

Diversity Scorecard

Diversity Scorecard - 2009

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Well, you can't say we didn't warn you.

When we published last year's Diversity Scorecard, we said that this year's edition would take a more nuanced look at how law firms are faring in boosting diversity within their ranks. At the time, we predicted that our new approach would shake up the rankings. And it has.

Last year's first-place finisher, New York's Cleary, Gottlieb Steen & Hamilton, dropped all the way to a tie at number 20 on our list. And Cleary was hardly alone in falling out of the Scorecard's upper echelon. All told, five firms lost their top 20 status altogether. One of those, Cravath, Swaine & Moore, plummeted more than 50 spots on this list, from number 6 to number 57.

On the flip side, our new method of calculating diversity was a boon to numerous firms. The most prominent beneficiary was Palo Alto's Wilson Sonsini Goodrich & Rosati, which, after two consecutive second-place finishes, finally ascended to the top spot. Other winners included the seven firms that rose into the top 20. None climbed higher than Lewis, Brisbois, Bisgard & Smith of Los Angeles, which jumped from number 47 all the way to number 4.

All this churn comes courtesy of a new ranking formula adopted after we found ourselves wondering whether our traditional approach to measuring diversity—calculating the overall percentage of minorities within a firm—ignored something significant. Did it really make sense to treat all lawyers of color as essentially equivalent in stature? Should a firm get the same kind of credit for a minority associate as it does for a minority partner? We decided that it was time to start giving more credit to firms that have increased the racial diversity of their partnership ranks. Under our revised formula, we add each responding firm's percentage of minority lawyers to its percentage of minority partners to come up with a diversity score. This number is a truer gauge, we believe, of what kind of progress a firm is making in hiring lawyers of color at every level, with an emphasis on those at the most senior levels. ([Click here for a fuller explanation](#) of our methodology, and a list of firms that did not respond.)

A look at the top of [this year's rankings](#), makes it clear how much a higher-than-average percentage of minority partners contributed to some firms' improved showing. Consider Lewis, Brisbois: At 12.1 percent, its proportion of minority partners is nearly double the average for all firms, 6.3 percent. Each of the other firms that climbed into the top 20 this year also has a higher-than-average percentage of minority partners: Carlton Fields (12 percent minority partners); Epstein, Becker & Green (13.9 percent); Howrey (9.8 percent); Hughes Hubbard & Reed (9.8 percent); Kenyon & Kenyon (12.1 percent); and Shutts & Bowen (13.4 percent). First-place finisher Wilson Sonsini boasts a minority partner percentage nearly triple the survey average.

Among those who scored poorly on the new survey, Cravath's example is illuminating. Cravath has a very high percentage of minority lawyers overall—21.3 percent, nearly twice the survey average. On the

other hand, only 2.3 percent of Cravath partners are attorneys of color—a relatively low proportion that hurt the firm’s diversity score. Other firms pushed out of the top tier include Simpson Thacher & Bartlett (from number 11 to number 35); Debevoise & Plimpton (from number 14 to number 37); Weil, Gotshal & Manges (from number 16 to number 23); and Latham & Watkins (from number 17 to number 26). Simpson Thacher and Debevoise reported below-average minority partner rates; Weil’s and Latham’s rates were a bit better than average, but not quite good enough for the firms to keep their old rankings.

We sent this year’s survey to 252 of the country’s largest and highest-grossing firms, those that qualify for inclusion in The Am Law 200, The NLJ 250, or both. Overall, the survey results show incremental progress in the push for great diversity, though some firms are clearly making more gains than others. (As usual, we asked firms to provide us with data as of September 30 of the prior year—in this case, September 30, 2008.)

The percentage of minority lawyers at the firms surveyed, we found, rose from 13.4 percent in 2007 to 13.9 percent in 2008—an increase of just one-half of a percentage point. In each of the three previous years, the proportion of minority attorneys at all firms rose by a full percentage point. The proportion of minority partners (equity and nonequity)—rose from 6.2 percent to 6.6 percent, an increase roughly comparable to last year’s.

The relative numbers of African American, Asian American, and Hispanic lawyers remained essentially flat. The only group in our survey that registered a noticeable gain—from 0.6 percent to 1 percent—was the category of other minority Americans, which includes Native Americans and those who define themselves as multiracial.

What explains the slowing pace of overall minority representation? Answering a question about the obstacles they face in improving diversity, many firms cited a perennial problem: a shallow pool of minority candidates from which to choose when hiring associates. Economic conditions also appear to be a factor. In response to the same question, some 30 firms explicitly cited economic woes as hampering diversity efforts even before the full force of the current financial crisis hit. “The biggest challenge to building diversity in the past year was the economic downturn,” said O’Melveny & Myers (tied for number 20). “The state of the economy has made us ever more mindful of the need to control expenses and ensure that the internal programs we develop and facilitate, as well as the external programs we sponsor, are the best use of our resources.” Translation: In tight times, the bottom line is always top of mind, and a firm’s push toward greater diversity isn’t exempt from that calculus. Financial concerns can hurt diversity initiatives in several ways. Layoffs and reduced hiring may mean fewer associates of color, and as several firms said in their responses, pressure to increase billable hours can detract from mentoring and recruiting efforts.

As was true last year, we found a slight rise in the percentage of minority lawyers among newly promoted partners—a key sign of whether firms are building a foundation for long-term diversity. The percentage of newly promoted partners who are minority lawyers rose from 11 percent in 2006 to 13.3 percent in 2007 to 13.8 percent last year (when a total of 270 minority lawyers were promoted to partner). However, minority lawyers made up a smaller percentage of lateral partner hires among reporting firms: from 11 percent in 2006 to 9.6 percent in 2008.

For the first time this year, we are publishing data on two other diversity categories: gay and lesbian lawyers and disabled lawyers. (Neither category is used for our Diversity Scorecard rankings, which focus on headcounts for racial minorities.) Irell & Manella had the highest proportion of openly gay and lesbian lawyers, at 8.4 percent, and Curtis, Mallet-Prevost, Colt & Mosle had the greatest representation of disabled lawyers, at 2.0 percent. It’s worth noting, however, that this data seems to be less complete

than some of our other data. Some 55 firms said that either they had no openly gay or lesbian lawyers or that they did not track this information. For disabled lawyers, 131 firms either reported no lawyers in this category or said they had no data.

One cautionary note: As we mentioned above, all of the data presented here reflects law firm head counts before the full force of the economic collapse struck. Since late September, law firm after law firm has been shedding lawyers by the dozens. We don't yet know what effect on diversity that those cuts have had. Will minority lawyers hold on to the gains that they've made? Or will many of them be the first out the door as firms continue to shrink their numbers? It's something we're sure to explore in next year's Diversity Scorecard.

THE CHARTS

[The Firms A-Z](#)

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[Methodology](#)