

# **Report on the 2009 Pro Bono Institute** Law Firm Pro Bono Challenge<sup>®</sup> Statistics

# **Introduction**

The Pro Bono Institute's Law Firm Pro Bono Challenge,<sup>®</sup> launched in 1993 and implemented in 1995, is a unique, aspirational pro bono standard. Developed by law firm leaders and corporate general counsel, the Challenge articulates a voluntary, single, standard for one key segment of the legal profession – major law firms. (A copy of the Challenge language and principles may be found at

www.probonoinst.org/challenge.text.php.) Challenge Signatories publicly acknowledge their institutional, firm-wide commitment to provide pro bono legal services to lowincome and disadvantaged individuals and families and nonprofit groups. The Challenge includes a narrow, but thoughtful, definition of pro bono, as well as an accountability mechanism and measurement tool through its performance benchmarks and on annual reporting requirement.

In a year that saw a world-wide economic recession, significant lay-offs in the legal sector, dropping law firm revenues, deferred associate classes, shrinking staff at public interest organizations, and untold pressures on in-house legal departments to hold down costs that significantly reduced client demand for legal services, the pro bono performance of firms participating in the Law Firm Pro Bono Challenge is a bright spot.

The Institute's Law Firm Pro Bono Project is pleased to present the following summary of the 2009 performance of the Signatory Law Firms.

# **Challenge Performance**

The legal profession, and particularly larger law firms, continued to experience profound changes in 2009, most notably the layoffs of over 14,690 people, including 5,662 lawyers, and the deferral of numerous first year associates. Despite the uncertainties and depressing economic conclusion to the calendar year 2009, Challenge Signatory firms once again donated a record number of hours of legal services to the poor and disadvantaged.

In 2009, 134 of the nation's largest law firms reported their pro bono statistics to the Pro Bono Institute. Not all respondents provided information on every question. These firms performed a combined 4,867,820 total hours of pro bono work, as compared to 134 firms that performed 4,844,098 hours in 2008, an increase of 0.5% in pro bono time contributed by Challenge firms. While this percentage increase is statistically insignificant, it speaks volumes for the commitment to pro bono made by Challenge firms at a time when law firms and, indeed the world, were experiencing untold changes. There were 11 firms, or 7.5% of all Challenge firms, who did not report their 2009 numbers in time to be included in this summary.

## Service to Persons of Limited Means

In addition to establishing ambitious progressive benchmarks -3 or 5% of total billable hours - for overall pro bono participation, the Challenge asks firms to devote a majority

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of their pro bono time to persons of limited means or to "charitable, religious, civic, community, governmental and educational organizations in matters which are designed primarily to address the needs of persons of limited means." In 2009, firms donated 2,962,028 hours of pro bono service to individuals of limited means or organizations serving them, over 60% of total pro bono hours, as compared to 3,761,722 hours (77% of total pro bono hours) in 2008.

There could be a multitude of reasons for the decline in providing service to individuals of limited means, most notable the deep cuts at public interest organizations and the resulting impact on those organizations' abilities to screen clients and effectively utilize pro bono resources. One year's data does not provide enough information from which to base an opinion as to cause. This is not, in fact, the first time there has been a decline in the number of hours donated to individuals of limited means or organizations serving them. A similar decline also occurred in 2004 followed by an increase of almost 100,000 hours the following year. However, at a moment when the number of low-income people has increased substantially, this drop certainly raises concerns. The Pro Bono Institute will continue to track this metric and will address systemic issues related to representation of low-income clients.

#### Participation

The number of firm attorneys participating at Challenge firms in pro bono declined slightly in 2009 – an unsurprising decrease in light of the substantial reduction in law firm headcount, smaller incoming new associate classes, and the deferred associate phenomenon. However, the number of partners participating increased by over 800 partners. In 2009, 19,934 partners and 32,936 associates or a total of 52,871 attorneys

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participated in pro bono as compared to 2008, where 19,111 partners and 33,920 associates, or a total of 52,912 participating attorneys (a decrease of .07% overall).

# Litigation/Non-Litigation Hours

For the second year, firms were asked to report how many hours they spent on litigationrelated pro bono matters as opposed to non-litigation pro bono hours. Of the 134 firms reporting, 87 firms provided a statistical breakdown: 1,527,633 hours were spent on litigation-related matters for the poor, a decrease of 38,953 hours from what was reported in 2008. Time spent on non-litigation related matters for individuals of limited means and organizations that serve them was reported by 85 firms who spent 661,487 hours in 2009 as compared to the 703,367 hours that were spent on non-litigation-related matters for individuals of limited means and organizations that serve them in 2008.

