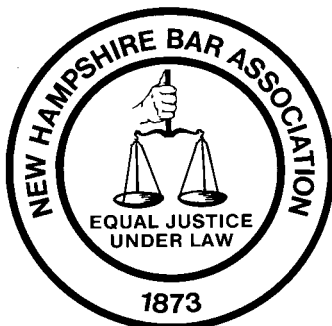


# THE 2000 DESKTOP REFERENCE ON THE ECONOMICS OF LAW PRACTICE IN NEW HAMPSHIRE

<b>Table of Contents</b>	<b>page</b>
Introduction	1
Summary Profile	5
Attorney Net Income	9
Billing Rates and Practices	18
Law Office Economics	25



**Survey sponsored by:**

The Law Practice Management Section  
New Hampshire Bar Association  
Concord, New Hampshire

**Report generation by:**

The Applied Statistics Laboratory  
Ann Arbor, Michigan

# Introduction

## Objectives

In 1985, 1990, 1996 and 2000, the Law Practice Management Committee of the New Hampshire Bar Association conducted membership surveys on the economics of law practice in New Hampshire. Between these years, New Hampshire has experienced periods of population and economic expansion. Meanwhile, the supply of attorneys has increased from 2,469 in 1985 to 3,545 (2,538 instate) in 1990 to 4,652 (2991 active, instate) in 1996 to 5,022 (3,010 active, instate) as of Spring, 2000.

To determine the impact of these changes on the profession, the Committee periodically monitors the membership with respect to:

- Attorney net income
- Salary levels paid associates, legal assistants and secretaries
- Prevailing hourly billing rates
- Allocation of time to various professional activities
- Other overhead expenses associated with maintaining a practice
- Use of law office equipment and services
- Perceptions of the current and future supply and demand for legal services
- Job satisfaction and stress (Beginning in 1996)

This report is useful to all attorneys evaluating their existing practices, to recent law school graduates contemplating practice in New Hampshire and to attorneys making mid-career decisions.

When compared across geographic area and over time, this information assists attorneys in developing their professional activities so as to provide more efficient and effect legal services to their clients. While there are many national and regional surveys available, they have little significance to the majority of New Hampshire lawyers who are sole practitioners or who practice in small firms in less populated areas of the State.

The Bar Association also receives requests for help in establishing assigned counsel fees, for help in cases involving judicial determination of attorney fees and for updates from the previous survey period. This report has been prepared to consolidate the information gained from the 2000 Survey in a useful and useable format to serve all of these needs.

## Methods

Economics of Law Practice Surveys were conducted during July and August 1985, during April and May 1990 and during May and June, 1996 and 2000. This report is based on the 2000 survey, which replicated many questions to denote trends.

A 31-question survey instrument was designed and mailed to all active New Hampshire Bar Association members by the Applied Statistics Laboratory (ASL) of Ann Arbor, Michigan. ASL tabulated and analyzed the data obtained from 824 returned questionnaires to prepare this report. These returns represent a response rate of 27.4% of 3,010 instate member questionnaires sent out.

All returns were edited and coded, with the data converted into machine-readable form and resident on computer files maintained by ASL. The survey was confidential, with no identification of respondent. All exhibits in this report present aggregated data to prevent identification of respondents. Raw data will remain with ASL and will not be released to any Bar Association member, staff person or third party.

ASL is solely responsible for the generation of this report. Additional tabulations can be generated for Bar members upon request. Inquiries can be made to ASL, 2855 Dexter Road, Ann Arbor, Michigan 48103, Attention: Dr. Lawrence Stiffman. Phone or facsimile requests for help interpreting the data in this report can also be directed to Dr. Stiffman at 734/996-0262. E-mail requests to [ASLInfo@aol.com](mailto:ASLInfo@aol.com). There is no charge for this membership service.

## Geographic Regions Defined

The State was divided into three county groups and six classifications of community size for aggregation and reporting key statistics generated from the survey. The community size areas conform to those of previous survey reports. The county groups are:

Group 1	Hillsborough, Rockingham (50% of respondents)
Group 2	Belknap, Cheshire, Merrimack, Strafford (39%)
Group 3	Carroll, Coos, Grafton, Sullivan (11%)

The classifications of community size are:

Less than 7,000	(13% of respondents)
7,001-15,000	(11%)
15,001-25,000	(12%)
25,001-40,000	(29%)
40,001-70,000	(06%)
Greater than 70,000	(29%)

## Statistical Conventions

To help interpret the information in this report, here is a brief discussion of measures of central tendency (median and mean) and measures of dispersion (spread).

### Two Measures of Central Tendency

The average (also called the mean) is calculated by adding the values of all responses, then dividing by the number of responses.

Example: Three responses – 3, 1, and 2 – are reported. The average is calculated by adding their values ( $1 + 2 + 3 = 6$ ), then dividing by the number of responses (3). Thus, the average is  $6 \div 3 = 2$ .

The median is the middle value of a series (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, and 2 – are reported. The median is the middle number of the order of distribution (1, 2, 30) or 2. The average of this same distribution is 33 divided by 3 or 11. Use of the median as a statistic for central tendency reduces the effect of “outliers” (extremely high or low values, such as 30), while the average does not.

## Measures of Dispersion

The median represents the middle value. It is also termed the 50th percentile. Two additional percentile values are used in this report to reveal hinges of a particular series (distribution) of values. These include:

- 25th percentile (lower quartile). One-fourth of the values is less and three-fourths are more than this value.
- 75th percentile (upper quartile). Three-fourths of the values are less and one-fourth is more than this value.

The range of values of a distribution is the difference between the highest and lowest values observed. Where appropriate, these minimum (Min.) and maximum (Max.) values are reported with the percentile measures to denote the full dispersion of a particular distribution.

## Interpreting Results

Caution should be exercised interpreting data when only a small number of responses are available. This is due to the strong influence of a few “outliers” which might distort reality. In such cases readers are advised to “group up” to a larger geographic area or job classification, where appropriate. Where a “—” appears, insufficient data, generally less than five observations, were available. The number of responses is denoted by “N”.

It should be noted that 1999 net income, revenue and expenditure information was requested on the questionnaire, while all other responses reflect 2000 values. Net income is defined as “net income before taxes from all legal work for the year 1999 or the last fiscal year reported to the IRS.” Expenditures are “expenses incurred by you or your firm per lawyer including associates for 1999 or your last fiscal year for the following overhead categories: labor, occupancy, library/publications, equipment rental/service charges and all other.” The total expenditure value is not simply the sum of the above line item expenses as firms vary in reporting some of these line items. Values are not adjusted for inflation but represent “nominal” values.

Characteristics of the sample respondents to the general population of active, instate Bar members are compared in Exhibit 1 on the next page. Given the strong congruence of the distributions, characteristics about the general population can be inferred from the sample data arrayed as the exhibits provided in this Report. Totals vary because of different response rates for each question, as observed in Column 4 of Exhibit 1 and on most subsequent exhibits.

