



1962

The 1960 State Bar Association of North Dakota Economic Survey

North Dakota State Bar Association

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BENCH AND BAR

Always a major consideration in the analysis of any class or group is the economic or monetary factor. In any evaluation process, income and its sources provide the means of accurately gauging the economic base of a group. In March of last year the Legal Economics Committee of the North Dakota State Bar Association commenced an economic survey of the attorneys in North Dakota. Due to space consideration, the resulting report could not be printed until this issue. The *North Dakota Law Review* now offers this economic analysis of the North Dakota lawyer for the benefit of those objective observers who wish to gauge such things and for the benefit of the North Dakota lawyer, that he might better understand himself.

THE 1960 STATE BAR ASSOCIATION OF NORTH DAKOTA ECONOMIC SURVEY

This is a report on the economic status of North Dakota lawyers as compiled by the Legal Economics Committee of the State Bar Association through the efforts of an Economic Survey Sub-Committee.

In March of 1961 the Sub-Committee mailed 458 Questionnaires entitled "Economics of the Bar Questionnaire" to all members of the State Bar Association except Judges and those members known to be nonpracticing at the time of the survey. Seventy (70%) per cent of the lawyers receiving the questionnaire responded. This was an excellent response and the Committee appreciates the fine cooperation extended by the Bar.

The Survey was conceived as a follow-up to the complete revision of the Minimum Fee Schedule in 1960 in an effort to determine the present economic status of the legal profession in North Dakota, and with the ultimate aim of improving the profession's economic status and the efficiency of the service rendered by the profession to the public.

The answers to the questions contained in the Questionnaire were tabulated with the aid of IBM machines, and these tabulated results have been further analyzed by the Sub-Committee for the purpose of making this report.

A summary of the answers to the Questionnaire, and tabu-

lar breakdowns of a number of answers are shown in this report. Some comparisons with data from other State Bar Association Surveys are also contained in the report.

QUESTION 1. (Answered only by *salaried* lawyers)

I am in full time, salaried employment for a:

| | | |
|---|----|---------|
| (a) Corporation | 12 | (20.0%) |
| (b) Law Firm | 19 | (31.7%) |
| (c) Governmental Agency | 29 | (48.3%) |
| Total Salaried Lawyers Responding | 60 | |

QUESTION 2. (Answered only by *salaried* lawyers)

My total compensation as a full time salaried lawyer in 1960 was:

| | |
|--|------------|
| Statewide average*—corporation employed | \$8,077.00 |
| Statewide average*—law firm employed | \$6,369.00 |
| Statewide average*—Governmental employed | \$7,859.00 |

North Dakota Statewide Averages* Salary was\$7,607.00

North Dakota Statewide Median** Salary was\$7,000.00

| | |
|---|------------|
| Minnesota 1959 Average | \$7,000.00 |
| Illinois (outside Chicago) 1960 Average | \$8,200.00 |
| Missouri 1957 Average | \$9,500.00 |

QUESTION 3. (Answered only by *non-salaried* lawyers)

| | | |
|---|-----|---------|
| (a) I practice solo | 125 | (47.5%) |
| (b) I am a partner in: | | |
| (1) 2 partner firm | 76 | (28.9%) |
| (2) 3 partner firm | 28 | (10.7%) |
| (3) 4 partner firm | 19 | (7.2%) |
| (4) 5 or more partner firm | 15 | (5.7%) |
| Total non-salaried lawyers responding | 263 | |

QUESTION 4. (Answered only by *non-salaried* lawyers)

My individual GROSS income from law practice in 1960 was:

| | |
|---|-------------|
| North Dakota statewide average* gross income was | \$17,721.00 |
| North Dakota statewide median** of gross income was | \$15,450.00 |
| Minnesota 1959 average gross | \$20,580.00 |
| Missouri 1957 average gross | \$18,967.00 |

* Average income was determined by totaling the reported earnings and, in turn, dividing this figure by the number of individuals reporting within each category.

** The median was determined by sorting the incomes reported from highest to lowest and selecting the income which had an equal number of respondents above and below, within each category.

