SUMMARY

Last year’s 2013 Diversity Benchmarking Report, reflecting on a decade of data, indicated upward trends for minority and women attorneys, greater representation of LGBT attorneys, and a greater commitment to diversity resources. However, it also reflected challenges in the equity-partnership model for minorities and women, and high levels of voluntary attrition for these groups.

The New York City Bar’s signatory firms saw both diversity gains and losses in 2014. Firm support for diversity efforts continued to grow over the last year. However, attrition remains a persistent challenge. Representation of minority attorneys fell in 2014. Representation of women fell at the special counsel level but was steady for all associates, countered by an increased representation of women in the leadership ranks.

Diversity Support
Signatory firms continue to indicate the importance of firm engagement and investment in diversity progress with increased financial resources, staff resources, and greater accountability for firm partners from the 2013 to the 2014 results. The vast majority of firms anticipated an increased financial commitment to their diversity efforts in 2015.

Women Attorneys
In 2014, the representation of women partners hit a peak and signatory firms saw improved results for women among top leadership bodies. However, at the same time, new partner promotions declined from 33.2% in 2013 to 29.2% in 2014 reaching the level last seen in 2006. Women associates, who represent the critical pipeline of talent, also left signatory firms at elevated rates in 2014, consistent with the decline reported in 2013.

Minority Attorneys
The 2014 benchmarking data illustrated multiple setbacks for minority attorneys, with small declines in representation at key levels, reduced racial and ethnic diversity across the associate pool, and a small increase in the percentage of signatory firms with no attorneys of color on the management committee. Additionally, the prevalence of attorneys of color in non-equity versus equity roles increased in 2014, and minority attorneys continue to report considerably higher attrition rates than average in the 2014 calendar year.
Diversity Support

Firm Report Growing Importance of Diversity Support

Several signals indicate that diversity and inclusion remain key priorities for signatory firms. In the 2014 results, signatory firms continue to provide several core elements to support their diversity efforts. More than 90% of firms indicate the presence of a diversity council, a diversity budget, and the existence of affinity groups. Among the diversity elements tested, firms are least likely to report that partners are evaluated on diversity results, but that figure increased from 48% to 53% between 2013 and 2014.

More than 50% of firms reported management committee member representation on the diversity committee, with 30% serving as Chair, which demonstrates commitment from firm leadership to diversity and inclusion efforts. Additionally, diversity budget figures have been robust, with 96% of firms reporting that diversity budgets remained steady or increased from 2013 to 2014, and nearly 80% of firms anticipate an increase in their diversity budgets for the 2015 calendar year.

Diversity training was offered in more than 90% of signatory firms. Most of these training programs are mandatory; however, the audience ranges from full firm participation required to complete training to only partners, only associates, or only new hires. Affinity groups are a foundational element for prioritizing diversity, and signatory firms report sponsoring an average of five affinity groups per firm. In addition to the most common affinity groups including women, LGBT employees, African-American, Hispanic and Asian groups, signatory firms reported innovative efforts to provide support for working parents and new mothers, veterans, and those caring for a disabled relative.

The 2014 survey reflected an increase of law firms that attributed at least one element of diversity support as a matter of “extreme importance” in driving change. In 2014, 83% of signatory firms reported that having a dedicated diversity professional was of extreme importance, an increase from 68% of firms in 2013. The importance of a dedicated diversity budget increased to 72% in 2014 from 63% in 2014, and the importance of partners being evaluated on diversity metrics increased from 33% in 2013 to 38% in the 2014 survey results.
Women Attorneys

Women Partners Hit New Peak

The 2014 benchmarking data illustrated notable gains for women in leadership roles at signatory law firms. Women partners at signatory firms reached the highest level in 2014 since the New York City Bar began tracking diversity data. Additionally, the percentage of women serving on firms’ management committees rose to 18.3% in 2014, an increase from 13.5% in 2007, when diversity data on senior leaders at signatory firms was first captured, and an increase of 1.4% from the 2013 survey results.

Women representation on firms’ management committees also saw key gains, with the number of law firms lacking any female representation on management committees declining from 25% in 2013 to 15% in the 2014 results. At the same time, a greater percent of firms indicated three or more women practice group leaders in the 2014 data, increasing from 51% in 2013 to 60% in 2014.

