

CPBO CHALLENGE[®] REPORT

2013: The Growth of In-House Pro Bono



CORPORATE
PRO BONO[®]

CORPORATE PRO BONO

Founded in 2000, Corporate Pro Bono (CPBO) is the global partnership project of the Pro Bono Institute (PBI) and the Association of Corporate Counsel (ACC).

MISSION

CPBO's mission is to explore and identify new approaches to and resources for the provision of legal services to the poor, disadvantaged, and other individuals or groups unable to secure legal assistance to address critical problems. CPBO does so by supporting, enhancing, and transforming the pro bono efforts of in-house legal departments in the U.S. and around the world. Since its inception, CPBO has worked with hundreds of legal departments and ACC Chapters.

THE CORPORATE PRO BONO CHALLENGE® INITIATIVE

In 2006, at the urging of chief legal officers, CPBO launched an initiative enabling legal departments to identify, benchmark, and communicate their support for pro bono service. The Corporate Pro Bono Challenge® initiative is the standard for in-house pro bono. It is a simple, voluntary statement of commitment to pro bono service by legal departments and their lawyers and staff.

Specifically, the CPBO Challenge® statement calls for chief legal officers to:

- » encourage and promote pro bono service by their legal department staff;
- » use their best efforts to encourage their staff, including at least one-half of their legal staff, to support and participate in pro bono service; and
- » encourage the outside law firms with whom they work to acknowledge publicly their support for pro bono by becoming signatories to the Pro Bono Institute's Law Firm Pro Bono Challenge®.

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SNAPSHOT OF SIGNATORIES

133

CPBO Challenge® Signatories

40

Fortune 100 Companies

52

2013 Survey Respondents

47%

Average U.S. Lawyer Participation Rate (2013)

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INTRODUCTION

In the spring of this year, Corporate Pro Bono issued its inaugural **Corporate Pro Bono Challenge®** Report, which provided the first statistical picture of the progress of in-house pro bono participation. The 2007-2012 CPBO Challenge® Report: the Development of In-House Pro Bono was groundbreaking, sharing for the first time measurable data on in-house pro bono throughout the U.S. and around the globe. The report examined the pro bono performance of in-house legal departments that were **CPBO Challenge®** signatories in calendar years 2007 – 2012 and that responded to an annual survey circulated by CPBO. However, the report did not compare data from year to year; it only provided a summary of the pro bono performance of the various signatories that responded each year. You may access the 2007-2012 report at www.cpbo.org/challengereport2012.

The 2013 CPBO Challenge® Report: the Growth of In-House Pro Bono goes one step further. It examines the growth in pro bono of in-house legal departments by comparing the pro bono performance of the 40 CPBO Challenge® signatories that provided responses to an annual survey in 2012 and 2013. It is important to note that this is the first time the growth of in-house pro bono across years has been measured. In addition, the report summarizes pro bono performance by all 52 departments that responded to the CPBO Challenge® survey in 2013.

The achievements of CPBO Challenge® signatories highlighted in this report are significant. In particular, the increasing participation in pro bono among respondents to the 2012 and 2013 surveys at a time when legal departments are stretched thinner than ever underscores the seriousness with which departments take their commitment to using their legal skills to improve access to justice. It also highlights the expansion of pro bono within the culture of legal departments and the growth in interest and opportunities for in-house counsel to provide pro bono services.

Currently, there are 133 signatories to the Corporate Pro Bono Challenge® statement, headquartered in cities around the U.S. and Canada and with offices and legal staff around the globe.

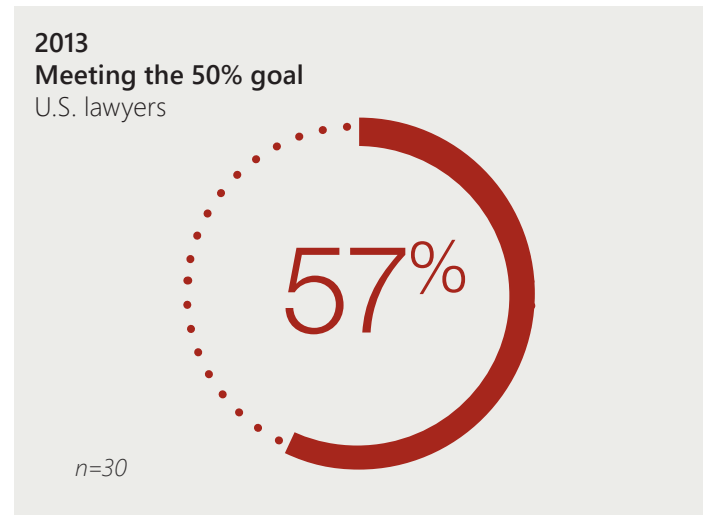
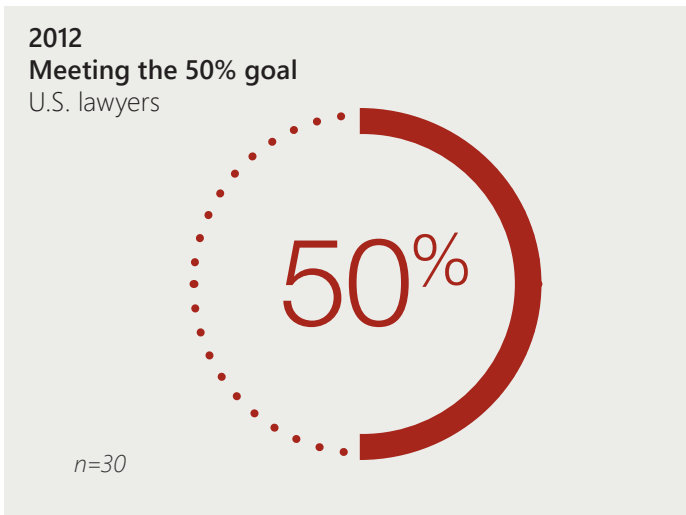


