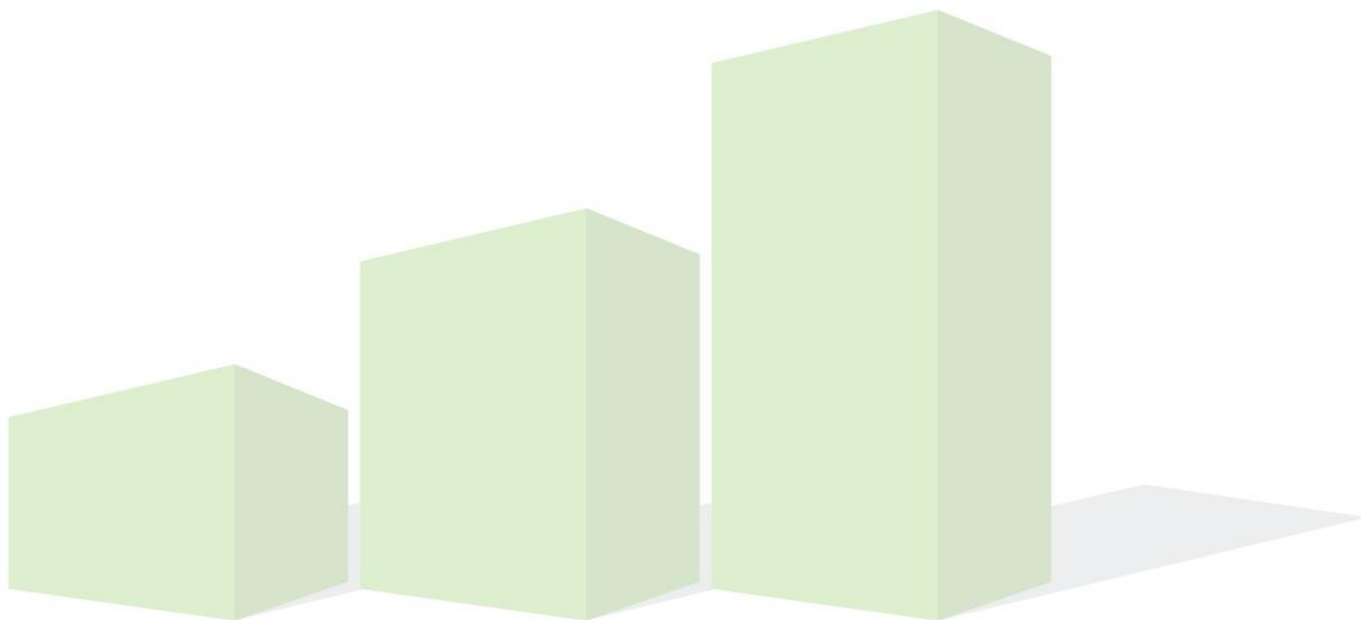


**THE ECONOMICS OF LAW PRACTICE IN NEW MEXICO  
LAWYER COMPENSATION  
SUMMARY OF RESULTS  
SEPTEMBER 2012**

## I. INTRODUCTION



## **The Economics of Law Practice in New Mexico Lawyer Compensation Summary of Results**

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 online and by mail. Emails were sent to lawyers practicing in-state which contained a link to the online survey and a unique password. A total of 4,951 email invitations were sent. Members who do not have a listed email address were sent a paper copy of the survey by mail. A total of 398 mail surveys were sent out. Both the Internet and mail surveys included a cover letter from the State Bar of New Mexico explaining the purpose of the study. The mail respondents were asked to return the completed surveys directly to Research & Polling, Inc. in a business reply envelope.

Respondents were given approximately one month to complete the survey. Several reminder emails and notices in the Bar Bulletin were sent over the course of the survey period encouraging members to participate. Of the 5,349 possible members who were eligible to participate in the study, a total of 809 surveys were completed which represents a response rate of 15%.

**Question 2: Please indicate your total years of practice in law:**

TOTAL YEARS OF PRACTICE IN LAW (SUMMARY TABLE)														
TOTAL RESPONSES (N=809)														
		Gender		Total Number of Lawyers In the Practice				Classification or Other Legal Occupation				Ethnicity		
	TOTAL SAMPLE	MALE	FEMALE	1 LAWYER/ SOLE	2 – 6 LAWYERS	7 – 15 LAWYERS	16 OR MORE LAWYERS	SOLE PRACTICE	CITY, STATE OR COUNTY GOVERNMENT	PARTNER/ SHARE- HOLDER	ASSOC.	HISP.	ANGLO	OTHER
5 YEARS OR LESS	16%	13%	20%	7%	15%	25%	22%	6%	19%	2%	57%	17%	14%	17%
6 TO 10 YEARS	12%	7%	18%	8%	16%	14%	13%	8%	16%	7%	20%	17%	10%	26%
11 TO 20 YEARS	23%	23%	23%	25%	21%	20%	23%	28%	30%	22%	10%	30%	21%	24%
21 TO 30 YEARS	25%	23%	27%	26%	22%	21%	27%	25%	22%	32%	7%	21%	26%	22%
31 YEARS OR MORE	24%	34%	12%	33%	26%	21%	14%	32%	12%	37%	8%	16%	29%	10%
MEAN	20	23	16	24	20	17	18	24	17	26	9	18	22	16
MEDIAN	20	25	16	24	20	17	16	24	16	27	5	16	23	14

As shown above, approximately half (49%) of lawyers who participated in this study have been practicing law for 21 years or more and 23% have been practicing between 11 to 20 years. Sixteen percent of respondents have been practicing law for five years or less.

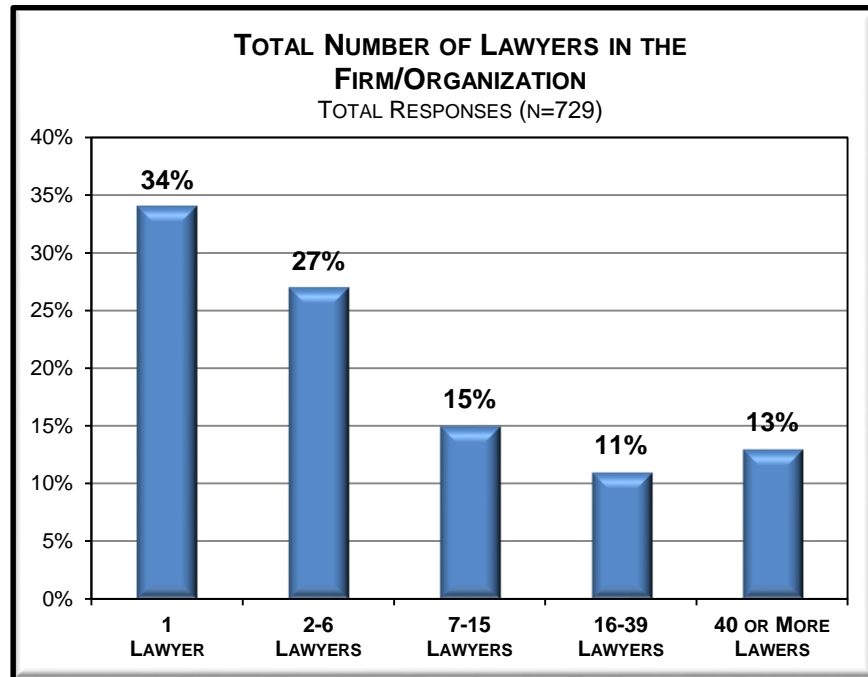
On average (mean), survey respondents have been practicing law for 20 years. The median number of years practicing is also 20; thus, half the participants have been practicing for 20 years or more, while half have been practicing for 20 years or less.

