

BigLaw's Two-Tier Model Risks Widening Gender Disparities

By **Marialuisa Taddia**

Law360, London (July 18, 2025, 9:25 PM BST) -- More BigLaw firms are adopting two-tier partnership models, prompting legal industry experts to warn that the non-equity track risks becoming a "parking lot" for women — potentially entrenching gender disparities at the top of the profession.



An expert has expressed concern that the salaried partner tier could limit opportunities for female lawyers. (iStock.com/Caiaimage/Paul Bradbury)

Firms including Debevoise & Plimpton LLP have **introduced tiers** of non-equity partners. Debevoise is joined by Cleary Gottlieb Steen & Hamilton LLP, which has also **used the arrangement**, as has Paul Weiss Rifkind Wharton & Garrison LLP. Others such as Ropes & Gray LLP are considering the move.

Several other major firms — including Kirkland & Ellis LLP, Cravath Swaine & Moore LLP and Schulte Roth & Zabel LLP — already operate with **two-tier partnerships**.

There are benefits for law firms that adopt the structure.

"If you keep your equity tight [and] small, you can ensure that you've got the biggest paychecks for the rainmakers," Corinne Staves, a partnership specialist at CM Murray LLP, said.

But Staves expressed concern that the salaried partner tier could limit opportunities for female lawyers — a fear supported by recent data from the Solicitors Regulation Authority. Women make up 47% of salaried partners overall, but only 32% of full equity partners. Just 28% of full equity partners are women at the larger law firms with more than 50 partners, compared with 41% of salaried partners, suggesting that women are more likely to be stuck in the lower tier.

"It can be something of a holding place for women partners," Staves said.

All-equity partnerships have some significant drawbacks. Scott Gibson, director at legal recruitment firm Edwards Gibson, said that they are "structurally inflexible" and make rapid expansion of partner numbers difficult and costly, particularly when a firm is hiring teams of lawyers.

"By contrast, having a non-share partnership tier enables a firm to dangle the carrot of day-one partnership to talented senior associates from rivals at limited cost," Gibson said.

It also helps a firm to retain top senior lawyers if they can offer the title without significantly reducing profits per equity partner. The resulting savings have allowed firms to stretch their equity to attract high-earning laterals, a factor behind the rise of the \$20 million-a-year partner, according to Gibson.

But Staves said that, if only a small subset of lawyers makes it to the upper echelons — and those roles are still dominated by men — the implication is that the system is stacked against women.

Despite her concerns that non-equity or lower-tier partnership roles risk becoming what she described as "a parking lot rather than an opportunity," Staves said the imbalance is not necessarily intentional. "I think it is genuinely just about making the compensation systems more sophisticated, and perhaps an opportunity to bring through the next generation, but before thrusting them into an incredibly competitive equity environment," she said.

Dana Denis-Smith, the incoming deputy vice president of the Law Society, pointed out that some female salaried partners have admitted to feeling hesitant about speaking up in partnership meetings. They are not sure whether their contributions will be acknowledged.

"Being in the room and not having a voice is not the result we want," Denis-Smith, who is also chief executive of Obelisk Support, a provider of flexible legal services, told Law360. "Like all these ideas, they come from a good place, and then you put them into practice and you realize they create inequality."

Hannah Bradshaw, co-founder and executive coach at parental coaching platform BlueSky, said that salaried partners often attend partner meetings but that only equity partners have real decision-making power. The position can also restrict career mobility, she said.

"Essentially they're managing associates, so when they're speaking to recruiters at a firm where they just have equity partners it makes it harder for them to move," she said. "It feels like a demotion."

Denis-Smith said that it might feel like progress for women if they become a salaried partner. But many are unclear on how to move into equity — what it takes, whether it's even a real prospect and whether that path is made visible early on.

Law firms should offer more entrepreneurial training and client exposure, Denis-Smith added, noting that it often comes down to who gets the lucky break without those opportunities.

Bradshaw agreed that the route to equity partnership is often not clearly marked. But she observed that earlier career stages — like moving from associate to senior associate — tend to have more transparent processes. She described a pattern of "stringing people along," where firms express interest in retaining someone without a clear business case for promotion.

"There does seem to be a lot of delaying tactics, which gives the impression that things are very opaque and unclear," Bradshaw said.

Meanwhile, law firms are under pressure to maintain high profits per equity partner. They might limit the number of lawyers who can join those ranks as they seek to achieve this goal.

As a result, the path to equity is becoming longer, Bradshaw said. This development risks driving talented lawyers toward firms with a two-tier structure, she added — creating something of a vicious circle.

Bradshaw argued that the sector is in need of what she described as massive structural change.

She pointed to the growing emphasis on profit per equity partner, describing it as a status symbol that reflects how "good" a firm is. According to Bradshaw, this focus has intensified over time and creates pressure on managers to distribute income "really unequally." That means overworked associates and understaffed teams — all in an effort to protect PEP.

Meanwhile, Bradshaw said, the billable hour model fosters a toxic culture in which where people are rewarded for working longer hours rather than being productive. "But, if we stopped reporting on or caring about profit per equity partner, and got rid of billable hours, I think the culture would change overnight," she added.

Bristows LLP offers a counterpoint to the growing trend for two-tier partnerships. The firm operates an all-

equity model and does not set targets for chargeable or billable hours for its fee-earners, co-managing partner Stephen Smith said.

Liz Cohen, a partner and former co-managing partner at Bristows, said that the system is more predictable and equitable. It is not tied to billings, client introductions or business development metrics.

"If you make partner here, you have an equal say in how the business is run, irrespective of whether you're a new partner or whether you've been a partner for 20 years," she said.

This setup can make it easier to assign the right people to the right tasks: if a lawyer is dealing with a personal matter, such as a sick child, the firm can respond flexibly.

Bristows' overall gender balance at the equity level — one-third of its 51 partners are women — is broadly in line with industry averages reported by the SRA. But its recent promotion record stands out. Seven of the 11 lawyers promoted to equity partner between 2023 and 2025 were women — a majority that contrasts with the practice at many firms, which do not disclose the equity status of new partners or promote disproportionately fewer women to the top tier.

Bradshaw said that some firms often appear to be promoting many women to the partnership. But the picture changes when the question is asked whether those roles are equity or salaried. In most cases where the gender split looks strong, it turns out the majority are non-equity roles. And firms are not forthcoming, or the numbers tell a different story, when they are pressed for equity figures.

Many firms do not routinely report the breakdown between equity and non-equity partners, so there is little external pressure to examine gender disparity at the equity level — even when headline promotion figures suggest progress, Bradshaw said.

This lack of scrutiny is a concern echoed by Stephen Smith, of Bristows, who is skeptical about the two-tier model. "A firm can effectively artificially inflate the profits it makes among its equity partners," he said.

He explained that profits are concentrated among only a few if just 20 out of 100 partners hold equity, which can encourage exclusionary behavior. This dynamic would "disproportionately" favor men and "squish" talented women, preventing them from reaching their full potential, Smith warned.

"If you are effectively putting a lot more partners into a waiting room, and then getting them to play against each other for a smaller number of equity partnerships, you are going to drive certain behaviours," Smith added.

--Editing by Ed Harris.