

**Chicago Lawyers and their Clients, 1975-95:  
A Client-Based Approach to the Social Transformation of the Bar<sup>\*</sup>**

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\* This paper was prepared for "The Management of Durable Relations: Theoretical and Empirical Models for Households and Organizations," Zeist, The Netherlands, June 26-28, 1997. Support for this work was provided by grants from the American Bar Endowment, the National Science Foundation, the Chicago Bar Foundation, and Northwestern University's Institute for Policy Research. Special thanks go to Beck Sandefur, Kathy Hull, and Bob Nelson for useful guidance and feedback throughout.

### **Introduction: the Methodological Problem**

The causes and consequences of changes in the durability of social relations, as with other relational dimensions of social systems, are difficult to model. The macro-to-micro and micro-to-macro problem in the social sciences continues to complicate attempts at modeling the causal determinants of system-level change. According to Coleman (1990), a properly elaborated model requires starting with macro-level changes, observing micro-level behavioral responses, and only then moving back to macro-level outcomes. While part of the problem has been conceptual, a primary obstacle to causal explanation has been one of *data*; in explaining change over time, a proper micro-to-macro transition usually calls for data at multiple levels and multiple time points.

Taking an example used by Coleman (1990:6-10), Weber, in his "Protestant ethic" thesis, flounders between individual-level and system-level evidence without providing much in the way of linkage. In describing the empirical association between the values of Protestantism and the values of capitalism, *agency* remains the missing causal link; that is, evidence of a micro-level causal mechanism linking these two macro-level institutions remains elusive in Weber's model. The thesis would be more appropriately tested with multilevel data allowing the comparison of how multiple systems varying in terms of the independent variable (Protestantism) evolve over time.

In short, information from three dimensions would be necessary: one would need to observe (1) multiple levels (micro- and macro-levels) in (2) multiple social systems a (3) multiple points of time. In other words, information about social systems (e.g., countries) and their constituent individuals would have to be collected at two appropriately distanced points of time. After the collection of data, three components of model-building remain: (1) evaluating the effects of macro-level properties of the system (or the "environment") on the opportunities and incentives of the constituent individual actors, (2) measuring individual-level response, and (3) estimating the effects of the aggregation of individual action on system-level outcomes (Coleman 1990:27). Given the sheer magnitude of these demands, it is little surprise that these criteria have so seldom been met.

Thus, bridging micro- and macro-levels to each other and to multiple points in time remains a significant obstacle to constructing models of organizational and systemic change. In this paper, using data from a uniquely designed survey project of Chicago lawyers, we attempt to build these bridges in our effort to model changes in lawyer-client relational durability between 1975-95.

### **Our Data and Empirical Problem**

We use data from two surveys of the Chicago bar (the legal profession), the first conducted in 1975 (N=777) (see Heinz and Laumann 1982) and the follow-up in 1994-95 (N=884). At the individual-level the two samples are independent; the project was not longitudinal. However, as we will see below, the subsystems to which the respondents

belong are not independent; they are the same subsystems observed at two points in time. For this reason we carry out what could be called a "virtual-longitudinal" analysis.

The sampling frame in each survey consisted of several local directories of lawyers with City of Chicago addresses (within the municipal boundaries, and thereby excluding suburban lawyers) from which individuals were randomly selected. Since we are interested only in the components of the bar that manage clients, we limit the scope of our attention to active private-practice lawyers, i.e., solo practitioners and firm lawyers. Government lawyers (including judges, public defenders, and criminal prosecutors), law professors, and in-house counsel are excluded. Thus, in the end we analyze information on 514 Chicago lawyers in 1975 and 505 in 1995.

There are two main reasons why the bar and its constituents form ideal research subjects for modeling behavioral change at multiple levels and across time. First, the bar is highly structurally differentiated into measurable, coherent sub-systems. That is, individual members of the bar are organized into discrete but overlapping subsystems and orientat their behavior according to these affiliations. Second, the bar has undergone dramatically rapid change over a relatively short period of time, rendering it highly amenable to our virtual-longitudinal analysis. Let us elaborate on each of these points.

Each individual member of the Chicago bar, in addition to possessing common membership in these higher-order social systems (the City of Chicago and the Chicago bar), are also members of differentiated middle-level subsystems demarcated b substantive field of practice (i.e., the legal service provided, or "specialization"). These field subsystems are not merely sociological constructs, but exist in popular discourse. Lawyers refer to themselves as belonging to the "personal injury bar" or the "commercial litigation bar," for example, or identify themselves as, say, "oil and gas" lawyers. Thus, the Chicago bar is part of what is termed by Parsons (1961:38) as a "cybernetic hierarchy"—a higher-order system structuring and regulating social action within hierarchically-nested subsystems. At the upper end of the cybernetic hierarchy is "Chicago." Moving down to a lower level, the Chicago bar, as a system in open interaction with its environment, is responsive to changes in its immediate and surrounding urban context. Likewise, legal subsystems (fields of practice, hereafter called, "field systems") and their constituent members are responsive to changes in all higher-order systems. Finally, individual and field system responses in turn exert a feedback effect on higher-order systems.

Of course, lawyers are not alone in these systems. At the levels of both the bar and the field subsystem, lawyers interact with many other actors (or the same actors in differentiated roles) such as judges, law professors, bar association committee members, politicians, and so on, and in so doing help shape the environmental setting. But clearly the most important actor with whom the lawyer interacts is the client. Lawyers and clients exchange private goods; the content of the transaction is a specialized, professional service usually provided in exchange for a fee (or a share of the proceeds generated from the legal work). Each side of the transaction exercises control over a resource, and each side has an interest in the resource controlled by the other (Coleman 1990:30). Lawyer-client exchange is in large part governed by a competitive market, and both sides of the exchange are highly responsive to changing environmental conditions. This brings us to the second main feature of the bar: rapid change.

Supply-side expansion in the Chicago bar has far exceeded the growth of demand. That is, the supply-demand structure has become highly lopsided, tipping the balance of interest and control in favor of the client. In short, massive macro-level disequilibrium has been generated. This system-level disturbance has altered the opportunity/incentive structure facing lawyers and clients and in turn has caused micro-level behavioral change designed to restore individual-level equilibrium. Finally, these individual efforts, in the aggregate, tend towards restoring macro-level equilibrium.

Thus, within a single city and over the short span of 20 years we have the necessary ingredients specified by Coleman (1990) for constructing a model of change. Moreover, by observing the same field systems in the same higher-order systems we are able to exploit favorable control conditions. That is, in a real sense we have conducted a natural experiment, a research scenario where behavioral change as a response to environmental stimuli is observed under carefully controlled conditions.

In what follows below, we will model lawyer-client relational durability at multiple levels: (1) we will model the determinants of *change* in the durability of lawyer-client relations and (2) we will model in a cross-sectional (*static*) manner the determinants of individual-level lawyer-client relational durability.

### **The Collapse of Market Barriers in the Provision of Legal Services**

Change within a social system is generated by both structural differentiation and normative institutional innovations (Parsons 1961:32). The Chicago bar has witnessed tremendous change in both domains. The major trend in the time period spanning our surveys is a growth in the supply of lawyers far faster than a growth in client demand. This disturbance generated pressures and concomitant institutional innovations aimed at tearing down traditional barriers to competition.

*Structural Differentiation.* We are concerned with the *urban* bar, and are therefore concerned with the changes in the broader urban environment of Chicago. The early 1970s witnessed the emergence of attempts to theorize an emergent social-structural watershed, a new "great transformation" that represents an important backdrop and empirical frame of reference for our study of Chicago lawyers. At about the time of our first survey, numerous scholars from a variety of perspectives and orientations were describing a process of industrial transformation that was reshaping the face of the American urban landscape (e.g., Bell 1973; O'Conner 1973; Aglietta 1987 [1976]; Braverman 1974; and, a little later, Piore and Sabel 1984). The elements of this watershed include the retrenchment and geographical redistribution of industry, the concomitantly shrinking revenue base of government and its withering ability to fund welfare expenditures, and the emergence of a service-dominated (information-processing) economy—in short, the arrival of the much heralded post-industrial, post-Fordist epoch.

The effect of the post-industrial transformation on the function of the city during this period has been extensively documented (e.g., Bradbury et al. 1982; Kasarda 1985). The major trend during the period of time spanned by our Chicago Lawyers surveys is the emergence and aggravation of disjuncture between *functional* and *demographic* shifts in the urban environment. Transportation and communications technology decentralized the

traditional economic functions of the city and produced changing patterns of work and residential settlement. Blue-collar and other low-skill jobs inside large cities began to evaporate and were replaced by white-collar service-sector jobs. Meanwhile, middle-class whites were settling in increasing numbers in surrounding suburbs, many of whom were commuting to work in the city. Poor minorities (mostly African-Americans and Hispanics) became trapped in inner cities and watched their jobs disappear and welfare support shrink. While some inner-city re-gentrification occurred, this trickle did not stem the flood that swept American cities: serving increasingly as commercial centers for the service-sector and as centers of entertainment and cultural arts, the city at the same time became a center of increasingly concentrated residential poverty (Kasarda 1985). The way in which this process unfolded in Chicago can be found in Wilson's (1987) classic account. The upshot for lawyers was the erosion of the traditional personal-client market and the growth of a changing business-client market with new legal needs in an era of post-industrialism.

The changing face of the city forms the backdrop to our study of Chicago lawyers and their clients. Between 1975 and 1994 the population of the City of Chicago declined by 11.9 percent (from 3.10 to 2.73 million). This was mainly a matter of population redistribution to suburban locales, for the population of Chicago's Metropolitan Statistical Area (MSA) increased by 9.3 percent in the same period (7.02 to 7.67 million) (U.S. Bureau of the Census 1978; Slater and Hall 1996). And the population remaining in the city became increasingly economically marginal. While in 1969 median family income in Chicago's MSA was 16.5 percent higher than median family income in the City of Chicago, by 1989 this gap had more than doubled to 38.0 percent, indicating that the economic gulf separating city and suburb widened substantially. Similarly, while the percentage of families in the Chicago MSA below the official poverty line increased by 26.5 percent between 1970 and 1989, the increase in the City of Chicago during the same time period was 72.4 percent, almost three times greater (U.S. Bureau of the Census 1978; Slater and Hall 1996).

Against this backdrop of urban transformation and shifting client markets, the production of lawyers has been explosive. For the nation as a whole, the volume of lawyers increased by 127 percent between 1970 and 1991, which means a lawyer/population increase of 1:572 to 1:313 (Curran and Carson 1994). This is the main source of disequilibrium in the Chicago bar: in the 20 years between our surveys, the supply of lawyers by far outstripped demand growth, but this imbalance varies greatly by field system. The Chicago bar has doubled in size between 1975 and 1995 (Heinz 1994). But receipts from legal services in the City of Chicago as a percentage of total business receipts grew somewhat slower, increasing by 80 percent between 1972 and 1992, reflecting increased competition (U.S. Bureau of the Census 1978; Slater and Hall 1996). This is consistent with the drop in mean income between 1975 and 1995 among Chicago lawyers (Sandefur and Laumann 1997). This macro-level imbalance between supply and demand frames and orientates much of the subsystem- and individual-level action in our models.

*Normative Change.* Of course, how disequilibrium is worked out is partly a function of normative rules constraining behavior. The traditional rules governing legal

practice were anti-competitive and required drastic amendment in order to alleviate the supply/demand disturbance described above. The American Bar Association (ABA) establishes rules of professional behavior for its members that serve as models for codes of conduct and responsibility adopted by state and federal courts. While there is some local variation, the states generally follow the national models quite closely (Hazard and Taruffo 1993:91-2). Violation of any rules of conduct could result in disciplinary action, including disbarment or criminal penalties. The *Canons of Professional Ethics*, adopted by the ABA in 1908, is one of the earliest and most enduring codes (Scheyer 1992). The next most significant revision was in the form of the *Code of Professional Responsibility*, adopted in 1969 (ABA 1969). Following this, adopted in 1983 and still in effect today, is the *Model Rules of Professional Conduct* (Redlich 1984).

We are interested in two major normative barriers to competitive, market behavior that have eroded significantly in the time between our two surveys of Chicago lawyers: contingency fees and advertising. A fundamental and enduring tenet governing lawyer behavior is the doctrine of champerty and maintenance. Champerty is the provision of legal services in exchange for a share of property in the event of success, and has been prohibited in the American legal tradition since England's Statute of Westminster I of 1275 (MacKinnon 1964:36). Maintenance is the lawyer's advancement of expenses to her client, expenses unrelated to her client's immediate legal need. The doctrine of champerty and maintenance is clearly spelled out in the *Model Rules*: Canon 5-103 states that (1) a lawyer may not acquire a proprietary interest in work she is conducting for her client, and that (2) she may not provide financial assistance to her client with the exception of advancing litigation expenses (such as court fees); and, of great significance, even when the lawyer legitimately advances litigation-related expenses, the client remains ultimately liable (Redlich 1984:58-9).

However, subject to the above guidelines, lawyers may charge a contingency fee—a fee that is contingent upon success.<sup>1</sup> This is a "no win, no pay" situation (Kritzer 1996). In reality, of course, the line between contingency fees and champerty is a blurry one. For this reason, even though the practice of charging contingency fees has been part of American legal practice for over one hundred years, by the mid-1960s it had still not been universally sanctioned by all states (MacKinnon 1964:39-41). The ban on champerty and the resistance to contingency fees represent market barriers. Jeremy Bentham launched perhaps the earliest polemic against laws prohibiting champerty and maintenance; and his argument was precisely one of eliminating barriers to free competition (Bentham 1828 [1787]).

In the time since our first Chicago Lawyers survey, contingency fees have become increasingly popular. As an adaptive strategy in the face of severe market imbalance, increasing numbers of lawyers have been treading close to the line separating contingency fees and champerty. Meanwhile, some have criticized the ABA for exhibiting complicity rather than reprimanding this emergent behavior (Brickman 1996). In reaction to this spreading practice, several states have attempted to impose controls in the form of contingency fee caps and other regulations (Kritzer 1996). Observers have argued tha

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<sup>1</sup> Contingency fees are not allowed in family and criminal cases (Redlich 1984: p.111, Rule 1.5d).

champerty is alive and well, masquerading as contingency fees, and has become increasingly widely practiced in recent years (Spencer 1990a, 1990b; Zirin 1996). Furthermore, a recent trend towards the full-blown legalization of champerty has become apparent. In Oklahoma, for example, since 1993 lawyers have been legally liable for a litigation expenses they advance (Cottingham 1995). In Illinois, a recent opinion published by the state bar association asserts that lawyers may agree to become personally liable for litigation expenses they advance (ISBA 1995). Moreover, lawyers may advance such expenses using borrowed money and then charging the client interest (ISBA 1994). Lawyers have clearly gained increased latitude to take a personal and proprietary interest in their legal work, and this emergent normative innovation has reduced barriers to more open and free competition in the context of severe market disequilibrium.

This brings us to the other major institutional innovation of interest to us that has also emerged as a response to system disequilibrium in the bar: advertising. As with champerty and maintenance, solicitation and advertising were prohibited in the 1969 *Code* and in the earlier 1908 *Canons*.<sup>2</sup> However, unlike champerty and maintenance, solicitation and advertising were formally approved by the ABA in the 1983 *Model Rules*. In the original 1908 *Canons*, lawyers were told that solicitation and advertising were antithetical to virtuous and dignified professional behavior (Abel 1989:119-22). Under this prohibition, the ABA alleged that success as a lawyer was (or at least *should be*) a function of professional integrity and reputation (Auerbach 1988 [1976]; Schurman 1988 [1968]). These rules were established in a prior era of the small-town lawyer who enjoyed relatively stable demand for legal services and little competition (Rhode 1988 [1986]). However, in the wake of the social transformations outlined above that generated a systemic supply/demand imbalance, a critical mass of lawyers exerted pressure to repeal the ban on advertising (Abel 1989:120). In a landmark Supreme Court case in 1977 (*Bates et al. v. State Bar of Arizona*), lawyer advertising was legalized (Schneyer 1992:104). (For a more detailed case history, see Seron 1996:161n2.) Thus, prohibited at the time of our first survey of Chicago lawyers, advertising was permitted both by state law and by the ABA's 1983 *Model Rules* (Redlich 1984:p.15, Canon 2-9; pp.171-3, Rule 7.2) by the time of our second survey

There remains much debate about the relative merits and social evils posed by lawyer advertising. The major argument in favor of advertising is precisely in terms of tearing down market barriers and providing greater access to legal services (e.g., Hazard

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<sup>2</sup> More accurately, individual and firm advertising was prohibited. "Institutional" advertising, on the other hand—e.g., "a dignified, institutional educational campaign" undertaken by a bar association—was permitted (ABA 1969:Canon 2, EC 2-2, note 7). In the 1969 *Codes*, even the manner in which lawyers were listed in telephone directories was strictly regulated. Only the name, address, and phone number (and an indication that it is a lawyer or law firm listing) was permissible; even bold-face or italicized print was prohibited (ABA 1969: Canon 2, DR-102A5). By the time of the second Chicago Lawyers survey, one of the most colorfully advertised sections of the yellow pages (classified telephone directory) was the legal section. Also pulled from the 1983 *Model Rules* was the following stricture in the 1969 *Codes* against solicitation: "This Court has condemned the practice of ambulance chasing through the media of runners and touters. In similar fashion we have with equal emphasis condemned the practice of direct solicitation by a lawyer. We have classified both offenses as serious breaches of the Canons of Ethics demanding severe treatment of the offending lawyer" (ABA 1969:Canon 2, DR2-103C, note 118).

et al. 1988 [1984]). Rather than serving demand-generating purposes, the argument is that advertising is a rational strategy adopted in the face of extreme competition; thus, it is less a profit-maximization strategy than a loss-minimizing strategy (Daniels and Martin 1997). On the other hand, the main position against advertising is premised on fears of an explosion of frivolous litigation (e.g., Macaulay 1988 [1985]).