LEGAL STAFF PARTICIPATION, 2012 AND 2013

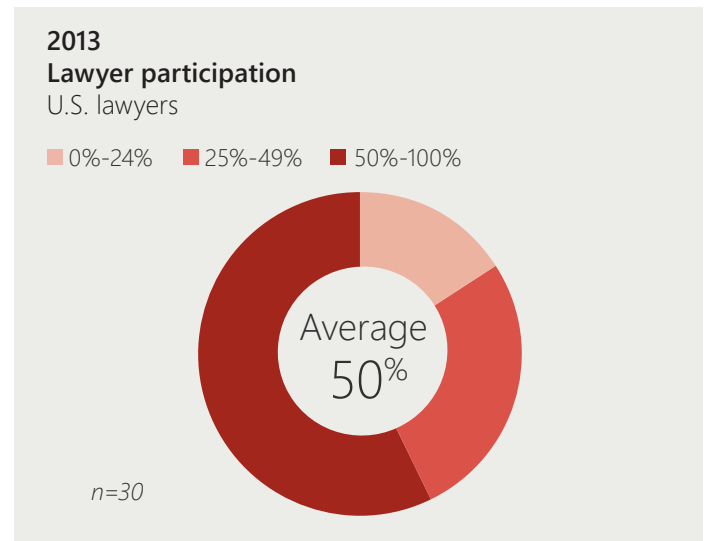
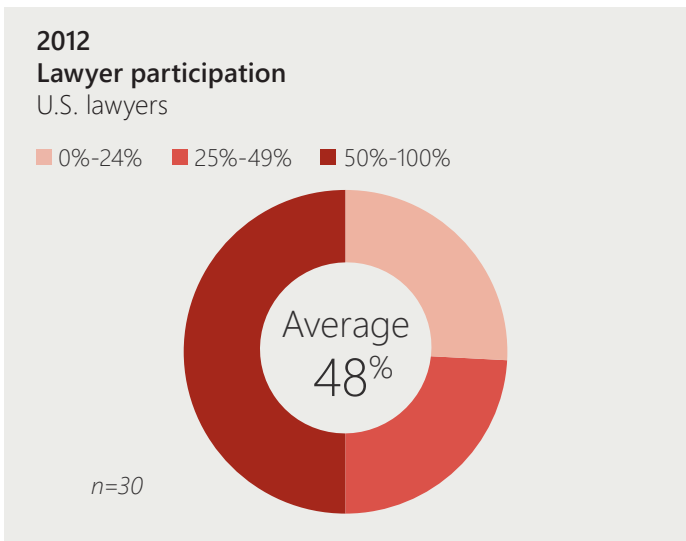
When signing the Corporate Pro Bono Challenge® statement, legal departments commit to encourage 50 percent of their legal staff to engage in legal pro bono work. This is an aspirational goal that departments seek to achieve.

Lawyer Participation

From 2012 to 2013, participation in pro bono by signatories that responded to the CPBO Challenge® survey in both years increased. While 50 percent of responding signatories met or exceeded the goal of 50 percent participation in pro bono by lawyers in the U.S., 57 percent met or exceeded the goal in 2013.



Participation rates for responding signatories also increased. In 2013, the average participation rate of U.S. lawyers was 50 percent. In 2012, the average participation rate of U.S. lawyers was 48 percent.

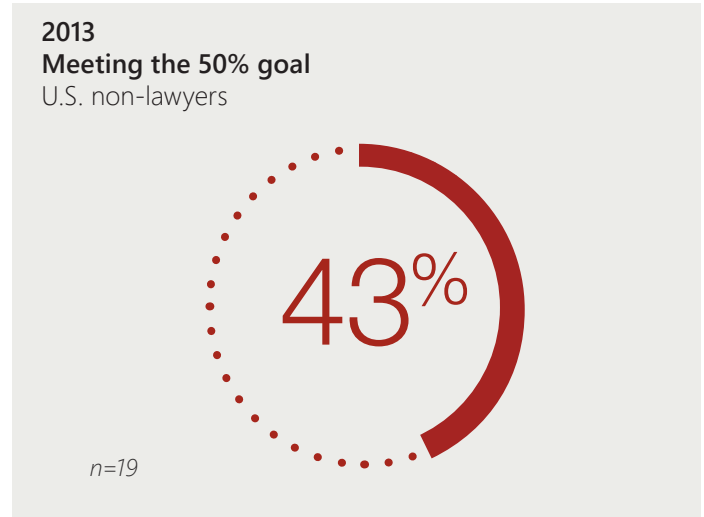
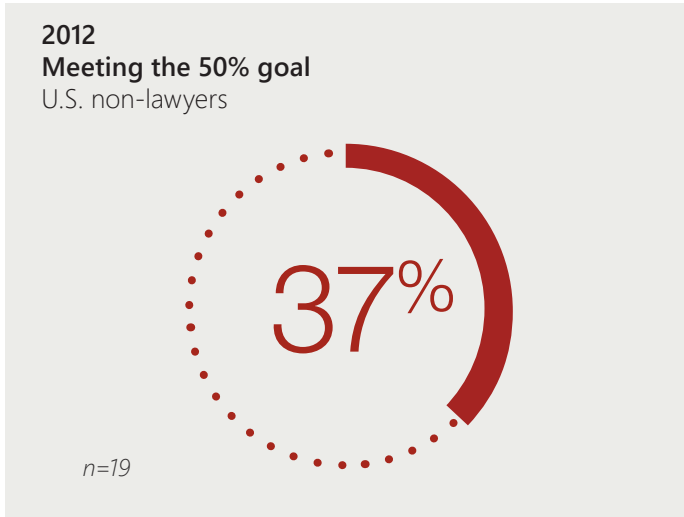


