

DIVERSITY BENCHMARKING REPORT 2016

2016 DIVERSITY BENCHMARKING REPORT

EXECUTIVE SUMMARY

Signatory Firms See Gains for Women, Minorities, and LGBT Attorneys and Implement Innovative Inclusion Practices, Yet Barriers Remain

For more than a decade, the City Bar benchmarking research has illustrated enhanced diversity efforts in firms as well as overall incremental gains for women and minority attorneys. However, it has also recorded elevated attrition rates of both women and minorities, and a significant subset of law firms still without any minority and women attorneys in firm or department leadership roles.

With regard to overall representation and hiring, the 2016 benchmarking data remains relatively consistent with the results reported in 2015. We further examined the status of women and minority attorneys in the 71 firms that participated in both the 2015 and 2016 benchmarking surveys and performed statistical comparisons on representation, leadership, and hiring. The data did reflect changes in leadership metrics in 2016, including a significant increase of women and minority representation on management committees, as well as notable increases in LGBT attorney self-reporting. Despite these advances, racial/ethnic diversity at the partner level, erosion in the associate pipeline, and voluntary attrition remain challenges.

Highlights of the research include:

- **Women and minority attorneys made gains in leadership bodies**, with the percentage of women serving on management committees increasing to 23.6% from 20.3% in 2015 and the percentage of minorities serving on management committees increasing to 9.4% from 7.1% in 2015. The percentage of law firms with three or more women attorneys on the management committee increased from 24% in 2014 to 41% in 2016, and the percentage of law firms with three or more minority attorneys on the management committee more than doubled from 7% in 2014 to 18% in 2016.
- Still, nearly half of signatory firms have no racial/ethnic minorities on their management committees and more than one-third have no minority practice group heads.
- In 2016, white men represented 77% of all **equity partners** at signatory firms. Minority and women partners continue to be concentrated at the income partner level, rather than at the equity level. Moreover, the turnover rate for income partners in 2016 was 6.6%, almost double the 3.4% turnover rate of equity partners.
- Overall representation of **minority attorneys** increased slightly to 20.6% in 2016 from 18.8% in 2015.

- **Erosion in the associate pipeline directly affects future leadership.** 45% of associates are women compared to 19% of partners and 28% of associates are racial/ethnic minorities compared to 9% of partners. By contrast, 43% of associates are white men compared to 76% of partners. Female attorneys represent 46% of junior level associates, but decline to 44% of mid-level women associates, and 42% of senior level women associates. Representation at the junior level increased, but minority representation has leveled off or declined for mid- and senior level associates: in 2016, 36% of first-year associates were minorities—dropping to 26% of mid-level associates, and 22% of senior level associates. By the eighth year, only 20.5% of associates were minorities.
- **Voluntary attrition** is down overall in law firms, but continues to disproportionately impact minority and women attorneys. 15.6% of minorities and 14.3% of women left signatory firms in 2016—150% and 135% above the 10.6% rate for white men respectively. Even at the equity partner level, differences in voluntary attrition persist – with rates of 9.8% for women and 9.3% for minorities compared to 3.7% for white men.
- **LGBT attorney representation** has more than doubled since the City Bar began collecting data in 2004, from 1.6% to 4.1%, and representation of self-identified LGBT partners has doubled from 1.4% in 2004 to 2.8% in 2016.
- Four percent of all attorneys used **flexible work arrangements** in 2016 – 9% of women attorneys and 1% of men attorneys. Flexible work arrangements are used most frequently by Special Counsel attorneys, and 13% thereof are racial/ethnic minorities.
- Signatory firms’ leadership continue to reflect increasing commitment to diversity and inclusion efforts, with 44% of firms reporting that a management committee member serves as chair of the diversity committee, an increase of seventeen percentage points from 27% in 2015.
- Signatory firms are **implementing “better practices,”** with a majority of firms providing attorney development opportunities with an enhanced focus on client relationships, and building more inclusive firm cultures.

Methodology & Updates

In the 2015 update to the benchmarking survey and report, the City Bar incorporated several significant changes including participation in the survey as a prerequisite to being listed as a signatory, a breakdown of racial and ethnic data, and qualitative data including “better practices” and interviews with stakeholders at various firms. This year’s report includes data from the 88 participating law firms—a significant increase from prior years—as well as more than 40 hours of qualitative interviews with law firm associates, partners, managing partners, clients, bar leaders, and diversity experts.

Our mission is two-fold: first, to enhance and streamline our data collection efforts to define precisely the challenges that the firms are facing; and second, to foster greater industry-wide collaboration on model initiatives that yield meaningful results in the retention and promotion of women and minority attorneys. To this end, we have included detailed information on the “better practices” that can be adapted to align with each firm’s unique challenges and goals. We also sought to learn from the experiences of associates within these firms: in 2017, the City Bar launched its first Associate Leadership Institute, and included findings from participants in this year’s report.

It is apparent from the qualitative research and featured initiatives that in order to effect change, law firms must make long-term, individualized investment —beyond standard professional development options—in the careers of minority and women associates whom they seek to retain. Embedding these practices in the firm culture can reframe such opportunities as an investment in the firm’s future leadership, rather than necessary remediation, and provide partners with an array of options to support the firm’s inclusion efforts.

We will continue to refine three key areas of the survey that require more thorough data: voluntary attrition, representation of attorneys with disabilities, and pipeline data. This report includes the data collected in this year’s survey, but we will conduct more detailed analyses of each area through relevant City Bar Committees and Task Forces with the goal of offering enhanced data and recommendations.

We are most grateful to our signatory firms for embarking on this bold journey with us, and believe this research is critical to guiding and informing the many stakeholders that seek to create a more inclusive profession. We hope that our research—along with the individualized, confidential reports created for each participating firm—will continue to offer tools to bolster each firm’s efforts while also encouraging greater accountability, knowledge-sharing, and collaboration across the profession.



Photos from Associate Leadership Institute,

J. McClinton (see p. 23)

PART I: QUANTITATIVE SUMMARY

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NOTABLE GAINS IN LEADERSHIP ROLES FOR WOMEN & MINORITY ATTORNEYS

The 2016 benchmarking data reflects increases in representation at the leadership level for women and minority partners, suggesting that sophisticated retention and promotion efforts have had a positive impact. However, the data highlights the effects of persistent attrition on the pipeline to leadership, as well as the underrepresentation of women and minorities at the equity partnership level. **Despite gains in leadership bodies at individual firms, minority men and women still make up less than 10% of all partners in signatory firms, and only 7% of equity partners are racial/ethnic minorities.** Of the reported top 10% of highest-compensated partners at signatory firms, white and minority women make up only 11%, minority men make up 6%, and white men make up the remaining 83%.

WOMEN ATTORNEYS

Within signatory firms, women attorneys make up 36% of all attorneys reported, despite representing a majority of law school students and 49% of summer associates in 2016. The City Bar benchmarking data has reflected incremental gains for women in leadership at signatory law firms since 2007.

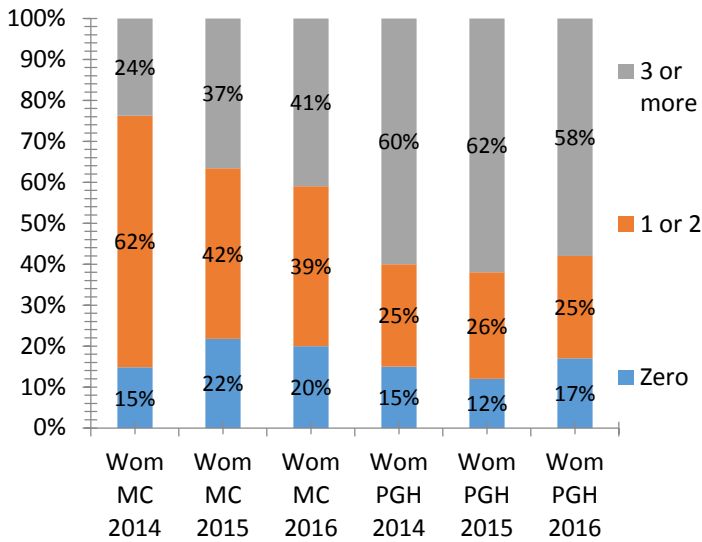
The percentage of women serving on firms' management committees was 23.6% in 2016, increasing from 13.5% in 2007 when data on senior leaders at signatory firms was first captured, and 3.3 percentage points higher than 2015. The percentage of law firms with three or more women serving on management committees increased substantially to 41% in 2016 from 24% in 2014. The percentage of women practice group heads is comparable in 2016 (19.3%) to 2015 and has increased from 15.3% in 2007; and the percentage of firms with three or more women practice group heads remains around 60% (58% in 2016). (See *Charts A and B*)

The benchmarking research has demonstrated growth in the proportion of women partners of approximately 0.3% each year, reaching 19.7% in 2015 as compared with 16.6% a decade before. The 18.6% of women partners at signatory firms in December 2016, down from the three years prior, may reflect participation of new firms in the survey and does not necessarily indicate stalled progress for women partners. In 2016, women made up 24% of income partners and 18% of equity partners, compared to 70% and 77%, respectively, white men.

