

CORPORATE LAW DEPARTMENT

REPORT TO SIGNATORIES OF THE STATEMENT OF DIVERSITY PRINCIPLES

DIVERSITY BENCHMARKING REPORT

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The logo for the New York City Bar Association, featuring the text "NEW YORK CITY BAR" in a serif font, centered between two horizontal blue bars.

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CITY BAR

## 2007 Diversity Benchmarking Study:

### A Report to Signatory Corporate Law Departments

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## EXECUTIVE SUMMARY

The New York City Bar Association published the first benchmark report of corporate signatories in 2006. This report is the second installment in an ongoing series to assess the diversity of in-house attorneys through time. Key findings from the report include:

- **Women and men experience very different career trajectories.** While the representation of women declines with each progressive level within corporate legal departments, the representation of men increases. Women and men were equally represented at the entry level but men accounted for three-fourths of those in general counsel positions across corporate signatories. This pattern persists among new hires and promotions with fewer women both hired and promoted with each increasing level in the hierarchy.
- **Diversity decreased at the general counsel level and increased at the level just below the top leadership role.** In the 2007 benchmark results, one sign of progress was the increased diversity at the deputy general counsel level with women rising from 25% to over 35% of this group and men of color increasing from less than 6% to 10% in comparison with the 2006 results.
- **White men represented the greatest inflow of new attorneys through both hiring and promotion decisions in the 2007 benchmark results.** Across every level from top leadership to the lowest level, white men accounted for the greatest proportion of new hires. Among those promoted, white men were the largest group at every but the entry level.
- **Among minority attorneys, Asians and Hispanics showed the greatest progress.** Asian Americans are the most well represented group among minority attorneys reported in the 2007 benchmark results with particular increases at the deputy general counsel and managing attorney levels. Hispanic attorneys increased in representation at nearly every level in comparison to the 2006 results and a Hispanic man assumed the role of legal chief among the corporate signatories.
- **Data on gay and disabled attorneys remains scarce among corporate signatories.** Among a population of nearly 1,100 attorneys working in house, only 12 were reported as openly gay and only one as disabled. Clearly, there is a dearth of accurate information reflecting the prevalence of attorneys with these particular dimensions of diversity that are working in the legal departments of corporate signatories. Law firm signatories indicate more robust tracking of gay and disabled status than their corporate counterparts.

- **Formal flexibility remains a rarity in corporate legal departments.** Less than four percent of all attorneys work on any type of formal flexible work arrangement. Furthermore, the usage has declined since the 2006 benchmark results as has the seniority of those making use of formal flexibility. In comparison with law firm signatories, corporate legal departments report slightly lower utilization overall and among flex users, a significantly greater usage of full-time – versus part-time – flexible work arrangements.
- **Law department signatories are more diverse than law firm signatories, particularly at senior levels.** Overall women represent 44% of attorneys in corporate law departments and 36% in law firms while minority attorneys comprise 17% of attorneys in both environments. Women account for 36% of deputy general counsels and practice heads compared with 17% of women partners and 15% of practice group heads in firms. The comparable figures for minority attorneys are 15% and 5%.

**Conclusions:** The signing of the corporate signatories to the Association's Statement of Diversity Principles was an important and highly symbolic step in supporting and creating greater diversity for attorneys working in house. Results of this report suggest a loss of momentum in executing on this vision. While there are signs of progress such as the increase in diversity at the deputy general counsel level and a small increase in the reporting of openly gay attorneys, more indicators signal stagnation or in some instances a decline in progress. The use of flexibility has declined slightly since the first reporting of the corporate legal department diversity results and white men continue to represent the majority of new hires and promotions across levels. The New York City Bar applauds the hard work of the corporate signatories to make diversity a priority and seeks to be a resource as they continue to work toward the collective vision of making greater diversity among their attorneys a reality.

## **PURPOSE**

In 2006, the New York City Bar Association published its inaugural diversity benchmarking report for corporate signatories. The report sought to measure the diversity profile of in-house legal departments overall and at key levels along the career ladder. In addition to tracking the representation of attorneys by key dimensions of diversity (e.g. gender, race/ethnicity), the benchmarking report also provided data regarding new hires and attorneys working on flexible work arrangements. Signatories to the Association's Statement of Diversity Principles provided the source data. This second benchmarking report of corporate law departments expands the analysis by providing more recent data and encompassing the promotions and turnover of attorneys working in house.

This benchmark report measures the results of a small group of law department signatories and thus should not be considered broadly representative. It does however, provide helpful context for corporate legal departments seeking to compare their results with a cohort of organizations who are highly committed to improving the diversity profile of their in-house attorneys. This subsequent benchmark report also enables the creation of a trend line for assessing progress through time.

The report tracks information for in-house attorneys at four key levels. To ensure continuity with the results from the 2006 study, the New York City Bar collected data using the same representative titles listed below:

- Level 1 - General Counsel (GC), Chief Legal Officer (CLO)
- Level 2 - Deputy GC/CLO, Division or Practice Head, Direct Reports to GC/CLO
- Level 3 - Managing Attorneys, High Level Specialists
- Level 4 - All Other Attorneys

## **METHODOLOGY**

- Law departments completed an anonymous and confidential web-based survey.
- This data is based on the responses of 11 corporate signatories representing a 58% response rate which declined from an 83% response rate in the original corporate benchmarking study.
- This data is a snapshot of participating law departments as of January 2007 and represents results from only the greater Metropolitan New York City area offices of the signatory law departments.
- For comparison purposes, we again utilized the demographic categories and terminology employed by the National Association of Law Placement (NALP). As such, we collected data on Women, Men, American Indian, Asian-American/Pacific-Islanders, Black, Hispanic, Multi-racial, Openly Gay, and Disabilities.

- We collected data on the intersections of race and gender enabling us to compare white men, white women, men of color, and women of color.

## INTRODUCTION

As legal departments strive to increase the diversity across their ranks, benchmark information is a useful tool in interpreting their results. This report looks at the diversity profile of law department signatories overall as well as the representation at key levels. It probes several contributing factors – hiring, promotion, and attrition - that help organizations in understanding the flow of talent through their legal departments. The report explores points of comparison with results from the 2006 corporate benchmark report, law firm signatories and national data on diversity among in-house attorneys.

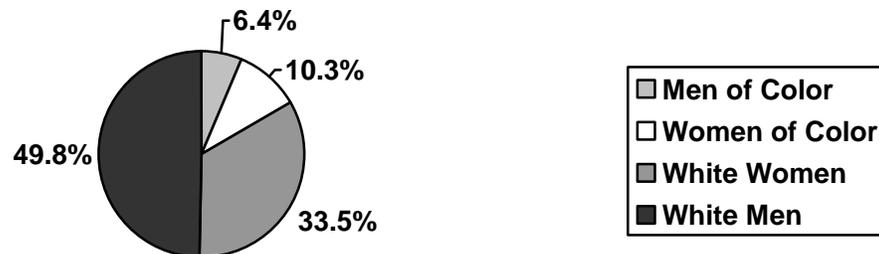
This benchmark report is intended as a resource in helping legal departments put their individual results on diversity statistics into context and in determining how to measure, create, and support greater diversity in the future.