Overall, female attorneys tend to be younger and have been practicing law for a shorter period of time. Nearly two-fifths (38%) of the female respondents have been practicing law for ten years or less compared to just 20% of male respondents. The majority of the male respondents (57%) have been practicing law for 21 years or more.

Hispanics and other minority attorneys also tend to have been practicing law for fewer years than Anglos. On average, the Anglo attorneys have been practicing for 22 years, compared to 18 years for Hispanics and 16 years for other minorities.

The table above also shows that lawyers who work for city, county or state government and those who are associates have fewer years of legal experience when compared to others. On average, associates have been practicing for just 9 years, and city/county/state employees have been practicing law for 17 years. In comparison, the average for sole practitioners is 24 years and for partners/shareholders the average is 26 years.

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



As shown above, 34% of the respondents say they are the only lawyer in their firm/organization, while 27% are in a small firm of two to six attorneys and 15% are in a firm of seven to 15 attorneys. One-quarter of the respondents (24%) say they are in a firm or organization with 16 attorneys or more.

**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.**

<b>CLASSIFICATION AND OTHER LEGAL OCCUPATION AND NET INCOME (BEFORE TAXES) FOR 2011 (SUMMARY TABLE)</b>			
TOTAL RESPONSES (N=771) RANKED BY HIGHEST "CLASSIFICATION PERCENTAGE"			
CLASSIFICATION	CLASSIFICATION PERCENTAGE	MEAN (AVERAGE) SALARY	MEDIAN SALARY
SOLE PRACTITIONER	29%	\$95,713	\$75,500
CITY/STATE/COUNTY GOVERNMENT	22%	\$66,971	\$66,980
PARTNER/SHAREHOLDER	18%	\$175,014	\$146,000
ASSOCIATE	12%	\$80,593	\$78,333
SOLE PRACTITIONER SHARING SPACE	4%	\$112,333	\$70,000
FEDERAL GOVERNMENT	3%	\$108,767	\$104,000
LEGAL AID/LEGAL SERVICE	3%	\$53,923	\$52,500
SOLE PRACTITIONER (WITH ONE OR MORE ASSOCIATES)	3%	\$198,136	\$196,000
HOUSE COUNSEL	3%	\$131,053	\$132,000
OTHER	1%	\$108,801	\$77,500

The table above shows the average (mean) and median (midpoint where 50% fall above/below) net income levels (before taxes) for each professional classification. Overall, 29% of the survey respondents identify themselves as a sole practitioner with an average salary of \$95,713 and a median salary of \$75,500.

Attorneys working for city, state or county governments (22% of respondents) made an average of \$66,971 compared to an average of \$108,767 made by lawyers working for the Federal Government.

Eighteen percent of survey respondents identified themselves as being a partner/shareholder. This group reported an average income of \$175,014 in 2011, with a median salary of \$146,000. Associates made an average of \$80,593.

### INCOME BEFORE TAXES FOR 2011: OVERALL MEAN & MEDIAN

		REGION					GENDER		UNM GRADUATE	
	TOTAL	ABQ. METRO	EAST-SIDE	NORTH CENTRAL	NORTH-WEST	SOUTH-WEST	MALE	FEMALE	YES	NO
MEAN	\$105,440	\$109,823	\$112,056	\$99,559	\$96,765	\$91,843	\$120,947	\$84,391	\$100,152	\$116,471
MEDIAN	\$80,026	\$83,806	\$75,000	\$80,000	\$71,000	\$80,500	\$90,016	\$70,045	\$79,986	\$84,958

		YEARS IN PRACTICE					NUMBER OF LAWYERS IN FIRM/ORGANIZATION			
	TOTAL	5 OR LESS	6 TO 10 YEARS	11 TO 20 YEARS	21 TO 30 YEARS	31 YEARS OR MORE	1 Lawyer/ Sole	2 to 6 Lawyers	7 to 15 Lawyers	16 or More Lawyers
MEAN	\$105,440	\$58,946	\$82,523	\$100,007	\$130,011	\$127,878	\$98,964	\$111,314	\$109,510	\$109,863
MEDIAN	\$80,026	\$59,967	\$64,992	\$79,000	\$99,500	\$100,022	\$75,027	\$82,041	\$85,000	\$83,000

		AGE				ETHNICITY		
	TOTAL	35 YEARS AND UNDER	36 TO 45 YEARS	46 TO 55 YEARS	56 YEARS AND OVER	HISPANIC	ANGLO	OTHER
MEAN	\$105,440	\$68,100	\$96,514	\$126,819	\$115,443	\$88,555	\$116,267	\$80,845
MEDIAN	\$80,026	\$61,988	\$74,975	\$91,000	\$91,000	\$73,000	\$88,967	\$69,975

The table above shows the overall mean and median income for lawyers in New Mexico. The overall average income for all lawyers in the state is \$105,440 with a median income of \$80,026. The difference between the mean (average) and median salaries is a result of the large overall range of wages.

The overall salary data shows those practicing in Eastern New Mexico and the Albuquerque Metro area tend to make more on average than those working in other areas of the state, though the median wage numbers do not vary as dramatically.

Male attorneys have a higher average wage than do female attorneys. In part, this can be explained by the fact that female attorneys tend to be younger and have been practicing law for fewer years. They are also more likely than their male counterparts to work for government agencies which tend to pay at lower rates than other classifications.

It is also observed that Anglo attorneys tend to earn more on average than do Hispanic attorneys or those of other racial/ethnic backgrounds. Again, Hispanics and those of other racial/ethnic backgrounds tend to have been practicing for fewer years when compared to Anglo attorneys and are more apt to work in government positions. In fact, 36% of the Hispanic attorneys who responded to the survey work for a government agency compared to 18% of Anglos.

### ANNUAL WAGE BY GENDER: TOP 3 LEGAL CLASSIFICATIONS

MALE – FULL TIME			
	SOLE PRACTITIONER	GOVERNMENT	PARTNER/ SHAREHOLDER
MEAN	\$124,693	\$69,712	\$192,480
MEDIAN	\$99,998	\$69,000	\$165,500

FEMALE – FULL TIME			
	SOLE PRACTITIONER	GOVERNMENT	PARTNER/ SHAREHOLDER
MEAN	\$84,339	\$65,570	\$150,732
MEDIAN	\$70,020	\$63,000	\$125,347

As mentioned earlier, female attorneys tend to make less overall than their male counterparts. The tables above show the differences in wages among those working full-time in the three largest practice groups.

For example the median yearly wage for male full-time sole practitioners is nearly \$30,000 higher than that for females (\$99,998 and \$70,020, respectively).

The differences for government lawyers is less striking, though the median wage for females is \$63,000 compared to \$69,000 among males.

For the partner/shareholder group, male attorneys have a median income of \$165,500 compared to \$125,347 among females.

While some of the discrepancies are due to the fact that female attorneys have practiced for a shorter period of time, there are large differences between sole practitioners and partners/shareholders that cannot be accounted for by practice time alone. For instance, the results for hourly charged rates show that in many areas of practice, female attorneys reported lower hourly billing rates on average than do men.



