
The Economics of Law Practice in New Mexico Lawyer Compensation

**State Bar of New Mexico
Summary of Results
December 2005**

The Economics of Law Practice in New Mexico
Lawyer Compensation
Summary of Results
December 2005

This study was commissioned by the State Bar of New Mexico. The objective of this study was to determine income levels among lawyers who are licensed to practice law in New Mexico. The study also assessed the fees charged for various legal services, the number of hours spent performing various services, changes in income, and billing practices. The survey was designed to capture economic information based on several variables including: the number of years practicing law, areas of practice, classification/legal occupation, firm size, region, gender, ethnicity and age.

This self-administered study was conducted by mail. Surveys were sent to each of the approximately 5,900 lawyers who are currently licensed to practice law in New Mexico. The surveys included a cover letter from the State Bar of New Mexico explaining the purpose of the study. Respondents were asked to return the completed surveys directly to Research & Polling, Inc. in a business reply envelope. A total of 1,256 completed surveys were returned which represents a response rate of 21%.

Total Years of Practice In Law (Summary Table)												
<i>Total Responses (N=1211)</i>												
	<i>Total Sample</i>	<i>Gender</i>		<i>Total Number of Lawyers In the Practice</i>					<i>Classification or Other Legal Occupation</i>			
		<i>Male</i>	<i>Female</i>	<i>1 Lawyer/ Sole</i>	<i>2 - 6 Lawyers</i>	<i>7 - 15 Lawyers</i>	<i>16 - 39 Lawyers</i>	<i>40 or More Lawyers</i>	<i>Sole Prac.</i>	<i>Sole Prac./ Sharing Assoc.</i>	<i>Partner/ Share- holder</i>	<i>City/ Cty./ State Gov.</i>
2 years or less	7%	5%	11%	3%	8%	8%	6%	12%	3%	3%	1%	9%
3 to 5 years	10%	8%	14%	5%	11%	15%	17%	10%	4%	6%	1%	15%
6 to 10 years	15%	12%	18%	12%	14%	15%	12%	20%	12%	4%	13%	18%
11 to 20 years	27%	25%	30%	23%	28%	27%	30%	31%	21%	26%	35%	30%
21 years or more	41%	50%	27%	57%	39%	35%	35%	27%	60%	61%	51%	28%
<i>Mean</i>	18	20	14	22	18	16	17	15	22	23	22	14
<i>Median</i>	17	20	13	23	16	16	17	13	24	25	21	12

As shown above, the plurality of lawyers who participated in this study have been practicing law for 21 years or more (41%) and another 27% have been practicing between 11 to 20 years. Seventeen percent of respondents have been practicing law for five years or less. On average (mean), survey respondents have been practicing law for 18 years. The median number of years practicing is 17, thus half the participants have been practicing for 17 years or more, while half have been practicing for 17 years or less.

Overall, female attorneys tend to be younger and have been practicing law for a shorter period of time. In fact, 25% of the female respondents have been practicing law for five years or less compared to just 13% of male respondents. Half of the male respondents have been practicing law for 21 years or more. This is important to keep in mind when looking at salary ranges later in the report.

The table above also shows that lawyers who work for city, county or state government have fewer years of legal experience as compared to others. On average, city/county/state employees have been practicing law for 14 years compared to an average of 22 years for Partners and Sole Practitioners and 23 years for Sole Practitioners who either share an office or have an Associate(s).

Question 6: What is the total number of lawyers in the firm/organization in which you practice?

Total Number of Lawyers In the Firm/Organization (Summary Table)	
<i>Total Responses (N=1215)</i>	
	<i>Percentage</i>
1 lawyer	26%
2 to 6 lawyers	28%
7 to 15 lawyers	16%
16 to 39 lawyers	12%
40 or more lawyers	18%

As shown above, 26% of the respondents say they are the only lawyer in their firm/organization, while 28% are in a small firm of two to six attorneys and 16% are in a firm of seven to 15 attorneys. Twelve percent of respondents say they are in a firm or organization with 16 to 39 attorneys and approximately one-fifth (18%) say they are in a large firm or organization that has 40 or more lawyers.

As reported on the previous page, attorneys in Sole Practice are more likely to have been practicing for 21 years or more as compared to attorneys with larger firms.

Question 4: Please indicate your classification or other legal occupation and your net income before taxes from this activity for the year 2004. Include all income derived from legal work.

Classification and Other Legal Occupation and Net Income (Before Taxes) For 2004 (Summary Table) <i>Total Responses (N=1256)</i> <i>Ranked By Highest "Classification Percentage"</i>			
<i>Classification</i>	<i>Classification Percentage</i>	<i>Mean (Average) Salary</i>	<i>Median Salary</i>
Partner/Shareholder	24%	\$158,799	\$129,781
Sole Practitioner	21%	\$97,007	\$79,625
City/State/County Government	20%	\$60,359	\$58,967
Associate	13%	\$71,186	\$67,800
Sole Practitioner (w/one or more Associates/sharing space)	6%	\$142,317	\$100,400
Federal Government	5%	\$99,941	\$100,034
House counsel	4%	\$111,608	\$100,000
Judge	3%	\$90,174	\$90,125
Other	3%	\$39,469	\$35,500
Legal aid/legal service	2%	\$43,411	\$43,000

The table above shows the average (mean) and median (midpoint where 50% fall above/below) net income levels (before taxes) for each different classification of lawyer. Overall, 24% of survey respondents identified themselves as being a Partner/Shareholder. This group reported an average income of \$158,799 in 2004, with a median salary of \$129,781.

Sole Practitioners (21% of the survey respondents) made an average of \$97,007 in 2004, with a median salary of \$79,625. In comparison, Sole Practitioners who either have an Associate or share space with others made an average of \$142,317. Associate attorneys made an average of \$71,186 in 2004.

Attorneys working for City, State or County governments made an average of \$60,359 compared to an average of \$99,941 made by lawyers working for the Federal Government. Judges made an average of approximately \$90,000, while those working as a House counsel made an average of \$111,608.