It is important to note that in instances where there may be a small number of attorneys represented – such as at the general counsel level or with hiring and promotion data at various levels – small changes in the actual number of attorneys can result in more significant swings in the representation percentages. Summary data of results from the corporate signatories – including the actual number of attorneys at each key level - is referenced throughout this report and can be found in the data tables in the appendices.

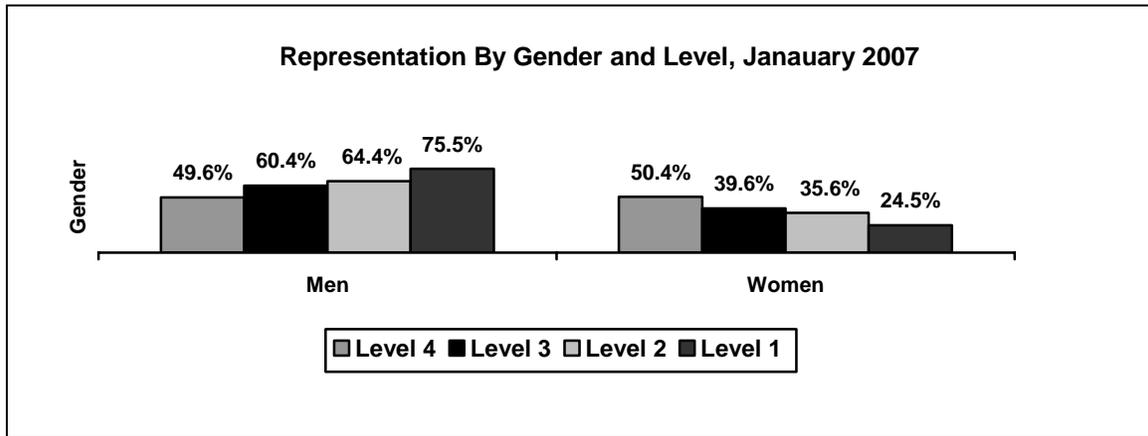
## THE DIVERSITY PROFILE OF CORPORATE LEGAL DEPARTMENTS

Overall white men represent half of all attorneys working in the legal departments of corporate signatories, women represent 44% and minority attorneys represent 17%.

**Race and Gender as of January 2007**



Analysis of the representation data across levels spotlights the very divergent experiences of attorneys across key dimensions of diversity. The data suggests that men and women move through the career ladder in legal departments in markedly different patterns. While the representation of women declines as seniority increases, the representation of men increases with each progressive level. At the most senior level, men comprise three-quarters of all attorneys while at the entry level they comprise half of the group. Of course, the complement is true for women who make up half of the attorneys at the most junior level declining to just one-in four attorneys at the most senior rank.



This pattern of declining representation with increasing level is consistent for white and minority women although the drop off is more dramatic for women of color in signatory law departments. Women of color comprise 15.2% of entry-level attorneys but less than 6% of attorneys at every other subsequent level in the hierarchy.

Minority attorneys overall, driven by the data for men of color, follow a non-linear pattern in representation as they move through the ranks. While minorities have the highest representation at the entry level - comprising approximately one in five in-house attorneys at level four – their representation drops at level three, rises at level two among direct reports to the general counsel before again dropping at the most senior position.

	Level 4	Level 3	Level 2	Level 1
<b>Minorities</b>	21.6%	10.8%	15.0%	6.1%
<b>Men of color</b>	6.3%	5.0%	10.0%	4.1%
<b>Women of color</b>	15.2%	5.9%	5.0%	2.0%

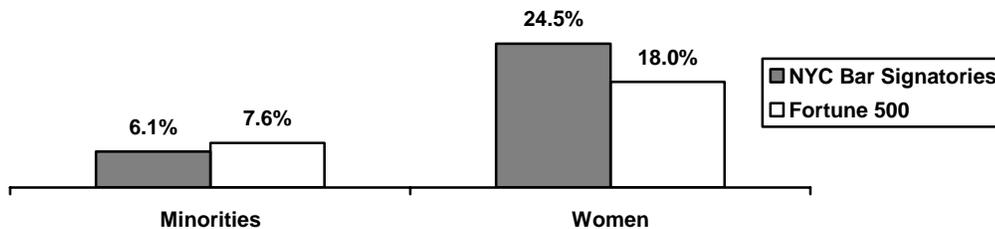
In comparison with results from the 2006 benchmark report, there was a reduction in diversity at the highest level of seniority and an increase in diversity at the deputy general counsel/practice head level. White men comprised 71.4% of general counsels in the 2007 study results versus 56.3% in the 2006 results.

This drop was due primarily to a reduction of men of color at the top rank from 18.8% to 4.1%. Conversely at level two the diversity profile improved with women rising from 25% to over 35% of deputy general counsel attorneys and men of color increasing from less than 6% to 10% of this pool.

The Minority Corporate Counsel Association (MCCA) tracks the representation of women and minority general counsels in the Fortune 500. Among this broader corporate sample, women account for 18% of the attorneys in general counsel roles. The corporate law department signatories register more favorable results with one of every four general counsel positions being held by a woman.

There was a clear drop in the representation of minority general counsels from the 2006 to 2007 corporate benchmark results, primarily due to a decline in men of color at the general counsel level which drove representation below the MCCA comparative benchmark of 7.6% for the Fortune 500. It is interesting to note that while the actual number of minority general counsels held constant at three from the 2006 to the 2007 results, their percentage representation declined as the total number of general counsels reported across the signatories increased substantially from 16 to 49 individuals at this top leadership level.

**Comparison of General Counsels in NYC Bar Signatories and Fortune 500 (Source: MCCA, 2007)**



### **Dissecting the Flow of Talent through Corporate Legal Departments**

Organizations use a number of strategies to create greater diversity. They seek to hire diverse candidates at both the entry and experienced levels. Organizations promote diverse internal candidates as another lever to enhance their diversity profile. In addition, efforts to retain minority attorneys are critical because heightened turnover leads to a dearth of diverse talent to draw from in the pipeline to leadership including at the most senior ranks.

Many organizations mistakenly focus their diversity efforts on hiring diverse candidates without paying sufficient attention to the more challenging work of creating a work environment that entices them to stay. But continued hiring without retaining diverse talent ultimately results in a revolving door which is costly, ineffective, and ultimately does little to change the diversity profile.

Through this 2007 benchmarking study, the New York City Bar has collected data on the employment decisions that impact representation numbers.