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

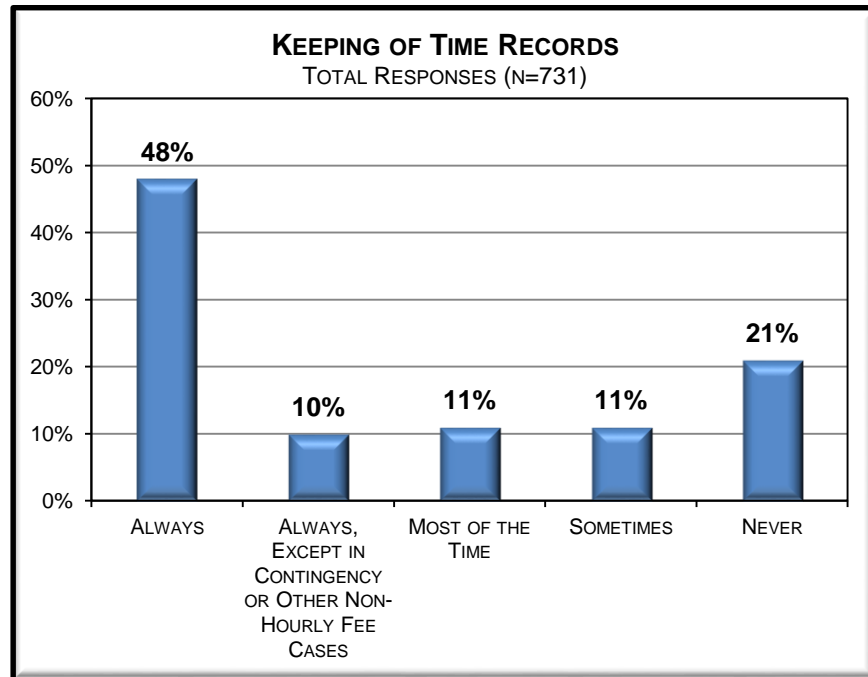
<b>AVERAGE NUMBER OF HOURS FOR ACTIVITIES (SUMMARY TABLE)</b>			
<b>% OF RESPONDENTS PARTICIPATING</b>	<b>ACTIVITY</b>	<b>HOURS PER WEEK</b>	<b>% HOURS SPENT</b>
<b>93%</b>	<b>FEE-PRODUCING WORK/ SALARIED TIME</b>	20 HOURS OR LESS	17%
		21 TO 30 HOURS	23%
		31 TO 40 HOURS	40%
		41 TO 50 HOURS	16%
		51 HOURS OR MORE	4%
	MEAN	34 HOURS	N/A
	MEDIAN	35 HOURS	N/A
<b>63%</b>	<b>OFFICE ADMINISTRATION</b>	2 HOURS OR LESS	19%
		3 TO 5 HOURS	45%
		6 TO 10 HOURS	26%
		11 HOURS OR MORE	10%
	MEAN	7 HOURS	N/A
	MEDIAN	5 HOURS	N/A
<b>49%</b>	<b>UNPAID PRO BONO WORK</b>	2 HOURS OR LESS	33%
		3 TO 5 HOURS	43%
		6 TO 10 HOURS	19%
		11 HOURS OR MORE	5%
	MEAN	5 HOURS	N/A
	MEDIAN	4 HOURS	N/A
<b>46%</b>	<b>UNPAID LEGAL WORK</b>	2 HOURS OR LESS	33%
		3 TO 5 HOURS	43%
		6 TO 10 HOURS	19%
		11 HOURS OR MORE	5%
	MEAN	5 HOURS	N/A
	MEDIAN	4 HOURS	N/A
<b>33%</b>	<b>UNPAID COMMUNITY WORK</b>	2 HOURS OR LESS	50%
		3 TO 5 HOURS	36%
		6 TO 10 HOURS	10%
		11 HOURS OR MORE	4%
	MEAN	4 HOURS	N/A
	MEDIAN	2 HOURS	N/A
<b>26%</b>	<b>UNPAID RESEARCH</b>	2 HOURS OR LESS	52%
		3 TO 5 HOURS	36%
		6 TO 10 HOURS	11%
		11 HOURS OR MORE	1%
	MEAN	3 HOURS	N/A
	MEDIAN	2 HOURS	N/A

The table above shows the number of hours lawyers spend performing certain duties on a weekly basis. For instance, the survey respondents spend an average of 34 hours a week performing fee producing work or salaried time. One-fifth of respondents say they spend more than 40 hours a week performing fee producing work or salaried time.

Sixty-three percent of the respondents say part of their duties includes office administration. These respondents spend an average of seven hours performing office administration duties in an average week, though the median is five hours.

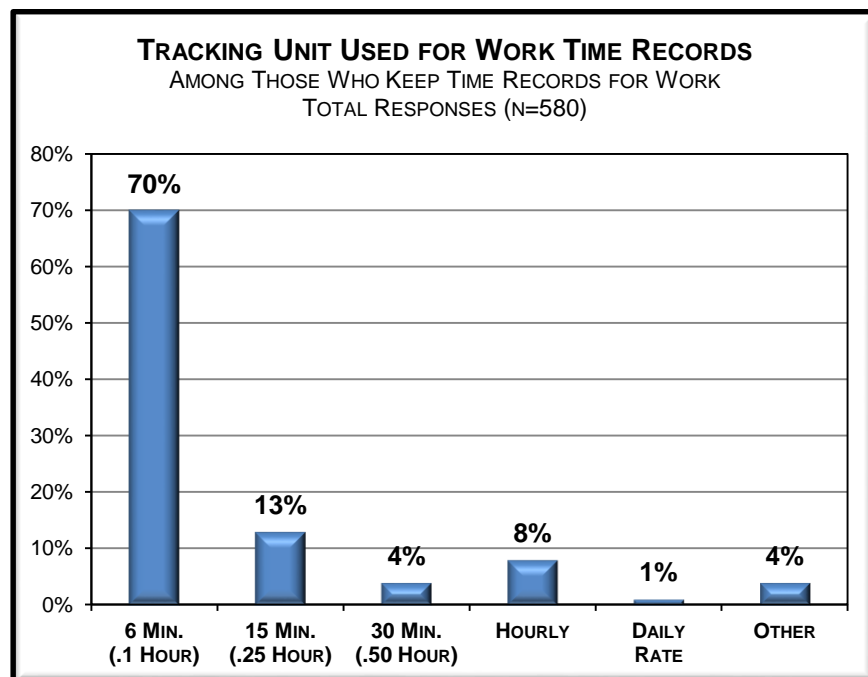
Nearly half of the respondents say they do unpaid pro-bono work, spending an average of five hours a week doing so and 46% do unpaid legal work spending an average of five hours in such activities.

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



Approximately four-fifths of attorneys say they keep time records of their work at least some of the time. Nearly half (48%) 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*. Eleven percent say they keep time records *most of the time* and another 11% do so *sometimes*.

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



The large majority (70%) of attorneys who keep time records do so in six minute units, while 13% keep 15 minute units, 4% use half-hour units, and 8% keep hourly units to track their time.

