

A Flash Report on the 2017 Economics of Law Practice Survey in Kansas

Summary of Key Findings

September, 2017

INTRODUCTION

During the spring of 2017, The Kansas Bar Association surveyed the legal community on the economics of law practice considering similar studies undertaken in 2012, 2005 and 1997. The objectives of all studies were to derive and report the following:

- Demographics of practicing attorneys, including views on economic sentiment
- Attorney 2016 taxable income arrayed by practice class, gender, field of law, office location, full- vs. part-time status, years in practice and firm size
- Associate, legal assistant, and secretary 2017 annual compensation by years of experience (tenure) and office location
- Prevailing average 2017 hourly billing rates for attorneys arrayed by a variety of indicators, and for legal assistants by years of experience, firm size and office location
- Attorney time allocated to billable and non-billable professional activities in 2017
- Fixed expense and gross revenues per attorney and overhead rates associated with maintaining a private law practice by office location and firm size in 2016

Methods and Measures

Results are based on two confidential survey instruments (questionnaires) e-mailed to approximately **10,000 active, in-state attorneys, regardless of KBA membership status.**

The two targeted groups of attorneys are private practitioners (PPs) and non-private practitioners (NPPs). The data obtained from approximately 935 usable returned questionnaires were analyzed and this report produced by the Applied Statistics Laboratory of Ann Arbor, Michigan. Please contact Dr. Lawrence Stiffman at (734) 417-5151 or e-mail him at aslinfo@aol.com for assistance in interpreting findings. There is no charge for this service.

To help practitioners interpret the information provided in many exhibits in this report, here is a brief discussion of measures of central tendency (mean and median) and dispersion (spread).

Measures of Central Tendency

The mean (also called the average or arithmetic average) is calculated by adding the values of all responses, then dividing by the number of responses.

Example: Three responses – 1, 2 and 3 – are reported. The average is calculated by adding their values ($1 + 2 + 3 = 6$), then dividing by the number of responses (3). Thus, the average is $6 \div 3 = 2$.

The median is the middle value of a series (distribution) of values, which is initially rank-ordered (from low to high or *vice versa*). By definition, half the numbers are greater and half are less than the median. Both mean and median values are used throughout this survey report to denote the measure of central tendency. Use of the median as a statistic for central tendency reduces the effect of “outliers” (extremely high or low values, such as 30), while the average does not.

Example: Three responses – 1, 2 and 30 – are reported. The *average* of this same distribution is 33 divided by 3 = 11. The *median* is the middle number of the order of distribution (1, 2, and 30) or 2.

Measures of Dispersion (Spread)

The dispersion of data around the median (the 50th percentile) generally is based on 3 values:

25th percentile (lower quartile) One-fourth of the values are less and three-fourths are more than this value

75th percentile (upper quartile) Three-fourths of the values are less and one-fourth is more than this value

95th percentile Ninety-five percent of the values are less and five percent are more than this value

An Example

Exhibit 1 summarizes distributions of 2016 taxable incomes of Kansas private practitioners by nine practice classes reported by 482 survey respondents (denoted by *Valid N*). By convention, this and many subsequent exhibits provide percentile information offering five data points – the 25th, 50th (Median), the mean, the 75th and 95th percentiles – on the variable of interest (taxable income in this case). For example, 25% of all associates report earning less than \$54,000, half earn less than \$66,500, while half earn more than \$66,500 and 25% earn more than \$85,000. Observe that the median values are less than the mean values due to the influence of high income outliers influencing mean (average) values.

**EXHIBIT 1
DISTRIBUTION OF 2016 PRIVATE PRACTITIONER TAXABLE INCOME BY
PRACTICE CLASSIFICATION, KANSAS**

Practice Classification	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Associate	58	\$54,000	\$66,500	\$73,325	\$85,000	\$136,000
Equity Partner/Shareholder	114	\$115,000	\$179,500	\$237,653	\$275,000	\$600,000
Managing Partner	51	\$83,000	\$166,000	\$199,941	\$235,000	\$600,000
Non-Equity Partner	14	\$100,000	\$156,000	\$174,857	\$215,000	\$450,000
Of Counsel	20	\$62,000	\$90,500	\$100,681	\$137,500	\$225,000
Senior Associate	22	\$61,000	\$81,250	\$81,614	\$100,000	\$130,000
Sole Practitioner sharing space	22	\$60,000	\$80,000	\$135,682	\$157,000	\$300,000
Sole Practitioner, with office outside of home	123	\$60,000	\$100,000	\$155,075	\$140,000	\$400,000
Sole Practitioner, working out of home office	44	\$20,000	\$37,250	\$51,674	\$65,000	\$150,000
Total	482	\$60,000	\$100,000	\$152,746	\$175,000	\$379,890

To denote the “gender gap” of reported attorney incomes, the term “gap” is used as a proportion calculated as the *median value of one group divided by another group*. For example, a reported income of \$75,000 for a group of hypothetical female attorneys divided by \$100,000 for a like group of male attorneys yields the proportion of .75. This could be interpreted in plain English as: *This group of females earns “75 cents on the dollar” compared with their male counterparts.*

This report should be considered and used in its entirety only in order to avoid misconstruing the meaning of individual exhibits. Personnel planning and decision-making include many factors not covered in surveys of this scope or nature. However, this report provides ranges of values that can help in developing sound and equitable hiring and compensation policies

AN OVERVIEW OF KEY FINDINGS

Demographics of Survey Respondents

The typical **private practitioner** is 49 years of age and the typical **non-private practitioner** is 47 years old. The average **male** attorney is 53 years of age while the average **female** attorney is 47 years of age. Females represent 33% of private practice respondents while representing 51% of all non-private practitioners. About 86% of private practitioners work full-time, compared with 95% of all non-private practitioners. Private practitioners have been in practice for 23 years and non-private practitioners, 20 years. See **Exhibits 2 and 3**.

**EXHIBIT 2
MEDIAN AND MEAN (AVERAGE) AGE OF KANSAS SURVEY RESPONDENTS BY GENDER AND WORK-STATUS, 2017**

Category	Private Practitioners				Non- Private Practitioners			
	Valid N	% of Total	Median Age	Mean Age	Valid N	% of Total	Median Age	Mean Age
Female, working full-time (>31 hours/week)	138	27.1%	45	45	198	47.6%	46	46
Female, working part-time (<32 hours/week)	29	5.7%	58	57	13	3.1%	53	54
Male, working full-time (>31 hours/week)	302	59.3%	53	51	194	46.6%	50	50
Male, working part-time (<32 hours/week)	40	7.9%	69	65	10	2.4%	55	55
All Females	167	32.8%	46	47	211	50.8%	46	45
All Males	342	67.2%	55	53	204	49.2%	50	50
All Full-time Only	440	86.44%	49	49	392	94.5%	48	47
All Part-time Only	69	13.56%	65	62	23	5.5%	54	54
All Attorneys	509	100%	51	51	415	100.0%	48	48

EXHIBIT 3

MEDIAN AND MEAN (AVERAGE) YEARS IN PRACTICE OF KANSAS SURVEY RESPONDENTS BY GENDER AND WORK-STATUS, 2017

Category	Private Practitioners				Non- Private Practitioners			
	Valid N	% of Total	Median	Mean	Valid N	% of Total	Median	Mean
Female,working full-time (>31 hours	137	26.7%	14	16	198	47.6%	17	16
Female,working part-time (<32 hour	28	5.4%	27	24	13	3.1%	25	28
Male,working full-time (>31 hours/w	301	58.6%	25	24	194	46.6%	22	22
Male,working part-time (<32 hours/	40	7.8%	41	37	10	2.4%	29	31
All Females	165	32.6%	17	17	211	50.8%	18	16
All Males	341	67.4%	27	26	204	49.2%	22	22
All Full-time Only	438	86.6%	22	22	392	94.5%	20	19
All Part-time Only	68	13.4%	34	34	23	5.5%	27	26
All Attorneys	506	100.0%	23	23	415	100.0%	20	19

Exhibits 4 and 5 distribute survey respondents by firm size groups, measured by number of attorneys. Half of all respondents work as solos or in two-person firms. About 32% of private practitioners and 38% of non-private practitioners work in organizations with 6 or more attorneys.

