

## Markets and Lawyer Careers

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### Working Paper

An important aspect of inequality in the American legal profession are the different markets in which lawyers work. Markets in part correspond to the geography of the profession. New York City, Washington, D.C., Chicago, and Los Angeles are leading centers in the market for the provision of corporate legal services. But they also are places. The lawyers and law firms in these leading cities compete with lawyers and law firms in other locations—the cities with substantial numbers of large law firms and other professional service firms, such as Boston, San Francisco, Houston, St. Louis, Atlanta, within the United States, and with Paris, London, Tokyo, and Beijing, internationally. As much as we tend to focus on the global and national competition for corporate legal services, corporate law firms make up only a relatively small percentage of all American lawyers nationally. Larger numbers of lawyers work in smaller law firms, government, business, and the non-profit and educational sector. The relative proportion of lawyers working in these sectors also varies across geographic location. Thus, the career opportunities of lawyers are shaped by the geographic contours of the market for legal services.

Just as there is intense competition across locales among legal services providers, there is also what has been referred to as the “war for talent” (Ashley and Empson 2016). Law firms and other legal services employers compete in the labor market for lawyers, offering different levels of compensation, opportunities for advancement within the

organization, participation in legal specialties, and access to clients. While we again tend to focus on the labor market competition at the top—the bidding for the graduates of elite law schools by large corporate law firms—each segment of the legal labor market has distinctive types of competition for legal talent. Here the strategies of young lawyers to maximize their career options confronts the hiring needs of legal employers, with very direct implications for the career trajectories of lawyers and the organizational success of legal employers.

In this report and the next we examine variations in the markets for lawyers across geographic areas and geographic mobility in the AJD cohort. In this report we first set the context by reviewing published statistics on the distribution of lawyers by state in the United States. We then discuss the 18 population sampling units in the AJD research design and present the results of a clustering analysis that reveals how the sampling units fall into the categories of global, national, and regional/local markets. These areas have distinctive market characteristics, but also have distinctive profiles on dimensions of social capital. Indeed our analyses suggest that different locales represent different forms of professional inequality systems. The next report<sup>1</sup> focuses on geographic mobility from law school to first job to subsequent stages of lawyers’ careers. Again we see that there are status distinctions among respondents who stay or move across locations.

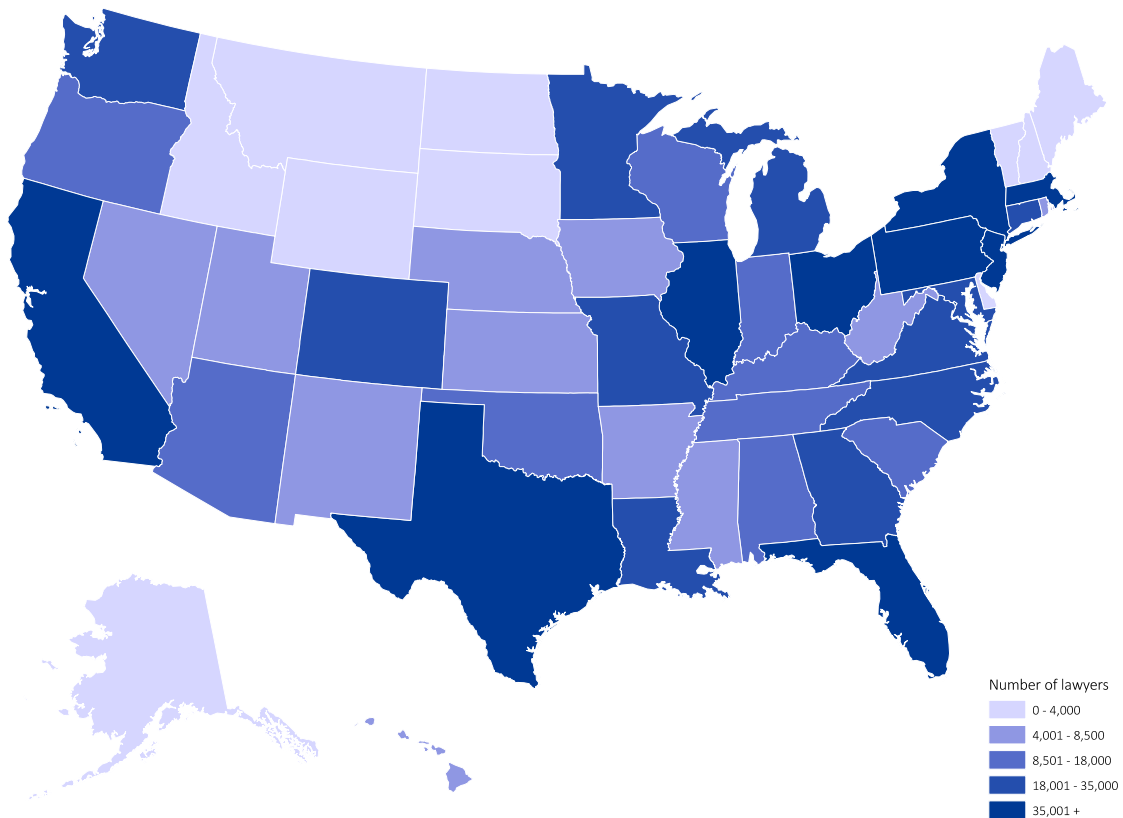
## I. The Geographic Distribution of American Lawyers

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<sup>1</sup> Dawe, Meghan and Robert L. Nelson. 2021. “The Geography of Opportunity: Mapping Lawyer Careers.” Available online.