QUESTION 5. (Answered only by *non-salaried* lawyers)

My individual NET income from law practice in 1960 was:
 North Dakota statewide **average*** net income was\$11,653.00
 North Dakota statewide **median**** net income was\$10,000.00
 Minnesota 1959 **average** net\$14,120.00
 Missouri 1957 **average** net\$12,753.00

TABLE I
 Non-Salaried Lawyers
 Income Comparison—North Dakota
 By Population Groups
 (All data is average)

| Population Group | Gross Income | Net Income | Percent Overhead |
|------------------|--------------|------------|------------------|
| Under 1000 | \$12,888. | \$ 8,342. | 35.3% |
| 1000-2500 | 14,225. | 9,296. | 34.6% |
| 2500-5000 | 15,263. | 8,592. | 43.7% |
| 5000-10,000 | 19,945. | 13,000. | 34.8% |
| Over 10,000 | 18,220. | 13,260. | 27.2% |

TABLE II
 Non-Salaried Lawyers
 Net before taxes, North Dakota 1960
 Compared with United States 1954
 Compared with Minnesota 1959

| Size of firm (Members) | Percent of U. S. 1954 | Percent of Minn. 1959 | Percent of N. Dak. 1960 | Average Net Income | | | N. D. Percent Overhead |
|---------------------------|--------------------------|--------------------------|----------------------------|--------------------------------|------------|------------|------------------------------|
| | | | | Per member of Firm, Individual | | | |
| | | | | U. S. 1954 | Minn. 1959 | N. D. 1960 | |
| Solo | 65.0 | 50.5 | 47.5 | \$ 7,315. | \$11,040. | \$ 9,020. | 37.8% |
| 2 | 17.9 | 24.5 | 28.9 | 11,169. | 13,080. | 10,570. | 33.7% |
| 3 | 7.9 | 9.2 | 10.7 | 14,830. | 13,690. | 17,763. | 33.0% |
| 4 | 3.2 | 4.7 | 7.2 | 19,824. | 20,590. | 17,421. | 30.3% |
| 5 thru 8 | 3.9 | 7.8 | 5.7 | 23,849. | 19,180. | 20,125. | 33.3% |
| 9 & over | 2.2 | 3.3 | — | 36,102. | 23,810. | — | — |

* Average income was determined by totaling the reported earnings and, in turn, dividing this figure by the number of individuals reporting within each category.

** The median was determined by sorting the incomes reported from highest to lowest and selecting the income which had an equal number of respondents above and below, within each category.

*** The median was determined by sorting the incomes reported from

TABLE III
Non-Salaried Lawyers
Income Comparison—North Dakota
By Years of Practice
(All data is average)

| Years of Practice | Gross Income | Net Income | Percent Overhead |
|-------------------|--------------|------------|------------------|
| Under 5 years | \$12,409. | \$ 7,495. | 39.6% |
| 5-9 years | 15,612. | 10,213. | 34.6% |
| 10-14 years | 18,360. | 11,880. | 35.2% |
| 15-19 years | 20,880. | 13,307. | 36.3% |
| 20 or more | 20,318. | 14,255. | 29.8% |

QUESTION 6.

Ranked in terms of income, my individual practice is predominantly devoted to the following (rank numbers 1, 2 & 3 only) :

| | 1 | 2 | 3 |
|---|-----|----|----|
| (a) Taxation | 6 | 27 | 33 |
| (b) Corporation, Banking & Bus. Law | 15 | 26 | 20 |
| (c) Commercial Law & Bankruptcy | 3 | 7 | 5 |
| (d) Negl. & Compensation Law (Plaintiffs) | 15 | 11 | 8 |
| (e) Negl. & Compensation Law (Defendants) | 18 | 8 | 8 |
| (f) Negl. & Compensation Law (Pl. & Def.) | 13 | 6 | 11 |
| (g) Criminal Law | 9 | 6 | 13 |
| (h) Domestic Relations | 2 | 11 | 20 |
| (i) Labor Relations Law | 0 | 1 | 2 |
| (j) Real Property Law | 16 | 58 | 44 |
| (k) Probate & Trust Law | 107 | 36 | 20 |
| (l) Public Utility Law | 3 | 3 | 2 |
| (m) Municipal Law | 1 | 5 | 6 |
| (n) Mineral & Natural Resources Law | 4 | 1 | 2 |
| (o) Administrative Law | 2 | 2 | 2 |
| (p) Other | 0 | 3 | 5 |

QUESTION 7.