Another institutional innovation developed to facilitate the restoration of market equilibrium is competitive bidding. When the questionnaire for the first survey was being developed and pretested in 1974, there was apparently no awareness of lawyers bidding competitively for legal work. But by the early 1990s competitive bidding had emerged and grown as a normative innovation to deal with market pressures.

### **Organizational Structure and Change in the Chicago Bar**

Both individuals and systems adapt and react to environmental changes in an attempt to restore to equilibrium. Actions designed to restore individual equilibrium also serve to restore social equilibrium in the aggregate and in the long run (Coleman 1990). Lawyers are highly responsive to changing conditions and exhibit entrepreneurial tendencies (Seron 1996; Daniels and Martin 1997; Van Hoy 1997).

But before looking at how this has happened in Chicago, we need to describe the basic units of our analysis, the building-blocks of the bar. The main units to which lawyers belong are (1) field systems, (2) practice settings, and (3) hierarchical role positions. While membership in field settings is multiple and overlapping (i.e., an individual often belongs to multiple field systems), practice settings and role positions are mutually exclusive.

As the bar expanded, the number of field systems also expanded. We use information on individual membership in 22 field systems in 1975 and 34 field systems in 1995. In our virtual-longitudinal analysis later in this paper of field system change over time, we will examine the 20 applicable field systems observed in both surveys. For our individual-level cross-sectional analyses, we collapse field systems into seven meta-field systems for 1975 and eight meta-field systems for 1995.<sup>3</sup> (See Appendix 1 for coding procedures.)

Accompanying the growth of field systems has been increased specialization. The percentage of active private-practice lawyers belonging exclusively to one field system grew from 16.5 percent in 1975 to 27.9 percent in 1995. This is despite an increase in possible fields to which one could belong (as we just mentioned, an increase from 22 to 34). Moreover, the mean number of field system memberships per active private-practice lawyer dropped from 3.1 to 2.8 (and the median dropped from 3 to 2).<sup>4</sup> A more rigorous way to estimate degree of specialization is with a measure described and applied by Cappell (1979) (See Appendix 3, Section A.). Using this measure, mean specialization increased by about 16 percent, from .481 in 1975 to .557 in 1995 (Table 1).

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<sup>3</sup> We exclude political fields (criminal prosecution and municipal law) because these fields involve far less client management and are therefore less applicable for the purposes at hand. "Environmental law" is an emergent field system that was inchoate in 1975.

<sup>4</sup> The difference of means is statistically significant at  $p < .02$  ( $t = -2.37$ ) assuming unequal variances.

In addition to growing numbers of field systems and increasing specialization, another major organizational change has been the growth of law firm size. In the time period spanned by our study, the law firm grew from smaller, less formal organizations to enormous bureaucratically-structured organizations (Nelson 1988). According to our survey data, law firm size more than quadrupled between 1975 and 1995, growing from a mean of 37.8 lawyers (and a median of 11) to a mean of 175.1 (and a median of 45). And the size-gap between small and large firms—the gap between top and bottom quartiles of firm lawyers (i.e., the gap between the 25 percent of lawyers in the largest law firms and the 25 percent of lawyers in the smallest law firms<sup>5</sup>)—widened even more. While in 1975 the top quartile of lawyers were in law firms with a median size 50 times larger the law firms inhabited by the bottom quartile of lawyers, by 1995 this gap had more doubled to a 100-fold size differential. Thus, while law firms in the aggregate grew by leaps and bounds between 1975 and 1995, larger firms grew much faster: while firms containing the bottom half of the bar approximately doubled in size, firms containing the top half of the bar almost quintupled.<sup>6</sup>

This finding of unequal rates of growth is entirely consistent with Galanter and Palay's (1991) model of law firms growing exponentially due to an internal "growth engine" fueled by associates. Let us elaborate briefly. An important dynamic in the bar is what Galanter and Palay (1991) call the "promotion-to-partner tournament." Law firm have tenure systems in many ways analogous to those of universities. Young lawyers are hired as "associates" for a contractual probation period, after which they have the opportunity for promotion to general law firm "partner." But the similarity between law firms and universities ends here. While associates usually earn fixed salaries, hourly wages, or task-dependent compensation, partners typically earn a share of total firm proceeds.<sup>7</sup> Galanter and Palay (1991) construct and test a model for why firms with more associates gain more associates and thus grow exponentially. According to our data, the variation in associate/partner ratio by law firm size shrunk substantially between 1975 and 1995. In 1975 the ratio was .30 among the bottom quartile of lawyers, less than half the ratio of .84 among lawyers in the top quartile. This gap had shrunk substantially by 1995: the associate/partner ratio had become .73 among the bottom quartile of lawyers and .88 among the top quartile of lawyers. In short, the firms that have grown most rapidly are

<sup>5</sup> The bottom quartile in 1975 consisted of lawyers in firms of size 1-3, while the bottom quartile in 1995 contained lawyers in firms of size 2-8. Firm size among second-quartile lawyers was 4-10 in 1975 and 9-40 in 1995. Among third-quartile lawyers, firm size was 11-50 in 1975 and 41-225 in 1995. Finally, the top quartile in 1975 contained lawyers in firms of size 51-440, while the top quartile in 1995 included lawyers in firms of size 226-2,000.

<sup>6</sup>

	Firm Size			
	1975		1995	
	mean	median	mean	median
bottom quartil	2.45	2	4.57	4
2nd quartil	6.24	6	19.86	16
3rd quartil	24.91	22	127.48	120
top quartil	116.67	105	555.15	400
TOTAL	37.82	11	175.06	45

<sup>7</sup> In this paper we are not concerned with the different classes of associates and partners and the different compensation schemes that exist within and across law firms.

precisely those with the most associates. Although associates have since spilled over into smaller firms, they nevertheless remain relatively more concentrated in the largest law firms. As a consequence of the growth and spread of associates, the mean age of active private-practice lawyers in the bar has dropped from 43.9 to 41.5 years.<sup>8</sup>

Basically, we have been painting a picture of the Chicago law firm becoming larger, younger, and more hierarchically differentiated. In 1975, given relatively smaller firm sizes, there was little awareness among our survey investigators of law firms being organized into subdivisions or departments; thus, this was not an applicable topic on our original survey instrument. By 1995, however, it had become an extremely salient feature of law firms and was therefore included in our questionnaire. In 1995, 73 percent of firm lawyers indicated their firms had subdivisions; this percentage varied by firm size, with 30 percent of bottom-quartile lawyers and 99 percent of top-quartile lawyers indicating subdivisions. Of those responding in the affirmative, bottom-quartile lawyers averaged 2.6 subdivisions in their firms while top-quartile lawyers averaged 9.9 subdivisions. Consistent with this increase in hierarchical differentiation, law firm associates have reported increased levels of supervision.<sup>9</sup> The percentage of active law-firm lawyers indicating their work is closely supervised by more senior lawyers increased by almost 15 percent between 1975 and 1995, from 31.7 to 44.4 percent.<sup>10</sup>

### **The Importance of the Client in the Social Structure of the Chicago Bar**

The bar is highly structured by client base, more so than by doctrinal distinctions in the substantive content of the legal service rendered (Heinz and Laumann 1982). In other words, distinctions between field systems on the basis of for whom the work is done are far more salient than on the basis of the doctrinal nature of the work.

Figure 1 shows differences among the meta-field systems in terms of core client characteristics. The shapes of the star icons that represent meta-field systems are governed by their component variable values; differences in shape indicate differences in terms of these client characteristics. From comparing star icons in Figure 1 we can observe that members of the personal plight system have a large, highly transient client volume that is more oriented to the personal-sector, containing relatively few business clients and

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<sup>8</sup> While lawyers in all firm sizes have become younger, most of the bar's age-drop can be explained by the expansion of associates into smaller law firms: while the age drop was negligibly small among the 75 percent of lawyers in the largest law firms, the drop among the bottom quartile was 2.54 years.

<sup>9</sup> The question wording and coding is as follows:

"One of the things I like about my area of practice is that I can do largely whatever I like without having someone looking over my shoulder and directing my work"

1 2 3

4 5

"In my practice of law I work closely with more senior lawyers who provide relatively close guidance in the nature of my work."

<sup>10</sup> The increase was even greater among lawyers in medium-sized firms. The incidence of supervision remained about the same among bottom-quartile lawyers. However, supervision increased by 24.6 percent among second-quartile lawyers (from 13.5 to 38.1 percent) and by 18.2 percent among third-quartile lawyers (from 22.2 to 40.4 percent).

relatively more working-class clients.<sup>11</sup> The corporate law and regulatory law systems, on the other hand, manifest the opposite shape: these systems are characterized by a client volume that is relatively small but highly stable and consisting mostly of businesses. Meanwhile, lawyers in the tax system have a high volume of long-term, stable clients. Finally, lawyers in real estate and probate systems are more well-rounded or diversified in terms of their clientele as reflected in the symmetrical diamond-shape of their star icons. The star icons only show us *relative* differences between systems; they tell us nothing about *absolute* client volume. Therefore, comparisons between 1975 and 1995 are only in terms of relative differences between systems at the same point in time. Thus, Figure 1 reveals that relative differences between systems are extremely stable between 1975 and 1995. Absolute changes, however, as will see below, were tremendous.

Having just shown the salient client-based characteristics and differences among field systems, our first basic unit of analysis, we now turn to descriptions of the other two basic units of our analysis: practice setting and role position. As with the meta-field systems, there is substantial client-based variation between practice settings and role positions. Figure 2 shows that, with the exception of the business-client point of the star, the solo practitioner is well-rounded, serving a medium-volume of clients, some transient and some stable and durable—but with a very low business-client volume. The large-firm partner is a mirror-image of the solo-practitioner: except for the working-class point of the star, this is also a well-rounded system, with a high volume of business clients. Partners in mid-size firms have the fewest clients and the highest degree of client durability. Associates in small law firms have the highest client volumes as well as relatively high client turnover rates. Lawyers in smaller firms have relatively fewer business clients and relatively greater working-class client concentration. Finally, associates in large law firms are the youngest, have the highest rates of client transience, and have the fewest working-class clients. As with the meta-field systems, the *relative* differences between practice settings and role positions are highly stable between 1975 and 1995.

### **The Development of Disequilibrium and Polarization in the Chicago Ba**

So far in this paper we have established the preliminary groundwork necessary to explore how Chicago lawyers as individuals and as social systems adapt to changing

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<sup>11</sup> "Working-class" refers not to the total percentage of clients that are working-class, but rather to the percentage of personal clients that are working-class (blue-collar, unemployed, and sales and clerical). This measure therefore captures the concentration of working-class clients among personal clients, not the total volume of working-class clients. This measure of the degree to which personal clients are of working-class background is less correlated with business client volume and therefore less redundant in our analyses.

The way business client volume is measured changes between 1975 and 1995. The original question asked the respondent to indicate the proportion of *income* that derived from work representing business clients. In 1995, however, the question wording was changed to "the proportion of *time*." As we will see below, this change works in our favor when it comes to estimating the growth of business client volume and the decline of personal client volume. Insofar as lawyers spend less time per dollar earned on business clients compared to personal clients (a safe assumption), all else being equal we would expect the change in question wording to increase personal client volume. Therefore, to the extent that we observe a decrease in personal client volume, the trend is more believable and significant.

environmental conditions. We have described the major social-structural changes that have occurred in the City of Chicago and in the Chicago bar between 1975 and 1995. We have described with census and other government data how the changing client-base of Chicago lawyers coupled with the dramatic expansion of the bar has produced system disequilibrium. We have outlined some normative innovations that have emerged as a way to alleviate this system disturbance. And we have introduced the reader to the basic units of analysis used in studying of the legal profession, described the major changes these units have experienced between 1975 and 1995, and oriented the reader to the importance of the client as a source of structural differentiation in the bar. Now we will look at what our survey data reveal about changing client markets and how the bar has adapted to these changes.

We use information on number of clients, client type, and field system membership in order to estimate both client market shifts and shifts in the supply of legal services. That is, we estimate how client volume has changed between 1975 and 1995 and where and to what extent this has generated system disequilibrium. (See Appendix 3, Part B for how these estimates are calculated.) In the section following the present one, we will model the adaptive behavior of individual lawyers and the systems to which they belong.

The total volume of clients increased by 15 percent between 1975 and 1995 (Figure 3a), and the volume of *transient* clients (i.e., clients represented for less than three years) increased even more, by 21 percent (Figure 3b). However, personal client volume diminished by 11 percent. This is entirely consistent with the 11.9 percent drop in the City of Chicago's population we observed above. Moreover, since the outgoing population was disproportionately middle-class and the remaining population was one of increasingly concentrated poverty, middle-class client volume declined by a full 24 percent. That is, we estimate that the 11.9 percent drop in the City of Chicago's population took away about 24 percent of the bar's middle-class client base.<sup>12</sup> This has been a major blow to the bar's field systems that traditionally served personal clients, since lawyers' personal-sector clients are disproportionately drawn from higher-income backgrounds (Abel 1989:204). Meanwhile, according to our estimates, the bar's working-class client volume remained about constant, increasing to a negligible extent

While personal client volume shrank, business client volume showed a substantial increase (Figure 3a). Total business client volume increased by 35 percent and major corporate client volume increased by 51 percent. This is consistent with what we know about the transformed function of the city in the post-industrial era. It is also noteworthy that while business clients in general and major corporate clients in particular increased, the volume of *transient* business clients and *transient* major corporate clients increased even faster (Figure 3b).

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<sup>12</sup> This process can be explicated with the following hypothetical situation: Assume city X at time<sub>1</sub> is 40 percent middle-class and 60 percent working-class. If a 12 percent population decline that occurs between time<sub>1</sub> and time<sub>2</sub> in the city is the result of an outgoing population that is 75 percent middle-class and 25 percent working-class (i.e.,  $9+3=12$ ), then this population decline will take away 22.5 percent of the city's middle-class population even though the drop in the percentage of the population that is middle-class will be only 4.8 percent. In other words, city X's population at time<sub>2</sub> will be 35.2 percent middle-class and 64.8 percent working class even though 22.5 percent of the original middle-class population will have left.

This tremendous shifting of client markets has also brought great adaptive changes to field-system task volumes. Most notably, taskload has declined in systems that are based on personal clients. We estimate that client demand in the personal plight system has declined by 13 percent and that client demand in the probate system has declined 53 percent. Meanwhile, business demand has increased (Figure 4a). We also observe that transient-client demand in both personal and business sectors has increased faster (or diminished slower) than total demand (Figure 4b). By far the most dramatic change has been in the litigation system, in which our estimates put the growth of client demand a more than 400 percent.<sup>13</sup>

Here enters the market disturbance: in all field systems, the increase in the supply of legal effort outstripped the increase in legal demand. The bar doubled while total client demand increased by only 15 percent. Consequently, mean income in the bar dropped 10 percent and median income dropped 14 percent (Sandefur and Laumann 1997). While the size of the bar has doubled, this increase has been differentially distributed across practice settings. Reflecting adaptation to the newly-altered environment, solo practitioners increased by considerably less than total system growth, expanding by only 45 percent. Thus, firm lawyers more than doubled (Figure 5a). But supply was still far outstripping demand, thereby creating tremendous tension. While the ranks of solo practitioners expanded by 45 percent, their bread-and-butter clients (personal clients) shrunk by 11 percent and the client base which provided most of their income (middle-class clients) diminished by 24 percent (Figure 3a). Legal effort in the personal plight system increased by 43 percent while client demand diminished by 13 percent. Even field systems dominated by business clients suffered disequilibrium. As we can see in Figure 5b, the rise in legal effort in all field systems was substantially faster, in varying degrees, than the demand increase.

As a result of this system-wide disturbance, there was an overall decline in clients per lawyer. The mean number of clients per lawyer<sup>14</sup> dropped from 115 in 1975 to 66 in 1995 (while the median dropped from 66 to 55). In terms of field systems, the largest drop occurred in the personal-plight system, which experienced a mean drop of 72 clients per lawyer in personal injury (plaintiffs), of 69 clients per lawyer in criminal defense, of 69 clients per lawyer in general family, and of 40 clients per lawyer in divorce.<sup>15</sup> Thus we observe that the decline in clients per lawyer was most precipitous among solo practitioners and small-firm lawyers (Figure 6).

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<sup>13</sup> But we caution that the estimated explosive rise in demand for litigation may be partly an artifact of response coding procedures. It is possible that coding procedures in 1975 prioritized membership in another system when a respondent indicated that civil litigation was practiced while carrying out work in another field system. That is, if a respondent indicated that she devoted 25 percent of her time to commercial law that involved some litigation, coding procedures prioritized membership in the commercial system. However, in 1995 membership may have been split between these two systems. We are in the process of retroactively reconstructing 1975 coding rules.

<sup>14</sup> This is measured as the number of clients for whom legal work was done during the previous 12 months.

<sup>15</sup> These figures are based on membership in a field system being defined as devoting at least 5 percent of legal effort to the field.

Overall, the durability of lawyer-client relations did not decline nearly as fast as the drop in the volume of clients available per lawyer. While, as we just noted, the mean number of clients per lawyer declined by almost 50 percent, the mean percentage of clients per lawyer that were *durable* (i.e., that had been represented for at least three years) dropped only 5 percent (from 55.8 to 50.8 percent). As we will see in more detail below, this much slower decline in relational durability is because change in the volume of clients represented is a huge determinant of change in the proportion of clients that are durable. We will also see later in this paper how this relatively small overall decline in lawyer-client relational durability belies a tremendous decline among an important sub-population of the bar: the emergent class of lawyers that has fueled the growth of the large firm and the general expansion of the bar, the young associate.

