

DIVERSE OUTSIDE COUNSEL: A SNAPSHOT OF WHO'S GETTING THE BUSINESS

Does your corporation track the diversity of the outside counsel who represent it or otherwise handle legal matters for it?



CORPORATE CLIENTS ARE TRACKING THE DIVERSITY OF THEIR OUTSIDE COUNSEL

Almost three-quarters of the respondents are tracking the diversity of their outside counsel. Gender and race/ethnicity were the most commonly tracked diversity characteristics, followed by disabilities and veteran status.

19.55%
YES
for all
outside
counsel

51.13%

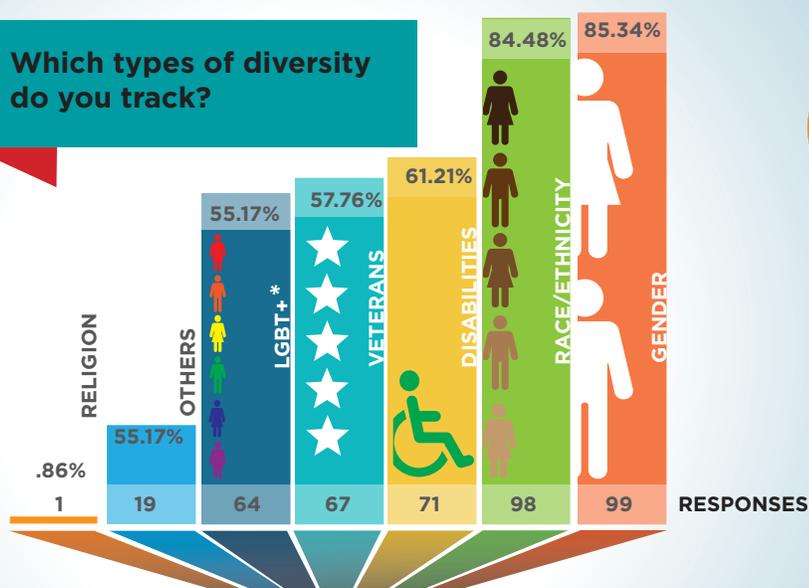
YES

but only for outside counsel whose billings reach a certain dollar amount handling matters for us, or who work at law firms to which we give significant amounts of our legal work



29.32%
NO

Which types of diversity do you track?



CORPORATE CLIENTS GIVE MOST OF THEIR BUSINESS TO LARGE LAW FIRMS

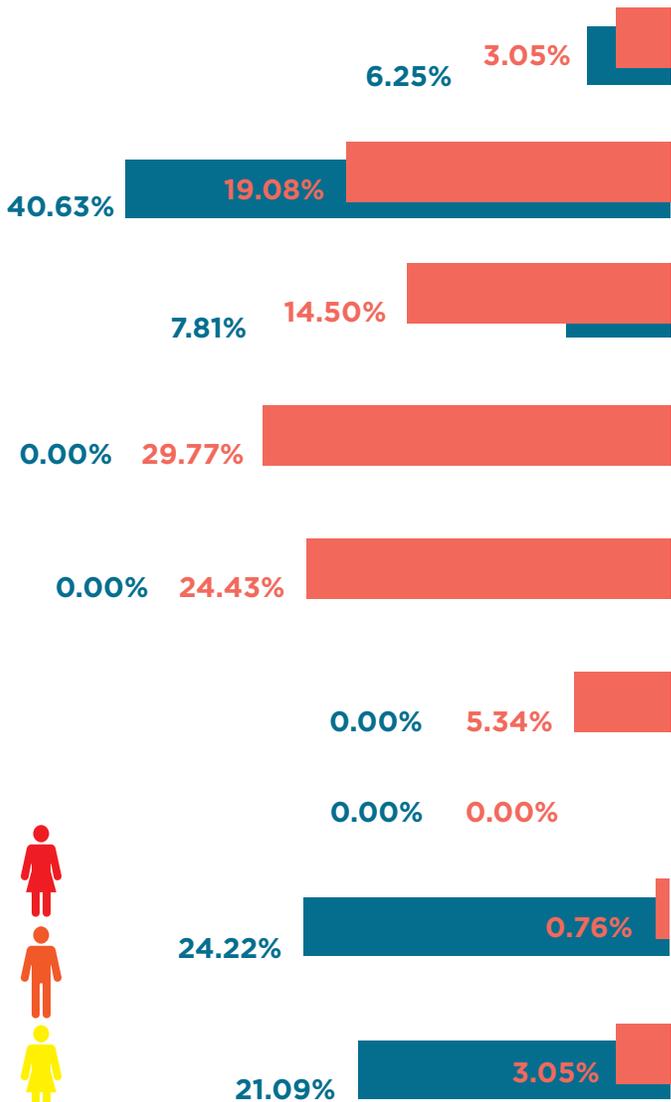
AmLaw 200 law firms received more business than any other category of law firm. Large regional firms are receiving solid amounts of work but there is less reliable stability around that work. Small, local firms do not fare as well in receiving corporate business and sole practitioners fared worst of all. Some clients, however, do appear to have carved out areas of business that they refer to diverse-owned firms.

