



2014 Minnesota Law Firm Billing Rate Survey

Billing Rate Data as of May 1, 2014

SAMPLE

Conducted by:

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Introduction

In May, 2014, Denarius Human Resources, Inc. conducted its 9th edition of a billing rate survey of Minnesota law firms. The survey was open to all Minnesota law firms, and over 520 law firms were invited to participate. This year, 19 firms from around the state participated in the survey (see *Alphabetical List of Participants* on page 30.)

Survey features include reporting billing rates for Equity and Non-Equity Partners and three positions which combine reported billing rates for separate positions. These include “All Partners” (combines billing rates of Equity and Non-Equity Partners), “All Non-Partner Attorneys” (combines billing rates of Associates and Attorneys), and “All Attorneys” (combines billing rates of Partners, Associates and Attorneys). Additionally Business Law and Corporate Law practice areas were again combined to provide more meaningful information. The remainder of this report contains the information reported by participants in summarized, tabular fashion. Results are shown if 5 or more firms reported information for any data cut.

Explanation of Results

Billing Rate Reports by Firm Size, Practice Area, and Location

Participants reported billing rate data as of May 1, 2014 for six survey positions:

- **Equity Partner:** This position distinguishes Partners from non-equity Partners and non-Partner attorneys. It also does not include Of Counsel positions.
- **Non-Equity Partner**
- **Associate:** Professional attorneys on the Partner track.
- **Attorney:** Professional attorneys in the firm not typically on the Partner track.
- **Clerk:** Law school graduates who have not taken the bar or are waiting for bar exam results.
- **Legal Assistant/Paralegal:** Prepares legal documents; gathers and analyzes research data; investigates facts; coordinates law office activity. May have an associate's degree in related field of study. Firms did not report Legal Secretaries which provide clerical and administrative support.

Using data reported for the Partner, Associate and Attorney positions listed above, three additional positions were created for analysis:

- **Equity and Non-Equity Partners Combined:** This survey positions combines the billing rates for all Partners, including equity and non-equity Partners.
- **Associate and Attorney Combined:** Survey position that combines the billing rates for all non-Partner professional attorneys including Associates and Attorneys.
- **Partner, Associate, Attorney Combined:** A survey position that combines the billing rates for all professional attorneys including Partners (equity and non-equity), Associates, and Attorneys.

This year's survey represents the billing rates for over 820 Partners (equity and non-equity), Associates, and Attorneys at Minnesota law firms. For Partners, Associates, and Attorneys, participants reported the year individuals were admitted to the bar. This information was summarized in two ways for this report:

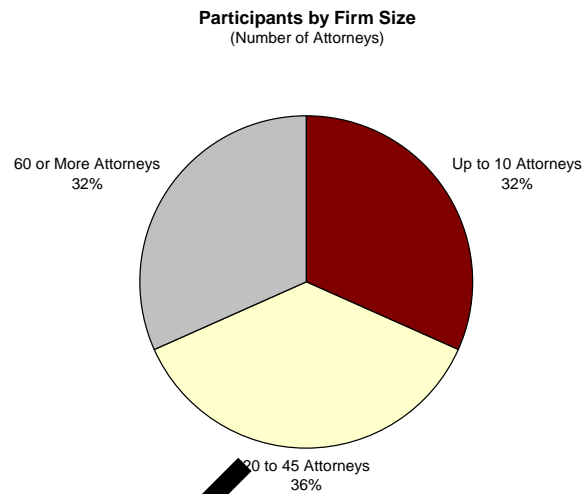
- **All Years:** This represents the aggregate of all data reported and lists one row of statistics for a position.
- **By Year Admitted:** When sufficient data were reported (at least 5 firms reported data for an individual year) statistics were calculated for the attorney positions by year admitted to the bar.

In addition to an overall summary of survey data by position and year attorney was admitted to the bar, data were summarized by firm size and practice area. Results are not shown by location this year since all participants are located in the Twin Cities metro area. Brief summaries of these categories are found on the following pages.

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Firm Size

This category refers to firm size based on the number of attorneys at a firm. Data were categorized to provide the most relevant information given the number and size of survey participants, resulting in three firm size categories of almost equal size. See the graph to the right for more information.



	25 th Percentile	Average	Median	75 th Percentile
Number of Attorneys Employed	10	51	32	60
Number of Total Employees (in Minnesota)	19	98	55	127
Up to 10 Attorneys	5.0	5.7	6.0	8.8
20 to 45 Attorneys	26	71	32	35
60 or More Attorneys	61	119	99	155

Practice Area

This year, survey participants reported pertinent billing rate information to summarize data by position and year attorney was admitted to the bar for eight practice areas:

- **Corporate/Business Law:** Practice area includes M&A, tax, anti-trust, securities, and governance among other.
- **Employment/Labor Law**
- **Family Law:** Insufficient data to show results.
- **Financial Services/Banking:** Including among other areas commercial lending, bankruptcy, and collections.
- **Insurance & Liability** – Insufficient data to show results.
- **Intellectual Property (IP):** Law firms reported data for attorneys who had passed the patent bar and are practicing Intellectual Property law.
- **Litigation**
- **Real Estate**
- **Tax/Estate Planning**
- **Other:** Represents billing rate data for all other practice areas outside of those listed above as determined and reported by participants.

Location

Location results were reported for Metropolitan Twin Cities offices. This year all participants and individual attorneys (100%) are located in the Metropolitan Twin Cities area. Below lists representative locations of individual attorneys.

- **Metropolitan Twin Cities:** Edina, Minneapolis, St. Louis Park, and St. Paul.
- **Out State:** Bismarck (not included in analysis).

