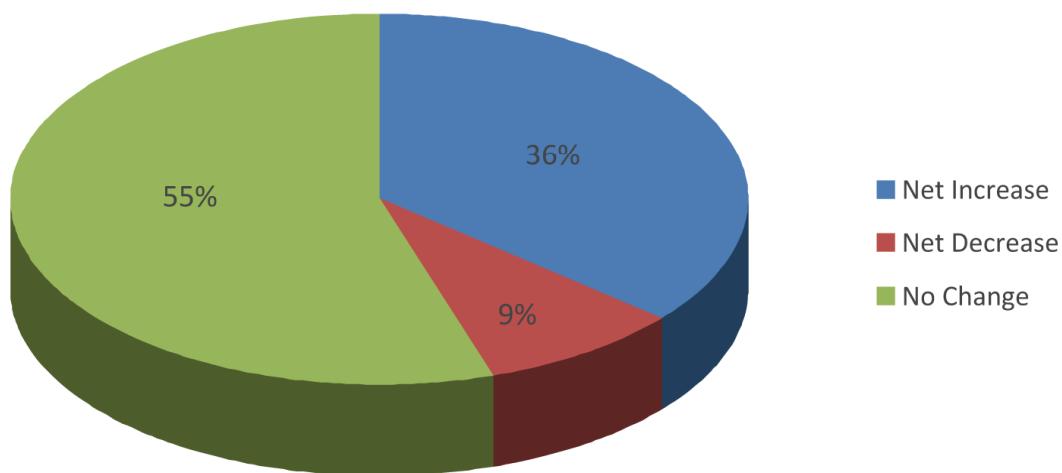
² See AMERICAN BAR FOUNDATION, THE LAWYER STATISTICAL REPORT (1985, 1994, and 2004 eds.)

Part II: The Challenging Economic Climate

One impetus for conducting the survey was to investigate the effect of the current economic decline on women- and minority-owned law firms. MCCA asked four questions to ascertain how firms were faring. Lacking similar data from majority firms, it is difficult to assess how women- and minority-owned law firms are faring in comparison to their majority counterparts. Nevertheless, the data that MCCA collected indicate some positive signs.

Chart 3

**In 2009, is your firm likely to have a net increase or net decrease
in the number of attorneys?**



Interestingly, only 8.7% of women- and minority-owned law firms expect to reduce their attorney staff. Due to the large proportion of solo practitioners represented in this survey, this number is somewhat less positive than it appears at first glance; it nevertheless remains significant because 68% percent of women and minority-owned law firms employ two or more people.

The remaining questions regarding economic conditions yielded more sobering responses.

Chart 4

Are you aware of one or more minority or women-owned law firms that is in danger of dissolution in 2009 AS A RESULT OF the economic downturn?