***Inflows - Hiring and Promotions***

As might be expected, the scope of hiring and promotions tend to be greatest at the entry level and decline with each progressive level in the hierarchy. The table below details the total number of attorneys across corporate signatories.

	<b>Level 4</b>	<b>Level 3</b>	<b>Level 2</b>	<b>Level 1</b>
<b>2006 Hires</b>	96	23	10	1
<b>2006 Promotions</b>	35	45	16	1

Review of the incoming attorneys by the major demographic categories of gender and race/ethnicity (e.g., white men, minority men, etc.) reveals that white men represent the largest proportion of new hires across every level and the largest proportion of those promoted at every but the entry level. These results serve to perpetuate the status quo.

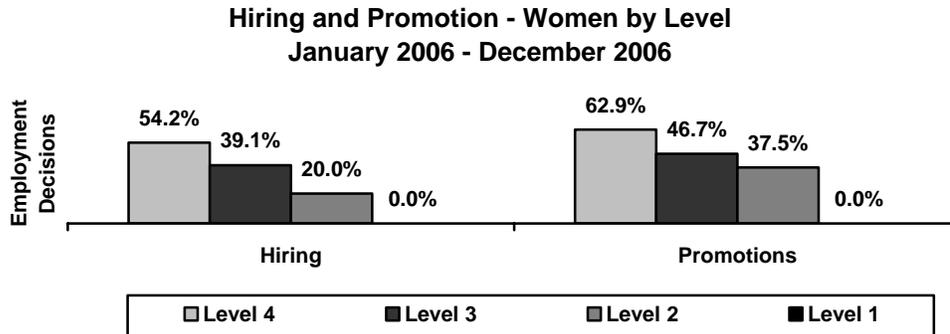
**Hiring -- January to December 2006**

	<b>Level 4</b>	<b>Level 3</b>	<b>Level 2</b>	<b>Level 1</b>
<b>White men</b>	34.4%	52.2%	50%	100%
<b>Minority men</b>	11.5%	8.7%	30%	0%
<b>White women</b>	33.3%	34.8%	10%	0%
<b>Minority women</b>	20.8%	4.4%	10%	0%

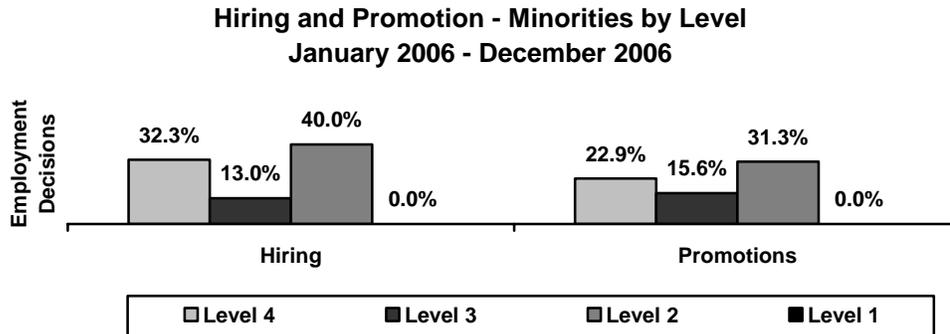
**Promotions -- January to December 2006**

	<b>Level 4</b>	<b>Level 3</b>	<b>Level 2</b>	<b>Level 1</b>
<b>White men</b>	37.1%	48.9%	43.8%	100%
<b>Minority men</b>	0.0%	4.4%	18.8%	0%
<b>White women</b>	40.0%	35.6%	25.0%	0%
<b>Minority women</b>	22.9%	11.1%	12.5%	0%

Similar to the data for representation, women account for a greater proportion of attorneys both hired and promoted as level declines.



Interestingly, the pattern for minority attorneys is not linear and follows a similar up and down movement for both hiring and promotion. No minority attorneys moved into level one while at level two over 30% of the total attorneys both hired and promoted were minority candidates. For minority attorneys, the percentages dip at level three - comprising attorneys supervising others and high-level specialists - before rising again at the entry level.



Reviewing the hiring data relative to the initial corporate benchmark results, the hiring activity was quite similar at the most senior levels with one general counsel hire (a white man) and ten deputy general counsel hires, of which five were white men in both years. At level three, the shift was an increase in the proportion of white men (from 41.9% to 52.2%) and a substantial decline in the proportion of women of color (from 16.3% to 4.4%) while at the entry level minority men doubled and white women declined from over 40% to one-third of the level four new hires. See the table on the next page for details.

**Comparison for hiring data -- 2007 vs. 2006 corporate benchmark results**

	<b>Level 4</b>	<b>Level 3</b>	<b>Level 2</b>	<b>Level 1</b>
White men	<b>34.4%/</b> 33.1%	<b>52.2%/</b> 41.9%	<b>50.0%/</b> 50.0%	<b>100.0%/</b> 100%
Minority men	<b>11.5%/</b> 5.5%	<b>8.7%/</b> 9.3%	<b>30.0%/</b> 20.0%	<b>0.0%/</b> 0.0%
White women	<b>33.3%/</b> 42.5%	<b>34.8%/</b> 32.6%	<b>10.0%/</b> 20.0%	<b>0.0%/</b> 0.0%
Minority women	<b>20.8%/</b> 18.9%	<b>4.4%/</b> 16.3%	<b>10.0%/</b> 10.0%	<b>0.0%/</b> 0.0%

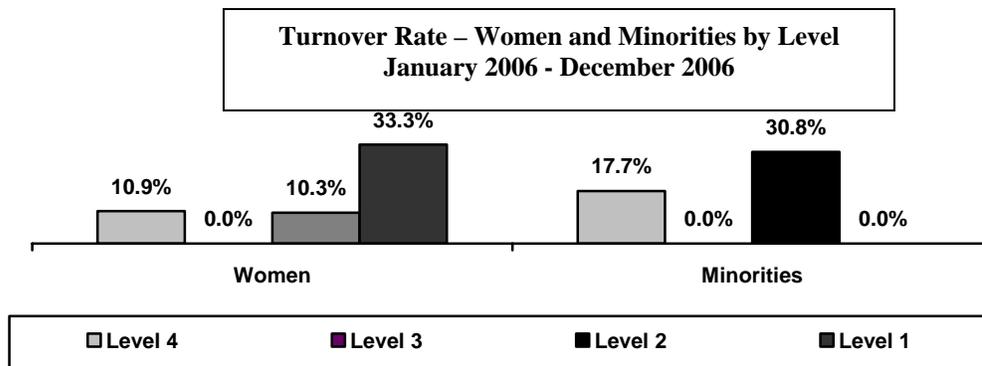
In a report titled *Women Lawyers and Obstacles to Leadership*<sup>1</sup> both women and men associates leaving law firms in Massachusetts were most likely to move to in-house positions (37% and 50% respectively) among the choices explored. Other options included government, non-profit, not being employed, and other non-attorney employment.