Question 4: (continued)

Classification and Other Legal Occupation and Net Income (Before Taxes) For 2004 Means and Medians By Region (Summary Table)						
<i>Classification</i>	<i>ABQ Metro</i>	<i>North Central</i>	<i>Eastside</i>	<i>Northwest</i>	<i>South/ Southwest</i>	<i>Out-of-State</i>
Sole Practitioner						
<i>Mean</i>	\$92,938	\$96,567	\$107,696	\$76,667	\$94,346	\$137,714
<i>Median</i>	\$79,500	\$82,000	\$67,000	\$59,000	\$92,500	\$85,000
Partner/Shareholder						
<i>Mean</i>	\$157,192	\$164,239	\$115,909	\$101,400	\$117,667	\$222,086
<i>Median</i>	\$129,714	\$140,000	\$110,000	\$117,000	\$100,250	\$200,000
Associate						
<i>Mean</i>	\$67,140	\$74,935	\$66,800	N/A	\$66,500	\$93,421
<i>Median</i>	\$65,125	\$68,000	\$70,000	N/A	\$66,500	\$82,750
City/state/county government						
<i>Mean</i>	\$57,936	\$64,182	\$57,580	\$69,000	\$54,952	\$47,750
<i>Median</i>	\$52,033	\$65,049	\$54,750	\$80,000	\$54,000	\$50,500

The table above shows regional differences in income for several lawyer classifications. For instance, Partners/Shareholders in the Albuquerque Metro area have an average net income (before taxes) of \$157,192 compared to an average of \$164,239 in the North Central region and \$101,400 in the Northwestern region. It is interesting to note that Partners/Shareholders who live out-of-state make an average of \$222,086.

Looking at Sole Practitioners, it is observed that average income in the Albuquerque Metro area is \$92,938, with a median of \$79,500. The North Central and Southwestern regions have slightly higher average and median incomes when compared to the Albuquerque Metro area. The high average income in the Eastern region (\$107,696) is a bit deceptive given that the median is only \$67,000. There were several Eastside respondents who reported extremely high income levels which resulted in an upward skewing of the average.

Associates in the North Central Region tend to make slightly more than those in other New Mexico regions, though the differences are not dramatic.

Question 4: (continued)

Classification and Other Legal Occupation and Net Income (Before Taxes) For 2004 Means and Medians By Demographics (Summary Table)											
	Gender		Age				Total Years In Practice of Law				
	Male	Female	Under 35 Years	35 to 45 Years	46 to 55 Years	56 Years and Over	2 or Less Years	3 to 5 Years	6 to 10 Years	11 to 20 Years	21 Years or More
Sole Practitioner											
Mean	\$111,881	\$62,059	\$48,444	\$95,122	\$126,104	\$85,530	\$46,125	\$57,556	\$58,655	\$115,289	\$103,199
Median	\$95,000	\$50,750	\$50,000	\$79,750	\$95,000	\$79,625	\$40,000	\$50,000	\$55,000	\$99,600	\$90,167
Partner/Shareholder											
Mean	\$170,040	\$128,309	\$91,842	\$151,077	\$164,264	\$176,428	\$27,500	\$66,000	\$102,559	\$159,005	\$175,400
Median	\$141,000	\$104,500	\$85,000	\$120,167	\$139,900	\$143,000	\$27,500	\$66,000	\$95,500	\$134,917	\$140,000
Associate											
Mean	\$75,905	\$66,949	\$64,864	\$75,613	\$75,674	\$88,600	\$58,903	\$63,474	\$85,105	\$83,000	\$78,308
Median	\$67,875	\$67,750	\$64,833	\$68,000	\$74,938	\$80,000	\$59,875	\$61,500	\$75,107	\$79,000	\$74,875
City/state/county government											
Mean	\$64,009	\$56,905	\$48,674	\$58,353	\$64,926	\$66,384	\$43,000	\$50,486	\$57,098	\$61,738	\$71,590
Median	\$61,000	\$55,033	\$48,000	\$57,500	\$63,033	\$68,000	\$42,000	\$48,033	\$54,250	\$61,026	\$71,033

The table above shows the average (mean) and median income levels of the different classifications broken out by gender, age and years practicing law. Looking at gender, it is observed that women tend to make less than men for each classification. For instance, the median level of income for women who are Sole Practitioners is \$50,750 compared to \$95,000 for men. Among Partners/Shareholders, the median income for men is \$141,000 compared to \$104,500 for women. Male and female Associates have very similar levels of income with a median of approximately \$68,000 for both. A difference based upon gender is observed for City/State/County government attorneys as men have a median income of \$61,000 compared to \$55,000 observed for women.

It should be noted that among female Sole Practitioners who are employed full-time, the average income is \$73,000 with a median of \$67,000 (not shown on the table). Among male Sole Practitioners employed full-time, the average salary is \$118,000 with a median of \$98,000. Thus, there is slightly less discrepancy in income levels when looking only at full-time lawyers. As previously mentioned, women are twice as likely as men to work part-time.

It is important to note that the discrepancies observed for men and women in some of the classifications can be explained at least in part by the fact that the females who responded to the survey tended to be much younger than the men and have few years practicing law. Thus, one would expect there to be some differences in income levels. It should also be noted that 26% of the female respondents work in City, State or County government compared to 15% of the men and this classification of attorney tends to make much less when compared to others. Also, 12% of the female respondents only work part-time.

Looking at age, we find that Sole Practitioners under the age of 35 had a median income of \$50,000 in 2004, compared to \$79,750 for those 35 to 45, \$95,000 for those between the ages of 46 and 55, and \$79,625 for those 56 and over. For Partners/Shareholders, it is observed that as age increases, so too, does income levels. For Associates and City/State/County government attorneys, there is less of a discrepancy between age and income levels with moderate gains as age increases. It is not surprising to find that, like age, income levels rise with experience. A Solo Practitioner with less than 2 years experience has a median income of \$40,000 compared to \$99,600 among those with 11 to 20 years of experience.