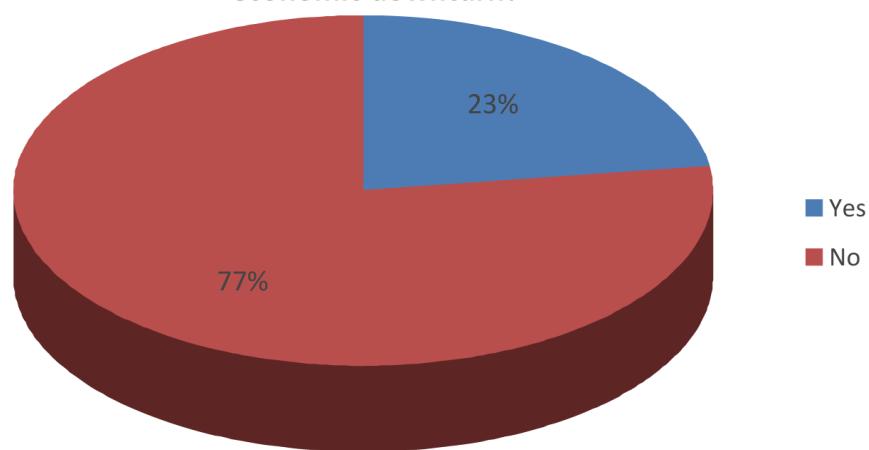
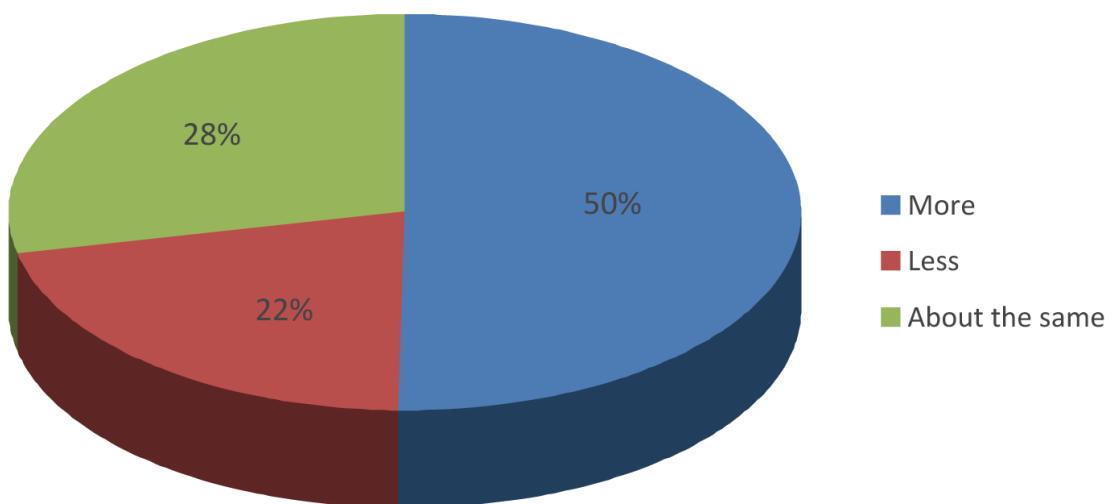


Chart 5

Were your law firm's 2008 revenues more, less, or about the same as 2007?



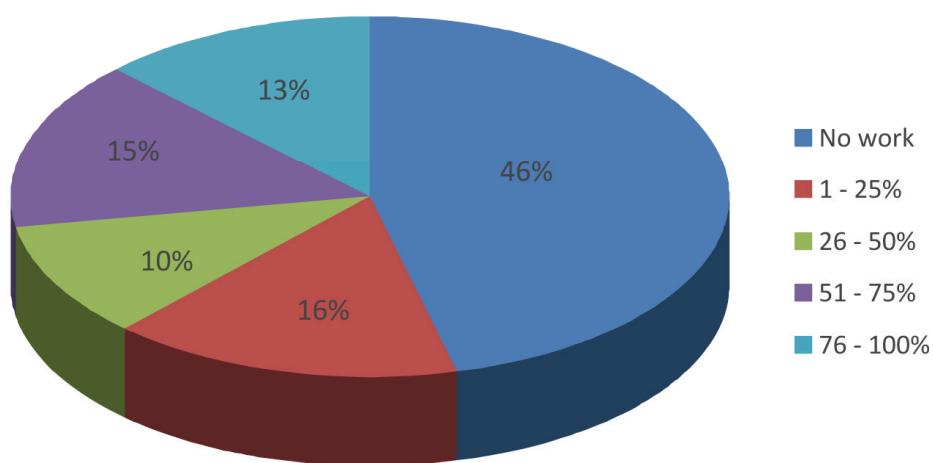
MCCA asked whether respondents were aware of women- or minority-owned firms that were in danger of dissolution in 2009. Given that a complete examination of women- and minority-owned law firms was beyond the scope of this project, MCCA believed that responses to the question would provide additional insight on the industry because of the relative insularity of the legal community. Again, a full assessment of these numbers is difficult without comparative data. It is surely good news, however, that in a severe economic downturn, most women- and minority-owned firms report to be faring relatively well.

