

For law firm salaries: bigger is better and men still make more

I'm thrilled to be headed back to New York City next week for the Law [Firm Leadership and Economic Forum](#) where David Brown, editor in Chief of *The National Law Journal* will be presenting some of the key findings from the ALM Survey of Law Firm Economics. You can follow my live tweets at the conference under the hashtag #ALMecon. If you don't know what a hashtag is or how they work at conferences- [CLICK HERE](#).

According to the [2009 ALM Survey of Law Firm Economics](#) there was a specific recipe for an attorney to maximize their income in 2009. Some of these are obvious, while others- like the gender gap are a little more surprising. ([All graphics come from this special report.](#))

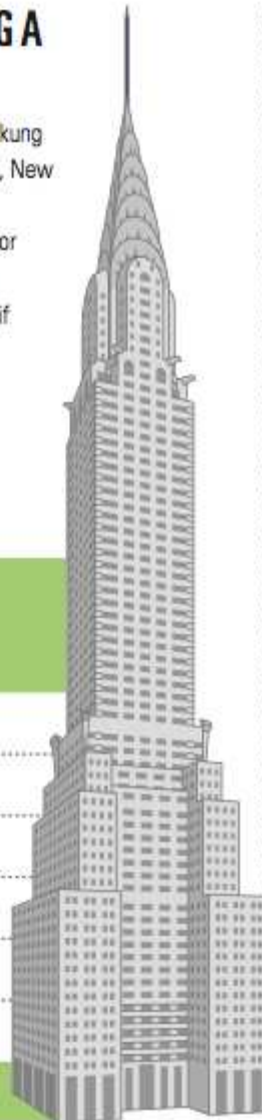
For instance, we all know that salaries are higher in NYC, but the disparity is more dramatic than you might think.

COMPENSATION: WHAT'S SO GREAT ABOUT BEING A NEW YORK PARTNER?

Sure there's the culture and cachet of living in Big Apple—and try getting kung pao chicken delivered at 3 a.m. in Milwaukee. But for all the convenience, New York partners are saddled with a cost of living that severely siphons their purchasing power. Here's a breakdown of top partner salaries—defined for this purpose as average salaries for partners in the top 10% of Survey of Law Firm Economics respondents—and what those partners would earn if they had the same salary in New York.



CITY	TOP-EARNING PARTNERS, AVERAGE SALARY	COMPARABLE SALARY IN NEW YORK
Chicago	\$760,000	\$1,141,000
Grand Rapids, Mich.	\$493,000	\$1,035,000
Milwaukee	\$647,000	\$1,251,000
Pittsburgh	\$643,000	\$1,228,000
St. Louis	\$505,000	\$1,036,000
Washington, D.C.	\$920,000	\$1,152,000
New York	\$921,000	-



Before you start packing up and booking your travel plans to move to NYC, keep in mind that a 3-bedroom apartment in Manhattan will still [cost you on average about \\$2.3 Million](#). Your money may go a little further by sticking it out in Milwaukee.

According to the survey larger firms also had far greater revenue per lawyer.

REVENUE PER LAWYER: SIZE DOES MATTER

Perhaps it's no surprise that revenue per lawyer (RPL) is highest at the largest firms surveyed. Although they may be bringing in more than their smaller counterparts, larger firms had relatively flat revenue numbers in 2009. Meanwhile, RPL grew fastest at the smallest firms surveyed (firms with two to eight lawyers). At those firms, the average RPL jumped 10% from \$315,000 to \$350,000.