Exhibit 4

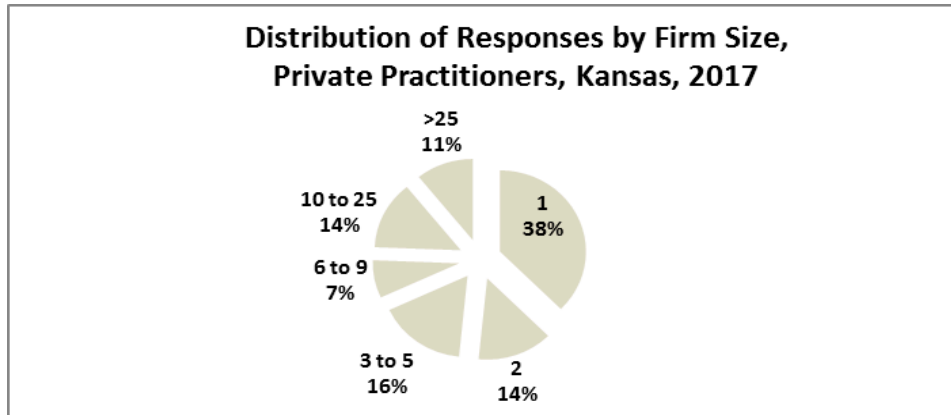
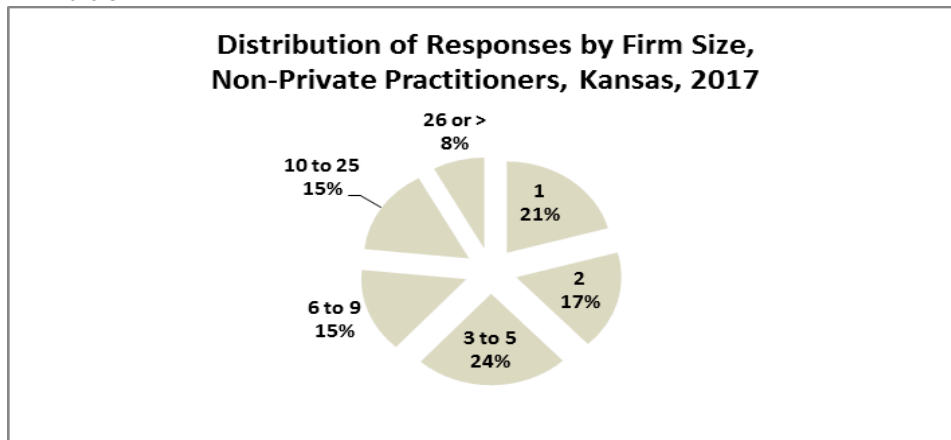


Exhibit 5



Summary of Changes between 2017/2016 and the 2004/2005 Reporting Periods

The 2017 survey replicates many questions addressed in previous surveys, facilitating analyses of change over time. Reporting periods are represented by two intervals: 2004/2005 to 2011/2012 and 2011/2012 to 2016/2017. Different attorneys responded to the questionnaires for each of the time periods. **Exhibit 6** summarizes changes over time.

Demographics

The attorney population aged slightly between reporting periods, reflected by both age and years-in-practice statistics. More attorneys, primarily males, are delaying retirement even though more young attorneys are entering the field. The proportion of the Bar that is female slowed to 3% during the second period compared with a 10% in the first period.

Hours, Income and Billing Rates

Both total and billable reported hours worked per week decreased during the initial reporting periods, with no change in billable hours /week in the second period. Total hours did increase slightly (4.3%).

Initially, Incomes increased because of an increase in hourly billing rates, not time billed. Considering the first period, for both attorney net income (up 4% per annum) and average hourly billing rates (up 5% per annum), annual percent increases were slightly higher than inflation. In the second period, income dropped considerable to (0.6% per annum) and billing rates to 3% per annum. Associate and legal assistant billing rate increases also ranged from 3.3% to 5% per annum, depending on tenure in the first period and all dropped in the second period, reflecting less pricing power.

Revenues and Expenses

Overhead basically remained constant, With respect to labor expenditures, even as associate, legal assistant and secretary unit labor costs decreased. Prices reflect relative scarcity as both skilled and unskilled support staff are becoming more mobile and can participate in more than one service sector (legal services, financial services, accounting, consulting, etc.) Other fixed expenses dropped in the second period.

EXHIBIT 6

CHANGES IN ECONOMIC INDICATORS, KANSAS PRIVATE PRACTITIONERS, 1996- 2017

	2016/17	2011/12	2004/5	% Change 2004-2011	Annual % chg. 2004- 2011	% Change 2011-2016	Annual % chg. 2011- 2016
Respondent Demographics							
Age	52	49	48	2.1%	0.3%	6%	1%
Years in Practice	23	20	18	11.1%	1.6%	15%	3%
% Female	33	32	29	10.3%	1.5%	3%	1%
Attorney Net Income	\$100,000	\$90,000	\$84,000	7.1%	1.0%	11%	2%
Hours Worked							
Billable Hours	35	35	35	0.0%	0.0%	0%	0%
Total Hours	47	48	46	4.3%	0.6%	-2%	0%
CLE Hours/Year	15	15	15	0.0%	0.0%	0%	0%
Pro Bono Hours/Year	20	30	40	-25.0%	-3.6%	-33%	-7%
							0%
Hourly Billing Rate	\$225	\$200	\$150	33.3%	4.8%	13%	3%
Fixed Expenses & Gross Revenues/attorney							
Labor Costs	\$50,000	\$44,500	\$30,000	48.3%	6.9%	12%	2%
Occupancy Costs	\$13,150	\$11,000	\$11,000	0.0%		20%	4%
Other Fixed Costs	\$15,000	\$14,000	\$20,000	-30.0%	-4.3%	7%	1%
Total Expenses	\$63,500	\$60,000	\$59,250	1.3%	0.2%	6%	1%
Gross Revenues	\$190,000	\$180,000	\$150,000	20.0%	2.9%	6%	1%
Overhead Rate (in %)	40%	40%	40%	0.0%		0%	0%
Private Firm Annual Salaries							
Associates, no Exp	\$56,000	\$55,500	\$45,000	23.3%	3.3%	1%	1%
Associates, 3 yrs	\$70,000	\$68,000	\$55,000	23.6%	3.4%	3%	0%
Associates, 5 yrs	\$76,000	\$75,000	\$65,000	15.4%	2.2%	1%	-3%
Associates, 10 yrs	\$85,000	\$97,500	\$78,500	24.2%	3.5%	-13%	1%
Legal Assistants, no exp	\$30,000	\$28,500	\$25,000	14.0%	2.0%	5%	2%
Legal Assistants, 3 yrs	\$35,000	\$32,250	\$32,000	0.8%	0.1%	9%	3%
Legal Assistants, 5 yrs	\$40,000	\$35,000	\$35,000	0.0%	0.0%	14%	2%
Legal Assistants, 10 yrs	\$48,000	\$43,000	\$40,000	7.5%	1.1%	12%	3%
Secretaries, no Exp	\$25,000	\$22,000	\$21,000	4.8%	0.7%	14%	3%
Secretaries, 3 yrs	\$30,000	\$26,000	\$25,000	4.0%	0.6%	15%	3%
Secretaries, 5 yrs	\$35,000	\$30,000	\$28,800	4.2%	0.6%	17%	3%
Secretaries,10 yrs	\$40,000	\$35,000	\$30,000	16.7%	2.4%	14%	0%
Assoc. & LA Billing Rates							
Associates, no Exp	\$160	\$150	\$125	20.0%	2.9%	7%	1%
Associates, 3 yrs	\$180	\$175	\$150	16.7%	2.4%	3%	1%
Associates, 5 yrs	\$200	\$180	\$165	9.1%	1.3%	11%	2%
Associates, 10 yrs	\$200	\$200	\$160	25.0%	3.6%	0%	0%
Legal Assistants, no exp	\$75	\$75	\$55	36.4%	5.2%	0%	0%
Legal Assistants, 3 yrs	\$85	\$75	\$65	15.4%	2.2%	13%	3%
Legal Assistants, 5 yrs	\$90	\$85	\$65	30.8%	4.4%	6%	1%
Legal Assistants, 10 yrs	\$90	\$85	\$75	13.3%	1.9%	6%	1%