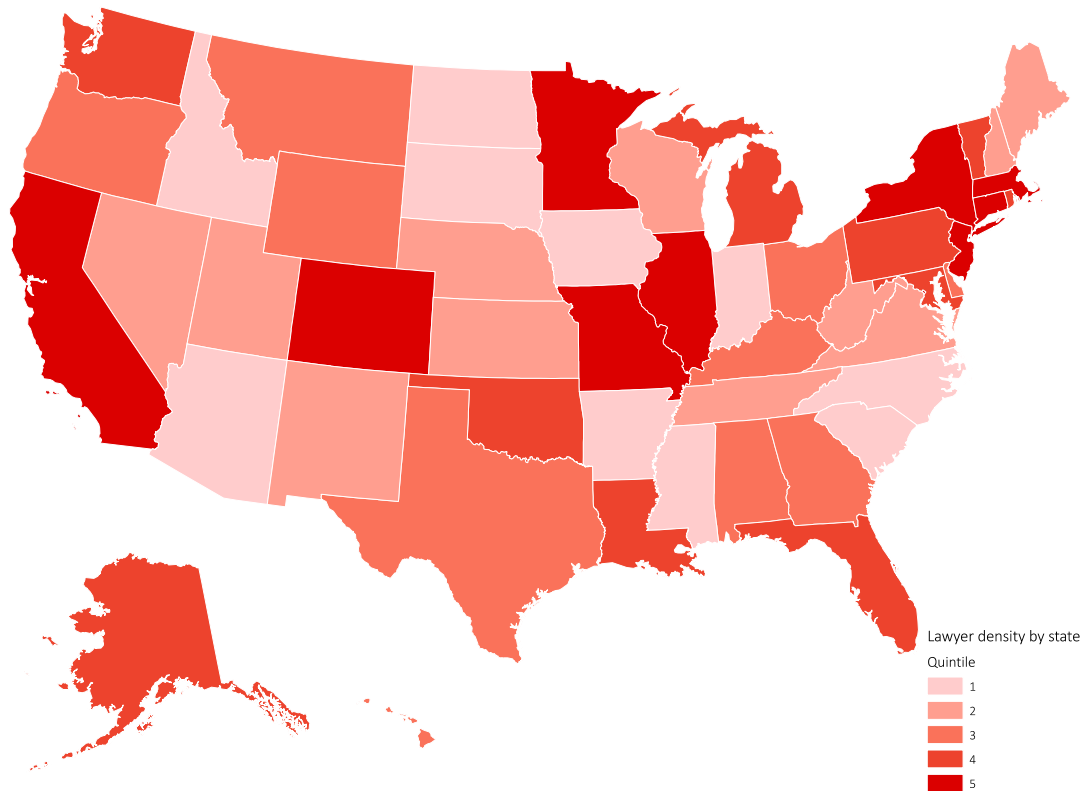
The United States is well known for having the highest number of lawyers per capita in the world, a total of some 1,335,963 or 1 lawyer per 244 persons by the latest count. The number and density of lawyers varies dramatically by state. Figures 1 and 2 display this range. Large population states with major financial and commercial centers have the highest number of lawyers—led by New York, California, the District of Columbia, Florida, Texas, Illinois, Pennsylvania, and Massachusetts. Predominantly rural states without major cities, such as Wyoming, Montana, Alaska, Vermont, and North and South Dakota, have notably fewer lawyers (Carson and Park 2012, p. 270).

Figure 1: Lawyers by State



Source: 2012 ABA National Lawyer Population Survey

Figure 2: Lawyer Density by State



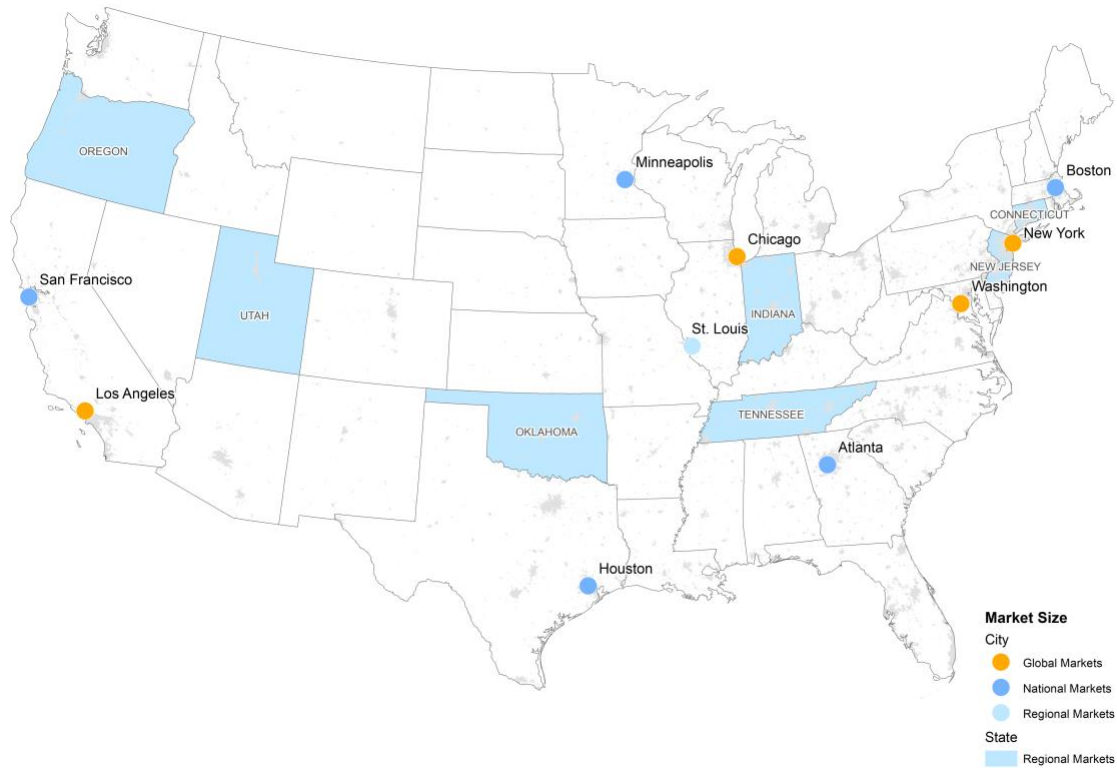
Source: 2012 ABA National Lawyer Population Survey

## II. Global, National, and Regional Markets in AJD

The AJD study was designed to capture the national variation in the number of new lawyers entering the bar by state in the year 2000. The 18 population sampling units, displayed in Figure 3, comprised the four largest markets for new lawyers—New York, the District of Columbia, Chicago, and Los Angeles—all of which attracted over 2,000 new bar entrants in 2000; five of nine mid-size markets that attracted between 750 and 2000 new lawyers—Boston, Atlanta, Houston, St. Louis, and San Francisco; and nine smaller markets that attracted fewer than 750 new lawyers in 2000—Connecticut, New

Jersey outside of Newark, Florida outside of Miami, Indiana, Minneapolis, Tennessee, Oklahoma, Utah, and Oregon.

Figure 3: Primary Sampling Units by Market Size



While the sample was constructed to represent the population of new lawyers in the country, it also effectively represents the range of different kinds of professional service markets across the nation. As Henderson and Alderson (2016) have observed, the market for corporate legal services consists of global, national, and regional/local law firms located in global, national, and regional/local cities and regions. Using block modeling on data on the growth in the number of lawyers and offices published in the AmLaw 250

in 1986, 1996, 2006, and 2015, they identify clusters of both cities and law firms that occupy global, national, or regional positions within the network for corporate legal services. Their results largely correspond to the strata of cities in the AJD sample. New York and Washington, D.C. occupy central positions in this global network, followed by a cluster of other global cities, including Chicago, Los Angeles, San Francisco/San Jose, Houston, and London. The next cluster of cities includes Atlanta, Boston, Dallas, Denver, Philadelphia, Miami, San Diego, and several foreign cities—including Beijing, Tokyo, and Paris (2016, pp. 1250-1252). Henderson and Alderson suggest that this cluster is “more central because they are politically and commercially important to large corporate clients, causing firms to expand into these markets to protect and grow their increasingly national and global client base” (2016, p. 1252).