## COMPARISON OF RESPONDENTS TO MEMBERS, NEW HAMPSHIRE ATTORNEYS, 2000

Categories Geo Area	Instate Members	Percent of Members	Survey Respondents	Percent of Respondents
Hillsborough Rockingham	1540	51.2	419	50.7
Belknap/Cheshire/ Merrimack/Strafford	1172	38.9	317	38.5
Carroll/Coos/Grafton/ Sullivan	299	9.9	89	10.8
<b>Totals</b>	<b>3010</b>	<b>100%</b>	<b>828</b>	<b>100%</b>
<b>Age Group</b>	<i>(Includes Outstate)</i>			
24-30	237	4.7	36	6.4
31-40	1440	28.7	93	27.4
41-50	1803	35.9	113	35.6
51-60	1091	21.7	290	23.9
61-70	244	4.9	202	4.6
70+	207	4.1	64	2.1
<b>Totals</b>	<b>5022</b>	<b>100%</b>	<b>798</b>	<b>100%</b>
<b>Gender</b>				
Male	3514	73.5	577	70
Female	1508	26.5	247	30
<b>Totals</b>	<b>5022</b>	<b>100%</b>	<b>824</b>	<b>100%</b>

## Organization of this Report

The remainder of the report is divided into four sections covering:

- A summary profile of the typical New Hampshire attorney and firm
- 1999 net income of New Hampshire attorneys
- 2000 hourly billing rates and billing practices of private practitioners
- Additional aspects of law office management

# A Summary Profile of the Typical New Hampshire Attorney and Firm

## Introduction

This section summarizes key findings which are more fully documented throughout the report. Emphasis here is on the concerns of the “average” attorney and the “average” firm. Other summary data are included in the report.

## Membership Demographics

The typical respondent in 2000 is 45 years old ( males average 47 years and females, 41) and has practicing law for 16 years. In 1996, the typical respondent was 43 years old (and 38 in 1990) and in practice for 14 years. Thus, the respondent population is aging. Approximately 30% of 2000 respondents are female compared with 25% in 1996 and 21% in 1990. Approximately 6% (down from 8% in 1996 and 9.7% in 1990) of respondents work part-time. While 28% of all full-timers are women (23% in 1996), 47% of all part-timers are women (43% in 1996).

Exhibit 2 distributes all survey respondents by gender and work status. (For this and all subsequent exhibits, the title omits the term “respondents” as the sample is statistically representative of the universe of bar members). Except where noted, characteristics of members can be inferred from the characteristics of the sample obtained.

**Exhibit 2** PERCENT DISTRIBUTION OF NEW HAMPSHIRE ATTORNEYS BY GENDER AND WORK STATUS, 2000

<b>Practice Classification Group</b>	<b>Work Status</b>	<b>Male</b>	<b>Female</b>	<b>All</b>
Private Practice	Full Time	78%	58%	73%
	Part Time	5	11	6
Government Service	Full Time	8	16	10
	Part Time	–	1	1
Other (House Counsel, Professor, Legal Services)	Full Time	7	11	8
	Part Time	2	3	2
<b>All Attorneys</b>	<b>Both</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Exhibit 3 offers reasons given for working part-time comparing 1985, 1990, 1996 and 2000 respondents.

**Exhibit 3** REASONS FOR WORKING PART-TIME, 1985-2000

<b>Reason for Working Part-time</b>	<b>Percent of Respondents</b>			
	<b>1985</b>	<b>1990</b>	<b>1996</b>	<b>2000</b>
Personal preference	61.0%	20.3%	N/A	N/A
Approaching retirement	25.4	21.6	20.3%	25.3%
Economic necessity	13.6	12.2	15.4	8.0
Other businesses	N/A	18.9	27.5	22.7
Family considerations	N/A	23.0	36.2	44.0

# Changes in Attorney Income and Law Firm Expenses

The median net income reported for all respondents for 1999 or the last fiscal year reported (hereafter “1999”) is \$62,400 compared with \$55,000 in 1995, \$51,000 in 1989 and with \$37,200 in 1984. Incomes and revenues rose about 8% annually in the second half of the 1980s while expenses increased about 9% annually. However, between 1989 and 1995, incomes stagnated assuming inflation ranging from 3-5% per annum. With highest annual increases in the last four years, some catch up has occurred. These changes are summarized as Exhibit 4.

Statistic	1984	1989	1995	1999	Percent Change Per Annum		
					84-89	89-95	95-99
Mean (Average) Net Income	\$49,673	\$66,397	\$73,239	\$85,300	6.7%	1.7%	3.0%
Median Net Income	37,200	51,000	55,000	62,400	7.4	1.3	3.4
Gross Revenues/Attorney (Median)		84,000	115,000	124,000	133,500	7.4	
	1.3	2.0					
Avg. Operating Exp./Attorney	39,200	55,200	60,000	57,500	8.2	1.5	(1.1)

# Changes in Hourly Billing Rates and Work Volume

The 2000 reported median hourly billing rate is \$150 — a 20% increase from \$125 reported in 1996. Approximately 97% responding private practitioners have a standard or usual hourly rate that they apply as a guide, starting point, or basis for fee computation. The median value of the usual contingent fee percentage is 33.3%.

The time since respondents last changed their hourly rate compares between 1985 and 2000 is summarized as Exhibit 5. Thirty-one percent of respondents have not raised their hourly billing rates in over two years.

Months Since Rate Change	Percent of Respondents			
	1985	1990	1996	2000
0-6	23%	42%	22%	24%
7-11	33	22	9	12
12-24	27	21	35	33
25+	17	9	34	31

# Expressions of Economic Sentiment and Reported Workloads

Multiple perceptions about the supply and demand for legal services offer clues as to market conditions and trends. Thirteen percent of respondents report insufficient work compared with 17% in 1996, 7% in 1990 and 9% in 1985. The proportion who feel they are overworked is 27%, up from 20% in 1996 but down from 31% in 1990 and 26% in 1985. Approximately 47% feel that there are too many lawyers in New Hampshire, down from 64% in 1996 compared with 38% in 1990 and 48% who felt so in 1985.

Thirty-four of respondents feel economic conditions affecting their practices will be better in 2000 compared with 1999, while only 16% feel conditions will be worse this year. For next year, this diminishes with 26% feeling conditions will improve during 2001 but only 11% feeling conditions will worsen.

Exhibit 6 distributes the time spent on each major activity comprising the average workweek. Over 90% of respondents reported hours consumed by type in varying degrees resulting in line item columns not totaling exactly. The “hourly rate” statistic also includes “legal work performed” for non-private practitioners such as government employees.