**Outflows - Attrition**

While new hires and promotions increase the number of attorneys, attrition data represents a net outflow. The turnover data reported by the corporate signatories measures voluntary attrition or those attorneys who left by choice. It does not measure attorneys who may have been asked to leave for performance-related reasons or reductions in force.

The graph below illustrates the turnover rate for women and for minorities at each level. Turnover was calculated by totaling the attorneys who left at a particular level during the 2006 calendar year and dividing by the number of attorneys at that level as of the end of 2005. This was the first time that the law department signatories included attrition data in their results.

The turnover data showed no clear pattern and the numbers of attorneys across signatories who left was quite small – ten or less – at all but the most junior level which seems a positive result.



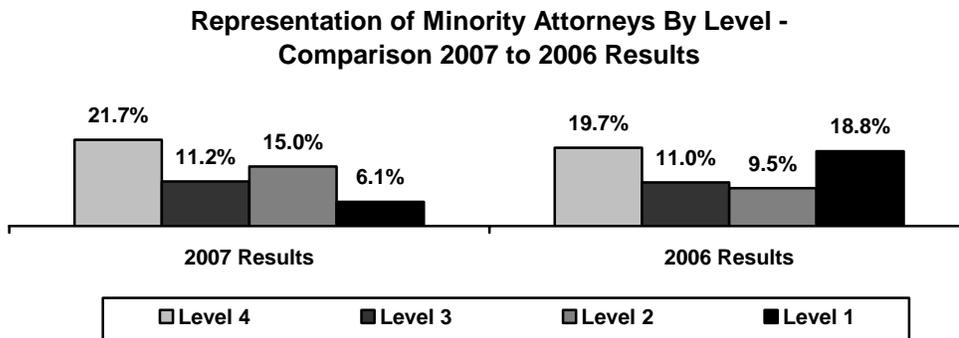
<sup>1</sup> Mona Harrington and Helen His, MIT Workplace Center, *Women Lawyers and Obstacles to Leadership: A Report of MIT Workplace Center Surveys on Comparative Career Decisions and Attrition Rates of Women and Men in Massachusetts Law Firms*, spring 2007

Assessing for disparities in turnover rates across demographic groups is often among the primary metrics for organizations seeking to create greater diversity across their ranks.

**KEY DIMENSIONS OF DIVERSITY**

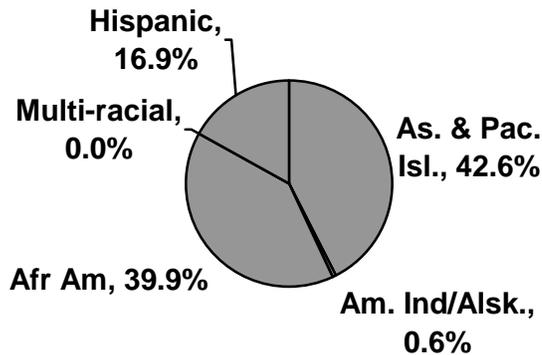
***Racial/ Ethnic Minorities***

In the 2006 benchmark study of corporate law signatories the configuration of minority attorneys was like a barbell with greatest representation at the most senior and most junior levels and a decline in the middle ranks. By contrast, in the 2007 study results minority attorneys were least represented at the top level and most represented at the entry level. The graph below depicts this change through time. In the 2006 results, minorities comprised 18.8% of general counsels declining to just over 6% in the 2007 results while minority deputy general counsels increased from approximately 10% in 2006 to 15% in 2007.



Review of the data for minority attorneys highlights that African Americans and Asian Americans have the greatest representation across major ethnic/ racial groups. This pattern is true both overall and at every level except among general counsels where there are no Asian attorneys.

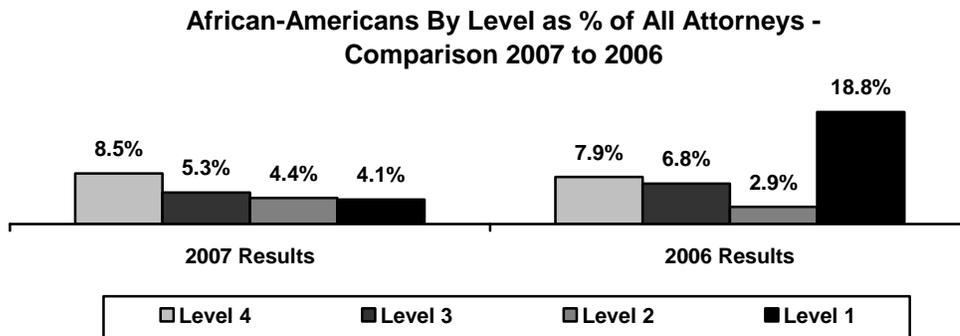
### Representation of Minority Attorneys -- January 2007



In comparison to the 2006 benchmarking results, Asian Americans have surpassed African Americans as the second most represented group after Caucasians. Hispanic American attorneys are the other primary minority group represented comprising 17% of all minority attorneys working in-house among the corporate signatories.

**African-American Attorneys.** African American attorneys account for two of the three minority general counsels. Results from the MCCA report of Fortune 500 minority general counsels indicated African Americans as the most highly represented among major minority groups at 57.9% of corporate legal chiefs. Approximately 30% of all minority attorneys at the deputy general counsel level, nearly half at the managing attorney level and 39% at the entry level are African American.

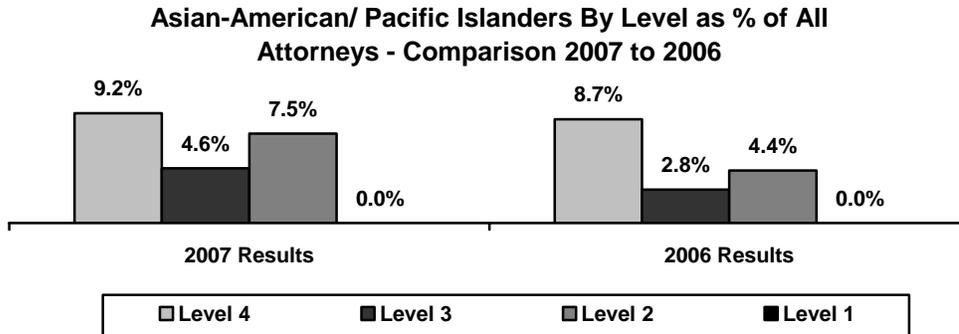
Relative to the 2006 benchmarking results, the major change was a decline in the representation of African American general counsels from 18.8% to 4.1%. Across the other key levels, there were small changes. In the 2007 results, the representation of African American attorneys declines as the level increases.



African Americans represented two of the four new minority hires at the deputy general counsel level and two of three at the managing attorney level.

