Solo-Small Firm Economic Survey 2007
Summary Analysis

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MSBA Law Practice Management & Marketing Section
Minnesota CLE
Minnesota Lawyers Mutual Ins. Co.

Strategic Solutions for Solo & Small Firms
Tuesday August 7, 2007
Duluth, MN
Sample Selection:

• Database: 5000 randomly selected Minnesota practitioners.
• Attorneys in private practice, firms of 1 to 10 lawyers.
• E-Mail survey between 7/23/07-7/26/07.
• Response rate: 339 practitioners, 6.4%.

Notes:

• This is the second year of the survey. Questions were added in the area of retirement, and quality of life.
Years in Practice

- 0 to 5: 12%
- 6 to 10: 11.7%
- 11 to 15: 13.3%
- 16 to 20: 11.4%
- 21 to 25: 12.6%
- 26 to 30: 16.1%
- 31 to 35: 12.3%
- 35+: 10.7%
Why Working Part-Time?

- Personal preference: 25%
- Approaching retirement: 14.1%
- Economic necessity: 7.8%
- Other business: 12.5%
- Family considerations: 14.1%
- Other (please specify): 26.6%
Practice Location

- Greater Minnesota 44%
- Suburban metro area 28%
- Minneapolis or St. Paul 28%

Gender

- Male 72%
- Female 28%
Size of Practice

- Solo practitioner: 51.4%
- 2 to 5 lawyers: 39.8%
- 6 to 10 lawyers: 8.5%
- 11+ lawyers: 0.3%
Primary Area of Practice

- Other (please specify) 13.6%
- Tax 18.4%
- Real estate 14.2%
- Personal injury
- Municipal/public entity law
- Insurance defense
- Intellectual property
- Immigration
- General business
- Family law/domestic relations 18.4%
- Estate planning, probate & trusts 14.2%
- Environmental law
- Employment law
- Criminal defense
- Bankruptcy/collections
Average Hourly Billing

- <$75: 2.4%
- $75 to $99: 1.7%
- $100 to $124: 7.3%
- $125 to $149: 12.9%
- $150 to $174: 18.4%
- $175 to $199: 25%
- $200 to $224: 12.9%
- $225 to $249: 6.6%
- $250 to $274: 4.2%
- $274 to $300: 4.5%
- $300+: 4.2%
Months since Changed Billing Rates

- 0 to 6: 19.6%
- 7 to 12: 32.5%
- 13 to 18: 21%
- 19+: 26.9%
Hours Per Week on Paying Clients

- 0 hours: 1.7%
- 1 to 4 hours: 5.4%
- 5 to 9 hours: 3.7%
- 10 to 14 hours: 6.7%
- 15 to 19 hours: 9.8%
- 20 to 24 hours: 14.5%
- 25 to 29 hours: 18.2%
- 30 to 34 hours: 15.5%
- 35+ hours: 24.7%
Hours Per Week on Management/Administrative Duties

- 0: 3.8%
- 1 to 4: 38.9%
- 5 to 9: 30.7%
- 10 to 14: 20.1%
- 15+: 6.5%
Attorney Annual Net Income 2006

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $25,000</td>
<td>14.2%</td>
</tr>
<tr>
<td>$25,000 - 49,999</td>
<td>13.9%</td>
</tr>
<tr>
<td>$50,000 - 74,999</td>
<td>13.9%</td>
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<tr>
<td>$75,000 - 99,999</td>
<td>16.4%</td>
</tr>
<tr>
<td>$100,000 - 124,999</td>
<td>12%</td>
</tr>
<tr>
<td>$125,000 - 149,999</td>
<td>11.3%</td>
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<tr>
<td>$150,000 - 174,999</td>
<td>6.9%</td>
</tr>
<tr>
<td>$175,000 - 199,999</td>
<td>1.8%</td>
</tr>
<tr>
<td>$200,000 - 224,999</td>
<td>2.6%</td>
</tr>
<tr>
<td>$225,000 - 249,999</td>
<td>2.2%</td>
</tr>
<tr>
<td>$250,000+</td>
<td>4.7%</td>
</tr>
</tbody>
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Leased Office Space: Price Per Square Foot

- $25+
- $20 to 24
- $15 to 19
- $10 to 14
- <$10

Percentage Respondents
Do You Have a Retirement Plan?

- Yes: 55%
- No: 45%
Age of Planned Retirement

- <60: 13.8%
- 60 to 64: 18.7%
- 65 to 69: 28.9%
- 70 to 74: 18.3%
- 75+: 4.5%
- I do not plan to retire: 15.9%

Will You Volunteer Legal Services in Retirement?

- Yes: 20.9%
- No: 25.5%
- Not Sure: 53.6%
Current Demand for Legal Work

- Need more work to do: 40%
- Have just the right amount of work: 31.4%
- Have more work than time to do it: 28.6%