Throughout this publication, "n" is used to denote the total respondents in the relevant sample.

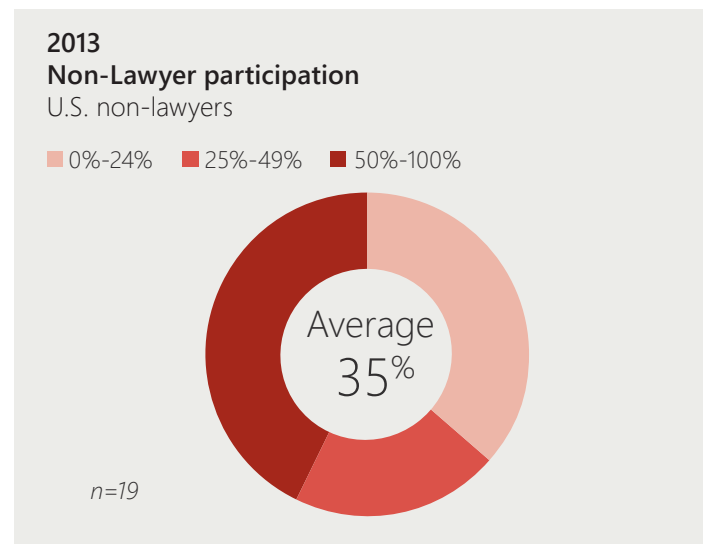
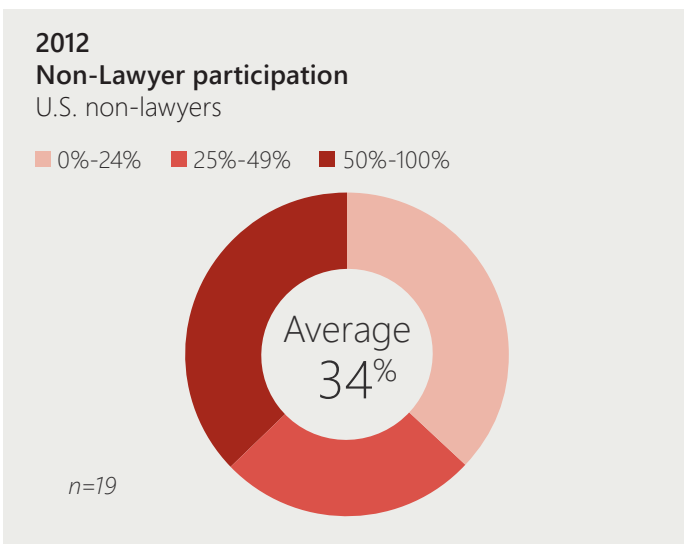
LEGAL STAFF PARTICIPATION, 2012 AND 2013

Non-Lawyer Participation

Involvement by other staff within the legal department continues to be an important element of in-house pro bono. The CPBO Challenge® survey measures both lawyer participation and non-lawyer participation. Of those departments that responded in 2012 and 2013, 43 percent met or exceeded the CPBO Challenge® participation goal by non-lawyers in 2013 while 37 percent met or exceeded the goal in 2012.



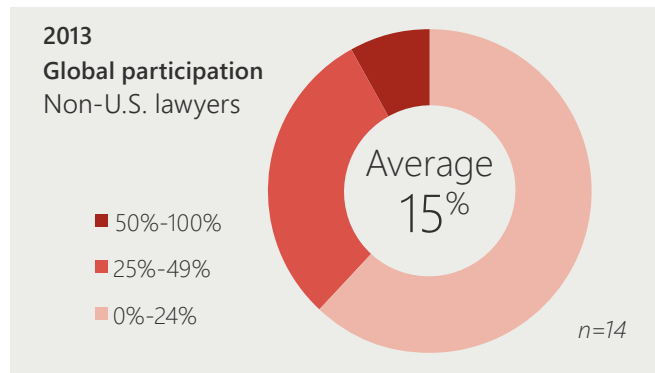
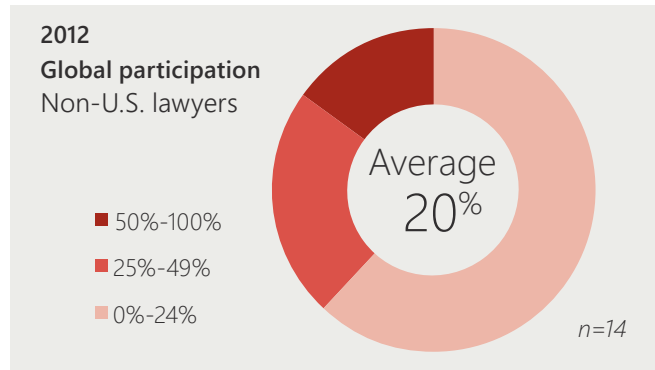
Similar to lawyer participation in the U.S., the average participation rate by non-lawyers in the U.S. increased, however, at a much lower rate. In 2012, the average participation rate by non-lawyers was 34 percent. In 2013, it increased slightly to 35 percent.