Thus, for the bar as a whole, clients being spread increasingly thinly across lawyers does not exert much of a corrosive effect on relational durability. The corrosive effect observed is mostly accounted for by solo practitioners, for whom mean durability declined 12 percent, and by associates of the largest law firms, for whom mean durability declined 17 percent. This brings us to another major change in the bar: increased polarization. Basically, the growth of business client demand has been captured very unequally; the majority of this growth has been absorbed by large-firm lawyers, while solo practitioners and small-firm lawyers have been at a disadvantage in sharing this wealth. Given the market saturation of lawyers and the rat-race that has emerged as a result, it is even plausible that lawyers from larger firms have been mining the few business clients solo practitioners and small-firm lawyers enjoyed. In 1975 solo practitioners accounted for 28 percent of active private-practice lawyers, but represented only 23 percent of this part of the bar's business clients and only 11 percent of its major corporate client volume. By 1995 this imbalance had become further heightened: 20 percent of this part of the bar's lawyers represented only 13 percent of its business clients and 3 percent of its major corporate client volume. Concomitantly, solo practitioners became further relegated to the personal-client sector of the bar, where levels of relational durability were much lower. Personal clients are much more likely to have "one-shot" or sporadic legal needs characterized by low relational durability, such as divorces, slip-and-fall cases, workers' compensation, probate work, and so on. In 1975, solo practitioners accounted for 28 percent of all active private-practice lawyers, but represented 41 percent of this part of the bar's personal client volume. By 1995 this unfavorable ratio had become even less favorable, with 20 percent of this part of the bar's representing 36 percent of its personal client volume.

The same process of polarization occurred between small- and large-firm lawyers. The proportion of business clients represented by the bottom quartile of firm lawyers dropped from 33 to 28 percent between 1975 and 1995, and the proportion of major corporate client volume this part of the bar represented dropped even more, from 24 to 13 percent. Likewise, in the same period of time, the proportion of this part of the bar's total personal client volume that was handled by the bottom quartile of lawyers increased from 47 to 60 percent, and the proportion of total working-class client volume it assumed grew even more, from 49 to 65 percent. Reflecting its shifting client base, the proportion of a short-term, transient clients assumed by the bottom quartile of firm lawyers grew from

percent to 46 percent (Figure 7). The same pattern is apparent in terms of field system taskload. In 1975, the bottom quartile of firm lawyers handled 48 percent of this part of the bar's total personal client taskload. By 1995 this taskload had increased to 61 percent. Likewise, in the same time period, the proportion of firm lawyers' total probate work handled by the bottom quartile of firm lawyers increased from 32 percent to 50 percent (Figure 8). This dramatically heightened polarization of client type and taskload has been paralleled by significantly heightened income polarization. Solo practitioners and small-firm lawyers in the Chicago bar have suffered income declines of 30 and 24 percent respectively, while, as we saw, mean income in the bar as a whole dropped about 10 percent. And nowhere in the bar was what could be described as a substantial income increase (Sandefur and Laumann 1997).

### **Adapting to a Changing Environment**

In the foregoing we have used descriptive techniques to outline the major changes the Chicago bar has undergone between 1975 and 1995. Now we will attempt to model these changes using inferential techniques. Among the changes we have described thus far are increased competition due to numbers of lawyers growing faster than client demand, reduced numbers of clients per lawyer, increased specialization (i.e., diminished diversity of field-system membership), and somewhat reduced lawyer-client relational durability. We are interested in how individuals and field systems have responded and adapted to market shifts. We expect the bar to be highly responsive, especially thanks to the normative innovations that have developed to facilitate system realignment and to allow greater fluidity of action aimed at restoring equilibrium.

Our models utilize what could be called a "virtual-longitudinal" technique. That is, although the individuals observed in each time period are different and we therefore cannot observe how individuals respond to changing environmental conditions, the fields of practice to which the individuals belong are the same social systems in both time periods; it is legitimate to observe how these field systems have changed and adapted over time. Thus, we will model change over time using the field system (N=20) as the basic unit of analysis. For each field system we have the following information about change between 1975 and 1995: change in the supply of legal effort ( $\Delta$ supply), change in the client task volume ( $\Delta$ demand), change in the mean number of clients ( $\Delta$ clients), change in the mean specialization index ( $\Delta$ SI), change in the mean proportion of clients represented for fewer than three years ( $\Delta$ mean % clients transient), and change in mean constant-dollar income ( $\Delta$ mean income). (See Appendix 3, Part B for how these variables are calculated.) We estimate the degree of imbalance ( $\Delta$ competition) by calculating the ratio of  $\Delta$ supply/ $\Delta$ demand.<sup>16</sup> We know from earlier descriptions (Figures 3-5) that competition has

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<sup>16</sup> In this ratio,  $\Delta$ supply is calculated with the formula in Appendix 3, Part B, section 2a;  $\Delta$ demand is calculated with the formula in Appendix 3, Part B, section 3. As we explain in Appendix 3, Part B, the imbalance between supply and demand can only be estimated over time; given the differences in how lawyers weigh "personal client task volume" and "business client task volume," comparing supply and demand at a single point of time is impossible. But with the assumption that these invisible weights are constant between 1975 and 1995, the degree of supply/demand disequilibrium that emerged over this 20-year period can be estimated.

increased in every meta-field system. At the more refined level of the field system, only four systems experienced diminished competition, a market balance in favor of the lawyer (antitrust: defense, patents & trademarks, labor: unions, and civil rights). Overall, mean  $\Delta$ competition for all 20 field systems is 1.63.

Not surprisingly,  $\Delta$ competition is highly correlated (negatively) with  $\Delta$ clients (Figure 9a). That is, field systems with relatively higher rates of competition also suffered the greatest average drops in mean number of clients per lawyer. And, correspondingly, specialization grew most quickly in fields with the largest drops in mean per lawyer number of clients. Since specialization measures the extent of field-system affiliation diversity, the greater the drop in mean per lawyer client volume, the greater, on balance, was the drop in taskload diversity (Figure 9b). Likewise, field systems that suffered the greatest drops in mean per lawyer number of clients also showed the greatest declines in the proportion of transients (clients that are short-term). In other words, the faster the increase in client volume, the faster the reduction in relational durability. Basically durability levels are more difficult to maintain when client volume increases (or diminishes relatively slowly) (Figure 9c).<sup>17</sup>

We model these relationships more formally and more rigorously using path analysis (Figure 10). Model 1 shows what we observed in Figure 9a, that the greater the degree of supply/demand imbalance, the greater the drop in per lawyer client volume. Model 2 shows that market disturbance slows down the rate of specialization. (We say it "slowed down" specialization because mean SI increased in all but two field systems; mean  $\Delta$ mean SI=.05.) In other words, mean SI grew most quickly in systems that maintained relatively balanced  $\Delta$ supply/ $\Delta$ demand ratios.<sup>18</sup> This suggests that  $\Delta$ competition was largest—that the supply/demand imbalance grew most acute—in field systems that were already relatively more specialized.<sup>19</sup> In any case, instability suppresses the further concentration of effort within field systems. We assert that this is because under conditions of high instability and high uncertainty, further increases in specialization involves a higher degree of risk. As a micro-level strategy, individuals experiencing intense instability are reluctant to further concentrate their field-system commitment. More balanced development, on the other hand, which lowers uncertainty, encourages a greater degree of specialization. This is to say that lawyers are more likely to weaken or drop affiliations to less stable field systems and further commit themselves to more stable field systems, and is consistent with an image of lawyers being risk-minimizing actors. Put another way, even

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<sup>17</sup> This is *not* true at the individual-level at a single point of time. That is, an individual's total number of clients is a very poor predictor of the proportion of these clients that are transient.

<sup>18</sup> This relationship is *suppressed* by  $\Delta$ mean number of clients. That is, the bivariate correlation between  $\Delta$ supply/ $\Delta$ demand and  $\Delta$ SI (ignoring  $\Delta$ mean number of clients) is close to zero. Insofar as an intensified supply/demand imbalance truly does slow down specialization, we would not observe this in a simple bivariate relationship. The reason is as follows: insofar as (1) an intensified supply/demand imbalance also reduces  $\Delta$ mean number of clients, and (2) reduced  $\Delta$ mean number of clients, in turn, *accelerates* specialization, then these two opposite effects both caused by an intensified supply/demand imbalance will cancel each other out and yield a small or zero net effect when we fail to control for  $\Delta$ mean number of clients.

<sup>19</sup> The reader should keep in mind that we are predicting *change* in mean SI, which was largest in the relatively unspecialized field systems. That is,  $\Delta$ SI and absolute SI are somewhat negatively correlated.

when controlling for change in mean client volume per lawyer, market instability nevertheless exerts a dampening effect on specialization; more than this, this dampening effect emerges only when we control for  $\Delta$ mean client volume (see note 18).

Moving to Model 3, change in mean client volume per lawyer, as we saw in Figure 9c, also exerts a strong effect on change in the mean proportion of lawyer-client ties that are durable. But here, the *total* effect of the extent of market disequilibrium is zero. In this model, slower drops in durability are entirely the result of sharper declines in client volume; the effect of  $\Delta$ competition is mediated entirely by  $\Delta$ client volume.

Finally, in Model 4, we can observe the effects on income changes of the foregoing patterns. Net of everything else, increasing per lawyer client volume (or slower drops in client volume per lawyer) exerts the strongest positive (total) effect on income change (i.e., reducing the decline in income). At the same time, net of everything else, the greater the increase in the proportion of lawyer-client relations that are durable, the slower the income drop. Finally, the greater the rise in specialization, the lower the income drop.

To summarize the path models, the story that can be told is the following: The greater the degree of market balance, the greater the volume of clients that lawyers could maintain and the greater the commitment lawyers exhibited to their field systems. Furthermore, relatively more clients and relatively greater field-system commitment brought significantly lower losses to income. Meanwhile, relatively more clients inflicted relatively greater damage to lawyer-client relational durability, which, in turn, accelerated income loss. Thus, maintaining clients is a double-edged sword: it both dampens and accelerates income loss. Holding constant change in mean client volume, durability will dampen income loss. And holding constant change in durability, more clients will also dampen income loss. Therefore, the most rational strategy for lawyers is to find a field system with a supply/demand balance in their favor, secure the largest client-volume possible, and establish durable relations with as many of these clients as possible.

Shifting between fields is becoming increasingly easy thanks to the normative innovations described earlier, and is reflected in the least stable field systems exhibiting the slowest increases in mean SI. That is, our models show that lawyers in unstable field systems have been realigning their affiliations and flowing between systems in an effort to restore individual-level equilibrium. Lawyers have watched incomes decline the least in field systems characterized by greater per lawyer client volume, greater specialization, and higher lawyer-client durability. Thus, there exist strong incentives to join field systems with favorable supply/demand ratios that allow for such risk-minimizing behavior. Finally this micro-level effort, in the aggregate and in the long-run, serves to restore macro-level equilibrium. This aggregate tendency towards macro-level equilibrium is apparent in what we already observed in Figures 3, 4 and 5, namely, that lawyers, as a system, have realigned their supply of services in accordance with shifts in client demand. As middle-class personal-sector clientele dropped 21 percent, the supply of probate work accordingly dropped 24 percent. Likewise, as the demand for business-related work increased, lawyers as a system responded by internally redistributing total legal effort (also see Heinz et al. 1997).

However, internal realignments can only go so far towards resolving system-wide disequilibrium. Equilibrium cannot be reached so long as the supply of legal services continues to grow faster than demand growth. This explains why income across a systems of the bar diminished (Sandefur and Laumann 1997). Furthermore, as we already mentioned, there are structural and normative limits to how easily lawyers can shift between systems. Although lawyers, as a general rule, are licensed to practice in all field systems, corporate-sector client markets are much more accessible to large-firm lawyers. Moreover, under increasing competition, entrance to these markets is becoming jealously guarded through anti-competitive normative innovations such as the development of "specialty certification" procedures (Abel 1989:125). Thus, normative innovations are also a double-edged sword in the struggle over limited resources.

Nevertheless, the overall story is clear. The macro-level transformation of the Chicago bar can be explained by macro-level changes in Chicago's urban environment that yielded shifts in client markets and demand structures. These shifts, coupled with the massive production of new lawyers, generated disequilibrium throughout the bar. These disturbances changed opportunity and incentive structures that resulted in micro-level adaptive behavior. Finally, this adaptive behavior, in the aggregate, shifted the macro-level landscape of the Chicago bar's supply of legal services more in line with market demand.

### **Determinants of Individual-Level Lawyer-Client Relational Durability**

In this section we analyze the determinants of individual-level lawyer-client relational durability. Based on everything we have presented until this point, our hypotheses should be fairly intuitive. We expect the determinants of relational durability to revolve around the basic units of the bar we have been describing, namely, field system, client type, practice setting, and role position. We expect, on average, that business clients are more durable than personal clients given the nature of the modal legal need of each client type. That is, the personal client is more likely to have a "one-shot" need such as a divorce or a criminal problem, whereas the business client is more likely to have a more recurrent and enduring legal need, such as tax-related work and commercial contracts. However, we also expect that within this general pattern lies variation by the organizational context in which the lawyer-client exchange occurs. In particular, we expect business-client turnover to be relatively high among the associates in the larger, more formally-organized firms in which the legal service is more standardized for impersonal, unified application. Related to this, we also expect that the hierarchical organization of legal work increases client turnover. That is, where the lawyer has little control over her work and in the selection and management of her clients (i.e., where the degree of work autonomy is low), we expect higher rates of client turnover. Moreover, since the emergence and development of the bureaucratic mega-firm and its explosive multiplication of associates occurred primarily in the time since our first survey, we expect all the hypothesized organizational effects on client durability to be stronger in 1995 than in 1975.

But we also anticipate explanatory action in other areas. Earlier we described advertising and competitive bidding as emergent innovations in the face of intensified competition. These channels represent "spot-market" methods of lawyer-client matching

devoid of social "embeddedness." We expect that these methods are more likely used in the event of a "one-shot" legal need or in the event of a legal need for which the application of a standardized legal service is deemed appropriate or desirable. On the other hand, referrals from other clients represent situations of prior embeddedness in which recurrent and ongoing relations are more likely. Another domain of prior embeddedness is the voluntary association. We expect a certain amount of lawyer-client matching to occur where membership in a voluntary association is shared. Of course, there are situations in which the causality is reversed: previously-established recurrent and ongoing business relations are often augmented and reinforced through shared membership in, say, elite athletic clubs (the "country-club").

As a final hypothesis in predicting lawyer-client durability, we cannot ignore the effect of age. In general, the accumulation of social capital is a life-long project. And, in particular, the social capital of lawyers accumulates with work experience and client history, for which age is our best proxy. Therefore, net of everything else, we expect age to increase durability.

As we expected, age is highly positively correlated with relational durability (Figure 11). Also in the bivariate case, membership in selected voluntary associations is positively associated with relational durability (Figure 12). However, there is one glaring exception: ethnic organizations. It appears the function, or at least the nature, of ethnic organizations has undergone a shift between 1975 and 1995. Part of this has to do with the changing ethnic composition of the bar. Among active private-practice lawyers, the percentage reporting Jewish ethnicity<sup>20</sup> declined from 37 to 27 percent while the percentage of "minorities" increased from 1 to 6 percent.<sup>21</sup> In 1975, 70 percent of "ethnic organization" members were Jewish, while by 1995 Jewish lawyers only accounted for 46 percent of such members. Similarly, 31 percent of all active private-practice Jewish lawyers in 1975 were members of ethnic organizations, and this amount had declined to 14 percent by 1995. Meanwhile, the percentage of "minority" lawyers that were members of ethnic organizations increased from none in 1975 to 14 percent in 1995. Thus, it appears that in 1975 "ethnic organization" referred mainly to Hillel or B'nai B'rith, which apparently were sources of recurrent legal clientele, while by 1995 "ethnic organization" referred to something else that implied a more transient clientele.

Referrals from other clients traditionally has been and remains a staple source of clientele in the bar as a whole, but even more so in the personal-client sector of the bar (Curran and Spalding 1988 [1977]; Seron 1996; Daniels and Martin 1997). According to a national survey conducted in 1993 (Miethe 1995), of the 66.4 percent of respondents who indicated they had hired a lawyer for a personal matter in the past five years, 74 percent said the lawyer had been recommended by a friend or relative, and 76 percent said they, in turn, if asked for a referral, would recommend the lawyer to another friend. This heav

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<sup>20</sup> We use a priority code to identify Jewish ethnicity: if either reported ethnicity or reported religion is "Jewish," then we defined ethnicity as Jewish.

<sup>21</sup> This may understate the proportional decline of Jewish lawyers due to a change in how ethnicity was coded. In 1975, 20.8 percent of active private-practice lawyers were in a "mixed/American" category (read: evasive). This category disappeared in 1995. "Minority" includes African-American, Native American, Asian, and Hispanic/Latino.

reliance on client referrals in the personal-client sector is reflected in Figure 13, which shows that the importance of this source of clients is considerable in the Chicago bar for lawyers serving all client types, but that its importance increases as reliance on personal clients increases, and its importance diminishes as the amount of time serving business clients becomes increasingly concentrated on major corporate clientele. Furthermore, the rate at which this method of lawyer-client matching is mobilized diminishes greatly as firm size increases (Figure 14). Given the positive relationship between personal client volume and the mobilization of client referrals, we would expect the Chicago bar's overall decline in the volume of personal clients to have eroded the centrality of this source of clients between 1975 and 1995.<sup>22</sup>

The normative innovations of advertising and competitive bidding we described earlier exhibit similarly ordered relationships. Advertising increases with increased time devoted to the personal-client sector and diminishes with increased concentration of effort on major corporate clients. Getting work through competitive bidding is the inverse of advertising (Figure 15). And the relationships these two channels of finding work exhibit with firm size are consistent with the foregoing: the use of competitive bidding increases with firm size and advertising diminishes with firm size (Figure 16).

Now we turn to our multivariate analysis of individual durability to test our hypotheses more rigorously than is possible with bivariate graphs. We regress "percentage of clients represented for three or more years" onto variables in the dimensions we outlined earlier: field system, client type, work autonomy, age, voluntary associational affiliation, and channels of lawyer-client matching (Table 2). Looking at section A, the effect of all but two field systems changed between 1975 and 1995, all in the same negative direction.<sup>23</sup> Only "tax" and "personal plight" systems failed to change to any substantial degree; the "tax" coefficient is not statistically significant in any model in either year, and the effect of "personal plight" system membership disappears when client-type is introduced (model 3). Thus, the changes in the effects of field system membership appear merely to reflect the overall decline of relational durability between 1975 and 1995—affiliation in any system (except tax and personal plight, which have no effects) exerts a negative effect on relational durability in 1995 compared to 1975.

