

Economics of Law Practice in Michigan

2014 Attorney Income and Billing Rate Key Findings Report

The survey was conducted in May 2014 and requested income and billing rate information for 2013.

The State Bar of Michigan Economics of Law Practice Survey provides Michigan attorneys with a resource that allows access to the most current law practice economic information available. The survey results are provided as a service to SBM members.

The survey has two practical objectives:

- Providing timely, relevant, and accurate information to inform and guide the practical management decisions of Michigan attorneys
- Tracking and illustrating changes and trends within the legal profession

The survey monitors and reports on several points of information useful to attorneys:

- Attorney income
- Prevailing average hourly billing rates by several indicators including fields of practice, judicial circuit, and geographic location
- Time allocated to billable and non-billable professional activities
- Management practices
- Perceptions regarding current and future economic circumstances related to the practice of law

The key findings report contains information pertaining to attorney income and billing rates. It is produced as an early and separate report to provide attorneys with this target information as quickly as possible, as it is the most requested information from all attorneys. All other information will be contained in the full 2014 Economics of Law Practice Summary Report that will follow.

Methods and measures

The 2014 Economics of Law Practice Survey was conducted in May 2014. An electronic survey was sent to 18,610 private-practice and 14,861 non-private-practice members of the State Bar of Michigan, inviting their participation. Private practitioners returned 2,734 completed questionnaires (14.7 percent response rate) and non-private practitioners returned 1,158 completed questionnaires

(7.8 percent response rate). Dr. James McComb, an independent consultant statistician, tabulated the questionnaires.

To help interpret the information presented in the survey, the following is a brief description of statistical terms of measures of central tendency (median and mean) and measures of dispersion (spread).

Mean—The mean (also called the average) is calculated by adding the values of all responses, then dividing by the number of responses. Example: Three responses (30, 1, 2) are reported. The average, or mean, is calculated by adding $30 + 1 + 2 = 33$ and then dividing by the number of responses (3). The average is 11.

Median—The median is the middle value in a series or distribution of values (50th percentile, which is initially rank-ordered from low to high or vice versa). By definition, half of the numbers are greater and half are less than the median. Example: Three responses (30, 1, 2) are reported. The median is the middle number of the order of distribution (1, 2, 30), or 2. By comparison, the average of this distribution is 11, as shown above.

Use of the median as a statistical metric of central tendency reduces the effects of “outliers” (extremely high or low values, such as the data point of 30 in the previous example), while the average does not. Median values are used throughout the survey results to denote the measure of central tendency.

Percentiles—In addition to the median, four other percentile values are used in the survey results to reveal the spread of a particular data distribution. The percentiles include:

- 25th percentile—Also referred to as the lower quartile. One-fourth of the values are less and three-fourths are more than this value.
- 50th percentile—Also referred to as the median. Half of the values are less and half are more than this value.
- 75th percentile—Also referred to as the upper quartile. Three-fourths of the values are less and one-fourth are more than this value.
- 95th percentile—Ninety-five percent of the values are less and five percent of the values are more than this value.

Note of clarification: Extreme values (multiple thousands per hour) were excluded because of their unrepresentative qualities; four were excluded for reporting \$10,000 or above per hour.

I 2013 Attorney Income

Table 1—2013 Reported Attorney Income—Private Practitioners

	VALUE BY PERCENTILE					
	N	25 th Percentile	Median	Mean	75 th Percentile	95 th Percentile
Sole Practitioner, office outside of home	444	\$40,000	\$75,000	\$120,929	\$145,000	\$325,000
Sole Practitioner, working out of home office	222	9,563	25,083	47,881	64,000	175,000
Sole Practitioner, sharing space	138	40,000	70,000	92,728	103,000	300,000
Managing Partner	161	104,000	200,000	329,036	350,000	1,100,000
Equity Partner/Shareholder	528	132,287	215,000	300,921	350,000	750,000
Non-Equity Partner	142	121,000	174,500	181,482	211,000	360,000
Of Counsel	49	45,000	114,000	134,404	180,000	362,352
Senior Associate	109	85,000	105,000	123,595	143,000	250,000
Associate	342	50,000	70,000	79,412	97,000	139,935
Arbitrator/Mediator	8	4,250	42,500	131,688	230,000	500,000
Assigned Counsel	*	-	-	-	-	-
Other	51	60,000	100,000	559,055	150,000	950,000
Total	2,196	\$52,900	\$100,000	\$178,340	\$200,000	\$500,000

*Data is not displayed for categories with fewer than three respondents due to insufficient information but is included in the totals.

