

2003

STATE BAR OF MICHIGAN



Economics of Law Practice

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State Bar of Michigan



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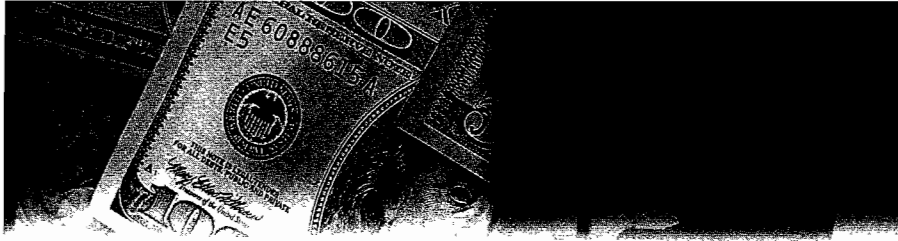
Economics of Law Practice
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ANN ARBOR, MICHIGAN



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2003
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Economics of Law Practice

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THE ECONOMICS OF LAW PRACTICE IN MICHIGAN

Objectives of the 2003 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 2003. 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 of the Bar periodically monitors and reports on:

- Current membership demographics and its geographic distribution
- Attorney net income by office location, tenure (years in practice), practice class, "specialization," work status (full-vs part-time work), gender, race/ethnicity, and firm size
- Associate, legal assistant, and secretary salaries by office location, firm size, and level of experience
- Prevailing average hourly billing rates for attorneys and legal assistants
- Time allocated to billable and non-billable professional activities
- Overhead expenses and management practices associated with maintaining a private practice by office location and firm size and
- Perceptions on current and future economic circumstances related to law practice

Information is arrayed to track trends over time as well as across the State's regional and local markets. Attorneys can compare themselves and their firm against "norms." Hopefully, such comparisons can lead to the delivery of even 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 reference has been prepared to consolidate the most recently available (Summer 2003) data on average hourly billing rates.

Special attention is again 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 as there were insufficient data from other non-Caucasians such as Hispanic-Americans and Asian-Americans.

Methods Used to Field the Survey

The previous seven surveys were conducted during July 1981, April 1984, June 1988, March 1991, April 1994, April 1997, and May-June 2000. This reference is based on the 2003 survey which replicated most questions found on previous surveys.

Reporting conventions remain identical to previous survey reports with respect to office size and "years in practice" breakdowns (with more granularity offered in 2003 to geographic location and practice classifications).

A 43-question survey instrument (questionnaire) was designed by the Law Practice Management Section's Survey Committee chaired by Vincent Romano of Grosse Pointe Park, and mailed to a random sample of the entire in-state State Bar membership.

The mailing was based on a 25% (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 contained 480 members ($480 \div 4 = 120$). A separate mailing was targeted to 100% of Bar members self-identified on their dues applications as non-Caucasian.

The Applied Statistics Laboratory (ASL) of Ann Arbor tabulated and analyzed the data obtained from 1200 usable returned questionnaires to prepare this report. These returns represent a response rate of 20% based on 8000 questionnaires originally mailed. Approximately 400 returns were received from non-Caucasian attorneys from a separate mailing of approximately 2500 surveys.

All data were edited, verified, and converted to machine readable form during July and August 2003. Raw data is resident on computer files maintained at ASL. The survey was confidential, with no identification of respondent. All exhibits in the report present aggregate data to prevent respondent identification.

As an ongoing membership benefit, additional tabulations can be generated for Bar members upon request without charge. Inquiries can be made to ASL, 4340 Sunderland Way, 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 (734) 424-5300 (voice) or e-mail @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).

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 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 the:

- ▶ 25th percentile (lower quartile). One-fourth of the values is less and three-fourths are more than this value.
- ▶ 75th percentile (upper quartile). Three-fourths of the values are less and one-fourth is more than this value.
- ▶ 95th percentile. Ninety-five percent of the values are less and five percent are more than this value.

Economic Regions Defined

Michigan was divided into six economic “regions” and 27 smaller areas for aggregation and reporting key statistics generated from the survey. The regions also conform to those of previous survey reports and include:

- ▶ Downtown Detroit
- ▶ South Oakland County
- ▶ Remainder of Metropolitan Detroit Area (Southeastern Michigan)
- ▶ Lansing
- ▶ Standard Metropolitan Statistical Areas (cities) outside of Southeastern Michigan termed “Out State Metro Areas”
- ▶ Remaining counties and cities termed “Other Out State Areas”

Interpreting Findings

Net income, gross revenue or receipts, and overhead (fixed) expenses represent 2002 values as the survey was fielded in the spring and summer of 2003. All other data represent 2003 values covering the response period May and June, 2003.

To denote gaps such as the “gender gap” of reporting incomes, the term proportion is also utilized 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 females or African-Americans earn, hypothetically, “seventy-five cents on the dollar” compared with their male or Caucasian counterparts.

Caution should be exercised interpreting data when only a small number of responses are available. This is due to 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. Appendix A summarizes the geographic distribution of respondents compared with previous surveys. Appendix B compares the distribution of Bar membership by geographic area since 1984. Appendix C compares the distribution of respondents by practice classification or legal occupation since 1984.

Statistical confidence levels are provided for three key measures used throughout the report: attorney 2002 net income (plus or minus 5.9% of the mean value), attorney 2003 billing rates (plus or minus 2.8%), and total hours in the 2000 work week (plus or minus 2.2%).

SUMMARY PROFILE OF THE TYPICAL MICHIGAN ATTORNEY AND FIRM

Introduction

This section summarizes key statistics that are more fully documented throughout the reference. 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 2003 respondent is 50 years of age and has been in practice for 21 years. In 2000, the typical respondent was 46 years of age in practice for 17 years. In 1997, the typical respondent was 44 years of age in practice for 16 years. In both 1994 and 1991, the typical respondent was 42 in practice for 13 years. In 1988, the typical respondent was 40 in practice for 11 years. In 1984, the typical respondent was 38 in practice for 7 years.

The proportion of attorneys that are female is increasing. Twenty-eight percent of respondents are female up from 26% in 2000, 24% in 1997, 19% in 1994, 22% in 1991, 16% in 1988, and 12% in 1984.

The average male attorney is 50 years of age and has been in practice 21 years. The average female attorney is 41 and has been in practice for 10 years.

Approximately 62% of respondents are private practitioners. Of the remainder, 18% work in government agencies including the judiciary, 8% are house counsel, and the remaining 12% are professors, work in legal aid or as law clerks, are unemployed, are retired (“others”), or are not practicing law.

Approximately 16% of all attorneys and 13% of private practitioners practice law on a part time basis. This is a dramatic rise from 1997 when 8% of all attorneys and 7% of private practitioners reported part-time practicing. While 11% of male private practitioners work part time, 21% of female private practitioners work part time.

The reasons reported in 2003 for working part time are “other businesses” (50%), “approaching retirement” (20%), “family considerations” (23%), and “economic necessity” (8%). In 2000, the reasons reported for working part time were “other businesses” (39%), “approaching retirement” (26%), “family considerations” (23%), and “economic necessity” (12%)

Changes in Median Net Income

Survey respondents were asked to report their personal income, before taxes, from the practice of law in 2002 based on their W2, K1, or Schedule C income tax schedules, as appropriate. This value is termed “net income” in this reference to differentiate it from gross receipts or income. A portion of the latter is utilized to reimburse fixed or variable expenses and varies firm by firm and matter by matter.

The median net income reported for all respondents for calendar year 2002 or the last fiscal year reported (hereafter, 2002) is \$73,500 while the mean (average) net income is \$95,233. Over time, the rate of increase of income has slowed between reporting periods. The slowdown is due to several interacting factors including increased competition among attorneys, increased competition between attorneys and others providing professional services, an increase in the proportion of female attorneys in the work place, an increasing proportion of part-time attorneys, and other factors not addressed by this survey.

Exhibit 1 displays nominal (actual reported) changes in average and median net income for all

Michigan attorneys since 1983. **Exhibit 2** adjusts this trend line for the impact of inflation to indicate “real” change in income during this period. Over the past 20 years, there has been little progress in real (adjusted for inflation) income and wages for many Americans, including attorneys.

Exhibits 3 and 4 summarize overall trends in net income growth between males and females and Caucasian and African-American attorneys. African-American attorneys have made more progress in closing the income gap when compared with Caucasian attorneys, regardless of gender. The gender gap persists over time.

Changes in Hourly Billing Rates

Approximately 89% of private practitioners have a standard or usual hourly rate that they apply as a guide, starting point, or basis for fee computation. The 2000 response was 93%.

The 2003 reported median hourly billing rate is \$170, up 13.3% from 2000. **Exhibit 5** displays the trend in hourly billing rates reported since 1983/4. The trend in office overhead expenditures per attorney is overlaid for the same time periods revealing strong congruence.

Perceptions on the Legal Services Market

Perceptions about the supply and demand for legal services continually shift. About 17% of respondents report insufficient work in 2003 (compared with 14% in 2000 and 1997, 17% in 1994, 12% in 1991, 13% in 1988, and 17% in 1984.)

The proportion that feel they are overworked has decreased to 21% from 27% in 2000, 29% in 1997, 25% in 1994, and 28% in 1991. Approximately 58% feel that there are too many lawyers in Michigan, compared with 59% in 2000, 65% in 1997, 69% in 1994, 63% in 1991, 65% in 1988, and 77% who felt so in 1984.

Respondents show little optimism about economic prospects. Compared to prior years, only 6% feel the economic circumstances of law practice are better in 2003 (compared with 21% in 2000), while 53% feel circumstances are worse (compared with 25% in 2000). Fifty-four percent perceived no change. At the same time, 16% feel that the economic circumstances of law practice will be better in 2004 while, again, 23% see worsening conditions next year. The remainder sees no change. Appendices J–M array economic sentiments by respondents’ office location, firm size, and years in practice.

Changes in Office Expenditures and Gross Receipts

The median value for 2002 total office expenditures per attorney is \$55,000, an increase of 12% from \$49,000 reported for 1999. **Exhibit 6** compares fixed/overhead expense with gross revenues between 1983 and 2002. The values are standardized on a “per attorney” basis. Median values of overhead rates (fixed expenses/receipts) are static around 40%.

As labor costs represent a predominant expenditure, changes in reported salary levels indicate overall increases in the productivity of the law office work force. **Exhibit 7** compares reported median salary levels for associates, legal assistants, and secretaries by length of service from 1984 through 2003. The average annual percent change of these salaries between reporting periods reveals both the relative scarcity of various position classifications and the influence of inflation.