The next two clusters of cities include several cities in AJD--Minneapolis, St. Louis, Tampa, Indianapolis, Nashville, Memphis, and Portland, Oregon, as well as dozens of other U.S. and foreign cities, which have connections to national and international networks through law firms that maintain a presence in Washington, D.C. Finally the last two clusters of cities identified by Henderson and Alderson “are regional firms with a “distinctively regional profile,” including AJD cities of Salt Lake City, Tulsa, and Oklahoma City.

Henderson and Alderson remark on the economic and lawyer count dominance of the global law firms. They account for 80% of the lawyers in the 250 largest law firms and 87.5% of firm revenue reported by the 250 largest law firms in 2014 (2016, p. 1252). Given the dominance of global law firms we expect that geographic areas that include

significant numbers of global law firms will have a distinctive professional inequality system, characterized by greater inequality across practice settings in the area.

Using a combination of public data and data from AJD respondents, we sought to examine differences in the hierarchical market structures of the 18 AJD population sampling units. We followed the same approach taken by Dinovitzer and Hagan (2014). They employed four measures of market hierarchy for each sampling unit: the average receipts per employee reported by the U.S. Census on legal services in 2012, the partner/total lawyer ratio (often referred to as leverage) of firms from the locale reported in the NLJ 250 in 2012, the percent of graduates from top 10 law schools among AJD respondents in the locale, and the percent of time spent serving Fortune 500 clients for AJD respondents in the locale.

As Dinovitzer and Hagan explain, these four measures are associated with the hierarchical dimensions of corporate law firms and the communities in which they are located, but they are not directly related to earnings inequality or global vs. local law practice per se. Average receipts per legal employee in a census area measures the sheer magnitude of legal expenditures per lawyer. Higher partner leverage is associated with higher profits per partner in law firms. The percent of graduates of top 10 law schools in the AJD cohort in the locale reflects how successful legal employers are in the “war for talent” for these most sought-after law graduates. Percent of corporate clients reflects the relative share of legal work done in a community for resourceful clients. Dinovitzer and Hagan employed these measures for 2007 to correspond to the second wave of AJD. We developed parallel measures for 2012, the year of the third wave of AJD.

We performed a hierarchical clustering analysis on these four variables.<sup>2</sup> The three-cluster solution identified New York City, Washington, D.C., and San Francisco as one cluster; Chicago, Los Angeles, Houston, St. Louis, Atlanta, Boston, New Jersey and Minneapolis as a second cluster; and the remaining sampling units as a third cluster. These results correspond nicely with the analysis of Henderson and Alderson, in that the AJD population sampling units contain three clearly global centers—New York City, Washington, D.C., and San Francisco; eight national markets with some global connections; and seven sampling units with distinctively regional markets.

Based on these results we expect to find important differences across population sampling units in both the economic or market aspects of these geographic areas, as well as in their social capital profiles. In the sections that follow we discuss selected economic and social attributes of the respondents in the population sampling units, organized by the three clusters we identified in the hierarchical clustering analysis.

## B. Economic Differences Across Markets

In table 1 we summarize key differences in the market dimensions of the population sampling units. We asked respondents what proportion of their work involved cross-border matters, that is, across international borders. As we expected based on Henderson and Alderson's analysis and our own clustering analysis, respondents in D.C. and New York City report the highest level of cross-border work (21% and 20%, respectively) and

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<sup>2</sup> To ensure that each of these variables had equal bearing on the cluster formation and that particular variables were not skewing the results, we transformed the values to z-scores before conducting the cluster analysis to assign each variable equal metrics and weighting.



respondents in L.A. and San Francisco rate in the top four areas (at 14%). Somewhat surprisingly Houston ranks third with 17% cross-border work. Perhaps we should have expected as much, as among the major cities in our sample, Houston is closest to an international border.

**Table 1: Percentage of Time Spent Doing Cross-Border Work by PSU at Wave 3\*\*\***

PSU	Cross-Border Work		
	N	Mean	Standard Deviation
<i>Global</i>			
<b>D.C.</b>	131	21.2	33.2
<b>N.Y.C.</b>	154	19.5	27.0
<i>National</i>			
<b>Atlanta</b>	113	7.6	18.0
<b>Boston</b>	53	11.7	22.3
<b>Chicago</b>	185	11.0	20.4
<b>Houston</b>	107	17.0	28.5
<b>L.A./S.F.-S.J.</b>	350	13.9	25.1
<b>St. Louis</b>	78	7.3	16.1
<i>Regional</i>			
<b>Connecticut</b>	62	9.5	19.4
<b>Florida</b>	123	8.1	19.0
<b>Indiana</b>	82	4.4	9.4
<b>Minneapolis</b>	104	10.9	22.1
<b>New Jersey</b>	61	10.9	20.1
<b>Oklahoma</b>	80	4.1	16.3
<b>Oregon</b>	101	6.9	16.9
<b>Tennessee</b>	93	4.7	9.2
<b>Utah</b>	74	6.1	13.9
<b>Total</b>	2186	12.3	24.073

\* p≤.05, \*\* p≤.01, \*\*\* p≤.001

Cities in which respondents report between 7% to 12% cross-border work include the remaining national cities—Boston, Chicago, Atlanta, Minneapolis, and St. Louis—but also Connecticut, Florida outside Miami, New Jersey outside of Newark, and Oregon. Respondents in the remaining regional areas report that they spend between 4% and 6% of their time on cross-border work.<sup>3</sup> Thus a direct measure of the amount of global work in Population Sampling Units documents the significant range between global cities and regional markets, but also reveals that some national and regional markets have more global work than we might expect.

In a similar vein, we asked respondents what percent of their time they worked for different types of clients, providing a quite comprehensive list from mid- to low-income individuals to Fortune 500 businesses to government. Table 2 provides the detailed results for the largest percentage categories. While we should exercise caution in interpreting unweighted results, the “total” row is suggestive about the relative portion of lawyers’ work devoted to different types of clients. Overall the largest percent of lawyers’ work is for mid- to low-income individuals (21%), followed by Fortune 500 companies and government (16%), followed closely by large to mid-sized businesses (14%). There is then a significant drop-off to 8% for small business, 6% for high-income individuals, 5% for insurance companies, and lesser amounts for non-profits (3%), start-ups (2%), and “other entities” (5%).

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<sup>3</sup> Only respondents who were practicing law were asked to report the amount of time they spend doing cross-border work.