Table 2—2013 Reported Attorney Income—Non-Private Practitioners

	VALUE BY PERCENTILE					
	N	25 th Percentile	Median	Mean	75 th Percentile	95 th Percentile
Academia	41	\$50,000	\$75,000	\$101,131	\$141,500	\$200,000
Law School	38	58,000	81,695	96,208	149,000	200,000
In-House Counsel	246	87,000	125,000	167,194	185,000	400,000
Judge	55	138,000	139,900	139,646	140,000	176,000
Other Judiciary	76	49,000	68,747	258,477	90,175	125,000
Legal Service Agency	70	42,132	55,000	56,944	71,938	95,000
Federal Government	70	83,000	111,100	112,053	144,000	165,000
Local Government	147	52,000	75,000	75,125	98,500	116,000
State Government	152	67,500	90,000	87,722	107,570	134,000
Governmental Relations	*	-	-	-	-	-
Military	5	70,000	80,000	71,363	80,000	85,000
Non-Law Related	22	30,000	58,000	72,701	96,000	180,000
Non-Profit Org.	59	42,000	58,000	76,968	102,000	220,000
Retired	15	2,000	20,000	57,333	130,000	155,500
Other	45	50,000	69,000	99,002	102,458	300,000
Total	1,043	\$58,000	\$90,000	\$119,378	\$125,000	\$220,000

*Data is not displayed for categories with fewer than three respondents due to insufficient information but is included in the total.

II 2013 Attorney Hourly Billing Rates

Table 3—2013 Attorney Hourly Billing Rates

	VALUE BY PERCENTILE					
	N	25 th Percentile	Median	Mean	75 th Percentile	95 th Percentile
Sole Practitioner, office outside of home	468	\$185	\$225	\$231	\$250	\$383
Sole Practitioner, working out of home office	230	150	200	199	250	350
Sole Practitioner, sharing space	146	175	211	231	275	350
Managing Partner	171	205	250	282	325	500
Equity Partner/Shareholder	569	225	310	333	417	545
Non-Equity Partner	159	250	325	330	400	500
Of Counsel	50	225	300	315	408	500
Senior Associate	115	200	250	264	300	445
Associate	351	175	208	218	250	320
Arbitrator/Mediator	8	188	275	261	329	400
Assigned Counsel	*	-	-	-	-	-
Other	41	180	250	254	300	523
Total	2,310	\$192	\$245	\$265	\$315	\$490

*Data is not displayed for categories with fewer than three respondents due to insufficient information but is included in the totals.

Table 4—2013 Attorney Hourly Billing Rates by Years in Practice

	VALUE BY PERCENTILE					
	N	25 th Percentile	Median	Mean	75 th Percentile	95 th Percentile
<1	8	\$138	\$163	\$172	\$214	\$250
1 to 2	140	150	189	189	225	284
3 to 5	197	160	200	205	250	317
6 to 10	326	180	225	236	283	370
11 to 15	228	195	250	260	300	435
16 to 25	544	200	269	291	350	488
26 to 30	264	200	250	279	347	500
31 to 35	319	200	250	276	300	515
>35	540	200	250	285	350	525
Total	2,566	\$192	\$245	\$264	\$310	\$483

Table 5—2013 Attorney Hourly Billing Rates by Firm Size in a Single Location

	VALUE BY PERCENTILE					
	N	25 th Percentile	Median	Mean	75 th Percentile	95 th Percentile
1	902	\$175	\$210	\$222	\$250	\$375
2	249	183	225	248	275	400
3	155	200	250	259	300	400
4 to 6	302	192	235	259	300	450
7 to 10	201	192	250	273	325	455
11 to 20	184	201	260	290	366	500
21 to 50	217	212	288	299	340	520
>50	277	280	375	377	475	570
Total	2,487	\$192	\$245	\$265	\$313	\$485