Exhibit 1		Trends in Net Income of Michigan Attorneys, 1983-2002						
Statistic	1983	1987	1990	1993	1996	1999	2002	
Mean (Average) Net Income	\$49,255	\$65,833	\$75,295	\$84,210	\$89,476	\$92,178	\$95,233	
% Change from Previous Period	18.5%	33.7%	14.4%	11.8%	6.3%	1.9%	3.3%	
Median Net Income (50th Percentile)	\$40,000	\$50,000	\$61,000	\$68,000	\$70,000	\$71,000	\$73,500	
% Change from Previous Period	25.0%	25.0%	22.0%	11.5%	2.9%	1.4%	3.5%	

Exhibit 2

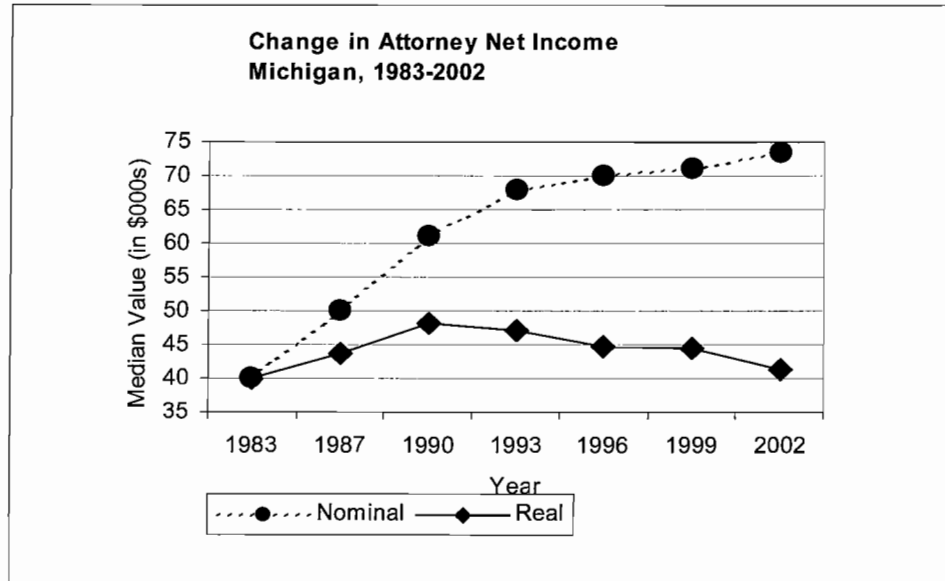


Exhibit 3

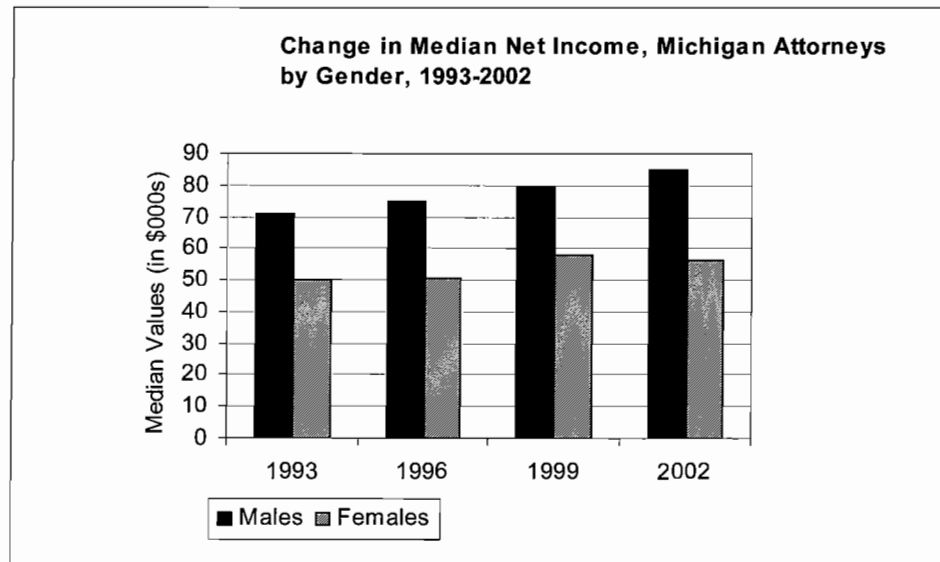


Exhibit 4

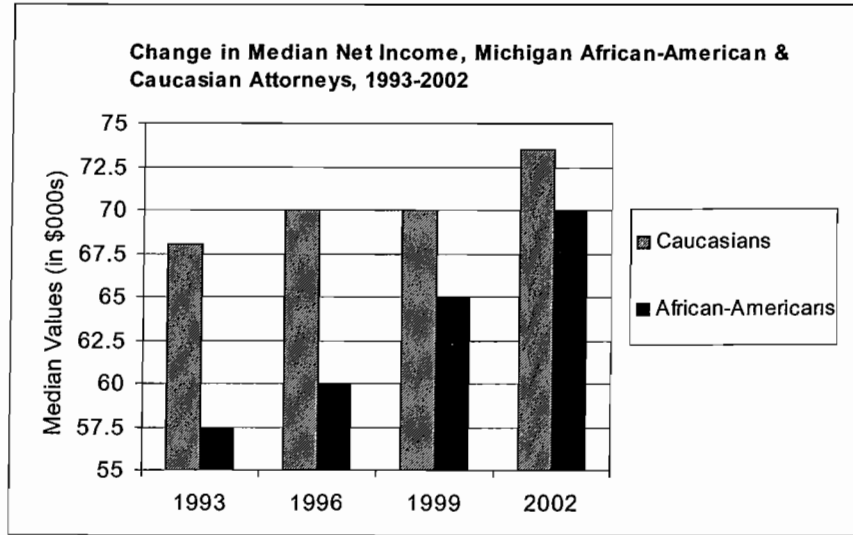


Exhibit 5

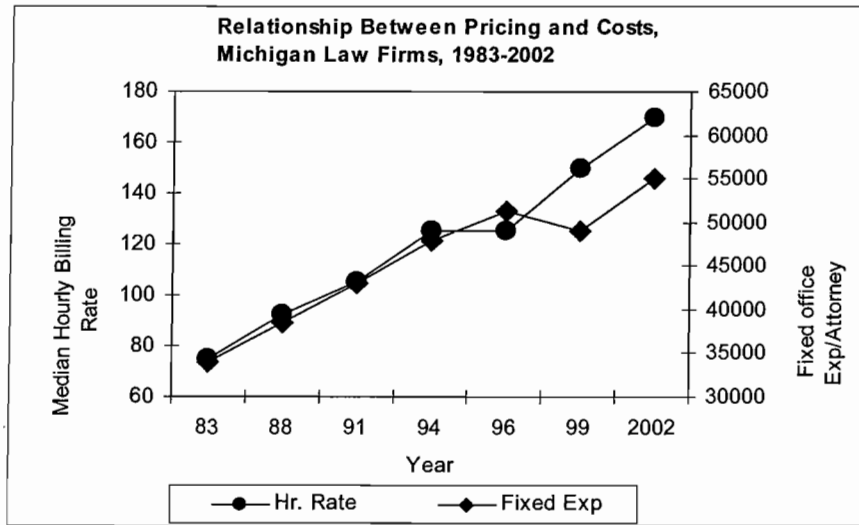


Exhibit 6

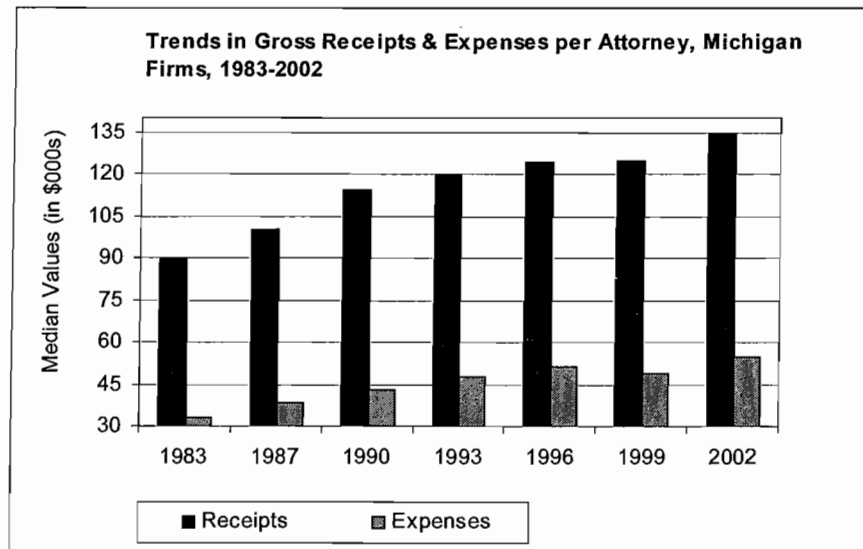


Exhibit 7		Median Annual Salary levels - Associates, Legal Assistants and Secretaries, 1988-2003					
		Median					
Position	1988	1991	1994	1997	2000	2003	
Associates	\$25,000	\$30,000	\$31,600	\$36,000	\$40,000	\$43,000	
New	30,000	36,000	40,000	42,000	48,000	50,000	
3 Yrs Exp	43,000	45,000	50,000	50,000	64,000	65,000	
5 Yrs Exp	60,000	60,000	68,000	67,000	80,000	81,000	
10 Yrs Exp							
Legal	16,000	18,700	20,000	20,000	26,400	30,000	
New	18,000	22,000	25,000	25,000	29,200	32,000	
3 Yrs Exp	20,000	25,000	28,000	30,000	34,000	39,500	
5 Yrs Exp	25,000	28,000	30,000	32,000	40,000	40,000	
10 Yrs Exp							
Secretaries	12,500	15,600	18,000	18,000	20,500	20,000	
New	15,200	18,000	20,300	22,250	25,000	26,000	
3 Yrs Exp	18,000	20,000	24,000	26,000	28,000	30,000	
5 Yrs Exp	20,000	24,000	26,000	30,000	31,750	35,000	
		Percent Average Annual Change					
Associates	1988-91	1991-94	1994-97	1997-00	2000-03		
New	6.7	1.8	1.5	3.7	2.5		
3 Yrs Exp	6.7	3.7	1.7	4.8	1.4		
5 Yrs Exp	1.7	3.7	-	8.8	0.5		
10 Yrs Exp	-	4.4	-0.5	6.5	0.4		
Legal							
New	5.7	2.3	-	10	4.6		
3 Yrs Exp	7.3	4.6	-	5.3	3.2		
5 Yrs Exp	8.3	4	2.4	4.4	5.4		
10 Yrs Exp	4	2.4	2.2	8.3			
Secretaries							
New	8.3	5.1	-	4.9	-0.8		
3 Yrs Exp	6	4.3	3.3	4	1.3		
5 Yrs Exp	3.7	6.7	2.1	3.3	2.4		
10 Yrs Exp	6.7	2.8	5.1	1.7	3.4		

THE INCOME OF MICHIGAN ATTORNEYS

Introduction

The median net income for all Michigan attorneys reported for calendar year 2002 is \$73,500, an increase of 3.5% over the reported 1999 level of \$71,000. Mean (average) 2002 net income is \$95,233, compared with \$92,178 in 1999.

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

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

Each of these interacting factor is discussed in the remainder of this Section.

Legal Occupation/Classification and Specialization

Exhibit 8 summarizes 2002 net incomes of attorneys by 17 practice classifications reported by 1171 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. The mean or average is also included.

For example, 25% of all house counsel earn \$79,000 or less, half earn less than \$105,000, while half earn more than \$105,000, 25% earn \$150,000 or more, and 5% earn \$276,000 or more. This “range” of net income is large – from \$20,000 for sole practitioners at the 25th percentile to \$501,000 for equity partners at the 95th percentile level.

Exhibit 9 reveals income clustering for 9 occupational classifications.

Attorneys were asked to select from a list of various fields of law those that provided their highest sources of income. **Exhibit 10** distributes 2002 net incomes of respondents by their reported primary source of income/specialty. **Exhibit 11** compares the change in net income since 1987 for selected “specialty categories” that represent over 90% of all respondents reporting such information. For example, trial practice and domestic relations show high rates of increase during this period, while criminal law shows little growth.

Gender, Ethnicity, and Work Style

Exhibit 12 segments 2002 gender- and work status-specific median net income. The numbers in parentheses indicates the proportion of respondents. Overall, income for females (\$56,000) is 66% of the net income of males (\$85,000). This is due, in part, to the higher proportion of male respondents who are partners (24% of all male respondents) versus the proportion of female respondents who are partners (10% of all female respondents).

Overall, the “gender gap” for full-time attorneys is 71% (i.e., females earn 71% of males’ earnings or \$92,000 for males vs \$65,000 for females). For part-time attorneys, the gap is 80% (\$17,500 for males vs \$14,000 for females). **Exhibit 13** provides a comparison of female vs male incomes by practice classification.