*Although IILP has adopted the more familiar LGBTQ+ abbreviation, we use "LGBT+" here to reflect both what was asked and answered in the survey."

WAS A WOMAN



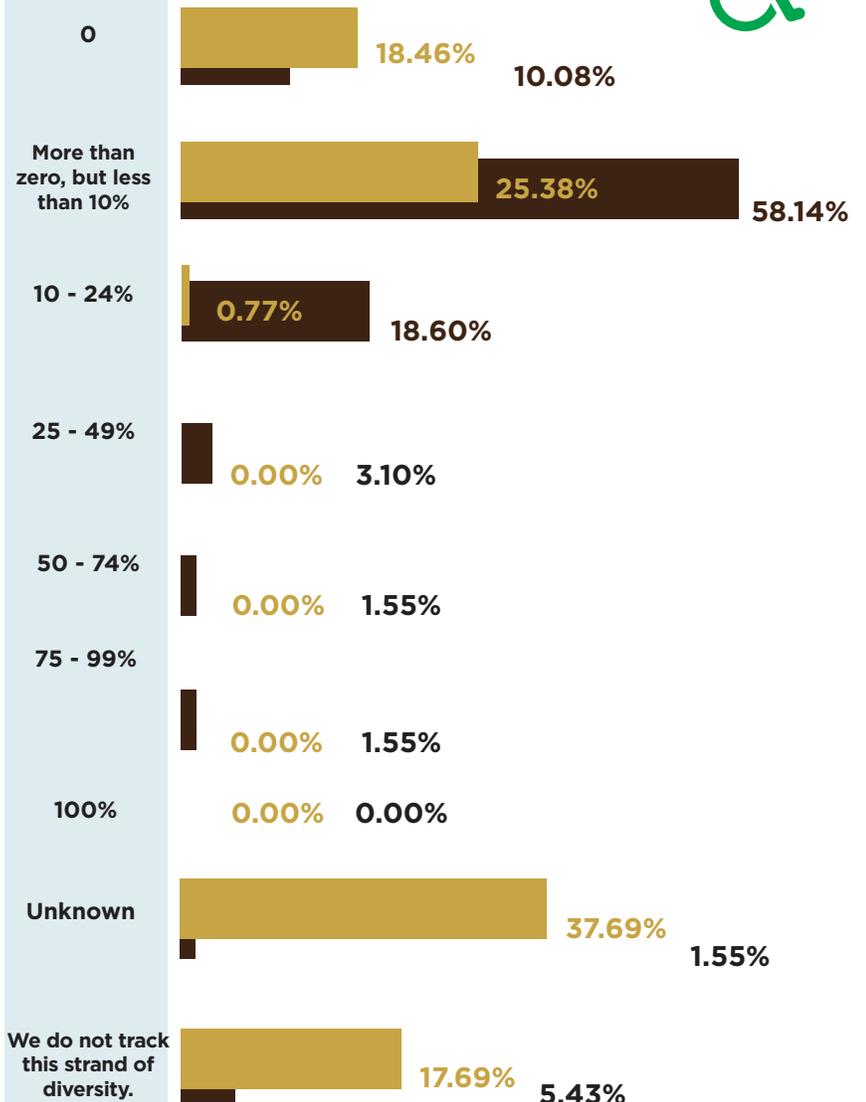
During your last full fiscal year, what was the percentage of your total matters referred to outside counsel where the outside counsel lawyer with primary responsibility for the matter was a **woman**?