GLOBAL PRO BONO, 2012 AND 2013

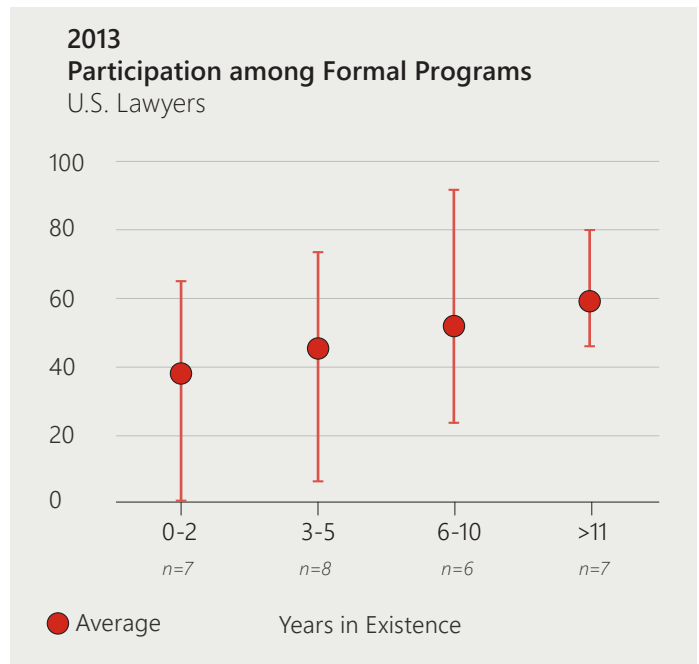
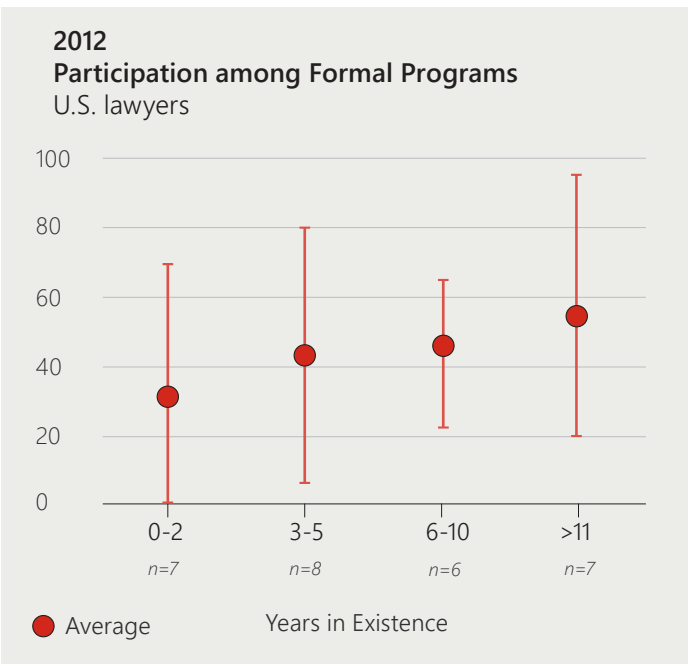
Most signatory departments apply the CPBO Challenge® goals to pro bono participation by staff within the U.S. However, some departments have expanded their efforts to include staff in other countries. CPBO began tracking global pro bono participation in 2010. In 2012, 20 percent of non-U.S. lawyers at responding legal departments participated in pro bono and in 2013, 15 percent of non-U.S. lawyers participated in pro bono.

While, on average, pro bono participation by non-U.S. lawyers decreased from 2012 to 2013, for the majority of responding signatories participation by lawyers outside of the U.S. increased. Of the 14 signatories that responded in 2012 and 2013, five reported an increase in pro bono by lawyers outside of the U.S. This increase ranged from one percent to 25 percent. Three signatories reported a decrease in pro bono participation by non-U.S. lawyers with one signatory reporting a significant decrease—greater than 50 percent. In 2013, signatories reported the highest concentration of participation in the U.S., the United Kingdom, France, China, and South Africa.



