

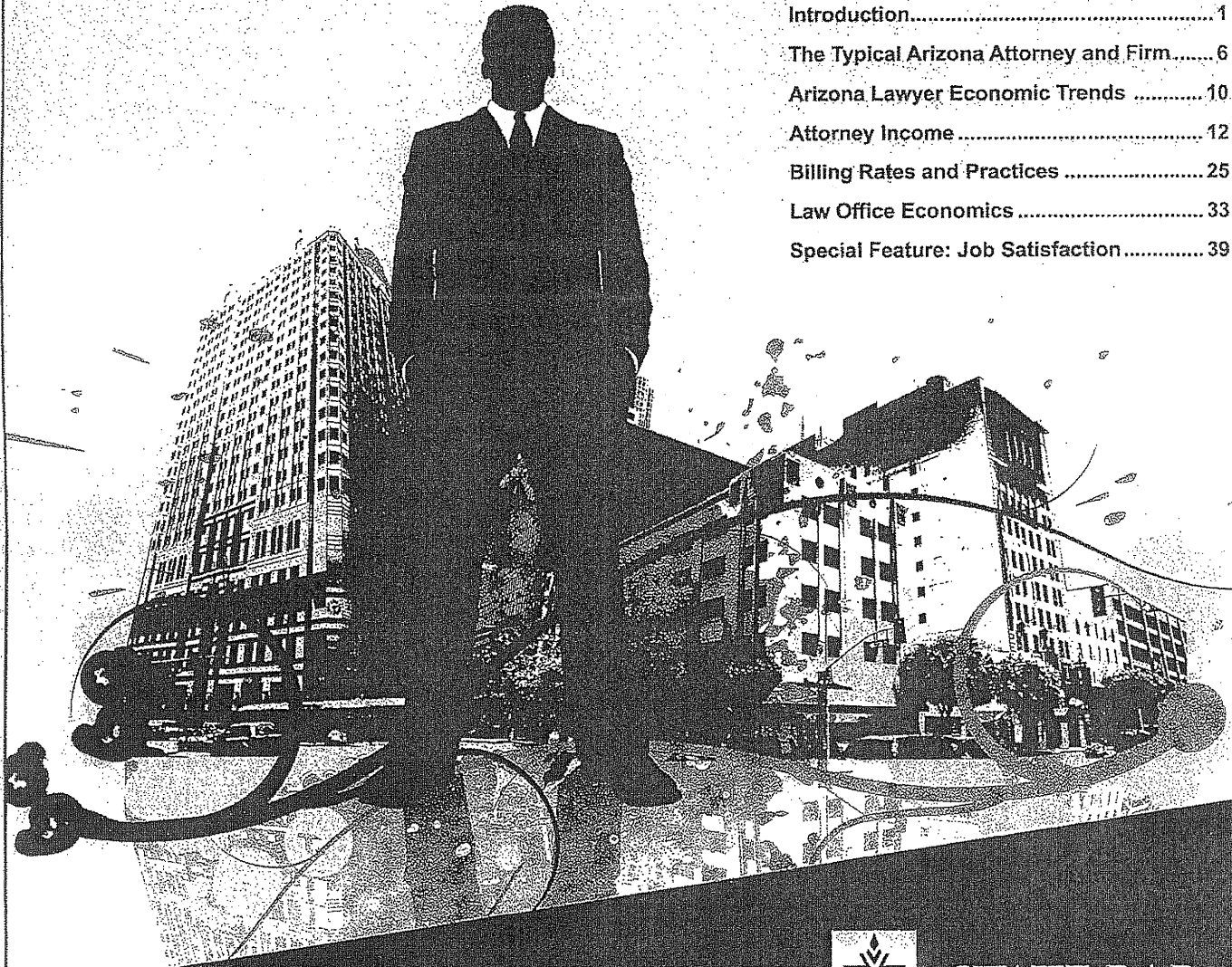
# Exhibit 2

# 2010

## Desktop Reference on the Economics of Law Practice in Arizona

### Contents

Introduction.....	1
The Typical Arizona Attorney and Firm.....	6
Arizona Lawyer Economic Trends .....	10
Attorney Income .....	12
Billing Rates and Practices .....	25
Law Office Economics .....	33
Special Feature: Job Satisfaction.....	39



Survey Conducted by:  
The Applied Statistics Laboratory  
Ann Arbor, Michigan  
ASLInfo@aol.com • 734-369-6052 • Aslsurveys.com



©2010 STATE BAR OF ARIZONA. ALL RIGHTS RESERVED.

# LAW PRACTICE AND LAW FIRM BILLING RATES AND BILLING PRACTICES

## ATTORNEY HOURLY BILLING RATES

The reported 2010 median hourly billing rate is \$250. The average is also \$250. Although several interacting factors affect the setting and application of hourly billing rates, **Exhibit 24** includes three discrete factors: respondents' firm size, years in practice and office location.