Table 2: Percentage of Time Spent Serving Different Types of Clients by PSU at Wave 3

PSU	Fortune 500 Businesses			Large to Mid-Sized Businesses			Small Businesses			High Income Individuals			Mid to Low-Income Individuals			Government		
	n	Mean	S.D.	n	Mean	S.D.	n	Mean	S.D.	n	Mean	S.D.	n	Mean	S.D.	n	Mean	S.D.
<i>Global</i>																		
D.C.	136	21.6	34.5	136	10.5	21.7	135	3.0	7.7	135	1.4	6.2	135	3.6	17.0	136	45.8	48.8
N.Y.C.	154	22.0	37.6	157	16.5	31.2	156	6.8	20.7	157	5.3	15.6	157	17.6	34.7	157	8.1	26.3
<i>National</i>																		
Atlanta	114	20.3	34.5	115	17.7	29.5	115	6.9	12.9	114	5.0	10.1	114	23.9	36.5	115	7.3	24.2
Boston	53	17.5	33.8	53	12.6	24.5	53	10.3	23.0	53	6.9	14.9	53	19.5	33.0	53	5.3	20.5
Chicago	193	15.8	32.4	193	15.4	29.7	194	8.6	19.3	193	4.8	12.6	194	20.5	35.4	194	13.3	33.0
Houston	107	26.2	39.0	107	12.5	24.8	108	9.1	19.8	107	5.5	15.3	108	9.6	26.5	107	18.1	37.9
L.A./S.F.-S.J.	353	20.0	36.6	353	14.5	29.4	354	7.5	18.4	353	5.5	15.1	354	19.1	34.7	354	13.2	32.8
St. Louis	78	24.7	36.2	79	20.8	31.5	79	6.0	11.7	78	6.5	19.0	78	15.8	31.8	79	5.1	18.5
<i>Regional</i>																		
Connecticut	62	12.5	30.7	63	10.2	25.7	63	3.6	9.1	63	7.6	18.6	63	27.6	40.0	63	15.5	35.1
Florida	126	8.3	25.8	125	16.7	31.4	126	10.0	21.7	126	6.5	15.2	125	24.8	37.0	126	14.4	33.6
Indiana	85	6.4	21.9	85	9.7	23.0	85	6.5	12.4	85	5.9	12.7	85	41.8	40.8	84	16.4	35.9
Minneapolis	106	17.4	34.2	107	18.9	32.1	106	6.7	14.2	105	7.7	17.1	106	21.0	35.1	106	11.2	30.9
New Jersey	64	22.3	41.3	64	8.4	22.4	63	8.7	19.1	64	7.1	18.4	64	21.3	34.7	64	11.1	30.3
Oklahoma	81	5.6	19.2	81	12.2	26.2	81	10.0	18.3	81	7.9	17.3	81	32.5	39.7	81	12.1	30.7
Oregon	101	3.8	16.2	101	12.8	26.8	102	10.1	17.0	100	9.9	19.8	101	28.4	37.6	102	20.2	38.9
Tennessee	96	9.3	24.6	96	16.4	30.2	96	7.3	15.4	96	5.6	13.7	96	31.5	40.4	96	15.5	35.0
Utah	76	3.7	12.8	76	12.7	25.7	76	7.5	15.8	75	6.7	10.9	76	33.0	40.3	76	20.4	37.8
<b>Total</b>	2221	16.5	33.3	2230	14.5	28.5	2231	7.5	17.1	2225	5.7	14.5	2229	21.4	35.7	2233	15.7	35.0

\* p<0.05, \*\* p<0.01, \*\*\* p<0.001

As expected, there is significant variation in client base across global, national, and regional markets. Respondents in regional markets average a higher percentage of mid- to low-income clients, ranging from a high of 42% in Indiana to 33% in Utah to 32% in Oklahoma and eastern Tennessee, 28% in Oregon and Connecticut, and 25% in Florida outside Miami. In global and national cities, we see a smaller, but still significant percentage of work for mid- to low-income individuals. D.C. and Houston are negative outliers, at 4% and 9% respectively. But in other global and national centers, lawyers spend about one-fifth of their time on less wealthy individual clients.

While most locales have a significant personal client sector, they do not all have a substantial large business sector. Respondents in all the global and national cities meet or exceed the overall average of time spent on Fortune 500 companies (16%). But the respondents in regional markets report only between 4% and 13% on Fortune 500 companies. This is dramatic evidence that professional inequality systems are not the same across locales. The professional pyramids in the communities we studied are

significantly different. In global and national cities, the lucrative big law firm practice sits atop the pyramid. In regional areas, this stratum is largely non-existent.

Governments as clients are a constant across states. With one exception, all population sampling units fall within 10% of the overall mean for time spent on government clients—15%. The exception is D.C., where respondents report spending 46% on government clients.

Respondents spend much less time on other types of clients. And there is less variation across markets in these time expenditures. Like work for people of mid-to low-income, the work for high income individuals, non-profits, insurance companies, and start-ups is a relative constant across legal services markets.

Given the strong association between the kinds of clients lawyers represent and the setting in which they practice, we expect that the composition of practice settings will also vary by Population Sampling Unit. Table 3 reports the distribution of selected practice settings by Population Sampling Unit. Solo and small firm (2-20) lawyers make up at least one-fifth of the sample in all but two jurisdictions—D.C. and New York City. In D.C. federal government practice predominates with 45% of respondents, but also has a substantial number of respondents working for law firms of more than 250 lawyers (21%). In New York City only 15% of respondents are in solo or small firm practice, and larger percentages of respondents (12%) work for mega law firms (251+), as inside counsel to business (21%), or for business in non-legal positions (10%).