FIRM SIZE: 2-8 LAWYERS

2009 Revenue per lawyer **\$350,000**
2008 Revenue per lawyer **\$315,000**
Change **10.0%**

FIRM SIZE: 9-20 LAWYERS

2009 Revenue per lawyer **\$373,000**
2008 Revenue per lawyer **\$380,000**
Change **-1.9%**

FIRM SIZE: 21-40 LAWYERS

2009 Revenue per lawyer **\$374,000**
2008 Revenue per lawyer **\$370,000**
Change **1.1%**

FIRM SIZE: 41-75 LAWYERS

2009 Revenue per lawyer **\$395,000**
2008 Revenue per lawyer **\$390,000**
Change **1.3%**

FIRM SIZE: 75-150 LAWYERS

2009 Revenue per lawyer **\$418,000**
2008 Revenue per lawyer **\$426,000**
Change **-1.9%**

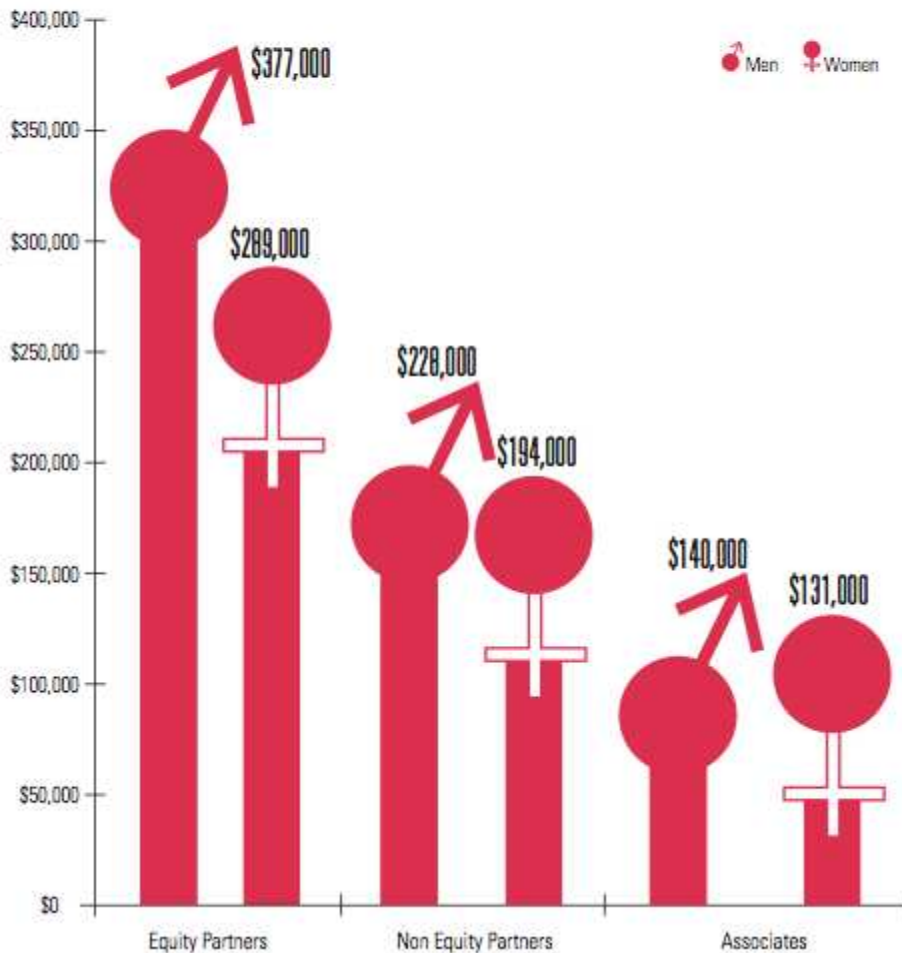
FIRM SIZE: 150+ LAWYERS

2009 Revenue per lawyer **\$447,000**
2008 Revenue per lawyer **\$444,000**
Change **0.7%**

Perhaps most surprising was the gender gap. You would expect senior equity partners to on average make more, but the study revealed that at every level, even for associates, men were making more than women.

WHEN IT COMES TO PAY, A CLEAR GENDER GAP

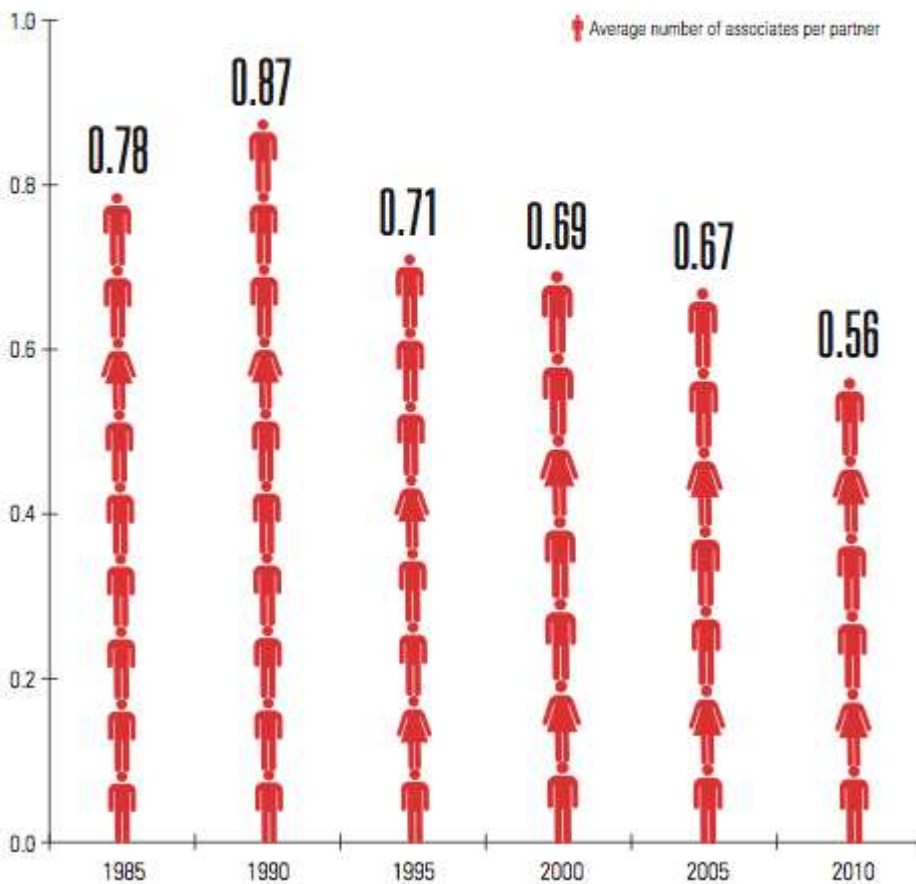
Firms surveyed showed fairly stark gaps between pay rates for men and women. Part of the problem may be sheer numbers of women versus men in the equity partner ranks. But the pay disparity is clear through all levels, and it widens as attorneys advance through their careers: Women earn 76% of men's salaries as equity partners, 85% at the nonequity level and 93% in the associate ranks.



Apparently the pyramid structure of law firms is also taking a hit. As the baby boomers get older firms are struggling with a tendency to be more and more top-heavy.

ASSOCIATE-TO-PARTNER RATIOS: ON THE DECLINE

How dark was the job picture for associates? One way to find out is by looking at the ratio of associates to partners at firms that took the survey. Last year, firms registered .56 associates per partner. That is the lowest level in 25 years—and last year's number represented the biggest single-year decline since the 1990s. The reduced ratio signals layoffs of associates and first-year deferrals at many firms surveyed. Cuts were heaviest—an average of 11% or better—at mid-sized firms (defined here as 41-150 lawyers), but the declines were felt across the board.



Tune in for more details on the survey next week by following me on Twitter @adriandayton or by following the hashtag #ALMecon

Adrian Dayton is an attorney and author of the book, [Social Media for Lawyers: Twitter edition](#). [CLICK HERE](#) for a free chapter.