CHART A: REPRESENTATION OF WOMEN ATTORNEYS IN LEADERSHIP ROLES

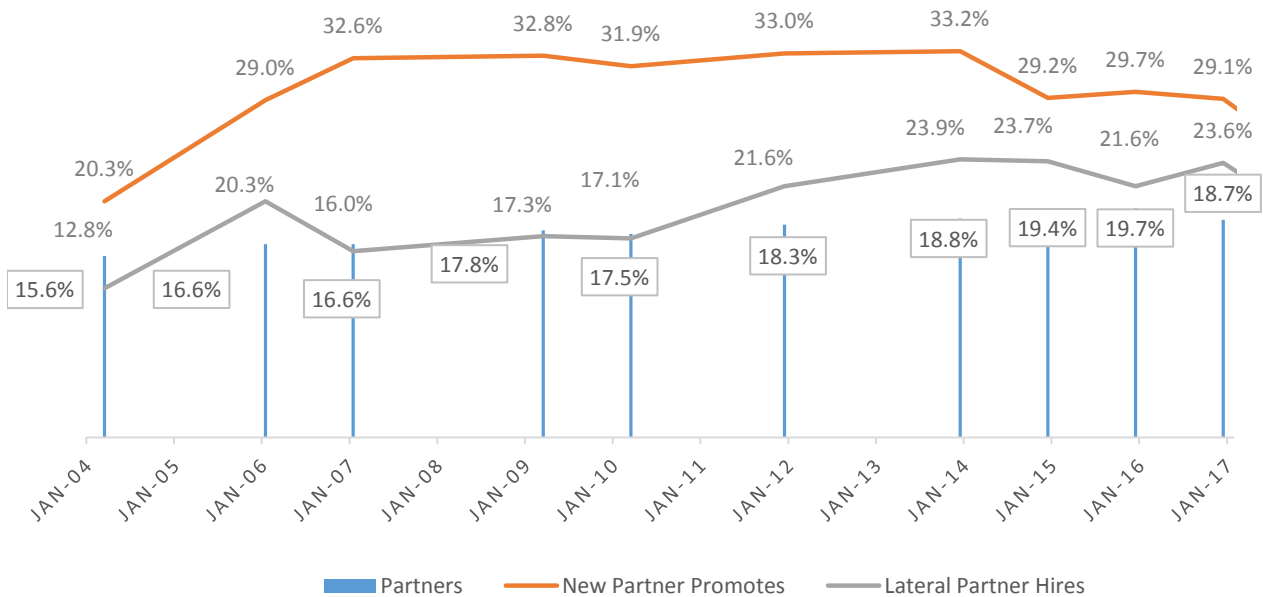
LEVEL	March 2004	Jan 2006	Jan 2007	March 2009	March 2010	Dec 2011	Dec 2013	Dec 2014	Dec 2015	Dec 2016
Partner	15.6	16.6	16.6	17.8	17.5	18.3	18.8	19.4	19.7	18.6
Management Comm.	NA	NA	13.5	17.8	17.1	17.7	16.9	18.3	20.3	23.6
Practice Group Heads	NA	NA	15.3	14.0	15.4	17.3	16.5	16.9	18.7	19.3

CHART B: REPRESENTATION OF WOMEN ATTORNEYS ON FIRM MANAGEMENT COMMITTEES (“WOM MC”) AND PRACTICE GROUP HEADS (“WOM PGH”)



In 2016, one in five firms had no women on its management committee, and one in six had no women practice group leaders, a slight increase from 2015. While the overall trend line for women in leadership roles shows improvement, the 2016 benchmarking data reflects that the percentage of female new partner promotions was essentially unchanged at 29.1% and has not reached the higher rates of prior years (2007 through 2013.) The representation of women lateral partner hires was 23.6% this year—similar to 2014 and 2015. These stalled data points could negatively impact the long-term representation of women leaders.

CHART C: WOMEN ATTORNEYS



Racial/Ethnic Diversity Among Women Partners Remains a Challenge

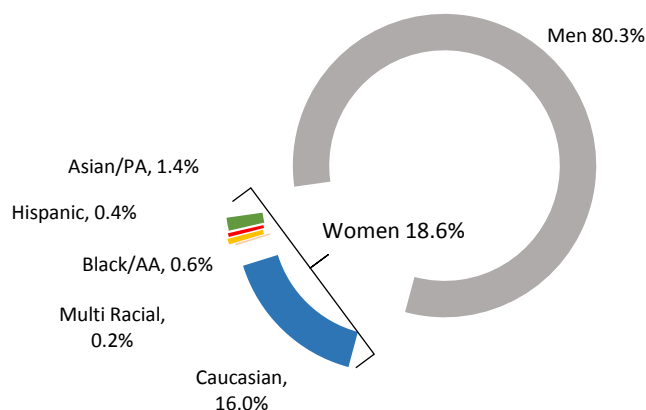
The 2015 Benchmarking Report revealed a notable lack of racial/ethnic diversity among women in leadership. In 2016, among all partners, male and female, Caucasian women make up 16.0%, Asian/Pacific Islander women make up 1.4%, and Black and Hispanic women partners represent 0.6% and 0.4%, respectively. (See accompanying Chart D) Of all women partners reported, 86.0% are Caucasian, 7.5% are Asian/Pacific Islanders, 3.0% are Black/African American, and 2.3% are Hispanic.

Black/African American, Hispanic, and Asian/Pacific Islander women make up only 2.3% of all equity partners. Furthermore, of all attorneys reported in the 2016 voluntary attrition data, turnover of Black/African American, Hispanic and Asian American equity partners was double that of minority income partners.

Leadership bodies, which include practice group heads, management committee members, and New York office or firm-wide managing partners, remain staggeringly homogenous. Of the women in leadership roles, 87.8% are Caucasian, with Asian/Pacific Islander women representing 5.7%, and with Black/African American women and Hispanic women making up 2.8% and 2.7%, respectively.

Given this data, law firm initiatives for promoting women to the leadership ranks should be inclusive of, and provide necessary support for, women of color.

CHART D: ALL PARTNERS BY GENDER, RACE/ETHNICITY



MINORITY ATTORNEYS

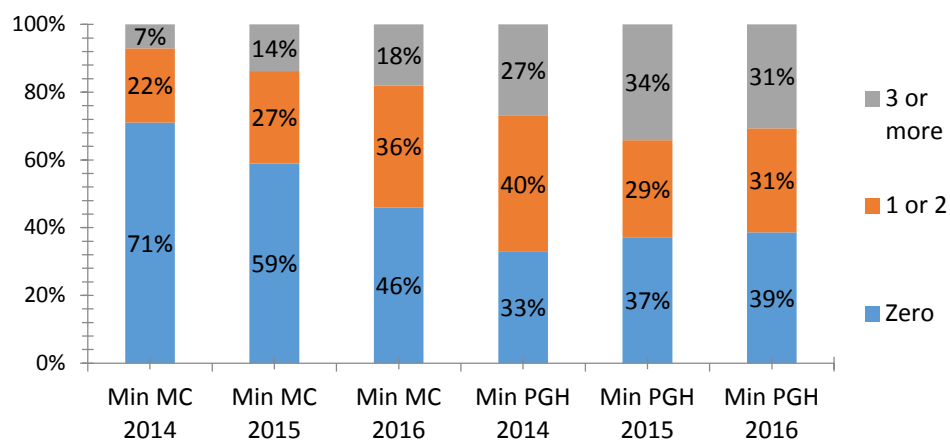
Minority attorney representation in firm leadership showed modest increases—the percentage of minority attorneys on management committees increased to 9.4% in 2016 from 7.1% in 2015—but the percentage of minority practice group heads remains essentially unchanged at 6.9% in 2016 from 7.0% in 2015. Minority Managing Partners/Firm Chairs made up 10.1% in 2016 compared to 10.4% in 2015.

CHART E: REPRESENTATION OF MINORITY ATTORNEYS IN LEADERSHIP ROLES

LEVEL	Jan 2007	March 2009	March 2010	Dec 2011	Dec 2013	Dec 2014	Dec 2015	Dec 2016
Partner	5.4	6.6	6.3	6.6	8.4	8.2	8.4	8.4
Management Comm.	4.7	6.3	6.9	5.7	5.2	6.4	7.1	9.4
Practice Group Heads	5.1	4.5	5.7	5.9	5.8	6.1	7.0	6.9

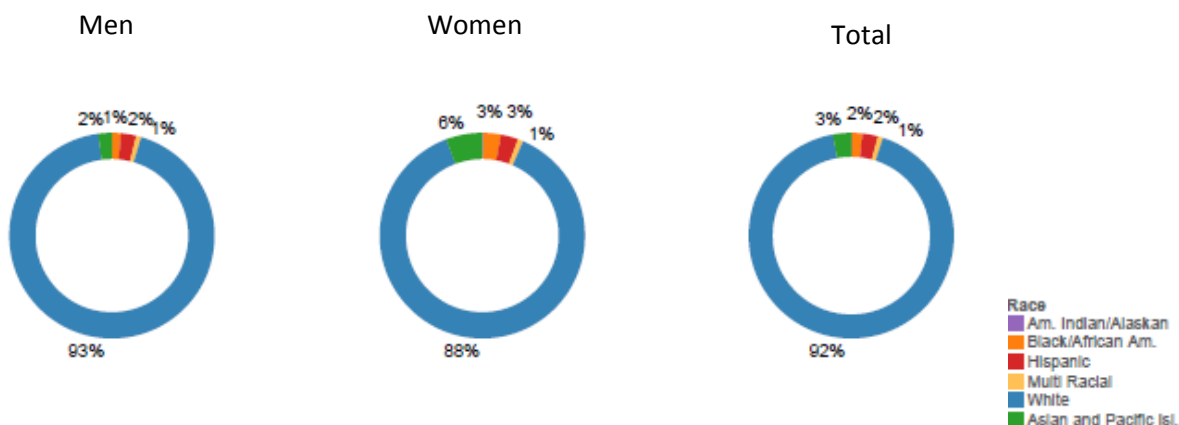
The percentage of firms with three or more minority attorneys on the management committee was 18% in 2016, and the percentage of firms with three or more minority practice group heads was 31% in 2016. **Yet, nearly half of signatory firms have no racial/ethnic minorities on their management committees and more than one-third have no minority practice group heads.**