Question 5: How many hours a week, on average, do you engage in:

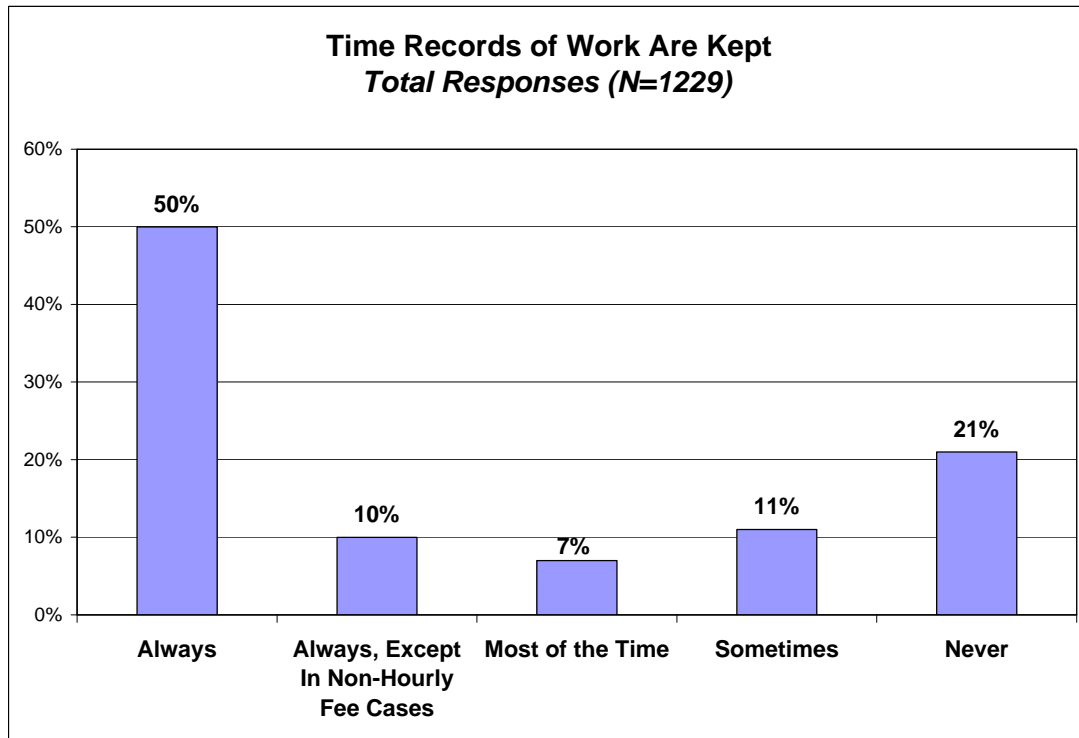
Average Number of Hours For Activities (Summary Table)		
<i>Activity</i>	<i>Hours Per Week</i>	<i>Percent of Hours</i>
Fee-producing work/salaried time	20 hours or less	12%
	21 to 30 hours	18%
	31 to 40 hours	43%
	41 hrs or more	28%
<i>Mean</i>	<i>37 hours</i>	<i>N/A</i>
<i>Median</i>	<i>40 hours</i>	<i>N/A</i>
Office administration	2 hours or less	20%
	3 to 5 hours	42%
	6 to 10 hours	26%
	11 hrs or more	13%
<i>Mean</i>	<i>8 hours</i>	<i>N/A</i>
<i>Median</i>	<i>5 hours</i>	<i>N/A</i>
Unpaid legal work and research	2 hours or less	28%
	3 to 5 hours	45%
	6 to 10 hours	21%
	11 hrs or more	6%
<i>Mean</i>	<i>6 hours</i>	<i>N/A</i>
<i>Median</i>	<i>5 hours</i>	<i>N/A</i>
Unpaid community and pro bono work	2 hours or less	42%
	3 to 5 hours	41%
	6 to 10 hours	13%
	11 hrs or more	4%
<i>Mean</i>	<i>5 hours</i>	<i>N/A</i>
<i>Median</i>	<i>4 hours</i>	<i>N/A</i>

The table above shows the number of hours lawyers spend performing certain duties on a weekly basis. For instance, survey respondents spend an average of 37 hours a week performing fee producing work or salaried time. In fact, 28% of respondents say they spend more than 40 hours a week performing fee producing work or salaried time.

Respondents spend an average of eight hours performing office administration duties in an average week, though the median is 5 hours. It is also observed that respondents spend an average of 6 hours a week doing unpaid legal work or research and an average of 5 hours doing unpaid community and pro bono work.

It should be noted that 6% of respondents report that they participate in other types of work including teaching, administration, non-fee producing work, judicial services and bar activities.

Question 7: Do you keep time records of your work?



Nearly four-fifths (78%) of attorneys say they keep time records of their work at least some of the time. Half of the respondents say they always keep time records of their work, while another 10% say they always do, except in contingency or other non-hourly fee cases. Seven percent say they keep time records most of the time, while 11% do so sometimes.

Question 8: If yes, the tracking unit used is:

Tracking Unit Used For Work Time Records <i>Among Those Who Keep Time Records For Work</i> (Summary Table) <i>Total Responses (N=972)</i>	
	<i>Percentage Used In Time Records</i>
6 minutes (.1 hour)	70%
15 minutes (.25 hour)	13%
30 minutes (.50 hour)	3%
Hourly	8%
Daily rate	1%
Other	6%

The large majority (70%) of attorneys who keep time records do so in six minute units, while 13% keep 15 minute units, 3% use half hour units, and 8% keep hourly units to track their time.

Question 9: If you are subject to a minimum billable hours policy, has the minimum requirement changed over the past two years?

Change In the Minimum Requirement Billable Hours Policy Over the Past Two Years <i>Among Those Who Are Subject To a Minimum Billable Hours Policy</i> (Summary Table) <i>Total Responses (N=964)</i>			
<i>Change</i>	<i>Percentage of Change</i>	<i>From Required Hours Per Year</i>	<i>To Required Hours Per Year</i>
Yes, increased	3%	1,700 (median)	1,801 (median)
Yes, decreased	1%	1,900 (median)	1,796 (median)
No, stayed the same	23%	N/A	N/A
Not applicable	73%	N/A	N/A

Just 4% of those surveyed say they have experienced a change in minimal billing hours over the past year, with 3% saying it has increased and 1% say their minimum billing has decreased. Approximately one-quarter (23%) have not had a change, while the large majority (73%) say this does not apply to them.

The increase in minimum billing hours has increased from a median of 1,700 hours a year to a median of 1,801 hours a year. Those who have a decrease have seen a median decline from 1,900 hours to 1,796.