#### Service to Organizations/Individuals

Signatory firms were also asked to report how many of the pro bono hours they spent serving the poor were to organizational clients (i.e., nonprofit groups) and how many to individual clients. Again, not all firms reported these figures, but 84 firms reported that they donated 667,544 hours to organizations that serve those of limited means, an increase of 87,535 hours over 2008, while the same 84 firms reported that they spent over 1,408,932 hours serving individuals, a decrease of 40,862 hours from 2008. The numbers reflect that while the majority of pro bono work continues to be litigation-oriented, there is a significant amount of non-litigation transactional pro bono being undertaken.

## Regional Analysis<sup>1</sup>

The Law Firm Project assures firms that data provided to the Project will not be released in a disaggregated manner which limits some of the data we can report. However, additional analysis of 2009 Challenge data on a regional basis reveals the following:

- Firms in the West (18 total) had the highest average percentage of pro bono to billable hours at 4.47%. This equates to each firm, on average spending 51,052 hours on pro bono matters in 2009. These same firms were second in the percentage of pro bono hours spent on work for those of limited means 2.76% of the pro bono hours was spent on this type of work. They were also second in average donations to legal services organizations, with each firm donating, on average, \$237,939.
- Firms in the Northeast (42 firms, by far the most numerous region) had the second highest percentage of pro bono hours. On average, each firm donated 4.28% of its billable hours to pro bono, an average of 36,763 hours per firm. Firms in the Northeast were far in the lead in the percentage of pro bono hours delivered to those of limited means or organizations serving them. Their average was 3.14% or 27,143 hours. Firms in this region donated, on average \$355,735, to legal services organizations.

<sup>&</sup>lt;sup>1</sup> While it is now rare to find a firm claiming a particular city as its headquarters, historically firms have made that designation. The regional breakdown included in this analysis classifies the Challenge Signatory firms by their historical headquarters. With the globalization of the practice of law, categorizing firms in this manner may cause some inaccuracies, but still provides a snapshot of pro bono among Challenge firms in different parts of the United States.

The Mid-Atlantic Region is composed of firms in Maryland, New Jersey, Virginia and Washington, DC. The Midwest Region is composed of firms in Illinois, Indiana, Michigan, Minnesota, Missouri, Ohio, and Wisconsin.

The Northeast Region is composed of firms in Connecticut, Massachusetts, New York, and Pennsylvania. The Northwest Region is made up of firms in Oregon and Washington.

The Southeast Region is made up of firms in Alabama, Florida, Georgia, South Carolina, and North Carolina.

The Southwest Region is composed of firms in Arizona, New Mexico, and Texas.

The West Region is composed of firms in California, Colorado, and Utah.

- Firms in the Mid-Atlantic states (29 firms) were third in the ranking of percentage of pro bono hours, with an average of 4.26% or 56,713 hours. They ranked second in percentage of hours donated to those of limited means with an average of 2.62% or 19,306 hours. Donations to legal services organizations were, on average, \$140,532 per firm.
- The Midwest states with 15 firms donated an average of 3.49% of billable hours to pro bono, or 30,015 pro bono hours on average. At 2.61%, Midwest firms donated on average 20,335 pro bono hours to those of limited means. Legal services donations averaged \$120,440 per firm.

The Northwest (5 firms), Southeast (12 firms) and Southwest (8 firms) performance ranged from averages of 2.80% to 2.49% to 2.45% of billable hours spent on pro bono service. Firms in these three regions spent 1.15%, 1.62% and 1.51%, respectively, of their pro bono time providing service to those of limited means. On average, they gave \$83,900, \$145,277, and \$2,150, respectively, in donations to legal services organizations.

# **Uniqueness of the Challenge**

As discussed above, the Law Firm Pro Bono Challenge<sup>®</sup>, developed by law firm leaders and corporate general counsel, articulates a single standard for one critical segment of the legal profession – firms ranging in size from 50 to over 3,500 lawyers. The Challenge has become the definitive aspirational pro bono standard for large law firms throughout the world. It is unique for several reasons:

- It uses a progressive standard i.e., a target of either 3 or 5 percent of a firm's billable hours (equivalent to 60 or 100 hours per attorney) which ties pro bono performance to firm productivity and profitability.
- It calls for an institutional commitment, rather than an individual lawyer goal, in recognition of the reality that the policies and practices of law firms are keys to the ability and willingness of firm lawyers to undertake pro bono work.
- It creates goals not only with respect to the amount of pro bono work to be undertaken, but also with regard to the structural and policy elements that are essential for the creation and maintenance of a pro bono-friendly firm culture.
- It links Challenge firms to the extensive technical assistance resources available from the Pro Bono Institute and its Law Firm Pro Bono Project.
- It includes an accountability mechanism and an outcome measurement through its annual reporting requirement.