Exhibit 14 segments African-American and Caucasian respondents. Overall, median net income for African-Americans (\$70,000) is 95% of that of Caucasian attorneys (\$73,500). Full-time females represent 43% of all African-American respondents and 53% of all respondents.

Years in Practice

Exhibit 15 relates reported 2002 net income to the respondents' number of years in practice. All attorneys are compared with full time private practitioners only. **Exhibit 16** documents the gender gap by years in practice, with the new entrant cohort closer to parity than attorneys with longer tenure. Again, all attorneys are compared with full time private practitioners only.

Exhibit 17 further segments the analysis by including the work status of the survey respondents. Interpretation caution is warranted due to the small number of observations in many of the cells of the exhibit. **Exhibit 18** relates the "gender gap" since 1996 for full-time private practitioners by years in practice.

Size of Firm or Organization

Exhibit 19 displays 2002 net income by firm or organization size (measured by the total number of attorneys in the firm). All attorneys are compared with full time private practitioners only. 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.

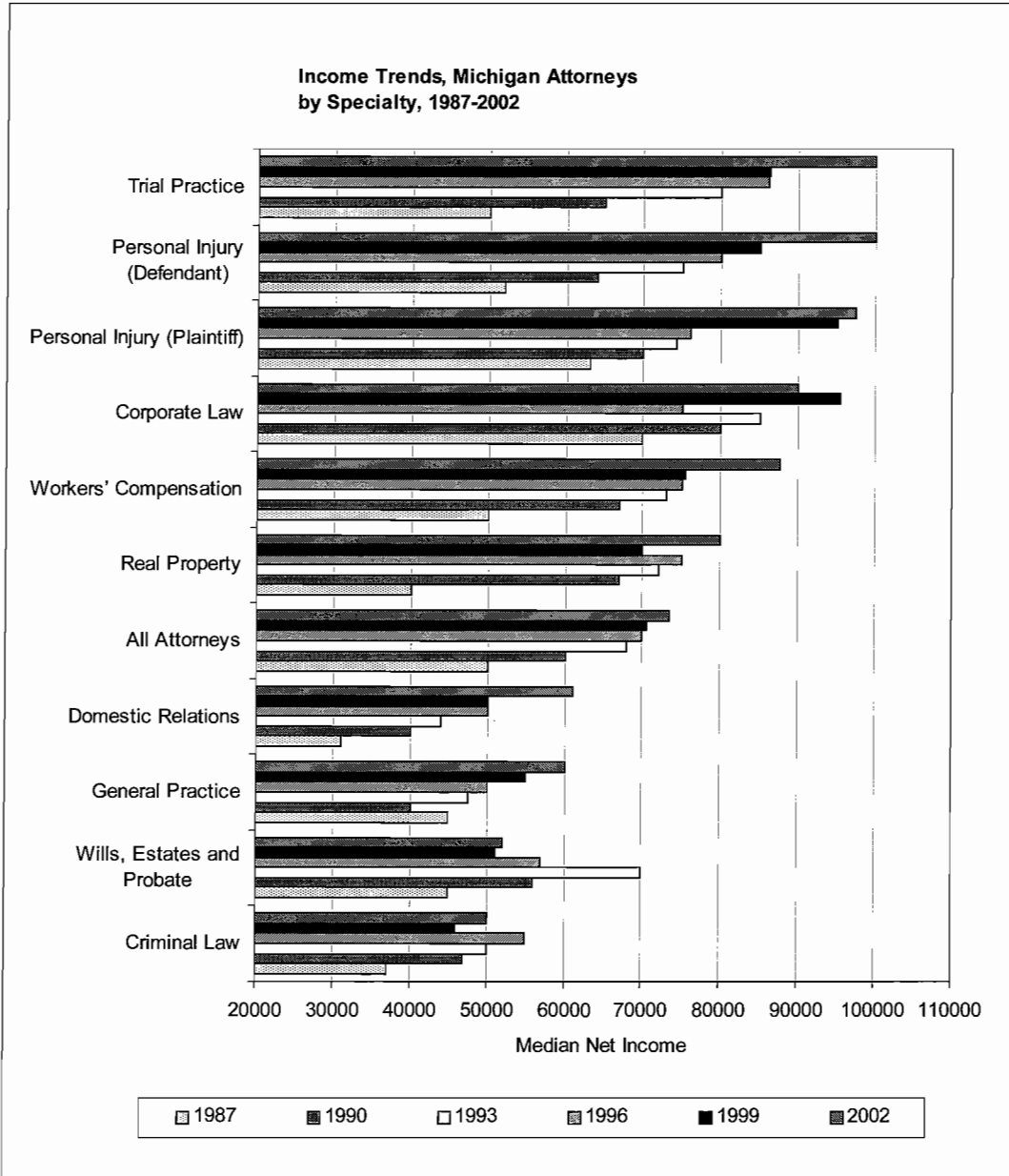
Office Location

Exhibit 20 displays median 2002 net income by selected practice classifications within each of six office location regions. **Exhibit 21** distributes 2002 attorney net income by office location, considering each region and 27 smaller geographic areas.

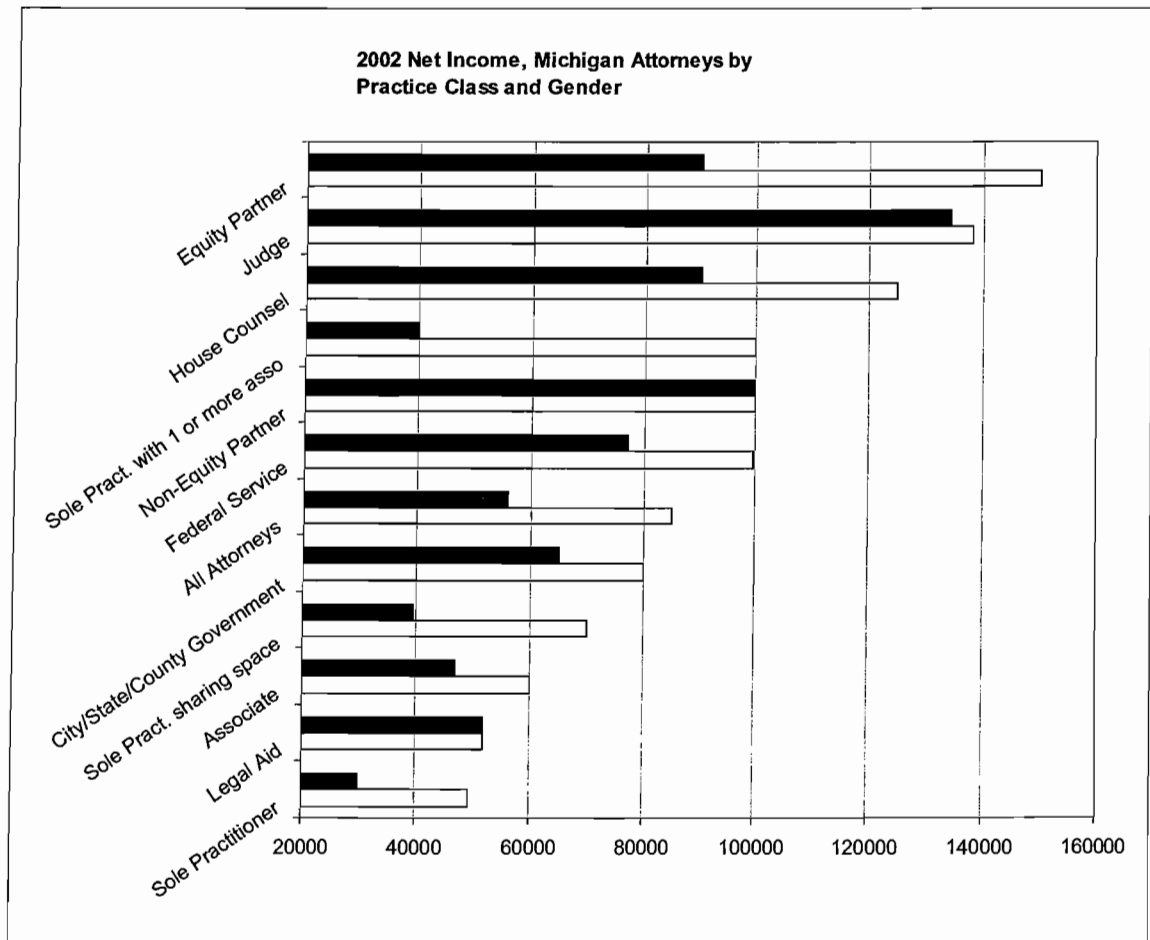
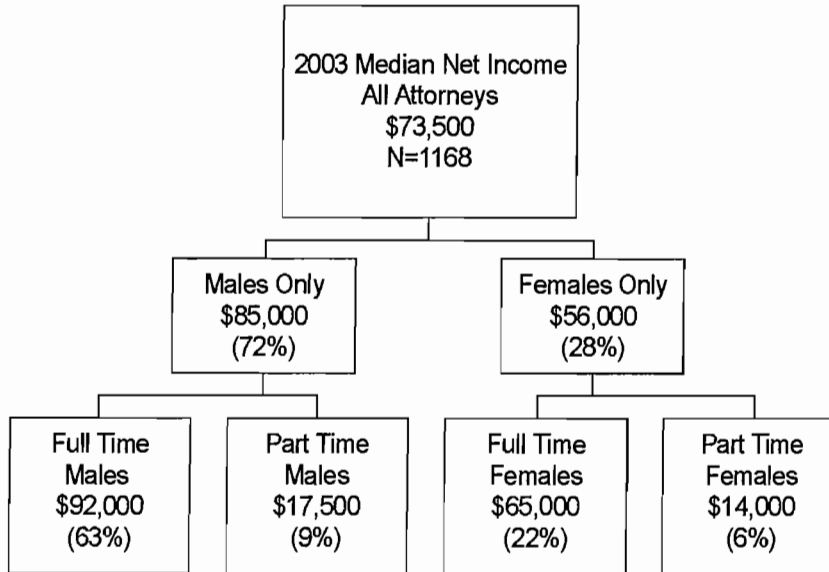
Exhibit 8						
2002 Net Income by Legal Classification, Michigan Attorneys						
<i>Value by Range and Percentile</i>						
	N	25th.	Median	Mean (Ave.)	75th.	95th
Legal Classification						
Sole practitioner	223	\$20,000	\$40,000	\$61,873	\$80,000	\$174,000
Sole practitioner with 1 or more associate	28	55,000	100,000	151,000	200,000	605,000
Sole practitioner sharing space	52	36,500	69,500	77,365	93,750	216,800
Non-equity partner	30	82,500	100,000	114,400	147,500	204,500
Equity partner	191	95,000	150,000	179,591	240,000	501,600
Senior associate	39	65,000	88,000	97,295	110,000	250,000
Associate	134	43,000	55,000	62,427	75,000	106,250
Contract attorney	10	8,250	50,000	44,400	61,750	90,000
Judge	28	110,500	138,000	117,964	140,000	158,250
Administrative Law Judge/Referee	30	65,000	70,000	76,333	90,000	106,750
City/State/County government	93	53,500	70,000	70,308	90,000	105,300
County prosecutor	26	44,250	56,000	57,692	64,750	95,450
Federal prosecutor	7	96,000	117,000	114,286	130,000	132,000
Federal (not prosecutors)	28	56,500	85,000	80,500	103,750	127,750
House counsel	89	79,000	105,000	129,455	150,000	276,000
Counsel with legal aid/legal service agency	25	43,000	52,000	55,396	69,500	97,900
Law professor	9	87,500	120,000	104,222	133,000	160,000
All Attorneys	1171	\$43,000	\$73,500	\$95,233	\$111,000	\$250,000