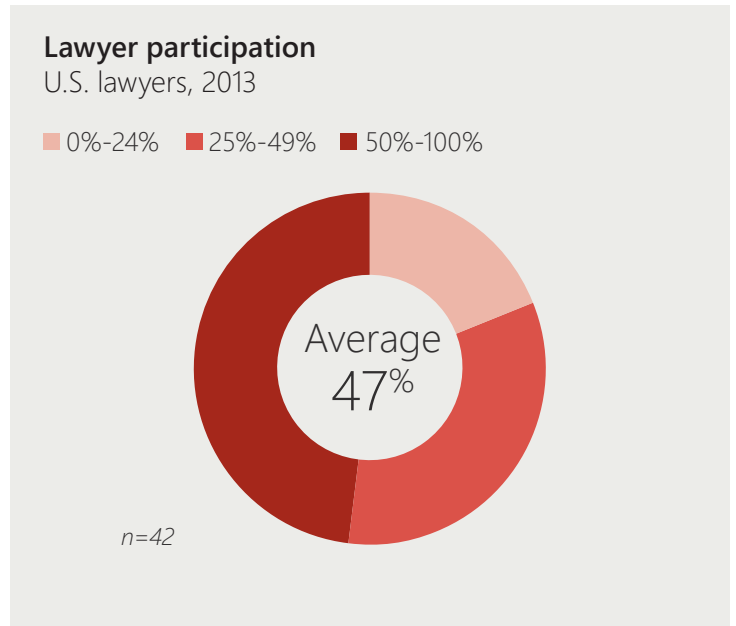
PARTICIPATION AND FORMAL PRO BONO, 2012 AND 2013

Participation levels often vary depending on the age of the signatory's pro bono program, and in 2012 and 2013, CPBO Challenge® signatories with more mature formal programs reported higher pro bono participation rates by lawyers in the U.S. The range of participation rates varied greatly for respondents in 2012 and 2013. However, for each segment, the average participation rate for lawyers in the U.S. of responding signatories increased from 2012 to 2013.

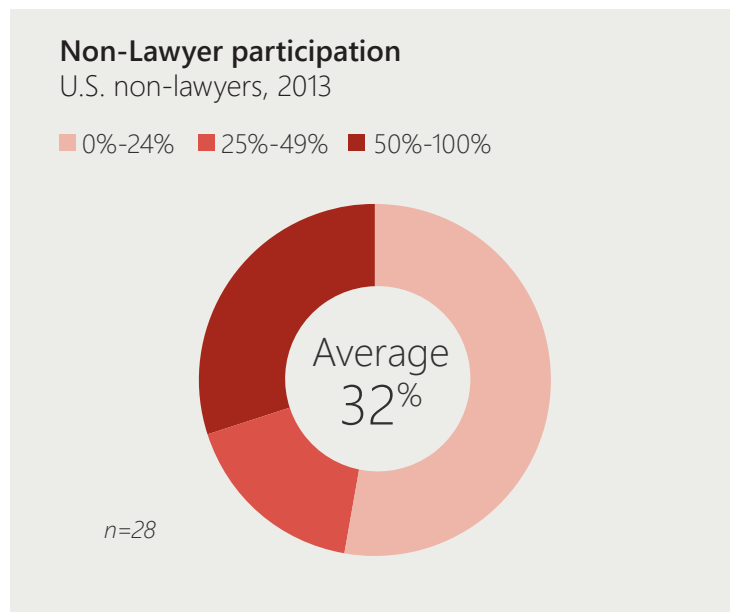


LEGAL STAFF PARTICIPATION, 2013

U.S. Lawyer Participation




U.S. Non-Lawyer Participation



GLOBAL PRO BONO, 2013

Percentage of Signatories Engaged Global Pro Bono

Legal departments, 2013

 = percent engaged




 = percent not engaged

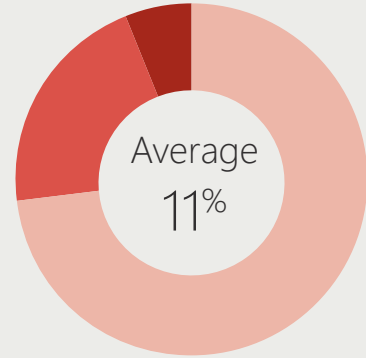


n=32 respondents with lawyers outside of the U.S.