Question 10: From the list below, please indicate the legal services you perform and for which services you typically charge a flat fee.

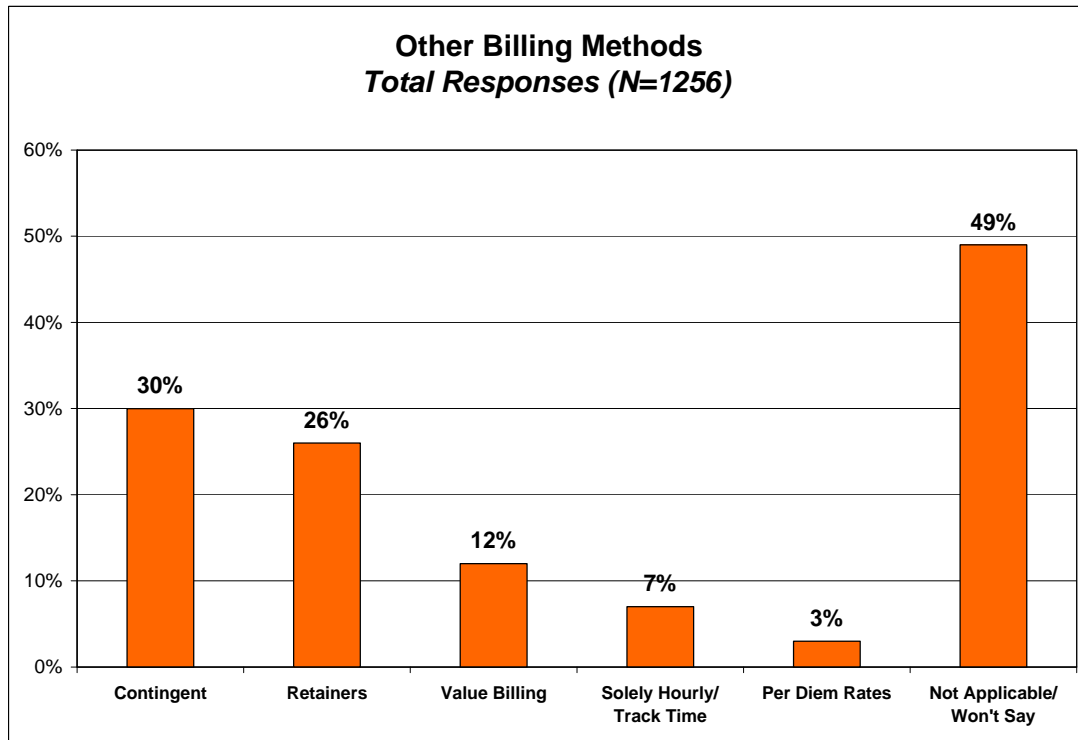
Legal Services Performed and Which Services Are a Flat Fee Charge (Summary Table)				
<i>Ranked By Highest Percentage "Type of Work Performed"</i>				
<i>Change</i>	<i>Percentage Who Perform This Type of Work</i>	<i>Percentage Who Charge a Flat Fee For This Service (Among Those Who Perform This Type of Work)</i>	<i>Mean (Average) Flat Fee For This Service</i>	<i>Median Flat Fee For This Service</i>
Simple will	27%	73%	\$270.00	\$225.00
Power of attorney	27%	64%	\$125.00	\$75.00
Deed preparation	23%	56%	\$87.00	\$74.00
Articles of incorporation/association	22%	58%	\$654.00	\$550.00
Directives to physicians	20%	62%	\$138.00	\$75.00
Purchase of sale of real property	16%	20%	\$573.00	\$491.00
Probating will with independent executor	15%	29%	\$1,212.00	\$1,001.00
Note preparation	13%	33%	\$154.00	\$78.00
Sale of personal property/bill of sale	11%	30%	\$88.00	\$63.00
Traffic tickets	7%	62%	\$467.00	\$413.00
Patents and trademarks	2%	23%	\$2,835.00	\$2,000.00

Respondents were asked if they perform certain types of work and, if so, whether or not they charge a flat fee. Those who do assess a flat fee were asked how much they charge. As shown above, 27% of respondents say they perform simple wills. Nearly three-quarters (73%) of those who do simple wills charge a flat fee, with an average charge of \$270. The median fee charged for a simple will is \$225, meaning half charge a fee of \$225 or greater, while the other half charge a flat fee of \$225 or less.

The average flat fee charged for a power of attorney is \$125, with a median of \$75. The majority (56%) of attorneys who perform deed preparations charge a flat fee that averages \$87. Furthermore, the majority of attorneys who write articles of incorporation/association charge a flat fee (58%) that averages \$654, though the median is \$550. The average flat fee for directives to physicians is \$138, with a median of \$75.

The highest charged flat fees are observed for patents and trademarks with an average of \$2,835, though very few of the respondents (2%) perform this type of work.

Question 11: If applicable, what other billing methods do you use?



When asked what other billing methods they use other than a flat fee, 30% say they bill on a contingency basis, while 26% use retainers, 12% use value billing and 7% solely bill by the hour. It should be noted that approximately half (49%) of those surveyed did not give a response to this question indicating they do not use other billing methods.

Question 12: What percentage of your work, if any, is performed on a contingent fee basis?