**Asian-American/Pacific-Islander Attorneys.**

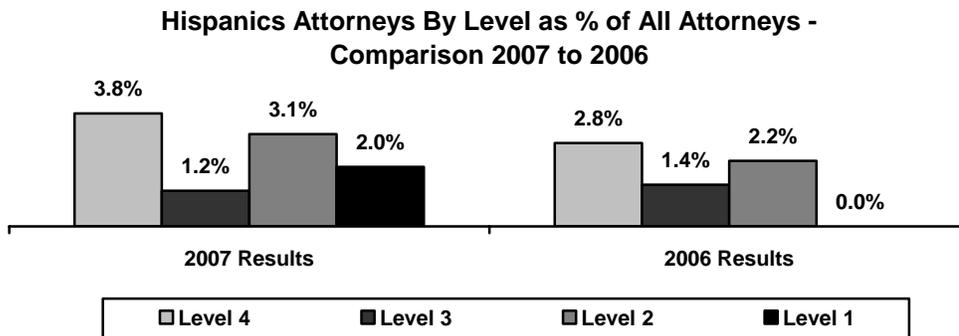
Asian American attorneys displayed progress in the 2007 benchmark results. In comparison with the 2006 benchmark data, their representation increased across several levels, particularly at the deputy general counsel and managing attorney levels. As stated previously, in 2007 Asians comprised the largest racial/ethnic group among minority attorneys; they represented 78 out of 183 or 43% of all minority attorneys.



In MCCA’s 2007 report of minority general counsels among the Fortune 500, Asian Americans garnered the greatest increase in representation from the previous year, doubling from 6 in 2006 to 12 in 2007 or 31.6% of the minority general counsel.

Asian Americans comprised two of the four minorities hired at the deputy general counsel level and half (16 of 31) attorneys hired at the entry level as well as 71% (five of seven) of minority attorneys promoted at the managing attorney level and 43% (three of seven) promoted at the entry level.

**Hispanic Attorneys.** Hispanic attorneys increased at every but the managing attorney level from the 2006 to the 2007 benchmarking results. It is noteworthy that one of the corporate signatories added a Hispanic attorney as its legal chief. In the 2007 MCCA analysis of Fortune 500 general counsels, Hispanic attorneys represented 8% of this group. The relevant figure for corporate signatories was 2%.

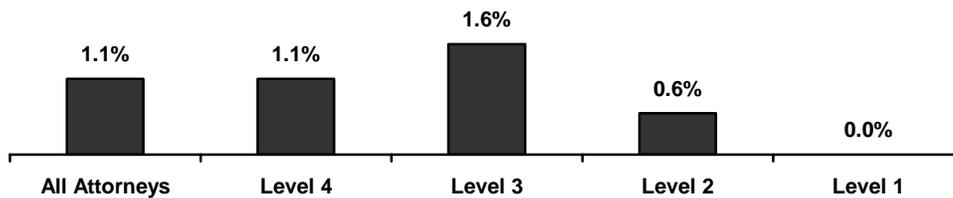


### ***Openly Gay Attorneys***

It is important to preface these results by stressing the very small sample size of openly-gay employees reported by the signatory law departments. Only four of eleven signatories reported any openly gay attorneys among their ranks with the remaining seven organizations reporting none.

In 2007, 12 attorneys or approximately one percent of the 1,084 attorneys represented among corporate signatories were reported as gay. This compares to seven attorneys (.6%) in the 2006 results. The greatest number of gay attorneys was reported at the entry level (six out of 552 level four attorneys) and one openly gay attorney was reported at the deputy general counsel level.

**Openly Gay Attorneys by Level, as of January 2007**



Some signatory corporations have indicated discomfort collecting data on sexual orientation among their attorneys. The low numbers of gay attorneys are as likely to be from lack of data as from actual representation. In order to explore this issue, we calculated the representation of gay attorneys among only the subset of signatories reporting at least one gay lawyer among their ranks. We found this increased the representation from approximately 1% to nearly 5% of total attorneys.

### ***Attorneys with Disabilities***

It is clear from the data that disability is a dimension of diversity that has yet to be tracked. Across the signatory legal departments, only one attorney was reported as disabled in the 2007 results and no attorneys were reported in the previous year's results.

We continue to struggle to determine the root cause for the dearth of information regarding attorneys with disabilities. Perhaps it could be reluctance to disclose disability status, especially if it is not physically evident. The New York City Bar uses a broad definition of disability that encompasses learning disabilities and mental illness as well as physical disabilities.

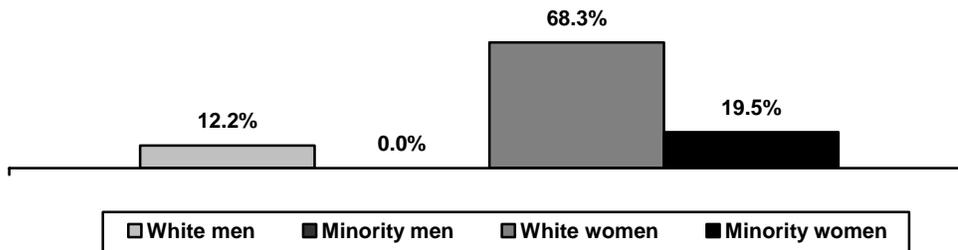
The lack of representation of disabled attorneys may also be an oversight in recruiting efforts. We can only hypothesize without a more in-depth analysis of this issue.

## FLEXIBLE WORK ARRANGEMENTS WITHIN CORPORATE LEGAL DEPARTMENTS

For attorneys in corporate signatory law departments, working on a formal flexible work arrangement remains a rarity with only 3.8% or 41 out of nearly 1100 attorneys reporting this result. Of those attorneys working on flexible schedules, 56% work full-time and 44% work part-time. Usage of formal flexible work arrangements declined slightly from the 2006 benchmark results yet a greater percentage of those attorneys working flexibly are working on a reduced schedule than before. In the 2007 results, no attorneys hired at any level reported working on a formal flexible schedule and only one woman – at the deputy general counsel level – was promoted while on an alternative work arrangement. It is important to note that the data does not capture informal flexibility whereby attorneys may work on a flexible schedule occasionally or for a limited duration of time.

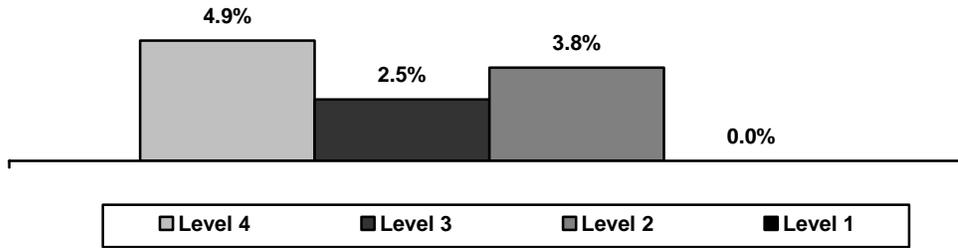
Consistent with national trends and the 2006 benchmark results, women are far more likely to use a formal flexible work arrangement than their male counterparts. They account for nearly 90% of attorneys working flexibly. Across the key gender and racial/ ethnic groups, white women are the dominant users of formal flexibility as highlighted in the chart.

