

2010 Economics of Law Practice Attorney Income and Billing Rate Summary Report

January 2011



SBM
STATE BAR OF MICHIGAN

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Economics of Law Practice in Michigan

2010 Attorney Income and Billing Rate Key Findings Report

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The State Bar of Michigan Economics of Law Practice Survey provides Michigan attorneys with a resource that allows access to the most current law practice economic information available. The survey results are provided free as a service to members of the State Bar of Michigan.

The survey has two practical objectives:

- To provide timely, relevant, and accurate information to inform and guide the practical management decisions of Michigan attorneys.
- To track and illustrate changes and trends within the legal profession.

The survey monitors and reports on several points of information useful to attorneys:

- Attorney income
- Prevailing average hourly billing rates by several indicators including fields of practice, judicial circuit, and geographic location
- Time allocated to billable and non-billable professional activities
- Time allocated to pro bono work
- Overhead expenses and management practices
- Perceptions regarding current and future economic circumstances related to the practice of law

This key findings report contains information pertaining to attorney income and billing rates. It is produced as an early and separate report to provide attorneys with this target information as quickly as possible, as it is the most requested information from attorneys. All other information will be contained in the full 2010 Economics of Law Practice Summary Report that will be available in March 2011.

Methods and Measures

The 2010 Economics of Law Practice Survey was conducted in October 2010. An electronic survey was sent to 29,475 members of the State Bar of Michigan inviting their participation. 3,775 usable returned questionnaires were tabulated and analyzed by Applied Statistics Laboratory of Ann Arbor, Michigan, led by Dr. Lawrence Stiffman, and by Dr. James McComb, independent consultant statistician.

To help interpret the information presented in the survey results, the following is a brief description of statistical terms including measures of central tendency (median and mean) and measures of dispersion (spread).

Mean—The mean (also called the average) is calculated by adding the values of all responses, then dividing by the number of responses. Example: Three responses (30, 1, 2) are reported. The average, or mean is calculated by adding $30 + 1 + 2 = 33$ and then by dividing by the number of responses (3). Thus the average is 33 divided by 3 = 11.

Median—The median is the middle value in a series, or 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, 2) are reported. The median is the middle number of the order of distribution (1,2,30), or, 2. By comparison, the average of this same distribution, as shown above, is 11.

Use of the median as a statistical metric of central tendency reduces the effects of 'outliers' (extremely high or low values, such as the data point of 30 in the previous example), while the average does not. Median values are utilized throughout the survey results to denote the measure of central tendency.

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Percentiles—In addition to the median, four other percentile values are used in the survey results to reveal the spread or dispersion of a particular data distribution. The percentiles include:

- 25th percentile—Also referred to as the ‘lower quartile’. One-fourth of the values are less and three-fourths are more than this value.
- Median or 50th percentile—Also referred to as the ‘median’. Half of the values are less and half are more than this value.
- 75th percentile—Also referred to as the ‘upper quartile’. Three-fourths of the values are less and one-fourth are more than this value.
- 95th percentile—Ninety-five percent of the values are less and five percent of the values are more than this value.

Note of clarification. Because the survey was conducted in October 2010, income information was requested for two separate years, the actual income for 2009 and estimated income for the full year of 2010.

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Exhibit 1

2010 Estimated Attorney Income—Private Practitioners

	Value by Percentile					
	N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Sole Practitioner, office outside of home	488	\$35,000	\$65,000	\$91,860	\$110,000	\$250,000
Sole Practitioner, working out of home office	269	11,500	30,000	44,789	60,000	125,000
Sole Practitioner sharing space	133	30,000	55,000	77,807	90,000	240,000
Managing Partner	148	80,000	155,000	263,969	300,000	800,000
Equity Partner/Shareholder	524	91,000	149,000	193,792	250,000	475,000
Non-Equity Partner	118	95,000	135,000	156,975	200,000	370,000
Of Counsel	87	50,000	95,000	103,676	130,000	250,000
Senior Associate	194	54,000	76,000	87,059	100,000	170,000
Associate	208	50,000	71,000	75,439	100,000	125,000
Assigned Counsel	8	0	27,500	34,750	54,000	115,000
All Private Practitioners	2,199	\$45,000	\$84,000	\$122,271	\$145,000	\$360,000

* Total includes categories not displayed due to insufficient number reporting within a single category.