Table 3: Practice Setting by PSU at Wave 3

PSU		Solo Practice	Firm 2-20	Firm 21-100	Firm 101-250	Firm 251+	Government	Business	Other	Total
<i>Global</i>										
	<b>n</b>	3	12	7	2	35	83	6	2	164
<b>D.C.</b>	<b>%</b>	1.8	7.3	4.3	1.2	21.3	50.6	3.7	1.2	100
	<b>n</b>	15	15	20	5	25	20	64	4	204
<b>N.Y.C.</b>	<b>%</b>	7.4	7.4	9.8	2.5	12.3	9.8	31.4	2.0	100
<i>National</i>										
	<b>n</b>	18	34	6	6	19	16	23	4	139
<b>Atlanta</b>	<b>%</b>	12.9	24.5	4.3	4.3	13.7	11.5	16.5	2.9	100
	<b>n</b>	9	12	5	1	7	9	11	2	69
<b>Boston</b>	<b>%</b>	13.0	17.4	7.2	1.4	10.1	13.0	15.9	2.9	100
	<b>n</b>	27	36	17	8	28	35	52	4	233
<b>Chicago</b>	<b>%</b>	11.6	15.5	7.3	3.4	12.0	15.0	22.3	1.7	100
	<b>n</b>	12	27	8	2	12	26	29	3	126
<b>Houston</b>	<b>%</b>	9.5	21.4	6.3	1.6	9.5	20.6	23.0	2.4	100
	<b>n</b>	49	62	26	8	48	68	104	20	436
<b>L.A./S.F.-S.J.</b>	<b>%</b>	11.2	14.2	6.0	1.8	11.0	15.6	23.9	4.6	100
	<b>n</b>	5	17	12	6	16	9	13	1	87
<b>St. Louis</b>	<b>%</b>	5.7	19.5	13.8	6.9	18.4	10.3	14.9	1.1	100
<i>Regional</i>										
	<b>n</b>	9	14	5	4	1	11	23	4	81
<b>Connecticut</b>	<b>%</b>	11.1	17.3	6.2	4.9	1.2	13.6	28.4	4.9	100
	<b>n</b>	14	38	10	8	9	29	24	4	146
<b>Florida</b>	<b>%</b>	9.6	26.0	6.8	5.5	6.2	19.9	16.4	2.7	100
	<b>n</b>	13	24	7	2	5	28	12	5	101
<b>Indiana</b>	<b>%</b>	12.9	23.8	6.9	2.0	5.0	27.7	11.9	5.0	100
	<b>n</b>	11	20	18	12	6	17	35	6	143
<b>Minneapolis</b>	<b>%</b>	7.7	14.0	12.6	8.4	4.2	11.9	24.5	4.2	100
	<b>n</b>	8	16	4	2	5	12	26	3	78
<b>New Jersey</b>	<b>%</b>	10.3	20.5	5.1	2.6	6.4	15.4	33.3	3.8	100
	<b>n</b>	24	29	3	3	0	16	15	3	101
<b>Oklahoma</b>	<b>%</b>	23.8	28.7	3.0	3.0	0.0	15.8	14.9	3.0	100
	<b>n</b>	18	30	12	4	5	29	15	9	131
<b>Oregon</b>	<b>%</b>	13.7	22.9	9.2	3.1	3.8	22.1	11.5	6.9	100
	<b>n</b>	11	28	11	4	4	21	20	3	113
<b>Tennessee</b>	<b>%</b>	9.7	24.8	9.7	3.5	3.5	18.6	17.7	2.7	100
	<b>n</b>	6	18	15	6	1	22	8	3	90
<b>Utah</b>	<b>%</b>	6.7	20.0	16.7	6.7	1.1	24.4	8.9	3.3	100
	<b>n</b>	283	471	212	86	243	511	579	95	2480
<b>Total</b>	<b>%</b>	11.4	19.0	8.5	3.5	9.8	20.6	23.3	3.8	100

\* p≤.05, \*\* p≤.01, \*\*\* p≤.001

California and national jurisdictions, in addition to containing solo and small firm practitioners, typically have around 10% of respondents working for mid-size law firms (21-250 lawyers), 10% in mega-law firms of more than 250 lawyers, and 10% to 20% of respondents working as inside counsel to business or in non-legal positions in business. State government employs between 10% to 15% of respondents in all but a few global and national jurisdictions, where there are proportionately fewer state employees, and a

few regional jurisdictions where the state government employs a larger share of lawyers (between 15% to 26% of respondents). In regional markets we see lower percentages of respondents in mega-law firms (251+) and inside counsel positions in business.

Relatively small percentages of respondents work in the federal government (with the exception of D.C.), legal services, public interest positions, and non-profits or educational institutions. While there are some idiosyncrasies in public sector employment in different jurisdictions, such as a larger percent of non-profit and educational jobs in Boston, these patterns are similar across markets.

Differences in client base and practice settings across jurisdictions are related to differences in earnings across markets. Table 4 reports the quartiles of earnings across markets. Earnings are strongly influenced by the kind of markets in which lawyers work: the median earnings of lawyers in all three global markets exceed the median earnings of lawyers in national markets, which in turn generally exceed the median earnings of all regional markets. This hierarchy does not necessarily hold at the 25<sup>th</sup> percentile, which suggests that income dispersion varies across markets. At the 75<sup>th</sup> percentile, lawyers in D.C. make \$206,000, which is less than the 75<sup>th</sup> percentile of earnings for most national markets as well as Connecticut. The earnings differences across markets are not only generally well ordered, but also very significant. Median earnings for Indiana respondents (\$86,560) are just over one-half the median earnings of New York City respondents (\$157,500). There is also significant variation across jurisdictions in the amount of earnings inequality *within* jurisdictions.

**Table 4: Income Quartiles by PSU at Wave 3, Full-time Workers Only**

PSU	Income Quartiles			Income Dispersion	N
	25th Percentile	Median	75th Percentile		
<i>Global</i>					
<b>D.C.</b>	\$122,055	\$145,000	\$206,500	59.1%	130
<b>N.Y.C.</b>	\$100,000	\$157,500	\$278,750	35.9%	160
<i>National</i>					
<b>Atlanta</b>	\$89,000	\$130,000	\$215,000	41.4%	97
<b>Boston</b>	\$75,000	\$114,500	\$180,000	41.7%	43
<b>Chicago</b>	\$75,500	\$125,150	\$198,000	38.1%	164
<b>Houston</b>	\$99,000	\$141,000	\$237,500	41.7%	101
<b>L.A./S.F.-S.J.</b>	\$107,250	\$156,500	\$240,000	44.7%	324
<b>St. Louis</b>	\$82,000	\$153,000	\$208,500	39.3%	69
<i>Regional</i>					
<b>Connecticut</b>	\$85,750	\$121,000	\$200,000	42.9%	60
<b>Florida</b>	\$69,000	\$110,000	\$168,000	41.1%	121
<b>Indiana</b>	\$65,000	\$86,560	\$120,600	53.9%	83
<b>Minneapolis</b>	\$79,000	\$134,000	\$200,000	39.5%	113
<b>New Jersey</b>	\$83,500	\$110,000	\$206,250	40.5%	58
<b>Oklahoma</b>	\$64,250	\$90,500	\$144,250	44.5%	82
<b>Oregon</b>	\$69,750	\$97,000	\$150,000	46.5%	102
<b>Tennessee</b>	\$82,375	\$117,500	\$170,500	48.3%	90
<b>Utah</b>	\$71,700	\$110,000	\$163,000	44.0%	80
<b>Total</b>	\$83,000	\$127,000	\$200,000	41.5%	2165

A simple measure of income dispersion is to calculate the proportion that the bottom quartile of earnings makes of the 75<sup>th</sup> percentile. These figures are displayed in table 4. New York City has the greatest income disparity. The 25<sup>th</sup> percentile makes 35.9% of what the 75<sup>th</sup> percentile makes. In D.C. the lowest quartile makes 59.1% of what the 75<sup>th</sup> percentile makes, making it the jurisdiction with the most even income distribution.