Exhibit 9					
Percent Distribution of 2002 Net Income by Legal Occupation, Michigan Attorneys					
	All Attorneys	Sole Practitioner	Space Sharer	Senior Associate	Associate
Net Income Group (in \$000s)					
<\$20	6.9%	17.8%	11.5%	2.6%	1.5%
20-40	10.8	26.8	17.3	5.1	11.9
40-50	9.0	8.9	5.8	2.6	26.1
50-60	8.9	8	5.8	2.6	16.4
60-80	15.9	10.8	21.2	30.8	21.6
80-100	14.5	10.3	15.4	12.8	14.9
100-120	9.4	5.6	3.8	25.6	5.2
120-160	10.7	5.6	7.7	7.7	0.7
160-220	5.9	2.3	7.7	5.1	-
>\$220	7.9	3.8	3.8	5.1	1.5
Total	100%	100%	100%	100%	100%
	Equity Partner	Non Equity Partner	House Counsel	City/State Gov.	Legal Services
Net Income Group (in \$000s)					
<\$20	3.7%	-	-	1.1%	-
20-40	4.2	-	1.1%	7.6	20.0%
40-50	2.1	-	5.6	10.9	20.0
50-60	3.1	-	5.6	14.1	20.0
60-80	6.8	23.3%	12.4	23.9	32.0
80-100	8.9	20	16.9	29.3	4.0
100-120	7.9	23.3	12.4	13	4.0
120-160	20.4	13.3	23.6	-	-
160-220	13.1	20	14.6	-	-
>\$220	29.8	-	7.9	-	-
Total	100%	100%	100%	100%	100%

Exhibit 10 2002 Net Income by Primary Field of Law, Michigan Attorneys						
<i>Value by Range and Percentile</i>						
	N	25th.	Median	Mean (Ave.)	75th.	95th
Primary Field of Law						
Administrative Law	26	\$67,250	\$89,000	\$101,115	\$96,750	\$370,850
Alternative Dispute Resolution	6	\$5,000	\$50,000	\$44,666	\$80,000	\$80,000
Bankruptcy (Defense)	24	42,000	63,500	77,125	101,500	175,750
Bankruptcy (Creditor)	19	24,000	70,000	93,166	152,000	280,000
Civil Rights	13	67,000	75,000	132,000	135,500	638,000
Collections	18	48,875	77,000	73,228	97,500	150,000
Corporate / Business Law	73	54,000	90,000	114,208	146,000	320,500
Criminal (Public Defender)	25	36,000	45,000	60,560	96,500	165,500
Criminal (Private Defense)	40	29,250	50,000	74,775	87,500	297,250
Criminal (Prosecutor)	35	49,000	60,000	62,751	78,000	126,000
Domestic Relations (Family Law)	92	30,875	61,000	73,350	89,000	201,400
Elder Law	8	9,725	44,000	45,112	55,750	126,000
Employment Law (Management)	17	94,000	106,000	139,353	152,500	420,000
Employment Law (Labor)	8	49,000	96,000	153,125	124,250	650,000
Environmental Law	10	84,750	149,000	174,500	207,500	460,000
General Practice	33	25,500	60,000	94,969	108,000	390,000
Health and Hospital Law	11	85,000	110,000	125,273	150,000	280,000
Immigration Law	11	40,000	75,000	71,000	100,000	115,000
Intellectual Property	26	89,500	145,000	162,846	183,500	485,100
Labor Law (Management)	10	64,000	91,500	109,300	148,500	275,000
Labor Law (Labor)	6	34,500	63,500	62,167	98,500	100,000
Legal Aid/Legal Services	8	42,500	50,000	49,500	60,500	70,000
Municipal / Public Entity Law	25	61,000	90,000	104,840	113,000	276,000
Natural Resources	5	55,500	180,000	150,200	230,000	240,000
Personal Injury (Plaintiff)	50	50,000	97,500	143,612	206,250	449,000
Personal Injury (Defense)	45	67,000	100,000	145,542	190,000	449,000
Professional Liability	9	77,500	100,000	167,111	190,000	550,000
Real Property Law	59	52,000	80,000	95,820	110,000	220,000
Taxation	28	57,250	86,000	92,000	103,250	345,500
Litigation (Not PI), Defense	52	70,250	100,000	139,467	175,000	324,000
Litigation (Not PI), Plaintiff	20	52,250	72,500	102,200	110,250	530,000
Estate Planning	50	19,375	52,000	64,091	100,000	172,500
Probate (Decedent Estates)	25	32,500	58,000	74,440	101,000	246,500
Probate (Protected Persons)	5	21,000	36,000	45,800	75,500	88,000
Workers' Compensation (Plaintiff)	18	50,750	87,500	92,306	108,750	250,000
Workers' Compensation (Defense)	12	72,750	98,000	125,833	192,750	275,000
Other Fields of Law	80	45,000	70,000	73,970	107,500	141,900
All Private Practitioners	1112	\$43,250	\$73,500	\$95,233	\$111,000	\$250,000



2002 Median Net Income All Attorneys by Gender and Work Status



2002 Median Net Income African-American Attorneys, Attorneys by Gender and Work Status

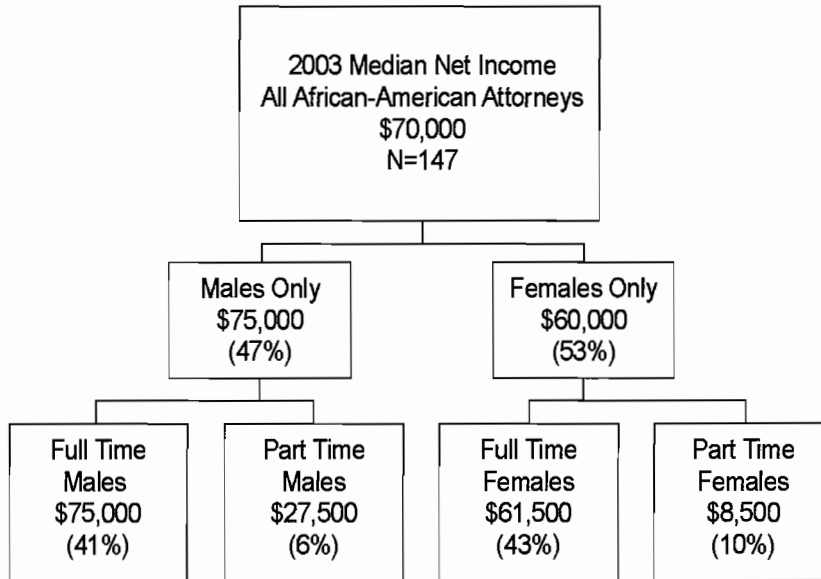


Exhibit 15						
2002 Net Income by Years in Practice, Michigan Attorneys						
All Attorneys						
<i>Value by Range and Percentile</i>						
	N	25th.	Median	Mean (Ave.)	75th.	95th
Years in Practice						
4 or less	149	\$38,000	\$48,000	\$61,155	\$70,000	\$125,500
5 to 9	165	40,000	60,000	67,700	86,500	159,900
10 to 14	143	50,000	74,000	92,427	108,000	244,000
15 to 19	143	50,000	79,000	92,843	115,000	245,000
20 to 29	330	51,750	92,000	124,439	150,000	429,000
30 to 39	129	50,000	100,000	108,287	137,500	288,000
40+	47	20,000	65,000	77,561	90,000	265,000
All Attorneys	1112	\$43,250	\$73,500	\$95,233	\$111,000	\$250,000
Full Time Private Practitioners Only						
<i>Value by Range and Percentile</i>						
	N	25th.	Median	Mean (Ave.)	75th.	95th
Years in Practice						
4 or less	93	\$40,000	\$50,800	\$67,782	\$77,500	\$150,000
5 to 9	89	48,250	69,000	73,472	90,000	149,500
10 to 14	73	60,000	80,000	112,452	127,500	324,000
15 to 19	61	54,500	100,000	119,237	152,500	317,500
20 to 29	164	57,750	117,500	162,300	207,500	550,000
30 to 39	79	70,000	100,000	127,696	156,000	310,000
40+	30	63,750	88,000	109,700	150,000	308,750
All Full Time Private Practitioners	593	\$50,000	\$83,000	\$115,810	\$145,000	\$301,500

Exhibit 16 2002 Median Net Income by Gender and Years in Bar, All Attorneys and Private Practitioners Only

Years in Practice	All Attorneys				Private Practitioners Only			
	All	Males	Females	Gap	All	Males	Females	Gap
4 or less	\$48,000	\$50,400	\$44,000	87%	\$49,500	\$53,000	\$43,500	82%
Respondents	149	86	63		100	62	38	
5 to 9	60,000	70,000	52,000	74%	61,500	68,000	\$52,000	76%
Respondents	165	85	80		102	59	43	
10 to 19	78,000	88,000	60,000	68%	75,000	97,000	46,000	47%
Respondents	283	185	98		161	113	48	
20+	90,000	93,500	74,000	79%	92,000	95,000	50,000	53%
Respondents	505	439	66		327	304	23	
All Respondents	\$73,500	\$85,000	\$56,000	66%	\$71,680	\$82,500	\$45,000	55%
Respondents	1102	795	307		690	538	152	

Exhibit 17 2002 Median Net Income by Gender, Workstatus and Years in Bar, All Attorneys and Private Practitioners Only

Years in Practice	All Attorneys				Private Practitioners Only			
	Full-time Males	Full-time Females	Part-time Males	Part-time Females	Full-time Males	Full-time Females	Part-time Males	Part-time Females
4 or less	\$50,900	\$44,500	-	\$26,500	\$55,000	\$44,000	-	-
Respondents	82	54	-	7	60	33	-	-
5 to 9	70,000	60,000	6000	12,000	70,000	62,000	6000	13000
Respondents	73	62	12	17	53	36	6	6
10 to 14	99,500	68,000	20000	28,000	100,000	45,000	34500	42000
Respondents	76	40	10	11	51	21	4	7
15 to 19	96,500	83,000	20,000	20,000	100,000	101,500	27,500	15,000
Respondents	80	32	13	11	47	12	6	5
20 to 29	100,000	82,500	27,500	12000	115,000	107,500	25,000	21,000
Respondents	25	48	30	13	151	12	13	8
30 to 39	105,000	-	17,500	-	103,500	-	17,250	-
Respondents	101	-	19	-	76	-	14	-
40 or more	81,000	-	20,000	-	87,000	20,500	-	-
Respondents	11	-	11	-	29	10	-	-
All Respondents	\$92,000	\$65,000	\$17,500	\$14,000	\$94,000	\$58,000	\$20,000	\$14,500
Respondents	671	239	99	61	470	117	54	30

Exhibit 18 Trends in Attorney Net Income, Full Time Males and Females, 1996-2002					
	Full-time Males	Full-time Females	"Gap" 2002	"Gap" 1999	"Gap" 1996
Years in Practice					
4 or less	\$50,900	\$44,500	87%	96%	93%
Respondents	82	54			
5 to 9	70,000	60,000	86%	95%	99%
Respondents	73	62			
10 to 14	99,500	68,000	68%	88%	75%
Respondents	76	40			
15 to 19	96,500	83,000	86%	82%	92%
Respondents	80	32			
20 to 29	100,000	82,500	83%	91%	70%
Respondents	25	48			
30 to 39	105,000	-	-	-	-
Respondents	101	-			
40 or more	81,000	-	-	-	-
Respondents	11	-			
All Respondents	\$92,000	\$65,000	71%	75%	67%