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**Exhibit 6** **DISTRIBUTION OF THE WORK WEEK  
IN HOURS, 2000**

Hours per Week	Value by Range and Percentile					
	N	Min.	25th.	Median	75th.	Max.
Based on hourly rate	448	1	12	20	32	60
Based on flat rate	213	1	5	10	20	60
Contingency work	211	1	5	10	20	85
Court appointed work	73	1	3	5	10	45
<b>Total billable hours</b>	<b>768</b>	<b>1</b>	<b>30</b>	<b>35</b>	<b>40</b>	<b>80</b>
<b>Office administration</b>	<b>591</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>10</b>	<b>43</b>
<b>Other hours</b>						
Nonbillable legal work	377	1	2	2	5	30
Community/public service	399	0	2	3	5	38
Non-legal employment	64	1	4	6	15	50
Personal investments	136	1	1	2	5	20
<b>Total hours</b>	<b>749</b>	<b>3</b>	<b>39</b>	<b>46</b>	<b>54</b>	<b>88</b>

Workloads have changed little between 1985 and 2000, shown as Exhibit 7:

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**Exhibit 7** **CHANGES IN THE DISTRIBUTION OF WEEKLY  
TIME ALLOCATIONS, 1985-2000**

Category (Median Values)	Hours Worked Per Week			
	1985	1990	1996	2000
Chargeable professional work (Billable hours)	30	35	35	35
Practice management (Office administration)	5	4	5	5
Professional work for non-paying clients	5	4	3	2
Non professional civic and charitable work	3	3	3	3

# Changes in Office Expense and Revenue Patterns

The median value for 1999 total expenditures per attorney is \$57,500, a decrease of 4% over the 1995 value of \$60,000. Exhibit 8 compares five overhead categories against gross revenues, and the percent change in each between 1989 and 1999. Labor cost represents the predominant expenditure as well as the fixed cost which is increasing.

Expense Category	1984	1989	1995	1999	% Annual Change	
					'89-95	'95-99
Non-lawyer personnel	\$17,000	\$25,000	\$28,000	\$33,980	2.4	5.0
Rent, phone, utilities	7,400	10,535	10,750	11,050	4.0	1.0
Library and publications	2,000	1,829	2,000	2,000	1.9	0.0
Equipment rental	N/A	1,208	1,976	1,800	12.7	(2.0)
All other expenses	12,000	11,000	17,750	10,000	12.3	(11.0)
Total expenses	\$39,200	\$55,200	\$60,000	57,500	1.8	(1.0)
Gross receipts/attorney	\$84,000	\$115,000	\$124,000	133,500	1.6	2.0

Changes in reported salary levels should also indicate overall gains in the productivity of the law office workforce. Exhibit 9 compares by length of service 1985, 1990, 1996 and 2000 reported annual salary levels for associates, legal assistants and secretaries.

Position	1985	1990	1996	2000	% Annual Change	
					'90-96	'96-00
<b>Associates</b>						
New, without experience	\$18,000	\$25,000	\$32,000	\$36,500	4.7	3.5
3 years experience	25,000	30,167	38,000	45,000	4.3	4.6
5 years experience	34,800	40,000	49,250	52,000	3.9	1.4
10 years experience	35,000	70,000	55,000	60,000	(4.5)	2.3
<b>Legal Assistants</b>						
New, without experience	14,000	18,000	20,000	25,000	1.9	6.3
3 years experience	15,000	22,000	25,000	29,000	2.3	4.0
5 years experience	18,000	25,000	27,750	30,000	1.9	2.3
10 years experience	20,000	28,000	30,000	32,000	1.2	1.7
<b>Secretaries</b>						
New, without experience	10,500	15,000	18,350	20,000	3.8	2.3
3 years experience	13,000	18,000	20,000	25,000	1.9	6.3
5 years experience	15,000	20,000	22,500	26,000	2.1	3.9
10 years experience	16,600	24,000	25,000	29,000	0.7	4.0



While there are many simultaneous influences on attorney income levels, clues to explain income variation at a given point in time can be derived from five factors addressed by questions in the survey:

- Legal Specialization
- Years in Practice
- Practice Format
- Firm or Organization size
- Office Location (geographic area where law office or organization is located)
- Work-style preference (full-time versus part-time status)

These factors are discussed in the remainder of this Section.

## Income by Practice Format and Specialization

Exhibit 11 summarizes net incomes of attorneys by 13 practice format categories. This exhibit provides four data points — the 25th, 50th, 75th, percentiles and the count (N) on the variable (item) of interest. For example, 25% of all sole practitioners (200 reporting information) earn less than \$33,000, half earn less than \$53,667 while half earn more than \$53,667, and 25% earn more than \$95,000.

**Exhibit 11** **DISTRIBUTION OF 1999 ANNUAL NET INCOME BY PRACTICE FORMAT**

Practice Format	N	Value by Percentile			
		Mean	25th.	Median	75th.
Sole practitioner	200	\$72,596	\$33,000	\$53,667	\$95,000
Sole practitioner with 1 or more associates	38	122,306	40,000	95,833	185,000
Sole practitioner sharing space	15	61,067	54,000	64,000	78,750
Partner in firm with 2-7 partners	177	99,985	60,000	82,000	126,000
Partner in firm with 8 or more partners	78	169,967	100,000	145,000	205,000
Associate in firm with 2-7 partners	71	45,299	32,125	41,500	56,125
Associate in firm with 8 or more partners	66	69,209	49,667	59,000	73,000
State Judge	6	80,500	77,000	84,500	85,000
City/State/County Government	81	51,278	41,083	49,500	60,000
Federal	7	91,857	80,500	101,000	.
House counsel	35	97,674	49,500	75,000	112,500
Law Clerk	9	53,681	38,000	54,000	.
Counsel with legal aid/legal service agency	23	41,065	31,000	41,000	56,500
<b>All Attorneys</b>	<b>829</b>	<b>\$85,330</b>	<b>\$42,000</b>	<b>\$62,500</b>	<b>\$100,000</b>

Exhibit 12 clusters net income for all attorneys and nine practice format categories. For example, about 20% of all in-house counsel report income between \$60,000-80,000; about 3% report incomes between \$125,000-150,000.

Exhibit 12 PERCENT DISTRIBUTIONS OF 1999 NET INCOME BY SELECTED PRACTICE FORMATS										
Net Income	All Attorneys	Sole Pract.	Sole Pract. w/Assoc.	Assoc. w/ 2-7 Part.	Assoc. w/ 8+ Part.	Part. w/ 2-7 Part.	Part. w/ 8+ Part.	House Counsel	City/State Gov't	Legal Aid
< \$20,000	5.8%	13.5%	11.1%	7.1%	6.2%	2.9%	—%	2.9%	—%	—%
20,000-24,999	1.1	2.1	—	1.4	1.5	1.2	—	—	—	4.3
25,000-29,999	2.4	4.1	—	5.7	—	1.7	—	—	1.3	8.7
30,000-39,999	9.4	13.0	5.6	24.3	1.5	1.7	—	2.9	15.4	39.1
40,000-49,999	13.3	12.4	11.1	24.3	13.8	7.5	1.3	14.3	33.3	17.4
50,000-59,999	12.0	7.8	5.6	17.1	29.2	6.9	1.3	14.3	21.8	26.1
60,000-79,999	19.0	13.5	13.9	12.9	30.8	24.9	6.7	20.0	25.6	4.3
80,000-99,999	9.7	10.4	5.6	5.7	4.6	12.1	12.0	20.0	1.3	—
100,000-124,999	9.1	9.3	11.1	1.4	1.5	15.0	18.7	11.4	1.3	—
125,000-149,999	4.6	3.6	8.3	—	3.1	7.5	12.0	2.9	—	—
150,000-174,999	4.3	3.6	5.6	—	1.5	5.8	17.3	—	—	—
175,000-199,999	2.0	1.6	2.8	—	1.5	4.0	4.0	2.9	—	—
\$200,000+	7.3	5.2	19.4	—	4.6	8.7	26.7	8.6	—	—
All Attorneys	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Exhibit 13 distributes 1999 net incomes of respondents by their primary field of specialization reported (with a minimum of five responses per category).