In 2009, over 58% or 85 of the Challenge Signatory firms met or exceeded their commitment to the Challenge; a 3% increase over the 80 firms who did so in 2008. Indeed, 24 firms surpassed their goal by more than 2% (down slightly from the 23 firms who reached that distinction in 2008). Of the remaining firms, 13 firms, or just under 9%, came within .5% of their goal, while 36 firms failed to reach their 3 or 5% goal by a factor of 1% or more (down from 44), and 11 firms failed to report at all.

In addition to the statistical information that Challenge firms are required to report, the firms also have an opportunity to respond to several optional questions, including providing certain supplemental information regarding their financial contributions to legal services organizations. In 1996 (the first year in which this information is available), 81 firms reported that they had donated a total of \$6,800,902 (an average donation of \$83,961 per firm) to legal services organizations. In 2009, 66 firms reported that they had donated \$27,609,877 an increase of \$1,991,205 over 2008's donation of \$25,618,672. In 2009, the average firm donated \$418,331, as compared to 2008 when 74 firms donated \$25,618,672 (an average donation of \$346,198 per firm).

While statistics are an important measurement tool, the Challenge is not limited to quantifiable goals. Rather, it provides a framework, set of expectations, and operational and policy elements that are the keys to major law firms' ability to institutionalize and strengthen the culture and operations of their pro bono programs. Since the inception of the Challenge, the Pro Bono Institute has worked with law firms to promulgate pro bono policies, enhance their relationships with public interest, legal services, pro bono programs and other groups, including the courts, improve the oversight and staffing of the firm's pro bono work, design and implement pro bono partnerships with corporate legal departments, improve processes for planning and evaluating pro bono efforts, create more accurate time-keeping mechanisms, incorporate a number of innovative pro bono models – including signature projects, rotation/externship programs, global efforts, integration with other firm goals including professional development, talent management, diversity, and associate satisfaction, and more, and successfully encouraged many firms

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to expand the breadth and depth of their pro bono docket. Indeed, the Challenge's success in enhancing pro bono culture and performance has led our sister project, Corporate Pro Bono, a joint initiative of the Association of Corporate Counsel and the Pro Bono Institute, to launch the Corporate Pro Bono Challenge<sup>SM</sup> in 2005.

With only minimal changes made in the language and principles of the Challenge since its creation, the Law Firm Pro Bono Challenge has become the industry "gold standard" by which firms define, measure, and assess their pro bono achievements. It has also become a rallying point and a catalyst that enables firms to contribute meaningfully to their local communities, to the national justice system, and to communities around the world despite economic cycles and other pressures. We thank and congratulate the 134 Challenge Signatory Firms whose commitment to pro bono, even in the darkest of times, is positively reflected in this report, and we look forward to a reinvigorated and productive level of commitment in 2010.

\*Akin Gump Strauss Hauer & Feld LLP Alston & Bird LLP \*Arent Fox LLP Armstrong Teasdale LLP Arnall Golden Gregory LLP \*Arnold & Porter LLP Baker & Daniels LLP Baker & McKenzie Baker Botts L.L.P. Ballard Spahr, LLP Barnes & Thornburg LLP Beveridge & Diamond PC \*Bingham McCutchen LLP Blank Rome LLP Bradley Arant Boult Cummings LLP Briggs and Morgan, PA Brown Rudnick LLP \*Bryan Cave LLP Buchanan Ingersoll & Rooney PC

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Sutherland Asbill & Brennan LLP Thompson Coburn LLP Troutman Sanders LLP \*Venable LLP Vinson & Elkins L.L.P. Vorys, Sater, Seymour and Pease LLP Weil, Gotshal & Manges LLP White & Case LLP

These firms did not report in 2009:

Carrington, Coleman, Sloman & Blumenthal, L.L.P. \*Gibbons P.C. Goulston & Storrs PC Howrey LLP Michael Best & Friedrich LLP Miller & Chevalier Chartered \*Miller, Canfield, Paddock and Stone, P.L.C. Rodey, Dickason, Sloan, Akin & Robb, P.A. Smith, Gambrell & Russell, LLP Van Cott, Bagley, Cornwall & McCarthy Wildman, Harrold, Allen & Dixon LLP Williams & Connolly LLP
\*Wilmer Cutler Pickering Hale and Dorr LLP
Wilson Sonsini Goodrich & Rosati
\*Winston & Strawn LLP
Womble Carlyle Sandridge & Rice, PLLC
Zuckerman Spaeder LLP

Wiley Rein LLP

\* denotes Charter Signatories to the Challenge

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