Another question asked respondents whether the 2008 revenue for respondents was more, less, or about the same as 2007. According to the National Bureau of Economic Research, the current economic decline began in January 2008.³ As a result, a question comparing 2007 to 2008 revenues seemed to be another valid means to assess the financial strength of women- and minority-owned firms. Surprisingly, a majority of the respondents (50.3%) indicated that 2008 was a superior year. Only 21.5% of those surveyed stated that their revenues declined in 2008. These numbers compare favorably to the revenue figures from the AmLaw 200.⁴ In analyzing the reports from AmLaw 200 firms, roughly 27.5% appear to have suffered a decline in revenue, and 15% had the same level of revenue.⁵ In comparison, the women- and minority-owned law firms that responded to MCCA's survey fared better than the AmLaw 200 law firms.

As a result, judging from the survey data on its own, it appears that women- and minority-owned law firms have weathered the economic decline in fine shape during 2008.

Chart 6

What percentage of your law firm's revenue comes from Fortune 1000 companies?



³ NATIONAL BUREAU OF ECONOMIC RESEARCH, DETERMINATION OF THE DECEMBER 2007 PEAK IN ECONOMIC ACTIVITY (December 11, 2008).

⁴ <http://www.law.com/jsp/tal/PubArticleTAL.jsp?id=1202430943300>.

⁵ MCCA analyzed the number of firms that had reported decreases in revenue, and considered firms that had minor increases in revenue (1% to 2%) as having the "same revenue" as the previous year.

The final survey question with respect to the health of women- and minority-owned law firms was: What percentage of your law firm's revenue comes from Fortune 1000 companies? This question is important, because an overwhelming number of corporations have expressed the desire to diversify their supplier base. MCCA wanted to learn just "how much of the pie" women- and minority-owned law firms are receiving.

Among the survey respondents, 46% of women- and minority-owned firms reported receiving *no* revenue from Fortune 1000 companies. Among this group, 62% percent of these respondents were solo practitioners.

Although it is hard to draw any concrete conclusions solely from this data, MCCA believes that this survey can be used as a baseline to track the trend spending by corporate legal departments with women- and minority-owned firms.

Part III: Business Concerns, Practices, and Methods

In the third part of the survey, MCCA wanted to take the pulse of women- and minority-owned law firms about their issues and operations. Three of the four questions required narrative responses, which are summarized in this section of the report. The final question—asking about the percentage of time is spent on business development by the firm's partners—called for a numerical response, which has been quantified in the final chart of this report.

What are the greatest obstacles for firms like yours to obtain legal work for major corporations?

One of MCCA's goals is to expand opportunities for diverse lawyers. As a result, this became the most important question of the survey with regard to business concerns, practices, and methods. Very few of the responses directly stated that gender or race were, by themselves, prohibitions to obtaining work. The respondents overwhelmingly focused on two impediments to obtaining work from major corporations: size and access/relationships. Some respondents acknowledged that their size makes it difficult for large corporations to do "one-stop legal shopping" with them. More important to the respondents, however, was the perception by corporate counsel that small firms lack the skills or resources to handle matters. For example, one respondent wrote that the "major corporation's perception that small . . . firms lack capacity to provide top-shelf services" was his biggest issue. Another respondent asserted that large corporations have a "perception that a small firm cannot do quality work." A third respondent indicated that counsel at large corporations possess "a general prejudice against using smaller firms."

The other major issue for women- and minority-owned firms appears to involve getting access to and developing relationships with those who make decisions about legal spending. One respondent claimed that "getting in front of decisionmakers" was the major issue. Another shared the view that "the initial contact, getting the foot in the door, and getting the right person's attention" were the most vital.

Two respondents provided an especially interesting perspective. One shared:

I used to be in-house at a Fortune 100 . . . I am a solo practitioner. I do not litigate, so the backup issue is moot . . . My rates are much lower for high quality work, but big corporations still have a problem [and] you really have to know someone in-house at a particular corporation who is willing to give you work.