**Gender/ Minority Status of Attorneys Working on Formal Flexible Work Schedules - January 2007**



Perhaps not surprisingly, none of the general counsels of either gender work on a formal flexible schedule. Two thirds of those attorneys working on flexible schedules in signatory legal departments are at the entry level while 20% are at the managing attorney level and 15% are direct reports to the general counsel. Attorneys at level two - or those reporting directly to the general counsel - were most likely to work flexibly in the 2006 benchmark results while the preponderance of users has shifted in 2007 to the entry level. The chart on the next page highlights usage of formal flexibility by level among all attorneys working in house.

### Usage of Formal Flexibility By Level - January 2007

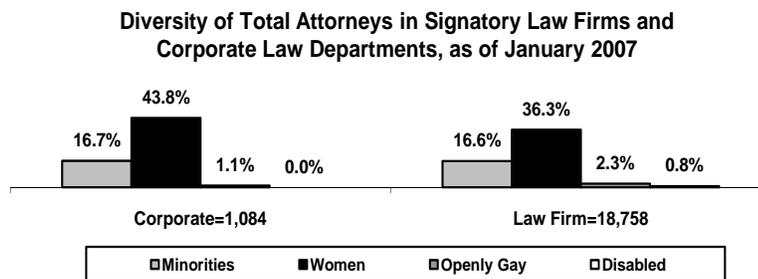


**Note:** Four of eleven corporate signatories reported having no attorneys working flexibly at any level. It is possible that these firms reported no usage because they do not explicitly track formal flexible work arrangements. Calculating usage among only the subset of signatories with some incidence of formal flexibility increased the result from 3.8% to 4.7% of all attorneys.

## COMPARISONS WITH SIGNATORY LAW FIRMS

This section provides an understanding of the diversity of corporate law departments relative to their law firm counterparts. We compared the results of this 2007 corporate benchmark study with the 2007 results for signatory law firms. The law firm results mark the third installment in an ongoing diversity benchmarking series provided by the New York City Bar.

**Overall Diversity Representation.** In comparison with law firm signatories, corporate law department signatories are more diverse with regard to gender, similarly diverse with regard to minority representation and less diverse with regard to other key dimensions of diversity assessed in this benchmark study. As illustrated below while 44% of attorneys in corporate law departments are women, just over one-third of firm attorneys indicate this result. The reporting of gay and disabled attorneys while minimal overall is greater for firms than in house.



**Gender.** Corporate signatories employ a greater percent of women attorneys both overall and at every level across the hierarchy. While at the lower levels the representation is relatively close, at the leadership levels corporate signatories are considerably more diverse with regard to gender. The pattern of declining representation as level increases is consistent for women in both law firms and corporate legal departments.

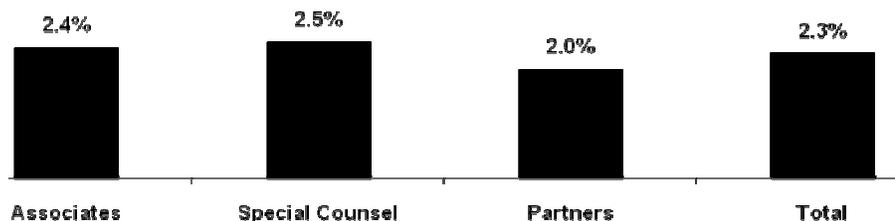
Corporate Law Departments	% Women Attorneys	Law Firms	% Women Attorneys
Level 4 – Entry Level	50.4%	Associates	45.1%
Level 3- Managing Attorney/ High-Level Specialist	39.6%	Special Counsel/ Senior Attorneys	35.2%
Level 2 – Deputy General Counsel, Practice Head	35.6%	Partners Equity Partners Practice Group Head	16.6% 15.1% 15.3%
Level 1 – General Counsel	24.5%	Managing Partner Management Committee	4.1% 13.5%
<b>Total Attorneys</b>	<b>43.8%</b>	<b>Total Attorneys</b>	<b>35.9%</b>

**Racial/Ethnic Minorities.** The representation of minority attorneys is similar at the lower levels for corporate and law firm signatories. At the more senior levels, law departments report greater diversity than firms with respect to racial and ethnic minorities.

Corporate Law Departments	% Minority Attorneys	Law Firms	% Minority Attorneys
Level 4 – Entry Level	21.6%	Associates	22.8%
Level 3- Managing Attorney/ High-Level Specialist	10.8%	Special Counsel/ Senior Attorneys	8.6%
Level 2 – Deputy General Counsel, Practice Head	15.0%	Partners Equity Partners Practice Group Head	5.4% 4.8% 5.2%
Level 1 – General Counsel	6.1%	Managing Partner Management Committee	2.1% 4.4%
<b>Total Attorneys</b>	<b>16.7%</b>	<b>Total Attorneys</b>	<b>16.5%</b>

**Openly Gay Attorneys.** Among the New York City Bar signatories, law firms have more robust data on the prevalence of openly gay attorneys than corporate law departments. Sixty-five of the 94 law firms indicate having at least one openly gay attorney while only 4 of the 11 corporate law departments report any gay attorneys. Only 12 of 1,084 or 1.1% of corporate attorneys are openly gay. The comparable data for signatory firms is 428 of nearly 19,000 attorneys representing 2.3% of the total attorney population. The chart below illustrates the representation of openly gay attorneys by level within signatory firms.

**Openly Gay Attorneys in Law Firms By Level, as of January 2007**



**Attorneys with Disabilities.** Corporate law departments are trailing firms in terms of the collection of data on disabled attorneys though there is substantial room for progress all the way around. Only one corporate signatory reported having a disabled attorney among their ranks. Twenty disabled attorneys (.1%) were reported by law firms and approximately one in seven firms indicated employing a disabled attorney.

***Flexible Work Arrangements.*** The use of formal flexibility is consistent across firms and corporate law departments at approximately 4% (3.8% corporate, 4.6% firms). This is somewhat surprising given that many attorneys indicate moving in house for greater control over their time and one might anticipate higher flexibility usage in a corporate environment. There is a clear difference in the utilization of flexibility by attorneys in firms as compared with their law department counterparts. Attorneys in firm environments strongly favor part-time options (92%) whereas legal department attorneys make use of both full-time and part-time flexibility arrangements. While women are the primary users of formal flexible work options, men in law firms are more likely to report working flexibly than men working in house (17% vs. 10%).