2016 Taxable Income of Kansas Attorneys

While many factors affect attorney income, clues to explain variation at a given point in time can be derived from combinations of these seven factors addressed in the survey and summarized in this section of the report:

- Practice classification (class)
- Field of law
- Years in practice
- Gender
- Firm size (number of attorneys in firm/organization)
- Office location
- Work status (full-time vs. part-time)

Selected factors are summarized below. See full report for remaining displays.

**EXHIBIT 7
DISTRIBUTION OF 2016 TAXABLE INCOME, FULL-TIME KANSAS PRIVATE PRACTITIONERS**

	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Associate	57	\$55,000	\$67,000	\$73,874	\$85,000	\$136,000
Equity Partner/Shareholder	110	\$120,000	\$185,000	\$241,841	\$290,000	\$600,000
Managing Partner	47	\$83,000	\$165,000	\$197,297	\$235,000	\$600,000
Non-Equity Partner	11	\$100,000	\$180,000	\$191,182	\$270,000	\$450,000
Of Counsel	13	\$75,000	\$130,000	\$125,231	\$162,000	\$250,000
Senior Associate	19	\$66,000	\$82,500	\$83,921	\$100,000	\$160,000
Sole Practitioner sharing space	19	\$60,000	\$80,000	\$150,158	\$165,000	\$900,000
Sole Practitioner, with office outside of home	103	\$65,000	\$105,000	\$166,604	\$150,000	\$400,000
Sole Practitioner, working out of home office	17	\$38,000	\$54,000	\$65,647	\$75,000	\$210,000
Total	396	\$68,375	\$110,000	\$166,599	\$185,000	\$400,000

**Exhibit 8
DISTRIBUTION OF 2016 TAXABLE INCOME, FULL-TIME KANSAS NON-PRIVATE PRACTITIONERS**

	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
In-House Counsel (For-profit organization)	117	\$88,000	\$145,000	\$160,494	\$200,000	\$338,000
Corporate Counsel (Not for profit org.)	24	\$58,500	\$90,500	\$123,570	\$158,000	\$300,000
City/County Agency	56	\$60,000	\$70,000	\$80,895	\$92,500	\$147,000
State Agency	58	\$60,000	\$68,000	\$71,468	\$80,000	\$120,000
Federal Agency	35	\$100,000	\$125,000	\$124,081	\$155,000	\$187,000
Legal Services Agency	13	\$45,000	\$47,500	\$63,731	\$60,000	\$155,000
Court System	22	\$65,000	\$88,500	\$92,818	\$120,000	\$136,000
Not in Practice, but Working	11	\$0	\$5,000	\$37,273	\$80,000	\$125,000
Law Clerk	16	\$53,000	\$79,234	\$83,529	\$105,000	\$150,000
Total	352	\$62,000	\$87,300	\$110,263	\$136,000	\$240,285

Taxable Income by Field of Law

EXHIBIT 9

DISTRIBUTION OF 2016 PRIVATE PRACTITIONER TAXABLE INCOME BY PRIMARY FIELD OF LAW, RANKED BY FREQUENCY

Primary Field of Law	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Family Law	72	\$60,000	\$90,000	\$105,283	\$130,000	\$275,000
Wills, Estates and Probate	57	\$50,000	\$100,000	\$176,888	\$160,000	\$350,000
Personal Injury (Plaintiff)	29	\$100,000	\$175,000	\$312,583	\$445,000	\$997,654
Corporate/Business Law	28	\$68,375	\$117,500	\$189,920	\$172,000	\$350,000
General Practice	27	\$49,000	\$62,000	\$77,737	\$82,000	\$200,000
Criminal (Private Defendant)	23	\$55,000	\$85,000	\$106,000	\$150,000	\$250,000
Other Trial Practice (Gen./Civil)	22	\$100,000	\$168,500	\$219,545	\$250,000	\$500,000
Other Trial Practice (Commercial)	19	\$100,000	\$168,000	\$177,526	\$250,000	\$370,000
Criminal (Public Defendant)	16	\$43,500	\$65,000	\$62,813	\$70,000	\$130,000
Labor & emp. (Management)	15	\$95,000	\$119,000	\$146,600	\$225,000	\$315,000
Real Estate	14	\$80,000	\$120,000	\$138,893	\$150,000	\$375,000
Elder Law	13	\$54,000	\$75,000	\$103,817	\$165,000	\$250,000
Collections, Creditor	12	\$53,500	\$71,000	\$111,750	\$126,500	\$408,000
Taxation	11	\$60,000	\$100,000	\$133,205	\$160,000	\$480,000
Personal Injury (Defendant)	10	\$80,000	\$90,000	\$96,025	\$100,000	\$180,000
Bankruptcy, Debtor	8	\$34,000	\$66,000	\$74,375	\$92,500	\$180,000
Intellectual Property/Trade Secrets	7	\$80,000	\$140,000	\$158,571	\$215,000	\$308,000
Workers' Compensation, Employer	7	\$91,000	\$190,000	\$171,571	\$225,000	\$300,000
Governmental Law	6	\$100,000	\$160,000	\$162,500	\$190,000	\$325,000
Immigration	6	\$30,000	\$100,000	\$136,500	\$170,000	\$395,000
Labor & emp. (Labor)	6	\$70,000	\$207,500	\$299,167	\$600,000	\$700,000
Oil and Gas	6	\$35,000	\$113,000	\$158,500	\$275,000	\$400,000
Alternative Dispute Resolution	5	\$30,000	\$75,000	\$130,375	\$250,000	\$284,875
Health and Hospital Law	5	\$68,000	\$120,000	\$148,200	\$160,000	\$340,000
Insurance	5	\$100,000	\$110,000	\$174,000	\$300,000	\$300,000
Workers' Compensation, Employee	5	\$100,000	\$185,000	\$182,000	\$240,000	\$300,000
Construction Law	4	\$204,000	\$294,000	\$376,750	\$549,500	\$744,000
Consumer Law	4	\$69,000	\$131,411	\$152,205	\$235,411	\$323,000
Criminal (Prosecution)	4	\$28,000	\$55,000	\$45,250	\$62,500	\$65,000
Medical Malpractice (Defendant)	4	\$93,500	\$205,000	\$271,750	\$450,000	\$600,000
Total	450	\$60,000	\$100,000	\$152,746	\$175,000	\$379,890
Consolidated Private Practitioners						
	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Sole Practitioners	190	\$43,000	\$76,500	\$128,068	\$130,000	\$325,000
Associates	81	\$55,000	\$70,000	\$76,831	\$93,000	\$136,000
Partners	198	\$100,000	\$168,000	\$209,980	\$250,000	\$500,000
Total	469	\$60,000	\$100,000	\$153,800	\$175,000	\$395,000