The effects of client type (section B) are in the expected direction and of the expected magnitudes. The greater the volume of business-related work, the greater the degree of relational durability. Likewise, the greater the degree to which work in the personal-client sector is concentrated among working-class clientele, the lower the degree of relational durability.<sup>24</sup> Moreover, as a consequence of the supply/demand imbalance we

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<sup>22</sup> Comparisons between 1975 and 1995 are problematized by changed question wording: in 1975 the item asked for the total percentage of clients through this source, while in 1995 the item asked whether this source was used "often," "sometimes," "seldom," or "never."

<sup>23</sup> Setting the field system membership cut-off point at 25 percent of time leaves only 19 respondents in 1975 and 4 in 1995 without membership.

<sup>24</sup> In 1975, all clients were either "business" or "personal." Thus, the 1975 coefficients in section B are with respect to non-business, non-working-class client volume. However, in 1995 an additional client category was introduced: non-business organizations. Thus, the reference groups change slightly between 1975 and 1995. However, since so few active, private-practice lawyers indicated serving non-business organizations, we expect negligible contamination.

have been describing throughout this paper and the concomitantly intensified competition between lawyers, the positive "business client" effect diminishes considerably and the negative "working-class client" effect increases slightly between 1975 and 1995. Thus, the same volume of business clients did less to increase durability in 1995 than in 1975.

In both years, a gulf separating associates and partners is apparent: associates have far lower levels of relational durability than do partners. Furthermore, the negative effect on relational durability of being an associate in a large firm grew much larger between 1975 and 1995 (section C). At the opposite end of the firm-size spectrum, the negative effect of being a solo practitioner also increased. Thus, we can note two important findings: (1) there is an inverted U-shaped pattern whereby relational durability is lowest at either end of the firm-size spectrum, and (2) this inverted U is lopsided in 1975, leaning heavily towards solo practitioners, but comes to fully balanced form and also stretches in height by 1995 as relational durability drops considerably at both poles. In model 1, being in a large firm in 1975 exerts no partial effect on durability, but exerts a significantly negative effect in 1995. Furthermore, the interaction term introduced in model 2—large firm  $\times$  associate—is significant only in 1995.<sup>25</sup> These findings indicate that lawyer-client relational durability has eroded substantially at the upper end of the Chicago bar between 1975 and 1995 as firms have grown in size, become younger, produced more associates, bureaucratized, and broadened the array of standardized legal products that can be applied in an impersonal, unified manner.

Consistent with the above findings that client turnover has increased in larger, more formally organized practice settings between 1975 and 1995, the coefficients in section D reveal that having one's work closely supervised in a hierarchically organized work setting likewise negatively impacts relational durability in 1995 only

Age exerts the effect we observed in Figure 11—it greatly increases relational durability (section E).

Unlike age, however, our multivariate controls wipe out much of the effect of membership in voluntary associations (section F). Only membership in a country-club and in an ethnic organization emerge at all. But the effect of country-club membership disappears when age is introduced, indicating that older lawyers are more likely both to be

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<sup>25</sup> A test of homogeneity of models 1 and 2 (i.e., a test of whether introducing the "large firm  $\times$  associate" interaction term is justified) fails in 1975; this interaction term does not significantly reduce variance. However, the test passes with flying colors in 1995:

$$k=40 \text{ (independent variables in model 2)}$$

$$r=39 \text{ (independent variables in model 1)}$$

$$F = \frac{(R_2^2 - R_1^2) / (k - r)}{(1 - R_2^2) / (n - k - 1)}$$

$$= \frac{(.309 - .293) / 1}{(1 - .309) / 432}$$

$$= 10$$

passes even at the most rigorous  $\alpha$ -levels.

members of country clubs and to have higher relational durability. This is consistent with an image of firm partners who are relatively older using country-club membership as a way to further strengthen long-standing, recurrent relations with clients.

Finally, turning to channels through which lawyers and clients are matched (section G), we observe that the mobilization of client referrals exerts an effect in 1975 only. In 1995, whether or not this channel is mobilized makes no significant difference to relational durability. This is consistent with the rapid decline of personal-client demand the Chicago bar has suffered since 1975.<sup>26</sup> And consistent with the inverted U-shape pattern of low relational durability at either end of the firm-size spectrum, the use of advertising and the use of competitive bidding as client-finding channels both significantly reduce relational durability. But once we introduce client-type into the full model, the effect of advertising loses its statistical significance, reflecting the already-observed relationship between advertising and personal-client volume (Figure 15).

We calculate point estimates using model 3 from both 1975 and 1995 in order to simulate what might be considered "typical" lawyer-client durability profiles (Table 3). In the first simulation, we see that a fairly typical solo practitioner with a personal-client orientation has a 10 percent lower level of relational durability in 1995 than in 1975. In both years, the typical large-firm partner had a level of relational durability approximately 20 percent higher than the typical solo practitioner, and the 1995 level is about 10 percent lower than the 1975 level. The biggest change that emerges in this time period is the gulf that has emerged between large-firm associates and everyone else. While the durability gap between the typical large-firm partner and the typical large-firm associate was about 20 percentage points in 1975, this had grown to a 30 percentage-point spread by 1995. The profile of the "typical" entry-level large-firm associate is even more noteworthy: this simulation puts the point-estimate for relational durability at only 15 percent.

## Summary and Conclusions

In this paper we have attempted to link macro- and micro-levels in an effort to model the major client-related transformations experienced by the Chicago bar between 1975 and 1995. Utilizing data from two different points of time on individual lawyers and the subsystems (field systems) to which they belong, we present models of how these individuals and systems react and adapt to environmental disturbance. Specifically, we are interested in the effects of imbalance between supply and demand (i.e., intensified competition) on individual and system behavior. Although we cannot observe the same individual actors at each time point, we can nevertheless observe the same field systems, and we are thereby afforded an opportunity to conduct what one might call a "virtual longitudinal" analysis of social system change over time.

Although the size of the bar doubled, the increase in total client volume was only about 15 percent. In the face of increased competition, lawyers have developed and taken advantage of normative innovations designed to increase their freedom to maneuver. Specifically, these innovations include contingency fees (which, although they have existed

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<sup>26</sup> "Clients referred by other clients" remains small and statistically non-significant when we remove "clients through real estate agents & other," "competitive bidding," and "advertising."

for quite some time, have become increasingly "creative" over the past 20 years), advertising, and competitive bidding. Of course these innovations do not make movement between field systems perfectly fluid; there remain significant institutional barriers to perfectly free movement. But nevertheless, the emergent innovations we discuss have altered the structure of opportunities and incentives—the costs and benefits—facing lawyers in the Chicago bar. There is no question that lawyers have become increasingly "market-oriented" in their behavior.

Overall, the market imbalance the bar suffered due to supply outstripping demand resulted in a decline in client volume available per lawyer and a concomitant income drop. Lawyers have many considerations to balance in deciding how to maneuver. Increasing levels of specialization tend to hold back income decline. But on the other hand, specializing under conditions of uncertainty involves a high degree of risk. Thus, lawyers in field systems characterized by relatively great imbalance tend to rein in their tendency to specialize, even though it means suffering greater income drops. The reason is that the highest gains to income (or slowest income drops) come from increasing client volume. Therefore, under intense competition, lawyers will shift to field systems with more favorable market conditions. This risk-minimizing adaptive tendency is reflected in the lowest specialization gains occurring in the field systems with the greatest market disturbances. Moreover, slower declines in income also come from slower declines in relational durability. Therefore, it is to the lawyer's advantage not only to secure clients, but also to keep them.

These are the basic parameters guiding and motivating lawyer behavior. And we have seen how the adaptive and risk-minimizing behavior exhibited by lawyers aimed at restoring individual-level equilibrium has also, in the aggregate, worked towards restoring system-level equilibrium. Of course, equilibrium will remain elusive so long as the production of lawyers continues to grow faster than demand-growth.

Another major trend that developed was increased structural differentiation at the upper end of the Chicago bar, the large law firm, and increased polarization between upper and lower ends of the bar, between the large firm and the solo practitioner. The tremendous growth in the size of the large law firm required expanding the ranks of the lower-level lawyer, the associate. Large-firm associates work increasingly within hierarchically-organized subdivisions in teams under the supervision of senior lawyers. This trend has fostered an increasing gulf between the associate and the partner that is particularly apparent in terms of lawyer-client durability. Associates, who as a group have grown considerably as a proportion of the bar, are doing less client management and are doing more closely-supervised standardized production. As a result, their levels of lawyer-client relational durability are unprecedentedly low. At the same time, as solo practitioners have become increasingly marginalized and relegated to the shrinking personal-client sector of the bar where they have become forced to advertise in the desperate scramble for clients, client turnover has also increased significantly. Thus, between 1975 and 1995, an inverted U-shaped pattern has become increasingly apparent, with client durability at all-time lows at either end of the spectrum of size, autonomy, bureaucracy, and formality—the solo practitioner and the large-firm associate.

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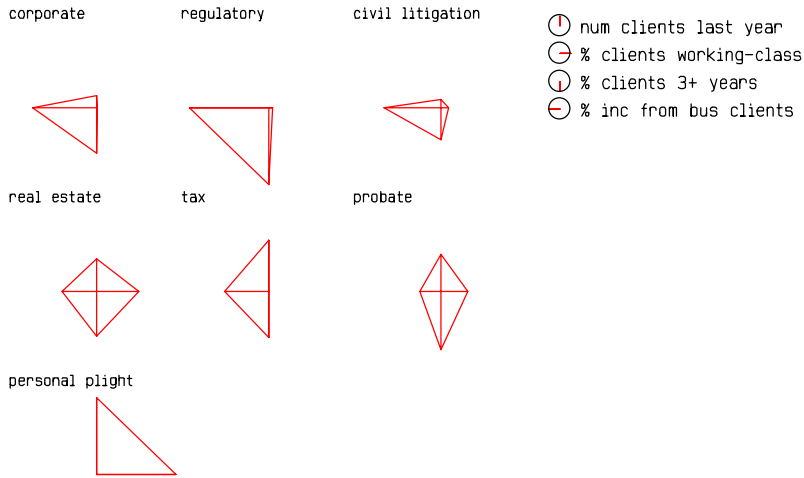
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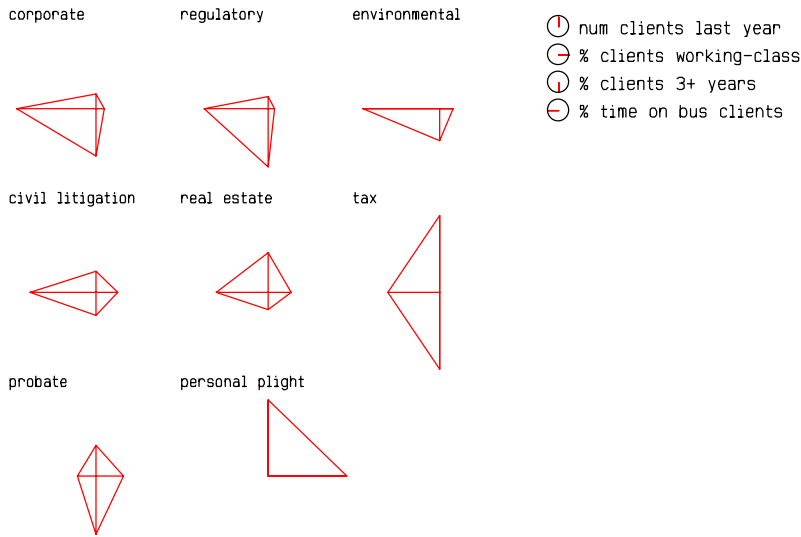
**Figure 1. Star Graphs Representing Similarity of Meta-Field Systems With Respect to Selected Client Characteristics**

**A. 1975 (N=495)**



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**B. 1995 (N=505)**

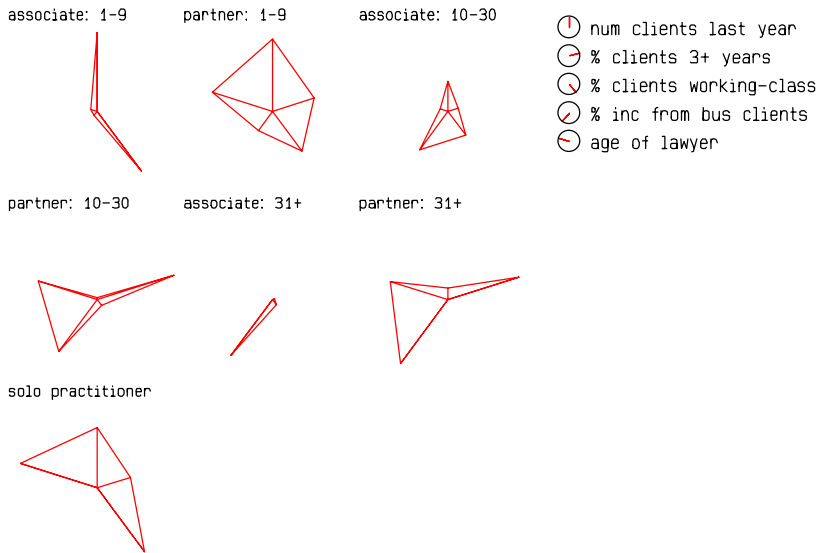


{d:\chilaw\corres\1995\star\_f.do; star95\_f.gph}

Notes: Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political law. Lawyers spending at least 25 percent of their legal professional time in a field system are included as members. "Working-class" refers to the percentage of personal clients that are "blue-collar," "unemployed," and "sales and clerical." Missing values were replaced with sample means (excluding house counsel). 30 missing values of "working-class" were handled in this way in 1975, 44 in 1995. 7 missing values of "business" were handled in this way in 1975, 5 in 1995. 9 missing values of "number of clients" were handled this way in 1975, 13 in 1995. And 34 missing values of "percent clients represented three or more years" were handled this way in 1975, 25 in 1995. Excludes the 19 practitioners in 1975 and 4 practitioners in 1995 who practiced no fields at the 25%-level but who otherwise satisfy inclusion criteria.

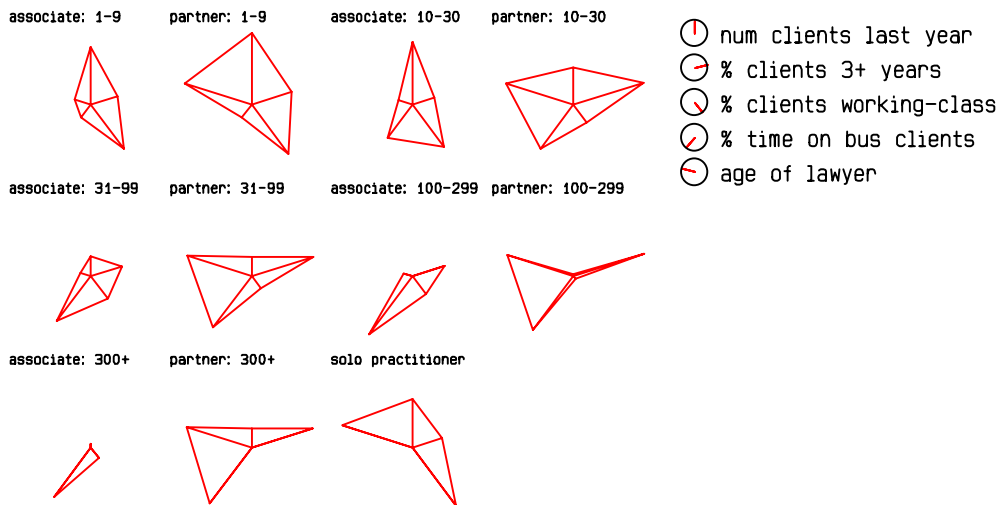
**Figure 2. Star Graphs Representing Similarity of Practice Settings and Role Positions With Respect to Selected Lawyer and Client Characteristics**

**A. 1975 (N=514)**



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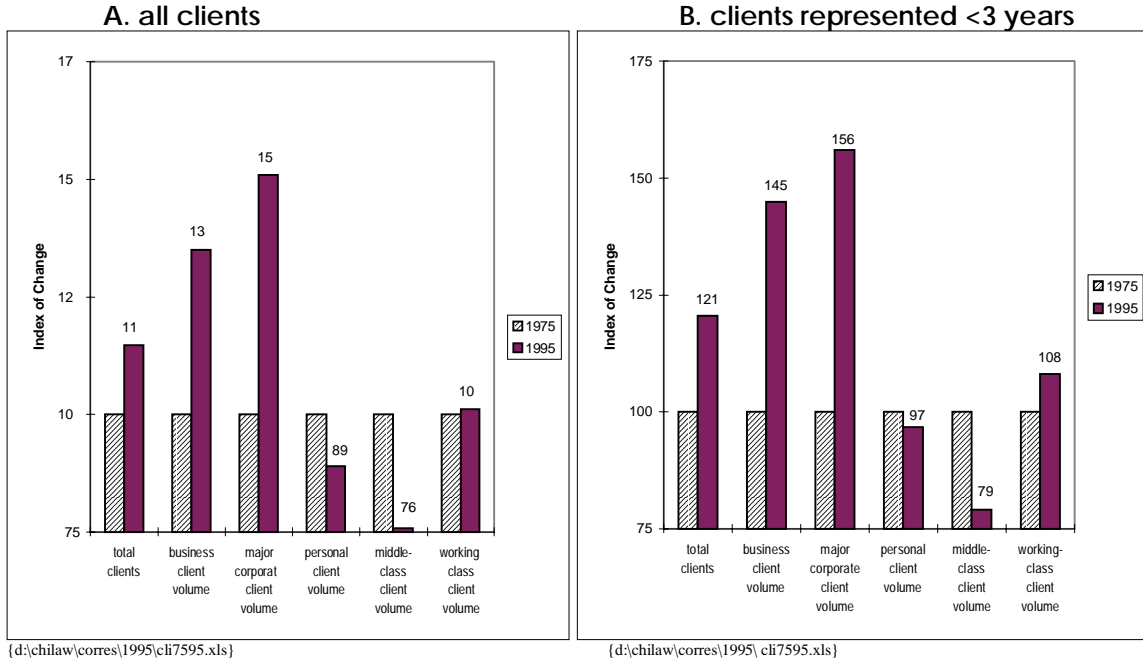
**B. 1995 (N=509)**