Exhibit 19 2002 Net Income by Size of Organization, Michigan Attorneys						
<i>Value by Range and Percentile</i>						
Size of Organization (# of Attorneys)	N	25th.	Median	Mean (Ave.)	75th.	95th
1	292	\$22,000	\$45,000	\$63,309	\$85,000	\$190,900
2	83	45,000	70,000	94,491	100,000	244,000
3 to 6	207	45,000	70,000	94,389	106,000	250,000
7 to 10	92	60,000	81,500	116,701	109,250	355,550
11 to 20	106	60,000	90,000	110,894	140,000	288,650
21 to 50	97	62,500	94,000	126,932	146,500	338,000
51 to 100	63	70,000	100,000	124,714	150,000	330,000
>100	100	77,750	100,000	136,327	173,750	378,500
All Attorneys	1112	\$43,250	\$73,500	\$95,233	\$111,000	\$250,000
Full-time Private Practitioners Only						
1	170	\$35,000	\$60,000	\$75,735	\$92,500	\$211,250
2	57	46,500	70,000	104,476	122,500	280,000
3 to 6	130	45,000	74,000	108,212	127,250	277,250
7 to 10	41	64,500	95,000	146,305	177,500	408,400
11 to 20	53	72,500	115,000	140,128	167,000	324,800
21 to 50	57	71,680	105,000	157,164	190,000	508,600
51 to 100	40	71,250	100,000	138,050	190,000	435,500
>100	41	98,000	125,000	183,976	268,500	456,000
All Attorneys	593	\$50,000	\$83,000	\$115,810	\$145,000	\$301,500

Exhibit 20

**2002 Median Net Income by Legal Occupation and Office Location,
Michigan Attorneys**

	Downtown Detroit	Remainder S.E. Michigan	Other Metro Areas	Lansing	S. Oakland County	Outstate
Legal Classification						
Sole practitioner	–	\$47,000	\$35,000	\$89,000	\$45,000	\$36,000
Sole practitioner with 1 or more associates	–	105,000	100,000	–	100,000	–
Sole practitioner sharing space	–	69,000	36,000	–	70,000	65,000
Non-equity partner	–	103,000	–	–	140,000	75,000
Equity partner	176,500	152,500	100,000	210,000	150,000	110,000
Senior associate	89,000	90,000	–	–	95,500	–
Associate	60,000	54,500	50,800	69,500	60,000	41,000
Judge	–	99,000	139,000	–	36,000	135,000
Administrative Law Judge/Referee	–	70,000	66,000	90,000	77,500	62,500
City/State/County government	70,500	60,500	66,000	85,000	46,500	52,500
County Prosecutor	–	–	61,500	–	–	45,500
Federal Prosecutor	112,000	–	–	–	–	–
Federal (Not prosecutors)	95,500	–	99,000	–	–	–
House Counsel	138,000	117,500	85,000	68,000	94,000	142,500
Counsel with legal aid/legal service agency	–	63,500	49,500	–	–	46,500
All Attorneys	\$96,500	\$70,000	\$64,000	\$83,500	\$82,000	\$60,000

Exhibit 21		2002 Net Income by Office Location, Michigan Attorneys				
<i>Value by Range and Percentile</i>						
	N	25th.	Median	Mean (Ave.)	75th.	95th
Office Location						
Downtown Detroit	116	\$55,250	\$96,500	\$107,250	\$125,000	\$300,250
South Oakland County	214	50,000	82,000	114,846	141,250	302,250
Remainder Metro Detroit	312	42,000	70,000	95,892	115,000	257,250
Lansing	92	62,250	83,500	96,951	102,500	245,750
Outstate Metro Areas	195	40,000	64,000	79,485	100,000	204,200
Outstate Other	173	35,000	60,000	81,834	100,000	220,000
Downtown Detroit	116	\$55,250	\$96,500	\$107,250	\$125,000	\$300,250
Detroit, but not downtown	18	23,750	63,500	57,083	88,500	100,000
Out county, but in Wayne	76	38,250	60,000	84,776	108,750	250,000
Oakland County N. of Big Beaver)	122	55,000	89,000	119,441	136,250	350,000
Oakland County (S. of Big Beaver)	214	50,000	82,000	114,846	141,250	302,250
Macomb County (N. of Metro Pky.)	31	45,000	52,000	79,161	88,000	250,000
Macomb County (S. of Metro Pky.)	21	32,500	70,000	78,857	115,500	243,200
Ann Arbor	44	35,250	68,500	85,591	117,500	291,250
Washtenaw County (Other)	10	30,875	60,000	56,750	86,500	110,000
Livingston County	9	20,400	40,000	43,756	66,500	80,000
Flint	15	25,000	97,000	92,567	139,000	250,000
Genessee County (Other)	13	26,500	51,000	65,646	89,000	221,000
Grand Rapids	59	48,000	73,000	97,886	135,000	275,000
Other Kent County	5	18,000	79,000	83,400	151,000	202,000
Ottawa County	14	31,500	71,000	80,429	135,750	185,000
Battle Creek	6	8,250	54,000	55,333	105,000	110,000
Jackson	12	25,500	56,500	60,500	88,750	130,000
Kalamazoo	22	48,000	90,000	82,409	100,000	200,000
Lansing	92	62,250	83,500	96,951	102,500	245,750
Ingham County (Other)	22	30,000	55,500	90,436	96,250	585,500
Muskegon	7	40,000	90,000	136,714	250,000	350,000
Saginaw	20	44,250	59,000	61,250	66,250	193,850
Bay City	5	20,000	60,000	66,800	117,000	164,000
Traverse City	17	34,500	57,000	66,706	99,500	150,000
Other areas, Lower Peninsula	116	35,000	61,000	79,790	94,500	220,750
Marquette	6	48,750	70,000	73,333	94,750	139,000
Other UP	10	40,250	75,000	92,900	128,500	238,000
All attorneys	1112	\$43,250	\$73,500	\$95,233	\$111,000	\$250,000

LAW FIRM BILLING RATES AND BILLING PRACTICES

Attorney Hourly Billing Rates

The reported 2003 median hourly billing rate of \$170 represents a 13% increase from \$150 in 2000. (Refer to Exhibit 5 for the trend line since 1984). While several interacting factors affect the setting and application of hourly billing rates, **Exhibit 22** includes five discrete factors:

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

Exhibit 23 arrays hourly rates by office location, expanding the regional categories found on Exhibit 22 to 24 locations. Attorneys located in Southeastern Michigan generally continue to report the highest rates.

Hourly Billing Rates for Associates and Legal Assistants

Median 2003 hourly billing rates for associates and legal assistants are summarized by level of experience in **Exhibit 24** and by firm size in **Exhibit 25**.

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	2003
Included in attorney's rate	25%	24%	21%	21%	16%	25%	26%
Time basis	67	62	70	73	74	65	59
Self-developed fee schedule	7	10	6	3	3	4	7
Other system	2	5	3	3	7	6	8

Billing Practices and Uncollectables

The time since respondents last changed their hourly rate compares over 19 years as follows:

Months Since Hourly Rate Was Changed	% of Responses						
	1984	1988	1991	1994	1997	2000	2003
0-6	20%	28%	25%	26%	26%	26%	24%
7-11	26	21	18	12	12	18	16
12-24	36	33	40	31	33	29	32
25+	18	18	17	31	29	27	28

Sixty 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	2003
5% or less	19%	19%	27%	26%	25%	26%
6-10%	40	43	42	40	41	33
11-19%	22	20	15	18	18	23
20% or more	19	18	17	16	16	18

About 73% of respondents never add a delinquent service charge. Only 7% of respondents usually add a service charge to delinquent accounts, 5% of respondents always add a service charge,

and about 16% sometimes add the charge. For those who add a charge, 18% charge less than 1%, 45% charge 1-2%, and 35% charge over 2%.

Uncollectables remains a serious problem in many firms as follows:

	Percent of Fees Billed That Are Uncollectable				% of Responses	
	1988	1991	1994	1997	2000	2003
2% or less	33%	31%	29%	29%	30%	35%
3-8%	32	34	29	28	28	25
9-12%	21	19	23	21	21	21
13% or more	14	16	19	22	21	19

The Average Workweek and Record Keeping Practices

Attorneys report a varied workweek as to billable hours and other activities comprising their professional time. **Exhibit 26** distributes the range of time spent on 12 categories or activities.

Exhibit 27 considers these distributions as reported by full time private practitioners only. These distributions are broken down by geographic area in Appendices D through I.

For those maintaining time records, 62% track time at six minute intervals, 23% at 15 minute intervals, 8% at ten minute intervals, and 2% at 30 minute intervals. About 5% report no tracking unit.

Exhibit 22

**Distributions of 2003 Hourly Billing Rates By Selected Variables,
Michigan Attorneys**

	<i>Value by Range and Percentile</i>					
	N	25th.	Median	Mean (Avg.)	75th.	95th
Size of Firm (# of Attorneys)						
1	223	\$130	\$150	\$160	\$180	\$250
2	51	125	150	158	175	244
3 to 6	106	150	170	173	200	250
7 to 10	33	150	200	200	225	350
11 to 20	37	150	185	195	228	318
21 to 50	46	150	195	195	238	283
51 to 100	18	179	263	267	345	425
>100	29	173	250	241	315	358
Years in Practice						
4 or less	63	\$125	\$150	\$149	\$150	\$300
5 to 9	78	135	150	168	175	250
10 to 14	69	125	150	170	200	278
15-19	77	150	175	190	220	335
20-29	154	150	180	188	225	290
30-39	76	150	175	180	210	280
40+	37	150	175	188	225	305
Primary Field of Law						
Bankruptcy (Defense)	15	150	150	177	225	300
Bankruptcy (Creditor)	14	150	193	208	250	335
Collections	8	126	150	155	175	210
Corporate / Business Law	51	150	175	187	220	330
Criminal (Public Defender)	14	116	150	133	150	160
Criminal (Private Defendant)	27	150	150	164	185	250
Domestic Relations (Family Law)	64	126	150	161	175	250
Employment Law (Management)	6	125	160	174	211	230
Environmental / Natural Resources Law	6	100	267	221	306	340
General Practice	33	128	150	156	185	215
Health and Hospital Law	4	250	275	275	300	310
Immigration Law	8	164	178	176	200	245
Intellectual Property	17	218	260	260	328	380
Labor Law (Management)	6	155	200	210	285	300
Municipal / Public Entity Law	10	143	175	182	231	275
Personal Injury (Plaintiff)	26	150	163	170	200	250
Personal Injury (Defense)	18	109	143	152	159	275
Real Property Law	47	160	175	184	200	306
Taxation	16	175	178	231	250	480
Litigation (Not PI), Defense	14	170	215	213	250	325
Litigation (Not PI), Plaintiff	14	150	163	176	221	250
Estate Planning	46	150	165	170	186	233
Probate (Decedent Estates)	24	168	167	167	200	288
Probate (Protected Persons)	5	163	175	185	213	225
Workers' Compensation (Plaintiff)	5	153	200	181	200	200
Other Fields of Law	17	125	150	155	183	250
Legal Classification						
Sole practitioner	187	\$140	\$150	\$162	\$180	\$250
Sole practitioner with 1 or more associates	24	150	178	183	219	275
Sole practitioner sharing space	43	150	150	165	185	250
Non-equity partner	13	168	200	202	238	295
Equity partner	143	170	200	210	250	333
Senior associate	24	150	190	205	225	406
Associate	79	125	150	148	165	225
House Counsel	6	150	163	186	210	315
Contract Attorney	5	68	125	115	158	185
All Attorneys	557	\$150	\$170	\$177	\$200	\$295