CHART F: REPRESENTATION OF MINORITY ATTORNEYS ON FIRM MANAGEMENT COMMITTEES (“MIN MC”) AND PRACTICE GROUP HEADS (“MIN PGH”)



Of all leadership positions (management committee members, practice group heads, and Firm Chair) Asian/Pacific Islander attorneys make up 3%, Hispanic attorneys make up 2%, and Black/African American attorneys make up 2%. (See Chart G)

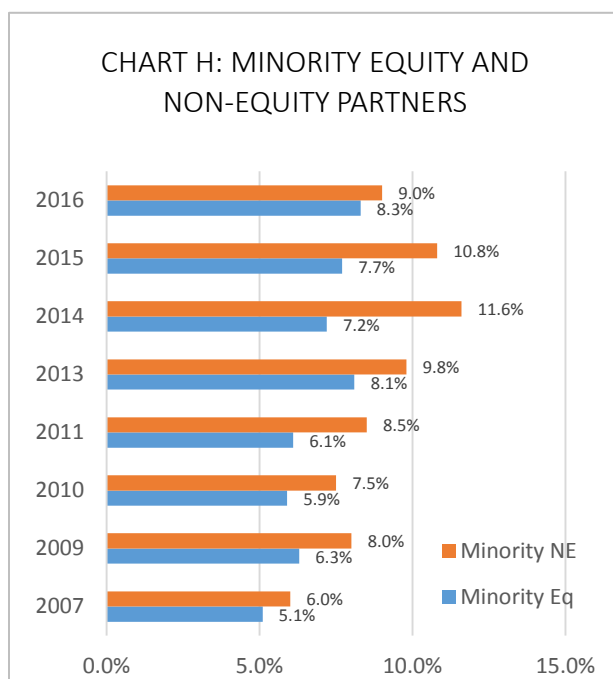
CHART G: LEADERSHIP ROLES BY GENDER, RACE/ETHNICITY



WOMEN & MINORITY ATTORNEYS CONTINUE TO BE DISPROPORTIONATELY REPRESENTED IN INCOME PARTNERSHIPS

Since the City Bar began collecting benchmarking data, it has reflected the disproportionate representation of minority and women partners at the income, rather than equity partner level. As illustrated in Chart H, minority attorneys accounted for 9.0% of income partners and 8.3% of equity partners across firms at the end of 2016. While approximately 16.9% of all partners are income partners, the relative proportion of income partners is approximately 18.0% of all minority partners compared to 21.9% of all women partners and 15.7% of all white men partners.

The turnover rate for income partners across gender and race was double that of equity partners in the 2016 results—6.6% compared to 3.4%.



SLIGHT GAINS FOR OVERALL MINORITY REPRESENTATION, DECREASES IN ASCENSION TO LEADERSHIP

Overall representation of minority attorneys improved slightly in 2016 compared to 2015: the percentage of all associates who are minorities increased to 27.6% in 2016 from 25.9% in 2015, minority special counsel increased to 13.5% in 2016 from 12.9% in 2015, and the percentage of minority partners remained unchanged at 8.4% in 2016. (See Chart J)

Of all reported attorneys, Asian/Pacific Islanders make up 10.7%, Black/African American attorneys make up 3.5%, and Hispanic attorneys make up 4.1%. (See Chart I)

Of the 27.6% of minority associates, Asian/Pacific American attorneys make up 14.4%, Black/African American attorneys and Hispanic attorneys make up 5% each, and multi-racial attorneys make up 3.2%. Of the 13.5% minority Special Counsel, Asian/Pacific Islander attorneys make up 6.9%, Black/African American attorneys make up 2.2%, Hispanic attorneys make up 3.3%, and multi-racial attorneys make up 1%. **Of reported minority partners, Asian/Pacific attorneys make up 4.1%, Black/African American attorneys make up 1.5%, Hispanic attorneys make up 2.2%, and multi-racial attorneys make up 0.5%.**

CHART I: OVERALL REPRESENTATION BY RACE/ ETHNICITY

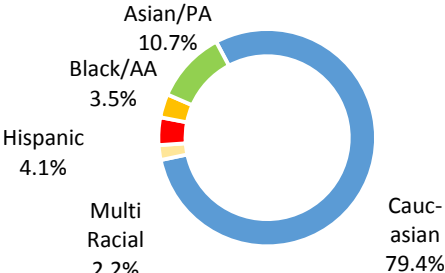
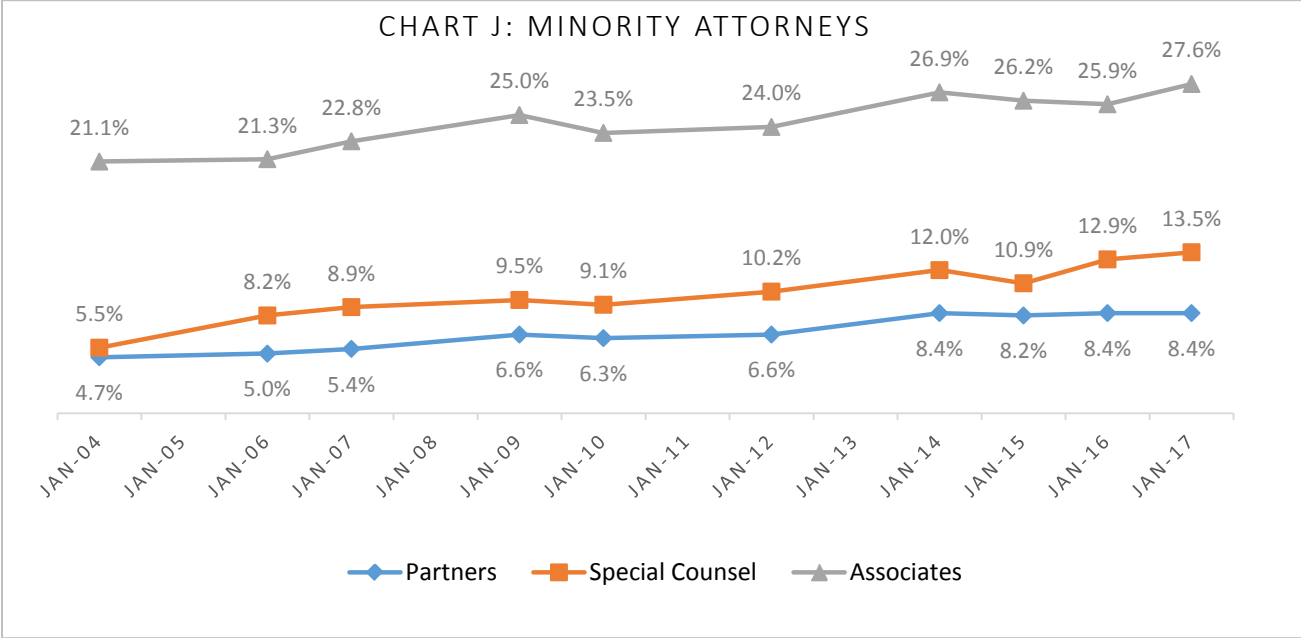
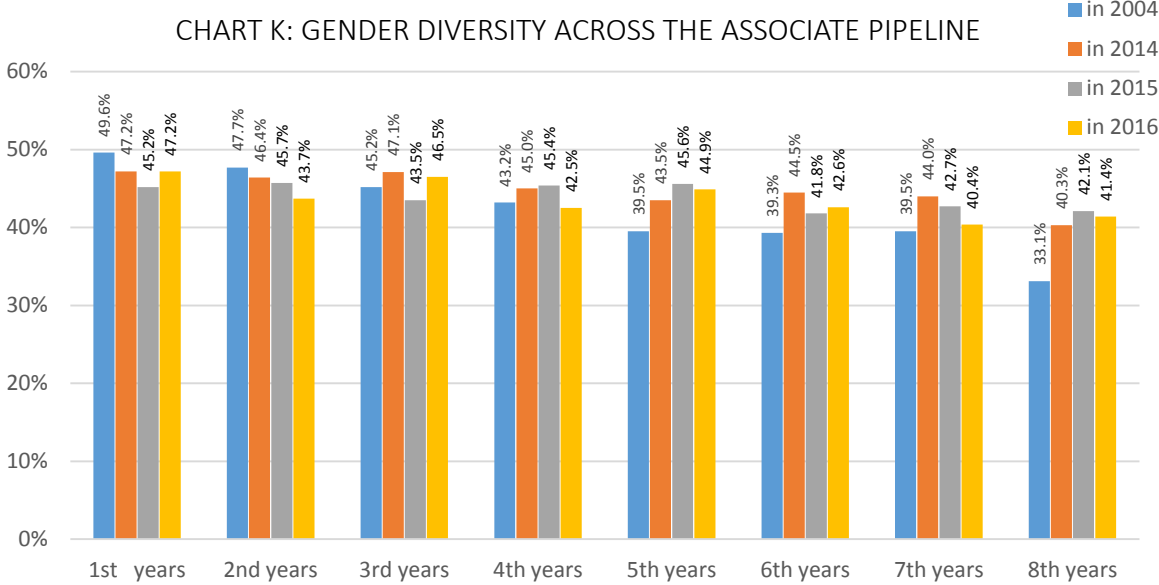