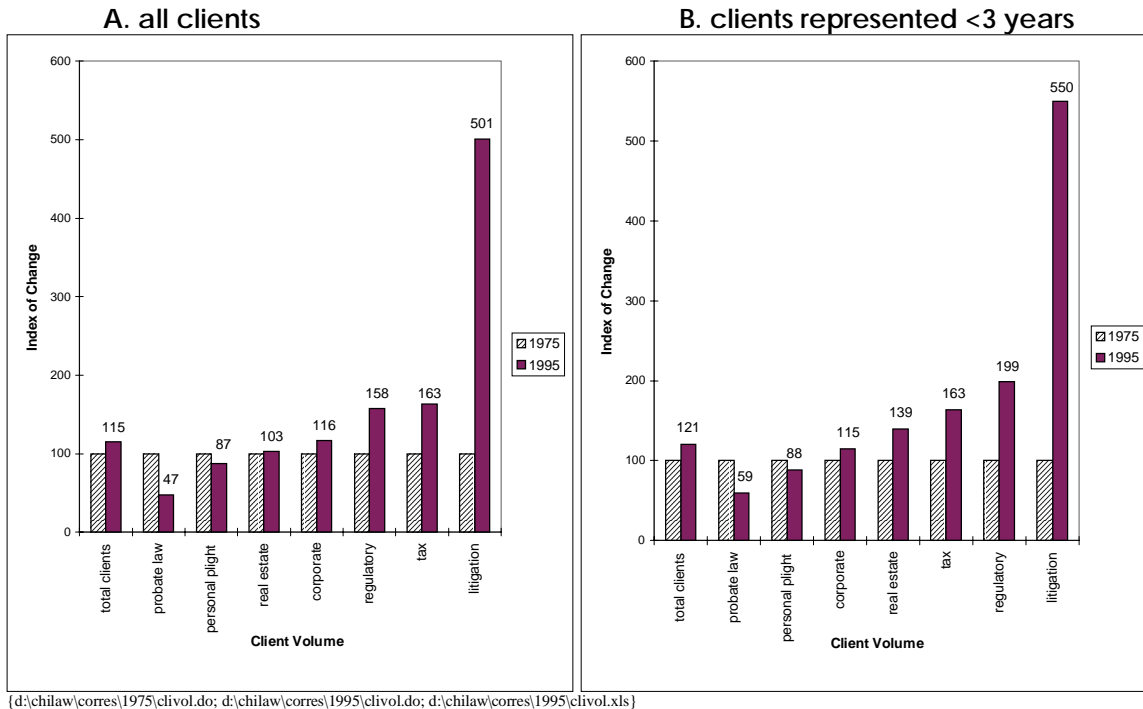
{d:\chilaw\corres\1995\star\_p.do; star95\_p.gph}

Notes: Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political law. Numbers after lawyer type refer to size of law firm (number of lawyers). "Working-class" refers to the percentage of personal clients that are "blue-collar," "unemployed," and "sales and clerical." Missing values were replaced with sample means (excluding house counsel). 32 missing values of "working-class" were handled this way in 1975, 44 in 1995. 7 missing values of "business" were handled in this way in 1975, 5 in 1995. 9 missing values of "number of clients" were handled this way in 1975, 13 in 1995. 35 missing values of "clients represented 3+ years" were handled this way in 1975, 26 in 1995. And 3 missing values of age were handled this way in 1975.

**Figure 3. Client Volume Change, 1975-1995 (Client Type)**

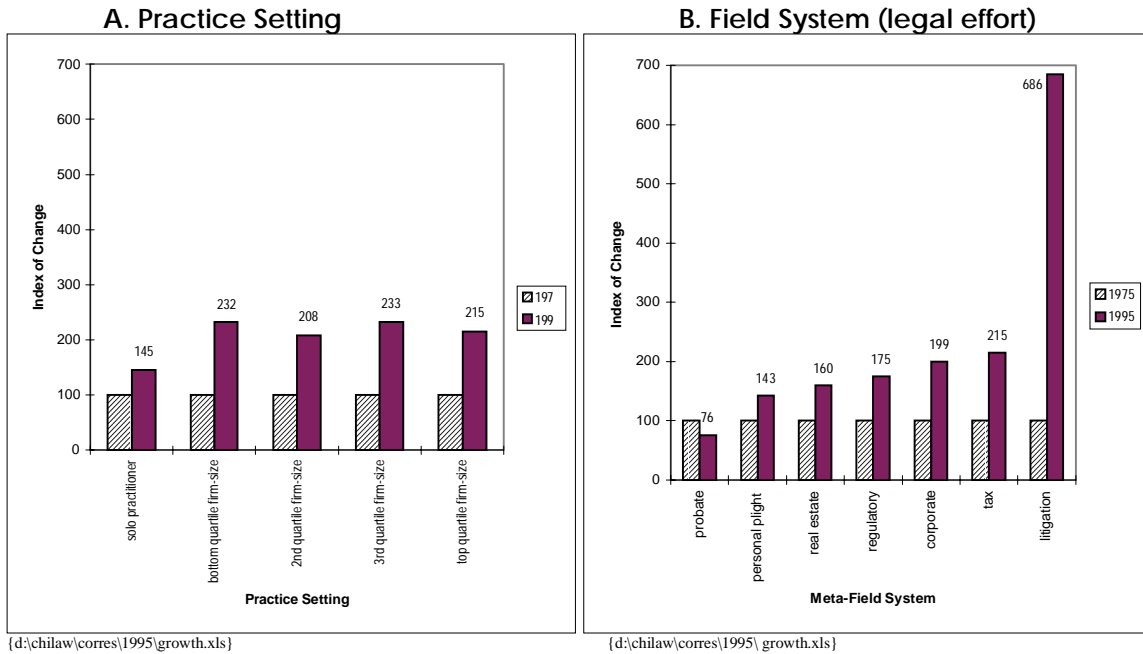


**Figure 4. Client Volume Change by Meta-Field System, 1975-1995**



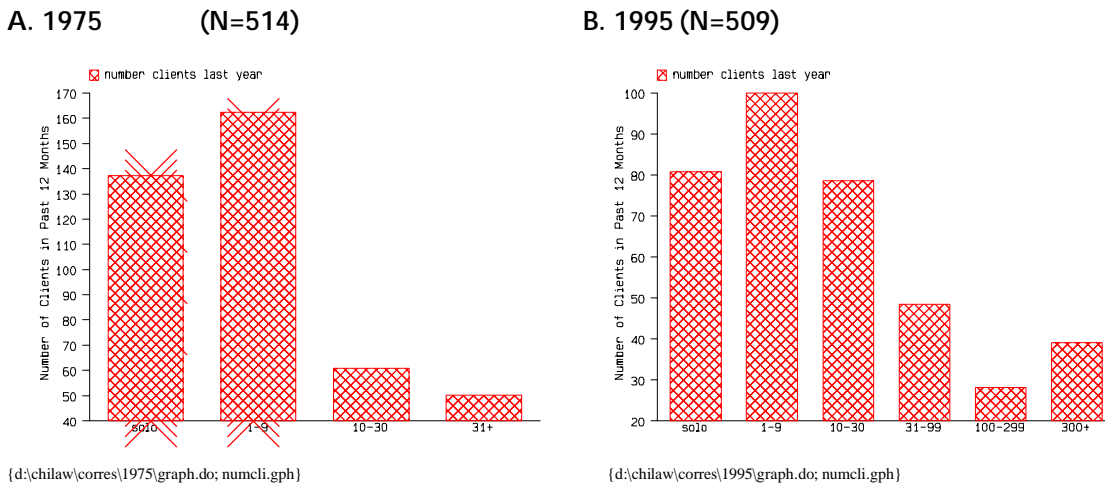
Notes: Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political" law.

**Figure 5. Growth of Legal Profession, 1975-1995**



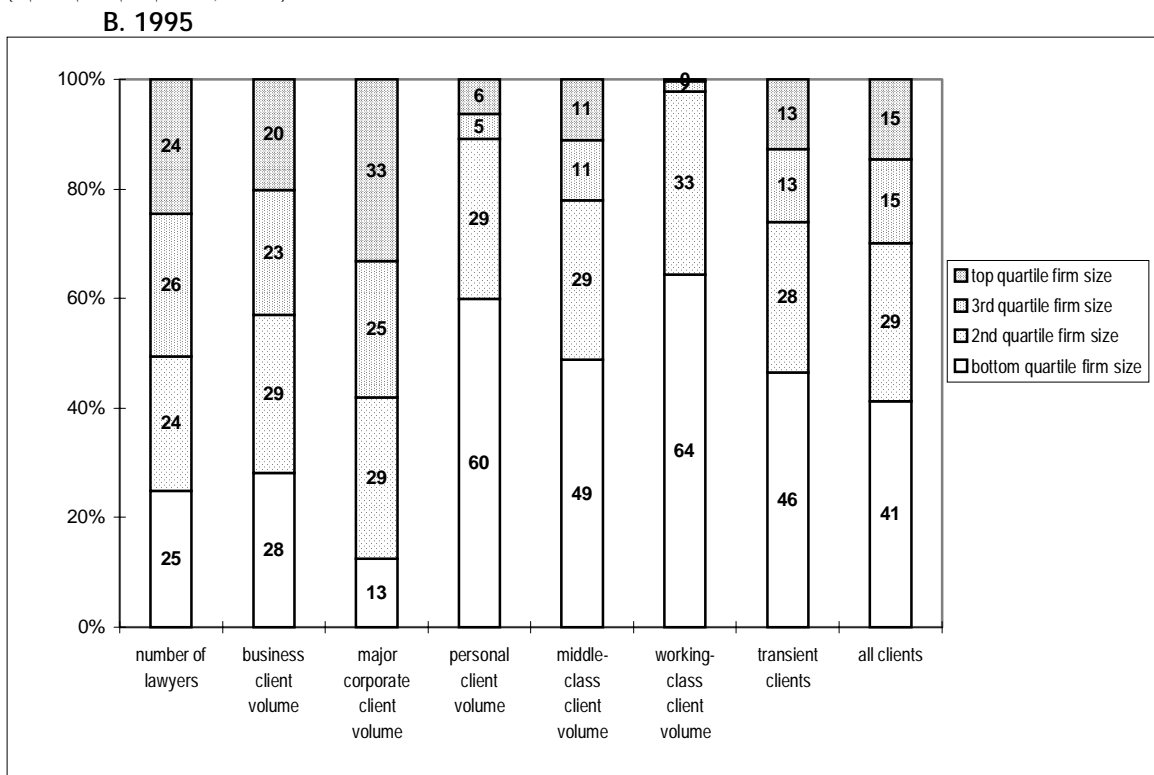
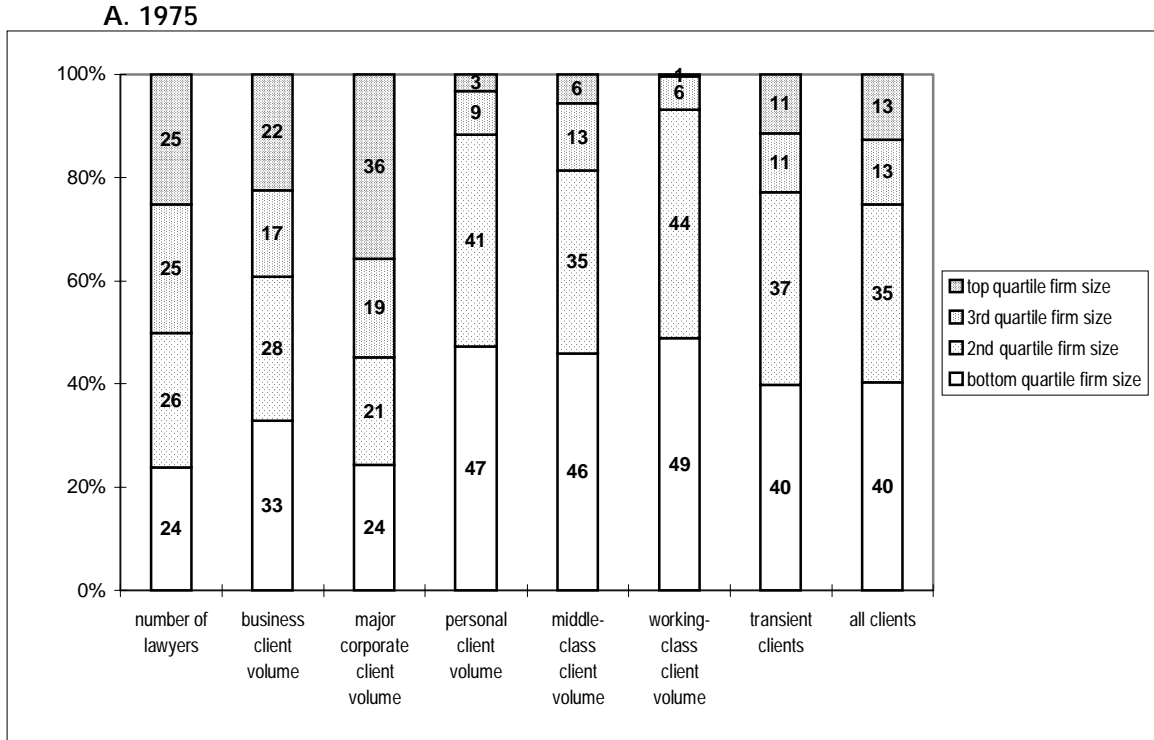
Notes: Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political" law.

**Figure 6. Total Number of Clients in Past 12 Months by Practice Setting**



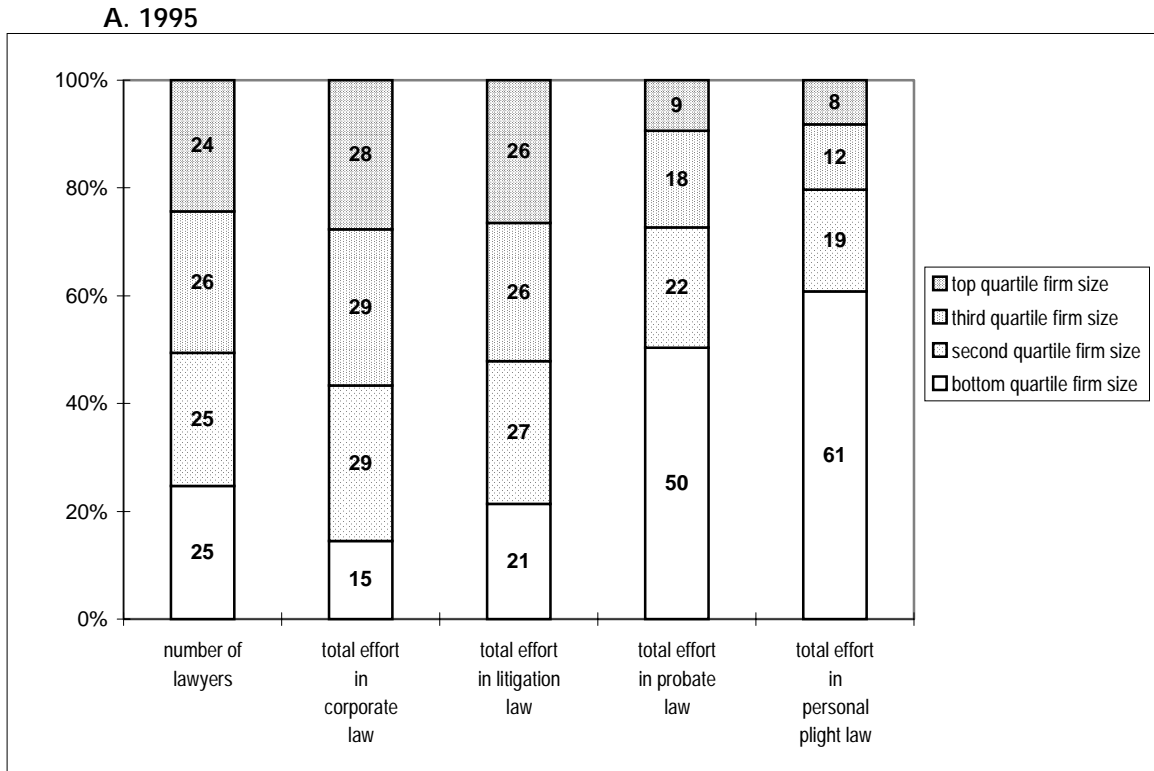
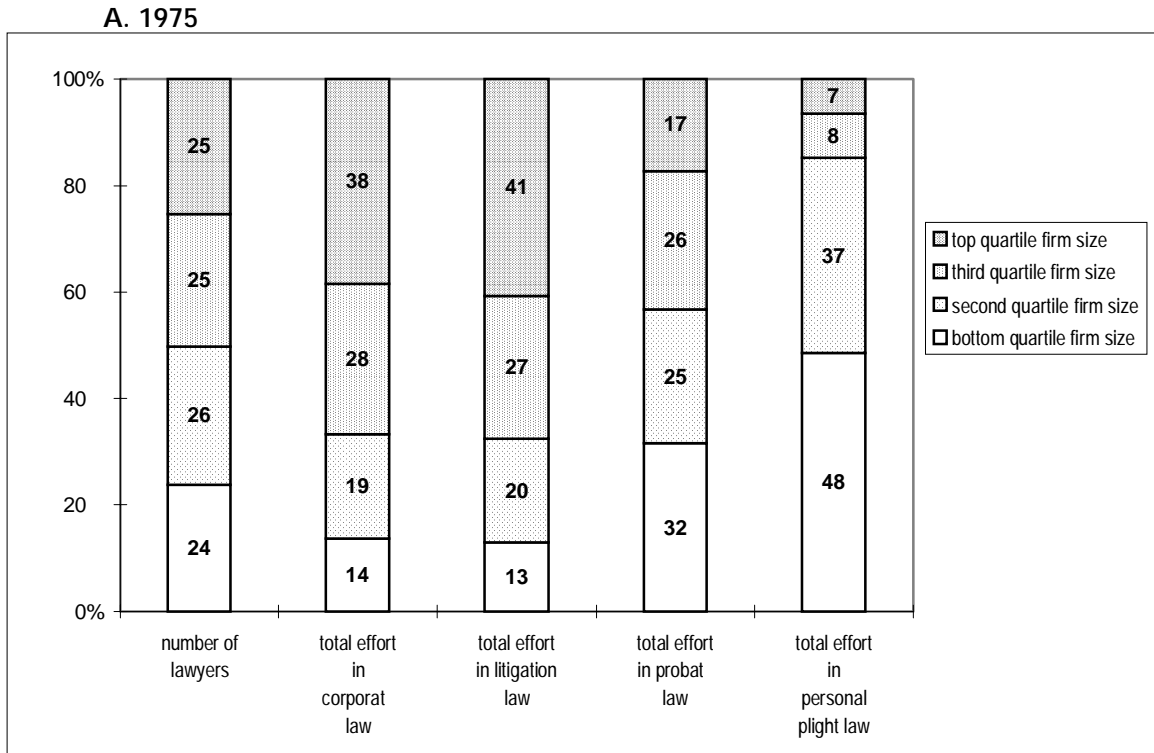
Notes: Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political" law. Numbers under bars refer to size of law firm (number of lawyers). Field of practice categories are not mutually exclusive. Missing values were replaced with sample means (excluding house counsel). 9 missing values were handled in this way in 1975, 13 in 1995.

