



REDUCED HOURS,
FULL SUCCESS:
PART-TIME PARTNERS
IN U.S. LAW FIRMS

SUMMARY OF FINDINGS:
DENVER LAW FIRMS

by

Cynthia Thomas Calvert
Linda Bray Chanow
and
Linda Marks

Copyright 2010 The Project for Attorney Retention

INTRODUCTION

Denver¹ was one of the three cities studied for PAR's part-time partner report, *Reduced Hours, Full Success: Part-Time Partners in U.S. Law Firms*.² Denver was included thanks to the interest and efforts of the Colorado Women's Bar Association Foundation, as well as its co-sponsors, the Colorado Bar Association, Faegre & Benson LLP and the Donnell Initiative Fund.

This paper is intended to supplement the main report and identifies the findings and results that are specific to the Denver respondents. Although the characteristics and experiences of the attorneys interviewed from Denver tended to mirror the characteristics and experiences of the attorneys interviewed elsewhere, some noteworthy differences do exist and will be discussed herein.

Demographics

Denver has 592 partners among NALP-member firms, as of 2009.³ Denver has one of the highest percentages of women partners in the country, 22.55%.⁴ Also according to NALP, 4.4% of Denver's partners work part-time, higher than the national average.⁵ About 10% of female partners and almost 3% of male partners in Denver work part-time.⁶ The rate for male partners is another higher than average rate.⁷

As part of the overall study, PAR interviewed 24 part-time lawyers from Denver, 21 females and three males. Fourteen are equity partners (58%), seven are non-equity partners (29%), and three are counsel (13%). One partner of color participated. In addition, PAR interviewed four managing partners from Denver.

-
- 1 . All but two of the respondents from Colorado practiced law in Denver.
 - 2 . Cynthia Thomas Calvert, Linda Bray Chanow, and Linda Marks, *Reduced Hours, Full Success; Part-Time Partners in U.S. Law Firms* (Project for Attorney Retention, September 2009), available at <http://www.pardc.org/Publications/Part-TimePartner.pdf>.
 - 3 . NALP, *Most Lawyers Working Part-time are Women – Overall Number of Lawyers Working Part-Time Remains Small, Rate Little Changed Over Time* (Dec. 17, 2009), available at <http://www.nalp.org/parttimesched2009>. This is down from 737 in 2008. NALP, *Women Vastly Outnumber Men Among Part-Time Lawyers – Overall, Number of Lawyers Working Part-Time Is Small, Rate Little Changed Over Time* (Dec. 18, 2008), available at <http://www.nalp.org/parttimelawyers>.
 - 4 . NALP, *Law Firm Diversity Demographics Show Little Change, Despite Economic Downturn* (Oct. 21, 2009), available at <http://www.nalp.org/oct09lawfirmdiversity> (women are 19.21% of partners nationally).
 - 5 . See NALP, *Most Lawyers Working Part-time are Women*, *supra* n.3 (3.5% of partners nationally work part-time). Note that the Denver figure decreased from 5.2% in 2008 to 4.4% in 2009, while the number of partners nationally increased from 3.2% in 2008 to 3.5% in 2009. See NALP, *Women Vastly Outnumber Men Among Part-Time Lawyers*, *supra* n.3.
 - 6 . See NALP, *Most Lawyers Working Part-time are Women*, *supra* n.3. Note that this number has decreased from 3.3% in 2008.
 - 7 . *Id.* Denver has one of the highest percentages of male partners working part-time (tied with Philadelphia and exceeded by only Minneapolis/St. Paul, Portland, Richmond, San Diego, San Francisco, San Jose and St. Louis).

The Denver respondents came from a proportionally greater number of small firms than the respondents in the other two markets on which the study focused:

Respondents By Firm size

50 or fewer attorneys	51 – 100 attorneys	101 – 250 attorneys	251 – 500 attorneys	501 – 750 attorneys	751 or more attorneys
8 ⁸	1	5	5	2	3

The participation of the Denver respondents from the small and mid-sized firms added breadth to the overall study and made its findings more relevant to mid-size legal markets in general.

The Denver respondents practiced in a variety of practice areas, similar to the overall respondent group:

Respondents By Practice Area

Litigation	Labor and Employment	Real Estate	Corporate	Securities	Intellectual Property	Mergers and Acquisitions	Immigration	Other
6	6	2	1	1	2	2	2	2

Seventy-one percent of female respondents in Denver (as compared to 94% of the female respondents in the overall study) reduced their hours for family-related reasons, as did 67% of the male respondents (57% in the overall study). Three respondents reduced their hours for health reasons, two as a phase-in to retirement, and two to have a better quality of life. All respondents had children, although some had reached adulthood and were no longer living at home. With respect to household chores, 80% of female respondents in Denver and in the study overall reported doing half or more of the work, while one-third of the male respondents in Denver and only a quarter of the males in the study overall can make the same claim.