CHART J: MINORITY ATTORNEYS

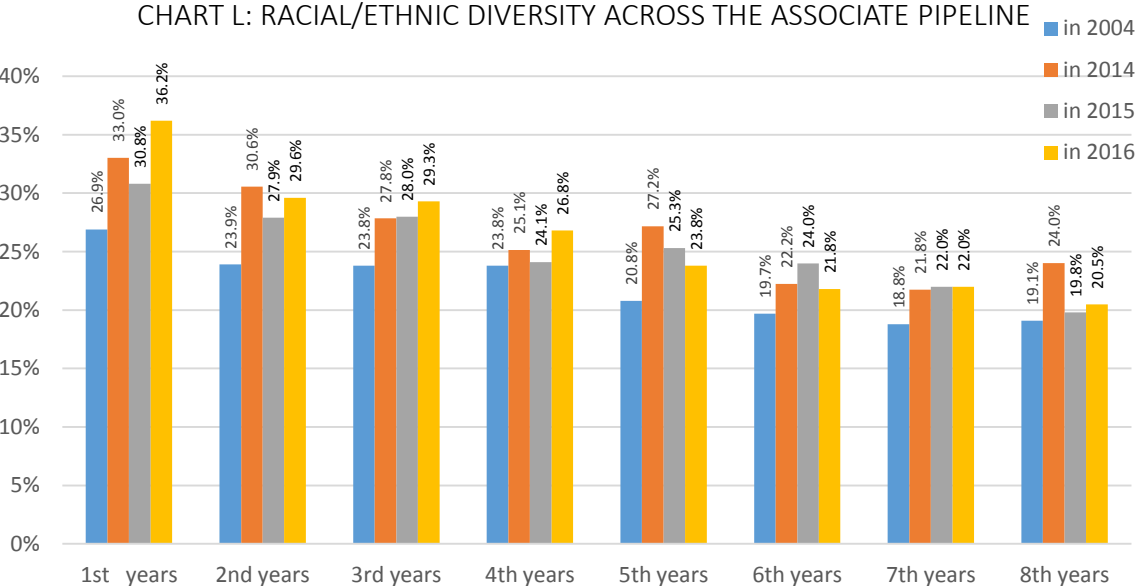


EROSION IN ASSOCIATE PIPELINE CONTINUES TO STALL PROGRESS

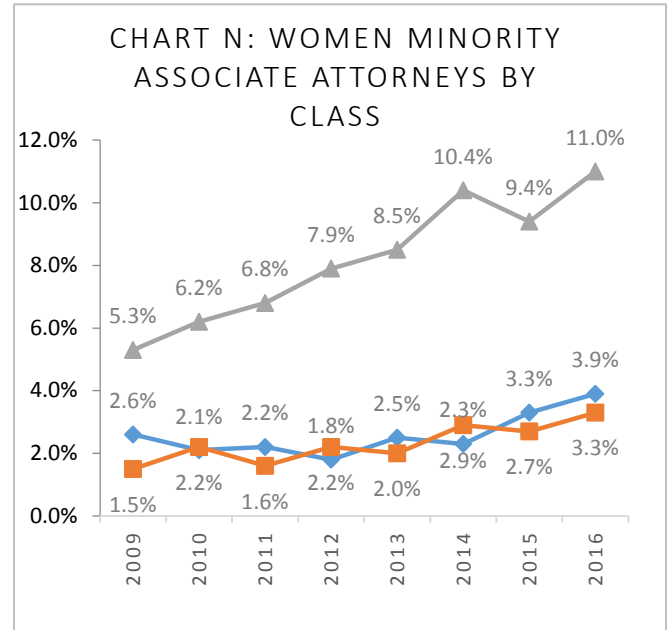
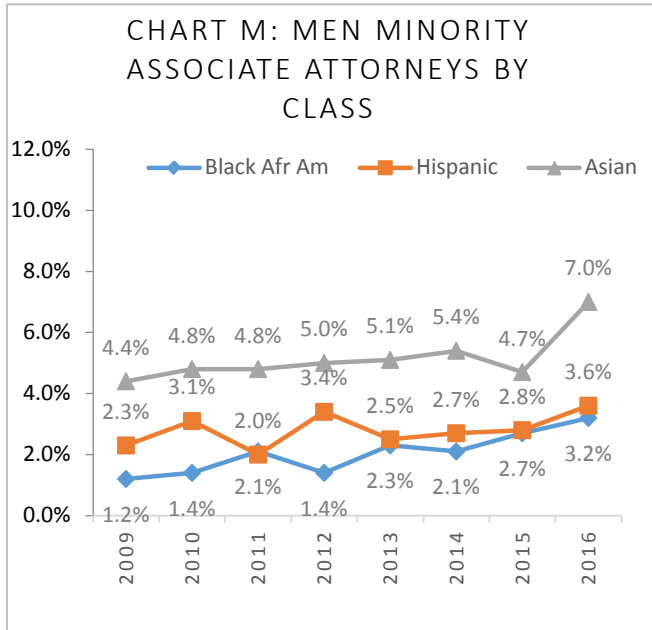
Increased gender diversity in the associate pipeline has been leveling off. Representation of women associates was just over 47% in 2016, whereas the first-year class was 50% female in 2004. The gender diversity of mid-level associates then declines to 44% and 42% of senior-level associates.



Efforts to recruit minority attorneys continue to be strong—in 2016, 36.2% of first-year associates were minorities—however, this diversity is eroded as minority associates continue to turn over at higher rates than their white male colleagues. By eighth year, only 20.5% of associates are minorities. The accompanying Chart L illustrates this differential over time. Racial and ethnic diversity among classes of junior associates was slightly higher in 2016 compared to 2015.



As illustrated in Charts M and N, the group of minority associates that has experienced the greatest increase in representation in recent years is Asian/Pacific Islander women, with modest increases for Black and Hispanic men and women associates from 2015 to 2016.

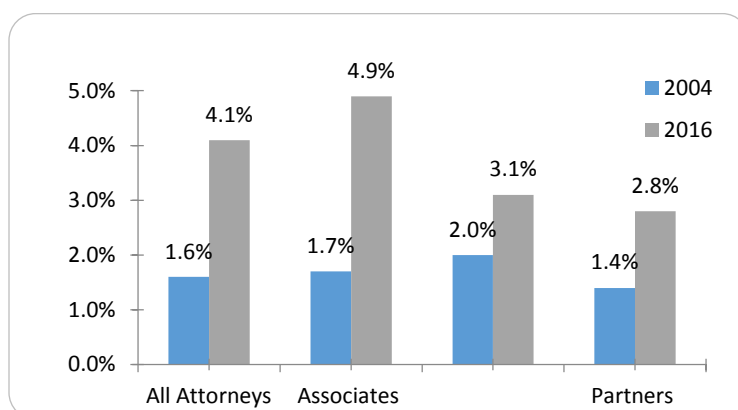


REPRESENTATION OF LGBT ATTORNEYS HAS MORE THAN DOUBLED

Over the last decade, representation of self-identified LGBT attorneys at signatory firms has more than doubled overall and has risen at key levels within firms. **Overall, self-identified LGBT attorneys make up 4.1% of all attorneys in signatory firms, an increase from 1.6% in 2004; which compares favorably to the corresponding national figure of 2.5%.¹** LGBT associates increased to 4.9% in 2016 from 1.7% in 2004; LGBT special counsel increased slightly to 3.1% in 2016 from 2.0% in 2004; and LGBT partners increased to 2.8% in 2016 from 1.4% in 2004—each category at least one percentage point above national averages.

The increased representation of LGBT attorneys could be attributed to initiatives and resources at law firms that are provided for LGBT attorneys, including robust LGBT networks and programs to educate and train straight “allies.”

CHART O: LGBT ATTORNEYS BY LEVEL



ATTORNEYS WITH DISABILITIES

While the benchmarking survey requests information on attorneys with disabilities, very little data is collected on this category of diverse attorneys. We do not know whether there are systemic issues that limit the number of people with disabilities attending law school or whether lawyers with disabilities are reluctant to self-identify. The City Bar’s Disability Law Committee has begun fielding surveys to get a more detailed perspective on the representation of and needs of attorneys with disabilities in the profession, and will continue to enhance our research efforts in the years to come.

In the 2016 data, attorneys with disabilities represented 0.5% of the 2016 incoming class, 0.3% of all reported attorneys: 0.3% of associates, 0.5% of special counsel, and 0.3% of all partners, consistent with national averages.² Additionally, attorneys with disabilities represented 0.4% of practice group heads and management committee members.