## CONCLUSIONS

The original intent of this benchmark report was to longitudinally track the progress of corporate legal departments in their efforts to increase diversity and inclusion among their attorneys. The first step was to gain commitment to diversity by signing the New York City Bar's Statement of Diversity Principles and through this effort to support accountability and visibility among signatories. Provision of diversity metrics is an important step in the New York City Bar being able to track changes through time. We very much thank those signatories who have consistently supplied the data and urge all signatories to provide their information in future years so as to help provide as robust a sample as possible. In addition, we encourage corporate law departments outside of New York City to sign Statements of Diversity Principles such as the New York City Bar's which enable them to hold up the mirror and assess their diversity profile and progress.

While there are some reasons to celebrate, the 2007 benchmark results indicate more signs of slippage than of progress. White men are highly concentrated in leadership roles and reported employment decisions regarding hiring and promotions serve to perpetuate the status quo. Women's representation remained constant and minority representation declined in comparison with the 2006 benchmark results. The reporting of openly gay and disabled attorneys remains the exception.

Moving the needle regarding diversity requires an ongoing focus and commitment over the long term similar to the management of legal risk through time. Effective diversity management requires a plan of action, strong execution and ongoing measurement. Outcome measures – such as data on representation and employment decisions – can sometimes lag efforts so we are hopeful that in future reports we may see more positive results in assessing the diversity within corporate legal departments.

Given the dearth of information available regarding gay and disabled attorneys, we encourage corporations to follow the lead of law firms by sending out a confidential and anonymous questionnaire that solicits an accurate count of all NALP categories. Simply asking the question is a statement of inclusivity in and of itself. We are also hopeful that the increasing number of diversity training and sensitivity programs will help the legal profession capture more accurate data of gay attorneys – and all employees – going forward.

Flexibility has been proven through numerous studies to be an effective tool for attracting and especially retaining employees and for improving employee satisfaction and engagement.<sup>2</sup> For women in particular, the ability to work flexibly

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<sup>2</sup> Boston College Center for Work and Family, *Executive Briefing Series: Building the Business Case for Work-Life Programs*, 2008; Corporate Voices for Working Families, *Business Impacts of Flexibility: An Imperative for Expansion*, November 2005

has been shown to be vital. Many attorneys move to in-house positions with the expectation of more reasonable work demands and greater flexibility yet the actual usage of formal flexibility trails that of law firms and remains very low, particularly as attorneys move up the career hierarchy. We believe there is an opportunity for corporate legal departments to better leverage flexibility in their efforts to create greater diversity, particularly at the higher levels.

As we stated in the 2006 report, “Benchmarking is only the first step towards identifying the challenges the legal profession, and individual organizations, face with respect to fostering diversity and inclusion. Armed with information, the most important and most difficult part—making change—lies ahead.” The New York City Bar appreciates the difficulty of creating greater diversity and welcomes the opportunity to work with our signatories in their continued efforts to drive change.

Corporate signatories can also play a critical role in helping to drive change among law firms. By requiring the firms that they retain to provide data on the diversity profile of attorneys across levels – both at the firm overall and on their specific client matters – as well as to report on their sustained efforts to promote diversity, corporate signatories send a clear message that diversity is an important business goal. With the aim of leveraging the talent of all attorneys regardless of their specific demographic characteristics, corporate signatories are an important catalyst in helping to change the diversity profile across the legal profession.

## APPENDIX 1 — DATA TABLES

### Representation Data, January 2007 -- # Attorneys

	Level 4	Level 3	Level 2	Level 1	Total
White men	239	179	87	35	540
Minority men	35	16	16	2	69
White women	194	109	49	11	363
Minority women	84	19	8	1	112
Total attorneys	552	323	160	49	1084
Total women	278	128	57	12	475
Total minorities	119	35	24	3	181

### Representation Data, January 2007 -- % Attorneys

	Level 4	Level 3	Level 2	Level 1	Total
White men	43.30%	55.42%	54.38%	71.43%	49.82%
Minority men	6.34%	4.95%	10.00%	4.08%	6.37%
White women	35.14%	33.75%	30.63%	22.45%	33.49%
Minority women	15.22%	5.88%	5.00%	2.04%	10.33%
Total attorneys	100.00%	100.00%	100.00%	100.00%	100.00%
Total women	50.36%	39.63%	35.63%	24.49%	43.82%
Total minorities	21.56%	10.84%	15.00%	6.12%	16.70%

**Hiring Data, January - December 2006 -- # Attorneys**

	Level 4	Level 3	Level 2	Level 1	Total
White men	33	12	5	1	51
Minority men	11	2	3	0	16
White women	32	8	1	0	41
Minority women	20	1	1	0	22
Total hires	96	23	10	1	130
Total women	52	9	2	0	63
Total minorities	31	3	4	0	38

**Hiring Data, January - December 2006 -- % Attorneys**

	Level 4	Level 3	Level 2	Level 1	Total
White men	34.38%	52.17%	50.00%	100.00%	39.23%
Minority men	11.46%	8.70%	30.00%	0.00%	12.31%
White women	33.33%	34.78%	10.00%	0.00%	31.54%
Minority women	20.83%	4.35%	10.00%	0.00%	16.92%
Total hires	100.00%	100.00%	100.00%	100.00%	100.00%
Total women	54.17%	39.13%	20.00%	0.00%	48.46%
Total minorities	32.29%	13.04%	40.00%	0.00%	29.23%

**Promotions Data, January - December 2006 -- # Attorneys**

	Level 4	Level 3	Level 2	Level 1	Total
White men	13	22	7	1	43
Minority men	0	2	3	0	5
White women	14	16	4	0	34
Minority women	8	5	2	0	15
Total promotions	35	45	16	1	97
Total women	22	21	6	0	49
Total minorities	8	7	5	0	20

**Promotions Data, January - December 2006 -- % Attorneys**

	Level 4	Level 3	Level 2	Level 1	Total
White men	37.14%	48.89%	43.75%	100.00%	44.33%
Minority men	0.00%	4.44%	18.75%	0.00%	5.15%
White women	40.00%	35.56%	25.00%	0.00%	35.05%
Minority women	22.86%	11.11%	12.50%	0.00%	15.46%
Total promotions	100.00%	100.00%	100.00%	100.00%	100.00%
Total women	62.86%	46.67%	37.50%	0.00%	50.52%
Total minorities	22.86%	15.56%	31.25%	0.00%	20.62%

**Turnover Data, January - December 2006 -- # Attorneys**

	Level 4	Level 3	Level 2	Level 1	Total
White men	13	7	4	0	24
Minority men	1	0	3	0	4
White women	6	0	2	1	9
Minority women	5	0	1	0	6
Total attrition	25	7	10	1	43
Total women	11	0	3	1	15
Total minorities	6	0	4	0	10

**Turnover Data, January - December 2006 -- % Attorneys**

	Level 4	Level 3	Level 2	Level 1	Total
White men	52.00%	100.00%	40.00%	0.00%	55.81%
Minority men	4.00%	0.00%	30.00%	0.00%	9.30%
White women	24.00%	0.00%	20.00%	100.00%	20.93%
Minority women	20.00%	0.00%	10.00%	0.00%	13.95%
Total attrition	100.00%	100.00%	100.00%	100.00%	100.00%
Total women	44.00%	0.00%	30.00%	100.00%	34.88%
Total minorities	24.00%	0.00%	40.00%	0.00%	23.26%