**Figure 7. Distributions Clients Among Firm Lawyers**



Notes: Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political" law.

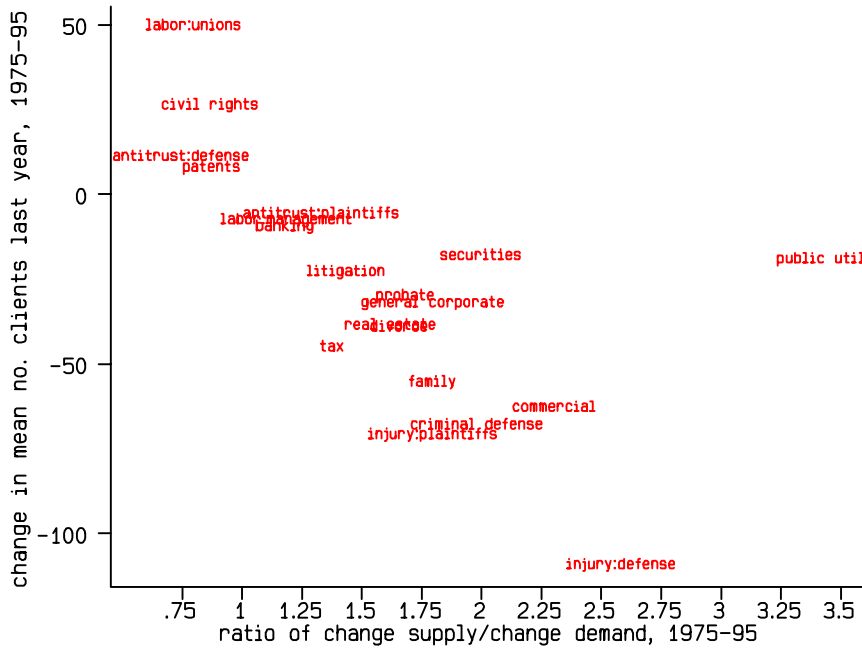
**Figure 8. Distributions of Practice Settings by Selected Meta-Field Systems**



Notes: Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political" law.

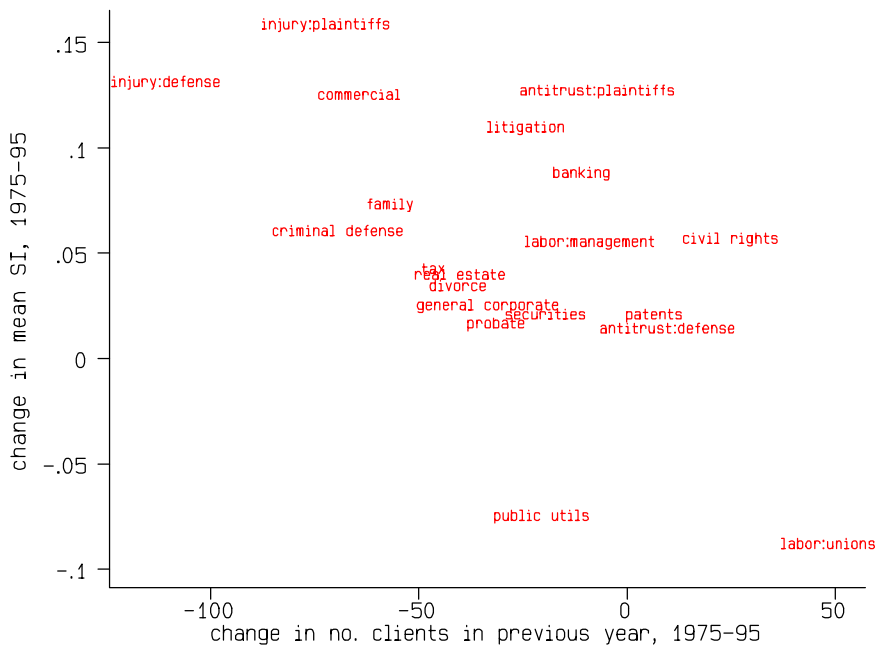
**Figure 9. Determinants of System-Level Lawyer-Client Changes, 1975-95**

A.  $\Delta$ number of clients (Pearson R =  $-.645$  [ $p < .01$ ])



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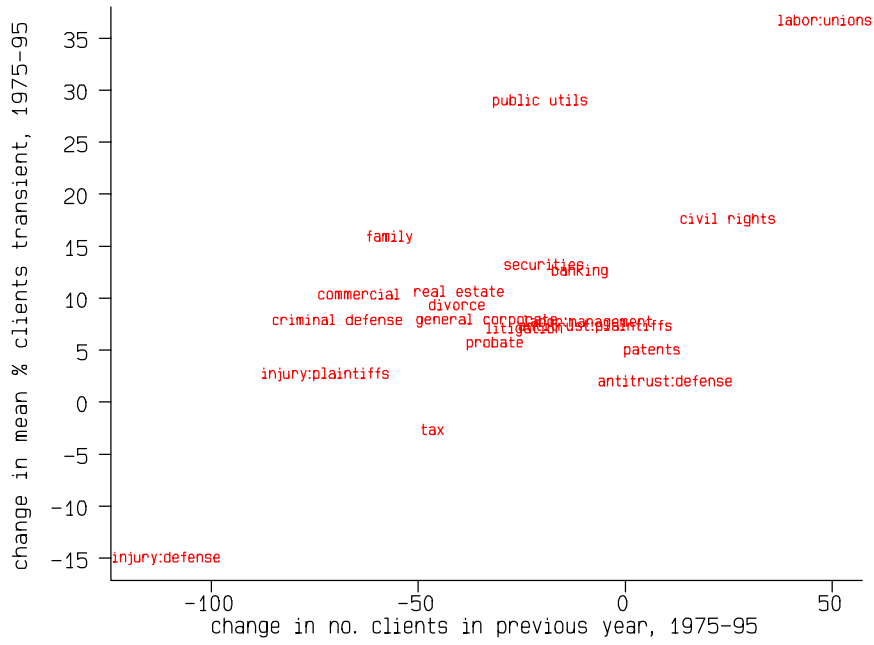
B.  $\Delta$  degree of specialization (Pearson R =  $-.584$  [ $p < .01$ ])



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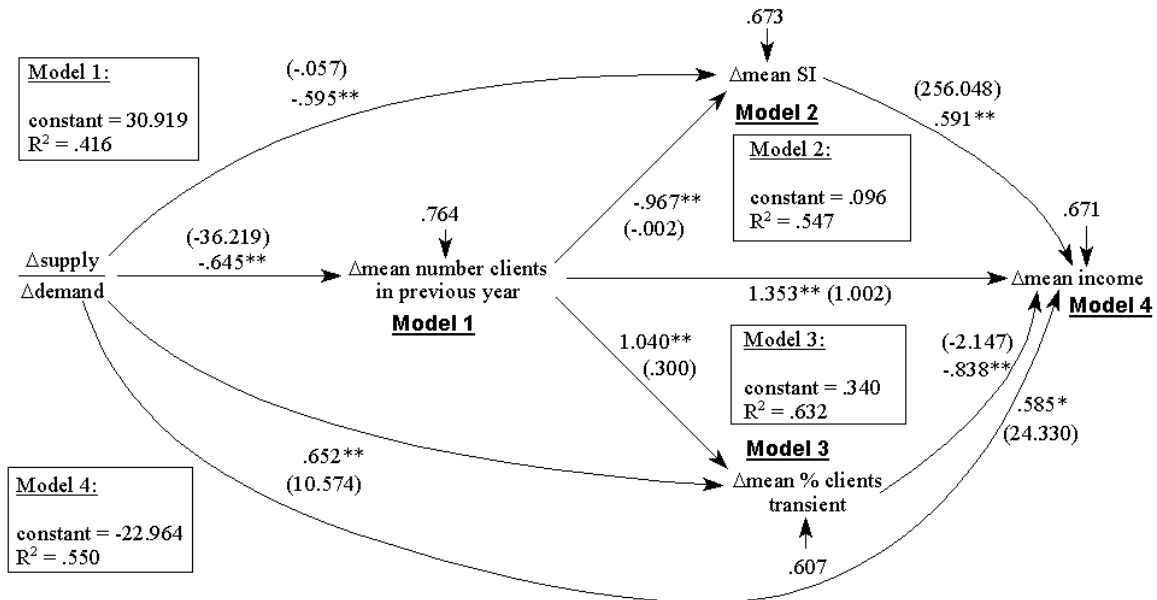
# Chicago Lawyers and their Clients, 1975-95

## C. $\Delta\%$ clients transient (Pearson R = .620 [p<.01])



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Figure 10. Path Models of Determinants of System-Level Changes, 1975-95



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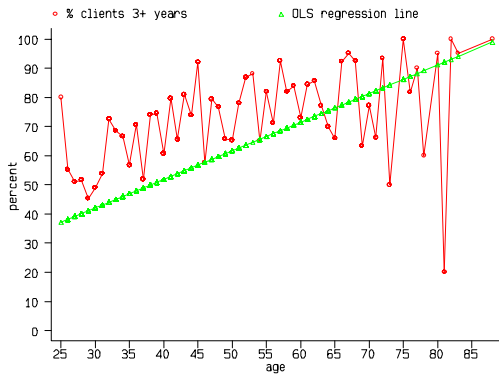
\*p<.10 \*\* p<.01

Notes: Unstandardized regression coefficients in parentheses. N=20 systems (fields of practice): antitrust:defense; labor:management; securities; antitrust:plaintiffs; banking; commercial; general corporate; injury:defense; labor:unions; patents; public utilities, litigation; real estate; tax; probate; civil rights; criminal defense; divorce; family; injury:plaintiffs. All systems include solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political" law. Lawyers spending at least 5 percent of their legal professional time in a field of practice are included as members of that system.

independent variables	total effects (i.e., direct + indirect effects) on:			
	Δmean income	Δmean SI	Δmean % clients transient	Δmean no. clients
Δsupply				
Δdemand	-0.003	-1.240	.007	-.645
Δmean no. clients	1.426	-.967	1.040	-----
Δmean SI	.591	-----	-----	-----
Δmean % clients transient	-.838	-----	-----	-----

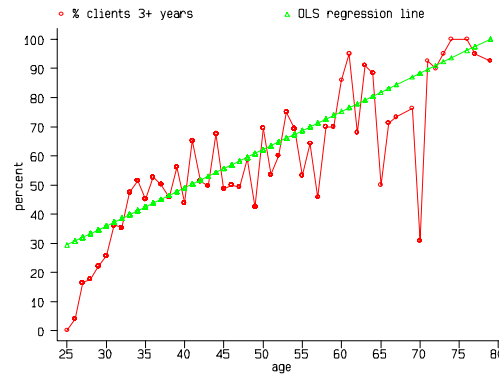
**Figure 11. Lawyer-Client Relational Durability by Age of Lawyer**

**A. 1975 (N=476)**



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**B. 1995 (N=483)**

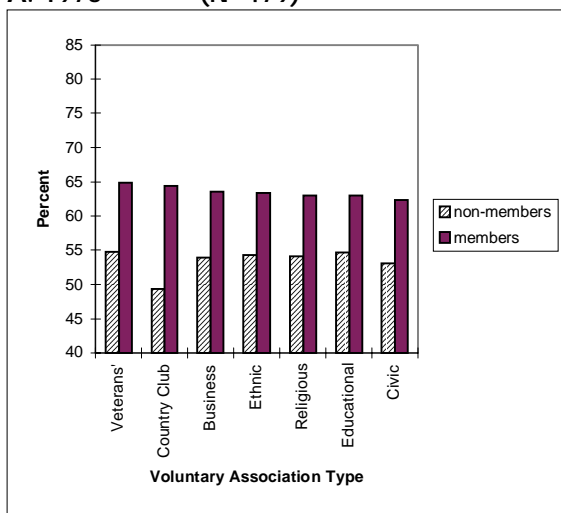


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Note: Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political" law.

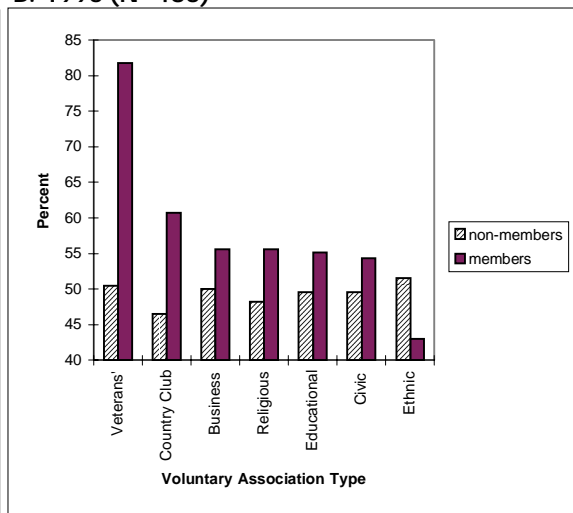
**Figure 12. Lawyer-Client Relational Durability by Voluntary Associational Affiliation**

**A. 1975 (N=479)**



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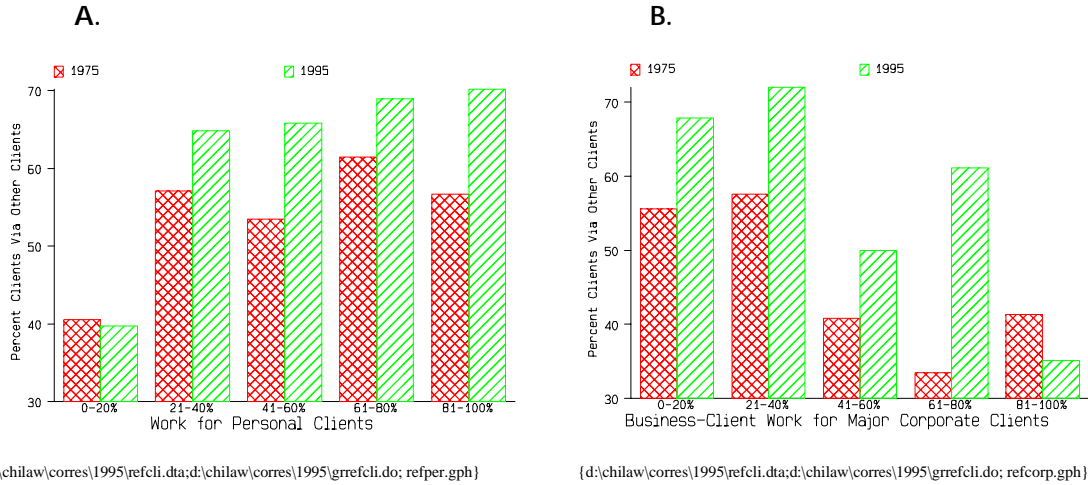
**B. 1995 (N=483)**



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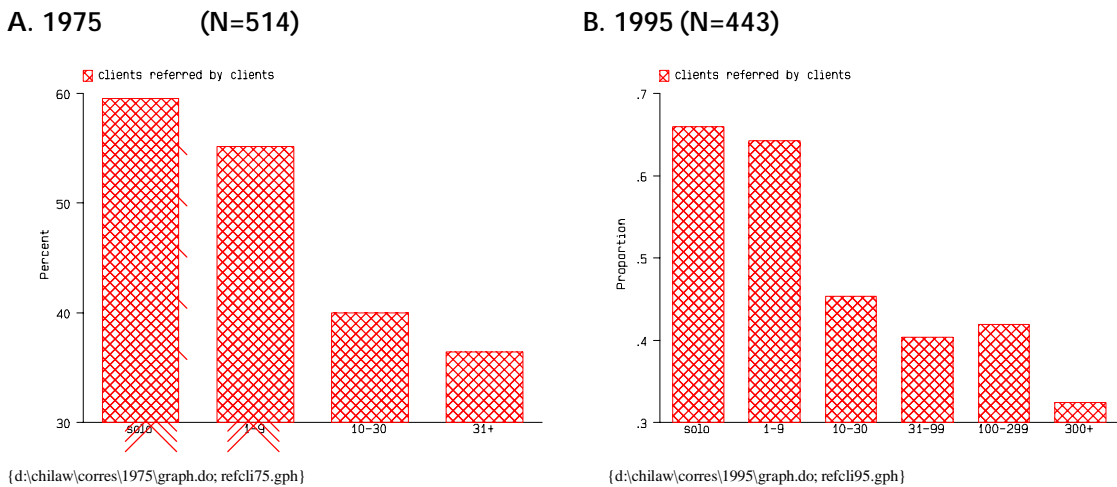
Notes: Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political" law. Bars represent the mean percentage of clients represented for three or more years for lawyers that are members and non-members of the given voluntary association. Voluntary associations are not mutually exclusive.