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Exhibit 2

2010 Estimated Attorney Income—Non-Private Practitioners

	Value by Percentile					
	N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
In house counsel (for-profit org.)	185	\$86,000	\$126,000	\$140,464	\$176,000	\$298,333
In-house counsel (family or closely held business)	29	75,000	100,000	122,383	170,000	275,000
Legal service agency	81	45,000	54,000	60,481	70,000	97,000
In-house counsel (not-for-profit org.)	79	75,000	105,000	105,807	125,000	197,000
City agency	18	68,000	87,700	88,869	115,000	121,613
County agency	41	62,500	88,000	81,252	102,000	118,000
State agency	114	79,000	93,500	91,283	105,000	125,000
County prosecutor	18	80,000	83,500	87,972	110,000	130,000
County assistant prosecutor	65	52,600	64,000	70,017	84,000	120,000
Public defender	12	55,500	76,500	80,700	99,000	150,000
Judge-State	57	138,000	139,000	127,867	139,919	150,000
Judge-Federal	9	147,000	160,000	152,920	160,080	176,000
Administrative law judge/referee	58	70,000	85,000	83,294	93,000	130,000
Law Clerk	45	45,000	60,000	65,262	76,000	130,000
Court Clerk	6	42,000	70,000	82,500	136,000	150,000
Non clerk attorney in court system	55	62,000	75,000	79,231	95,500	134,000
Federal prosecutor	12	122,500	142,500	136,667	153,000	160,000
Other federal agency	40	63,601	84,000	88,701	115,811	147,500
Academia/professor of law	59	65,000	85,000	103,644	140,000	225,000
Lobbyist/trade assoc./gov. relations	9	70,000	100,000	129,553	130,000	400,000
Management/nonlegal	38	79,700	108,500	121,181	150,000	272,000
Non-profit organization, not law related	17	45,000	65,000	69,041	105,000	122,000
Not practicing law but working	60	55,000	73,000	103,087	98,000	275,000
Retired	6	55,000	77,500	83,500	116,000	120,000
Other	11	10,000	22,000	25,045	36,000	60,000
All Non-Private Practitioners	1,130	\$62,000	\$88,000	\$99,125	\$123,000	\$200,000

* Total includes categories not displayed due to insufficient number reporting within a single category.

II 2010 Attorney Hourly Billing Rates

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Exhibit 3

2010 Attorney Hourly Billing Rates

	N	Value by Percentile				
		25th Percentile	Median	Mean	75th Percentile	95th Percentile
Sole Practitioner, office outside of home	545	\$167	\$200	\$214	\$250	\$350
Sole Practitioner, working out of home office	297	150	175	180	200	300
Sole Practitioner sharing space	142	175	200	220	250	320
Managing Partner	169	200	250	278	315	500
Equity Partner/Shareholder	599	200	250	282	350	475
Non-Equity Partner	133	210	275	283	350	475
Of Counsel	94	200	250	267	325	460
Senior Associate	199	167	200	222	250	400
Associate	215	153	195	203	228	310
Assigned Counsel	5	125	150	210	250	500
Unemployed, looking for work	7	58	120	137	200	300
All Private Practitioners	2,415	\$175	\$215	\$237	\$280	\$425

* Total includes categories not displayed due to insufficient number reporting within a single category.

Exhibit 4

2010 Attorney Hourly Billing Rates by Years in Practice

Years in Practice	N	Value by Percentile				
		25th Percentile	Median	Mean	75th Percentile	95th Percentile
<1	29	\$125	\$150	\$154	\$190	\$200
1 to 2	158	150	163	174	200	275
3 to 5	186	150	175	189	200	310
6 to 10	229	163	200	205	240	300
11 to 15	254	175	211	232	265	400
16 to 25	523	185	228	255	300	450
26 to 30	339	180	233	248	300	425
31 to 35	335	185	233	253	300	450
>35	355	200	250	265	315	460
All Private Practitioners	2,408	\$175	\$215	\$236	\$279	\$425