Within the national and regional jurisdictions, the pattern of income dispersion is more

uniform, with the lowest quartiles in the national jurisdictions earning between 38.1% and 41.7% of the highest quartiles and the bottom quartile in the regional jurisdictions earning between 41.0% and 53.9% of the top quartile's income. However, there is one outlier among the regional jurisdictions; the lowest quartile in Indiana earns 53.9% of what the 75% percentile earns, making the income distribution in Indiana the most constrained after D.C.

These measures drive home the economic differences across markets in our sample. Locale dictates the amount of international work that lawyers do, the kinds of clients lawyers represent, the types of practice settings that are more common, the level of lawyers' earnings, and the amount of earnings inequality among lawyers within a jurisdiction. When lawyers choose where to locate, they are choosing to enter different market contexts, with different kinds of economic opportunity.

### C. Social Capital Differences Across Markets

Given the economic differences in markets and their location in different regions of the nation, each with a distinctive demographic and political profile, we expect to see significant differences in the social attributes of lawyers across population sampling units. Race, gender, and law school status are associated with traditional hierarchies in the legal profession. They are, therefore, aspects of the social capital that lawyers draw on (or overcome) over the course of their careers. Party politics also are an important aspect of career paths in law. Not only do lawyers pursue political ambitions to advance their careers, but political orientations may shape what careers lawyers want to pursue. Geography in the United States is a fundamental dimension of American politics. There



are “blue states” and “red states.” Lawyers who choose to work in blue or red jurisdictions may be choosing a political environment in which to live. But it may also be the case that lawyers who grow up and end up working in blue or red states reflect the political orientations of their origins.

In this section we offer a descriptive analysis of geographical differences in the social capital of our sample. We compare a few prominent aspects of the social attributes of lawyers across markets.

We begin by comparing the composition of sampling units by the selectivity of the law schools respondents attended. As we noted above, the status of law schools that attorneys attend often is treated as an important measure of the stature or talent of the legal profession in law firms or geographic markets. For example, Uzzi and Lancaster (2004) measured the status of law firms by the percentage of lawyers graduating from elite law schools. Dinovitzer and Hagan (2014) analyzed the percentage of lawyers graduating from top 10 law schools in AJD sampling units as a measure of the hierarchical market structure of those areas. Following their approach, we used percentage of top 10 law school graduates as one of the variables on which we clustered the jurisdictions in our analysis. This measure suggests who among markets is winning the war for talent by capturing a larger percent of high-status law graduates. (It could be argued that the selectivity of the law school a lawyer attended is not just a measure of stature or social capital, but a measure of human capital or ability to perform. Thus we might have included this measure in the previous section on the economic aspects of markets. We have chosen to make a lesser assumption and treat law school status as an aspect of the broader concept of social capital.)

Table 5 reports the percent of respondents in our sampled jurisdictions who attended law schools of different ranks according to U.S. News in the year 2003: Top 1-10, 11-20, 21-50, 51-100, tier 3, and tier 4.<sup>4</sup> Global markets clearly are dominant in recruiting (or retaining) the graduates of top 10 law schools. More than one-third of New York City respondents graduated from top 10 law schools, followed by D.C. with 28%, and SF/LA at 21%. Boston comes in a close fourth with 18% top 10 graduates. Then the numbers drop off significantly to 11.5% in New Jersey, 10.3% in Chicago, and 7% or less in the remaining jurisdictions. It is noteworthy that the majority of the top 10 law schools are also located in the same states as the global markets, with three of the top 10 schools located in New York State<sup>5</sup> (Columbia, New York University, and Cornell); two in California (Stanford and Berkeley); and one in the D.C. area (University of Virginia).

Table 5: Law School Ranking by PSU

PSU	Ranked 1-10		Ranked 11-20		Ranked 21-50		Ranked 51-100		Tier 3		Tier 4		Total
	N	%	N	%	N	%	N	%	N	%	N	%	N
<i>Global</i>													
D.C.	45	27.6	28	17.2	36	22.1	34	20.9	15	9.2	5	3.1	163
N.Y.C.	65	32.2	11	5.4	40	19.8	51	25.2	26	12.9	9	4.5	202
<i>National</i>													
Atlanta	9	6.5	5	3.6	55	39.6	48	34.5	6	4.3	16	11.5	139
Boston	11	18.0	7	11.5	11	18.0	10	16.4	20	32.8	2	3.3	61
Chicago	24	10.3	20	8.7	50	21.7	65	28.3	44	19.1	27	11.7	230
Houston	6	4.8	26	21.0	14	11.3	38	30.6	3	2.4	37	29.8	124
L.A./S.F.-S.J.	58	14.0	110	26.6	72	17.4	96	23.2	52	12.6	26	6.3	414
St. Louis	5	5.9	2	2.4	22	25.9	13	15.3	42	49.4	1	1.2	85
<i>Regional</i>													
Connecticut	5	6.2	0	0.0	22	27.5	14	17.5	11	13.8	28	35.0	80
Florida	3	2.1	8	5.6	54	38.0	31	21.8	25	17.6	21	14.8	142
Indiana	2	2.0	0	0.0	19	18.8	45	44.6	25	24.8	10	9.9	101
Minneapolis	6	4.2	39	27.5	18	12.7	2	1.4	53	37.3	26	16.7	142
New Jersey	9	11.5	3	3.8	7	9.0	44	56.4	6	7.7	9	11.5	78
Oklahoma	0	0.0	3	3.0	2	2.0	45	45.0	1	1.0	49	49.0	100
Oregon	6	4.7	6	4.7	6	4.7	82	63.6	9	7.0	20	15.5	129
Tennessee	4	4.2	11	11.6	8	8.4	35	36.8	30	31.6	7	7.4	95
Utah	3	3.3	4	4.4	64	71.1	8	8.9	2	2.2	9	10.0	90
<b>Total</b>	<b>313</b>	<b>11.5</b>	<b>323</b>	<b>11.9</b>	<b>589</b>	<b>21.7</b>	<b>753</b>	<b>27.7</b>	<b>406</b>	<b>15.0</b>	<b>331</b>	<b>12.2</b>	<b>2715</b>

\* p≤0.05, \*\* p≤0.01, \*\*\* p≤0.001

<sup>4</sup> Tier 3 law schools include those ranked 101 to 137, and tier 4 law schools include those ranked 138 to 178.