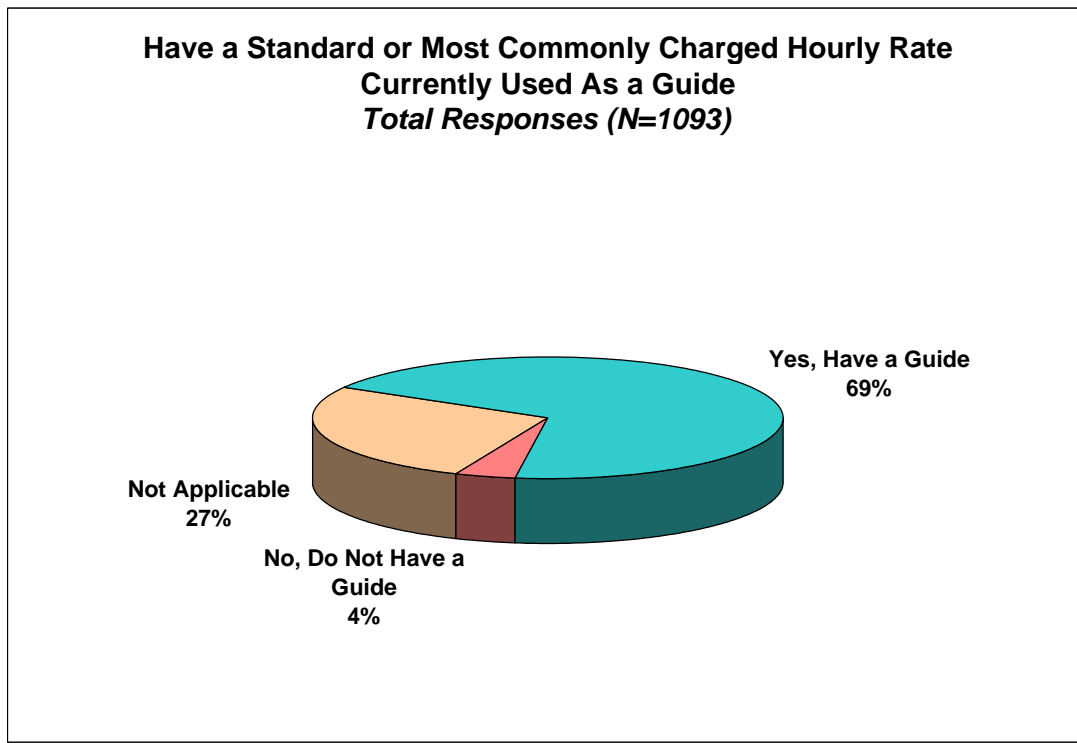
Percentage of Time At Work Spent On a Contingent Fee Basis (Summary Table)	
<i>Total Responses (N=1040)</i>	
	Percentage of Time
None (0%)	58%
1% to 5%	24%
6% to 20%	7%
21% or more	10%

Nearly one-quarter of respondents say they perform between 1% to 5% of their work on a contingency basis, while 17% say more than 5% of their work is done on contingency.

Percentage of Time At Work Spent On a Contingent Fee Basis By Demographics (Summary Table)												
<i>Total Responses (N=1040)</i>												
	Total Number of Lawyers In the Practice					Classification or Other Legal Occupation						
	1 Lawyer/ Solo	2 to 6 Lawyers	7 to 15 Lawyers	16 to 39 Lawyers	40 or More Lawyers	Sole Prac.	Sole Prac./ Sharing Assoc.	Partner/ Share- holder	City, County, State Gov't.	Federal Gov't.	House Counsel	Legal Aid/ Services
None (0%)	46%	46%	61%	80%	85%	38%	39%	44%	98%	97%	89%	95%
1% to 5%	26%	25%	34%	17%	13%	28%	36%	37%	1%	3%	8%	5%
6% to 20%	12%	11%	3%	1%	2%	14%	10%	7%	1%	-	-	-
21% or more	16%	18%	3%	2%	-	20%	16%	11%	-	-	3%	-

As shown above, Sole Practitioners and those working for smaller firms are more likely to spend a significant amount of time on contingency cases. In fact, one-fifth of Sole Practitioners say 21% of more of their time is spent on contingency cases.

Question 13: Do you have a standard or most commonly charged hourly rate that you currently apply as a guide, starting point or basis for fee computation?



Average Hourly Rate <i>Among Those Who Have a Standard or Most Commonly Charged Hourly Rate</i> (Summary Table)												
	Gender			Age				Total Number of Lawyers In the Practice				
	Total Sample	Male	Female	Under 35 Years	35 to 45 Years	46 to 55 Years	56 Years and Over	1 Lawyer/ Solo	2 to 6 Lawyers	7 to 15 Lawyers	16 to 39 Lawyers	40 or More Lawyers
Average Rate												
Mean	\$175	\$182	\$161	\$147	\$164	\$178	\$195	\$165	\$181	\$169	\$170	\$200
Average Low Rate												
Mean	\$137	\$143	\$122	\$119	\$132	\$135	\$152	\$122	\$141	\$138	\$138	\$163
Average High Rate												
Mean	\$205	\$214	\$182	\$165	\$192	\$207	\$231	\$198	\$212	\$189	\$198	\$225

Just over two-thirds of respondents (69%) say they have a standard or commonly charged hourly rate they apply as a guide, starting point or basis for fee computation. Respondents who use a guide were asked to give their lowest, highest and average starting rate.

The overall average hourly rate is \$175. The average low rate or starting point is \$137, while the average high is \$205 for a starting point.

As age and number of years practicing law increase, so too does the hourly rate charged.

Question 14: The following is a list of various fields or areas of law. From this list: 1) Choose those fields in which you spent most of your professional time during 2004. List the corresponding number for each area in the box below. 2) Specify the percentage of time you devoted to that field or area of law in 2004. 3) Please indicate your current usual and maximum hourly billing rates for that field of law.

Percentage of Time Spent During 2004 In Specific Areas of Law (Summary Table)					
Legal Field (Enter Code Number From Above)	% of Chargeable Work Time		Usual Hourly Rate		Maximum Hourly Rate
	% of Those Who Perform Work	Average Time Spent Performing			
Torts/Personal Injury/Property Damage	28%	54%	Mean: \$154 Median: \$148	Mean: \$187 Median: \$164	
Criminal	19%	69%	Mean: \$161 Median: \$150	Mean: \$197 Median: \$200	
General Practice	18%	24%	Mean: \$168 Median: \$163	Mean: \$187 Median: \$175	
Business/Corporations	15%	26%	Mean: \$176 Median: \$175	Mean: \$192 Median: \$178	
Labor/Employment	14%	40%	Mean: \$160 Median: \$158	Mean: \$180 Median: \$176	
Real Property/Landlord-Tenant	14%	32%	Mean: \$178 Median: \$175	Mean: \$196 Median: \$191	
Estate Planning/Taxation/Probate/Wills	12%	31%	Mean: \$177 Median: \$174	Mean: \$199 Median: \$182	
Family/Domestic Relations	12%	53%	Mean: \$178 Median: \$174	Mean: \$193 Median: \$177	
Malpractice/Professional Liability	9%	36%	Mean: \$157 Median: \$146	Mean: \$175 Median: \$165	
Constitutional/Civil Rights	8%	28%	Mean: \$156 Median: \$146	Mean: \$178 Median: \$173	
Bankruptcy/Debtor/Creditor/Consumer	7%	40%	Mean: \$175 Median: \$173	Mean: \$189 Median: \$176	
Appeals	7%	32%	Mean: \$162 Median: \$161	Mean: \$197 Median: \$199	
Environmental/Natural Resources/Transportation	6%	58%	Mean: \$179 Median: \$175	Mean: \$204 Median: \$200	
Government/Program Eligibility	5%	46%	Mean: \$134 Median: \$125	Mean: \$158 Median: \$143	
ADR/Mediation/Arbitration	5%	19%	Mean: \$176 Median: \$177	Mean: \$183 Median: \$193	
Health	2%	35%	Mean: \$149 Median: \$148	Mean: \$161 Median: \$168	
Elder law	2%	26%	Mean: \$158 Median: \$175	Mean: \$193 Median: \$185	