**Figure 13. Clients through Referrals from Other Clients**



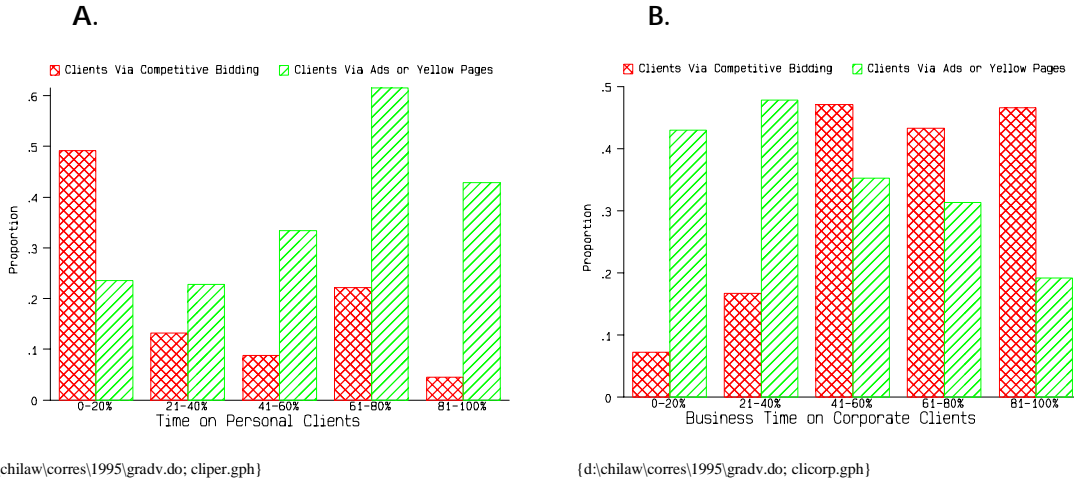
Notes: 1975 bars represent the mean percentage of clients found through other clients (past or present). 1995 bars represent the mean percentage of lawyers indicating clients are found through other clients (past or present) "often." Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political" law.

**Figure 14. Clients Referred through other Clients, by Practice Setting**



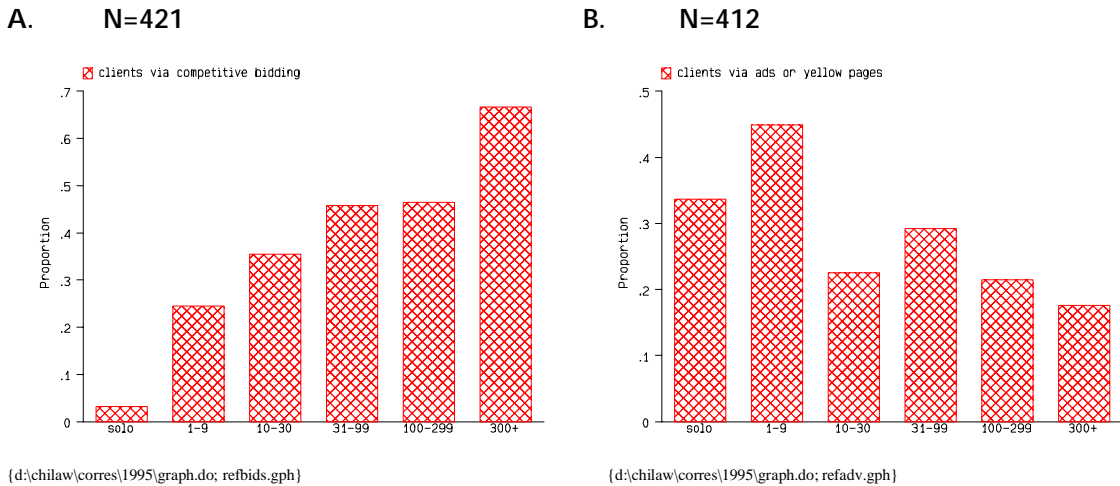
Notes: Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political" law. Numbers under bars refer to size of law firm (number of lawyers). 1975 bars indicate the mean percentage of clients who were referred by other past or present clients. 1995 bars show the mean proportion of lawyers indicating clients were referred by other clients "often." Practice settings are mutually exclusive.

**Figure 15. Competitive Bidding and Advertising by Client Type, 1995**



Notes: Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political" law. Bars in both figures show the mean proportion of lawyers indicating clients retain their services through competitive bidding or advertising at least "seldom" (i.e., not "never"). "Work for X Clients" in 1975 refers to "income from work for X clients" and in 1995 to "time on work for X clients."

**Figure 16. Competitive Bidding and Advertising by Practice Setting, 1995**



Notes: Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political" law. Numbers under bars refer to size of law firm (number of lawyers). Bars in both figures show the mean proportion of lawyers indicating clients retain their services through competitive bidding (Figure A) or advertising (Figure B) at least "seldom" (i.e., not "never"). Practice settings are mutually exclusive categories.

**Table 1. Specialization Index (frequencies in parentheses)**

Meta-Field System	Mean SI	
	1975	1995
corporate	0.500 (332)	0.607* (275)
regulatory	0.665 (70)	0.627 (76)
environmental	----	0.543 (34)
litigation	0.474 (96)	0.582* (238)
real estate	0.449 (201)	0.486 (126)
tax	0.490 (81)	0.530 (71)
probate	0.432 (175)	0.447 (68)
personal plight	0.484 (248)	0.574* (181)
<b>WEIGHTED MEAN</b>	<b>0.481 (514)</b>	<b>0.557* (509)</b>

\* difference of means statistically significant at  $p < .001$  assuming unequal variances; otherwise  $p > .10$ .

Note: Includes solo practitioners and lawyers in law firms; excludes lawyers exclusively practicing "political" law. Lawyers spending at least 5 percent of their legal professional time in a field of practice are included.

**Table 2. Determinants of Lawyer-Client Relational Durability (OLS Regression Coefficients)**

	1975			1995		
	model 1	model 2	model 3	model 1	model 2	model 3
<b>A. Field System</b>						
at least 25% of time in corporate law.....	8.656**	8.647**	5.312	1.467	1.640	0.430
at least 25% of time in regulatory law.....	19.274**	19.518**	13.624**	1.261	2.259	1.129
at least 25% of time in environmental law.....	-----	-----	-----	4.746	4.705	2.725
at least 25% of time in civil litigation law.....	6.950	6.447	4.172	-7.915*	-8.143*	-7.566*
at least 25% of time in real estate law.....	2.117	2.139	1.863	-13.591*	-13.692*	-11.926*
at least 25% of time in tax law.....	4.572	4.559	3.615	5.237	4.987	4.800
at least 25% of time in probate law.....	10.538**	10.500**	10.334**	2.245	2.692	1.847
at least 25% of time in personal plight law....	-12.186**	-12.441**	-0.675	-10.835*	-11.060*	-1.503
<b>B. Client-Type</b>						
percent personal clients working-class.....	-----	-----	-0.130*	-----	-----	-0.138*
percent legal work for business clients.....	-----	-----	0.219**	-----	-----	0.137*
<b>C. Practice Setting &amp; Role Position</b>						
solo practitioner.....	-12.551*	-11.496*	-10.525*	-24.799**	-22.277**	-17.121**
small firm.....	-8.475	-8.275	-6.326	-9.711	-9.481	-5.639
medium firm (1) .....	-----	-----	-----	1.784	1.687	3.697
medium firm (2) .....	-----	-----	-----	1.187	0.595	1.824
large firm .....	-0.356	3.195	1.003	-10.932*	1.491	0.095
associate.....	-26.719**	-24.115**	-13.292**	-24.501**	-18.988**	-7.901
large firm × associate.....	-----	-8.846	-8.475	-----	-25.681**	-21.182**
other staff of firm.....	-12.847	-12.956	-16.798*	-6.584	-5.629	-4.600
partner in medium firm (3) (cf.)						
<b>D. Work Autonomy</b>						
autonomy in choice of clients.....	10.269**	9.968**	6.544*	8.519**	8.102**	5.734
work is closely supervised by senior lawyers.	2.792	3.092	3.211	-7.246	-6.978	-6.133
<b>E. Personal Characteristics</b>						
age.....	-----	-----	0.696**	-----	-----	0.949**
<b>F. Voluntary Associations</b>						
member religious organization.....	1.267	1.469	0.961	4.927	4.806	4.372
member country club.....	5.807	5.379	3.749	5.737	5.858	3.189
member veterans' organization.....	2.342	2.639	-2.235	23.779	24.552	5.219
member ethnic organization.....	10.243*	10.520**	10.060**	-12.960*	-11.155*	-9.603
<b>G. Lawyer-Client Matching</b>						
clients from bar association reference plan...	0.048	0.048	0.217	4.130	4.222	5.013
clients referred by other clients.....	0.218**	0.211**	0.233**	2.260	2.220	2.325
clients direct contacts.....	-0.012	-0.016	-0.021	0.120	0.504	-0.036
clients introduced by other lawyers.....	-0.017	-0.027	-0.008	-0.019	-0.572	-0.237
clients through real estate agents & other.....	-----	-----	-----	3.474	3.265	2.161
clients through competitive bidding.....	-----	-----	-----	-7.843	-8.468*	-7.531*
clients through advertising or yellow pages...	-----	-----	-----	-10.183	-10.257	-6.191
constant.....	42.614**	42.645**	-1.468	71.724**	69.850**	18.539
R <sup>2</sup> .....	0.337	0.339	0.422	0.293	0.309	0.369
N.....	463	463	463	473	473	473

[d:\chilaw\corres\1975\reg.do; d:\chilaw\corres\1995\reg.do]

Notes: # p&lt;.10 \* p&lt;.05 \*\* p&lt;.01

OLS Regression models predicting percentage of clients represented for three or more years. Analysis includes only solo practitioners and lawyers in law firms. Models control for total number of clients (not shown, and not statistically significant). Cf. means "comparison group."

**Table 3. Simulations (Point Estimates) Predicting Percentage of Clients Represented for at least 3 Years Based on Coefficients in Table 2, Model 3**

	1975			1995			
	sim. 1	sim. 2	sim. 3	sim. 1	sim. 2	sim. 3	sim. 4
<b>A. Field System</b>							
at least 25% of time in corporate law.....	0	1	1	0	1	1	1
at least 25% of time in regulatory law.....	0	0	0	0	0	0	0
at least 25% of time in environmental law.....	----	----	----	0	0	0	0
at least 25% of time in civil litigation law.....	0	0	0	0	0	0	0
at least 25% of time in real estate law.....	0	0	0	0	0	0	0
at least 25% of time in tax law.....	0	0	0	0	0	0	0
at least 25% of time in probate law.....	1	0	0	1	0	0	0
at least 25% of time in personal plight law....	1	0	0	1	0	0	0
<b>B. Client-Type</b>							
percent personal clients working-class.....	55	10	10	55	10	10	10
percent legal work for business clients.....	25	80	80	25	80	80	80
<b>C. Practice Setting &amp; Role Position</b>							
solo practitioner.....	1	0	0	1	0	0	0
small firm.....	0	0	0	0	0	0	0
medium firm (1) .....	----	----	----	0	0	0	0
medium firm (2) .....	----	----	----	0	0	0	0
large firm .....	0	1	1	0	1	1	1
associate.....	0	0	1	0	0	1	1
large firm × associate.....	0	0	1	0	0	1	1
other staff of firm.....	0	0	0	0	0	0	0
partner in medium firm (3) (cf.)							
<b>D. Work Autonomy</b>							
autonomy in choice of clients.....	1	0	0	1	0	0	0
work is closely supervised by senior lawyers.	0	1	1	0	1	1	1
<b>E. Personal Characteristics</b>							
age.....	45	45	45	45	45	45	35
<b>F. Voluntary Associations</b>							
member religious organization.....	1	1	1	1	1	1	1
member country club.....	1	1	1	1	1	1	1
member veterans' organization.....	0	0	0	0	0	0	0
member ethnic organization.....	0	0	0	0	0	0	0
<b>G. Lawyer-Client Matching</b>							
clients from bar association reference plan...	0	0	0	never	never	never	never
clients referred by other clients.....	30%	30%	30%	often	often	often	often
clients direct contacts.....	10%	10%	10%	often	often	often	often
clients introduced by other lawyers.....	5%	5%	5%	never	never	never	never
clients through real estate agents & other.....	----	----	----	never	never	never	never
clients through competitive bidding.....	----	----	----	never	never	never	not never
clients through advertising or yellow pages...	----	----	----	never	never	never	never
number clients last year.....	115	115	115	65	65	65	65
<b>POINT ESTIMATE.....</b>	<b>51.9</b>	<b>73.7</b>	<b>51.9</b>	<b>42.2</b>	<b>61.3</b>	<b>32.3</b>	<b>15.2</b>

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**Appendix 1. Coding of Selected Variables Included in Multivariate Analyses**

	1975	1995
<b>Field of Practice</b>		
corporate law.....	antitrust (defense) labor (management) securities antitrust (plaintiffs) banking commercial (including consumer) general corporate personal injury (defendant)	antitrust (defense) labor (management) securities antitrust (plaintiffs) banking commercial (including consumer) general corporate personal injury (defendant) international (private) insurance other corporate: (admiralty, marketing and advertising, legal referral)
regulatory law.....	labor (unions) patents & trademarks public utilities and administrative	labor (unions) patents & trademarks public utilities and administrative other regulatory: (health law, education law)
environmental law.....	n/a	environmental law (plaintiffs) environmental law (defendants)
civil litigation law.....	civil litigation	civil litigation: personal clients civil litigation: corporate clients
real estate law.....	real estate	business real estate: finance & development, landlord/tenant, zoning & eminent domain personal real estate: transfers (residential)
tax law.....	tax	business tax: corporate tax, state & local tax (real property, hotel user fees, sales, etc.) personal tax: personal tax, estate & gift tax
probate law.....	probate (wills & trusts)	probate (wills & trusts)
personal plight law.....	civil rights criminal (defense) divorce general family personal injury (plaintiffs)	civil rights criminal (defense) divorce general family personal injury (plaintiffs) immigration other personal plight: consumer protection, international law (public), social security
<b>Client Type</b>		
percent personal clients working-class.....	of personal clients: %blue-collar + %sales/clerical + %unemployed †	
percent legal work for business clients.....	% legal income from business clients	% legal time from business clients †

**Appendix 1 (cont.)**

**Practice Setting**

small firm.....	1-9 lawyers	1-9 lawyers
medium firm (1).....	10-30 lawyers	10-30 lawyers
medium firm (2).....	----	31-99 lawyers
medium firm (3).....	----	100-299 lawyers
large firm.....	30+ lawyers	300+ lawyers

**Work Autonomy**

autonomy in choice of clients.....	"The nature of my practice is such that it is often necessary to accept clients whom I would prefer not to have."	1 2 3 4 5	"In the course of my practice I have rather wide latitude in selecting which clients I will represent"
work is closely supervised by senior lawyers...	"One of the things I like about my area of practice is that I can do largely whatever I like without having someone looking over my shoulder and directing my work"	1 2 3 4 5	"In my practice of law I work closely with more senior lawyers who provide relatively close guidance in the nature of my work."

**Lawyer-Client Matching**

number clients last year.....		raw number†
clients through bar association reference plan.....	raw percentage‡	not "never"=1, else=0‡
clients referred by other clients.....	raw percentage‡	"often"=1, else=0‡
clients direct contacts.....	raw percentage‡	"often"=1, else=0‡
clients introduced by other lawyers.....	raw percentage‡	"often"=1, else=0‡
clients introduced by real estate agents, social workers, or other professionals.....	-----	"often"=1, else=0‡
clients through competitive bidding.....	-----	not "never"=1, else=0‡
clients through advertising or yellow pages.....	-----	"often" or "sometimes"=1, else=0‡

Note: Criminal prosecution and municipal law are excluded from "field of practice" in 1975; criminal prosecution, municipal law, and other political law are excluded from "field of practice" in 1995.

† Missing values were substituted with sample means of respondents satisfying criteria for inclusion in our analysis (i.e., excluding both house counsel and respondents working exclusively in "political" legal fields).

‡ Missing values formed a separate category (=2) and were included in our analysis (coefficients not shown in OLS regression models).