An average of 1.4 full time salaried lawyer assistants are employed in the office in which I practice and they are paid an average salary of \$5,502.00 per year. (36 replies)

QUESTION 8.

An average of 2.03 lay office aides (secretaries, investigators, clerks, etc.) are employed in the office in which I practice. Their average individual pay per year was: \$2,915.00. (218 replies)

QUESTION 9.

The number of years I have actually practiced law is:

| | |
|----------------------------|----|
| (a) Under 5 years | 67 |
| (b) 5 to 9 years | 64 |
| (c) 10 to 14 years | 68 |
| (d) 15 to 19 years | 33 |
| (e) 20 or more years | 78 |

QUESTION 10.

My age is:

| | |
|--------------------------|----|
| (a) Under 30 years | 38 |
| (b) 31 to 35 | 65 |
| (c) 36 to 40 | 50 |
| (d) 41 to 45 | 53 |
| (e) 46 to 50 | 32 |
| (f) 51 to 55 | 27 |
| (g) 56 to 60 | 16 |
| (h) 61 to 65 | 16 |
| (i) Over 65 | 15 |

QUESTION 11.

The population of the municipality in which I practice or am employed is:

| | |
|------------------------|-----|
| (a) Under 1,000 | 19 |
| (b) 1,000-2,500 | 71 |
| (c) 2,500-5,000 | 11 |
| (d) 5,000-10,000 | 37 |
| (e) Over 10,000 | 173 |

QUESTION 12.

I have 3.3 (average number) dependents (wife, children, parents, etc.) (293 replies)

QUESTION 13.

I am now covered by malpractice insurance136

I am not now covered by malpractice insurance171

If covered, check the answer below which most closely reports the limit of the policy:

| | |
|---------------------------------|----|
| (a) \$5,000.00 | 6 |
| (b) \$10,000.00 | 21 |
| (c) \$15,000.00 | 1 |
| (d) \$20,000.00 | 22 |
| (e) \$30,000.00 | 20 |
| (f) \$50,000.00 | 24 |
| (g) \$75,000.00 | 7 |
| (h) \$100,000.00 | 19 |
| (i) \$200,000.00 and over | 3 |

QUESTION 14.

If I died tomorrow, my net estate (excluding life insurance) before taxes, to maintain a decent and proper standard of living:

| | |
|--|-----|
| (a) Under \$25,000.00 | 122 |
| (b) \$25,000.00 to \$50,000.00 | 85 |
| (c) \$50,000.00 to \$100,000.00 | 53 |
| (d) \$100,000.00 to \$150,000.00 | 25 |
| (e) \$150,000.00 to \$200,000.00 | 10 |
| (f) Over \$200,000.00 | 9 |
| (g) I carry \$38,100.00 (average amount in force) life insurance. (203 replies) | |

TABLE IV
North Dakota
1960 Distribution of Lawyers
By Size of Personal Estates

| Size of Estate | Population Group | | | | | N. Dak. Statewide |
|-------------------|------------------|--------------|--------------|----------------|----------------|----------------------|
| | Under 1000 | 1000 2500 | 2500 5000 | 5000 10,000 | Over 10,000 | |
| Under \$25,000. | 31.6 | 32.8 | 36.4 | 37.8 | 44.6 | 40.1 |
| \$25-50,000 | 42.1 | 35.8 | 36.4 | 16.2 | 25.6 | 28.0 |
| \$50-100,000 | 15.8 | 19.4 | 9.1 | 18.9 | 16.6 | 17.4 |
| \$100-150,000 | 10.5 | 6.0 | | 16.2 | 7.7 | 8.2 |
| \$150-200,000 | — | 3.0 | 18.1 | 8.1 | 1.8 | 3.3 |
| Over \$200,000 | — | 3.0 | | 2.8 | 3.7 | 3.0 |
| | 100% | 100% | 100% | 100% | 100% | 100% |

QUESTION 15.