Table 6—2013 Attorney Hourly Billing Rates by Office Location

	VALUE BY PERCENTILE					
	N	25 th Percentile	Median	Mean	75 th Percentile	95 th Percentile
Downtown Detroit & New Center area	159	\$195	\$275	\$304	\$400	\$550
Detroit, not downtown	16	150	250	243	313	538
Remainder Wayne County	139	195	225	227	250	350
Oakland County (north of M-59)	69	200	250	266	300	563
Oakland County (south of M-59)	625	200	250	280	325	495
Southfield	157	210	275	308	395	550
Mount Clemens area	40	181	225	232	258	383
Remainder Macomb County	94	192	225	237	285	400
Ann Arbor area	127	200	275	290	350	520
Livingston County	29	192	200	213	250	275
Battle Creek area	24	163	200	203	250	250
Bay City/Midland/Saginaw area	52	178	216	228	250	450
Flint area	66	180	215	238	275	400
Grand Rapids area	330	210	280	298	370	510
Jackson area	29	167	185	210	240	370
Traverse City area	42	175	200	206	240	288
Kalamazoo area	68	178	243	242	295	400
Muskegon area	44	175	200	231	250	455
Lansing area	171	175	230	241	297	400
Mid-Michigan area	38	150	184	202	250	350
Other metro areas	20	150	175	190	207	363
Out state, lower peninsula	47	175	200	212	242	383
Upper Peninsula	33	123	173	158	195	225
Northern Michigan, lower peninsula	58	153	200	197	222	333
Out of state	103	225	300	312	355	613
Total	2,580	\$192	\$245	\$265	\$312	\$485

Table 7—2013 Attorney Hourly Billing Rates by Field of Practice

	VALUE BY PERCENTILE					
	N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Administrative law	85	\$200	\$250	\$284	\$350	\$520
Appellate law	139	195	275	274	350	480
Arbitration/Mediation	89	200	260	285	325	550
Auto (not lemon) law	38	250	350	344	400	550
Auto, no-fault	142	150	250	300	400	550
Bankruptcy, creditor	73	250	295	327	350	510
Bankruptcy, debtor	124	195	223	230	260	350
Business planning	337	215	260	289	325	520
Civil litigation	768	210	275	290	345	500
Civil rights	74	200	250	276	350	450
Collections, creditor	107	175	200	225	260	375
Collections, debtor	14	225	300	295	385	400
Condemnation law	5	250	300	291	330	400
Construction law	70	225	275	287	325	465
Consumer law (including lemon law)	44	200	335	321	400	500
Criminal (private defendant)	293	175	200	222	250	360
Criminal (public defendant)	111	50	85	112	190	250
Employment law (plaintiff)	94	200	250	274	330	450
Employment law (defense)	145	225	275	285	340	455
Environmental law	40	245	300	319	363	528
Family law	509	175	200	221	250	350
Foreclosure, debtor	6	200	210	237	350	350
Foreclosure, lender	48	198	215	237	250	435
General practice	284	175	210	227	250	360
Health & hospital law	62	245	298	330	420	550
Immigration law	27	175	250	254	300	405
Insurance law	149	150	195	236	300	455
Intellectual property/ trade secrets	120	250	333	342	425	550
Landlord/tenant (commercial)	30	190	250	254	300	445
Landlord/tenant (residential)	67	165	200	189	210	250
Medical malpractice (plaintiff)	39	350	400	474	500	1,000
Medical malpractice (defendant)	51	150	175	171	185	238
Other civil law	261	200	250	272	325	500
Other professional liability	40	223	315	320	388	500
Personal injury (defendant)	119	150	165	190	200	325
Personal injury (plaintiff)	184	250	350	358	400	600
Probate, administration, decendent's estates	371	195	225	234	250	395
Guardianship & conservatorship	103	175	210	215	250	350
Probate litigation, decendent's estates	90	200	243	250	275	460
Probate, trust administration	198	200	250	272	300	475
Probate, trust litigation	68	243	295	300	350	460
Product liability	29	220	300	304	350	500