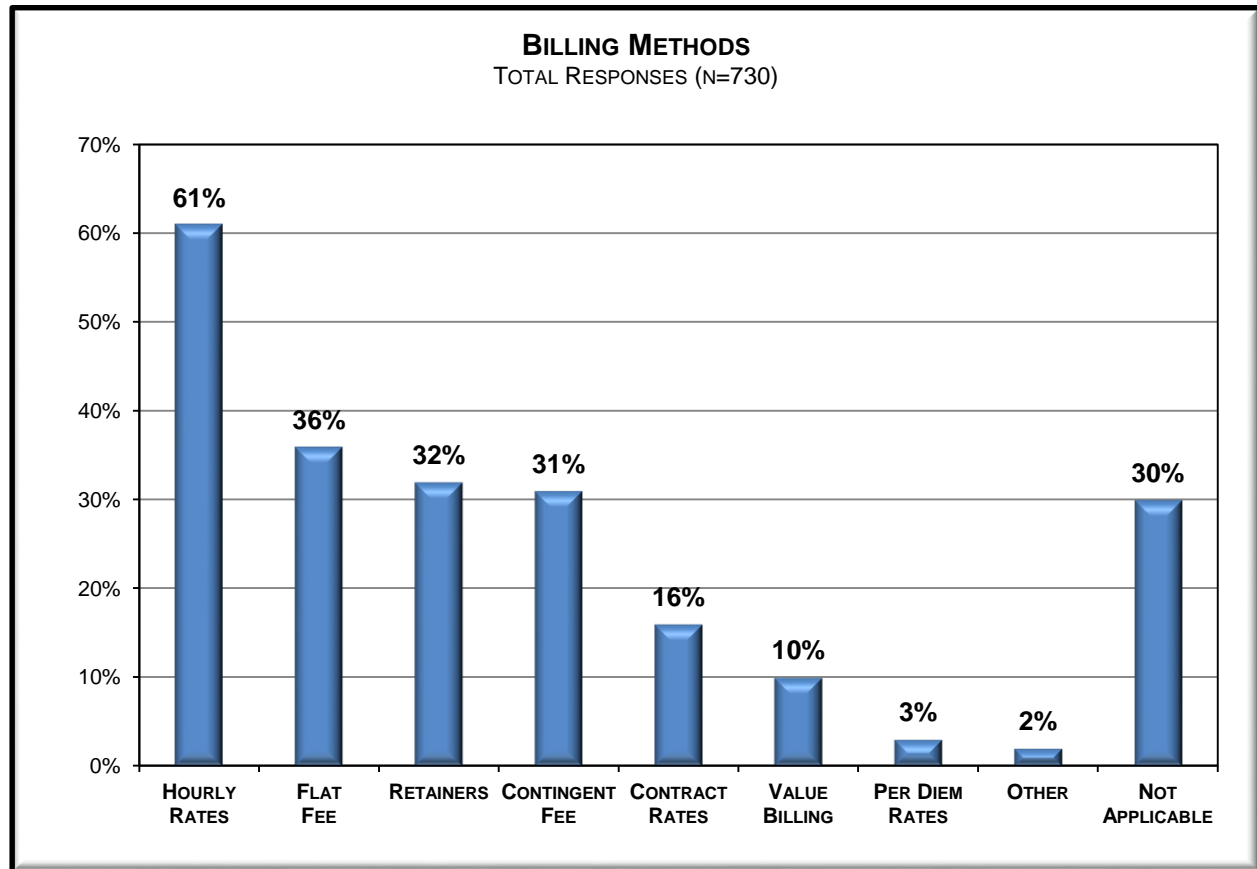
**Question 9: If you are subject to a minimum billable hours policy, has the minimum requirement changed over the past two years?**

<b>CHANGE IN THE MINIMUM REQUIREMENT BILLABLE HOURS POLICY                      OVER THE PAST TWO YEARS                      (SUMMARY TABLE)</b>			
AMONG THOSE WHO ARE SUBJECT TO A MINIMUM BILLABLE HOURS POLICY TOTAL RESPONSES (N=724)			
CHANGE	PERCENTAGE OF RESPONDENTS	FROM REQUIRED HOURS PER YEAR	TO REQUIRED HOURS PER YEAR
YES, INCREASED	1%	MEAN: 1,069 HOURS MEDIAN: 1,300 HOURS	MEAN: 1,188 HOURS MEDIAN: 1,560 HOURS
YES, DECREASED	1%	MEAN: 1,712 HOURS MEDIAN: 1,770 HOURS	MEAN: 1,125 HOURS MEDIAN: 1,500 HOURS
NO, STAYED THE SAME	16%	N/A	N/A
NOT APPLICABLE	83%	N/A	N/A

Just 2% of those surveyed say they have experienced a change in minimal billing hours over the past year, with 1% saying it has increased and 1% says their minimum billing has decreased.

The increase in minimum billing hours has increased from a median of 1,300 hours a year to a median of 1,560 hours a year. Those who have a decrease have seen a median decline from 1,770 hours to 1,500.

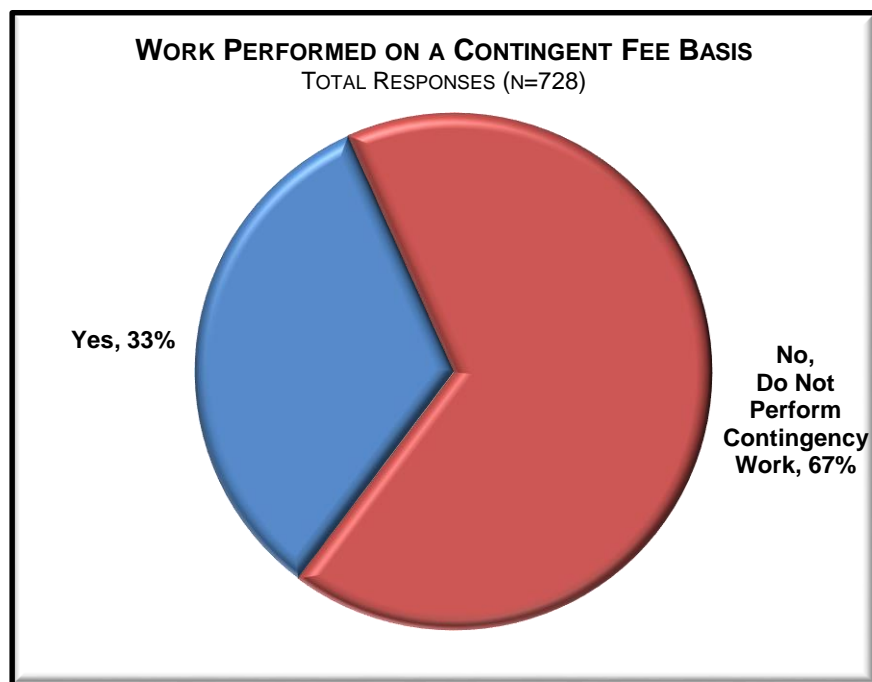
**Question 10: Which of the following billing methods do you use?**



The attorneys were asked what types of different billing methods they use. Approximately three-fifths (61%) of the respondents say they charge an hourly rate, while 36% charge a flat fee, 32% have retainers, 31% say they bill on a contingency basis, while 16% use contract rates, and 10% offer value billing. Thirty percent of the respondents do not bill for their services.

The percentages add to more than 100% due to the fact respondents were able to give multiple responses.

**Question 11: Do you perform any work on a contingency basis?**



WHAT PERCENTAGE OF THE RECOVERY DO YOU TYPICALLY CHARGE AS A CONTINGENCY?	
MEAN	32.7%
MEDIAN	33.0%

One-third of the respondents say they perform on a contingency basis. On average, those who charge a contingency fee recover 32.7% with a median of 33%.

**Question 12: 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?**

STANDARD OR MOST COMMONLY CHARGED HOURLY RATE (SUMMARY TABLE)			
TOTAL RESPONSES (N=729)			
63% YES →	AVERAGE HOURLY RATE:	LOWEST HOURLY RATE:	HIGHEST HOURLY RATE:
	MEAN \$213 MED. \$200	MEAN \$165 MED. \$160	MEAN \$248 MED. \$249
4% NO			
34% NOT APPLICABLE			

Approximately two-thirds of respondents (63%) 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 \$213 with a median of \$200. The average low rate or starting point is \$165, while the average high is \$248 for a starting point. The average hourly billing rate for charges by male attorneys is \$221 compared to an average of \$200 among women. The median billing rates between male and female attorneys is identical (\$200).