Exhibit 23

**Distributions of 2003 Hourly Billing Rates By Office Location,
Michigan Attorneys**

Office Location	N	Value by Range and Percentile				
		25th.	Median	Mean (Avg.)	75th.	95th
Downtown Detroit	32	\$175	\$210	\$238	\$306	\$440
Remainder S.E. Michigan	174	\$150	\$175	\$186	\$225	\$300
South Oakland County	116	150	180	193	225	300
Lansing	31	150	150	177	210	310
Outstate Metro Areas	91	130	150	160	180	250
Outstate Other	107	125	150	145	170	200
Downtown Detroit	32	\$175	\$210	\$238	\$306	\$440
Detroit, but not downtown	3	150	175	200	275	275
Out county, but in Wayne	39	150	160	165	180	250
Oakland County (N. of Big Beaver)	78	150	193	198	241	341
Oakland County (S. of Big Beaver)	116	150	180	193	225	300
Macomb County (N.of Metro Pky)	15	150	150	158	150	300
Macomb County (S.of Metro Pky)	16	150	175	178	200	275
Ann Arbor	23	160	210	200	225	290
Washtenaw County (Other)	5	115	150	151	188	200
Livingston County	4	156	175	175	194	200
Flint	8	150	150	170	196	275
Genesee County (Other)	7	150	150	157	180	200
Grand Rapids	23	130	175	177	220	274
Other Kent County	4	150	163	169	194	200
Ottawa County	6	108	138	141	175	190
Jackson	7	150	150	156	180	180
Kalamazoo	10	125	143	158	181	250
Lansing	31	150	150	177	210	310
Ingham County (Other)	12	128	150	165	184	250
Muskegon	4	108	152	151	194	200
Saginaw	9	113	125	128	150	165
Traverse City	7	145	150	154	175	185
Out State, Lower Peninsula	73	125	150	144	160	200
Other UP	9	118	125	137	163	175
All Attorneys	557	\$150	\$170	\$177	\$200	\$295

Exhibit 24

2003 Median Hourly Billing Rates, Associates and Legal Assistants by Office Location

	Firms	All Areas	Downtown Detroit	Remainder S.E. Michigan	Other Metro Areas	S. Oakland Lansing	County Outstate		
Associates									
New hires without experience	63	\$125	\$135	\$135	\$125	\$135	\$125	\$125	\$125
With at least 3 years experience	71	150	145	150	120	150	150	125	125
With at least 5 years experience	71	150	170	150	125	173	175	140	140
With at least 10 years experience	74	175	175	190	150	170	185	150	150
Legal Assistants (Paralegals)									
New hires without experience	41	\$60	—	\$80	\$60	\$83	\$70	\$50	\$50
With at least 3 years experience	33	70	—	70	68	95	75	60	60
With at least 5 years experience	36	78	78	90	68	—	94	65	65
With at least 10 years experience	47	85	80	75	73	—	93	75	75

Exhibit 25

2003 Median Hourly Billing Rates, Associates and Legal Assistants by Firm Size

	Firms	All Areas	1 to 2 Attorneys	3 to 6 Attorneys	7 to 10 Attorneys	11 to 20 Attorneys	>20 Attorneys
Associates							
New hires without experience	63	\$125	\$120	\$125	\$130	\$130	\$125
With at least 3 years experience	70	150	120	150	150	150	150
With at least 5 years experience	70	150	138	150	155	160	173
With at least 10 years experience	73	175	150	175	185	160	185
Legal Assistants (Paralegals)							
New hires without experience	41	\$60	50	\$55	\$93	\$55	\$70
With at least 3 years experience	33	70	60	55	75	63	85
With at least 5 years experience	36	78	65	65	63	75	100
With at least 10 years experience	47	85	75	73	75	90	100

Exhibit 26

**Distributions of Workweek Components in Hours,
All Michigan Attorneys, 2003(E)**

Work Week Component (in Hours)	<i>Value by Range and Percentile</i>					
	N	25th.	Median	Mean (Ave.)	75th.	95th
Billable Legal Work						
Based on Hourly Rate	647	15	30	27	40	50
Based on Flat Rate	395	2	10	13	20	45
Based on Contingency work	350	0	5	13	17	50
Total Hours for Chargeable Legal Work	1073	30	40	39	50	60
Other Hours						
Office Administration	677	2	5	5	8	15
Marketing Activities	467	1	2	3	5	10
Unbilled Community/Public Service	513	1	2	4	5	10
Nonlegal employment/personal investments	292	0	0	9	10	47
Total Hours in Workweek	1077	40	46	45	55	67
Other Hours/Year						
Continuing Legal Education	1001	5	10	19	24	50
Unbilled (Pro Bono) Legal Work	839	0	10	27	30	100
Other Unbilled Legal Work	748	0	20	55	50	200

Exhibit 27

Distributions of Workweek Components in Hours, Full Time Private Practitioners Only, 2003(E)

Work Week Component (in Hours)	<i>Value by Range and Percentile</i>					
	N	25th.	Median	Mean (Ave.)	75th.	95th
Billable Legal Work						
Based on Hourly Rate	529	20	30	30	40	55
Based on Flat Rate	309	2	10	13	20	45
Based on Contingency work	303	0	5	13	20	50
Total Hours for Chargeable Legal Work	589	35	40	41	50	60
Other Hours						
Office Administration	504	2	5	5	7	15
Marketing Activities	391	1	2	3	5	10
Unbilled Community/Public Service	389	1	2	3	5	10
Nonlegal employment/personal investments	183	0	0	2	2	10
Total Hours in Workweek	590	40	50	47	56	70
Other Hours/Year						
Continuing Legal Education	559	6	10	18	20	50
Unbilled (Pro Bono) Legal Work	499	2	15	30	40	100
Other Unbilled Legal Work	453	10	30	64	73	250

ASPECTS OF LAW OFFICE ECONOMICS OF MICHIGAN ATTORNEYS

Introduction

This section summarizes some additional 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

About 366 respondents, representing sole practitioners and firms, provided financial information on 2002 operating expenses and gross revenues per attorney. **Exhibits 28 and 29** summarize three categories of overhead expenses against gross receipts considering respondents' firm size and office location. Overhead components are differentially reported, with many respondents reporting "totals only." 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 30 describes the ratio of full-time equivalent (35–40 hours per week) secretaries to lawyers for 8 reporting periods. Firms are maintaining the trend toward greater sharing of secretarial services among attorneys. **Exhibit 31** compares the number of full time equivalent legal assistants employed by firms between 1984 and 2003. Use of legal assistants is slightly increasing over time.

Starting and Current Salary Levels

Exhibit 32 displays 2000 annual median salary levels for four tenure categories of associates, legal assistants, and secretaries by firm size. Salary levels distributed by office location are appended. (Appendices D–I)

While 45% of firms would hire part time staff, only 22% would hire part time attorneys.

Legal Services Marketing

Only 11% of respondents have a written marketing plan. Regardless of the existence of a plan, respondents ranked the top five marketing activities they perform in terms of their perceived importance. **Exhibit 33** ranks the relative importance (percent usage) of twelve marketing vehicles.

Exhibit 28

2002 Operating Expenses and Gross Receipts per Attorney by Firm Size, Michigan Members' Firms

	Median Values by Size of Firm						All Firms	All Firms	All Firms	All Firms
	1	2	3 to 6	7 to 20	>20		2002	1999	1996	
Expenditures per Attorney										
Non-legal salaries	\$16,000	\$28,000	\$32,800	\$35,000	\$65,000	\$25,500	\$25,500	\$25,000	\$24,000	
Rent/phone/utilities	10,000	14,400	13,000	12,000	20,000	11,100	12,000	12,000	10,000	
All other expenses	10,000	15,000	15,000	16,000	16,000	12,000	15,000	15,000	15,000	
Total expenses	\$34,715	\$64,000	\$65,000	\$72,875	\$105,000	\$55,000	\$49,000	\$51,250	\$51,250	
Gross receipts per attorney	\$88,500	\$150,000	\$197,600	\$206,360	\$300,000	\$135,000	\$125,000	\$124,000	\$124,000	
Ratio of expenditures to receipts	0.39	0.43	0.33	0.35	0.35	0.41	0.39	0.41	0.41	
Number of responses	197	47	67	31	24	366	420	420	230	

Exhibit 29

2002 Operating Expenses & Gross Receipts per Attorney by Office Location

	Median Values for Offices by Geographic Location						
	Downtown Detroit	Remainder Michigan	S.E. Michigan	Other Metro Areas	Lansing County	S. Oakland County	Outstate
Expenditures per Attorney							
Non-legal salaries	\$20,000	\$22,000	\$30,000	\$39,000	\$30,000	\$27,500	\$27,500
Rent/phone/utilities	12,000	10,100	11,050	17,000	15,000	9,000	9,000
All other expenses	10,000	17,000	10,000	20,000	10,000	10,000	10,000
Total expenses	\$43,000	\$51,000	\$65,000	\$70,000	\$60,000	\$50,000	\$50,000
Gross receipts per attorney	\$128,000	\$135,000	\$150,000	\$220,000	\$210,000	\$120,000	\$120,000
Ratio of expenditures to receipts	0.34	0.38	0.43	0.32	0.29	0.42	0.42
Number of responses	13	101	75	15	74	85	85

Exhibit 30

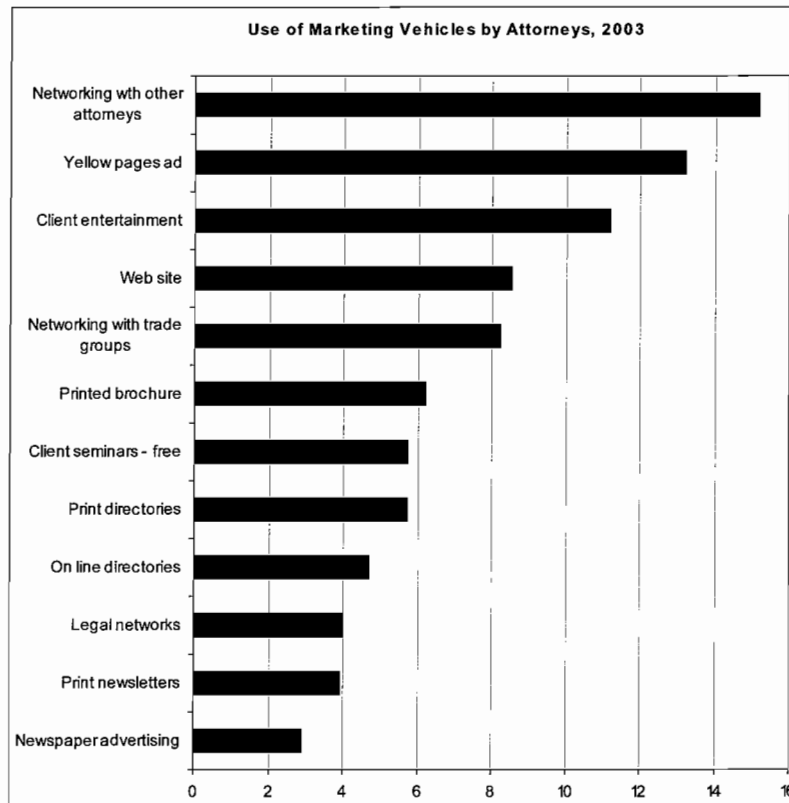
Changes in the Ratio of Secretaries to Lawyers in Michigan, 1981-2003