HAD AN ADA-RECOGNIZED DISABILITY



During your last full fiscal year, what was the percentage of your total matters referred to outside counsel where the outside counsel lawyer with primary responsibility for the matter had an **ADA-recognized disability**?



WAS LGBT+*



During your last full fiscal year, what was the percentage of your total matters referred to outside counsel where the outside counsel lawyer with primary responsibility for the matter was **LGBT+***?

WAS A RACIAL/ETHNIC MINORITY

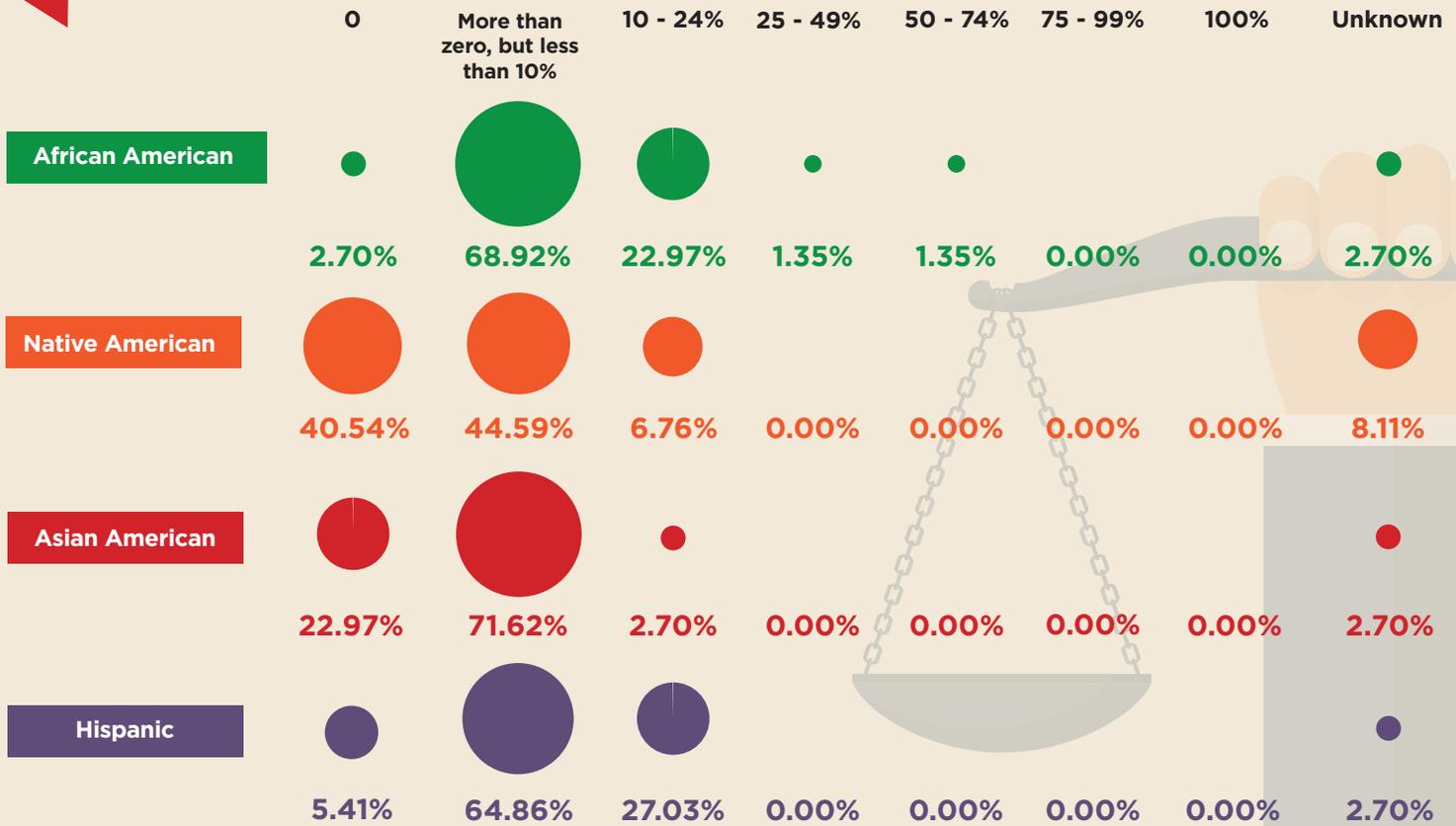