Exhibit 13

## DISTRIBUTIONS OF 1999 NET INCOME BY LEGAL SPECIALIZATION

Primary Field of Law	N	Value by Percentile		
		25th.	Median	75th.
Administrative Law	22	\$48000	\$57000	\$250000
Bankruptcy	16	42000	65000	96500
Civil Rights (Plaintiff)	7	40500	60000	.
Collections	9	49250	95000	.
Corporate Law	59	59750	87750	139387
Criminal Law	79	38667	50000	68000
Domestic Relations (Family Law)	119	30000	45833	75000
Environmental/Natural Resources Law	9	54000	89000	.
General Practice	61	40375	61500	87083
Labor Law	18	55000	73000	185000
Municipal Law	25	39875	58500	105750
Intellectual property	12	31250	82500	168750
Personal Injury (Plaintiff)	87	53500	87500	182000
Personal Injury (Defendant)	29	60000	71500	100000
Professional Malpractice	8	58000	102500	.
Real Property Law	68	44667	80000	126500
Trial Practice	24	59500	102500	194000
Wills/Estates/Probate	56	46900	75000	105000
Workers' Compensation	10	65250	99000	251250
Other	61	39167	54500	125625
<b>All Attorneys</b>	<b>793</b>	<b>\$42000</b>	<b>\$62500</b>	<b>\$100000</b>

## Income by Years in Practice

Exhibit 14 relates reported 1999 net income to six “years in practice” groups. Net income peaks within the “25-34 years-in-practice” category, due in part to the tendency during this period to start practicing less than full time.

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### Exhibit 14 DISTRIBUCTIONS OF 1999 ANNUAL NET INCOME BY YEARS IN PRACTICE

Years in Practice	N	Value by Percentile		
		25th.	Median	75th.
1-4	95	\$32,500	\$43,500	\$55,500
5-9	134	40,000	52,000	69,000
10-14	123	40,000	59,333	95,500
15-24	246	50,000	75,000	117,917
25-34	108	60,000	99,000	158,000
more than 35	42	40,500	72,500	142,500
<b>All attorneys</b>	<b>829</b>	<b>\$42,000</b>	<b>\$62,500</b>	<b>\$100,000</b>

Exhibit 15 summarizes 1999 median net income for ten legal occupations as well as by years in practice.

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### Exhibit 15 1999 MEDIAN NET INCOME BY YEARS IN PRACTICE AND PRACTICE FORMAT

Years in Practice	All Attorneys	Sole Pract.	Sole Pract. w/Assoc.	Space Sharer	Part. W/ 2-7Part.	Part. w/ 8+ Part.	Assoc. w/ 2-7Part.	Assoc. w/ 8+Part.	House Counsel	City/State Gov't	Legal Aid
1-4	\$42,000	\$55,000	\$-	\$25,000	\$80,000	\$-	\$36,000	\$52,000	\$50,000	\$37,500	\$33,000
5-9	52,000	35,000	100,000	90,000	75,000	66,500	50,000	65,000	62,000	45,000	38,000
10-14	59,000	53,000	60,000	59,500	63,000	100,000	40,000	72,000	52,500	54,000	35,000
15-24	75,000	55,000	60,000	64,000	92,500	145,000-	87,000	93,500	57,000	38,000	
25-34	95,000	75,000	161,000	-	87,500	165,000	39,500	155,000	250,000	75,500	56,000
>35	72,500	40,000	-	58,000	83,000	160,000	52,500	40,500	-	51,000	53,000
<b>All</b>	<b>\$62,500</b>	<b>\$50,000</b>	<b>\$97,500</b>	<b>\$60,000</b>	<b>\$82,000</b>	<b>\$142,500</b>	<b>\$41,000</b>	<b>\$57,000</b>	<b>\$67,600</b>	<b>\$49,000</b>	<b>\$36,000</b>

Exhibit 16 distributes 1999 median net income by legal specialization and by “years in practice” groups.

Exhibit 16

## 1999 MEDIAN NET INCOME BY LEGAL SPECIALIZATION AND BY YEARS IN PRACTICE

Primary Field of Law	Years in Practice			
	1-9	10-14	15-24	25+
Domestic Relations (Family Law)	\$39,000	\$45,000	\$50,000	\$75,000
Personal Injury (Plaintiff)	58,000	85,000	100,000	112,500
Real Property Law	60,000	100,000	85,000	80,000
Criminal Law	41,000	60,000	62,000	60,000
General Practice	51,500	47,500	72,000	72,500
Wills, Estates and Probate Law	46,450	67,500	70,000	80,000
Corporate Law	65,000	64,000	135,100	100,000
Personal Injury (Defendant)	67,000	67,500	86,000	65,000
Bankruptcy	--	50,000	86,000	21,000
Administrative Law	48,000	49,500	67,000	-
Municipal Law	44,500	68,500	69,500	42,500
Trial Practice	50,000	90,000	82,500	165,000
Other Specialties	39,000	50,000	103,500	75,000
<b>All Attorneys</b>	<b>\$48,500</b>	<b>\$59,500</b>	<b>\$75,000</b>	<b>\$82,000</b>

# Income by Size and Location of Organization

Exhibit 17 displays 1999 net income by firm size (measured by the total number of attorneys in the firm or organization). Exhibit 18 displays 1999 net income of nine practice formats by six office location categories.

Exhibit 17

## DISTRIBUTIONS OF 1999 ANNUAL NET INCOME BY SIZE OF ORGANIZATION

Size of Firm or Organization	N	Value by Percentile		
		25th.	Median	75th.
1 attorney	223	\$33,250	\$51,000	\$85,750
2	106	48,667	70,000	100,000
3-6	177	43,500	65,000	100,000
7-10	58	41,250	60,000	110,750
11-20	89	44,250	61,750	105,250
21-50	79	53,750	75,000	145,833
more than 50	62	51,500	69,500	155,000
<b>All Attorneys</b>	<b>794</b>	<b>\$42,000</b>	<b>\$62,750</b>	<b>\$100,000</b>

Exhibit 18

## 1999 MEDIAN NET INCOME BY POPULATION OF AREA AND PRACTICE FORMAT

Population of Area	All Attorneys	Sole Pract.	Sole Pract. w/Assoc.	Assoc. w/ 2-7 Part.	Assoc. w/ 8+ Part.	Part. w/ 2-7 Part.	Part. w/ 8+ Part.	House Counsel	City/State Gov't.	Legal Aid
less than 7,000	\$48,500	\$44,500	\$79,000	\$35,000	—	\$75,000	—	—	\$33,500	—
7-15,000	60,000	45,000	60,000	40,500	—	89,000	—	—	52,000	—
15-25,000	60,000	59,500	—	42,500	60,000	75,500	—	—	53,500	—
25-40,000	67,000	62,500	75,000	31,750	57,000	80,000	125,000	90,000	48,000	38,000
40-70,000	52,000	40,000	—	63,000	—	75,000	—	—	48,500	—
more than 70,000	75,000	70,000	142,500	58,000	60,000	102,000	160,000	82,500	61,000	40,000
<b>All Areas</b>	<b>\$62,500</b>	<b>\$52,500</b>	<b>\$95,000</b>	<b>\$45,000</b>	<b>\$60,000</b>	<b>\$82,000</b>	<b>\$115,000</b>	<b>\$75,000</b>	<b>\$50,000</b>	<b>\$41,000</b>

## Income by Gender

Exhibits 19 and 20 display 1999 median net income by gender by legal specialization and practice format. Exhibit 21 displays net income by gender, work status and years in practice.