**EXHIBIT 10
DISTRIBUTION OF 2016 NON-PRIVATE PRACTITIONER TAXABLE INCOME BY
PRIMARY FIELD OF LAW, RANKED BY FREQUENCY**

	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Governmental Law	53	\$63,000	\$80,000	\$90,088	\$114,000	\$174,000
Corporate/Business Law	48	\$80,000	\$118,500	\$146,526	\$198,000	\$325,000
Criminal (Prosecution)	37	\$56,000	\$65,000	\$75,502	\$88,000	\$150,000
Unspecified	35	\$52,000	\$115,000	\$110,886	\$150,000	\$300,000
Administrative Law	33	\$57,200	\$67,000	\$93,837	\$102,000	\$240,000
Insurance	24	\$75,000	\$121,500	\$125,348	\$182,500	\$225,000
Appellate Law	15	\$52,000	\$60,000	\$70,439	\$80,000	\$137,123
Family Law	15	\$43,000	\$50,000	\$53,846	\$65,000	\$92,000
Labor & emp. (Management)	13	\$80,000	\$125,000	\$114,997	\$137,000	\$200,000
General Practice	12	\$66,734	\$135,500	\$172,539	\$188,000	\$700,000
Taxation	11	\$70,000	\$120,000	\$108,364	\$150,000	\$200,000
Criminal (Public Defendant)	10	\$54,000	\$64,000	\$68,200	\$80,000	\$110,000
Real Estate	10	\$125,000	\$181,500	\$197,600	\$300,000	\$338,000
Health and Hospital Law	9	\$70,000	\$158,153	\$175,461	\$230,000	\$530,000
Collections, Creditor	6	\$61,000	\$68,500	\$68,167	\$75,000	\$75,000
Civil Rights	5	\$87,000	\$90,000	\$95,100	\$106,000	\$110,000
Other Civil Law	5	\$56,000	\$60,000	\$65,600	\$100,000	\$112,000
Other Trial Practice (Gen./Civil)	5	\$80,000	\$85,000	\$74,200	\$100,000	\$106,000
Construction Law	4	\$100,000	\$147,500	\$137,500	\$175,000	\$180,000
Oil & Gas	4	\$75,000	\$120,000	\$147,000	\$219,000	\$288,000
Securities	4	\$32,500	\$147,500	\$136,250	\$240,000	\$250,000
Wills, Estates and Probate	4	\$67,000	\$78,500	\$80,116	\$93,233	\$103,465
Total	362	\$60,000	\$85,000	\$108,220	\$135,000	\$250,000
Consolidated Groups of Non-Private Practitioners						
	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
City/County Agency	59	\$60,000	\$69,000	\$78,709	\$92,000	\$147,000
State Agency	61	\$59,000	\$67,000	\$69,560	\$80,000	\$116,000
Federal Agency	35	\$100,000	\$125,000	\$124,081	\$155,000	\$187,000
In-house Counsel	143	\$78,000	\$128,000	\$153,080	\$200,000	\$325,000
Legal Services Agency	13	\$45,000	\$47,500	\$63,731	\$60,000	\$155,000
Law Clerk	17	\$52,000	\$73,468	\$81,557	\$100,000	\$150,000
Court System	22	\$65,000	\$88,500	\$92,818	\$120,000	\$136,000
Other, unemployed, retired	22	\$0	\$12,500	\$54,364	\$80,000	\$160,000
Total	372	\$60,000	\$85,500	\$109,068	\$135,500	\$250,000

Taxable Income by Office Location

Exhibits 11 and 12 display 2016 taxable income of Kansas private and non-private practitioners by office location.

EXHIBIT 11 DISTRIBUTION OF 2016 PRIVATE PRACTITIONER TAXABLE INCOME BY OFFICE LOCATION

Office Location	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Central & North Central, KS	32	\$42,500	\$70,000	\$95,375	\$120,000	\$350,000
Kansas City, KS	124	\$69,000	\$112,500	\$168,191	\$158,500	\$375,000
Kansas City, MO	74	\$80,000	\$150,000	\$199,699	\$250,000	\$600,000
Lawrence/Douglas County	22	\$60,000	\$120,000	\$128,557	\$190,000	\$260,000
Northeast KS	16	\$47,500	\$79,000	\$93,500	\$135,000	\$200,000
Out of state licensed in KS	30	\$50,000	\$76,500	\$196,667	\$162,000	\$900,000
Southcentral KS	26	\$40,000	\$67,500	\$100,899	\$175,000	\$240,000
Southeast KS	15	\$72,000	\$85,000	\$136,667	\$175,000	\$400,000
Topeka/Shawnee County	50	\$61,000	\$97,500	\$149,343	\$130,000	\$450,000
West KS	14	\$54,000	\$70,000	\$102,429	\$125,000	\$275,000
Wichita/Sedgwick County	78	\$65,000	\$100,000	\$142,045	\$190,000	\$350,000
Total	482	\$60,000	\$100,000	\$152,746	\$175,000	\$379,890

EXHIBIT 12 Distribution of 2016 Non-Private Practitioner Taxable Income by Office Location

Office Location	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Central KS	28	\$66,000	\$80,000	\$92,956	\$113,888	\$144,000
Kansas City, KS	63	\$72,000	\$115,000	\$122,585	\$172,000	\$240,285
Kansas City, Mo	36	\$67,714	\$118,432	\$127,958	\$169,000	\$288,000
Lawrence/Douglas County	11	\$56,000	\$80,000	\$86,574	\$120,000	\$210,000
Northeast KS	19	\$55,000	\$76,000	\$89,474	\$120,000	\$185,000
Out of state licensed in Kansas	43	\$75,000	\$120,000	\$124,702	\$187,000	\$300,000
Southeast KS	7	\$26,000	\$62,000	\$80,269	\$64,500	\$275,000
Topeka/Shawnee County	108	\$58,450	\$71,000	\$84,923	\$94,500	\$175,000
West KS	6	\$55,000	\$60,000	\$61,833	\$61,000	\$90,000
Wichita/Sedgwick County	63	\$60,000	\$92,000	\$132,500	\$150,000	\$450,000
Total	387	\$60,000	\$85,000	\$108,220	\$135,000	\$250,000



Gender Variations in 2016 Taxable Income

When considering the practice classification of the survey respondents, median income for Male attorney incomes exceed female attorney income. Gaps are narrow for associates (Exhibit 13) and among local and state government workers and the judiciary (Exhibit 14).