**Question 13: 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 2011. 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 2011. 3) Please indicate your current usual and maximum hourly billing rates for that field of law.**

Percentage of Time Spent During 2011 In Specific Areas of Law (Summary Table)		
LEGAL FIELD (ENTER CODE NUMBER FROM ABOVE)	% OF THOSE WHO PERFORM WORK	STANDARD HOURLY RATE
Torts/Personal Injury/Property Damage	25%	Mean:\$180 Median:\$179
Real Property/Landlord-Tenant/Credit Debit/Bankruptcy	24%	Mean:\$203 Median:\$200
Business/Corporations	24%	Mean:\$202 Median:\$200
Trial practice/litigation	23%	Mean:\$214 Median:\$201
Criminal	21%	Mean:\$207 Median:\$201
General Practice	18%	Mean:\$196 Median:\$200
Estate Planning/Taxation/Probate/Wills	18%	Mean:\$198 Median:\$200
Family/Domestic Relations	17%	Mean:\$199 Median:\$200
Labor/Employment/Employee Relations	17%	Mean:\$194 Median:\$196
Appeals	13%	Mean:\$218 Median:\$226
Constitutional/Civil Rights	12%	Mean:\$203 Median:\$185
ADR/Mediation/Arbitration	9%	Mean:\$221 Median:\$227
Public Law	9%	Mean:\$167 Median:\$168
Governmental Relations/Boards/Commissions/Zoning	9%	Mean:\$163 Median:\$174
Environmental/Natural Resources/Transportation/Water	8%	Mean:\$206 Median:\$198
Children's Law	8%	Mean:\$119 Median:\$95
Worker's Compensation/Risk Management	5%	Mean:\$166 Median:\$175
Elder Law	5%	Mean:\$179 Median:\$183
Taxation	3%	Mean:\$234 Median:\$238
Intellectual Property/Patent/Entertainment	3%	Mean:\$211 Median:\$213
Health/Mental Health	3%	Mean:\$248 Median:\$250
Immigration/International	3%	Mean:\$198 Median:\$205
Indian Law/Gaming	2%	Mean:\$231 Median:\$248

Respondents were asked to indicate the different types of work they performed in 2011 and to give their usual hourly rate for each type of service. As shown on the preceding page, 25% of respondents say they worked in torts/personal injury/property damage cases with an average standard rate of \$180 an hour. Approximately one-in-four of the respondents (24%) say they spent time in real estate/landlord-tenant/credit-debit/bankruptcy law charging an average of \$203 an hour, while 24% were in business/corporate law, charging an average of \$202 an hour.

Due to the small cell sizes for many of the different areas of law (Indian Law/Gaming, Immigration, Health/Mental Health, etc.), caution should be taken when looking at some of the survey results.

For many of the areas of practice, it is observed that female attorneys report charging lower rates than their male counterparts. In fact, in eight of the top 11 areas of practice listed on the previous page, male attorneys report charging on average of at least \$10 more per hour than do female attorneys. In some cases, male attorneys report charging \$50 or more an hour on average than do female.

For example, when it comes to real property/landlord-tenant/bankruptcy/debtor/creditor/consumer law, male attorneys report charging an average of \$213 per hour compared to \$181 reported among female attorneys. For business/corporate law, males charged an average of \$208 per hour compared to \$189 reported by female attorneys. In trial practice/litigation, male attorneys reported an average hourly rate of \$225 compared to an average of \$175 among female attorneys.

In other areas of practice, the differences between male and female attorneys are minimal. In the family/domestic relations area, female attorneys charged an average of \$200 per hour, while males report charging \$198 an hour. For general practice, males report charging approximately \$8 more per hour than do females. Male and female attorneys also charge very similar rates for estate planning/taxation/probate/wills.

**Question 14: If applicable, how long ago did you or your firm increase your hourly rate?**

Length of Time Since Hourly Rate Was Increased (Summary Table)									
		CLASSIFICATION OR OTHER LEGAL OCCUPATION				TOTAL NUMBER OF LAWYERS IN THE PRACTICE			
	TOTAL SAMPLE	SOLE PRACTITIONER	CITY, STATE OR COUNTY GOVERNMENT	PARTNER/ SHARE- HOLDER	ASSOCIATE	1 LAWYER/ SOLE	2 TO 6 LAWYERS	7 TO 15 LAWYERS	16 OR MORE LAWYERS
<b>0 to 6 months ago</b>	11%	12%	0%	23%	21%	11%	6%	11%	15%
<b>7 to 11 months ago</b>	7%	6%	1%	15%	9%	6%	6%	7%	8%
<b>1 to 2 years ago</b>	17%	23%	0%	33%	14%	21%	21%	19%	6%
<b>More than 2 years ago</b>	17%	33%	3%	17%	11%	30%	18%	7%	4%
<b>Not applicable</b>	44%	23%	94%	10%	21%	30%	41%	52%	60%
<b>Don't know/won't say</b>	5%	3%	3%	2%	24%	2%	7%	4%	7%

Over one-third (35%) of the attorneys who responded say they or their firm has increased their hourly rates with the past two years, with 11% having done so in just the last six months. Seventeen percent say they have raised their rates one to two years ago, and another 17% last increased their rates more than two years ago.



**Question 15: 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)									
		CLASSIFICATION OR OTHER LEGAL OCCUPATION				TOTAL NUMBER OF LAWYERS IN THE PRACTICE			
	TOTAL RESPONSES	SOLE PRACTITIONER	CITY, STATE OR COUNTY GOVERNMENT	PARTNER/ SHARE- HOLDER	ASSOCIATE	1 LAWYER/ SOLE	2 TO 6 LAWYERS	7 TO 15 LAWYERS	16 OR MORE LAWYERS
INCREASE OF 5% OR LESS	27%	20%	67%	35%	26%	20%	22%	36%	50%
INCREASE OF 6% TO 10%	41%	35%	17%	50%	37%	36%	46%	49%	41%
INCREASE OF 11% TO 19%	19%	25%	17%	8%	28%	24%	22%	9%	7%
INCREASE OF 20% OR MORE	12%	20%	0%	7%	9%	20%	9%	6%	2%

Twenty-seven percent of respondents who have increased their hourly rates only raised them by 5% or less. The plurality (41%) last raised their rates between 6% and 10%, while 19% saw an increase ranging from 11% to 19%. Twelve percent of those who have raised their hourly rate made an increase of 20% or more.

It should be noted that 20% of the sole practitioners who have increased their rates did so by 20% or more.

**Question 16: 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)									
		CLASSIFICATION OR OTHER LEGAL OCCUPATION				TOTAL NUMBER OF LAWYERS IN THE PRACTICE			
	TOTAL SAMPLE	SOLE PRACTITIONER	CITY, STATE OR COUNTY GOVERNMENT	PARTNER/ SHARE- HOLDER	ASSOCIATE	1 LAWYER/ SOLE	2 TO 6 LAWYERS	7 TO 15 LAWYERS	16 OR MORE LAWYERS
<b>NONE/0%</b>	40%	22%	96%	7%	16%	25%	39%	48%	60%
<b>1% TO 5%</b>	26%	29%	0%	59%	32%	26%	28%	31%	22%
<b>6% TO 10%</b>	13%	16%	1%	17%	23%	17%	13%	16%	7%
<b>11% TO 20%</b>	11%	16%	0%	11%	20%	17%	14%	4%	5%
<b>21% OR MORE</b>	9%	17%	2%	6%	8%	15%	7%	1%	6%
<b>MEAN</b>	7%	12%	0%	8%	9%	12%	7%	4%	3%
<b>MEDIAN</b>	3%	5%	0%	5%	7%	5%	5%	1%	0%

Three-fifths of the respondents 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 13% write off between 6% to 10% of their fees and 26% write off between 1% and 5%. On average, respondents report having to write off approximately 7% of their fees as uncollectible.