Secretary to Lawyer Ratio	Percent of Firms by Year							
	1981	1984	1988	1991	1994	1997	2000	2003
Less than 1	10.4%	10.6%	13.4%	11.4%	10.4%	12.5%	8.0%	10.0%
1 to 1	42.7	35.6	42.1	40.6	31.2	36.1	34	32.8
1 to 1.5	24.4	25	16.8	19.3	19.6	18.1	18.6	15.3
1 to 2	17.1	23.7	21.1	22.3	30.1	25.2	26.3	27
1 to 3 or more	5.4	5	6.2	6.4	8.7	8.1	13	15.1

Number Employed	Changes in Employment of Legal Assistants in Michigan, 1984-2003						
	Percent of Firms by Year						
	1984	1988	1991	1994	1997	2000	2003
None	72.6%	72.3%	67.3%	67.2%	64.2%	68.4%	64.6%
1	15	13.2	17.5	17.6	17.6	14.9	13.4
2	5.7	4.6	5.7	4.5	5.6	4.6	6.5
3	1.1	5.3	3.8	2.1	4.1	2.8	4.3
4 to 6	2.9	2.8	2.1	3.2	3.3	3	4.7
7 to 10	0.7	1.3	0.7	1.3	1.6	2.3	1.8
11 or more	1.2	2.5	2.8	4	3.6	3.9	4.5

	Median 2003 Salary Levels of Associates & Support Personnel by 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	\$40,000	\$36,000	\$40,000	\$45,000	\$52,500
With 3 years experience	45,000	45,000	50,000	49,500	65,000
With 5 years experience	50,000	60,000	62,500	65,000	75,000
With 10 years experience	67,500	75,000	80,000	90,000	92,500
Legal Assistants (Paralegals)					
New hires without experience	\$25,000	\$29,000	\$25,000	\$30,000	\$30,000
With 3 years experience	30,000	28,000	37,000	30,000	37,500
With 5 years experience	38,475	32,500	32,512	37,000	44,000
With 10 years experience	34,000	39,000	39,500	37,500	45,000
Secretaries					
New hires without experience	\$17,400	\$23,000	\$22,000	\$20,000	\$25,300
With 3 years experience	23,500	25,500	26,500	26,000	30,000
With 5 years experience	25,100	30,000	30,000	30,000	35,000
With 10 years experience	30,000	35,000	32,560	35,000	40,000

Exhibit 33



Appendix A		Respondents to Economics Surveys by Geographic Area, 1985-2003						
		<i>Percent of Respondents by Year</i>						
		1985	1988	1991	1994	1997	2000	2003
Area	%	%	%	%	%	%	%	%
Wayne		29.3	29.9	28.1	25	22.6	21.4	19.8
Oakland		20.9	21.4	24	27.1	29.5	28.2	30.3
Macomb		4.6	3.1	2.4	3.5	4.1	4.2	4.8
Total Metro Detroit		54.8	54.4	54.5	55.6	56.2	53.8	54.9
Ann Arbor		3	4	4	2	4.2	4.2	4.8
Battle Creek		1.3	1.4	0.7	0.8	0.7	0.7	0.6
Bay City		1.2	1.2	1	0.9	0.4	1	0.5
Flint		3.2	3.7	3.1	1.6	2.1	3.7	2.5
Grand Rapids		6.7	6.7	7.7	8.9	5.7	6.4	7.3
Jackson		2.3	1.3	1.2	1.2	1.4	1.2	1
Kalamazoo		2.5	2.8	2.2	2.9	2.8	2.6	2
Area	%	%	%	%	%	%	%	%
Wayne		29.3	29.9	28.1	25	22.6	21.4	19.8
Oakland		20.9	21.4	24	27.1	29.5	28.2	30.3
Macomb		4.6	3.1	2.4	3.5	4.1	4.2	4.8
Total Metro Detroit		54.8	54.4	54.5	55.6	56.2	53.8	54.9
Ann Arbor		3	4	4	2	4.2	4.2	4.8
Battle Creek		1.3	1.4	0.7	0.8	0.7	0.7	0.6
Bay City		1.2	1.2	1	0.9	0.4	1	0.5
Flint		3.2	3.7	3.1	1.6	2.1	3.7	2.5
Grand Rapids		6.7	6.7	7.7	8.9	5.7	6.4	7.3
Jackson		2.3	1.3	1.2	1.2	1.4	1.2	1
Kalamazoo		2.5	2.8	2.2	2.9	2.8	2.6	2
Lansing		9.1	9.7	9.7	8.9	8.9	9.1	10.3
Muskegon		1.2	1.4	0.8	0.7	0.8	1.3	0.6
Saginaw		1.6	1.3	2	1.6	1.1	0.9	1.8
Outstate (L.P.)		10.6	9.9	11.4	11.2	13.9	12.9	12.3
Outstate (U.P.)		2.4	2.2	1.7	2.3	1.8	2	1.4
State Total		45.1	45.6	45.5	43	43.8	46	45.1

Appendix B		Instate Membership of the State Bar of Michigan by Geographic Area, 1985-2003							
Area	1985		1988		1991		1994		
	N	%	N	%	N	%	N	%	
Wayne	6,385	30	6,715	29	7,012	28	7,090	27	
Oakland	5,179	25	5,925	26	6,641	27	7,454	29	
Macomb	1,002	5	1,092	5	1,162	5	1,285	5	
Total Metro Detroit	12,566	60	13,732	60	14,815	59	15,829	61	
Ann Arbor	587	3	671	3	730	3	829	3	
Battle Creek	121	1	116	1	117	1	138	1	
Bay City	145	1	163	1	162	1	176	1	
Flint	481	2	515	2	518	2	549	2	
Grand Rapids	1,136	5	1,286	6	1,439	6	1,567	6	
Jackson	215	1	223	1	231	1	244	1	
Kalamazoo	479	2	519	2	537	2	540	2	
Lansing	1,396	7	1,700	7	1,439	6	1,510	6	
Muskegon	180	1	200	1	179	1	188	1	
Saginaw	360	2	390	2	404	2	429	2	
Outstate (L.P.)	3,021	14	3,220	14	4,094	16	3,597	14	
Outstate (U.P.)	345	2	362	2	387	2	431	2	
State Total	21,032	100	23,097	100	25,052	100	26,027	100	

Appendix B continued

Area	1997		2000		2003	
	N	%	N	%	N	%
Wayne	6,976	24	6,828	22	6,783	22
Oakland	8,320	29	8,974	29	9,489	31
Macomb	1,474	5	1,645	5	1,670	5
Total Metro Detroit	16,770	59	17,447	56	17,942	58
Ann Arbor	925	3	1,246	4	1,357	4
Battle Creek	143	0	197	1	201	1
Bay City	170	1	224	1	231	1
Flint	561	2	771	2	779	3
Grand Rapids	1,657	6	1,969	6	2,034	7
Jackson	227	1	271	1	274	1
Kalamazoo	573	2	672	2	678	2
Lansing	1,579	6	2,307	7	2,212	7
Muskegon	207	1	244	1	242	1
Saginaw	430	2	486	2	463	1
Outstate (L.P.)	4,956	17	4,699	15	4,092	13
Outstate (U.P.)	441	2	444	1	452	1
State Total	28,639	100	30,977	100	30,957	100

Appendix C		Respondents to Economics Surveys by Practice Classification, 1984-2003						
		<i>Percent of Respondents by Year</i>						
	1984	1988	1991	1994	1997	2000	2003	
Practice Classification	%	%	%	%	%	%	%	
Sole practitioners	26.1%	25.3%	23.6%	25.5%	27.8%	27.7%	26.9%	
Partners	24.1	22.9	26.6	30.2	25.6	24.6	19.5	
Associates	13.4	18.3	21.6	17.1	16.8	16.0	15.4	
Total Private Practitioners	63.6	66.5	71.4	72.8	70.2	68.2	61.8	
Judges	3.8%	4.1%	3.1%	2.9%	3.6%	3.4%	5.2%	
Government Service	13.8	12.7	9.6	8.1	12.3	12.4	13.8	
House Counsel	14.1	12.1	12.3	10.8	9.3	8.9	8.2	
Others	4.7	4.6	3.6	5.4	4.6	7.1	11	
Total Others	36.4	33.5	28.6	27.2	29.8	31.8	38.2	

Appendix D		Statistical Profile of Michigan Attorneys, Downtown Detroit Offices				
		<i>Value by Range and Percentile</i>				
	N	25th.	Median	75th.	95th	
Income and Billing Rates						
2002 Net Income	116	\$55,250	\$96,500	\$125,000	\$300,250	
2003 Hourly Billing Rate (Transactional Matters)	32	\$175	\$210	\$306	\$441	
2003 Hourly Billing Rate (Litigation)	39	\$140	\$180	\$250	\$350	
Hours in the Work Week and Year (2003E)						
Total billable hours	114	40	45	50	56	
Based on hourly rate	51	30	40	48	55	
Based on flat rate	21	0	2	16	55	
Based on contingency work	19	0	0	10	80	
Office Administration	55	2	3	5	21	
Marketing Activities	39	1	2	5	10	
Non-billable community/public service	46	1	2	5	10	
Non-legal employment/personal investments	25	0	0	20	60	
Total Hours in Work Week	113	42	49	55	64	
CLE Hours/Year	104	5	10	29	75	
Unbilled (Pro Bono) Hours/Year	83	0	10	30	119	

Appendix E

**Statistical Profile of Michigan Attorneys, Remainder
of Southeast Michigan**

	<i>Value by Range and Percentile</i>				
	N	25th.	Median	75th.	95th
Income and Billing Rates					
2002 Net Income	312	\$42,000	\$70,000	\$115,000	\$257,250
2003 Hourly Billing Rate (Transactional Matters)	174	\$150	\$175	\$225	\$300
2003 Hourly Billing Rate (Litigation)	149	\$150	\$178	\$225	\$293
Work Week					
Total billable hours	304	30	40	45	59
Based on hourly rate	190	12	25	40	52
Based on flat rate	126	3	10	20	43
Based on contingency work	96	0	1	10	45
Office Administration	205	2	5	6	11
Marketing Activities	134	1	2	4	10
Non-billable community/public service	142	1	2	5	10
Non-legal employment/personal investments	89	0	1	12	50
Total Hours in Work Week	305	39	45	54	66
CLE Hours/Year	290	5	10	24	50
Unbilled (Pro Bono) Hours/Year	238	0	10	25	150
Annual Salaries (Summer 2003)					
Associates					
New hires without experience	18	\$35,750	\$42,500	\$50,000	\$60,000
With 3 years experience	17	42,500	45,000	60,000	72,000
With 5 years experience	21	50,000	65,000	73,500	166,000
With 10 years experience	20	57,750	77,500	90,000	154,200
Legal Assistants (Paralegals)					
New hires without experience	7	22,000	30,000	31,200	40,000
With 3 years experience	7	28,000	35,000	40,000	42,000
With 5 years experience	8	31,500	42,500	45,000	60,000
With 10 years experience	13	35,500	39,000	50,000	60,000
Secretaries					
New hires without experience	16	20,000	23,480	28,075	39,000
With 3 years experience	16	24,250	27,000	30,790	42,000
With 5 years experience	11	29,000	30,000	35,000	40,000
With 10 years experience	31	25,000	35,000	40,000	56,000