**Turnover Rate 2006 (Departing attorneys January - December 2006/ # attorneys as of 12/30/05)**

	Level 4	Level 3	Level 2	Level 1
White men	15.66%	20.00%	10.81%	0.00%
Minority men	10.00%	0.00%	37.50%	0.00%
White women	7.89%	0.00%	8.33%	33.30%
Minority women	20.00%	0.00%	20.00%	0.00%
Total attrition rate	12.89%	12.28%	13.51%	7.14%
Women attrition rate	10.89%	0.00%	10.34%	33.30%
Minority attrition rate	17.65%	0.00%	30.77%	0.00%

**Representation Data, January 2006 -- # Attorneys**

	Level 4	Level 3	Level 2	Level 1	Total
White men	273	232	95	9	609
Minority men	40	19	8	3	70
White women	236	142	29	4	411
Minority women	85	36	5	0	126
Total attorneys	634	429	137	16	1216
Total women	321	178	34	4	537
Total minorities	125	55	13	3	196

**Representation Data, January 2006 -- % Attorneys**

	Level 4	Level 3	Level 2	Level 1	Total
White men	43.06%	54.08%	69.34%	56.25%	50.08%
Minority men	6.31%	4.43%	5.84%	18.75%	5.76%
White women	37.22%	33.10%	21.17%	25.00%	33.80%
Minority women	13.41%	8.39%	3.65%	0.00%	10.36%
Total attorneys	100.00%	100.00%	100.00%	100.00%	100.00%
Total women	50.63%	41.49%	24.82%	25.00%	44.16%
Total minorities	19.72%	12.82%	9.49%	18.75%	16.12%

**Representation Data, January 2007 -- # Minority Attorneys**

	Level 4	Level 3	Level 2	Level 1	Total
Black/ African American	47	17	7	2	73
Hispanic	21	4	5	1	31
American Indian/ Alaskan	1	0	0	0	1
Asian/ Pacific Islander	51	15	12	0	78
Multi-racial	0	0	0	0	0
Total minority attorneys	120	36	24	3	183

**Representation Data, January 2007 -- Minority Attorneys as % of all Attorneys**

	Level 4	Level 3	Level 2	Level 1	Total
Black/ African American	8.51%	5.26%	4.38%	4.08%	6.73%
Hispanic	3.80%	1.24%	3.13%	2.04%	2.86%
American Indian/ Alaskan	0.18%	0.00%	0.00%	0.00%	0.09%
Asian/ Pacific Islander	9.24%	4.64%	7.50%	0.00%	7.20%
Multi-racial	0.00%	0.00%	0.00%	0.00%	0.00%
Total minorities	21.74%	11.15%	15.00%	6.12%	16.88%

**Representation Data, January 2007 -- Racial/ Ethnic Groups as % of all Minority Attorneys**

	Level 4	Level 3	Level 2	Level 1	Total
Black/ African American	39.17%	47.22%	29.17%	66.67%	39.89%
Hispanic	17.50%	11.11%	20.83%	33.33%	16.94%
American Indian/ Alaskan	0.83%	0.00%	0.00%	0.00%	0.55%
Asian/ Pacific Islander	42.50%	41.67%	50.00%	0.00%	42.62%
Multi-racial	0.00%	0.00%	0.00%	0.00%	0.00%
Total minorities	100.00%	100.00%	100.00%	100.00%	100.00%

## **APPENDIX 2 — Analyzing CORPORATE LAW DEPARTMENT Data**

Before deciding on a course of action, the leadership needs to know where it stands and why. As a law department reviews its data, it is useful to ask the following questions:

- What is the law department doing well? This is relative to other law departments and law firms as well as where the department has made progress over time.
- What are the biggest challenges the law department faces? What are the highest priority issues to address?
- What questions remain? What additional data is needed?

The mission in analyzing all of this data is teasing out the story. What's the storyline? What are the key messages? It often helps to construct a visual representation of your firm.

- Current state—overall representation by level
- Assess the “inputs,” in terms of the diversity of hires at levels, including a comparison to the pool of available talent
- Assess the “outputs,” such as turnover by year and the leadership make-up

Depending on the size and organization of the law department, it can be useful to cut the data by practice group or division. If appropriate, comparisons between the New York law department with other locations in the US or in international offices may be beneficial. Where are the internal best practices? What groups are having a more difficult time? Which locations or practice areas are leading the way and what can be learned from them? Which groups are lagging behind?

### **Interpreting Level Four Data:**

- What have the entry level hires looked like over time?
- Are there demographic differences between those who are given employment offers versus who accept them? Are certain groups less likely to accept employment offers than others?
- What are the demographics of the law department's pipeline? Are search firms or other talent sources adequate for identifying diverse talent?
- What does the picture look like by division/practice area? Are racial or gender differences by division a reflection of the pipeline or different hiring practices by division leadership?
- What is the average time in position by race and gender among junior attorneys? Are women or minorities getting stuck in the bottom rung?
- What do your turnover rates look like by demographic group? Are there race or gender gaps?

**Interpreting Level Three Data:**

- Of new managing attorneys over time, what is the proportion of new hires versus internal promotions? Are there differences in the demographics of internally versus externally sourced managing attorneys?
- What is the proportion of internal promotions relative to the representation by race and gender among junior attorneys?
- What is the average time in position by race and gender among managing attorneys to ascertain whether women or minorities are getting stuck?
- What do your turnover rates look like by demographic group? Are there race or gender gaps?
- Looking ahead to promotions to law department leadership roles, are there women, people of color, or other diverse groups with the requisite skills and experience for advancement? If not, what can your department do now to groom them for future opportunities?

**Interpreting Level One and Two Data:**

- What are the hiring and promotion patterns for leadership positions over time? Are most leadership positions, including general counsel, filled from within or externally hired?
- Looking ahead to promotions to general counsel, are there women, people of color, or other diverse groups with the requisite skills and experience for the top job? If not, what can your department do now to groom them for future opportunities?

**Overall:**

- Is the pipeline leaking or is it clogged? If the leadership pipeline is quite diverse, but the demographics of new promotions is not, then a department will need to carefully investigate why women and minorities are not advancing—are they not adequately prepared? Is there unconscious bias in the system?
- If the leadership pipeline is comprised mostly of white men, then the likelihood of advancing diverse leaders is slim.
- If women and minority attorneys are not considered “leadership material”, opportunities to gain adequate exposure, training, mentoring, or feedback can be explored.
- Examining turnover by level and demographics can reveal where the department is most vulnerable to potential turnover. Law departments should compare where turnover gaps are greatest.