EXHIBIT 13

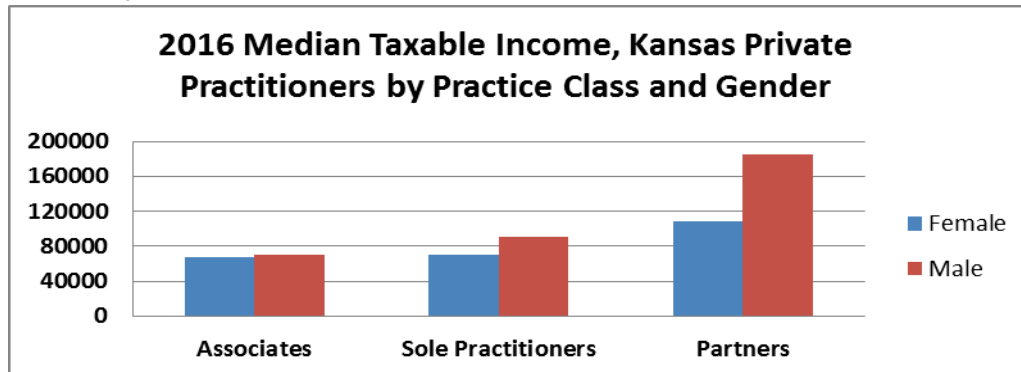
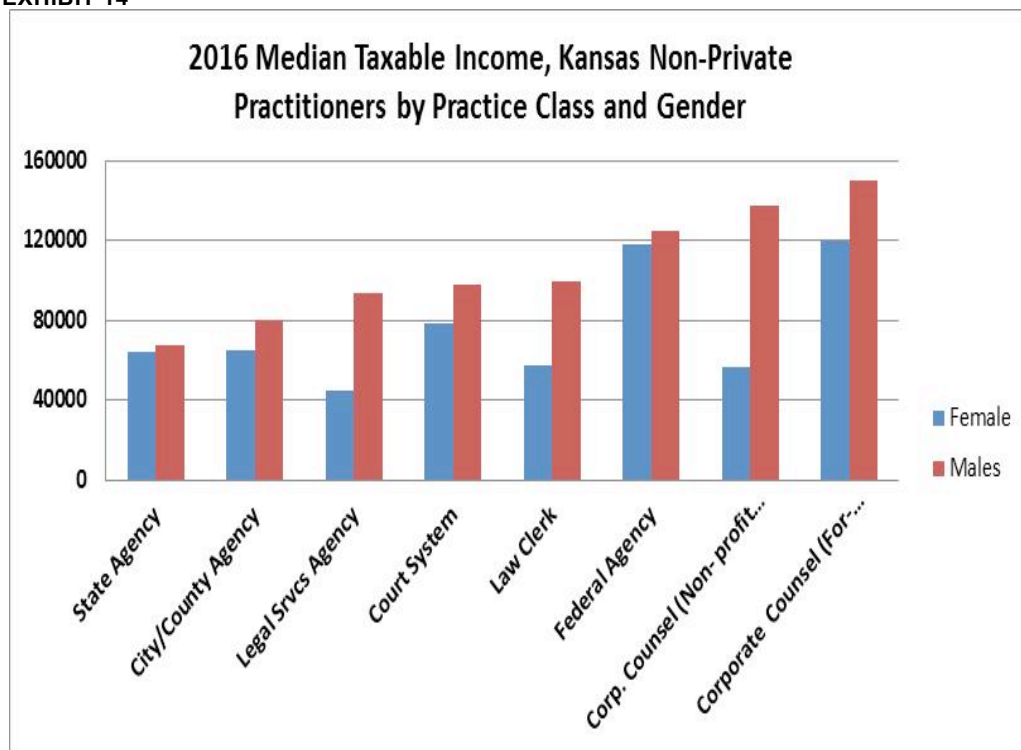


EXHIBIT 14



FULL-TIME PRACTITIONERS BY YEARS IN PRACTICE

EXHIBIT 15

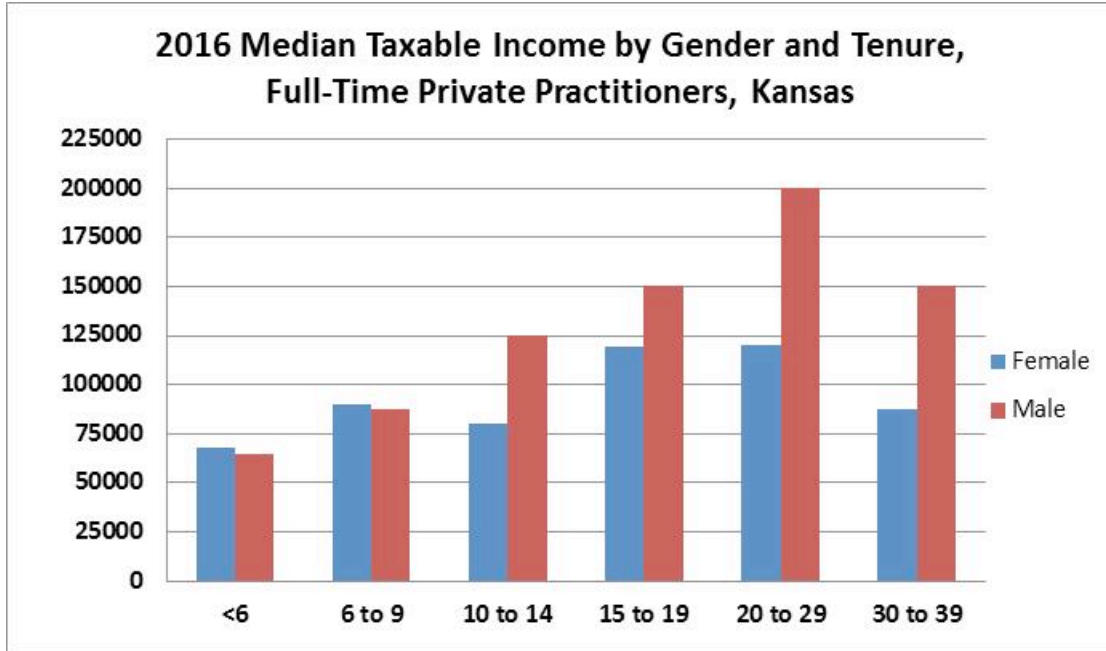
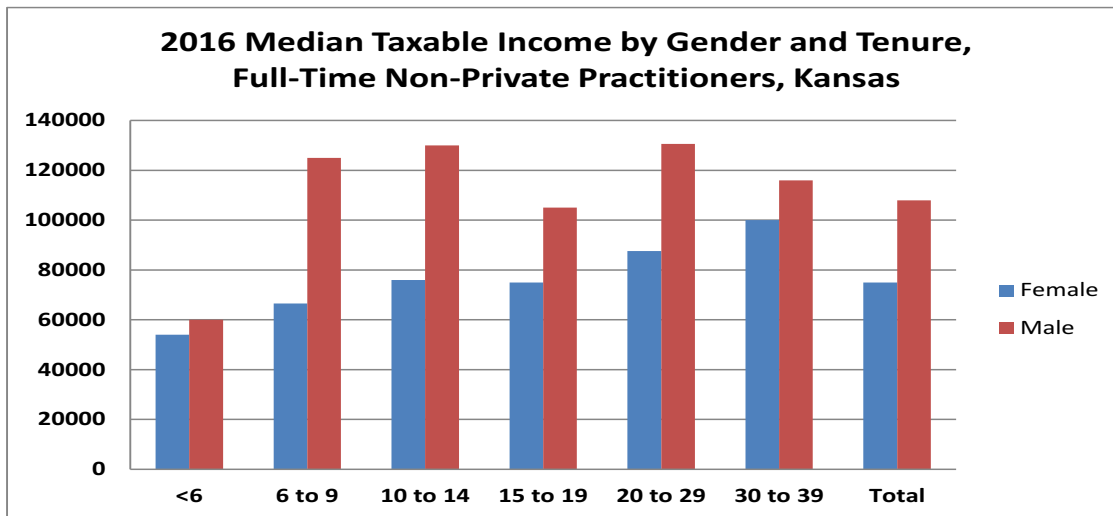


EXHIBIT 16



As shown on **Exhibit 17**, the 2016 median net income for female private practitioners (\$75,000) is 63% of the 2016 median net income for male attorneys (\$120,000). **Exhibit 18** reflects the “gap” for full-time private practitioners (65% or \$130,000 for males versus \$85,000 for females).