Appendix F

Statistical Profile of Michigan Attorneys,
Other Metro Area Offices

	Value by Range and Percentile				
	N	25th.	Median	75th.	95th
Income and Billing Rates					
2002 Net Income	195	\$40,000	\$64,000	\$100,000	\$204,200
2003 Hourly Billing Rate (Transactional Matters)	91	\$130	\$150	\$180	\$250
2003 Hourly Billing Rate (Litigation)	113	\$140	\$165	\$200	\$278
Work Week					
Hours in the Work Week and Year					
Total billable hours	184	35	40	50	60
Based on hourly rate	103	15	25	40	50
Based on flat rate	61	3	10	20	45
Based on contingency work	63	0	6	20	59
Office Administration	110	2	5	10	15
Marketing Activities	72	1	2	5	10
Non-billable community/public service	94	1	3	5	15
Non-legal employment/personal investments	38	0	0	11	51
Total Hours in Work Week	186	40	48	55	70
CLE Hours/Year	170	6	15	30	76
Unbilled (Pro Bono) Hours/Year	148	0	15	40	100
Annual Salaries (Summer 2003)					
Associates					
New hires without experience	10	\$33,750	\$40,000	\$52,500	\$90,000
With 3 years experience	10	45,000	51,000	65,000	100,000
With 5 years experience	11	50,000	55,000	70,000	110,000
With 10 years experience	10	51,500	76,500	96,250	150,000
Legal Assistants (Paralegals)					
New hires without experience	6	20,000	27,500	31,250	35,000
With 3 years experience	9	26,000	29,000	37,500	40,000
With 5 years experience	9	29,000	35,000	43,500	50,000
With 10 years experience	9	30,000	34,000	39,500	50,000
Secretaries					
New hires without experience	18	12,350	20,000	22,500	25,000
With 3 years experience	17	20,000	25,000	27,250	30,000
With 5 years experience	19	21,000	25,000	30,000	40,000
With 10 years experience	28	25,250	30,000	35,000	42,750

	Statistical Profile of Michigan Attorneys, Lansing Area Offices				
	<i>Value by Range and Percentile</i>				
	N	25th.	Median	75th.	95th
Income and Billing Rates					
2002 Net Income	92	\$62,250	\$83,500	\$102,500	\$245,750
2003 Hourly Billing Rate (Transactional Matters)	31	\$150	\$150	\$210	\$310
2003 Hourly Billing Rate (Litigation)	24	\$125	\$150	\$221	\$306
Work Week					
Hours in the Work Week and Year					
Total billable hours	92	36	40	45	60
Based on hourly rate	37	20	30	40	60
Based on flat rate	17	3	20	28	60
Based on contingency work	8	0	4	33	40
Office Administration	42	2	5	10	19
Marketing Activities	27	1	3	5	30
Non-billable community/public service	29	2	3	5	10
Non-legal employment/personal investments	18	0	4	23	40
Total Hours in Work Week	90	40	45	52	64
CLE Hours/Year	82	0	10	30	50
Unbilled (Pro Bono) Hours/Year	62	0	5	30	117
Annual Salaries (Spring 2003)					
Associates					
New hires without experience	5	34,000	75,000	105,000	115,000
With 3 years experience	6	41,250	79,000	116,250	165,000
With 5 years experience	5	75,000	87,500	152,500	200,000
With 10 years experience	5	86,250	95,000	250,000	300,000
Secretaries					
With 10 years experience	5	30,000	40,000	41,500	43,000

Appendix H

Statistical Profile of Michigan Attorneys, South Oakland
County Offices

	<i>Value by Range and Percentile</i>				
	N	25th.	Median	75th.	95th
Income and Billing Rates					
2002 Net Income	214	\$50,000	\$82,000	\$141,250	\$302,250
2003 Hourly Billing Rate (Transactional Matters)	116	\$150	\$180	\$225	\$300
2003 Hourly Billing Rate (Litigation)	129	\$150	\$190	\$225	\$300
Work Week					
Hours in the Work Week and Year					
Total billable hours	207	30	40	50	60
Based on hourly rate	153	10	25	40	56
Based on flat rate	83	0	10	25	50
Based on contingency work	97	2	10	35	50
Office Administration	152	2	4	5	15
Marketing Activities	114	1	2	5	7
Non-billable community/ public service	100	0	2	4	8
Non-legal employment/ personal investments	60	0	0	5	40
Total Hours in Work Week	209	40	47	55	66
CLE Hours/Year	195	4	10	20	50
Unbilled (Pro Bono) Hours/Year	171	0	10	20	88
Annual Salaries (Spring 2003)					
Associates					
New hires without experience	17	\$38,000	\$45,000	\$55,000	\$110,000
With 3 years experience	16	50,000	65,000	96,215	150,000
With 5 years experience	16	65,000	75,000	118,750	175,000
With 10 years experience	21	60,000	100,000	129,500	380,000
Legal Assistants (Paralegals)					
New hires without experience	13	25,500	30,000	35,000	41,000
With 3 years experience	7	30,000	40,000	45,000	45,000
With 5 years experience	7	35,600	45,000	55,000	56,638
With 10 years experience	11	40,000	49,300	57,500	75,000
Secretaries					
New hires without experience	20	20,000	27,000	31,750	34,925
With 3 years experience	17	27,290	32,000	35,500	40,000
With 5 years experience	22	31,800	36,000	40,000	45,000
With 10 years experience	26	40,000	44,874	50,000	58,250

Appendix I

Statistical Profile of Michigan Attorneys,
Outstate Offices

	<i>Value by Range and Percentile</i>				
	N	25th.	Median	75th.	95th
Income and Billing Rates					
2002 Net Income	173	\$35,000	\$60,000	\$100,000	\$220,000
2003 Hourly Billing Rate (Transactional Matters)	107	\$125	\$150	\$170	\$200
2003 Hourly Billing Rate (Litigation)	93	\$125	\$150	\$175	\$208
Work Week					
Hours in the Work Week and Year					
Total billable hours	166	30	40	45	60
Based on hourly rate	110	10	25	35	50
Based on flat rate	83	4	10	20	40
Based on contingency work	65	0	1	8	40
Office Administration	110	2	5	8	15
Marketing Activities	78	0	1	3	5
Non-billable community/public service	99	1	2	5	14
Non-legal employment/personal investments	58	0	0	7	45
Total Hours in Work Week	168	38	44	51	70
CLE Hours/Year	154	6	10	21	80
Unbilled (Pro Bono) Hours/Year	133	5	20	40	165
Annual Salaries (Summer 2003)					
Associates					
New hires without experience	10	\$30,000	\$32,500	\$46,250	\$50,000
With 3 years experience	12	38,000	40,000	52,500	75,000
With 5 years experience	11	40,000	60,000	65,000	75,000
With 10 years experience	13	42,500	60,000	95,000	120,000
Legal Assistants (Paralegals)					
New hires without experience	7	20,000	25,000	30,000	35,000
With 3 years experience	10	24,500	30,000	34,250	36,000
With 5 years experience	8	30,563	34,512	39,713	55,000
With 10 years experience	8	22,500	32,000	37,375	40,000
Secretaries					
New hires without experience	21	14,500	18,000	21,500	27,000
With 3 years experience	15	20,000	23,000	26,000	29,000
With 5 years experience	20	20,750	25,100	30,000	49,150
With 10 years experience	28	19,625	28,500	32,750	42,750

Appendix J

Perceptions of Current Economic Conditions of Law Practice,
June 2003

Compared to prior years, the economic circumstances of the profession are:

Office Location	N	Better	Worse	Same
Downtown Detroit	124	8.1%	53.2%	38.7%
Remainder S. E. Michigan	328	6.7	57.6	35.7
Other metro Areas	199	3.0	52.3	44.7
Lansing	97	2.1	53.6	44.3
S. Oakland County	217	7.8	51.2	41.0
Outstate	169	5.3	47.9	46.7
Organization Size (# of Attorneys)				
1	306	8.2	51.6	40.2
2	89	2.2	53.9	43.8
3-6	208	5.3	57.2	37.5
7-10	96	6.3	49.0	44.8
11-20	107	5.6	47.7	46.7
21-50	100	6.0	59.0	35.0
51-100	64	4.7	51.6	43.8
>100	102	5.9	52.0	42.2
Years in Practice				
<5	157	4.5	49.7	45.6
5-9	164	7.3	45.7	47.0
10-14	145	2.8	49.0	48.3
15-19	154	4.5	55.8	39.6
20-29	333	6	57.4	36.6
30-39	131	5.3	63.4	31.3
40+	52	17.3	42.3	40.4
All Attorneys	1175	5.8	53.4	40.8

Appendix K

Perceptions on Future Economic Conditions of Law Practice,
June 2003

Next year, economic circumstances of the profession will be:

Office Location	N	Better	Worse	Same
Downtown Detroit	123	21.1%	20.3%	58.5%
Remainder S. E. Michigan	337	15.3	25.7	59.0
Other metro Areas	200	9.5	25.0	65.5
Lansing	97	11.3	27.8	60.8
S. Oakland County	220	20.3	20.3	59.4
Outstate	178	14.5	21.5	64.0
Organization Size (# of Attorneys)				
1	305	14.1	23.3	62.6
2	88	20.5	23.9	55.7
3-6	211	17.1	22.3	60.7
7-10	95	14.7	32.6	52.6
11-20	107	17.8	23.4	58.9
21-50	100	14.0	20.0	34.0
51-100	64	15.6	18.8	65.6
>100	101	20.8	19.8	59.4
Years in Practice				
<5	159	22.6	15.1	62.3
5-9	164	20.7	18.3	61.0
10-14	146	11.0	21.2	67.8
15-19	153	14.4	20.9	64.7
20-29	332	14.2	31.3	54.5
30-39	132	12.1	27.3	60.6
40+	51	9.8	19.6	70.6
All Attorneys	1175	15.6	23.4	61.1

Appendix L **Perceptions on the Current Supply of Lawyers in Michigan, June 2003**

The number of lawyers in the community in which I practice is:

Office Location	N	About right	Too many	Too few
Downtown Detroit	126	41.3%	51.2%	7.4%
Remainder S. E. Michigan	337	37.2	60.9	1.8
Other metro Areas	200	44.5	54.5	1
Lansing	98	38.3	60.6	1.1
S. Oakland County	218	33.0	66.5	0.5
Outstate	171	52.0	45.0	2.9
Organization Size (# of Attorneys)				
1	304	34.2	63.8	2
2	89	40.4	56.2	3.4
3-6	211	51.2	47.4	1.4
7-10	94	34.0	64.9	1.1
11-20	105	49.5	47.6	2.9
21-50	100	31.0	64.0	5.0
51-100	62	45.2	54.8	0.0
>100	101	46.5	50.5	3.0
Years in Practice				
<5	160	55.0	41.9	3.1
5-9	166	48.8	50.0	1.2
10-14	144	40.3	56.9	2.8
15-19	149	40.9	56.4	2.7
20-29	329	32.8	65.3	1.8
30-39	132	33.3	65.9	0.8
40+	52	32.7	63.5	3.8
All Attorneys	1175	40.4	57.5	2.1

Appendix M **Perceptions on the Current Demand for Legal Services, June 2003**

The quantity of my legal work is

Office Location	N	Insufficient	All I can handle	More than I prefer
Downtown Detroit	126	6.5%	70.2%	23.4%
Remainder S. E. Michigan	315	22.2	57.8	20.0
Other metro Areas	196	17.3	59.2	23.5
Lansing	95	9.5	70.5	20.0
S. Oakland County	214	18.7	58.4	22.9
Outstate	172	16.9	64.0	19.2
Organization Size (# of Attorneys)				
1	295	32.9	54.2	12.9
2	89	19.1	59.6	21.3
3-6	209	14.4	62.2	23.4
7-10	95	8.4	65.3	26.3
11-20	106	5.7	67.0	27.4
21-50	103	9.7	60.2	30.1
51-100	65	7.7	61.5	30.8
>100	104	4.8	73.1	22.1
Years in Practice				
<5	161	19.3	59.6	21.1
5-9	165	16.4	67.3	16.4
10-14	144	13.2	63.2	23.6
20-29	320	14.1	60.9	25.0
30-39	127	22.0	63.0	15.0
40+	50	28.0	62.0	10.0
All Attorneys	1175	17.2	61.6	21.2