8 . Six of the respondents practice in firms that have ten or fewer lawyers.

DENVER PART-TIME PARTNERS: KEY FINDINGS

Types of schedules worked

Similar to the findings discussed in the main report, Denver participants reported that their schedules vary according to client needs. The respondents were fairly evenly distributed among type of schedule; 35% reported working annualized hours (hours fluctuating significantly in response to client deadlines, with periods of long hours offset by time out of the office); 35% work fewer days per week; and 26% work fewer hours per day.

Flexible work arrangements and retention

The majority (71%) of Denver participants began working at their firms on a full-time basis. Of those who were promoted to partner, 62% were working reduced hours prior to the partnership decision. This number indicates that respondents' firms are doing well in terms of promoting part-time lawyers.

For Denver participants, the availability of reduced schedules was every bit as important to their firms' ability to retain them as for the participant group as a whole. Most (88%) said, some quite forcefully, that they would not have stayed at their firms if they could not have worked part-time. Several said that they would not leave their firms because they did not think they could find as good a part-time arrangement at another firm.

Client service

All respondents but one indicated that their part-time schedules did not impact client service. The lone respondent said that client service may be impacted occasionally. Most respondents stated that they are available all the time to their clients, even when not in the office, and they meet deadlines. One credited good management of case staffing by her firm as a reason her clients were not affected by her schedule. Several credited technology for allowing them to handle pressing matters when not in the office, although a couple noted that technology prevented them from having any "down" or private time.

Financial success

Revenue Generation. Similar to the overall group, most respondents (58%) billed between 1200 and 1600 hours per year. One-third billed less than 1200 hours per year (compared to 22% in the overall group), and 8% billed above 1600 hours (compared to 14% in the overall group). Therefore, Denver respondents had slightly more attorneys working a significantly reduced schedule than the overall group.

Respondents (n=11) reported billable hour rates between \$175 and \$715. A little more than a third reported rates below \$300 per hour (compared to 12% in the overall group), and 45% reported rates between \$300

and \$500 (compared to 30% in the overall group). The highest billable rates, those over \$500 per hour, constituted approximately 20% of the respondents (compared to 58% in the overall group). Therefore, the Denver respondents as a group had significantly lower billable rates. All stated that their billing rates were not affected by their part-time status, that is, that their rates were similar to the rates charged by full-time lawyers at their firms who were similar to them in seniority and expertise. This mirrors the findings of the overall group.

A partner billing \$400 per hour for 1400 hours per year would generate \$560,000 annually from his or her time alone.⁹ On a weekly basis, a 1400 year equates to approximately 28.5 billable hours per week with three weeks of vacation.

Business Origination. When asked about the impact of their reduced hours on business development activities, 61% of respondents said that they did as much or even more business development as their full-time counterparts. Equity partners tended to engage in business development more regularly than attorneys in non-equity or of counsel positions. Of the 61% of respondents who stated that they engaged in business development equal to or greater than their full-time counterparts, 72% were equity partners; of those reporting that they do less business development, 57% were non-equity partners.

Law Firm Governance

Like the participant group as a whole, most Denver participants (80%) reported being as involved or more involved in firm governance as their full-time counterparts. Only one respondent reported cutting back non-billable work. The rest said they have been a managing partner, served on the executive committee, been practice group heads, and served on or headed the hiring or recruiting committee and other important committees. They are also actively involved in associate training and mentoring, and many do pro bono work.

Of those who were not actively involved in firm governance, two were paid on an hourly basis and were not compensated for non-billable time.

Stigma

Denver participants reported feeling stigmatized in the same proportions as study participants as a whole (60% report no stigma). Interestingly, however, a significantly higher proportion of equity partners reported stigma and a significantly higher proportion of income partners reported no stigma:

	Reported No Stigma		Reported some or limited stigma		Reported Stigma	
	Denver	All	Denver	All	Denver	All
Equity Partners	55%	69%	0%	4%	45%	27%
Non-equity Partners	63%	45%	13%	36%	25%	18%

A review of the respondents' answers does not immediately reveal the reason for the differences.

9. For comparison purposes, we note that two years prior to the time the Denver participants were interviewed, revenues per lawyer in Denver were reportedly \$559,135. William D. Henderson and Arthur S. Alderson, *The Changing Economic Geography of Large U.S. Law Firms* (May 16, 2008), 3rd Annual Conference on Empirical Legal Studies Papers, available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1134223 (using 2006 data from American Lawyer and National Law Journal surveys).