I was able to add to the net value of my estate from law income of 1960209

I was not able to add to the net value of my estate from my law income of 1960101

QUESTION 16.

I do know approximately how many hours of chargeable practice I had in 1960 58

I do not know approximately how many hours of chargeable practice I had in 1960184

51 of the 58 lawyers who indicated they knew how many chargeable hours in 1960 averaged 1737 chargeable hours. *suspect.*

QUESTION 17.

In 1960 I collected ____ % of what my clients owed me.
233 replied as follows:

| | |
|--------|----------|
| 60%— 6 | 80%— 23 |
| 50%— 2 | 90%—164 |
| 70%—10 | 100%— 28 |

QUESTION 18.

I keep time records for billing purposes -----120
I do not keep time records for billing -----133

TABLE V
Non-Salaried Lawyers in Full Time Practice
North Dakota—1960

LAWYERS KEEPING TIME RECORDS

| Size of Firm | Percent Timekeepers | Age Group | Percent Timekeepers |
|------------------|---------------------|-----------|---------------------|
| Solo | 30.6 | Under 30 | 55.2 |
| 2 | 49.3 | 31-35 | 48.4 |
| 3 | 85.7 | 36-40 | 42.5 |
| 4 | 84.2 | 41-45 | 46.8 |
| 5 + | 33.3 | 46-50 | 40.0 |
| Population Group | | 51-55 | 50.0 |
| | | 56-60 | 35.7 |
| Under 1000 | 16.7 | 61-65 | 64.3 |
| 1000-2500 | 23.2 | Over 65 | 21.4 |
| 2500-5000 | 45.4 | | |
| 5000-10,000 | 70.6 | | |
| Over 10,000 | 55.5 | | |

TABLE VI
Non-Salaried Lawyers in Full Time Practice
(All data is the mean average)

| | Timekeepers | Non-Timekeepers | State wide Average |
|--------------|-------------|-----------------|--------------------|
| Gross Income | \$20,328. | \$15,312. | \$17,721. |
| Net Income | \$13,316. | \$10,012. | \$11,652 |
| Overhead % | 34.5% | 34.6% | 34.2% |

QUESTION 19.

I consider that I should have the following net income, before taxes, to maintain a decent and proper standard of living for me and my dependents:

| | |
|-------------------------------|----|
| (a) \$5,000 to \$7,500 | 23 |
| (b) \$7,501 to \$10,000 | 76 |

| | |
|--------------------------------|----|
| (c) \$10,001 to \$12,500 | 81 |
| (d) \$12,501 to \$15,000 | 57 |
| (e) \$15,001 to \$20,000 | 40 |
| (f) \$20,001 to \$25,000 | 21 |
| (g) \$25,001 to \$30,000 | 4 |
| (h) \$30,001 to \$40,000 | 1 |
| (i) Over \$40,000 | 1 |

QUESTION 20.

There is a need for an additional lawyer or lawyers in my area in the near future 47

There is not a need for an additional lawyer or lawyers in my area in the near future239

QUESTION 21.

I do generally charge fees below minimum suggested fee schedule of North Dakota Bar Association 36

I do not generally charge fees below minimum suggested fee schedule of North Dakota Bar Association250

QUESTION 22.

I have the following suggestions for activities of the State Bar Association of North Dakota to better the condition and standing of lawyers in North Dakota. (The numerous answers to this question have not yet been fully analyzed.)

Everyone studying this report will undoubtedly reach certain obvious conclusions. Among these are the need for more and better time records, more lawyers covered by malpractice insurance with higher limits, greater efficiency in our office operations, more complete and general adherence to the minimum fee schedule, and our continued efforts to raise the overall economic status of the North Dakota lawyer, both salaried and non-salaried.

Your committee will endeavor to make use of the information gleaned from this survey in future programs of emphasis aimed at improving the economic status and position of the legal profession in North Dakota. The Legal Economics Com-

mittee, and the survey sub-committee, want to thank all of the lawyers in North Dakota who responded to the survey questionnaire and so ably helped make this report to the Association.

A. J. GREFFENIUS,
Chairman,
Legal Economics Committee

KEN PRINGLE,
Chairman,
Sub-Committee on
Economic Survey

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