

The Demographics of Equity

by James G. Leipold and Judith N. Collins

Are equity partners in law firms disproportionately white men? It turns out that the answer is probably yes, and no.

There has been considerable speculation about and consternation over the prospect that the ranks of non-equity partners were filled disproportionately with women and minority lawyers. Until now there has not been good industry data available to help answer this question.

For the first time, in 2011 NALP included reporting of equity and non-equity partner information in the *NALP Directory of Legal Employers*. Many firms with multi-tier partnership structures reported on the demographics of their equity and non-equity partners, and, as a result, we are now able to say something about the disparities that do or do not exist. The findings are many, but the bottom line is that while partners in general continue to be disproportionately both male and white, among women lawyers and minority lawyers who are partners, there is not a dramatic skew toward non-equity status.

This new data is by no means definitive, but it is the beginning of being able to say something meaningful about the ranks of equity and non-equity partners as to race and gender. Although many firms with multi-tier partnerships did not provide equity/non-equity demographics in this first year, many did, accounting for just over 20,000 partners, or about half of the partners in the directory who are at firms with multi-tier partnerships. Tables 1-3 provide several perspectives on the initial findings.

Overall, based on those offices that provided information, 65% of male partners were equity partners as of February 2011, while just under half

(47%) of both women partners and minority partners were equity partners, a differential of 18 percentage points. See Table 1.

Among equity partners, about 84% were men, 16% were women, and just under 5% were racial/ethnic minorities. (The minority figures include both men and women, so the three figures add to more than 100%.) Among non-equity partners, the respective figures were 72% men, 28% women, and 8% racial/ethnic minorities. See Table 2.

Finally, among all partners, the equity/non-equity split is about 61%/39%. Just over half of partners were male equity partners; not quite 10% were women equity partners; and almost 3% were minority equity partners (Again, minorities are also included in the counts by gender.) See Table 3.

Given the fact that law firm partners are still overwhelmingly white and mostly male — about 94% of all partners are white and about 81% are men according to NALP's most recent figures — these new findings do not paint a picture as gloomy as many feared. In other words, only 19% of all partners are women while 47% of women partners are equity partners, nearly 16% of all equity partners are women, and nearly 10% of all partners are women with equity. Similarly, only 6% of all partners are minority lawyers while 47% of minority partners are equity partners, nearly 5% of all equity partners are minority, and more than 3% of all partners are minorities with equity. The disparities by race and gender are stark, to be sure, but the proportion of women and minorities who are equity partners is not dramatically worse than the overall numbers of women and minorities who are partners. Many industry observers feared that the disparities would be greater than they appear to be.

Any conclusions drawn from this data must be stated very tentatively, however. Given how closely some firms hold the information about equity and non-equity demographics, we were pleased to receive the information for half of all partners in multi-tier firms listed in the directory in the first year of this data collection effort. Whether the findings based on those who did report can be extrapolated to the larger group of offices with multi-tier partnerships, however, is not known. We do not know the characteristics of those offices that did not report and there is no other publicly available data set to use for comparison purposes, so these data must stand on their own until more data can be gathered.

We are hopeful that, as with most of NALP's data collection efforts, a larger percentage of law firms will provide the information as time goes by. Go-

ing forward, law students and other constituencies will likely push additional law offices to report on their equity/non-equity partner demographics, and law firms will likely grow more comfortable reporting this data in a variety of settings. As a result, hopefully a broader and even more representative data set can be built.

To determine whether an individual law firm or law office is a multi-tier firm, and to determine if multi-tier demographic data were submitted, you can review an individual law office's NALP form at www.nalpdirectory.com.

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Table 1. Percent of Partners Reported as Equity Partners by Gender or Minority Status

Men partners.....	16,134
% equity	64.9%
Women partners	4,104
% equity	47.0%
Minority partners	1,229
% equity	47.1%

Table 2. Distribution of Equity and Non-equity Partners by Gender or Minority Status

Equity partners	12,396
% men.....	84.4%
% women	15.6%
% minority	4.7%
Non-equity partners.....	7,842
% men.....	72.3%
% women	27.7%
% minority	8.3%

Table 3. Distribution of All Partners by Equity Status and Gender or Minority Status

Total partners	20,238
% equity	61.3%
% men equity	51.7%
% women equity.....	9.5%
% minority equity.....	2.9%
% non-equity.....	38.7%
% men non-equity	28.0%
% women non-equity.....	10.7%
% minority non-equity.....	3.2%

Note: Figures are based on 317 offices/firms that have a tiered partnership and also reported information on equity and non-equity partner counts. A number of firms that otherwise reported information on an office-by-office basis reported the partnership information on a firm-wide basis. Minorities are also counted as men or women, hence percentages add to more than the total.