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Definition of Terms

The *Billing Rate Reports* section of the survey uses the following information and terms:

- **Number of Firms:** This column shows the number of firms which reported data for the position.
- **Number of Incumbents:** This column shows the number of incumbents (attorneys) in the position.
- **10th Percentile:** This is the billing rate charged by the incumbent (“incumbent weight”) which ranked at the 10th percentile of the reported data for the position. Ten percent of incumbents have a billing rate below this amount. Conversely, 90 percent of incumbents charge more than this rate. To ensure meaningful data displays, the 10th percentile amount was not reported unless at least five (5) firms reported data for 10 or more incumbents. (See following *Percentile Analysis Example.*)
- **25th Percentile:** This is the billing rate charged by the incumbent which ranked at the 25th percentile of the reported data for the position. Twenty-five percent of incumbents have a billing rate below this amount. Conversely, 75 percent of incumbents charge more than this rate. To ensure meaningful data displays, the 25th percentile amount was not reported unless at least five (5) firms reported data for six (6) or more incumbents. (See example below.)
- **Average:** This is the sum of the billing rates reported divided by the number of incumbents reported for the position. Average, as used in this report, has the same meaning as “mean”, “simple average” and “un-weighted average” which are commonly used to describe the arithmetic average of a group of numbers. The average was not reported if less than five (5) firms provided data.
- **50th Percentile (Median):** This is the billing rate charged by the incumbent which ranked at the 50th percentile of the reported data for the position. Half of the incumbents reported charging below this amount and half reported charging above this amount. To ensure meaningful data displays, the 50th percentile amount was not reported unless at least five (5) firms reported a billing rate for their incumbents. (See example below.)
- **75th Percentile:** This is the billing rate charged by the incumbent which ranked at the 75th percentile of the reported data for the position. Seventy-five percent of incumbents have a billing rate below this amount. Conversely, 25 percent of incumbents charge more than this amount. To ensure meaningful data displays, the 75th percentile amount was not reported unless at least five (5) firms reported data for six (6) or more incumbents. (See example below.)
- **90th Percentile:** This is the billing rate charged by the incumbent which ranked at the 90th percentile of the reported data for the position. Ninety percent of incumbents have a billing rate below this amount. Conversely, 10 percent of incumbents charge more than this amount. To ensure meaningful data displays, the 90th percentile amount was not reported unless at least five (5) firms reported data for 10 or more incumbents. (See example below.)

Percentile Analysis Example

Billing Rate	
\$ / hour	
325	90 th Percentile
290	
278	
265	75 th Percentile
255	
249	
237	
230	
215	50 th Percentile (Median)
205	
189	
177	
150	
145	25 th Percentile
136	
125	
113	10 th Percentile
99	

Minnesota Law Firm Billing Rate Survey

Billing Rate Reports

Overall Results

	Number of Firms	Number of Incumbents	HOURLY BILLING RATE					
			10 th Percentile	25 th Percentile	Median	Average	75 th Percentile	90 th Percentile
By Position – All Firms / All Years 2013								
Partner – Equity	28	899	\$100	\$200	\$300	\$400	\$500	\$500
Partner – Non- Equity	12	117	100	200	300	400	500	500
Associate	25	415	100	200	300	400	500	500
Attorney	18	148	100	200	300	400	500	500
Partner, Associate, Attorney Combined	29	1,579	100	200	300	400	500	500
Equity, Non-Equity Partner Combined	28	1,016	100	200	300	400	500	500
Associate , Attorney Combined	27	563	100	200	300	400	500	500
Clerk	10	17	100	200	300	400	500	500
Legal Assistant / Paralegal	22	260	100	200	300	400	500	500
By Position – All Firms / All Years 2014								
Partner – Equity	27	813	100	200	300	400	500	500
Partner – Non- Equity	11	100	100	200	300	400	500	500
Associate	23	390	100	200	300	400	500	500
Attorney	17	139	100	200	300	400	500	500
Partner, Associate, Attorney Combined	27	1,411	100	200	300	400	500	500
Equity, Non-Equity Partner Combined	27	1,133	100	200	300	400	500	500
Associate , Attorney Combined	25	522	100	200	300	400	500	500
Clerk	6	14	*	200	300	400	500	*
Legal Assistant / Paralegal	24	276	100	200	300	400	500	500
Associate – By Year Admitted								
2002	6	13	*	200	300	400	500	*
2004	16	40	100	200	300	400	500	500
2006	14	49	100	200	300	400	500	500
2008	20	67	100	200	300	400	500	500
2010	12	41	100	200	300	400	500	500

* Data not shown if fewer than 5 firms reported data. 25th and 75th Percentile data not shown if fewer than 6 firms reported data. 10th and 90th Percentile data not shown if fewer than 10 firms reported data.

Alphabetical List of Participants

Anthony Ostlund Baer & Louwagie P.A.
Briggs and Morgan, P.A.
Carlson, Caspers, Vandenburg, Lindquist & Schuman, P.A.
Culberth & Lienemann, LLP
Dady & Gardner, P.A.
Fabyanske, Westra, Hart & Thomson, P.A.
Felhaber Larson
Greene Espel PLLP
Henson & Efron, P.A.
Larkin Hoffman Daly & Lindgren
Lindquist & Venum LLP
M. Sue Wilson Law Offices, P.A.
Moss & Barnett, P.A.
Murnane Brandt
Nilan Johnson Lewis, P.A.
Robins, Kaplan, Miller & Ciresi LLP
Seaton, Peters & Revnew, P.A.
Thill and Freeman PLLC
Vidas, Arrett & Steinkraus, P.A.

TOTAL PARTICIPANTS: 19

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