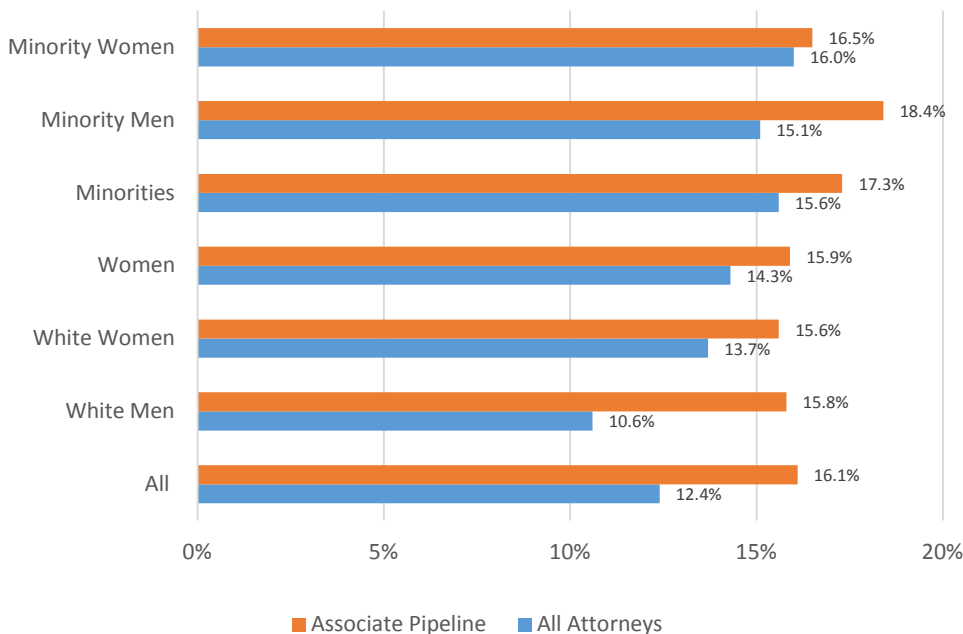
¹ *Openly LGBT Lawyers — 2016*, National Association of Law Placement (NALP), January 2017
<http://www.nalp.org/diversity2>

² *Lawyers with Disabilities — 2016*, National Association of Law Placement (NALP), January 2017
<http://www.nalp.org/diversity2>

VOLUNTARY ATTRITION RATES CONTINUE TO BE DISPROPORTIONATELY HIGH FOR WOMEN & MINORITY ATTORNEYS

The voluntary attrition rates for women and minority attorneys continue to exceed those of white men. **Among all attorneys who left signatory firms in 2016, 14.3% were women and 15.6% were minorities, compared to 10.6% of white men—or 135% and 150%, respectively, of the voluntary attrition rate for white men.**³ At the associate level—the future pipeline of talent to firm leadership—attrition rates for white men and women associates are almost at parity (15.8% and 15.6%) while attrition rates for minority men and women are higher (18.4% and 16.5%.) Minority women have the highest overall voluntary attrition rate—16.0% compared to 12.4% for signatory firm attorneys overall.

CHART P: VOLUNTARY ATTRITION RATES



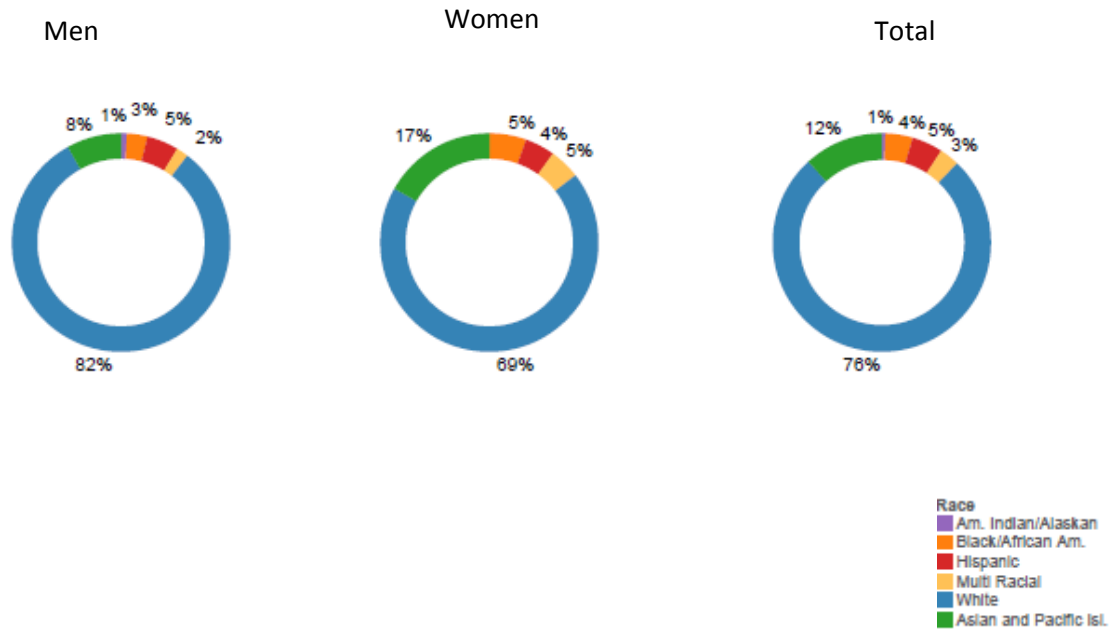
Of all reported attorneys, 15.5% of Black/African American attorneys, 14.9% of Hispanic attorneys and 14.9% of Asian/Pacific Islander attorneys left firms voluntarily, compared to 11.6% of Caucasian attorneys; attrition rates of minority attorneys were 28% to 34% higher than for white men. (See Chart Q, p. 15) Furthermore, voluntary attrition rates were 10.6% for white men compared to 13.7% for white women. Differences in voluntary attrition persist among equity partners: the rate for white men was 3.7%, compared to 9.8% for women and 9.3% for minorities. The aforementioned differences in overall voluntary turnover by race and gender also reflect the historical effect of the concentration of women

³ Attrition rates are based on analysis of a subset of firms who participated in both the 2015 and 2016 surveys and provided turnover data.

and minorities at lower levels compared to white men, since attrition rates are highest at the associate level.

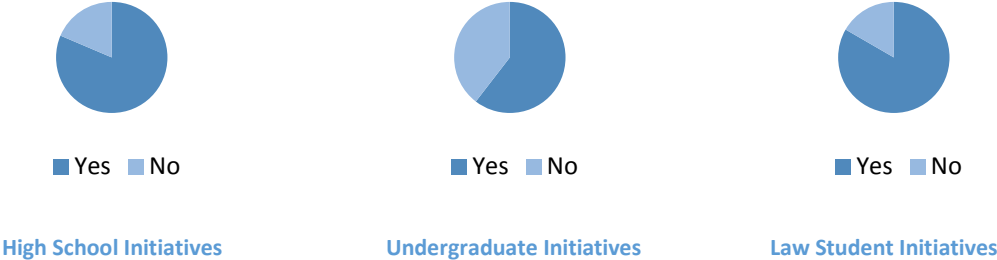
Only 43% of associates are white men compared to 76% of partners; 45% of associates are women compared to 19% of partners and 28% of associates are racial/ethnic minorities compared to 9% of partners.

CHART Q: VOLUNTARY ATTRITION BY GENDER, RACE/ETHNICITY



To gain a more complete understanding of the numbers and the reasons attorneys leave law firms, the City Bar is undertaking an extensive Voluntary Attrition Survey, which we hope will provide better context and more precise data than the benchmarking survey, and will release the findings of this research separately.

PIPELINE INITIATIVES COMMON AT HIGH SCHOOL AND LAW SCHOOL LEVEL, BUT NEED FOR MORE SUPPORT IN COLLEGE



The survey update included a section to assess whether signatory firms have or support pipeline programs for students in high school, college, and law school. Of the 88 firms that responded to these questions, 81% have or support programs for high school students, 60% have programs for undergraduate students, and 85% support programs for law students. Of the 86 firms that responded to this section of the survey, 70 have hired former students from the pipeline programs they have supported; 13% of these hires have been for non-attorney positions and 87% have been for attorney positions, and 12 firms reported more than a dozen attorney hires from pipeline programs.

The pipeline initiatives for high school students most frequently mentioned by surveyed firms include the **City Bar’s Thurgood Marshall Summer Law Internship Program, Legal Outreach, NJ LEEP, Just the Beginning Foundation, Prep for Prep, Cristo Rey Network,** and partnerships with regional high schools. More than two dozen signatory firms participate in the Justice Resource Center’s Mentor-Law Firm School Partnership Program to expose public school children first-hand to the practice and study of law through moot court and mock trial coaching.

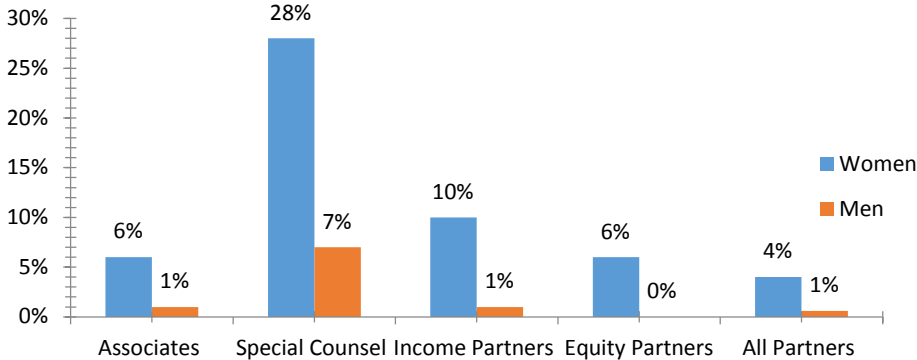
For undergraduate students, a majority of law firms support **Sponsors for Educational Opportunity (SEO), the Ronald H. Brown Law School Prep Program for College Students,** and firm-specific pre-law scholars programs.

At the law student level, most firms support the **City Bar 1L Diversity Fellowship Program, Law Preview Scholarship, the Leadership Council on Legal Diversity (LCLD) 1L Scholars Program and Success in Law School Mentoring Program, and Sponsors for Educational Opportunity (SEO).** Additionally, 29 signatory firms have created their own Diversity Fellowship Programs for first and second-year law students. Many signatory firms support Practicing Attorneys for Law Students, Inc. (PALS) by providing attorney mentors to regional law students and hosting development panels at their firms.