EXHIBIT 17**2016 MEDIAN TAXABLE INCOME BY YEARS IN PRACTICE AND GENDER AND RESULTANT “GENDER GAP”, KANSAS PRIVATE PRACTITIONERS**

Years in Practice	Valid N	Female	Valid N	Male	Gap
<6	28	\$67,000	38	\$62,500	1.07
6 to 9	18	\$89,500	25	\$85,000	1.05
10 to 14	22	\$67,500	26	\$127,500	0.53
15 to 19	15	\$101,000	24	\$150,000	0.67
20 to 29	40	\$94,100	66	\$195,000	0.48
30 to 39	23	\$54,000	77	\$150,000	0.36
Total	149	\$75,000	320	\$120,000	0.63

EXHIBIT 18**2016 MEDIAN TAXABLE INCOME BY YEARS IN PRACTICE AND GENDER AND RESULTANT “GENDER GAP”, KANSAS FULL-TIME PRIVATE PRACTITIONERS**

Years in Practice	Valid N	Female	Valid N	Male	Gap
<6	27	\$68,000	36	\$65,000	1.05
6 to 9	17	\$90,000	24	\$87,500	1.03
10 to 14	18	\$80,000	25	\$125,000	0.64
15 to 19	13	\$119,000	24	\$150,000	0.79
20 to 29	33	\$120,000	57	\$200,000	0.60
30 to 39	16	\$87,500	72	\$150,000	0.58
Total	124	\$85,000	280	\$130,000	0.65

As shown on **Exhibit 19**, the 2016 median net income for female non-private practitioners (\$73,468) is 67% of the 2016 median net income for male non-private (\$109,000). **Exhibit 20** reflects the “gap” for full-time non-private practitioners (69% or \$108,000 for males versus \$75,000 for females).

EXHIBIT 19**2016 MEDIAN TAXABLE INCOME BY YEARS IN PRACTICE GROUP AND GENDER AND RESULTANT “GENDER GAP”, KANSAS NON-PRIVATE PRACTITIONERS**

Years in Practice	Valid N	Female	Valid N	Male	Gap
<6	34	\$53,500	30	\$60,000	0.89
6 to 9	20	\$66,500	15	\$125,000	0.53
10 to 14	32	\$75,500	19	\$125,000	0.60
15 to 19	25	\$73,468	21	\$105,000	0.70
20 to 29	47	\$85,000	39	\$125,000	0.68
30 to 39	30	\$99,000	44	\$114,500	0.86
Total	191	\$73,468	192	\$109,000	0.67

**EXHIBIT 20
2016 MEDIAN TAXABLE INCOME BY YEARS IN PRACTICE GROUP AND GENDER AND
RESULTANT “GENDER GAP”, KANSAS FULL-TIME NON-PRIVATE PRACTITIONERS**

Years in Practice	Valid N	Female	Valid N	Male	Gap
<6	33	\$54,000	29	\$60,000	0.90
6 to 9	20	\$66,500	15	\$125,000	0.53
10 to 14	31	\$76,000	17	\$130,000	0.58
15 to 19	22	\$75,000	21	\$105,000	0.71
20 to 29	45	\$87,600	38	\$130,568	0.67
30 to 39	27	\$100,000	43	\$116,000	0.86
Total	179	\$75,000	184	\$108,000	0.69

2017 Law Firm Hours Worked and Billing Rates

Hours worked in Average Work Week

Attorneys in private practice report a varied workweek as to billable hours and other activities comprising their professional time. **Exhibit 21** shows the range of time spent on nine activities.

**EXHIBIT 21
DISTRIBUTION OF HOURS IN AVERAGE WORKWEEK & CLE AND PRO BONO WORK
(ESTIMATED) IN YEAR, PRIVATE PRACTITIONERS, 2017**

Hours in Average Workweek and Workyear	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Hours Based on Hourly Rate	441	15	25	24	35	45
Hours Based on Flat Rates	257	5	10	13	20	40
Hours Based on Contingent Fees	184	5	10	17	30	49
Total Compensable Hours	438	25	35	34	40	55
Office Administration	426	3	5	6	10	15
Marketing	259	1	2	3	5	10
Unbilled Public Service	334	2	4	5	5	10
Non-legal Employment	71	2	5	8	10	25
Total Hours	465	40	47	46	55	69
Pro Bono Hours per Year	450	5	20	40	40	150
CLE Hours per Year	458	14	15	19	20	40

2017 Attorney Hourly Billing Rates

The reported 2017 median hourly billing rate is \$225. The mean or average rate is \$244. While several interacting factors affect the setting of hourly billing rates, **Exhibit 22** considers office location. **Exhibit 23** includes three discrete factors: respondents' firm size, years in practice, and practice category, while **Exhibit 24** identifies respondents' primary field of law.

EXHIBIT 22

DISTRIBUTION OF 2017 HOURLY BILLING RATES BY OFFICE LOCATION, KANSAS

	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Kansas City, KS	126	\$200	\$250	\$261	\$300	\$425
Wichita/Sedgwick County	79	\$190	\$250	\$240	\$295	\$360
Kansas City, MO	73	\$200	\$265	\$291	\$350	\$500
Topeka/Shawnee County	47	\$200	\$225	\$236	\$250	\$500
Central & North Central, KS	34	\$150	\$183	\$195	\$250	\$350
Out of state licensed in KS	30	\$200	\$255	\$282	\$365	\$475
Southcentral KS	29	\$135	\$185	\$176	\$225	\$250
Lawrence/Douglas County	25	\$200	\$225	\$232	\$280	\$305
West KS	16	\$150	\$200	\$212	\$250	\$550
Northeast KS	15	\$175	\$200	\$187	\$220	\$260
Southeast KS	14	\$150	\$193	\$186	\$250	\$300
Total	489	\$190	\$225	\$244	\$290	\$445

**EXHIBIT 23
DISTRIBUTION OF 2017 HOURLY BILLING RATES BY SIZE OF FIRM, YEARS IN PRACTICE, AND PRACTICE CLASSIFICATION, KANSAS**