Another respondent echoed this sentiment:

for the most part, regardless of the principal attorney's legal experience and credentials, major corporations are unwilling to give small firms a chance.

MCCA's position is that corporations must continue to broaden the pool of firms to which they look to meet their needs. In a cost-conscious corporate environment, can in-house counsel truly afford to ignore the value that many women- and minority-owned firms can provide?

MCCA's survey found that some women- and minority-owned firms are doing work for Fortune 1000 companies. These firms also have challenges. In particular, they do not receive a steady stream of work, even though they are on the company "approved list." One respondent stated:

The greatest obstacle is getting cases referred to the firm after getting on the approved list of law firms.

Another lawyer noted:

We are often notified that we are on the approved counsel list. However, we do not receive assignments and have problems obtaining contacts with the people who assign matters.

It is unclear why firms are not receiving work, despite their presence on approved counsel lists. MCCA recommends that corporations review their legal spending with their outside counsel to ensure that the women- and minority-owned firms on the list receive an equitable share. Placing such firms on an approved counsel list but *not* providing them work, is window-dressing—not promoting or practicing diversity.

What are the primary methods used by your firm to develop junior lawyers?

Among a variety of responses to this question, the following five methods dominated the responses:

- Mentoring;
- Internal-training programs;
- Job shadowing;
- Requiring attendance at continuing legal education or other external trainings; and

- Providing associates with a variety of assignments.

Based upon MCCA's experience and our research reports, including *Mentoring Across Differences: A Guide to Cross-Gender and Cross-Race Mentoring*⁶ and *A Set of Recommended Practices for Law Firms*,⁷ it seems that majority-owned firms and women- and minority-owned firms differ little in how they develop junior lawyers.

What are the primary types of business development activities your firm undertakes?

Based on the nature of the responses, it appears that business development is at the forefront of the minds of women- and minority-owned law firms. The myriad activities can grouped into four general categories:

- Educational efforts (*e.g.*, giving speeches, writing articles, drafting newsletters);
- Networking to create new relationships or leveraging existing relationships;
- Participation and membership in legal organizations (*e.g.*, national and local bar associations); and
- Social outreach (*e.g.*, attendance at civic, cultural, charitable or similar events).

In addition to MCCA, several women- and minority-owned law firms noted the following organizations as beneficial: NAMWOLF, the Defense Research Institute (DRI), and the California Minority Counsel Program (CMCP).

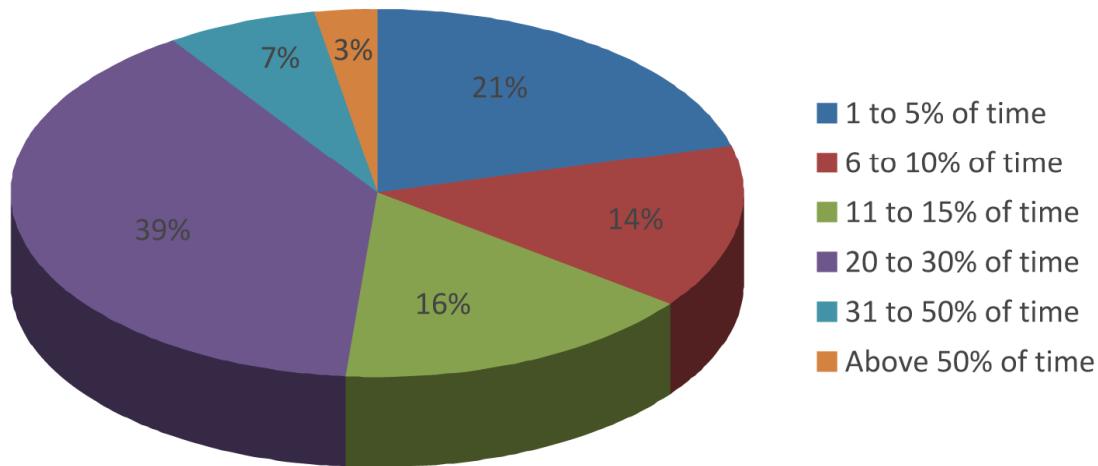
⁶ THE MINORITY CORPORATE COUNSEL ASSOCIATION, INC., CREATING PATHWAYS TO DIVERSITY:® MENTORING ACROSS DIFFERENCES: A GUIDE TO CROSS-GENDER AND CROSS-RACE MENTORING (2003).