Respondents were asked to indicate the different types of work they performed in 2004 and the amount of time they spent in each field as a percentage. They were then asked to give their usual hourly rate for each type of service and their maximum hourly rate.

As shown above, 28% of respondents say they worked in torts/personal injury/property damage cases, spending an average of 54% of their time in this area. The average usual rate for this type of work is \$154 an hour with an average maximum rate of \$187 an hour. Nineteen percent of respondents worked in criminal law where they spent an average of 69% of their time. The average usual rate charged for criminal law is \$161 per hour, with an average maximum rate of \$197 per hour.

Eighteen percent of the respondents say they participate in general practice. The average usual rate is \$168 for this type of work with an average maximum rate of \$187. Some of the other popular fields include real estate/property with a usual average rate of \$178 and an average maximum rate of \$196 per hour. Similar results are observed for estate planning/taxation/probate/wills as the average usual rate is \$177 per hour and the average maximum rate is \$199.

Question 15: If applicable, how long ago did you or your firm increase your hourly rate?

Length of Time Since Hourly Rate Was Increased (Summary Table)										
		<i>Classification or Other Legal Occupation</i>				<i>Region</i>				
	<i>Total Sample</i>	<i>Sole Prac.</i>	<i>Sole Prac./ Sharing/ Assoc.</i>	<i>Partner/ Shareholder</i>	<i>City/ Cty./ State Gov.</i>	<i>ABQ Metro</i>	<i>North Central</i>	<i>Northwest</i>	<i>South/ Southwest</i>	<i>Eastside</i>
0 to 6 months ago	12%	14%	11%	12%	12%	13%	15%	9%	10%	9%
7 to 11 months ago	16%	12%	10%	30%	1%	19%	12%	11%	8%	9%
1 to 2 years ago	22%	24%	36%	36%	3%	23%	23%	14%	18%	30%
More than 2 years ago	13%	26%	26%	12%	2%	11%	11%	23%	13%	22%
Not applicable	33%	22%	14%	8%	80%	29%	37%	43%	43%	30%
Don't know/ won't say	4%	2%	3%	2%	2%	4%	3%	-	7%	-

Half of the attorneys who responded say they or their firm has increased their rates with the past two years, with 12% having done so in just the last six months. Thirteen percent say their rates last increased more than two years ago.

Question 16: If applicable, indicate the percentage of increase the last time you or your firm changed your hourly rate:

Percentage of Hourly Rate Increase (Summary Table)									
		<i>Classification or Other Legal Occupation</i>			<i>Total Number of Lawyers In the Practice</i>				
	<i>Total Sample</i>	<i>Sole Prac.</i>	<i>Sole Prac./ Sharing/ Assoc.</i>	<i>Partner/ Shareholder</i>	<i>1 Lawyer/ Sole</i>	<i>2 to 6 Lawyers</i>	<i>7 to 15 Lawyers</i>	<i>16 to 39 Lawyers</i>	<i>40 or More Lawyers</i>
Increase of 5% or less	31%	17%	22%	33%	18%	25%	37%	42%	54%
Increase of 6% to 10%	40%	32%	53%	50%	35%	42%	47%	46%	36%
Increase of 11% to 19%	19%	31%	16%	11%	29%	20%	11%	10%	9%
Increase of 20% or more	11%	20%	10%	6%	19%	13%	4%	2%	1%

Thirty-one percent of respondents who have increased their hourly rates only raised them by 5% or less. The plurality (40%) last raised their rates between 6% and 10%, while 19% saw an increase ranging from 11% to 19%. Eleven percent of those who have raised their hourly rate made an increase of 20% or more.

Question 17: In a typical year, approximately what percent of the fees you bill is written off as uncollectible?

Annual Percentage of Billable Fees That Are Written Off as Uncollectible (Summary Table)						
	Total Sample	Total Number of Lawyers In the Practice				
		1 Lawyer/ Sole	2 to 6 Lawyers	7 to 15 Lawyers	16 to 39 Lawyers	40 or More Lawyers
None/0%	18%	23%	12%	18%	24%	16%
1% to 2%	16%	12%	16%	19%	27%	19%
3% to 5%	26%	25%	21%	28%	29%	35%
6% to 10%	20%	16%	25%	23%	9%	20%
11% or more	20%	24%	26%	13%	11%	10%
<i>Mean</i>	8%	9%	9%	7%	5%	7%
<i>Median</i>	5%	5%	8%	5%	2%	5%

The large majority of respondents (82%) report having to write off some of their fees as uncollectible in a typical year. In fact, one-fifth of respondents say they typically write off 11% or more of their fees as uncollectible, while another 20% write off between 6% to 10% of their fees and 26% write off 3% to 5% of their fees. Sixteen percent write off just 1% or 2% of their fees. On average, respondents report having to write off approximately 8% of their fees as uncollectible.

Question 18 through Question 26: How often does your office charge clients for the following expenses?