The Denver participants' comments regarding stigma were similar to those made by the participants quoted in the main report. While many said they felt no stigma and some said they felt affirmatively supported, several respondents discussed attitudes within their firms that part-time lawyers were not committed to the firm, had taken their careers off-track, and were not as valuable or powerful as full-time lawyers. One noted that she would likely be a partner if not part-time.

Compensation

In discussing compensation systems in Denver, it is more useful to talk about firms than individual lawyers because in some instances, we interviewed more than one partner from a particular firm. Partners reported that six firms compensated partners using shares or units that had a dollar value based on the firm's profits, four firms placed partners in tiers or levels based on their compensation, and one based compensation solely on hours billed and collected. None were in firms that used a lockstep system or a system that based compensation solely on the discretion of one or several firm leaders. In addition, six non-equity respondents were compensated on a salaried basis, and three on an hourly basis.

As with the group of partners as a whole, most Denver partners who were at firms that use shares or tiers were awarded their shares or placed in their tiers as if they were full-time and then given a percentage of their shares or what others in their tiers received based on the percentage schedule they worked. We noted one important difference, however: there were more firms in Denver than any other city that "double dinged" their part-time partners by placing them in a lower tier based on their revenue generation and origination and then paying them a percentage of their tier; the placement in the lower tier happened based on a formula (or points) for some, and by discretion for others. Additionally, partners were more likely in Denver than other cities to be awarded a fractional share of units or shares to reflect their reduced billable hours, rather than be awarded their full shares and paid a fraction of the shares' values proportional to their schedules. As articulated in the main report by one of the respondent partners, this practice affects the partners' shares when the partner returns to a full-time schedule.¹⁰

At least one of the firms has an express policy that provides for a "haircut," that is, the policy provides that partners are to be paid a fraction of full-time compensation that is smaller than the fraction of full-time hours that they work.¹¹ One partner stated that her former firm imposed a haircut, so instead of working part-time at that firm, she left and went to a firm with a better part-time program.

At least two of equity partners stated that they believed they were underpaid. When comparing their contributions and those of similarly-situated partners working a standard schedule, they felt they received a greater reduction in compensation than their reduced hours warranted.

The six respondents who were salaried stated that their firms used different bases for determining the amount of their compensation. Two were paid negotiated amounts, one was paid a percentage of what she had been making while full-time, one was paid a percentage of what a full-time partner at her level would make, one was paid based on her contribution to the firm, and one was paid a percentage of what an associate would

10 . *Reduced Hours, Full Success, supra* n. 2, at 19-20.

11 . For a discussion of "haircuts," see *Reduced Hours, Full Success, supra* n. 2, at 19, 21.

make. Those paid on an hourly basis varied similarly; one was paid a negotiated amount, one was paid an amount based on what a full-time partner would make, and one was paid based on her experience and overhead.

Satisfaction

Almost three-quarters of the respondents indicated they are “very satisfied” with their part-time arrangements. The respondents attributed their satisfaction to schedule flexibility, being treated like a professional, and interesting work. The remaining quarter was “satisfied,” noting a few factors that prevented them from being completely content with their arrangements. These factors included firm policies that viewed part-time arrangements as temporary and requiring them to re-apply at intervals for reduced-hours work, and policies that limited the reasons for which they could reduce their hours (such as only for child care or care of a chronically ill family member).¹² In addition, at least one firm will not allow partners to have equity status if they work part-time on more than a temporary basis.

Almost all of the respondents indicated they plan to stay with their current firm at least for the next several years.

12 . PAR has previously discussed the importance of reason-neutrality in part-time programs; limiting the purposes for which one can work part-time does not effectively retain all the lawyers the firm wants to keep, forces the firm to decide which reasons are worthy, and can create “mommy tracks.” See Joan C. Williams & Cynthia Thomas Calvert, *Balanced Hours: Effective Part-Time Policies for Washington Firms* (2000), <http://www.pardc.org/Publications/BalancedHours.shtml>, and JOAN C. WILLIAMS & CYNTHIA THOMAS CALVERT, SOLVING THE PART-TIME PUZZLE: THE LAW FIRM’S GUIDE TO BALANCED HOURS (NALP 2004).

CONCLUSION

The experience of most of the Denver participants mirrors that of the participant group as a whole. Most of their firms have implemented best practices for reduced-hours programs, and it appears they are reaping the benefits by retaining highly experienced, very loyal partners who are providing excellent client service, generating new business, and serving as role models for younger lawyer and recruits.

A few of the participants reported that their firms have aspects of their part-time programs that could be improved. These include: limiting the reasons for which partners can work reduced hours; requiring part-time partners to re-apply for reduced schedules every year, limiting the period of time that equity partners can work reduced hours, double reducing part-time partners' compensation, and tolerating stigma associated with practicing part-time.