⁷ THE MINORITY CORPORATE COUNSEL ASSOCIATION, INC., CREATING PATHWAYS TO DIVERSITY:® A SET OF RECOMMENDED PRACTICES FOR LAW FIRMS (2001).

What percentage of time is spent on business development by the partners in your firm?

Chart 7

What percentage of time is spent on business development by the partners in your firm? (by percentage of respondents)



According to the results of this survey, it appears that women- and minority-owned law firms spend a significant amount of time on developing business. According to *The Martindale-Hubbell Small Law Firm Marketing Index*,⁸ conducted in 2005, firms with fewer than twenty attorneys spend an average of 8% of their time on marketing, while lawyers at larger firms spend 7% of their time on marketing. MCCA's research suggests that women- and minority-owned law firms spend a greater than average amount of time on business development; 39% of respondents spend 20 – 30% of their time on business development. Without conducting additional research, it is difficult to definitively state the reason for this apparent disparity.

⁸ <http://www.martindale.com/go/slindex.ppt>

Part IV: Conclusion and Recommendations

This “taking the pulse project” was designed to obtain a glimpse into the world of women- and minority-owned firms. It has gathered some useful data, and it is hoped that this survey will serve as a springboard for future research and discussion.

It is difficult to draw conclusions without comparative or other benchmarking data; nevertheless, MCCA feels comfortable making the following recommendations in light of the research.

Recommendation #1: Corporations should consider women- and minority-owned firms when looking for legal services providers—not just focusing on diverse lawyers at large law firms.

Recommendation #2: Corporations that have women- and minority-owned law firms on their approved counsel lists should review legal spending to ensure those firms are receiving equitable treatment.

Recommendation #3: MCCA and other organizations working to increase diversity in the legal profession should continue to create opportunities for members of women- and minority-owned law firms to meet and network with in-house counsel. *All* bar associations—not just women and minority bar associations—should address the unique needs of the women’s and minorities’ bars.

Recommendation #4: Additional research about women- and minority-owned firms should be conducted.

Exhibit 1

Minority & Women-Owned Law Firm Survey

1. Introduction

The Minority Corporate Counsel Association, Inc. was founded in 1997 to promote diversity in corporate law departments and the law firms that serve them. This includes expanding opportunities for minority and women-owned law firms. Accordingly, MCCA is conducting this survey to reach out directly to minority and women-owned law firms in order to better understand their perspectives.

Individual responses to this survey will be kept CONFIDENTIAL and MCCA will only release AGGREGATED information.

IT SHOULD TAKE APPROXIMATELY FIVE (5) TO SEVEN (7) MINUTES TO COMPLETE THIS SURVEY.

We thank you in advance for completing the survey.

2. Basic Information

MCCA is asking for your name, title, and organization only to avoid duplicate responses.

Individual responses in this survey will be kept CONFIDENTIAL and MCCA will only release AGGREGATED information.

* 1. Please fill out these questions.

Your Name:

Your Title:

Your Organization:

3. Demographic Information

* 2. Is your law firm at least 51% minority or women-owned? (For the purposes of this survey minority means American Indian or Alaska Native; Asian; Black or African American; Hispanic or Latino; and Native Hawaiian or Other Pacific Islander.)

Yes

No

4. Additional Demographic Information

* 3. Is your law firm minority-owned, female-owned, or owned by minority women.

Minority-Owned

Female-Owned

Owned by Minority Women

Minority & Women-Owned Law Firm Survey

- * 4. What is the total number of attorneys (partners, of counsel, associates, staff attorneys, etc.) that are employed by your firm? (This number should EXCLUDE temporary or contract lawyers.)
-

5. The Effect of the Economic Downturn

- * 5. In 2009, is your firm more likely to have a net increase or net decrease in the number of attorneys?