Table 7 (continued)—2013 Attorney Hourly Billing Rates by Field of Practice

	VALUE BY PERCENTILE					
	N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Public benefits	14	\$180	\$225	\$231	\$250	\$395
Public corporation law (including city & village)	71	140	175	196	225	445
Real estate	369	200	250	257	300	450
Securities law	31	275	400	387	500	600
Tax law	137	250	300	331	410	550
Workers' compensation employee	25	200	250	244	300	400
Workers' compensation employer	27	100	115	115	125	145
Total	6,321	\$195	\$250	\$263	\$300	\$480

Table 8—2013 Attorney Hourly Billing Rates by County

	VALUE BY PERCENTILE					
	N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Alcona	3	\$153	\$195	\$183	\$200	\$200
Alger	5	175	197	181	200	225
Allegan	55	193	225	249	290	425
Alpena	9	180	185	188	200	210
Antrim	26	175	210	208	233	275
Arenac	*	-	-	-	-	-
Baraga	5	110	175	152	180	195
Barry	16	223	258	259	292	333
Bay	47	175	225	233	275	450
Benzie	14	150	205	219	235	625
Berrien	47	175	217	238	267	400
Branch	11	150	190	195	240	250
Calhoun	54	175	201	220	250	375
Cass	21	160	200	228	255	400
Charlevoix	18	200	220	251	280	545
Cheboygan	8	175	200	215	252	333
Chippewa	4	165	183	184	203	205
Clare	8	204	255	259	320	350
Clinton	56	186	225	234	263	350
Crawford	5	150	180	187	225	250
Delta	7	105	133	136	175	200
Dickinson	4	131	181	184	238	250
Eaton	91	175	213	220	250	340
Emmet	24	198	226	242	254	445
Genesee	129	180	217	241	275	400
Gladwin	*	-	-	-	-	-
Gogebic	*	-	-	-	-	-
Grand Traverse	66	167	211	213	250	325
Gratiot	11	183	225	255	307	500

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Table 8 (continued)—2013 Attorney Hourly Billing Rates by County

	N	VALUE BY PERCENTILE				
		25th Percentile	Median	Mean	75th Percentile	95th Percentile
Hillsdale	4	\$179	\$190	\$235	\$292	\$383
Houghton	8	123	167	163	185	250
Huron	3	320	325	363	445	445
Ingham	218	175	232	249	300	480
Ionia	11	185	200	226	250	375
Iosco	8	139	193	198	260	325
Iron	*	-	-	-	-	-
Isabella	20	179	220	223	250	342
Jackson	49	167	190	231	300	400
Kalamazoo	121	190	242	258	320	450
Kalkaska	8	125	200	178	220	250
Kent	389	208	280	298	370	510
Keweenaw	*	-	-	-	-	-
Lake	0	-	-	-	-	-
Lapeer	37	175	205	242	250	450
Leelanau	27	157	223	210	250	300
Lenawee	34	183	241	250	300	420
Livingston	86	185	225	231	267	350
Luce	*	-	-	-	-	-
Mackinac	6	200	228	214	250	250
Macomb	675	200	250	262	300	450
Manistee	5	205	210	209	225	255
Marquette	23	137	180	181	225	300
Mason	4	153	190	179	205	210
Mecosta	9	150	200	210	250	335
Menominee	3	75	143	131	175	175
Midland	33	185	228	249	275	470
Missaukee	3	125	150	162	210	210
Monroe	35	167	183	253	250	900
Montcalm	18	195	241	254	333	450
Montmorency	9	175	200	193	210	233
Muskegon	72	182	233	269	328	455
Newaygo	13	175	193	194	200	275
Oakland	1,226	200	250	278	325	500
Oceana	9	127	180	188	200	383
Ogemaw	6	125	163	150	180	195
Ontonagon	3	83	173	186	300	300
Osceola	5	167	200	185	210	250
Oscoda	*	-	-	-	-	-
Otsego	13	150	200	198	225	300
Ottawa	182	200	250	278	325	485
Presque Isle	5	185	200	192	200	210
Roscommon	6	150	165	174	192	250
Saginaw	80	172	225	244	299	468

Table 8 (continued)—2013 Attorney Hourly Billing Rates by County

	VALUE BY PERCENTILE					
	N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Sanilac	3	\$57	\$60	\$106	\$200	\$200
Schoolcraft	3	107	175	159	197	197
Shiawassee	23	175	200	282	250	900
St. Clair	29	180	200	215	250	325
St. Joseph	21	200	235	230	250	300
Tuscola	13	155	200	189	220	238
Van Buren	36	155	201	215	250	360
Washtenaw	245	200	250	284	342	510
Wayne	1,195	200	250	275	325	500
Wexford	10	167	230	238	288	350
Statewide Practice	45	201	263	301	375	560
Out of state practice	125	223	300	336	425	625
Total	5,968	\$192	\$245	\$264	\$309	\$480

*Data is not displayed for counties with fewer than three respondents due to insufficient information but is included in the totals.