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2010 Attorney Hourly Billing Rates by Firm Size

----- Value by Percentile -----						
Firm Size	N	25th Percen- tile	Median	Mean	75th Percen- tile	95th Percen- tile
1	949	\$150	\$200	\$203	\$250	\$350
2	224	175	214	227	253	375
3	161	175	220	226	250	350
4 to 6	312	175	225	248	294	450
7 to 10	188	175	222	233	259	400
11 to 20	173	200	260	287	350	450
21 to 50	203	192	270	276	338	460
>50	175	215	300	313	400	525
All Private Practitioners	2,385	\$175	\$215	\$235	\$275	\$420

Exhibit 6

2010 Attorney Hourly Billing Rates by Office Location

Office Location	N	----- Value by Percentile -----				
		25th Percentile	Median	Mean	75th Percentile	95th Percentile
Downtown Detroit & New Center Area	190	\$200	\$255	\$290	\$375	\$525
Detroit, not Downtown	26	167	200	195	233	300
Remainder Wayne County	155	167	200	211	250	317
Oakland County (N. of M-59)	80	161	225	251	289	542
Southfield	137	195	265	285	350	500
Oakland County (S. of M59)	557	190	250	260	300	455
Mount Clemens Area	52	160	200	210	244	350
Remainder Macomb County	91	175	200	216	250	325
Ann Arbor Area	126	200	275	272	325	425
Livingston County	31	160	200	201	225	250
Battle Creek Area	21	160	200	184	225	250
Bay City/Midland/Saginaw Area	64	150	175	182	200	250
Flint Area	92	150	188	201	225	350
Grand Rapids Area	242	185	225	246	300	420
Jackson Area	38	150	175	190	200	300
Traverse City Area	68	152	190	193	209	325
Kalamazoo Area	56	167	210	213	260	350
Lansing Area	149	155	200	221	250	375
Muskegon/Mid-Michigan Area	53	150	195	197	225	367
Other metro Areas	26	150	183	181	220	250
Out State, Lower Peninsula	123	150	180	189	208	287
Upper Peninsula	37	125	150	156	183	200
All Private Practitioners	2,414	\$175	\$215	\$236	\$278	\$425

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2010 Attorney Hourly Billing Rates by Field of Practice

Field of Practice	Valid N	Value by Percentile				
		25th Percentile	Median	Mean	75th Percentile	95th Percentile
Administrative Law	64	\$180	\$225	\$243	\$300	\$420
Alternative Dispute Resolution	70	200	250	261	325	390
Appellate Law	101	185	250	259	320	450
Auto (not lemon) Law	56	150	300	358	450	900
Bankruptcy, Creditor	76	185	230	254	290	500
Bankruptcy, Debtor	136	175	200	209	250	300
Business Planning	297	200	250	246	275	390
Civil Rights	55	175	230	255	325	450
Collections, Creditor	126	155	195	198	245	300
Collections, Debtor	17	165	200	221	290	375
Condemnation Law	8	231	333	343	493	600
Construction Law	94	200	240	236	265	375
Consumer Law (including lemon law)	33	200	300	301	350	515
Criminal (Private Defendant)	233	150	200	203	250	325
Criminal (Public Defendant)	124	50	125	123	188	250
Employment Litigation (Defendant)	91	200	250	260	300	450
Employment Litigation (Plaintiff)	77	200	250	256	300	400
Environmental law	48	200	253	281	350	460
Family Law	468	150	200	199	225	300
Foreclosure, Debtor	17	175	200	211	250	350
Foreclosure, Lender	32	175	195	210	248	295
General Practice	445	175	200	207	250	300
Health & Hospital Law	51	200	250	265	320	420
Immigration Law	34	195	200	221	250	365
Insurance Law	145	135	175	240	300	500
Intellectual Property/ Trade Secrets	98	200	268	287	350	455
Labor Law (Defendant)	49	200	265	284	345	485

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2010 Attorney Hourly Billing Rates by Field of Practice