	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
1	179	\$150	\$200	\$209	\$250	\$350
2 to 5	146	\$195	\$225	\$257	\$275	\$500
6 to 14	69	\$175	\$240	\$237	\$280	\$350
15 or more	88	\$228	\$288	\$296	\$350	\$475
Total	482	\$185	\$225	\$243	\$285	\$445
Years in Practice	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
<6	64	\$150	\$198	\$192	\$240	\$275
6 to 9	40	\$175	\$200	\$212	\$250	\$345
10 to 14	52	\$190	\$225	\$240	\$275	\$400
15 to 19	42	\$200	\$250	\$247	\$300	\$380
20 to 29	112	\$200	\$250	\$259	\$300	\$475
30 to 39	105	\$200	\$250	\$264	\$300	\$500
40 or >	69	\$200	\$250	\$259	\$300	\$500
Total	484	\$188	\$225	\$244	\$293	\$445
Practice Class	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Associate	58	\$150	\$198	\$201	\$225	\$300
Equity Partner/Shareholder	117	\$215	\$260	\$289	\$325	\$500
Managing Partner	54	\$200	\$250	\$269	\$300	\$500
Non-Equity Partner	13	\$250	\$300	\$295	\$310	\$475
Of Counsel	23	\$240	\$270	\$284	\$325	\$450
Senior Associate	21	\$200	\$220	\$239	\$260	\$365
Sole Practitioner sharing space	22	\$175	\$200	\$217	\$250	\$500
Sole Practitioner, outside of home	124	\$175	\$205	\$218	\$250	\$350
Sole Practitioner, working at home	47	\$150	\$200	\$196	\$250	\$400
Total	489	\$190	\$225	\$244	\$290	\$445
Consolidated Practice Class	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Sole Practitioners	194	\$175	\$200	\$212	\$250	\$400
Associates	80	\$160	\$200	\$213	\$250	\$358
Partners	206	\$215	\$260	\$283	\$315	\$475
Total	480	\$185	\$225	\$243	\$285	\$448

Exhibit 24

DISTRIBUTION OF 2017 HOURLY BILLING RATES BY PRIMARY FIELD OF LAW, KANSAS

Primary Field of Law	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Family Law	79	\$185	\$200	\$220	\$250	\$350
Wills, Estates and Probate	56	\$195	\$228	\$233	\$263	\$345
Corporate/Business Law	31	\$215	\$250	\$267	\$300	\$475
General Practice	29	\$175	\$200	\$208	\$250	\$300
Personal Injury (Plaintiff)	27	\$200	\$300	\$368	\$500	\$650
Criminal (Private Defendant)	25	\$200	\$250	\$239	\$275	\$325
Other Trial Practice (Gen./Civ)	25	\$250	\$285	\$297	\$395	\$450
Other Trial Practice (Commer	19	\$250	\$295	\$327	\$400	\$550
Criminal (Public Defendant)	17	\$70	\$70	\$81	\$77	\$200
Labor & emp. (Management)	15	\$215	\$250	\$250	\$295	\$375
Real Estate	14	\$230	\$250	\$240	\$250	\$300
Elder Law	13	\$200	\$225	\$236	\$300	\$400
Personal Injury (Defendant)	11	\$150	\$175	\$180	\$195	\$310
Taxation	11	\$225	\$290	\$298	\$365	\$450
Bankruptcy, Debtor	9	\$200	\$225	\$237	\$300	\$310
Collections, Creditor	9	\$150	\$200	\$178	\$200	\$250
Oil and Gas	7	\$190	\$250	\$253	\$300	\$360
Workers' Compensation, Emp	7	\$130	\$135	\$138	\$150	\$155
Governmental Law	6	\$120	\$168	\$179	\$225	\$300
Insurance	6	\$150	\$190	\$195	\$225	\$275
Labor & emp. (Labor)	6	\$250	\$388	\$404	\$500	\$700
Alternative Dispute Resolutio	5	\$150	\$250	\$255	\$350	\$400
Immigration	5	\$200	\$275	\$279	\$375	\$395
Intellectual Property/Trade Se	5	\$260	\$310	\$279	\$325	\$445
Workers' Compensation, Emp	5	\$200	\$250	\$209	\$250	\$300
Construction Law	4	\$233	\$295	\$288	\$343	\$360
Consumer Law	4	\$150	\$225	\$225	\$300	\$350
Criminal (Prosecution)	4	\$93	\$143	\$129	\$165	\$180
Health and Hospital Law	4	\$243	\$285	\$329	\$415	\$520
Medical Malpractice (Defend	4	\$170	\$185	\$183	\$195	\$200
Total	489	\$190	\$225	\$244	\$290	\$445

Hourly Billing Rates for Associates and Legal Assistants

Hourly billing rates for associates and legal assistants are summarized by tenure in **Exhibit 25**.

EXHIBIT 25

2017 HOURLY BILLING RATES FOR ASSOCIATES AND LEGAL ASSISTANTS BY TENURE

Position and Tenure	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
Associates						
New	64	\$135	\$160	\$162	\$193	\$245
3 yrs exp.	71	\$150	\$180	\$186	\$215	\$275
5 yrs exp.	73	\$175	\$200	\$200	\$233	\$300
10 yrs exp.	66	\$175	\$200	\$215	\$250	\$347
Legal Assistants						
New	53	\$50	\$75	\$76	\$95	\$150
3 yrs exp.	65	\$65	\$85	\$83	\$100	\$150
5 yrs exp.	78	\$75	\$90	\$92	\$103	\$175
10 yrs exp.	103	\$75	\$90	\$102	\$120	\$200

Attorney and Legal Assistant Billing Rates by Firm Size and Office Location

Firm size and office location are associated with variations in associate billing rates, with tenure dominating that influence. See **Exhibit 26**.

EXHIBIT 26

2017 MEDIAN HOURLY BILLING RATES FOR ASSOCIATES BY FIRM SIZE AND OFFICE LOCATION BY YEARS OF EXPERIENCE

Size of Firm	New		3 yrs exp.		5 yrs exp.		10 yrs exp.	
	Valid N	Median	Valid N	Median	Valid N	Median	Valid N	Median
1							5	\$175
2 to 5	18	\$150	27	\$200	27	\$200	24	\$200
6 to 14	22	\$150	19	\$160	30	\$183	18	\$200
15 or more	23	\$165	24	\$185	26	\$200	19	\$225
All Firms	64	\$160	70	\$178	73	\$200	65	\$200

Office Location	New		3 yrs exp.		5 yrs exp.		10 yrs exp.	
	Valid N	Median	Valid N	Median	Valid N	Median	Valid N	Median
Central & North Central, KS	4	\$173	2	\$198	3	\$215	5	\$200
Kansas City, KS	13	\$175	13	\$200	13	\$210	15	\$232
Kansas City, MO	9	\$195	11	\$215	14	\$233	8	\$263
Lawrence/Douglas County			4	\$185	5	\$185	3	\$240
Northeast KS	3	\$150	3	\$165	3	\$185	3	\$185
Out of state licensed in KS	6	\$170	8	\$210	10	\$223	6	\$223
Topeka/Shawnee County	8	\$150	9	\$175	7	\$200	11	\$200
Wichita/Sedgwick County	16	\$143	18	\$175	14	\$175	11	\$200
Total	64	\$160	71	\$180	73	\$200	66	\$200

Similarly, firm size and office location are associated with variations in legal assistant hourly billing rates. (**Exhibit 27**)

EXHIBIT 27

2017 MEDIAN HOURLY BILLING RATES FOR LEGAL ASSISTANTS BY FIRM SIZE AND OFFICE LOCATION BY YEARS OF EXPERIENCE

Size of Firm	New		3 yrs exp.		5 yrs exp.		10 yrs exp.	
	Valid N	Median	Valid N	Median	Valid N	Median	Valid N	Median
1	3	\$40	4	\$108	6	\$93	14	\$95
2 to 5	18	\$63	27	\$75	30	\$75	38	\$83
6 to 14	15	\$75	18	\$78	23	\$90	27	\$100
15 or more	17	\$90	16	\$93	19	\$95	23	\$95
Total	53	\$75	65	\$85	78	\$90	102	\$93

Office Location	New		3 yrs exp.		5 yrs exp.		10 yrs exp.	
	Valid N	Median	Valid N	Median	Valid N	Median	Valid N	Median
Kansas City, MO	10	\$98	7	\$100	11	\$101	16	\$107
Lawrence/Douglas County	2	\$58	5	\$40	7	\$75	6	\$78
Northeast KS	3	\$40	3	\$50	3	\$75	3	\$75
Out of state licensed in KS	6	\$68	10	\$70	8	\$75	6	\$75
Southcentral KS					5	\$90	6	\$90
Topeka/Shawnee County	6	\$65	5	\$75	6	\$80	11	\$80
Wichita/Sedgwick County	11	\$75	14	\$90	16	\$90	21	\$100
Total	53	\$75	65	\$85	78	\$90	103	\$90

2016 Overhead Expenses and Gross Revenues on a *Per Attorney* Basis

Between 253-300 respondents, representing sole practitioners and firms, provided firm- or practice-level financial information on 2016 operating expenses and gross revenues per attorney.