Exhibit 24

2010 Hourly Billing Rates by Firm Size, Years in Practice and Office Location						
—— Value by Percentile ——						
Firm Size	N	Mean	25th	Median	75th	95th
1	277	\$238	\$200	\$250	\$275	\$350
2	93	242	200	225	265	350
3-6	136	253	200	250	295	400
7-10	31	248	175	225	300	375
11-20	53	232	175	225	275	355
21-50	58	283	225	265	350	460
51 or more	31	338	220	300	475	500
Years in Practice						
1-2	74	\$196	\$175	\$195	\$205	\$255
3-5	86	215	185	200	250	285
6-10	91	234	200	235	250	325
11-15	100	242	200	250	285	350
16-25	128	272	225	250	300	425
>25	191	284	225	275	350	450
Office Location by County						
Maricopa-Phoenix	304	\$257	\$200	\$250	\$300	\$400
Pima	95	242	200	250	250	400
Maricopa- Scottsdale	72	270	235	260	300	370
Outside of Arizona	34	283	190	250	375	515
Maricopa-Mesa	52	239	200	225	250	350
Maricopa-Other	37	234	200	250	275	350
Maricopa-Tempe	27	228	185	210	250	350
Coconino	12	213	193	200	248	265
Yavapai	16	212	185	200	230	295
Pinal	8	204	164	200	250	300
Mohave	7	215	150	250	250	275
Yuma	8	234	200	213	250	350
Navajo	5	216	180	200	200	350
Cochise	3	227	180	250	250	250
All Others in Arizona	4	200	200	200	200	200
<b>All Areas</b>	<b>684</b>	<b>\$250</b>	<b>\$200</b>	<b>\$250</b>	<b>\$300</b>	<b>\$400</b>

Exhibit 25 identifies respondents' primary field of law and practice category.

Exhibit 25

2010 Hourly Billing Rates by Primary Field of Law and Practice Category						
Field of Law	N	Value by Percentile				
		Mean	25th	Median	75th	95th
Administrative law	5	\$215	\$200	\$200	\$225	\$250
Antitrust	3	425	285	495	495	495
Appellate practice	5	308	300	300	390	400
Banking	7	244	200	220	225	425
Bankruptcy/receivership	39	246	185	225	280	380
Civil rights	6	266	200	263	320	350
Collections	14	222	190	203	250	350
Commercial Litigation	19	278	230	265	325	475
Construction law	24	231	185	223	250	350
Criminal defense - public	12	225	200	245	250	300
Criminal defense-private	37	235	200	225	250	350
Criminal prosecution	5	173	180	185	185	250
Education Law	4	170	158	173	183	185
Employment Law	4	348	263	313	433	515
Environmental law	3	280	190	300	350	350
Estate planning, probate & trusts	65	270	220	250	300	400
Family law/ domestic relations	77	252	200	250	300	375
General corporate not covered above	34	272	215	250	325	475
General personal matters not covered above	3	160	120	150	210	210
General practice	40	219	183	225	250	300
General, Civil Litigation	5	240	215	240	250	295
Health and hospital law	7	234	195	200	300	325
Immigration	2	150	100	150	200	200
Immigration and naturalization	2	200	200	200	200	200
Indian law	5	237	200	210	250	350
Insurance law (not torts)	8	199	160	200	255	275
Intellectual property	21	283	225	275	350	385
Juvenile law	5	215	200	200	225	250
Labor relations for employees/ unions	6	222	200	210	250	260
Labor relations for management	9	267	235	285	310	405
Medical malpractice	13	217	175	200	225	325
Municipal, public entity law	7	226	200	225	250	275
Natural resources law	5	260	200	200	275	450
Pensions and employee benefits	2	338	200	338	475	475
Personal injury (defense)	20	193	150	200	250	265
Personal injury (plaintiff)	37	261	200	250	300	400
Product liability (defense)	2	245	165	245	325	325
Professional malpractice (defense)	3	190	175	195	200	200
Professional malpractice (plaintiff)	2	388	375	388	400	400
Real estate	56	268	203	250	300	425
Securities	5	292	260	300	325	375
Social Security	3	233	100	200	400	400
Taxation (corporate)	5	325	250	325	400	500
Taxation (individuals/ small business)	10	270	225	300	300	400
Workers' compensation (defense)	4	145	140	150	150	150
Workers' compensation (plaintiff)	4	206	161	211	250	250
<b>Group Total</b>	<b>657</b>	<b>\$249</b>	<b>\$200</b>	<b>\$250</b>	<b>\$295</b>	<b>\$400</b>

Practice Category	N	Mean	25th	Median	75th	95th
Sole Practitioner, office outside home	\$170	\$248	\$200	\$250	\$285	\$370
Sole Practitioner, home office	89	222	180	225	250	350
Sole Practitioner with 1+ associates	39	247	200	250	300	365
Sole Practitioner, sharing space	9	251	200	275	280	300
Partner in firm with 2-7 partners	126	273	225	250	300	400
Partner in firm with 8+ partners	63	332	250	330	400	495
Associate in firm with 1-7 partners	101	206	175	200	235	285
Associate in firm with 8+ partners	63	241	190	225	260	475
In-house counsel (for-profit org.)	5	309	250	350	375	400
<b>Group Total</b>	<b>682</b>	<b>\$250</b>	<b>\$200</b>	<b>\$250</b>	<b>\$300</b>	<b>\$400</b>

## HOURLY BILLING RATES FOR ASSOCIATES AND LEGAL ASSISTANTS

The distribution of hourly billing rates for associates and legal assistants is summarized by years of experience in **Exhibit 26**. Firm size and office location are associated with variations in associate billing rates, with tenure dominating that influence (**Exhibits 27 and 28**).

### Exhibit 26

2007 Hourly Billing Rates for Associates and Legal Assistants by Years of Experience						
———— Value by Percentile ————						
Associates	N	Mean	25th	Median	75th	95th
New, No Experience	102	\$180	\$154	\$175	\$200	\$235
1-4 Years	121	200	175	190	210	282
5-9 Years	96	230	220	225	250	356
10+ Years	99	260	210	250	300	360
Legal Assistants						
New, No Experience	75	\$87	\$65	\$90	\$110	\$142
1-4 Years	107	91	70	95	115	150
5-9 Years	108	107	90	100	125	175
10+ Years	138	115	\$94	110	139	185