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

<b>FREQUENCY OF CHARGING CLIENT FOR VARIOUS EXPENSES (SUMMARY TABLE)</b>						
TOTAL RESPONSES RANKED BY HIGHEST PERCENTAGE "ALWAYS"						
	ALWAYS	USUALLY	SOMETIMES	RARELY	NEVER	NOT APPLICABLE
TIME SPENT ON TELEPHONE CALLS	25%	30%	7%	2%	5%	31%
LAWYERS' TRAVEL COSTS	24%	21%	10%	3%	9%	32%
LAWYERS' TRAVEL TIME	17%	25%	14%	5%	7%	32%
PARALEGAL TIME OR SERVICES	13%	19%	11%	4%	12%	42%
POSTAGE	13%	14%	13%	13%	15%	32%
DUPLICATING/PHOTOCOPYING EXPENSES	12%	20%	14%	11%	12%	31%
COMPUTERIZED LEGAL RESEARCH COSTS	9%	13%	9%	10%	23%	35%
LEGAL ASSISTANT TIME OR SERVICES	6%	9%	13%	8%	23%	41%
OTHER COMPUTER TIME OR SERVICES	3%	5%	6%	11%	36%	38%
SECRETARIAL TIME OR SERVICES	2%	3%	8%	8%	41%	38%

Members were asked to rate how often they charge clients for various expenses. As shown above, the majority (55%) say they *always* (25%) or *usually* (30%) charge clients for time spent on phone calls and 45% either *always* (24%) or *usually* (21%) charge for lawyers' travel costs. Forty-two percent also say they *always* or *usually* charge for travel time.

Relatively few of the respondents say they either *always* or *usually* charge for secretarial time/services (5%), other computer time or services (8%), or legal assistant time/services (15%).

**Question 27: Do you market your legal services?**

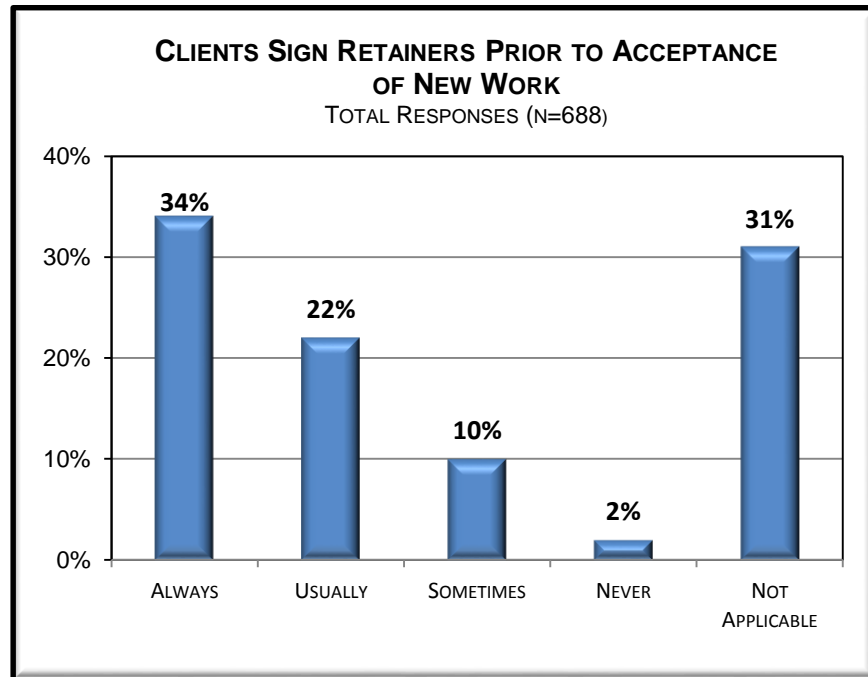
<b>MARKET LEGAL SERVICES (SUMMARY TABLE)</b>									
		<b>CLASSIFICATION OR OTHER LEGAL OCCUPATION</b>				<b>TOTAL NUMBER OF LAWYERS IN THE PRACTICE</b>			
	TOTAL SAMPLE	SOLE PRACTITIONER	CITY, STATE OR COUNTY GOVERNMENT	PARTNER/ SHARE- HOLDER	ASSOCIATE	1 LAWYER/ SOLE	2 TO 6 LAWYERS	7 TO 15 LAWYERS	16 OR MORE LAWYERS
<b>YES, MARKET</b>	38%	37%	5%	70%	62%	37%	41%	38%	38%
<b>No, Do Not MARKET</b>	62%	63%	95%	30%	38%	63%	59%	63%	63%

<b>SOURCE OF MARKETING FOR LEGAL SERVICES (SUMMARY TABLE)</b>									
TOTAL RESPONSES (N=262) AMONG THOSE WHO MARKET THEIR SERVICES									
		<b>CLASSIFICATION OR OTHER LEGAL OCCUPATION</b>				<b>TOTAL NUMBER OF LAWYERS IN THE PRACTICE</b>			
	TOTAL SAMPLE	SOLE PRACTITIONER	CITY, STATE OR COUNTY GOVERNMENT	PARTNER/ SHARE- HOLDER	ASSOCIATE	1 LAWYER/ SOLE	2 TO 6 LAWYERS	7 TO 15 LAWYERS	16 OR MORE LAWYERS
WEB SITE	80%	62%	71%	92%	85%	64%	81%	100%	90%
REFERRALS/WORD OF MOUTH	77%	73%	57%	81%	76%	76%	70%	77%	90%
LISTING IN LEGAL DIRECTORY	45%	31%	29%	57%	50%	33%	42%	51%	64%
SEMINARS/CONFERENCES/LEGAL FAIRS	37%	8%	14%	54%	54%	10%	28%	56%	75%
FIRM BROCHURE AND RESUME	36%	8%	29%	48%	57%	12%	26%	62%	68%
YELLOW PAGES BLOCK DISPLAY	34%	43%	0%	31%	26%	44%	38%	33%	15%
YELLOW PAGES PHONE NUMBER ONLY	32%	26%	29%	43%	15%	24%	43%	33%	31%
SOCIAL MEDIA (FACEBOOK, LINKEDIN, ETC.)	26%	19%	0%	34%	35%	20%	22%	38%	32%