<b>Exhibit 19</b>						
<b>1999 MEDIAN ANNUAL NET INCOME BY LEGAL SPECIALIZATION AND GENDER</b>						
<b>Primary Field of Law</b>	<b>N</b>	<b>All</b>	<b>N</b>	<b>Males</b>	<b>N</b>	<b>Females</b>
Corporate Law	59	\$86,000	48	\$100,000	11	\$64,000
Criminal Law	79	50,000	53	52,000	26	42,000
Domestic Relations (Family Law)	119	45,000	59	60,000	60	35,000
Bankruptcy	15	60,000	8	45,000	7	65,000
General Practice	61	60,000	54	64,000	7	42,000
Labor Law	18	70,000	8	87,500	10	68,000
Personal Injury (Plaintiff)	86	80,000	74	100,000	12	62,500
Personal Injury (Defendant)	29	68,000	21	75,000	8	67,500
Real Property Law	67	80,000	55	81,000	12	70,100
Trial Practice	24	95,000	20	117,500	4	38,000
Wills, Estates and Probate	56	75,000	38	80,000	18	52,500
<b>All Attorneys</b>	<b>790</b>	<b>\$63,000</b>	<b>552</b>	<b>\$75,000</b>	<b>238</b>	<b>\$50,000</b>

<b>Exhibit 20</b>						
<b>1999 MEDIAN ANNUAL NET INCOME BY PRACTICE FORMAT AND GENDER</b>						
<b>Practice Format</b>	<b>N</b>	<b>All</b>	<b>N</b>	<b>Males</b>	<b>N</b>	<b>Females</b>
Sole practitioner	197	\$52,000	151	\$60,000	46	\$35,000
Sole practitioner with 1 associate	38	87,500	30	100,000	8	40,000
Sole Practitioner sharing space	15	60,000	12	65,000	—	—
Partner in firm with 2-7 partners	177	82,000	144	90,000	33	63,500
Partner in firm with 8 or more partners	78	145,000	60	150,000	18	92,000
Associate in firm with 2-7 partners	71	41,000	41	49,000	30	38,000
Associate in firm with 8 or more partners	66	59,000	38	59,000	28	56,500
City/State/County	81	49,500	45	52,000	36	47,000
House counsel	35	70,000	23	80,000	12	62,600
Legal aid	23	38,000	11	50,000	12	32,000
<b>All Attorneys</b>	<b>822</b>	<b>\$62,400</b>	<b>577</b>	<b>\$75,000</b>	<b>245</b>	<b>\$50,000</b>

## 1999 MEDIAN ANNUAL NET INCOME BY GENDER, YEARS IN PRACTICE AND WORKSTATUS

<b>Years in Practice</b>	<b>Full-Time Males</b>	<b>Full-Time Females</b>	<b>Part-Time Males</b>	<b>Part-Time Females</b>
1-4	\$50,000	\$40,000	N/A	N/A
5-9	60,000	46,000	N/A	\$32,000
10-14	62,500	55,500	26,000	39,000
15-24	80,000	83,000	53,500	23,500
25-34	100,000	N/A	50,000	N/A
35+	78,000	N/A	45,000	N/A
N	465	201	36	32
<b>All Attorneys</b>	<b>\$75,000</b>	<b>\$50,000</b>	<b>\$40,000</b>	<b>\$33,500</b>

# Billing Rates and Practices of New Hampshire Law Firms

## Introduction

The reported 2000 median hourly billing rate of \$150 has increased 20% compared with the 1996 median hourly billing rate of \$125. Annualized at 5% per year, the increase in *real terms* is small **if** the inflation rate for professional services is estimated at a 5% annual increase during this same period. While many interacting factors affect the setting and application of hourly billing rates, the following two exhibits summarize four discrete factors: years in practice, firm size and office location (Exhibit 22) and practice format and specialization (Exhibit 23).

Exhibit 22

## DISTRIBUTIONS OF 2000 HOURLY BILLING RATES BY SELECTED VARIABLES

Size of Firm (# of Attorneys)	N	Value by Range and Percentile				
		Min.	25th.	Median	75th.	Max.
1	199	\$40	\$117	\$135	\$150	\$300
2	84	100	125	150	170	220
3-6	133	100	128	150	160	250
7-10	40	115	134	150	172	250
11-20	52	95	125	150	180	225
21-50	51	95	139	173	198	310
more than 50	46	125	150	173	223	250
<b>Years in Practice</b>						
1-4	62	\$75	\$120	\$128	\$146	\$250
5-9	91	40	123	130	150	225
10-14	86	50	125	150	170	225
15-24	183	75	130	150	175	250
25-34	93	90	148	158	180	285
more than 34	35	50	138	157	185	300
<b>Office Location</b>						
Hillsborough/Rockingham	329	\$40	\$125	\$150	\$175	\$300
Belknap/Cheshire/Merrimack/Strafford	212	62	125	150	175	310
Carroll/Coos/Grafton/Sullivan	70	75	122	130	150	250
<b>Population of Area</b>						
less than 7,000	87	\$50	\$118	\$127	\$150	\$250
7-15,000	73	75	125	140	158	250
15-25,000	80	75	125	150	158	205
25-40,000	152	60	135	150	175	310
40-70,000	25	110	128	150	160	225
more than 70,000	74	90	136	150	175	300
<b>Grouped Community Population</b>						
less than 25,000	240	\$50	\$125	\$140	\$150	\$250
25-70,000	177	60	130	150	175	300
more than 70,000	174	90	135	150	1175	310
<b>All</b>	<b>611</b>	<b>\$40</b>	<b>\$125</b>	<b>\$150</b>	<b>\$170</b>	<b>\$310</b>

## DISTRIBUTIONS OF 2000 HOURLY BILLING RATES BY SPECIALIZATION AND PRACTICE FORMAT

Primary Field of Law	N	Value by Range and Percentile				
		Min.	25th.	Median	75th.	Max.
Administrative Law	10	\$100	\$131	\$188	\$276	\$285
Bankruptcy	13	75	100	150	175	185
Corporate Law	47	40	150	170	200	310
Criminal Law	35	75	125	150	170	250
Domestic Relations (Family Law)	103	75	125	135	150	200
Environmental/Natural Resources Law	5	130	135	175	175	180
General Practice	57	100	125	148	150	175
Labor Law	15	125	140	150	180	200
Municipal Law	16	90	120	140	155	175
Patent, Trademark & Intellectual Property	11	100	135	175	210	225
Personal Injury (Plaintiff)	74	60	125	150	175	250
Personal Injury (Defendant)	15	110	140	150	180	200
Professional Malpractice	8	125	125	170	180	200
Real Property Law	62	50	132	150	164	300
Trial Practice	21	100	135	185	255	250
Wills/Estates/Probate	51	90	125	150	167	240
Workers' Compensation	7	150	150	167	170	180
Other	32	95	136	160	205	250
<b>Practice Format</b>						
Sole practitioner	196	\$40	\$120	\$136	\$150	\$300
Sole practitioner with 1 or more associates	36	125	140	150	175	200
Sole practitioner sharing space	15	90	125	150	170	195
Partner in firm with 2-7 partners	166	95	140	150	173	250
Partner in firm with 8 or more partners	69	110	173	185	225	310
Associate in firm with 2-7 partners	64	95	120	125	140	185
Associate in firm with 8 or more partners	58	95	130	150	160	225
<b>All</b>	<b>613</b>	<b>\$40</b>	<b>\$125</b>	<b>\$150</b>	<b>\$170</b>	<b>\$310</b>