Table 9—2013 Attorney Hourly Billing Rates by Circuit

	VALUE BY PERCENTILE					
	N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
1 Hillsdale	4	\$179	\$190	\$235	\$292	\$383
2 Berrien	47	175	217	238	267	400
3 Wayne	1,195	200	250	275	325	500
4 Jackson	49	167	190	231	300	400
5 Barry	16	223	258	259	292	333
6 Oakland	1,226	200	250	278	325	500
7 Genesee	129	180	217	241	275	400
8 Ionia, Montcalm	29	193	240	244	300	375
9 Kalamazoo	121	190	242	258	320	450
10 Saginaw	80	172	225	244	299	468
11 Alger, Luce, Mackinac, Schoolcraft	15	175	200	191	225	250
12 Baraga, Houghton, Keweenaw	14	110	174	160	180	250
13 Antrim, Grand Traverse, Leelanau	119	167	213	211	250	300
14 Muskegon	72	182	233	269	328	455
15 Branch	11	150	190	195	240	250
16 Macomb	675	200	250	262	300	450
17 Kent	389	208	280	298	370	510
18 Bay	47	175	225	233	275	450
19 Benzie, Manistee	19	150	205	217	235	625
20 Ottawa	182	200	250	278	325	485
21 Isabella	20	179	220	223	250	342
22 Washtenaw	245	200	250	284	342	510

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Table 9 (continued)—2013 Attorney Hourly Billing Rates by Circuit

	N	VALUE BY PERCENTILE				
		25th Percentile	Median	Mean	75th Percentile	95th Percentile
23 Alcona, Arenac, Iosco, Oscoda	26	\$150	\$198	\$191	\$222	\$320
24 Sanilac	3	57	60	106	200	200
25 Marquette	23	137	180	181	225	300
26 Alpena, Montmorency	18	175	188	190	210	233
27 Newaygo, Oceana	22	160	187	192	200	275
28 Missaukee, Wexford	13	150	210	220	275	350
29 Clinton, Gratiot	67	185	225	238	275	350
30 Ingham	218	175	232	249	300	480
31 St. Clair	29	180	200	215	250	325
32 Gogebic, Ontonagon	5	83	173	183	275	300
33 Charlevoix	18	200	220	251	280	545
34 Ogemaw, Roscommon	12	138	163	162	186	250
35 Shiawassee	23	175	200	282	250	900
36 Van Buren	36	155	201	215	250	360
37 Calhoun	54	175	201	220	250	375
38 Monroe	35	167	183	253	250	900
39 Lenawee	34	183	241	250	300	420
40 Lapeer	37	175	205	242	250	450
41 Dickinson, Iron, Menominee	9	125	143	159	175	250
42 Midland	33	185	228	249	275	470
43 Cass	21	160	200	228	255	400
44 Livingston	86	185	225	231	267	350
45 St. Joseph	21	200	235	230	250	300
46 Crawford, Kalkaska, Otsego	13	130	200	181	225	250
47 Delta	7	105	133	136	175	200
48 Allegan	55	193	225	249	290	425
49 Mecosta, Osceola	14	150	200	201	250	335
50 Chippewa	4	165	183	184	203	205
51 Lake, Mason	4	153	190	179	205	210
52 Huron	3	320	325	363	445	445
53 Cheboygan, Presque Isle	13	185	200	206	210	333
54 Tuscola	13	155	200	189	220	238
55 Clare, Gladwin	10	183	250	249	307	350
56 Eaton	91	175	213	220	250	340
57 Emmet	24	198	226	242	254	445
84 Statewide Practice	45	201	263	301	375	560
85 Out of State Practice	125	223	300	336	425	625
Total	5,968	\$192	\$245	\$264	\$309	\$480