Appendix 2. Means, Standard Deviations, and Correlations

Table A2-1. Means and Standard Deviations of Variables in Lawyer-Client Relational Durability Analysis (Table 2)

	1975				1995					
	N	Mean	St. Dev.	Min.	Max.	N	Mean	St. Dev.	Min.	Max.
percent clients represented 3 or more years.....	479	55.772	35.056	0	100	483	50.826	36.328	0	100
number clients last year.....	514	115.242	155.901	4	950	509	66.063	92.471	0	999
number clients last year (median).....	514	66.000	-----	---	---	509	55.000	-----	---	---
at least 25% of time in corporate law.....	514	0.457	0.499	0	1	509	0.403	0.491	0	1
at least 25% of time in regulatory law.....	514	0.095	0.294	0	1	509	0.075	0.263	0	1
at least 25% of time in environmental law.....	---	-----	-----	---	---	509	0.047	0.212	0	1
at least 25% of time in litigation law.....	514	0.099	0.299	0	1	509	0.340	0.474	0	1
at least 25% of time in real estate law.....	514	0.175	0.380	0	1	509	0.122	0.327	0	1
at least 25% of time in tax law.....	514	0.095	0.294	0	1	509	0.081	0.272	0	1
at least 25% of time in probate law.....	514	0.175	0.380	0	1	509	0.055	0.228	0	1
at least 25% of time in personal plight law.....	514	0.356	0.479	0	1	509	0.234	0.424	0	1
percent working-class clients.....	514	29.637	33.365	0	100	509	26.731	32.153	0	100
percent legal work for business clients.....	514	58.290	37.087	0	100	509	65.065	36.713	0	100
solo practitioner.....	514	0.282	0.450	0	1	509	0.204	0.404	0	1
small firm.....	514	0.348	0.477	0	1	509	0.212	0.409	0	1
medium firm (1).....	514	0.142	0.349	0	1	509	0.149	0.357	0	1
medium firm (2).....	---	-----	-----	---	---	509	0.124	0.330	0	1
medium firm (3).....	---	-----	-----	---	---	509	0.139	0.347	0	1
large firm.....	514	0.228	0.420	0	1	509	0.171	0.377	0	1
associate.....	514	0.259	0.438	0	1	509	0.340	0.474	0	1
other.....	514	0.039	0.194	0	1	509	0.047	0.212	0	1
partner.....	514	0.420	0.494	0	1	509	0.409	0.492	0	1
autonomy in choice of clients.....	498	0.586	0.493	0	1	500	0.552	0.498	0	1
work is closely supervised by senior lawyers.....	504	0.220	0.415	0	1	504	0.296	0.457	0	1
age.....	511	43.926	14.224	25	88	509	41.513	10.926	25	79
member religious organization.....	514	0.187	0.390	0	1	509	0.348	0.477	0	1
member country club.....	514	0.422	0.494	0	1	509	0.299	0.458	0	1
member veterans' organization.....	514	0.101	0.302	0	1	509	0.012	0.108	0	1
member ethnic organization.....	514	0.163	0.370	0	1	509	0.081	0.272	0	1
clients from bar association reference plan.....	514	0.711	3.730	0	50	405	0.170	0.376	0	1
clients referred by other clients.....	514	50.271	29.816	0	100	443	0.506	0.501	0	1
clients direct contacts.....	514	19.731	20.365	0	100	429	0.256	0.437	0	1
clients introduced by other lawyers.....	514	17.104	21.589	0	100	438	0.358	0.480	0	1
clients introduced by real estate agents & other.....	---	-----	-----	---	---	417	0.113	0.317	0	1
clients through competitive bidding.....	---	-----	-----	---	---	421	0.340	0.474	0	1
clients through advertising or yellow pages.....	---	-----	-----	---	---	412	0.119	0.324	0	1

Chicago Lawyers and their Clients, 1975-95

Table A2-2. Pairwise Pearson Correlations of Variables in Lawyer-Client Relational Durability Analysis, 1975 (C

1. percent clients 3+ years.....	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
2. at least 25% of time in corporate.....	.14																							
3. at least 25% of time in regulatory.....	.17	-.10																						
4. at least 25% of time in litigation.....	.00	.00	-.09																					
5. at least 25% of time in real estate.....	.07	-.10	-.11	-.10																				
6. at least 25% of time in tax.....	.05	-.06	-.11	-.06	.01																			
7. at least 25% of time in probate.....	.14	-.06	-.15	-.10	.22	.20																		
8. at least 25% of time in personal plight	-.27	-.39	-.19	-.12	-.04	-.19	-.12																	
9. percent working-class clients.....	-.28	-.41	-.13	-.11	.10	-.15	-.01	.62																
10. percent work for business clients.....	.30	.46	.27	.12	-.05	.03	-.18	-.62	-.67															
11. solo practitioner.....	-.02	-.26	-.09	-.12	.19	-.10	.05	.36	.37	-.35														
12. firm (1-9).....	-.07	-.07	.03	-.05	-.04	.04	.06	.11	.15	-.18	-.46													
13. firm (10-30).....	.10	.09	.21	.01	-.01	-.02	-.01	-.21	-.21	.20	-.26	-.30												
14. firm (31+).....	.02	.29	-.11	.18	-.15	.08	-.12	-.34	-.39	.41	-.34	-.40	-.22											
15. associate.....	-.33	.13	-.01	.12	-.09	.10	-.03	-.15	-.07	.08	-.37	.06	.10	.24										
16. other.....	-.01	.06	-.03	-.03	.04	-.07	-.01	-.02	-.03	.02	-.13	.11	.00	.01	-.12									
17. partner.....	.32	.10	.10	.02	-.11	.03	-.02	-.18	-.26	.23	-.53	.32	.14	.09	-.50	-.17								
18. autonomy in choice of clients.....	.29	.05	.11	-.03	.07	.03	.09	-.13	-.15	.12	.02	-.03	.03	-.01	-.22	.01	.18							
19. closely supervised by senior lawyers....	-.17	.07	-.03	.11	-.10	.14	-.03	-.13	-.14	.10	-.26	.02	.03	.23	.46	.10	-.22	-.22						
20. age.....	.40	-.14	.00	-.04	.14	-.01	.23	.01	.10	-.10	.30	-.06	-.08	-.19	-.50	.08	.13	.23	-.29					
21. member religious organization.....	.10	-.04	-.02	.04	.06	.01	.06	-.07	-.04	.05	.09	-.06	.01	-.03	-.12	.06	.01	.03	.01	.09				
22. member country club.....	.21	.10	.12	-.02	-.06	-.01	.00	-.08	-.21	.15	-.11	-.04	.08	.09	-.17	-.07	.28	.08	-.08	.10	.13			
23. member veterans' organization.....	.08	-.06	.00	-.03	-.02	.00	.07	.02	.05	-.04	.12	-.07	.03	-.07	-.15	-.03	.04	.10	-.10	.29	.02	.08		
24. member ethnic organization.....	.10	-.12	-.05	-.08	.09	-.05	-.08	.06	.10	-.10	.13	.10	-.07	-.19	-.14	.07	-.02	.01	-.06	.13	.15	.04	.04	
25. number clients last year.....	-.07	-.23	-.12	-.10	-.02	.05	.00	.31	.30	-.35	.09	.22	-.14	-.23	-.05	.02	-.04	-.12	.00	-.06	-.01	-.12	-.02	
26. clients from bar assoc reference plan...	-.07	-.13	-.05	-.03	-.05	-.05	-.07	.18	.17	-.18	.18	-.04	-.07	-.09	-.06	-.02	-.10	-.02	-.09	.03	.01	-.05	.01	
27. clients referred by other clients.....	.22	-.09	-.05	-.09	.15	-.02	.14	.14	.24	-.23	.19	.12	-.13	-.23	-.20	.00	.01	.08	-.21	.20	-.02	-.04	.08	
28. clients direct contacts.....	.01	.07	.00	.00	.02	-.01	.03	-.05	-.12	.06	-.08	.01	.09	.00	-.05	-.08	.14	.05	-.06	-.02	.00	.11	-.04	
29. clients introduced by other lawyers.....	-.07	-.12	.13	.02	-.12	-.04	-.17	.08	-.01	.01	.04	.01	.03	-.09	-.08	-.03	.04	-.06	.02	-.05	.03	.05	.03	



### Appendix 3. Estimation Procedures

#### **A. Degree of Specialization, or "Specialization Index" (SI):**

Following Cappell (1979), SI is calculated as follows: First we calculate an entropy measure as follows:

$$\hat{H}_j = \sum_{i=1} P_i \log \frac{1}{P_i},$$

where  $P_i$  is estimated by the proportion of time allocated to practice category  $C_i$  by respondent  $j$ . It is a measure of "uncertainty" of observing a respondent practicing in legal field  $C_i$ . It can also be thought of as a measure of "diversity" of effort across fields. This measure depends on the total number of fields. Therefore, in order to compare two populations (or samples) with unequal numbers of categories, we standardize with an index of specialization ( $SI$ ) as follows:

$$SI_j = 1 - \frac{\hat{H}_j}{H_{\max}}.$$

This specialization index ranges from 0 to 1, where 1 is perfect specialization (all time in one field) and 0 is no specialization (time uniformly distributed across fields).

#### **B. Changing Client Task Volume and Supply of Legal Services**

The variables used to estimate changing client task volume include the following: number of clients, % work for business clients, % business clients major corporations, % work on personal matters, % personal clients working-class, % clients transient, and % of legal effort devoted to each field system. The last variable, proportion of individual effort devoted to each field system, is calculated using a "timeball" system developed by Charles Cappell (Heinz and Laumann 1982:42n8). Basically, each respondent is given 20 "timeballs" which are distributed across field systems. Thus, dividing the number of timeballs in system X by 20 yields the proportion of lawyer  $i$ 's effort devoted to this system.

We make two assumptions:

1. the number of active private-practice lawyers in Chicago has increased at the same rate as the entire bar—i.e., that it has doubled in size between 1975 and 1995; and
2. percentage of *time* on a type of client (1995 questionnaire wording) is equal to percentage of *income* earned from a type of client (1975 questionnaire wording).

Insofar as our second assumption is inaccurate and more income is earned per unit of time on business clients than on personal clients, all else being equal, changing the question wording in the above manne would increase the estimated volume of personal clients and diminish the volume of business clients. Therefore, our estimates of increased business client volume are conservative, and we can be confident they reflect a real shift.

##### *1. Estimating $\Delta$ Client Demand by Client Type*

Basically, this estimation procedure involves calculating the total number of clients of type X represented by lawyers in our 1995 sample, doubling it (because we assume that the Chicago bar has doubled in size), weighing this result with the ratio of 1975 and 1995 sample sizes, and dividing the final product by the total number of clients of type X represented by lawyers in the 1975 sample. To convert the final number into an index of change from a standardized value of 100 as 1975 baseline is merely a matter of multiplying by 100.

- a) The following is the estimation method used to generate Figure 3a:

## Chicago Lawyers and their Clients, 1975-95

i. Percentage change in the demand for legal services b *business clients* =

$$\frac{((\sum_{i=1}^{N_{1995}} (clients_i^{1995} \times business^{1995})) \times 2) \times (\frac{N_{1975}}{N_{1995}})}{\sum_{i=1}^{N_{1975}} (clients_i^{1975} \times business^{1975})} \times 100, \text{ where } clients_i \text{ is the total number of clients}$$

represented by lawyer *i*, *business* is the proportion of lawyer *i*'s total volume of legal work devoted to business clients, and *N* is the number of lawyers in the relevant (sub)sample.

ii. Percentage change in the demand for legal services b *major corporate clients* =

$$\frac{((\sum_{i=1}^{N_{1995}} (clients_i^{1995} \times business^{1995} \times corporate^{1995})) \times 2) \times (\frac{N_{1975}}{N_{1995}})}{\sum_{i=1}^{N_{1975}} (clients_i^{1975} \times business^{1975} \times corporate^{1975})} \times 100, \text{ where } clients_i \text{ is the total}$$

number of clients represented by lawyer *i*, *business* is the proportion of lawyer *i*'s total volume of legal work devoted to business clients, *corporate* is the proportion of lawyer *i*'s total volume of work for business clients devoted to major corporate clients, and *N* is the number of lawyers in the relevant (sub)sample.

iii. Percentage change in the demand for legal services b *transient major corporate clients* =

$$\frac{((\sum_{i=1}^{N_{1995}} (clients_i^{1995} \times transient^{1995} \times business^{1995} \times corporate^{1995})) \times 2) \times (\frac{N_{1975}}{N_{1995}})}{\sum_{i=1}^{N_{1975}} (clients_i^{1975} \times transient^{1975} \times business^{1975} \times corporate^{1975})} \times 100, \text{ where}$$

*clients<sub>i</sub>* is the total number of clients represented by lawyer *i*, *business* is the proportion of lawyer *i*'s total volume of legal work devoted to business clients, *transient* is the proportion of lawyer *i*'s total number of clients that are transient, *corporate* is the proportion of lawyer *i*'s total volume of work for business clients devoted to major corporate clients, and *N* is the number of lawyers in the relevant (sub)sample.

iv. Percentage change in the demand for legal services b *transient working-class clients* =

$$\frac{((\sum_{i=1}^{N_{1995}} (clients_i^{1995} \times transient^{1995} \times personal^{1995} \times working^{1995})) \times 2) \times (\frac{N_{1975}}{N_{1995}})}{\sum_{i=1}^{N_{1975}} (clients_i^{1975} \times transient^{1975} \times personal^{1975} \times working^{1975})} \times 100, \text{ where } clients_i$$

is the total number of clients represented by lawyer *i*, *personal* is the proportion of lawyer *i*'s total volume of legal work devoted to personal matters, *transient* is the proportion of lawyer *i*'s total number of clients that are transient, *working* is the proportion of lawyer *i*'s total volume of work for personal clients devoted to working-class clients (i.e., blue-collar + unemployed + sales and clerical), and *N* is the number of lawyers in the relevant (sub)sample.

## Chicago Lawyers and their Clients, 1975-95

The actual summations from the above formulas appear in the following table so the reader can see how the figures were generated:

Client Type	1975		1995	
	Client Volume	N <sub>1975</sub>	Client Volume	N <sub>1995</sub>
A. All Clients	58,197	505	32,767	496
Total Business	23,423	499	15,613	493
of which: Major Corporations	7,430	491	5,490	481
Total Personal	34,515	493	15,289	491
of which: Middle-class	10,375	475	3,749	453
of which: Working-class	19,039	482	9,282	465
B. Transient Clients (represented <3 years)	26,724	474	16,408	483
Total Business	8,581	469	6,400	483
of which: Major Corporations	2,511	462	2,001	472
Total Personal	18,064	464	9,055	481
of which: Middle-class	4,603	449	1,796	443
of which: Working-class	10,546	448	5,969	444

Note: N values vary due to missing values.

To illustrate how the above equations work, we plug in the appropriate values for business clients as

follows: 
$$\frac{((15,613) \times 2) \times \left(\frac{499}{493}\right)}{23,423} \times 100 = 134.94$$
 for 1995 compared to 1975 value of 100, which represents a 35 percent increase in total business client volume.

Change in the task volume of personal clients is estimated as follows:

$$\frac{((15,289) \times 2) \times \left(\frac{493}{491}\right)}{34,515} \times 100 = 88.95$$
 for 1995 compared to a 1975 value of 100, which represents an 11 percent decline in total personal client volume.

**Note: the numbers in the "Client Volume" columns are not estimates of numbers of clients, but rather are estimates of "client task volume." For this reason, these estimates are inappropriate for comparing client volume within the same year. Basically, "task volume" is not an intuitively meaningful metric since it depends on "percentage of work (asked as 'income earned' in 1975 and as 'time spent on' in 1995) for clients of type X." In other words, at a single point of time, comparing "task volumes" of different client types is an exercise with little meaning because lawyers weigh "work" differently by client type and we have no way of knowing these weight values so as to convert "client task volume" into "number of clients of type X." Insofar as more income is earned from (or more time is spent on) business work per client, our "client volume" estimate is understimating business client volume. But we have no way to determine the correct multiplier. Thus, comparing supply of legal effort (or number of lawyers) with our estimate of client task demand is meaningless at a given point of time. However, with the assumption that the unknown multiplier remains constant between 1975 and 1995, change over time is an entirely meaningful and intuitive estimate. Moreover, as we already mentioned above, the change in questionnaire wording from "income" to "time" works in our favor insofar as we are trying to demonstrate the decline of personal-client demand and the rise of business-client demand.**

### 2. Estimating $\Delta$ Client Demand by Field System

a) The following is the estimation method used to generate Figure 4a:

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Change in the client demand for legal services in *field system*<sub>x</sub> =

$$\frac{((\sum_{i=1}^{N_{1995}} (clients_i^{1995} \times effort_x^{1995})) \times 2) \times (\frac{N_{1975}}{N_{1995}})}{\sum_{i=1}^{N_{1975}} (clients_i^{1975} \times effort_x^{1975})} \times 100, \text{ where } clients_i \text{ is the total number of clients}$$

represented by lawyer *i*, *effort*<sub>x</sub> is the proportion of lawyer *i*'s total legal effort devoted to *field system*<sub>x</sub>, and *N* is the number of lawyers in the relevant (sub)sample.

b) The following is the estimation method used to generate Figure 4b:

Change in the transient client demand for legal services in *field system*<sub>x</sub> is calculated as follows:

$$\frac{((\sum_{i=1}^{N_{1995}} (clients_i^{1995} \times transient_i^{1995} \times effort_x^{1995})) \times 2) \times (\frac{N_{1975}}{N_{1995}})}{\sum_{i=1}^{N_{1975}} (clients_i^{1975} \times transient_i^{1975} \times effort_x^{1975})} \times 100, \text{ where } clients_i \text{ is the total number}$$

of clients represented by lawyer *i*, *transient*<sub>i</sub> is the proportion of lawyer *i*'s clients that are transient, *effort*<sub>x</sub> is the proportion of lawyer *i*'s total legal effort devoted to *field system*<sub>x</sub>, and *N* is the number of lawyers in the relevant (sub)sample.

{using d:\chilaw\corres\1975\clivol.do; d:\chilaw\chilaw75\clivol.do; d:\chilaw\corres\1995\clivol.do; d:\chilaw\timeball\clivol.do; see d:\chilaw\corres\1995\clivol.xls }

### 2. Estimating ΔSupply of Lawyers by Practice Setting

The following is the estimation method used to generate Figure 5a:

$$\Delta\text{Supply of lawyers per practice setting} = \frac{(PS_i^{1995} \times 2) \times (\frac{N_{1975}}{N_{1995}})}{PS_i^{1975}} \times 100, \text{ where } PS_i^{1995} \text{ is the total number}$$

of lawyers in *practice setting*<sub>i</sub> in 1995, and *N*<sub>1995</sub> is the total (sub)sample size in 1995.

{using d:\chilaw\corres\1975\client.do; d:\chilaw\corres\1995\client.do }

### 3. Estimating ΔSupply of Legal Effort by Field System

The following is the estimation method used to generate Figure 5b:

We estimate the distribution of legal effort using a "timeball" system developed by Charles Cappell (Heinz and Laumann 1982:42n8). Basically, each respondent is given 20 "timeballs" which are distributed across field systems. Change in the supply of legal effort in a field system X then becomes:

$$\frac{((\sum_{i=1}^{N_{1995}} (timeballs_i^{1995})) \times 2) \times (\frac{N_{1975}}{N_{1995}})}{\sum_{i=1}^{N_{1975}} (timeballs_i^{1975})} \times 100, \text{ where } timeballs_i \text{ is the number of timeballs lawyer } i \text{ has in}$$

field system X.

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### *4. Estimating Distribution of Legal Effort by Field System and by Year*

The following is the estimation method used to generate Figure 8:

This is simply a matter of calculating the proportion of the sum-total of all timeballs in the (sub)sample accounted for by the sum total of all timeballs in this field system.