# Categorization of Hours Billed per Week by Billing Method

Exhibits 24 and 25 distribute billing method categories during an average workweek by legal specialization. Exhibit 24 includes all billable time and time billed on an hourly rate basis. Exhibit 25 includes time consumed where the billing methods are based on contingency or on a flat fee.

Exhibit 24 **AVERAGE WEEKLY HOURS BILLED — “ALL BILLABLE WORK” AND ON AN “HOURLY RATE BASIS” BY LEGAL SPECIALIZATION, 2000**

Primary Field of Law	Billing Method	N	— Value by Percentile —		
			25th.	Median	75th.
Administrative Law	All Billable Work	22	30	39	45
	Hourly Rate	7	17	27	40
Bankruptcy	All Billable Work	16	28	38	46
	Hourly Rate	10	11	23	45
Collections	All Billable Work	9	24	39	45
	Hourly Rate	5	21	40	40
Corporate Law	All Billable Work	59	31	35	40
	Hourly Rate	36	29	35	40
Criminal Law	All Billable Work	79	34	45	50
	Hourly Rate	25	8	10	19
Domestic Relations (Family Law)	All Billable Work	119	21	30	40
	Hourly Rate	77	15	20	25
General Practice	All Billable Work	61	29	30	39
	Hourly Rate	34	18	23	34
Municipal Law	All Billable Work	25	23	39	46
	Hourly Rate	11	9	40	45
Personal Injury (Plaintiff)	All Billable Work	87	30	40	45
	Hourly Rate	48	10	16	23
Personal Injury (Defendant)	All Billable Work	29	33	39	45
	Hourly Rate	19	26	35	46
Professional Malpractice	All Billable Work	8	31	37	40
	Hourly Rate	7	17	35	40
Real Property Law	All Billable Work	68	29	35	40
	Hourly Rate	46	10	20	32
Trial Practice	All Billable Work	24	35	40	49
	Hourly Rate	17	25	34	42
Wills/Estates/Probate	All Billable Work	56	24	30	38
	Hourly Rate	39	17	23	31
Other	All Billable Work	60	27	37	40
	Hourly Rate	22	10	28	38
<b>All Attorneys</b>	<b>All Billable Work</b>	<b>768</b>	<b>30</b>	<b>35</b>	<b>40</b>
	<b>Hourly Rate</b>	<b>448</b>	<b>13</b>	<b>20</b>	<b>32</b>

**AVERAGE WEEKLY HOURS BILLED “ON  
CONTINGENCY” AND ON A “FLAT RATE BASIS”  
BY LEGAL SPECIALIZATION, 2000**

Primary Field of Law	Billing Method	N	—Value by Percentile—		
			25th.	Median	75th.
Administrative Law	Contingency	--	--	--	--
	Flat Rate	5	5	30	30
Bankruptcy	Contingency	--	--	--	--
	Flat Rate	6	16	29	29
Corporate Law	Contingency	--	--	--	--
	Flat Rate	10	2	6	23
Criminal Law	Contingency	10	3	6	19
	Flat Rate	21	12	17	38
Domestic Relations (Family Law)	Contingency	30	4	5	12
	Flat Rate	40	3	5	10
General Practice	Contingency	23	3	5	11
	Flat Rate	16	2	5	10
Labor Law	Contingency	9	7	13	3
	Flat Rate	--	--	--	--
Personal Injury (Plaintiff)	Contingency	65	10	20	35
	Flat Rate	26	5	10	14
Personal Injury (Defendant)	Contingency	8	4	8	8
	Flat Rate	--	--	--	--
Real Property Law	Contingency	6	2	9	9
	Flat Rate	34	10	18	30
Trial Practice	Contingency	11	5	8	22
	Flat Rate	--	--	--	--
Wills/Estates/Probate	Contingency	--	--	--	--
	Flat Rate	8	8	14	24
Workers' Compensation	Contingency	8	23	29	29
	Flat Rate	--	--	--	--
All Others	Contingency	6	1	8	8
	Flat Rate	9	2	11	11
All Attorneys	Contingency	261	5	10	20
	Flat Rate	250	7	13	13

# Hourly Billing Rates for Associates and Legal Assistants

The distribution of hourly billing rates for associates and legal assistants is summarized their level of experience in Exhibit 26.

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**Exhibit 26** **2000 HOURLY BILLING RATES FOR ASSOCIATES AND LEGAL ASSISTANTS BY LEVEL OF SERVICE**

-----Hourly Billing Rate by Range and Percentile-----

Level of Service	Min.	25th.	50th.	75th.	Max.
<b>Legal Assistants</b>					
New, without experience	\$40	\$40	\$50	\$65	\$90
3 years experience	40	55	60	75	150
5 years experience	35	55	65	75	110
10 years experience	35	60	70	80	160
<b>Associates</b>					
New, without experience	\$80	\$100	\$110	\$125	\$170
3 years experience	80	106	120	145	280
5 years experience	95	125	135	160	310
10 years experience	100	130	150	170	240

## Uncollectibles, Service Charges and Debt Service

Exhibit 27 summarizes changes in reported uncollectible billings since 1990:

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**Exhibit 27** **CHANGE IN PERCENTAGE OF UNCOLLECTIBLES, 1990-1996**

Percentage of Uncollectible billings	% of Respondents		
	1990	1996	2000
2% or less	21.8%	21.7%	26.0%
3-8%	34.3	29.9	28.9
9-12%	29.4	27.8	26.4
13% or more	14.4	20.6	18.7

Firms vary as to the practice of adding a service charge to delinquent accounts, described as Exhibit 28.

**Exhibit 28**

**TREND IN FREQUENCY OF ADDING A SERVICE CHARGE, 1990-2000**

<b>Frequency of Adding a Service Charge</b>	<b>Percentage of Respondents</b>		
	<b>1990</b>	<b>1996</b>	<b>2000</b>
Always	4.3%	4.2%	4.0%
Usually	8.4	7.3	6.9
Sometimes	13.4	14.0	13.3
Never	73.9	74.4	75.9

Firms vary as to when they bill their clients, described as Exhibit 29.