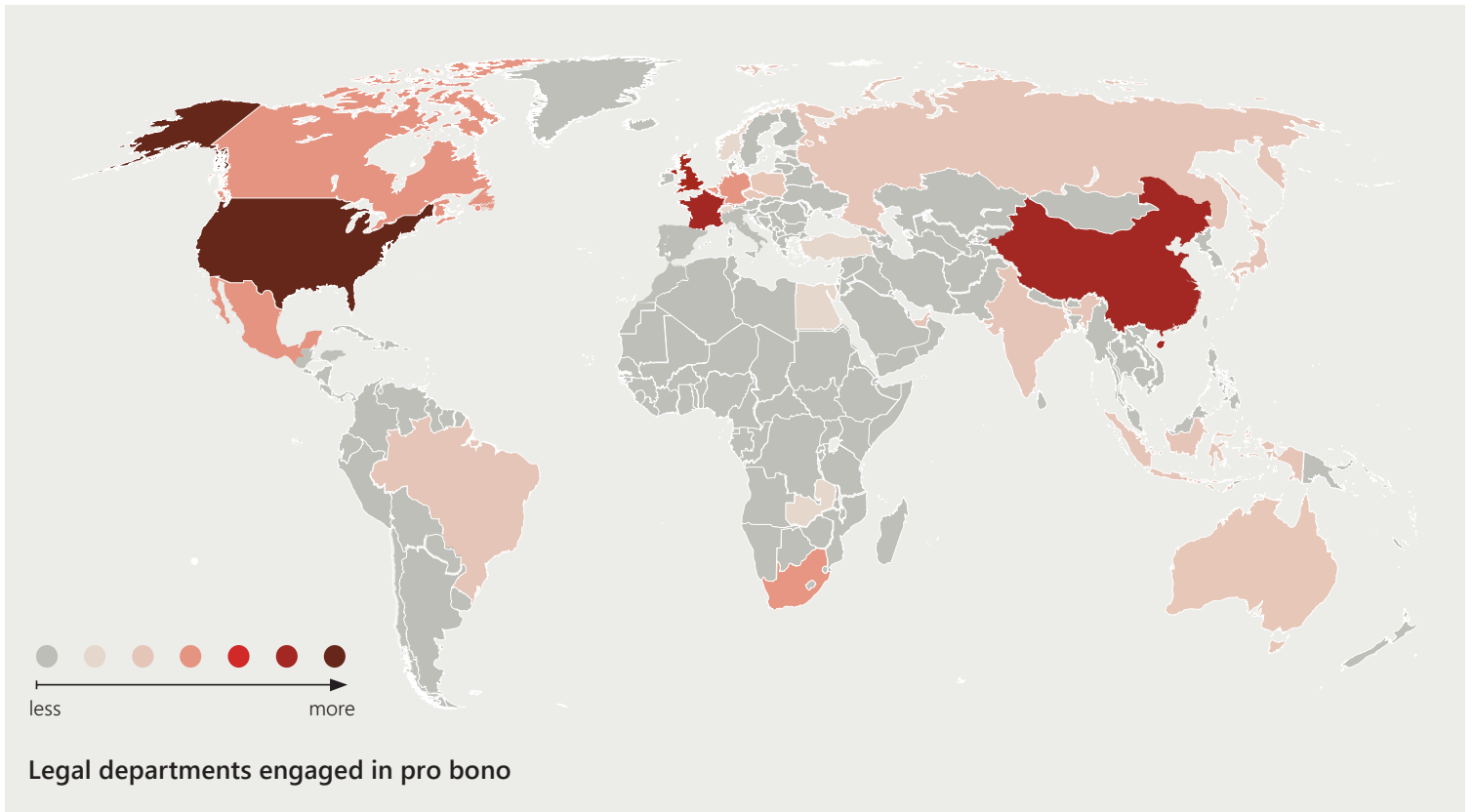
Global Participation

Non-U.S. lawyers, 2013

 0%-24%  25%-49%  50%-100%



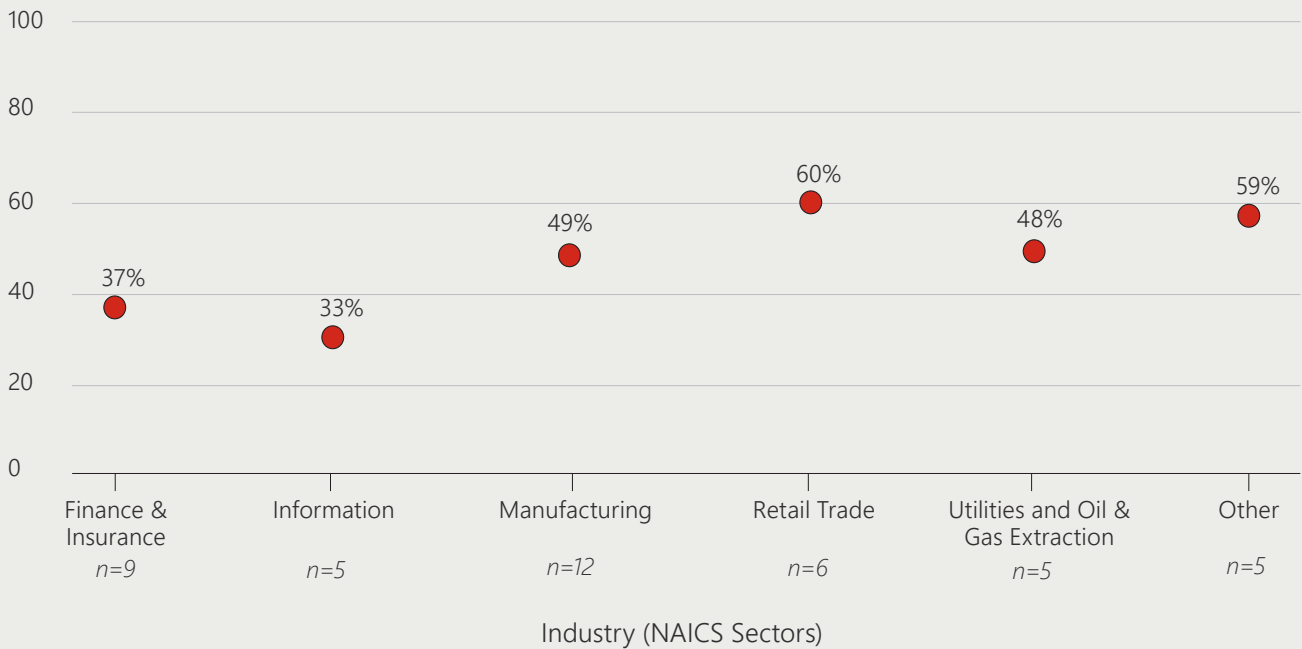
n=19



DEMOGRAPHICS, 2013

Participation across Industry

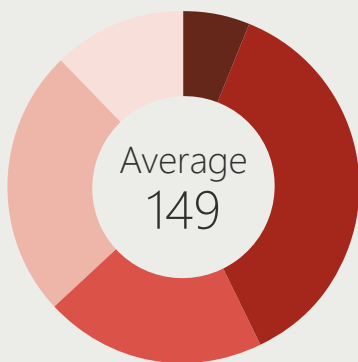
U.S. lawyers, average among respondents, 2013