<sup>5</sup> Two additional top 10 law schools – Yale and Harvard – are located outside of New York state but within about 100 and 200 miles of New York City.

Graduates of schools ranked 11-20 also are concentrated in certain markets. Minneapolis leads jurisdictions in this category with 25%, followed by Houston with 21%, LA/SF with 20%, and D.C. with 17%. Boston and Tennessee each have 11% of their respondents from 11-20 ranked law schools, but no other jurisdiction has more than 8% from this category. As we move into law schools ranked 21-50 and 51-100, we see growing percentages of respondents in national and regional markets and declining percentages for global markets. For example, 39% of Atlanta respondents graduated from 21-50 ranked law schools, as did 37% of Florida respondents outside Miami. Possibly reflecting the importance of particular law schools within the state, graduates of law schools ranked 51-100 make up 56% of New Jersey respondents, 46% of Indiana and Oklahoma respondents, and 38% of Tennessee respondents. For example, the state of New Jersey does not host any top 50 law schools but is home to three law schools ranked 51-100 (Rutgers at Newark, Rutgers at Camden, and Seton Hall). Similarly, the state of Oklahoma houses two law schools – Oklahoma State, which is ranked 59<sup>th</sup>, and University of Tulsa, which is ranked in the fourth tier – and 96% of Oklahoma lawyers attended ranked 51 to 100 or in the fourth tier.

Graduates of Tier 3 and tier 4 law schools make up larger percentages of regional markets, although, again possibly reflecting the importance of a particular local law school, 52% of St. Louis respondents graduated from tier 3 law schools, as did 38% of Minneapolis respondents, and 32% of Boston respondents. Some 30% of Houston respondents graduated from tier 4 law schools. Tier 3 grads make up 33% of Tennessee respondents and 25% of Indiana respondents. Tier 4 grads make up 50% of Oklahoma

respondents and 36% of Connecticut respondents. Conversely between only 3% and 13% of respondents in global markets graduated from tier 3 or tier 4 law schools.

While there are some state-specific pathways from particular law schools within particular jurisdictions, there is a clear status structure of law schools attended by market. Global and national markets dominate in the recruitment of more selective law schools. In regional markets less selective schools are the predominant source of lawyers.

Next, we turn to geographic variations by gender, race/ethnicity, and political affiliation. Women make up almost exactly one-half of the wave 3 sample of AJD respondents. This proportion is consistent with other estimates of the gender composition of lawyers with the age profile of the AJD group (Carson and Park 2012, p. 5). With few exceptions, we find roughly equal numbers of men and women in all AJD jurisdictions. (Given the simplicity of these results, we do not include gender comparisons in a table.) Two jurisdictions have lower percentages of women than expected—Tennessee at 39% and Utah at 31%. However, these percentages are even higher than those published in the 2005 Lawyer Statistical Report (Carson and Park 2012), which were 27.4% for Tennessee (p. 224) and 20.3% for Utah (p. 234). Women outnumber men slightly in about one-half of jurisdictions, with no statistically significant differences from the overall mean ( $t=-1.721$ ,  $p=.085$ ).

Racial and ethnic groups are not equally distributed across geographic regions in the United States, but rather are concentrated in different parts of the country. For example, data from the 2010 decennial Census indicate that African Americans represent just over half of the population of Washington, D.C. (50.7%), but represent less than one percent of the populations of Wyoming, Idaho, and Montana. Similarly, 99% of the

population of Puerto Rico and 46.3% of New Mexico is Hispanic or Latino, compared to less than two percent of Vermont, Maine, and West Virginia (U.S. Census Bureau). Part of the rationale for building in regional variation in the selection of population sampling units was to capture regional variations in the presence of different racial and ethnic groups in the legal profession. However, the racial composition of lawyers may not reflect the composition of the communities in which they work. Given the drawing power of major metropolitan areas and global law firms, the legal profession in any given area may look different from the surrounding community.

Table 6 reports the racial composition of the cities and states in the AJD sample. As respondents may have checked off multiple racial/ethnic categories, the race/ethnicity variable was priority coded, with priority being given first to the category Black/African American, followed by Asian/Pacific Islander, Native American, Hispanic/Latino, White/Caucasian, and Other. Whites make up the majority of respondents in all but one jurisdiction, California, which has large numbers of both Latinos and Asian Americans and some African-American attorneys. Consistent with the finding in the literature that larger, more profitable law firms tend to have more diverse personnel, we see there is more diversity in global markets than national markets and national markets than regional markets. New York City and D.C. are the next most diverse jurisdictions after L.A./S.F., due to substantial numbers of African-Americans, Latinos, and Asian Americans. The high percentage of minorities in D.C. likely also reflects the greater tendency for minorities to work in the public sector.

**Table 6: Race/Ethnicity by PSU at Wave 3**

PSU	Race/Ethnicity								
	African American		Hispanic		Asian/Pacific Islander		White		Total
	n	%	n	%	n	%	n	%	N
<i>Global</i>									
<b>D.C.</b>	29	17.8	17	10.4	21	12.9	95	58.3	163
<b>N.Y.C.</b>	23	11.4	33	16.4	28	13.9	112	55.7	201
<i>National</i>									
<b>Atlanta</b>	34	24.8	7	5.1	5	3.6	89	65.0	137
<b>Boston</b>	3	4.5	2	3.0	3	4.5	59	88.1	67
<b>Chicago</b>	21	9.1	18	7.8	29	12.6	161	70.0	230
<b>Houston</b>	11	8.9	18	14.5	11	8.9	79	63.7	124
<b>L.A./S.F.-S.J.</b>	36	8.4	88	20.6	102	23.8	193	45.1	428
<b>St. Louis</b>	5	6.0	3	3.6	4	4.8	71	84.5	84
<i>Regional</i>									
<b>Connecticut</b>	10	12.8	6	7.7	4	5.1	56	71.8	78
<b>Florida</b>	18	12.5	19	13.2	2	1.4	102	70.8	144
<b>Indiana</b>	3	3.0	5	5.0	4	4.0	86	86.0	100
<b>Minneapolis</b>	4	2.9	1	0.7	10	7.1	123	87.9	140
<b>New Jersey</b>	7	9.3	5	6.6	12	16.0	51	68.0	75
<b>Oklahoma</b>	1	1.0	2	2.0	0	0.0	78	78.8	99
<b>Oregon</b>	2	1.6	5	3.9	6	4.7	115	89.1	129
<b>Tennessee</b>	7	6.3	1	0.9	4	3.6	97	87.4	111
<b>Utah</b>	1	1.1	4	4.5	2	2.2	81	91.0	89
<b>Total</b>	255	9.3	262	9.6	282	10.3	1873	68.5	2736

\* p≤.05, \*\* p≤.01, \*\*\* p≤.001

The national tier of markets tends to be more diverse than regional markets, as cities like Chicago and Houston have substantial numbers of African-Americans, Latinos, and Asian Americans. But the greater diversity of these and other jurisdictions may also reflect the racial histories of different geographical areas. Atlanta, for example, is 25% African-American, but has relatively few Latino and Asian American lawyers. New Jersey outside Newark, a regional market, is quite diverse due to the presence of African-

Americans and Latinos and a large number of Asian American lawyers. Oklahoma, another regional market, is 18% Native American, 8 times more than any other jurisdiction.