**Exhibit 29**

**TREND IN CLIENT INVOICING PRACTICE, 1990-2000**

<b>Invoicing Practice</b>	<b>Percentage of Respondents</b>		
	<b>1990</b>	<b>1996</b>	<b>2000</b>
As incurred	13%	6%	5%
Monthly	57	53	49
Upon service completion	27	13	14
Combination of above	3	28	33

Exhibit 30 reports the change in distribution of firm debt service between 1990 and 2000.

**Exhibit 30**

**TREND IN DEBT SERVICE DISTRIBUTION FROM PREVIOUS YEAR, 1990-2000**

<b>Percent Change in Debt Service</b>	<b>Percentage of Respondents</b>		
	<b>1990</b>	<b>1996</b>	<b>2000</b>
Increase of 20% or more	16%	7%	8%
Increase of 11-19%	10	12	9
Plus/Minus 10% (Includes none)	57	65	52
Decrease of 11-19%	7	9	9
Decrease of 20% or more	10	7	22

Exhibit 31 ranks specialties by the highest level of uncollectibles, as measured by the percentage of uncollectible fee category “greater than 12%.”

Primary Field of Law	N	—Percentage of Uncollectable Fees—				Total
		<3%	3-8%	9-12%	>12%	
Domestic Relations (Family Law)	86	12	20	27	42	100%
Intellectual Property	9	22	11	33	33	100%
Criminal Law	29	10	35	28	28	100%
Bankruptcy	12	17	17	42	25	100%
Labor Law	6	33	--	50	17	100%
Personal Injury (Plaintiff)	64	28	30	27	16	100%
Workers' Compensation	7	14	29	43	14	100%
All Others	21	33	43	10	14	100%
General Practice	42	29	26	31	14	100%
Real Property	49	37	31	27	6	100%
Corporate	25	48	40	8	4	100%
Wills/Estates/Probate	31	32	39	26	3	100%
<b>All Attorneys</b>	<b>443</b>	<b>26</b>	<b>29</b>	<b>26</b>	<b>19</b>	<b>100%</b>

# Additional Aspects of Law Office Economics of New Hampshire Attorneys

## Introduction

This section summarizes various economic aspects of the private practice of law in New Hampshire, providing historic data where available. The following topics are discussed:

- Law office overhead expenses and gross receipts
- Staffing patterns for secretaries and legal assistants
- Salary levels for associates, legal assistants and secretaries
- Law office equipment and services usage
- Legal services marketing and advertising practices

## Overhead Expenses and Gross Receipts per Attorney

About 270 respondents, representing sole practitioners and firms, provided financial information on current operating expenses per attorney and gross revenues per attorney. Exhibits 32 and 33 summarize five categories of overhead expenses against gross receipts by office location and firm size.

**Exhibit 32** **1999 OPERATING EXPENSES AND GROSS RECEIPTS PER LAWYER BY OFFICE LOCATION**

Category	Median Values for Offices by Population of Community						State
	<7,000	7-15,000	15-25,000	25-40,000	40-70,000	>70,000	
Non-lawyer personnel	\$24,200	\$40,000	\$30,000	\$26,250	\$30,000	\$40,000	\$33,980
Rent/phone/utilities	8,437	12,612	10,000	12,000	12,000	11,050	11,050
Library	1,200	2,000	1,000	2,000	1,950	2,000	2,000
Equipment rental/svc. charges	2,000	2,413	1,500	1,500	3,000	1,500	1,800
All others	10,000	12,683	8,484	10,000	21,500	10,000	10,000
<b>Total</b>	<b>\$40,800</b>	<b>\$69,500</b>	<b>\$50,000</b>	<b>\$52,100</b>	<b>\$61,500</b>	<b>\$65,650</b>	<b>\$57,500</b>
Gross receipts/lawyer	\$100,000	\$131,500	\$140,000	\$124,500	\$127,500	\$180,000	\$131,000
Total exp./gross receipts	41%	53%	36%	42%	48%	37%	44%
Number of firms	55	48	29	54	12	70	268
Space cost per square foot	\$12.00	\$12.00	\$14.00	\$12.00	\$14.00	\$16.00	\$16.00

## 1999 OPERATING EXPENSES AND GROSS RECEIPTS PER LAWYER BY FIRM SIZE

Category	Median Values for Offices by Firm Size						
	1	2	3-6	7-10	11-20	21-50	>50
Non-lawyer personnel	\$27,000	\$35,000	\$37,400	\$54,166	\$54,186	\$62,074	\$60,900
Rent/phone/utilities	10,000	10,500	11,050	12,612	12,612	23,500	22,350
Library	1,646	1,500	2,000	2,331	2,500	3,425	1,400
Equipment rental	1,700	1,500	2,500	1,857	2,426	1,700	1,000
All others	10,000	10,000	10,000	33,612	28,465	42,200	19,868
Total	\$48,750	\$58,488	\$60,000	\$105,307	\$100,000	\$124,082	\$90,000
Gross receipts/lawyer	\$100,000	\$140,000	\$160,000	\$220,000	\$225,933	\$230,000	\$200,000
Total exp./gross receipts	49%	42%	38%	48%	44%	54%	45%
Number of firms	146	48	47	8	7	8	4
Space cost per square foot	\$12.00	\$12.00	\$12.00	--	\$12.00	\$13.00	\$16.00

### Starting and Current Salary Levels

Exhibits 34 and 35 display 2000 annual median salary levels for four categories of associates, legal assistants and secretaries by population of community and by firm size. Exhibit 36 displays the full distribution of annual salary levels of these employees.

Exhibit 34

2000 ANNUAL MEDIAN SALARY LEVELS OF ASSOCIATES, LEGAL ASSISTANTS AND SECRETARIES BY POPULATION OF COMMUNITY

Associates	Median Values for Offices by Population of Community						State
	<7,000	7-15,000	15-25,000	25-40,000	40-70,000	>70,000	
New hires without experience	\$28,500	\$35,000	\$35,000	\$40,000	\$30,000	\$50,000	\$38,000
With three years experience	45,000	37,500	40,000	48,000	42,500	56,500	45,000
With five years experience	37,500	45,000	51,000	55,000	57,500	65,000	52,000
With ten years experience	60,000	50,000	50,000	60,000	75,000	80,000	62,500
<b>Legal Assistants (Paralegals)</b>							
New hires without experience	20,800	24,960	25,000	25,000	26,500	26,500	25,000
With three years experience	24,000	27,040	27,000	29,000	30,000	30,000	29,000
With five years experience	25,500	29,120	29,560	30,000	32,500	35,000	30,000
With ten years experience	31,500	31,200	30,600	32,000	38,400	35,000	32,000
<b>Secretaries</b>							
New hires without experience	13,000	20,000	19,500	20,000	25,000	23,500	20,000
With three years experience	20,000	20,000	22,500	25,000	24,000	28,000	25,000
With five years experience	22,000	27,560	25,000	24,500	26,000	30,000	26,000
With ten years experience	28,000	28,300	29,000	27,500	31,600	30,000	29,000