Department Size

U.S. lawyers, % of all respondents, 2013

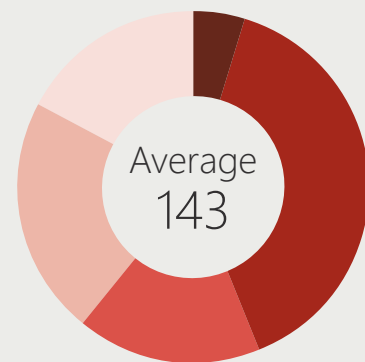
1-20 21-50 51-100 101-500 >500



Department Size

U.S. non-lawyers, % of all respondents, 2013

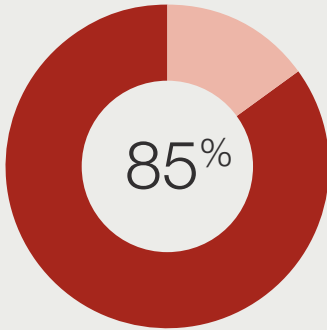
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PARTNERSHIPS WITH LAW FIRMS, 2013

Partnerships

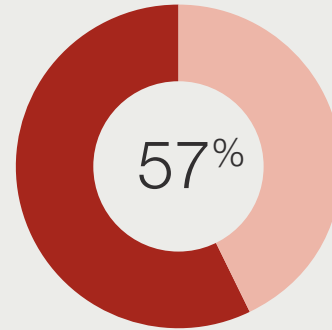
with outside law firms, 2013



n=52

Law Firm Pro Bono Performance

consider when evaluating outside counsel, 2013



n=51

The Law Firm Pro Bono Challenge®

The Law Firm Pro Bono Challenge® is the definitive aspirational pro bono standard for large law firms. By committing to a Statement of Principles, signatories pledge their best efforts to achieve the following goals of the challenge and annually report their progress to PBI:

an institutional commitment to encourage and support participation by all attorneys in the firm;

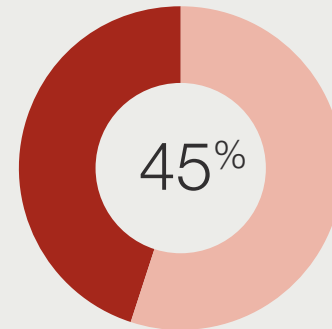
the firm annually contributes to pro bono work (as defined by the Law Firm Pro Bono Challenge®) a minimum of either (i) five percent of total billable hours or 100 hours per attorney or (ii) three percent of total billable hours or 60 hours per attorney;

a majority of such pro bono work is spent representing persons of limited means or charitable, religious, civic, community, governmental, and educational organizations in matters that primarily address the needs of persons of limited means; and

a majority of both partners and associates in the firm participate annually in pro bono activities.

Law Firm Pro Bono Performance

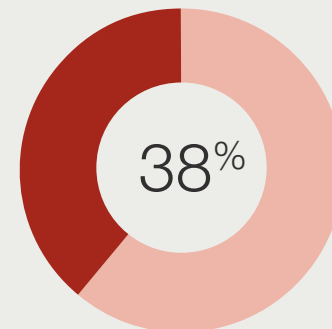
inquire about law firm pro bono in RFPs, 2013



n=52

Law Firm Pro Bono Challenge®

encouraged outside law firms, 2013



n=52

CONCLUSION

Since the inception of the CPBO Challenge® initiative, the number of signatories and in-house pro bono participation has grown steadily.

Examining the responses of the 40 signatories who responded to both the 2012 and 2013 surveys, the news is excellent: even at a time when legal departments are stretched thinner than ever, pro bono participation is increasing. The reasons for this growth include the departments' commitment to utilize the unique skills of their lawyers and non-lawyers to increase access to legal assistance in their communities, the spread of pro bono within the culture of legal departments, and the expansion in interest and opportunities for in-house counsel to provide pro bono services.

LOOKING AHEAD: IN-HOUSE PRO BONO

Increased Participation

As pro bono continues to permeate the in-house community, we expect to see an increase in the number of legal departments formalizing their pro bono efforts and in the participation rate of legal staff at departments. The range of participation rates among signatories will continue to vary greatly, with the overall trend among those departments with more mature programs and a strong commitment to the CPBO Challenge® initiative continuing upward.

Global Pro Bono

Interest in global pro bono is sure to expand in the coming years, but participation abroad may fluctuate more so than in the U.S. due to the challenges that continue to exist in many countries. While multi-national companies with offices in countries all over the globe are well-suited to pursue global pro bono projects, much remains to be done to create the infrastructure necessary for such work. However, signatories will continue to expand their reach and will explore pro bono opportunities in more and more countries.

Collaboration and Partnerships

We anticipate increased collaboration among legal departments and between legal departments and pro bono partners, including outside law firms. Outside law firms can support the pro bono efforts of their in-house partners as many of the leading large law firms have well-organized and thriving pro bono programs. In addition, signatories will continue to consider pro bono a factor in evaluating outside firms.