Exhibits 28 and 29 summarize four categories of overhead expenses against gross income by office location and firm size. Overhead components are differentially reported; thus, “total expenses” is not the exact sum of components.

Personnel expenses generally correlate directly with firm size, while total expenses are most sensitive to the “all other cost” category, which includes taxes and insurance. Reporting of overhead data is skewed toward smaller firms and solo practitioners.

EXHIBIT 28

2016 FIXED EXPENSES AND GROSS RECEIPTS PER ATTORNEY & OVERHEAD RATE BY OFFICE LOCATION

	Kansas City, KS		Kansas City, MO		Topeka/ Shaw. Cty.	Wichita/ Sedgwick Cty.		Lawrence/ Douglas Cty.		Out of state lic. in KS		
	Valid N	Median	Valid N	Median	Valid N	Median	Valid N	Median	Valid N	Median	Valid N	Median
Labor	40	\$45,300	16	\$55,250	16	\$78,000	17	\$50,000	7	\$54,000	6	\$106,950
Occupancy	53	\$15,000	24	\$15,500	22	\$18,000	20	\$12,000	12	\$11,700	11	\$10,200
Library	42	\$1,225	18	\$1,500	14	\$4,750	15	\$2,000	7	\$500	9	\$1,344
Insurance	53	\$3,800	23	\$2,500	20	\$3,500	19	\$4,000	11	\$3,000	10	\$3,250
Tech	54	\$2,000	22	\$2,000	21	\$3,000	18	\$2,000	12	\$2,200	10	\$1,600
Marketing	44	\$5,000	21	\$3,000	16	\$7,500	17	\$7,500	7	\$2,000	9	\$2,400
Total Fixed Expenses/Att.	67	\$53,900	25	\$74,000	32	\$92,000	37	\$86,000	16	\$48,813	14	\$30,150
Gross Revenues/Att.	74	\$183,000	33	\$200,000	32	\$217,500	48	\$250,000	18	\$217,850	15	\$100,000
Office Overhead Rate	71	38%	41	40%	31	40%	46	36%	14	43%	14	27%
	Northeast KS		Southeast KS		Southcen- tral KS	North Cent, KS		West KS		All Locations		
	Valid N	Median	Valid N	Median	Valid N	Median	Valid N	Median	Valid N	Median	Valid N	Median
Labor	6	\$80,000	8	\$52,500	13	\$37,000	9	\$34,000	5	\$40,000	143	\$50,000
Occupancy	7	\$10,000	10	\$13,500	17	\$7,000	9	\$9,500	7	\$13,200	192	\$13,150
Library	7	\$300	9	\$5,000	11	\$1,000	6	\$1,100	4	\$5,000	142	\$1,450
Insurance	6	\$7,500	9	\$4,400	16	\$3,400	9	\$2,500	7	\$3,600	183	\$3,600
Tech	6	\$6,750	8	\$3,500	15	\$2,000	11	\$2,000	5	\$4,500	182	\$2,000
Marketing	5	\$2,500	6	\$2,650	14	\$1,100	9	\$2,000	5	\$4,000	153	\$3,000
Total Fixed Expenses/Att.	9	\$57,300	12	\$65,700	19	\$42,400	14	\$37,300	8	\$63,250	253	\$63,500
Gross Revenues/Attorney	9	\$180,000	12	\$171,500	22	\$150,000	19	\$153,845	9	\$200,000	291	\$190,000
Office Overhead Rate	10	50%	8	46%	11	30%	20	40%	12	40%	278	40%

EXHIBIT 29

2016 FIXED EXPENSES AND GROSS RECEIPTS PER ATTORNEY & OVERHEAD RATE BY FIRM SIZE

Line item Category	Size of Firm									
	1		2 to 5		6 to 14		15 or more		All Firms	
	Valid N	Median	Valid N	Median	Valid N	Median	Valid N	Median	Valid N	Median
Salaries	61	\$35,000	59	\$65,000	13	\$55,000	9	\$50,000	143	\$50,000
Occupancy	101	\$10,000	65	\$18,000	14	\$16,500	10	\$18,750	192	\$13,150
Library	66	\$1,000	51	\$2,300	14	\$2,500	10	\$2,250	142	\$1,450
Insurance	95	\$2,500	64	\$4,000	12	\$5,652	10	\$5,000	183	\$3,600
Tech	95	\$2,000	63	\$4,000	12	\$3,000	10	\$5,000	182	\$2,000
Marketing	72	\$2,500	56	\$5,000	13	\$2,000	10	\$1,000	153	\$3,000
Total Fixed Expenses/Att.	122	\$30,155	83	\$75,000	27	\$100,000	20	\$105,500	253	\$63,500
Gross Revenues/Att.	134	\$141,000	91	\$214,000	33	\$250,000	31	\$350,000	291	\$190,000
Office Overhead Rate	100	40%	91%	36%	36%	35%	45%	40%	278	40%

Exhibit 30 distributes ranges of 2012 annual salary levels for four categories of associates, legal assistants and secretaries by years of experience.

EXHIBIT 30

2016 ANNUAL SALARIES OF ASSOCIATES, LEGAL ASSISTANTS AND SECRETARIES

Position and Tenure	Valid N	25th Percentile	Median	Mean	75th Percentile	95th Percentile
New Associates	96	\$45,000	\$56,000	\$59,604	\$70,000	\$120,000
Junior Associates (3 yrs. Exp.)	92	\$60,000	\$70,000	\$73,525	\$85,000	\$130,000
Senior Associates (5 yrs. Exp.)	78	\$65,000	\$76,000	\$83,764	\$95,000	\$155,000
Senior Attorney (10 yrs. Exp.)	54	\$65,000	\$85,000	\$101,102	\$125,000	\$200,000
New Legal Assistant	69	\$24,000	\$30,000	\$30,016	\$35,000	\$50,000
Legal Assistant (3 yrs. Exp.)	72	\$30,000	\$35,000	\$38,605	\$41,500	\$65,000
Legal Assistant (5 yrs. Exp.)	79	\$35,000	\$40,000	\$41,972	\$45,000	\$65,000
Legal Assistant (10 yrs. Exp.)	111	\$42,000	\$48,000	\$49,800	\$56,000	\$75,000
New Secretary	78	\$22,000	\$25,000	\$26,295	\$30,000	\$40,000
Secretary (3 yrs. Exp.)	80	\$25,000	\$30,000	\$30,080	\$34,750	\$43,750
Secretary (5 yrs. Exp.)	81	\$30,000	\$35,000	\$34,030	\$40,000	\$50,000
Secretary (10 yrs. Exp.)	103	\$32,000	\$40,000	\$39,428	\$45,000	\$60,000