During your last full fiscal year, what was the percentage of your total matters referred to outside counsel where the outside counsel lawyer with primary responsibility for the matter was a **racial/ethnic minority**?

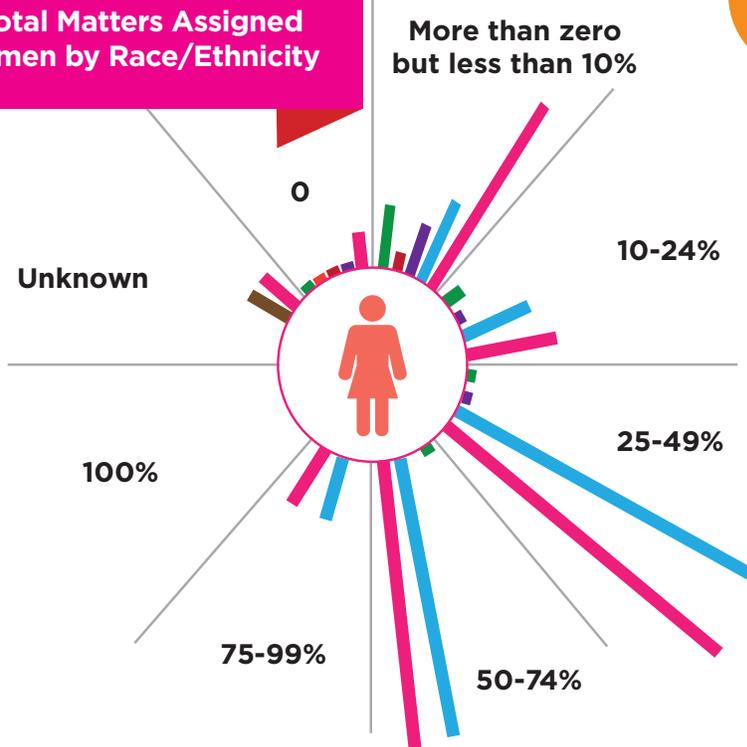
■ WOMAN
 ■ LGBT+
 ■ DISABILITY
 ■ RACIAL/ETHNIC MINORITY



During your last full fiscal year, what was the percentage of your total matters referred to outside counsel where the outside counsel lawyer with primary responsibility for the matter was...