Frequency of Charging Client For Various Expenses (Summary Table)					
Total Responses (N=867)					
Ranked By Highest Percentage "Always"					
	<i>Always</i>	<i>Usually</i>	<i>Sometimes</i>	<i>Rarely</i>	<i>Never</i>
Time spent on telephone calls	41%	31%	7%	3%	17%
Lawyers' travel costs	41%	29%	10%	4%	16%
Duplicating/photocopying expenses	30%	28%	12%	10%	20%
Lawyers' travel time	26%	33%	18%	6%	17%
Postage	24%	17%	15%	15%	29%
Paralegal/legal assistant time or services	23%	25%	16%	8%	28%
Computerized legal research costs	18%	23%	14%	10%	35%
Other computer time or services	5%	7%	11%	21%	56%
Secretarial time or services	2%	3%	10%	19%	67%

Respondents were asked to rate how often they charge clients for various expenses. As shown above, nearly three-quarters (72%) say they either *always* (41%) or *usually* (31%) charge clients for time spent on phone calls and 70% either *always* (41%) or *usually* (29%) charge for lawyers' travel costs. Approximately three-fifths say they either *always* (30%) or *usually* (28%) charge for duplicating/photocopying, though 30% *rarely* or *never* do so.

Approximately three-fifths (59%) also *always* (26%) or *usually* (33%) charge for lawyers' travel time. Nearly half (48%) say they *always* or *usually* charge for paralegal/legal assistance time or services, while just over two-fifths (41%) *always* or *usually* charge for postage and computerized legal research costs. Just 12% frequently charge for other computer time or service and only 5% frequently charge for secretarial time or services.

Question 27: Do you market your legal services?

Marketing of Legal Services (Summary Table)						
	<i>Total Sample</i>	<i>Total Number of Lawyers In the Practice</i>				
		<i>1 Lawyer/ Sole</i>	<i>2 to 6 Lawyers</i>	<i>7 to 15 Lawyers</i>	<i>16 to 39 Lawyers</i>	<i>40 or More Lawyers</i>
Web site	26%	15%	30%	22%	31%	39%
Yellow page block display	26%	32%	34%	22%	17%	9%
Listing in legal directory	21%	14%	25%	24%	19%	26%
Firm brochure and resume	18%	3%	14%	24%	25%	38%
Seminars	16%	9%	14%	16%	21%	27%
Newspaper/periodical articles	8%	3%	7%	9%	5%	18%
Client newsletters	8%	1%	6%	6%	8%	22%
Marketing plan	7%	1%	4%	6%	5%	22%
Newspaper advertising	6%	5%	5%	6%	4%	13%
Radio/television ads	4%	5%	6%	5%	3%	3%
Employment of PR firm	3%	-	2%	4%	2%	9%
No, do not market legal services	50%	51%	42%	54%	59%	53%

Half of the respondents say they or their firm markets their legal services. The most popular form of marketing is through Web sites (26%) and yellow page block displays (26%). Other popular forms of marketing include: listing in legal directories (21%), firm brochures/resumes (18%), seminars (16%), newspaper/periodical articles (8%), and client newsletters (8%).

It should be noted that larger firms tend to engage in a much wider assortment of marketing practices than do small firms.

Question 28: Do clients sign retainers prior to your acceptance of new work?

Clients Sign Retainers Prior To the Acceptance of New Work (Summary Table)										
		<i>Classification or Other Legal Occupation</i>				<i>Total Number of Lawyers In the Practice</i>				
	<i>Total Sample</i>	<i>Sole Prac.</i>	<i>Sole Prac./ Sharing Assoc.</i>	<i>Partner/ Share-holder</i>	<i>City/ Cty./ State Gov.</i>	<i>1 Lawyer/ Sole</i>	<i>2 to 6 Lawyers</i>	<i>7 to 15 Lawyers</i>	<i>16 to 39 Lawyers</i>	<i>40 or More Lawyers</i>
Yes	42%	58%	53%	46%	7%	54%	48%	36%	29%	20%
Sometimes	32%	30%	34%	47%	5%	29%	29%	35%	34%	42%
No	26%	13%	13%	7%	88%	17%	23%	29%	37%	38%

Forty-two percent of attorneys say they have their client sign a retainer prior to accepting new work and another 32% say they sometimes have clients sign a retainer.

Question 29: Do you or your firm currently maintain professional liability insurance coverage?

Currently Maintains Professional Liability Insurance Coverage (Summary Table)									
		<i>Classification or Other Legal Occupation</i>			<i>Total Number of Lawyers In the Practice</i>				
	<i>Total Sample</i>	<i>Sole Prac.</i>	<i>Sole Prac./ Sharing Assoc.</i>	<i>Partner/ Share-holder</i>	<i>1 Lawyer/ Sole</i>	<i>2 to 6 Lawyers</i>	<i>7 to 15 Lawyers</i>	<i>16 to 39 Lawyers</i>	<i>40 or More Lawyers</i>
Under \$500,000	8%	19%	13%	3%	17%	5%	4%	4%	2%
\$501,000 to \$1,000,000	14%	28%	35%	11%	27%	17%	4%	3%	4%
\$1,000,001 to \$5,000,000	26%	25%	42%	50%	23%	42%	26%	16%	10%
\$5,000,001 or more	10%	1%	-	28%	1%	3%	14%	16%	28%
Yes, maintain insurance but don't know amount	14%	-	3%	6%	2%	12%	26%	21%	22%
No, do not maintain insurance	13%	27%	7%	1%	26%	9%	5%	13%	10%
Not applicable	16%	1%	-	*	5%	13%	22%	28%	25%

* Less than 1% reported.

The large majority of respondents (71%) say they or their firm maintains professional liability insurance. Twenty-percent carry \$1,000,000 or less of insurance, while 26% have coverage ranging from \$1,000,001 to \$5,000,000 and 10% carry more than \$5,000,000 of insurance.

Question 30: Do you work with a paralegal?

Work With a Paralegal By Demographics (Summary Table)										
	Total Sample	Classification or Other Legal Occupation				Total Number of Lawyers In the Practice				
		Sole Prac.	Sole Prac./ Sharing Assoc.	Partner/ Share- holder	City/ City./ State Gov.	1 Lawyer/ Sole	2 to 6 Lawyers	7 to 15 Lawyers	16 to 39 Lawyers	40 or More Lawyers
Yes	58%	39%	67%	71%	54%	37%	63%	66%	60%	71%
No	42%	61%	33%	29%	46%	63%	37%	34%	40%	29%

Ques. 31/32: How many years of experience does your paralegal have? & What is your paralegal's annual salary?