FLEXIBLE WORK PRACTICES USED MOST FREQUENTLY BY SPECIAL COUNSEL ATTORNEYS

Overall, 4% percent of attorneys used flexible work schedules in 2016, with women attorneys being the primary users of flexible work schedules—9% of women compared to 1% of men. The survey highlights the importance of the special counsel role as an alternative to the partnership track for attorneys seeking greater career path flexibility. Since the City Bar began tracking diversity benchmarking data, the special counsel role has been the primary way attorneys at signatory firms make use of flexible work practices. In 2016, 28% of women special counsel attorneys and 7% of men special counsel attorneys adopted a reduced schedule. In addition, 6% of women equity partners and 10% of women income partners worked on reduced schedules. Of all reported attorneys working on a formal part-time flexible arrangement, 13% were racial/ethnic minorities.

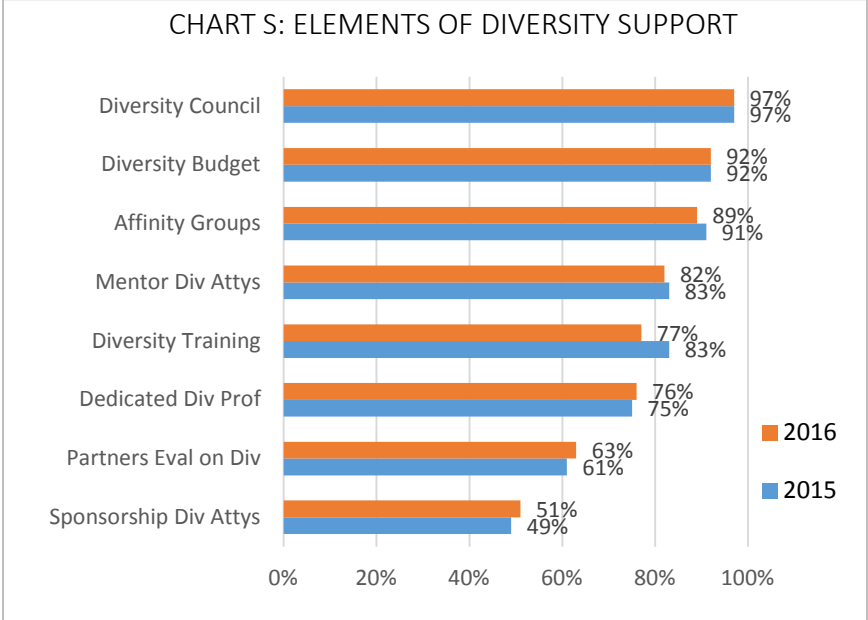
CHART R: USE OF REDUCED SCHEDULES BY LEVEL



PART II:
DIVERSITY SUPPORT,
QUALITATIVE FINDINGS &
BETTER PRACTICES

INCREASED SUPPORT FOR DIVERSITY

Signatory firms continue to allocate resources and personnel toward their diversity efforts: 90% of signatory firms indicate the presence of a diversity council, diversity budget, and affinity groups. More than 75% of responding firms require diversity training, mentor diverse attorneys, and have a dedicated diversity professional. (See Chart S) The 2016 data reflected increased support for designated diversity staff, sponsorship efforts for diverse attorneys, and evaluation of partners on their diversity efforts.



Commitment from firm leadership to diversity and inclusion efforts continues to grow, with 44% of firms reporting that a management committee member serves as chair of the diversity committee—an increase from 27% in 2015.

Additionally, diversity budget figures have been robust, with 97% of firms reporting that diversity budgets remained steady or have increased from 2015 to 2016, and nearly 30% of firms anticipating an increase in their diversity budgets for the 2017 calendar year. The 2016 survey requested an approximation of budget allocation to specific elements: of the 62 firms that provided this data, the most significant budget allocations were staff and internal diversity programs/training, with 30 firms reporting that they allocate some percentage of their diversity budget directly to attorney development.

Diversity training was offered in more than 77% of signatory firms. Most (60%) of these training programs are mandatory; however, while some firms require full firm participation, others limit mandatory participation solely to partners, associates, or new hires. We may see some change in this practice with New York’s mandatory “diversity, inclusion and the elimination of bias” CLE requirement going into effect in 2018.

Affinity groups continue to be a foundational element for prioritizing diversity, and signatory firms reported an average of 5 affinity groups per firm in 2016.

Survey respondents were also asked to rate the importance of diversity elements and practices in helping their firms reach their diversity goals. Dedicated staff, diversity budgets, and diversity councils

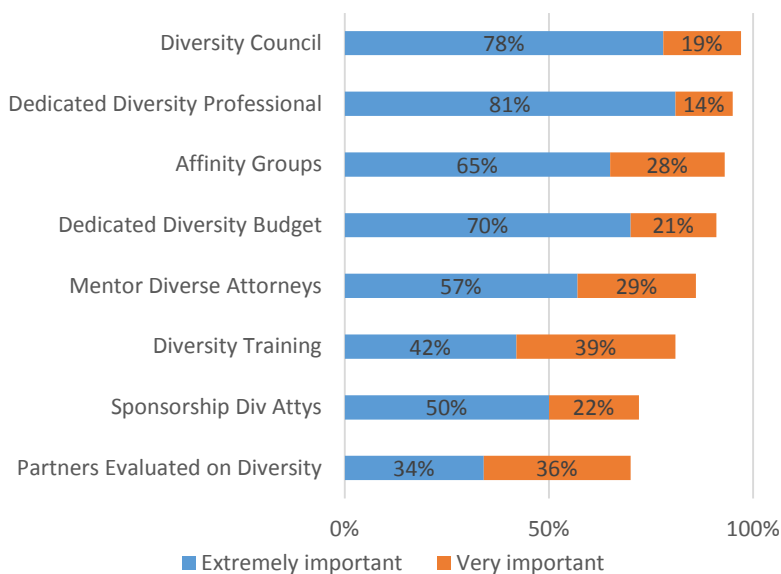
and affinity groups ranked as the top “extremely important” elements in driving change; more than 75% of signatory firms reported that having a diversity council and a dedicated diversity professional were of extreme importance. (See Chart T) Affinity groups, mentorship, and sponsorship of diverse attorneys were also rated as extremely important by more than half of responding law firms.

The importance of evaluating partners on diversity metrics has increased from 33% in 2013 to 63% in the 2016 survey results, and 52% of firms reported that compensation is tied to performance on diversity goals.

“PARTNERS WILL GET INVOLVED [WITH DIVERSITY] WHEN THEIR COMPENSATION IS TIED TO RESULTS. If law firms followed the model of some of their clients, who are aligning compensation and bonuses to achieving diversity goals, it would undoubtedly demonstrate that this effort is valued by the whole firm and motivate those who are already at the top.”

Firms also continued to stress the importance of a designated diversity professional with influence over key decisions regarding promotions and compensation. Of all reporting firms in 2016, 76% reported dedicated diversity staff; 46% reported a staff of 1-2 professionals, 19% reported a staff of 3-4, and 9% reported a staff of 5 or more. To fully execute diversity initiatives, convene stakeholders, and complete survey data, the City Bar recommends that all midsize and larger signatory firms have at least one dedicated diversity professional. As we continue to work with all of our signatory firms, we will work closely with the 26% that reported less than one full-time diversity professional.

CHART T: IMPORTANCE OF DIVERSITY SUPPORTS IN DRIVING PROGRESS



BETTER PRACTICES

In order to achieve true inclusion, numerical representation of women and minority attorneys must increase, particularly in the upper echelons of law firms. When looking at 88 law firms as an aggregate, the numbers move incrementally and may present a discouraging message of stagnation. However, when we focused on individual signatory law firm initiatives, we found more promising results which indicated increased retention and advancement of minority and women attorneys. We then identified categories of initiatives, which were included in the 2015 Report as a bulleted list of “better practices.” These recommendations fell into three categories: **attorney development, client access and relationships, and training/firm culture.**

To expand on these practices, the 2016 survey asked respondents to indicate which practice(s) were currently implemented and to provide detailed descriptions and supporting data. To help law firms that are working to implement or strengthen specific initiatives, we have provided blueprints for several successful strategies and examples from specific law firm programs that can be used as models.

In addition to the qualitative questions on the survey, the Office for Diversity and Inclusion and members of the Benchmarking Task Force conducted qualitative interviews with associates, partners, managing partners, clients, bar leaders, and diversity experts. We have incorporated this data to support the need for and impact of these initiatives in this section as well.

As law firms use their quantitative data to identify specific challenges within their firms, we hope that the increased transparency of these “better practices” will serve as a guide for firms to implement creative, effective solutions.

“ YOU HAVE TO BE INTENTIONAL – WE DECIDED THAT THE MOST IMPACTFUL ROUTE WOULD BE TO MAKE THINGS A LITTLE MORE OBJECTIVE AND A LITTLE LESS SUBJECTIVE. This requires buy-in from leadership, and means that you have to start to intervene on assignment processes, feedback and evaluation processes, and flexible work arrangements. It may be painful at first because you are making direct changes to the organization, and we are as a profession resistant to change, but our other methods were not enough. ”



ATTORNEY DEVELOPMENT

For many associates in law firms, some of the criteria upon which they are evaluated are nuanced, and not always specifically taught or prioritized. While they understand that building strategic relationships and the ability to bring in business will translate to their ultimate success in the firm, not all law firms have initiatives to evaluate the skill level and/or specifically train on these fundamental leadership competencies. In the 2016 survey, **67% of participating law firms indicated that they maintain a list of developmental milestones that is made available to associates, and which identifies the objective criteria expected to prepare for the next level of promotion.** These guides can give associates greater agency over their career progression and drive more direct, meaningful feedback discussions.