% of Total Matters Assigned to Women by Race/Ethnicity



SOME TYPES OF DIVERSITY ARE VALUED MORE THAN OTHERS

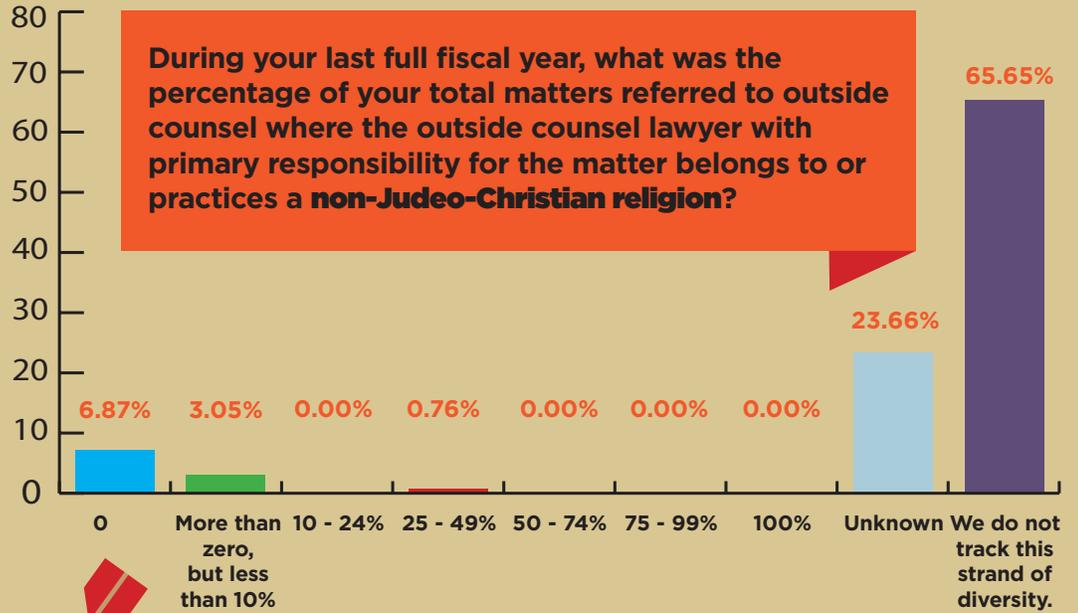
White women receive significantly more of the business that the respondents assign to diverse outside counsel. Well over half of the matters that respondents assigned to outside counsel were assigned to White women lawyers who were given primary responsibility for the matters. Asian Americans receive the least. In the next tier, 10% - 24%, Hispanics, followed by African Americans, fared best while Asian Americans and Native Americans did not receive that amount of business from any of the respondents. The racial/ethnic minority groups fell most frequently into the range of receiving “more than zero, but less than 10%.” LGBT+ lawyers fared a little better, with over 40% the respondents reporting that they assigned “more than zero but less than 10%”. Lawyers with disabilities were the group least likely to have corporate clients assigning matters to them.

Multiracial White Hispanic Asian American Native American African American Total



RELIGIOUS DIVERSITY

While both society and the legal profession have been paying greater attention to non-Judeo-Christian religious diversity and including people who are Muslim or Sikh, for example, that has not yet been incorporated into the diversity efforts of corporate clients. Almost two-thirds of respondents are not tracking religious diversity.



Does your company set annual diversity goals or targets for your outside counsel law firms?

For those corporations that do set diversity goals for their outside counsel, failure by the law firm to meet those goals result in consequences ranging from a slap on the wrist – a letter expressing the client’s concern and disappointment – to deprivation of future business or loss of incentives that were intended to motivate the firm. Corporate clients, however, are also using their creativity to develop other perks, benefits, and rewards to encourage their outside counsel’s diversity efforts.

After collecting this diversity data from your outside counsel law firms, does someone from your law department review the data from each firm and discuss it with the firm annually (or more frequently)?



CORPORATE CLIENTS ARE INCONSISTENT IN THEIR USE OF THE DIVERSITY DATA THEY COLLECT FROM OUTSIDE COUNSEL

Corporate clients have been tracking the diversity of their outside counsel but what they do with the information spans the spectrum. Sometimes, they review it. Sometimes that review is conducted with the firm in question. But regardless whether anyone reviews it, a significant majority of the respondents choose not to set diversity goals for their outside counsel for a variety of reasons.