Exhibit 35

2000 ANNUAL MEDIAN SALARY LEVELS OF ASSOCIATES, LEGAL ASSISTANTS AND SECRETARIES BY FIRM SIZE

Associates	Median Values for Offices by Firm Size						
	1	2	3-6	7-10	11-20	21-50	>50
New hires without experience	—	\$30,000	\$35,000	\$35,000	\$36,500	\$45,000	\$50,000
With three years experience	—	40,000	37,250	45,000	43,750	54,500	62,500
With five years experience	—	40,000	45,000	52,000	59,000	63,500	70,000
With ten years experience	\$60,000	37,000	67,000	47,000	50,000	86,500	90,000
<b>Legal Assistants (Paralegals)</b>							
New hires without experience	24,400	20,000	26,000	25,000	25,000	25,000	26,500
With three years experience	25,000	25,000	30,000	27,500	28,520	31,000	31,000
With five years experience	27,500	26,000	32,000	29,800	32,000	34,000	35,000
With ten years experience	31,000	32,000	31,000	33,000	31,200	40,000	41,000
<b>Secretaries</b>							
New hires without experience	18,720	20,000	23,500	15,000	20,800	18,000	22,000
With three years experience	18,000	20,000	26,000	23,000	26,500	25,000	26,500
With five years experience	22,500	25,000	25,500	25,000	28,500	23,000	31,000
With ten years experience	28,000	25,500	30,000	28,300	31,100	35,000	35,000

## DISTRIBUTION OF 2000 ANNUAL SALARY LEVELS OF ASSOCIATES, LEGAL ASSISTANTS AND SECRETARIES

Associates	— Annual Salary Level by Range and Percentile —				
	Min.	25th.	50th.	75th.	Max.
New hires without experience	\$24,000	\$33,250	\$36,500	\$50,000	\$70,000
With three years experience	32,000	35,000	45,000	55,000	80,000
With five years experience	26,700	45,000	52,000	65,000	100,000
With ten years experience	33,000	50,000	60,000	80,000	175,000
<b>Legal Assistants (Paralegals)</b>					
New hires without experience	18,000	23,200	25,000	30,000	35,000
With three years experience	20,400	25,000	29,000	32,000	40,000
With five years experience	17,500	26,000	30,000	35,000	50,000
With ten years experience	19,000	29,725	32,000	38,000	80,000
<b>Secretaries</b>					
New hires without experience	16,000	18,000	20,000	24,000	40,000
With three years experience	15,000	17,000	25,000	28,000	32,500
With five years experience	15,000	20,000	26,000	30,000	40,000
With ten years experience	20,000	25,000	29,000	33,250	52,000

## Presence of Legal Assistants

About 43% of all responding firms and organizations do not employ legal assistants. Of those that do, 46% employ one legal assistant, 20% employ, 23% employ 3, while 11% employ more than 6 legal assistants. Exhibit 37 distributes the presence of legal assistants by firm or organization size.

## DISTRIBUTIONS OF LEGAL ASSISTANTS BY SIZE OF ORGANIZATION

Size of Firm (# of Attorneys)	N	Number of LAs/Organization				
		1	2	3	4-6	7+
1	64	81.3%	14.1	1.6	3.1	-
2	42	64.3%	23.8	9.5	2.4	-
3-6	63	46.0%	33.3	7.9	12.7	-
7-10	19	5.3%	15.8	21.1	52.6	5.3
11-20	19	5.3%	5.3	15.8	52.6	21.0
21-50	18	-	11.1	11.1	16.7	61.1
more than 50	46	-	15.4	7.7	-	69.2
All	238	46.2%	20.2	8.4	14.3	11.0

## Insurance Coverage

Exhibit 38

## DISTRIBUTION OF MALPRACTICE INSURANCE ANNUAL PREMIUM PER ATTORNEY BY SIZE OF FIRM OR ORGANIZATION, 2000

Size of Firm (# of Attorneys)	N	Annual Cost/Attorney			
		< \$1200	\$1201-2000	>\$2000	All
1	153	34.6%	47.7	17.6	100%
2	55	14.5%	49.1	36.4	100%
3-6	63	20.6%	47.6	31.7	100%
7+	31	22.6%	32.3	45.2	100%
All	302	26.8%	46.4	26.8	100%

## Legal Services Marketing

Approximately 68% of respondents market their services through a variety of mechanisms compared with 52% in 1985 and 71% in 1996. Exhibit 39 summarizes the use of each marketing device in 1985, 1990 and 1996. For 1996, the use rates of each vehicle are arrayed by firm size. Except for Yellow Pages and newspaper ad usage, use of marketing vehicles increases with firm size.

Exhibit 37

## USE OF MARKETING DEVICES, 1985-2000, AND USAGE BY FIRM SIZE, 2000, NEW HAMPSHIRE ATTORNEYS

Marketing Device	Use of Device			Size of Firm						
	1990	1996	2000	1	2	3-6	7-10	11-20	21-50	>50
Yellow pages (Block Display)	51%	29%	28%	34%	43%	32%	28%	19%	11%	5%
Firm brochure	8	12	15	5	9	16	26	19	25	23
Newspapers periodicals	15	9	10	9	10	8	7	8	15	16
PR Firm	3	4	6	2	3	3	5	1	15	18
Established firm development plans	6	5	11	12	16	12	14	1	8	7
Radio/ TV	5	4	5	3	6	10	5	5	5	5
Seminars	5	10	12	6	9	11	16	14	23	23
Newspaper Advertising	N/A	10.0	11	12	16	12	14	1	8	7
Client Newsletters	5	6	6	2	4	2	2	9	19	23
Web Site	--	--	15	13	11	16	21	9	19	23
<b>Percent of Firms That Market</b>	<b>52%</b>	<b>40%</b>	<b>68%</b>	<b>52%</b>	<b>75%</b>	<b>74%</b>	<b>91%</b>	<b>93%</b>	<b>96%</b>	<b>94%</b>

# Index

## A

### Associates

Hourly billing rates .....	22
Salaries .....	27,28
Since 1985 .....	8
by firm size .....	27

### Attorneys, All

Hourly billing rates	
by legal specialization .....	19
by office location .....	18
by practice format (classification) .....	19
by size of firm .....	18
by years in practice.....	18

### Net income

by gender .....	16, 17
by legal specialization.....	12,14,16
by office location .....	15
by practice format (classification) ..	9,10,11,15
by size of firm .....	15
by years in practice.....	13
by work status (part-time, full-time) .....	17
Changes since 1985 .....	6,9

## E

Expenses, operating per attorney, trends in.....	6,8
by office location .....	25
by firm size.....	25,26

## G

Geographic regions defined .....	2
Gross receipts per attorney, trends in .....	6
by office location .....	25
by firm size.....	25

## H

Help in interpreting data .....	2
Hours in workweek.....	20,21

## I

Insurance, liability .....	28,29
----------------------------	-------

## M

Marketing devices, use of.....	29
Market, Perceptions of.....	7
Methodology employed .....	1

## L

### Legal Assistants (Paralegals)

Hourly billing rates.....	22
Number of.....	28
Salaries .....	27,28
since 1985.....	8
by firm size and location .....	27

## R

Revenues per attorney.....	8,12,32
----------------------------	---------

## S

### Secretaries

Salaries,	
since 1985.....	8
by firm size and location .....	27,28

Statistical conventions .....	2
-------------------------------	---

Summary profile .....	5
-----------------------	---

## U

Uncollectibles, Svc.Charges & Debt Service	22-24
--	-------