Net Increase

Net Decrease

No Change

- * 6. Are you aware of one or more minority or women-owned law firms that are in danger of dissolution in 2009 AS A RESULT OF the economic downturn?

Yes

No

- * 7. Were your law firm's 2008 revenues, more, less or about the same as 2007?

More

Less

About the same

6. General Questions Regarding Revenue

8. What percentage of your law firm's revenue comes from Fortune 1000 companies?
-

7. Your Perspective on Key Issues

9. In your view, what are the greatest obstacles for firms like yours to obtain legal work from major corporations?
- 


Minority & Women-Owned Law Firm Survey

10. What are the primary methods used by your firm to develop junior lawyers?

11. What are the primary types of business development activities your firm undertakes?

12. What percentage of time is spent on business development by the partners in your firm?

8. Additional Comments

13. Is there anything else on which MCCA, or other organizations committed to diversity in the profession, should be focusing?

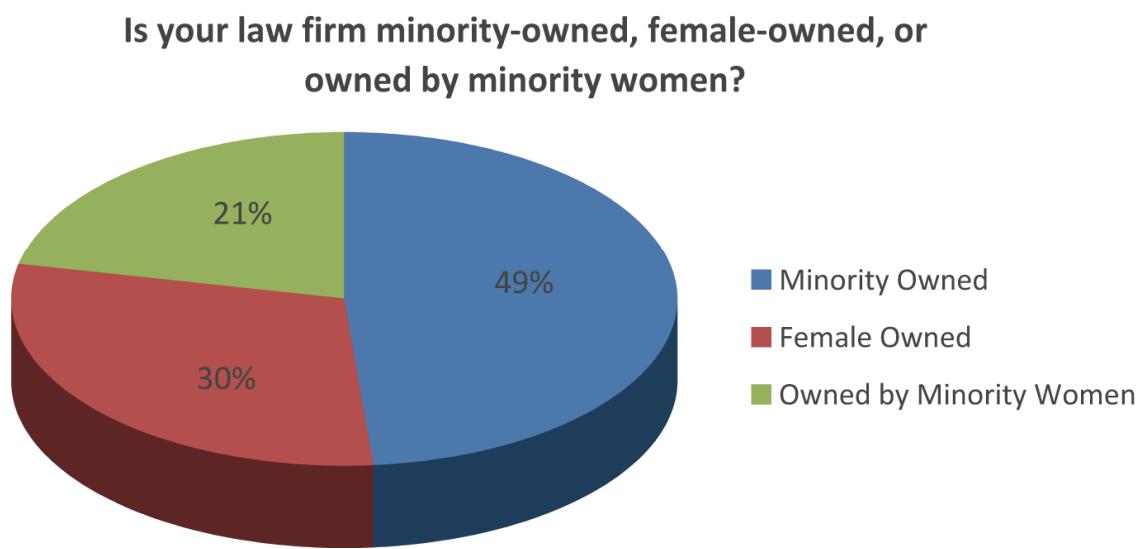
9. The End

Thank you for completing this survey.