Attorney development strategies help associates in law firms fully understand what is required to succeed, ensure fair allocation of work assignments, and systemize advocacy of minority and women associates in critical decisions regarding their careers. Of all participating law firms:

- **72%** of signatory firms provide targeted business development and leadership training on communication styles, emotional quotient (EQ), leadership presence, and strategic career planning (*See Associate Leadership Institute, p. 23*);
- **74%** engage practice group leaders in monitoring work allocation protocols and quality of assignments (e.g., billable hours, visibility);
- **70%** provide opportunities to expand practice area expertise;
- **48%** of firms are creating sponsorship programs, which pair partners and associates, and where the partner is responsible for the associate's development (*See Sponsorship Programs, p. 24*);
- **49%** of firms develop multi-year action plans for diverse associates; and
- **56%** provide associates with executive coaches.

“ASSOCIATES NEED TO MAKE AN INVESTMENT IN THEIR OWN SUCCESS. Client pressure has shifted the model so there is more to do and less time, which leaves less discretionary time for associate development, while the need for it is constant if not increasing. Associates need to seek out and cultivate high-quality relationships that will lead to premium work experiences. ”



In addition to these specific initiatives, our qualitative research reveals a number of efforts to enhance the profiles of diverse associates externally, which complement the firms' internal professional development curriculum. These include fellowship programs and executive leadership programs like the **Leadership Council for Legal Diversity (LCLD)** and **Council of Urban Professionals (CUP)**, **OutNext**, **board service opportunities**, **speaking/publishing opportunities**, and **bar association activity**.

For these programs to positively impact minority and women associates in firms, they must be created with specific consideration given to the challenges that diverse attorneys face—firm trainings often assume a set of shared background experiences, a one-size fits all approach that can be counterproductive.

BETTER PRACTICE: ATTORNEY DEVELOPMENT

CITY BAR ASSOCIATE LEADERSHIP INSTITUTE

The Office launched its first Associate Leadership Institute (“ALI”), a five-part intensive skills and leadership development program for mid-level and senior associates at signatory firms, to respond to the 2015 benchmarking data, which reflected elevated attrition rates and lack of representation of minority and women attorneys in law firms’ top ranks. The curriculum included keynote speakers and intensive training modules on topics including executive presence, brand building, sponsorship, business development, and career planning.

The inaugural class included 50 participants from 30 law firms, evenly split between male and female participants, 3rd-5th year and 6th-8th year associates, and was more than 60% Black/Hispanic attorneys.

The Institute was created in partnership with the Council of Urban Professionals, Bliss Lawyers, the Center for Talent Innovation, and Practicing Attorneys for Law Students, Inc. The Planning Committee was comprised of associates, partners, and representatives from partner organizations. Faculty included representatives from diversity-focused initiatives like the Center for Talent Innovation and the Council of Urban Professionals, as well as in-house leadership from financial institutions, including Morgan Stanley and Prudential Financial. The faculty also included executive coaches, who helped participants develop specific action plans to demonstrate their value to their firms and clients.

In the post-program feedback, participants were asked to reflect on their experience during the program and rank their current skill and comfort level with each of the topics upon completion of the Institute (on a scale of 1 - 5, 5 being the highest ranking and 1 being the lowest), and provided the following:

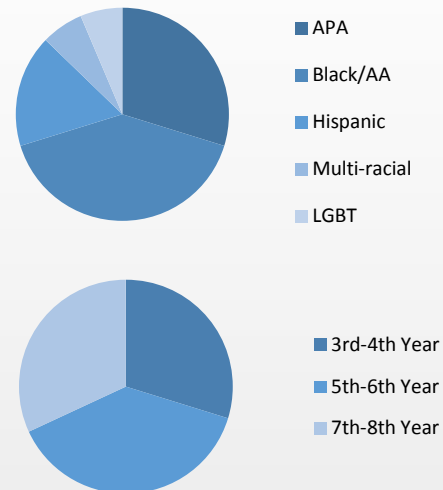
- Executive presence and communication: 4-5 (60% of respondents self-ranked 5)
- Develop and manage personal brand: 3-5 (60% of respondents self-ranked 4)
- Solicit and use feedback: 3-5 (60% of respondents self-ranked 4)
- Understand mentor and sponsor relationships: 4-5 (60% of respondents self-ranked 5)
- Leverage network to achieve career goals: 4-5
- Development of career plan: 4-5 (80% of respondents self-ranked 4)

Additional feedback included:

- 80% of survey respondents have taken steps to leverage network and strategic relationships
- 60% have sought out mentors; 40% have sought out sponsors
- 100% have begun to create a business development plan
- 80% have begun to develop a career plan
- 100% have taken steps toward strengthening visibility within and outside of firm (80% reported they have done so frequently)

More information about the Institute, including the curriculum, faculty, participant directory, and a blueprint to create your own institute are available on the program website: <http://www.nycbar.org/ALI>

ALI Participants



SPONSORSHIP PROGRAMS

Going beyond traditional mentoring programs, sponsorship initiatives pair women and minority associates with senior leaders in the firm who can have a measurable impact on the career progression of their protégés. Sponsors help protégés to develop necessary skills, and more importantly, have a voice at decision-making tables and are willing to advocate for them on pay/raises, high-profile assignments, and promotions. Sponsors can point out shortcomings and skill gaps and advise on acquiring critical experience, building key networks, and projecting executive presence. The protégé/sponsor pair develop an achievable timeline and action plan for career progression, and the firm tracks the progress of the associate through the course of the program.

Cadwalader Sponsorship Program

Cadwalader was one of the first law firms to formally prepare women and diverse senior associates and special counsel for future leadership roles at the firm with its Sponsorship Program. The firm's Taskforce for the Advancement of Women launched this initiative as a pilot program for high-performing women associates and special counsel October 2013. The goal of the pilot program was to ensure that talented women attorneys with six or more years' experience would have the opportunity to gain the skills necessary to move up the ranks and have long-term success at the firm. In 2015, the Sponsorship Program was expanded to racially diverse attorneys and LGBT attorneys in the firm's domestic offices.

The firm provides each protégé with one or more influential partners to act as sponsors for at least one year, providing guidance, assignments, marketing and leadership opportunities, and more exposure throughout the firm. Sponsors are selected based on their significant leadership and influence within and outside the Firm to ensure that the program has a positive impact on the protégés' careers. The firm's Managing Partner, Patrick Quinn, is one of the program's sponsors and is fully invested in the firm's diversity initiatives, acting as Chair of its global diversity committee.

In addition to being paired with sponsors, a detailed and vigorous curriculum is created each year for the protégés. Program participants receive individual coaching and attend sessions on business development, communication skills, and firm operations. Since the Program's launch, **nine** protégés have been promoted to partner and **nine** have been promoted to special counsel. 60% of newly-promoted partners in 2016 were women. In the firm's most recent partner promotions class, 40% were members of the Sponsorship Program, and 50% were women, minorities, and/or LGBT attorneys from throughout the firm.

Additional Firm Models

Debevoise's Sponsorship Program pairs women and minority associates who have been identified as prospective partner candidates with members of the Management Committee or Department Chairs to ensure that top-ranked associates have access to opportunities and develop the profile that will maximize his or her partnership opportunity. The sponsor/protégé pair develops an action plan that is revisited informally when there are needs to be addressed, develops clear steps to achieve developmental goals, and provides regular feedback.

Other models include the Day Pitney Protégé Program, Proskauer Rose Women's Sponsorship Program (WSP), Skadden Career Sponsorship Program Pilot, and the Hunton & Williams Sponsorship Program.

Additional Resources:

[Hewlett, Sylvia Ann. Forget a Mentor, Find a Sponsor](#)

CLIENT ACCESS & RELATIONSHIPS

Initiatives that create opportunities for associates to engage with clients and increase their ability to build their book of business have demonstrated success in retaining and promoting minority and women associates. Of all surveyed firms:

- **66%** of firms have focused on assessing client team composition and product on the firm's most significant matters;
- **86%** have developed initiatives to strengthen relationships with clients; and
- **30%** have engaged in efforts to enhance gender diversity on corporate boards, initiatives that have strengthened the leadership skills of women at the partner level.



“ Take a good idea and leverage it by getting more companies to do it together. This can take an idea with local impact and expand it to have a broader impact. Make it more strategic, cohesive.

ONE COMPANY CAN'T DO THAT BUT 30 CAN. ”

“ WHAT MAKES A PARTNER SUCCESSFUL? HIS/HER ABILITY TO BRING IN BUSINESS. White partners who need only focus exclusively on their business will ultimately be more successful than minority partners who have to take on all of the internal and external diversity efforts for the firm, mentor the minority associates coming up behind them, *and* focus on their business. ”

In the last year, many corporate law departments have enhanced efforts to guide law firms towards successful inclusion strategies. (*See Better Practices, p. 26*) Additionally, the City Bar polled in-house partners on their most impactful initiatives, both internally and those to drive results in their outside counsel, and found the following practices to be considered most effective:

- Conversations to communicate goals, address blind spots, share better practices;
- Accountability methods based on diversity metrics on invoices, RFPs and pitches (headcount, hiring, promotion and attrition data);
- Tracking of demographics for teams staffing your matters (including: hours, fees billed, partner credit allocation process);
- Initiatives to strengthen personal relationships and develop talent at law firms (opportunities for organic networking and mentoring between clients and firms);
- Setting goals for management team profiles; and
- Providing financial and non-financial incentives for meeting goals.