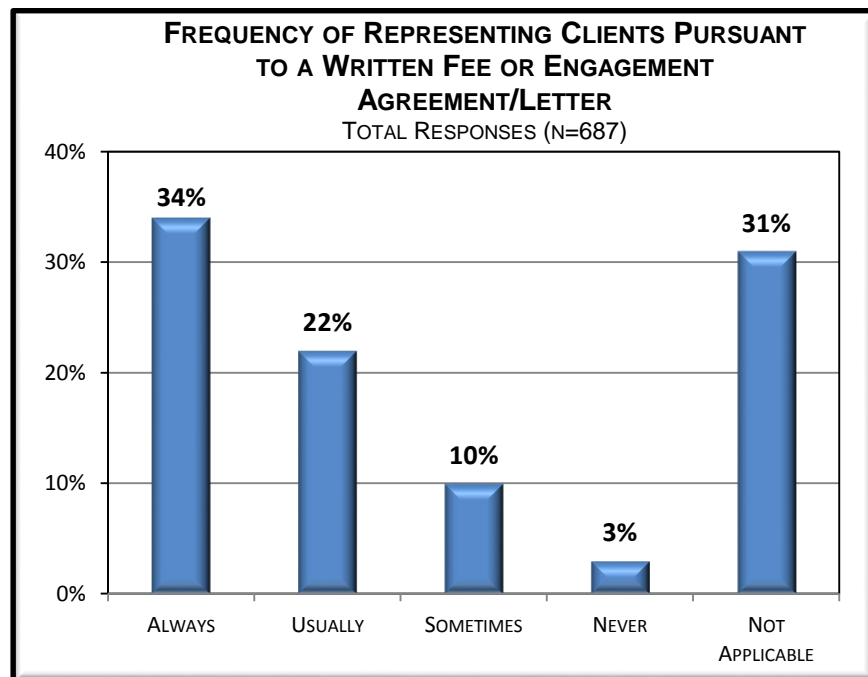
Approximately two-fifths (38%) of the survey respondents say they or their firm markets their legal services. Among those who do market their services, the most popular mediums are through a website (80%) and through referrals/word of mouth (77%).

Other commonly used ways to market their services include listing in the legal directory (45%), seminars/conferences/legal fairs (37%), firm brochures/resume (36%), yellow pages block display (34%), yellow pages phone number only (32%), and social media (26%).

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



**Question 29: How often do you represent clients pursuant to a written fee or engagement agreement or letter?**

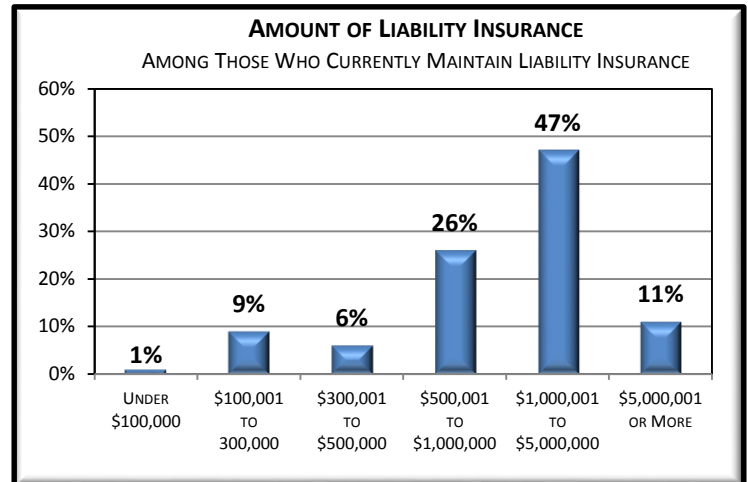
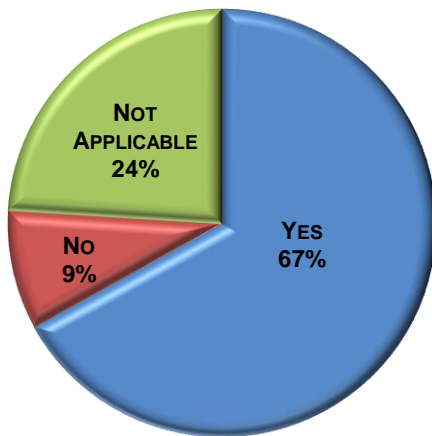


The majority of attorneys say they either *always* (34%) or *usually* (22%) have their client sign a retainer prior to accepting new work and another 10% say they *sometimes* have clients sign a retainer. One-third of the respondents either never have their clients sign a retainer (2%) or say it is not applicable to their practice (31%).

The majority of attorneys also say they either *always* (34%) or *usually* (22%) represent clients pursuant to a written fee agreement or letter and another 10% say they *sometimes* do so.

**Question 30: Do you or your firm currently maintain professional liability insurance coverage?**

**MAINTAINS LIABILITY INSURANCE**  
TOTAL RESPONSES (N=685)

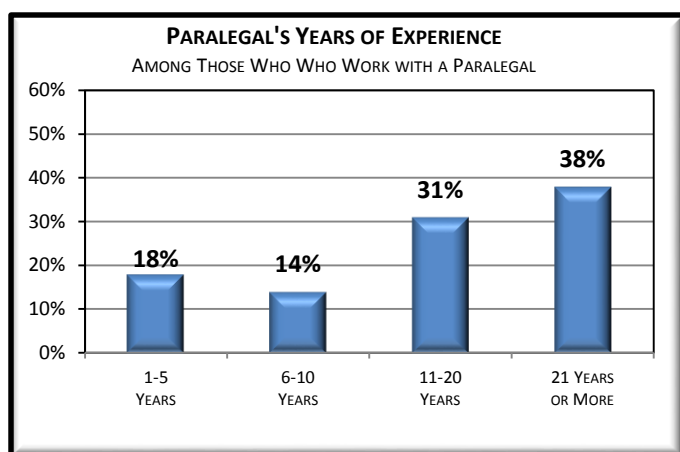


Two-thirds of the respondents say they or their firm maintains professional liability insurance. The majority (58%) of those who carry liability insurance have more than \$1,000,000 in coverage.

**Question 31: Do you work with a paralegal?**

<b>WORK WITH A PARALEGAL BY DEMOGRAPHICS (SUMMARY TABLE)</b>									
TOTAL RESPONSES (N=684)									
		CLASSIFICATION OR OTHER LEGAL OCCUPATION				TOTAL NUMBER OF LAWYERS IN THE PRACTICE			
	TOTAL SAMPLE	SOLE PRACTITIONER	CITY, STATE OR GOVERNMENT	PARTNER/ SHAREHOLDER	ASSOCIATE	1 LAWYER/ SOLE	2 TO 6 LAWYERS	7 TO 15 LAWYERS	16 OR MORE LAWYERS
<b>Yes</b>	56%	32%	57%	72%	87%	34%	61%	72%	71%
<b>No</b>	44%	68%	43%	28%	13%	66%	39%	28%	29%

**Ques. 32/33: How many years of experience does your paralegal have? & What is your paralegal's annual salary?**



MEAN: 14 YEARS  
MEDIAN: 15 YEARS

<b>ANNUAL SALARY FOR THE PARALEGALS (SUMMARY TABLE)</b>	
AMONG THOSE WHO WORK WITH A PARALEGAL TOTAL RESPONSES (N=182)	
	SALARY
MEAN	\$42,182
MEDIAN	\$40,238

As shown above, the majority (56%) of respondents say they work with a paralegal. Working with a paralegal is much more prevalent among those who are associates (87%) and partners/shareholders (72%) than it is with City/State/Government lawyers (57%) and sole practitioners (32%).

On average, the paralegals have 14 years of experience and have an average salary of \$42,182.