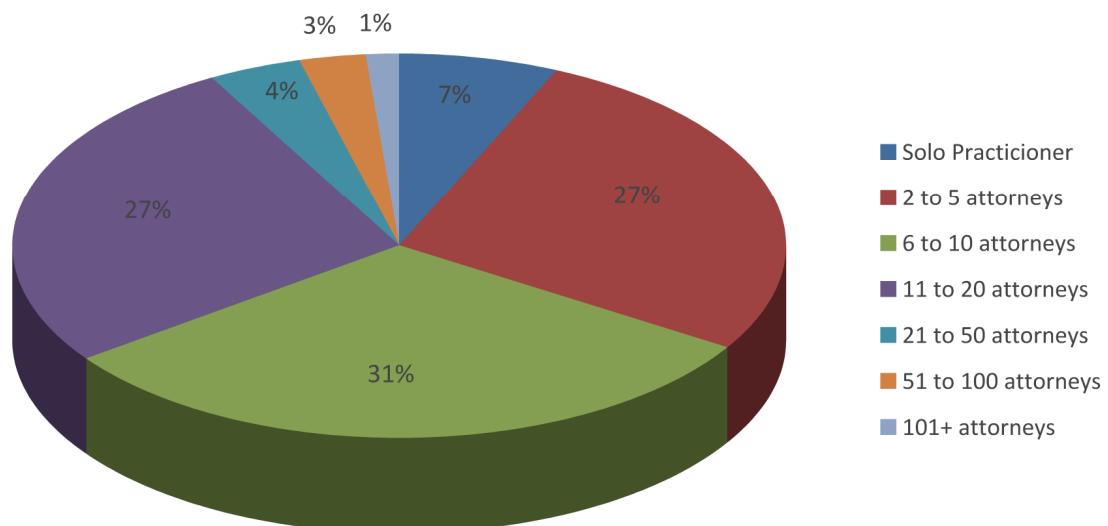
Exhibit 2

Supplement: Spotlight on Firms with Fortune 1000 Clients

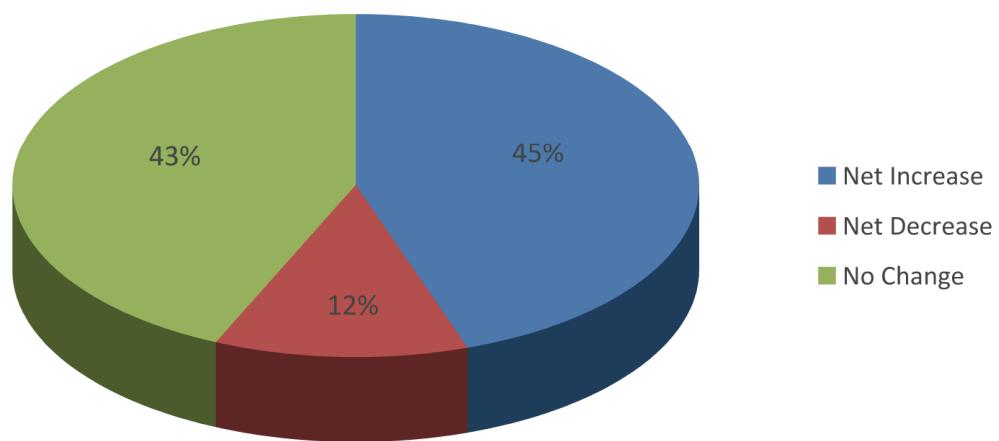
Given that MCCA's membership is composed of law departments, we felt it might be helpful to extract the statistical responses of firms that currently have Fortune 1000 clients in order to provide in-house counsel a picture of the "pulse" of women- and minority-owned firms. This information will be presented without additional discussion or analysis.



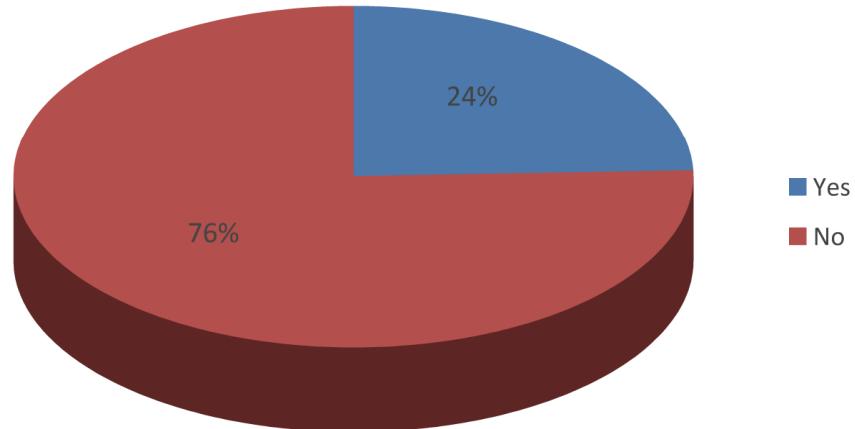
**What is the total number of attorneys in your firm?
(by percentage of respondents)**