METLIFE TALENT STEWARDSHIP INITIATIVE

The MetLife Talent Stewardship Initiative, launched in 2016 after a two-year development phase under the leadership of former General Counsel Ricardo Anzaldúa, was created to expand on the company's multi-pronged internal inclusion initiatives, but designed specifically to address and impact the underrepresentation of minority and women attorneys advancing in the leadership pipeline. The initiative enhanced the company's feedback methods to identify high-potential talent while mitigating possible biases, then paired those protégés with one of the direct reports to the GC and CCO, all of whom were required to participate in the initiative. The protégé/sponsor pair then identified achievable goals for the protégé's career advancement, meeting regularly to develop competencies and provide feedback, and then reporting to Senior Leadership on the progress made.

After evaluating the initiative's internal success, MetLife sought to partner with its outside counsel to encourage them to develop similar models which would positively impact the metrics required in their RFPs. In the Spring of 2017 MetLife hosted a *Creating a Diverse Leadership Pipeline Workshop – Ideas and Initiatives That Work* summit for more than 70 law firms at their New York headquarters. At this session, the Center for Talent Innovation presented the concept and framework, followed by panel presentations and roundtable discussions which outlined initiatives to retain and promote diverse talent.

Following the summit, MetLife issued a timeline for law firms to present the company, by June 2018, with a formal talent development plan that demonstrates how they will promote and retain diverse lawyers. Firms will have the opportunity to refine and revise as needed through December 2018, when business would then be allocated to the firms that had fulfilled this imperative.

The collaborative effort to work with the firms by sharing the company's successful model and working together to achieve greater accountability — rather than simply imposing penalties or providing financial incentives — differentiates this initiative from the mandates imposed on outside counsel by Microsoft, HP, and other corporations.

LEAD MENTORING PROGRAM

The Lawyers for Empowerment and the Advancement of Diversity (LEAD) Mentoring Program, launched in 2015, was created in partnership with financial services institutions and law firms to match minority law firm associates in their second-fourth years of practice with in-house counsel mentors. The mentor pairs are created to help associates develop personal relationships that could ultimately develop into business relationships, to add value to their firms and clients. Mentors include diverse and non-diverse individuals from the financial institutions. The pairs meet monthly, and the participating institutions host formal scheduled events for all mentors and mentees on a rotating basis. LEAD also established sub-practice groups to enable participating law firms and financial institutions to discuss substantive legal issues to provide additional avenues for associates to demonstrate their legal expertise to in-house counsel at participating financial institutions.

Partnering law firms include signatory firms Cadwalader Wickersham & Taft LLP, Cleary Gottlieb Steen & Hamilton LLP, Clifford Chance US LLP, Milbank Tweed Hadley & McCloy LLP, Reed Smith LLP, Sidley Austin LLP, WilmerHale, and Shearman & Sterling LLP. The firms partner with financial institutions and corporations including Credit Suisse, Bank of New York Mellon, Morgan Stanley, Thomson Reuters, AllianceBernstein L.P., Barclays PLC, and Bank of America Merrill Lynch.

BIAS TRAINING AND FIRM CULTURE

Implicit bias remains a significant challenge to law firm diversity and inclusion efforts.

Initiatives to address implicit bias are created to foster an environment where all cultures and viewpoints are valued, and timely, prescriptive feedback is encouraged. However, training once a year is not enough—when viewed as a “check the box” initiative, it can fail to address structural barriers to inclusion and, when done incorrectly, can trigger biases and/or foster unhealthy workplace environments.

The most inclusive, informed law firms provide a multi-faceted, customized implicit bias and/or cultural competency curriculum that is administered regularly to all members of the firm.

- **73%** of signatory firms provide training for partners to understand and interrupt implicit bias and develop objective evaluation and feedback methods; and
- **84%** are monitoring exit interviews of departing associates.

Furthermore, firms can create organizational strategies to engineer the biases out of hiring and promotional decisions, as well as assignment and evaluation processes. Resources like the [Harvard Implicit Association Test \(IAT\)](#), [the Intercultural Development Inventory \(IDI\)](#), and [The Center for WorkLife Law Bias Interrupters](#) can be used as a foundational element to educate and inform individuals within law firms of biases and the impact they have on morale, productivity and advancement opportunities.

Leadership engagement is critical to creating a cultural change. In the qualitative sections of the survey, several firms emphasized the positive impact that leadership engagement has had on their diversity initiatives. When leadership is engaged in diversity efforts, it communicates the importance of the issue to the firm overall, and can inspire and motivate other non-minority members of the firm who may otherwise not get involved. From the perspective of leadership, the dialogue can change from one of a “problem” to an opportunity to see growth in a set period of time, particularly as firm leadership involvement expedites the approval process to implement necessary elements and/or policy changes.

“ BECAUSE I WAS THE ONLY BLACK ATTORNEY IN MY OFFICE, IT WAS VERY LONELY THERE.

I didn’t feel like I belonged there. I wanted to connect with like-minded people. I created a network to demonstrate the importance of having people who believe in you to support you, surround you. I felt a responsibility to show how we can create an environment that makes people feel like friends, so they are willing to help one another. ”

“ OUR EXECUTIVE COMMITTEE GOES THROUGH A LIST OF ASSOCIATES AND DISCUSSES WHAT THEY NEED, NAME BY NAME.

This way everyone is aware of what each associate needs to succeed, and everyone knows who is supporting whom. Our Managing Partner checks in on the EC/Associate team. These are the people making the decisions about who will become partner, so it is important to take a holistic approach, rather than just focusing on the metrics. ”

CONCLUSION

There is much to be celebrated in this year's report: the increased representation of minority and women attorneys in leadership roles will ensure that a wider array of perspectives is being heard in rooms where critical decisions are being made. The demonstrated innovation and execution of targeted, impactful initiatives is inspiring. And client demand has intensified, emboldened by the 71 Fortune 500 companies that have signed onto [ABA Resolution 113 Model Diversity Survey](#).

However, there is a long road ahead, and we must not lose momentum. We must engage stakeholders at all levels within law firms, client organizations and broadly throughout the profession in this mission in order to achieve results. As a bar association, we benefit from partnering with law firms, clients, our membership, bar associations, and organizations. This positions us uniquely to see the profession from a broad perspective. We offer the following guidance to consider in your individual and institutional efforts to foster a more inclusive profession:

KNOW YOUR CHALLENGES

Diversity programs are most successful when they are targeted at a very specific goal. However, many law firms struggle to address the truly complex challenges their diversity efforts face, and thus cast a wide net on solving diversity issues generally. We encourage law firms to leverage their data to focus their efforts on one or two issue(s) and set measurable goals to achieve in the year ahead.

HAVE A STRATEGIC PLAN

Once you have identified the problem, conduct a thorough analysis to ensure a customized solution that will have a direct impact on the challenges identified. This includes an assessment of culture, processes, financial and personnel needs and resources, as well as objective measures of success.

NON-MINORITY ENGAGEMENT

The data shows that straight, white men continue to occupy the vast majority of partner, equity partner, and other leadership bodies in law firms. Unless we engage non-minority members of the firm in inclusion efforts, these percentages will never change—there is simply not a critical mass of women and minority attorneys at the most senior levels of leadership to effect change. We acknowledge that there are many reasons why people do not engage in diversity initiatives. However, several law firms have created guides, toolkits, and ally initiatives to train, support, and guide majority members of the firm towards inclusion. For specific examples of what white male allies can do, see the [Weil Upstander Initiative Action Guide](#).

CITY BAR ACTION PLANS

Following their individual data reports, the City Bar meets with each signatory firm to develop an action plan and consider the following:

- Review individualized data and identify pain points
- Consider the top 2-3 challenges to focus on in the year ahead
- Assess whether internal and external spending correlates directly to the 2-3 identified challenges and ideal outcomes
- Set goals and timelines
- Strategize how you will measure outcomes

To schedule a meeting, please visit: <https://nycbardiversity.typeform.com/to/Dgzki4>



COLLABORATION

Talk to other law firms, share better practices and, when able, engage in collaborative efforts to communicate that inclusion is a priority. In 2016, 44 law firms (including 24 signatories) piloted the [Mansfield Rule](#), which measures whether law firms have affirmatively considered women lawyers and attorneys of color—at least 30% of the candidate pool—for promotions, senior level hiring, and significant leadership roles in the firm, including equity partner promotions, lateral partner and mid/senior level associate searches, practice group leadership, Executive Committee and Board service, Partner Promotions, Nominating, and Compensation Committees, and Chairperson/Managing Partner positions. Initiatives like this, where firms and corporations can provide a collective voice for a broader impact, will undoubtedly create change.



In the year that followed the 2015 Report release, our Office met with more than 40 signatory firms to discuss the findings and formulate action plans. We are committed to using research and resources provided by the Office and City Bar Committees to strengthen partnerships with our signatories, which we believe will engender measurable change.



We look forward to continuing our work with all of you in the years ahead, and are optimistic that with more collaboration and courage, we will build a more inclusive profession.

Photos from Associate Leadership Institute, J. McClinton (see p. 23)

ACKNOWLEDGEMENTS

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All photos are from our 2017 Associate Leadership Institute, by J. McClinton of [Dos Ojos Media](#).



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