Far more common than these relatively diverse locales are jurisdictions that are largely white. Ten of 17 locales are 70% or more white, and 7 of these are 80% or more white. The very significant differences in levels of diversity across geographic areas means that lawyers of color may face very different kinds of professional contexts: some in which attorneys of color are a substantial presence and some which are overwhelmingly white.

Finally, we examine variations in political orientations across jurisdictions. Table 7 reports the political party affiliation of respondents and mean scores on two scales of political liberalism—one on social issues and one on economic issues. Overall AJD respondents lean toward the Democratic Party: 49% say they are Democrats, 24% say they are Republicans, 15% say they are Independents, and 10% say they are not affiliated politically. In 12 jurisdictions Democrats hold a plurality; in 5 jurisdictions Republicans hold a plurality. All three global markets contain strong Democratic majorities, but this is consistent with the political profiles of these areas. All national markets also are at least Democratic pluralities. These too reflect the political leanings of the city in which they are located. The 5 markets that contain Republican pluralities—Florida outside Miami, Indiana, Oklahoma, eastern Tennessee, and Utah, all voted Republican in the 2016 presidential election.

Table 7: Political Leaning by PSU at Wave 3

PSU	National Political Party Preference***									Political Leaning on Social Issues***			Political Leaning on Economic Issues***		
	Democrat		Independent		Republican		Unaffiliated		Total	n	Mean	St. Dev.	n	Mean	St. Dev.
	n	%	n	%	n	%	n	%	N						
<i>Global</i>															
<b>D.C.</b>	100	64.5	25	16.1	20	12.9	7	4.5	155	154	2.44	1.672	154	3.58	1.871
<b>N.Y.C.</b>	112	56.9	34	17.3	31	15.7	16	8.1	197	195	2.28	1.515	197	3.62	1.998
<i>National</i>															
<b>Atlanta</b>	50	37.6	26	19.5	45	33.8	9	6.8	133	128	3.33	1.841	129	4.86	1.849
<b>Boston</b>	36	57.1	16	25.4	7	11.1	3	4.8	63	63	2.48	1.786	63	3.51	1.891
<b>Chicago</b>	125	56.3	35	15.8	40	18.0	14	6.3	222	224	2.62	1.597	225	4.04	1.817
<b>Houston</b>	56	45.2	19	15.3	39	31.5	10	8.1	124	122	3.11	1.871	124	4.42	1.839
<b>L.A./S.F.-S.J.</b>	242	57.8	50	11.9	65	15.5	48	11.5	419	417	2.39	1.576	420	3.86	1.870
<b>St. Louis</b>	38	45.2	12	14.3	22	26.2	10	11.9	84	84	2.77	1.779	85	4.45	1.644
<i>Regional</i>															
<b>Connecticut</b>	31	39.7	19	24.4	20	25.6	7	9.0	78	78	3.10	1.632	78	4.54	1.733
<b>Florida</b>	53	37.9	17	12.1	56	40.0	10	7.1	140	137	3.36	1.270	137	4.62	1.941
<b>Indiana</b>	27	27.6	19	19.4	39	39.8	10	10.2	98	99	3.58	1.874	99	4.65	1.780
<b>Minneapolis</b>	75	53.2	16	11.3	26	18.4	23	16.3	141	137	2.40	1.606	139	3.78	1.923
<b>New Jersey</b>	29	38.7	14	18.7	15	20.0	16	21.3	75	75	2.97	1.716	74	4.32	1.791
<b>Oklahoma</b>	31	31.0	12	12.0	50	50.0	3	3.0	100	99	3.82	2.164	99	5.03	1.908
<b>Oregon</b>	82	64.6	15	11.8	17	13.4	9	7.1	127	127	2.17	1.390	129	3.22	1.678
<b>Tennessee</b>	40	37.0	11	10.2	41	38.0	12	11.1	108	109	3.37	1.829	108	4.73	1.738
<b>Utah</b>	25	28.1	13	14.6	36	40.4	14	15.7	89	87	3.75	2.109	88	4.55	1.905
<b>Total</b>	1323	49.3	405	15.1	634	23.6	255	9.5	2682	2665	2.77	1.767	2680	4.10	1.907

Note: Political leaning is measured on a scale of 1 (liberal) to 7 (conservative).

\* p≤0.05, \*\* p≤0.01, \*\*\* p≤0.001

Respondents were asked to rate their views on social issues and economic issues, from 1 (very liberal) to 7 (very conservative). Respondents overall are more liberal on social issues, with a mean score of 2.77, than on economic issues, with a mean score of 4.10. The scores on political liberalism largely reflect the balance of party affiliations in jurisdictions. States with a Republican plurality score in the more conservative direction on both social and economic issues than states and cities with a Democratic plurality.

As with the data on economic dimensions of the Population Sampling Units, the data on various aspects of the social capital of respondents document significant differences across jurisdictions. Some of these differences are linked to the kinds of markets contained in these locales. The selectivity of law schools respondents attended reflects the hierarchical nature of legal markets: global markets attract a larger share of the graduates of prestigious law schools, followed by national markets. Regional markets largely do not attract such graduates and instead rely on less selective law schools for



their supply of lawyers. But much of the variation we see in racial and ethnic composition of jurisdictions and in the political orientations of lawyers in different jurisdictions does not so much reflect the nature of the markets within a locale, as the demographic and political histories of these areas.

## Conclusion

Whatever the origins of the differences in social attributes across geographic areas, these differences reflect and shape the career options for young lawyers. Differences across global, national, and regional markets in types of clients, practice settings, and earnings represent different opportunity structures for lawyers. Only some lawyers can avail themselves of the full range of these opportunities. Different geographic areas also contain professional communities that are more or less diverse in terms of race and ethnicity and that are more or less liberal and Democratic in political outlook. These differences also may shape what kinds of career options young lawyers have. Will attorneys of color find more opportunity and higher levels of professional satisfaction in more diverse environments? Is it important for young professionals to work in a community in which others share your political affiliation? These are issues we will explore in greater depth.

In the next report we examine another aspect of the effects of geography on the career options of lawyers. We look at geographic movement over lawyers' careers, starting from law school to early jobs to current jobs.

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