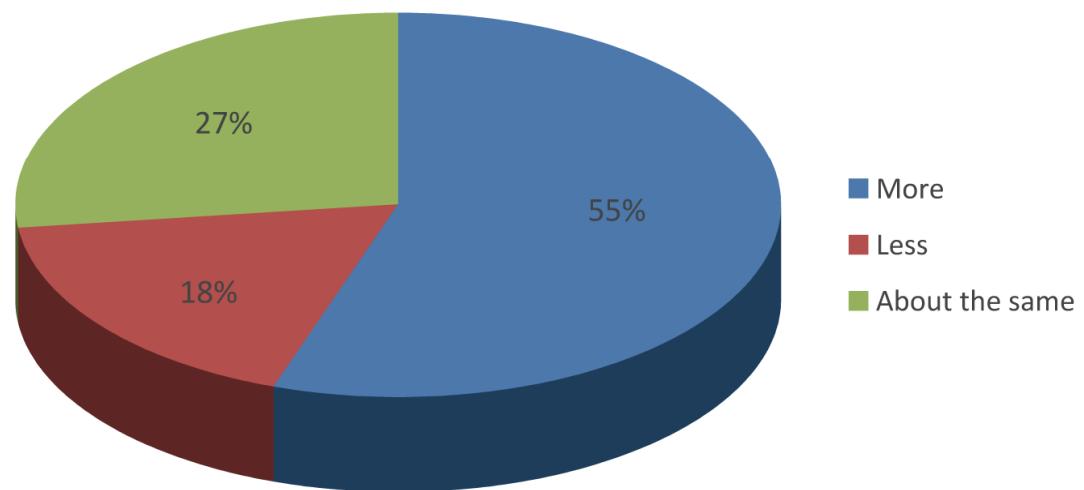
In 2009, is your firm likely to have a net increase or net decrease in the number of attorneys?



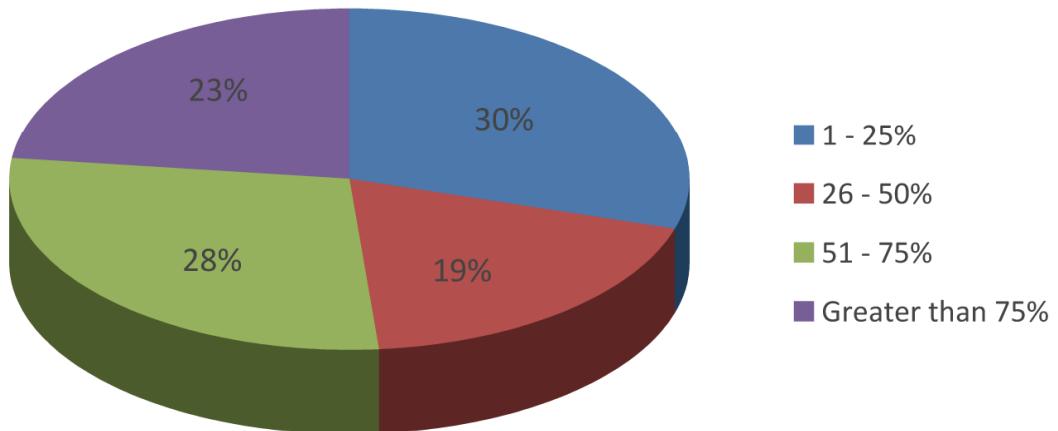
Are you aware of one or more minority or women-owned law firms that is in danger of dissolution in 2009 AS A RESULT OF the economic downturn?



Were your law firm's 2008 revenues more, less, or about the same as 2007?



Percentage of Revenue From Fortune 1000



What percentage of time is spent on business development by the partners in your firm? (by percentage of respondents)