While the trend line for women partners was favorable, the 2014 benchmarking data reflected the percent of female new partner promotions dropped from 33.2% at the end of 2013 to 29.2%, while the representation of women lateral partner hires remained flat at nearly 24%.

Also concerning is the elevated attrition rate for women attorneys at the associate level – 26.0% in comparison to 23.9% for white male associates – who constitute the future pipeline of talent to firm leadership. Among all attorneys, 21.3% of women left signatory firms in 2014, compared to 14.7% of white men.

1 Partner figures were tracked from the very beginning while data for MC, PGH, etc. was not first captured until the 2007 survey.
2 The City Bar collects only raw data on voluntary attrition, and does not collect information on reasons for leaving or involuntary attrition.
Minority Attorneys Lose Ground

In the 2014 survey results, representation of minority attorneys fell across the board: minority associates declined from 26.9% in 2013 to 26.2%, special counsel attorneys from 12.0% in 2013 to 10.9%, and partners from 8.4% in 2013 to 8.2%. While these figures remain well above the representation of minority attorneys when the New York City Bar first began tracking diversity benchmarking data, it is challenging to see declines of any magnitude given the slow rate of progress through time.

Additional setbacks for attorneys of color were evident across the associate pool, ranging from junior to mid-level to senior level associates. From 2013 to 2014, the representation of attorneys of color declined at several junctures across the associate pipeline. For example, third-year minority attorneys declined from 30% to 28%, fourth-years from 30% to 25% and seventh-years from 25% to 22%. Signatory firms compared favorably in comparison to National Association for Law Placement (NALP) data, with 26.2% of minority associates versus 25.6% in 2014. Minority associate representation in signatory firms compared favorably with NALP data; with signatory firms reporting 26.2% representation of minority associates compared to 25.6% representation within all NALP New York City firms.

Perhaps not surprisingly, minority attorneys leave signatory firms at elevated rates. The 2014 data reflected that 24% of minority attorneys left signatory firms in the 2014 calendar year, compared to an 18% voluntary attrition rate of all attorneys and 15% of white men.
Minority Attorneys

Over the last ten years, the New York City Bar has documented a pattern of disproportionate representation of minority and women partners in income partnerships, rather than equity partnerships. As illustrated in the chart below, minority attorneys accounted for 11.6% of income, and 7.2% of equity, partners across firms at the end of 2014. Furthermore, the relative proportion of minority partners in equity roles declined from 80% in 2013 to 70% in 2014. The turnover rate for income partners was more than double that of equity partners, 8.3% compared to 4.0%, in the 2014 results.

Among firm leadership roles, minority attorneys saw modest increases from 2013 to 2014 in their representation as management committee members – from 5.2% to 6.4% as well as an increase in representation of minority practice group heads from 5.8% to 6.1%. The percent of firms with three or more minority attorneys among the senior leadership bodies also increased slightly.
Final Notes & Acknowledgements

Despite the reported emphasis on diversity support, the attrition of minority and women attorneys tells a different story. The New York City Bar is committed to providing support for its signatory firms to help bridge this gap.

The New York City Bar, through its Committee to Enhance Diversity in the Profession, is undertaking an initiative to review, update, and streamline the Diversity Benchmarking Survey. The City Bar is grateful for the volunteers, signatory firms, and individuals who have contributed to this effort, and look forward to sharing the new survey and report in 2016.

The 2014 Report was created under the leadership of New York City Bar Association President Debra L. Raskin; Executive Director Bret I. Parker; former General Counsel Alan Rothstein; and Director of Diversity and Inclusion Gabrielle Lyse Brown. Lisa Levey of Libra Consulting led the research and writing effort. Special thanks to Deloitte Transactions and Business Analytics LLP for the individual firm reports, especially Daniel Krittman, Sara Vandermark, and Stephen Palazola. Special thanks also to the Committee to Enhance Diversity in the Profession, chaired by Sheila Boston of Kaye Scholer LLP and Nate Saint-Victor of Morgan Stanley, and the Benchmarking Task Force, chaired by Joseph Drayton of Cooley LLP; the City Bar Fund Board; Clare Plunkett and Monica Parks of the Office for Diversity and Inclusion; SPSS for fielding the survey; and all of the individuals at the firms who took the time to complete the survey.