Field of Practice	Valid N	Value by Percentile				
		25th Percentile	Median	Mean	75th Percentile	95th Percentile
Labor Law (Plaintiff)	27	144	175	181	200	325
Landlord/Tenant (Commercial)	29	195	250	232	275	350
Landlord/Tenant (Residential)	49	150	175	175	200	250
Medical Malpractice (Plaintiff)	50	250	400	374	450	600
Medical Malpractice (Defendant)	50	140	150	155	170	210
Other Civil Law	375	195	250	262	300	455
Other Professional Liability	29	185	250	280	350	485
Personal Injury (Defendant)	115	135	150	166	180	250
Personal Injury (Plaintiff)	223	225	300	327	400	600
Probate, administration, decedent's estates, guardianship & conservatorship.	326	160	200	204	240	305
Probate litigation, decedent's estates, guardianship & conservatorship.	109	190	220	224	250	320
Probate, Trust Administration	144	200	225	238	275	380
Probate, Trust Litigation	32	240	288	298	334	455
Product Liability	45	225	250	274	325	500
Public Benefits	19	175	200	230	250	500
Public Corporation Law (including city & municipal)	76	125	150	167	188	285
Real Estate	367	180	225	232	250	380
Securities Law	27	245	290	287	350	410
Tax Law	94	225	275	285	335	425
Workers' Compensation, Employee	31	150	200	203	250	350
Workers' Compensation, Employer	19	90	100	124	145	375
All Private Practitioners	5,281	\$175	\$205	\$233	\$275	\$410

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2010 Attorney Hourly Billing Rates by Primary County of Practice

Primary County of Practice	Valid N	Value by Percentile				
		25th Percentile	Median	Mean	75th Percentile	95th Percentile
Allegan	35	\$180	\$200	\$231	\$250	\$420
Alpena	6	150	160	168	190	200
Antrim	17	150	185	184	200	300
Arenac	7	150	150	187	200	425
Barry	13	200	220	212	240	300
Bay	47	150	180	184	200	275
Benzie	12	170	185	178	220	240
Berrien	31	150	200	211	250	325
Branch	12	150	195	189	213	240
Calhoun	43	150	200	188	230	300
Cass	6	180	200	192	220	225
Charlevoix	7	200	200	211	225	275
Cheboygan	6	150	200	184	200	205
Chippewa	6	150	155	148	175	200
Clare	10	150	190	209	250	327
Clinton	40	150	200	214	250	350
Delta	9	150	175	173	185	225
Dickinson	6	125	138	150	175	200
Eaton	69	150	200	213	250	375
Emmet	13	180	200	215	270	350
Genesee	138	150	200	213	250	400
Gladwin	5	150	175	160	200	225
Grand Traverse	72	175	200	204	225	350
Gratiot	7	150	165	183	200	275
Houghton	8	110	150	133	163	200
Huron	6	175	178	198	185	295
Ingham	161	175	200	231	265	425
Ionia	10	150	163	175	200	250
Isabella	14	150	188	180	210	275
Jackson	57	150	200	222	250	350
Kalamazoo	77	150	220	223	280	365
Kent	259	180	240	251	300	420
Lapeer	23	150	195	214	250	350
Leelanau	28	175	200	195	233	250
Lenawee	13	175	200	213	250	400
Livingston	75	150	200	209	250	350
Macomb	457	175	225	235	275	400
Manistee	11	150	185	170	195	225
Marquette	17	150	175	180	200	390
Mason	11	160	190	194	225	310
Mecosta	5	165	200	173	200	225
Menominee	6	125	175	192	200	350

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2010 Attorney Hourly Billing Rates by Primary County of Practice

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----- Value by Percentile -----

Primary County of Practice	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Midland	23	175	200	200	235	250
Missaukee	5	175	180	182	190	200
Monroe	23	150	175	176	220	250
Montcalm	13	150	200	191	225	350
Muskegon	58	150	185	200	230	385
Newaygo	12	163	193	183	225	275
Oakland	993	185	250	254	300	450
Oceana	13	160	185	214	225	400
Ogemaw	6	125	150	149	150	200
Osceola	5	125	180	191	225	300
Otsego	6	175	208	209	250	290
Ottawa	141	175	220	231	265	405
Roscommon	6	150	150	188	175	350
Saginaw	59	150	175	192	225	365
Sanilac	20	178	205	204	238	300
Schoolcraft	12	150	195	191	223	280
St. Joseph	20	150	175	192	213	375
Tuscola	12	138	168	162	188	250
Van Buren	18	170	210	207	255	325
Washtenaw	193	200	250	261	300	440
Wayne	942	180	230	255	300	485
Wexford	8	180	188	195	200	250
Statewide	58	215	300	307	400	525
All Private Practitioners	4,548	\$175	\$210	\$236	\$275	\$425

* Total includes counties that had less than five respondents.