**Question 34: In the last year did your total income increase, decrease, or stay the same?**

<b>INCOME INCREASED, DECREASED OR STAYED THE SAME (SUMMARY TABLE)</b>									
		<b>CLASSIFICATION OR OTHER LEGAL OCCUPATION</b>				<b>TOTAL NUMBER OF LAWYERS IN THE PRACTICE</b>			
	TOTAL SAMPLE	SOLE PRACTITIONER	CITY, STATE OR GOVERNMENT	PARTNER/ SHAREHOLDER	ASSOCIATE	1 LAWYER/ SOLE	2 TO 6 LAWYERS	7 TO 15 LAWYERS	16 OR MORE LAWYERS
<b>INCREASED</b>	34%	30%	19%	47%	57%	32%	41%	33%	31%
<b>DECREASED</b>	20%	26%	13%	17%	8%	35%	14%	15%	10%
<b>STAYED THE SAME</b>	45%	34%	68%	36%	35%	33%	45%	51%	59%

<b>INCOME INCREASED, DECREASED OR STAYED THE SAME</b>				
<b>INCREASED</b>	MEAN	\$30,256	MEDIAN	\$15,000
<b>DECREASED</b>	MEAN	\$22,991	MEDIAN	\$19,998

Approximately one-third (34%) of the respondents say their income increased last year by an average of just over \$30,000, though the median increase was \$15,000, indicating there were many outliers (attorneys who experienced a dramatic increase in salary). One-in-five respondents say their income decreased over the past year by an average of nearly \$23,000. The plurality of respondents say their income neither increased nor decreased in the past year.

Associates (57%) and partners/shareholders (47%) are more apt than sole practitioners (30%) and government attorneys (19%) to have experienced an increase in their income last year.



**Question 35-40: Please rate how strongly you either agree or disagree with the following statements?**

LEVEL OF AGREEMENT WITH VARIOUS STATEMENTS (SUMMARY TABLE)						
RANKED BY HIGHEST "STRONGLY AGREE"						
	STRONGLY AGREE 5	SOMEWHAT AGREE 4	NEITHER AGREE NOR DISAGREE 3	SOMEWHAT DISAGREE 2	STRONGLY DISAGREE 1	NOT APPLICABLE/ DON'T KNOW
THE COST OF LITIGATION HAS BECOME PROHIBITIVE IN RECENT YEARS	37%	36%	13%	3%	1%	11%
I AM SATISFIED WITH MY CAREER	36%	42%	7%	10%	4%	1%
LAWYERS HAVE GOTTEN LESS CIVIL TO EACH OTHER OVER TIME	30%	33%	20%	7%	3%	7%
I HAVE GOOD OPPORTUNITIES FOR ADVANCEMENT PRACTICING LAW IN NEW MEXICO	20%	29%	17%	16%	11%	7%
I WOULD RECOMMEND A LEGAL CAREER TO A YOUNG PERSON	16%	32%	19%	20%	12%	1%
NEW MEXICO IS A GOOD PLACE TO PRACTICE LAW IN TERMS OF COMPENSATION	5%	22%	21%	27%	22%	4%

Respondents were asked to rate their level of agreement with various statements relating to practicing law in New Mexico. As shown above, nearly four-fifths (78%) either *strongly agree* (36%) or *somewhat agree* (42%), **"I am satisfied with my career"**. However, approximately three-quarters (73%) also either *strongly agree* (37%) or *somewhat agree* (36%) that **the cost of litigation has become prohibitive in recent years**, with just 4% who disagree.

The large majority of the survey respondents either *strongly agree* (30%) or *somewhat agree* (33%) that **lawyers have gotten less civil to each other over time**, with just 10% who disagree.

Approximately half (49%) of the respondents agree that they **have good opportunities for advancement practicing law in New Mexico**, though 27% disagree. Furthermore, nearly half (48%) agree they **would recommend a legal career to a young person**. However, one-third (32%) of the respondents indicate that they would not recommend the legal profession and 19% neither agree nor disagree.

Finally, less than one-third (27%) of those who responded agree that **New Mexico is a good place to practice law in terms of compensation**, while nearly half (49%) disagree and 21% neither agree nor disagree.

**Question 41: Which of the following, if any, do you see as perceived barriers to practicing law in New Mexico?**

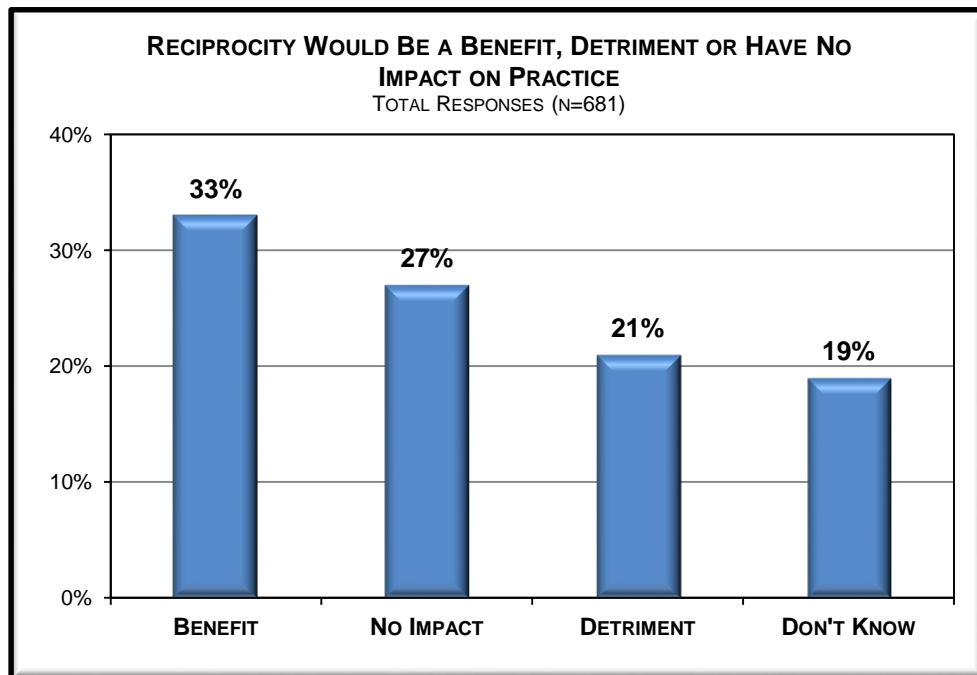
**BARRIERS TO PRACTICING LAW IN NEW MEXICO**  
TOTAL RESPONSES (N=681)

POOR ECONOMY	72%
LACK OF OPPORTUNITIES FOR ADVANCEMENT	29%
INSUFFICIENT PROFITS	28%
LACK OF RECIPROCITY	27%
DIFFICULT TO ATTRACT NEW CLIENTS	24%
NOT ENOUGH QUALIFIED SUPPORT STAFF	20%
COMPETITION: TOO MANY SOLO PRACTITIONERS	16%
COMPETITION: TOO MANY LAW FIRMS	15%
GENDER DISCRIMINATION	9%
OTHER	8%
RACIAL DISCRIMINATION	4%
NOTHING IN PARTICULAR	15%

As shown above, when asked what they see as perceived barriers to practicing law in New Mexico, 72% of the respondents cite the poor economy. In comparison, lack of opportunities for advancement (29%), insufficient profits (28%), lack of reciprocity (27%), and difficulty attracting new clients (24%) are perceived to be obstacles by approximately one-quarter of the respondents.

Other perceived obstacles include not enough qualified support staff (20%), too many solo practitioners (16%), too many law firms (15%), gender discrimination (9%), and racial discrimination (4%).

**Question 42: Do you feel that reciprocity would be a benefit, a detriment or have no impact to your law practice in terms of compensation?**



Overall, there is no clear consensus as to how reciprocity would impact law practices in New Mexico. While the plurality (33%) believe reciprocity would be a benefit to their practice, 21% say it would be a detriment, and 27% believe it would have no impact one way or the other.