Total Number of Years of Experience By the Paralegals (Summary Table)	
<i>Among Those Who Work With Paralegals</i>	
<i>Total Responses (N=667)</i>	
	Percentage of Years
3 years or less	14%
4 to 6 years	15%
7 to 10 years	26%
11 to 20 years	22%
21 years or more	23%
<i>Mean</i>	12 years
<i>Median</i>	10 years

Annual Salary For the Paralegals (Summary Table)	
<i>Among Those Who Work With Paralegals</i>	
<i>Total Responses (N=501)</i>	
	Salary Percentage
Less than \$30,000	18%
\$30,000 to \$35,000	27%
\$35,001 to \$40,000	22%
\$40,001 to \$50,000	24%
\$50,001 or more	8%
<i>Mean</i>	\$39,319
<i>Median</i>	\$38,000

Approximately three-fifths of respondents (58%) say they work with a paralegal. On average, paralegals have 12 years of experience and make an average of \$39,319 a year.

Annual Salaries For Paralegals (Summary Table)						
<i>Among Those Who Work With Paralegals</i>						
<i>Total Responses (N=491)</i>						
	Total Sample	Number of Years of Experience For Paralegals				
		3 Years or Less	4 to 6 Years	7 to 10 Years	11 to 20 Years	21 Years or More
Less than \$30,000	18%	49%	21%	18%	5%	9%
\$30,000 to \$35,000	27%	37%	32%	30%	27%	16%
\$35,001 to \$40,000	22%	9%	25%	20%	32%	22%
\$40,001 to \$50,000	24%	5%	20%	24%	27%	35%
\$50,001 or more	8%	-	1%	8%	8%	18%
<i>Mean</i>	\$39,319	\$30,865	\$35,198	\$39,353	\$44,119	\$47,000
<i>Median</i>	\$38,000	\$30,020	\$35,016	\$38,112	\$40,000	\$44,886

The table above shows the salary levels for paralegals with different levels of experience. On average, a paralegal with three years of experience or less makes \$30,865 a year. In comparison, a paralegal with more than 20 years experience makes an average of \$47,000 a year.

Question 33: Do you anticipate your total net income to change this year (2005)?

Anticipate Total Net Income Change In 2005 – Increase <i>Among Those Who Anticipate Total Net Income Change</i> (Summary Table) <i>Total Responses (N=389)</i>									
Amount of Increase	Total Sample	Gender		Age				UNM Law Graduate	
		Male	Female	Under 35 Years	35 to 45 Years	46 to 55 Years	56 Years and Over	Yes	No
\$2,001 to \$5,000	20%	17%	27%	32%	23%	18%	13%	26%	15%
\$5,001 to \$10,000	28%	26%	31%	36%	28%	27%	23%	31%	25%
\$10,001 to \$20,000	20%	22%	15%	12%	15%	23%	26%	17%	23%
\$20,000 or more	32%	35%	27%	20%	34%	31%	38%	26%	37%
<i>Mean</i>	\$19,324	\$21,222	\$16,608	\$11,717	\$21,210	\$18,701	\$24,055	\$15,981	\$22,706
<i>Median</i>	\$10,000	\$10,001	\$7,800	\$5,001	\$10,000	\$10,001	\$12,001	\$9,998	\$10,002

Anticipate Total Net Income Change In 2005 – Increase (continued) <i>Among Those Who Anticipate Total Net Income Change</i> (Summary Table) <i>Total Responses (N=389)</i>										
Amount of Increase	Total Sample	Classification or Other Legal Occupation				Total Number of Lawyers In the Practice				
		Sole Prac.	Sole Prac./ Sharing Assoc.	Partner/ Share-holder	City/ Cty./ State Gov.	1 Lawyer/ Sole	2 to 6 Lawyers	7 to 15 Lawyers	16 to 39 Lawyers	40 or More Lawyers
\$2,001 to \$5,000	20%	7%	4%	13%	38%	7%	15%	33%	26%	47%
\$5,001 to \$10,000	28%	22%	14%	28%	36%	25%	27%	35%	35%	25%
\$10,001 to \$20,000	20%	24%	32%	20%	12%	30%	15%	21%	18%	14%
\$20,000 or more	32%	47%	50%	39%	14%	38%	44%	10%	21%	14%
<i>Mean</i>	\$19,324	\$31,092	\$40,535	\$27,245	\$7,691	\$24,681	\$26,313	\$9,338	\$13,798	\$9,845
<i>Median</i>	\$10,000	\$20,001	\$22,500	\$19,000	\$3,500	\$15,500	\$10,002	\$5,002	\$5,001	\$4,999

Half of the respondents anticipate an increase in their salary this year compared to last, while 10% expect a decrease. The table above shows the anticipated change in income among those who are anticipating an increase in their income. The average anticipated salary increase is approximately \$19,000. However, the median is \$10,000, meaning that half of those who expect an increase will receive \$10,000 or more, while the other half will experience an increase of \$10,000 or less. In total, 32% of those expecting an increase will see a raise of \$20,000 or more, while 20% are expecting an increase between \$10,000 and \$20,000.

Anticipate Total Net Income Change In 2005 - Decrease <i>Among Those Who Anticipate Total Net Income Change</i> (Summary Table) <i>Total Responses (N=93)</i>	
Amount of Decrease	Total Sample
\$10,000 or less	35 %
\$10,001 to \$20,000	13%
\$20,001 to \$30,000	24%
\$30,001 or more	28%
<i>Mean</i>	\$30,957
<i>Median</i>	\$24,778

Ten percent of respondents are expecting a decrease in their earnings, averaging \$30,957.

Question 34 Through Question 37: Demographics

Demographics (Summary Table)	
	<i>Total Sample</i>
Gender	
Male	60%
Female	40%
UNM Law School Graduate	
Yes	47%
No	53%
Age	
35 and under	15%
36 to 45 years	24%
46 to 55 years	32%
56 and over	28%
Ethnicity	
Hispanic	14%
White	79%
Black/African-American	1%
Asian-American or Pacific Islander	1%
American Indian or Native Alaskan	2%
Other	3%
Employment Status	
Full-time	92%
Part-time	8%