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2010 Attorney Hourly Billing Rates by Primary Circuit of Practice

Circuit	Valid N	Value by Percentile				
		25th Percentile	Median	Mean	75th Percentile	95th Percentile
2 Berrien	31	\$150	\$200	\$211	\$250	\$325
3 Wayne	942	180	230	255	300	485
4 Jackson	57	150	200	222	250	350
5 Barry	13	200	220	212	240	300
6 Oakland	993	185	250	254	300	450
7 Genesee	138	150	200	213	250	400
8 Ionia, Montcalm	23	150	185	184	225	275
9 Kalamazoo	77	150	220	223	280	365
10 Saginaw	59	150	175	192	225	365
11 Alger, Luce, Mackinac, Schoolcraft	16	150	195	194	238	280
12 Baraga, Houghton, Keeweenaw	11	55	150	117	150	200
13 Antrim, Grand Traverse, Leelanau	117	175	200	199	225	300
14 Muskegon	58	150	185	200	230	385
15 Branch	12	150	195	189	213	240
16 Macomb	457	175	225	235	275	400
17 Kent	259	180	240	251	300	420
18 Bay	47	150	180	184	200	275
19 Benzie, Manistee	23	160	185	175	210	225
20 Ottawa	141	175	220	231	265	405
21 Isabella	14	150	188	180	210	275
22 Washtenaw	193	200	250	261	300	440
23 Alcona, Arenac, Iosco, Oscoda	21	150	175	194	200	300
24 Sanilac	20	178	205	204	238	300
25 Marquette	17	150	175	180	200	390
26 Alpena, Montmorency	10	150	160	174	200	250
27 Newaygo, Oceana	25	160	185	199	225	300
28 Missaukee, Wexford	13	180	185	190	200	250
29 Clinton, Gratiot	47	150	195	210	250	350
30 Ingham	161	175	200	231	265	425
32 Gogebic, Ontonagon	5	90	100	82	100	100
33 Charlevoix	7	200	200	211	225	275
34 Ogemaw, Roscommon	12	150	150	168	163	350
36 Van Buren	18	170	210	207	255	325
37 Calhoun	43	150	200	188	230	300
38 Monroe	23	150	175	176	220	250

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2010 Attorney Hourly Billing Rates by Primary Circuit of Practice

----- Value by Percentile -----						
Circuit	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
39 Lenawee	13	175	200	213	250	400
40 Lapeer	33	150	195	204	250	350
41 Dickinson, Iron, Menominee	14	125	150	166	175	350
42 Midland	23	175	200	200	235	250
43 Cass	6	180	200	192	220	225
44 Livingston	75	150	200	209	250	350
45 St. Joseph	20	150	175	192	213	375
46 Crawford, Kalkaska, Otsego	6	120	175	158	200	225
47 Delta	9	150	175	173	185	225
48 Allegan	35	180	200	231	250	420
50 Chippewa	6	150	155	148	175	200
51 Lake, Mason	14	160	193	194	225	310
52 Huron	6	175	178	198	185	295
53 Cheboygan, Presque Isle	7	150	200	186	200	205
54 Tuscola	12	138	168	162	188	250
55 Clare, Gladwin	15	150	180	193	250	327
56 Eaton	69	150	200	213	250	375
57 Emmet	13	180	200	215	270	350
84 Statewide Practice	58	215	300	307	400	525
Total	4,548	\$175	\$210	\$236	\$275	\$425

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* Total includes counties that had less than five respondents.

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MICHAEL FRANCK BUILDING
306 TOWNSEND STREET
LANSING, MI 48933-2012

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