ABOUT THE CPBO CHALLENGE® INITIATIVE

Companies are placing increased emphasis on corporate social responsibility as an integral part of their identity and strategic planning. For their legal departments, moving beyond compliance with operational, ethical, and legal standards to focus on improving the economic and social climate of communities and a broad range of stakeholders is not only the right thing to do but also promotes trust and enhances the companies' business goals.

Many legal departments have found that having a concrete quantifiable but voluntary goal has helped to increase visibility, participation, and performance while assuring legal staff that they will not be disadvantaged because of their pro bono participation. The CPBO Challenge® goals are thus an important tool for corporate social responsibility and good citizenship.

The CPBO Challenge® Statement

As Chief Legal Officers of major corporations, we recognize the critical importance of pro bono service as a cornerstone of our professional identity and accept the unique role that we can play in promoting pro bono in our legal departments. As corporate leaders, we understand that the legal and business interests of our clients are furthered when access to the legal system is readily available to resolve disputes.

In recognition of our commitment and as signatories to this Corporate Pro Bono Challenge® statement, we will encourage and promote pro bono service by our legal department staff and use our best efforts to encourage our staffs, including at least one-half of our legal staff, to support and participate, as appropriate, in pro bono service.

To underscore the importance of promoting pro bono service, we will encourage the outside law firms with whom we work to acknowledge publicly their support for pro bono by becoming signatories to the Pro Bono Institute's Law Firm Pro Bono Challenge®.

METHODOLOGY

All data included in this report is presented in the aggregate to maintain the confidentiality of the Corporate Pro Bono Challenge® survey respondents.

The primary objective of the survey was to determine if CPBO Challenge® signatories met the goal of 50 percent participation in pro bono. In addition, survey questions solicited information about pro bono policies and practices, including partnerships with outside law firms. The 2013 survey consists of twelve questions. A copy of the survey is included in the appendix at the end of this report.

CPBO began surveying CPBO Challenge® signatories in 2007. Each year, the survey response rate has varied with a different combination of departments responding. In 2012, 52 of 115 signatories submitted responses. In 2013, 52 of 131 signatories submitted responses. Forty companies responded both in 2012 and 2013. Any comparison data presented in this report considers the responses of these 40 companies.

CPBO hopes that in publishing this data, CPBO Challenge® signatories will continue to see the value in reporting their pro bono work and that, in the future, increased reporting will allow CPBO to publish even more extensive analysis of the data.

REPORTING COMPANIES

2012 and 2013

3M Company
American International Group, Inc.
AOL Inc.
Bank of America Corporation
Best Buy Co., Inc.
Caterpillar Inc.
CIGNA Corporation
The Clorox Company
Counsel on Call
Deere & Company
Deloitte LLP
Discover Financial Services
DuPont
Duquesne Light Company
Exelon Corporation
Ford Motor Company
The Gap, Inc.
General Electric Company
Hewlett-Packard Company
Intel Corporation
Marathon Oil Corporation
Massachusetts Mutual Life Insurance Company
Mayo Clinic
McDonald's Corporation
Medtronic, Inc.
Merck & Co., Inc.

Microsoft Corporation
Nationwide Mutual Insurance Company
The Pep Boys - Manny, Moe & Jack
Pfizer Inc.
Shell Oil Company
Target Corporation
U.S. Bancorp
United Continental Holdings, Inc.
United Parcel Service, Inc.
UnitedHealth Group Incorporated
Verizon Communications Inc.
Wal-Mart Stores, Inc.
WPX Energy, Inc.

2013

3M Company
Aetna Inc.
American International Group, Inc.
AOL Inc.
AT&T Inc.
Bank of America Corporation
Best Buy Co., Inc.
Capital One Financial Corporation
Caterpillar Inc.
CIGNA Corporation
The Clorox Company
Counsel on Call
Deere & Company
Deloitte LLP
Discover Financial Services
DuPont
Duquesne Light Company
Energy Future Holdings Corporation
Exelon Corporation
Ford Motor Company
The Gap, Inc.
General Electric Company
General Mills, Inc.
Hewlett-Packard Company
Hyatt Hotels Corporation

Marathon Oil Corporation
Massachusetts Mutual Life Insurance Company
Mayo Clinic
McDonald's Corporation
Medtronic, Inc.
Merck & Co., Inc.
MetLife, Inc.
Microsoft Corporation
MVG Development, Inc.
Nationwide Mutual Insurance Company
Office Depot, Inc.
The Pep Boys - Manny, Moe & Jack
Pfizer Inc.
Shell Oil Company
Starbucks Corporation
Symantec Corporation
Target Corporation
TE Connectivity, Ltd.
U.S. Bancorp
United Continental Holdings, Inc.
United Parcel Service, Inc.
UnitedHealth Group Incorporated
Verizon Communications Inc.
Wal-Mart Stores, Inc.
Walmart Co.
Walgreen Co.
WPX Energy, Inc.

JOIN THE CHALLENGE FORM

As Chief Legal Officers, we recognize the critical importance of pro bono service as a cornerstone of our professional identity and accept the unique role that we can play in promoting pro bono in our legal departments. As leaders, we understand that the legal and business interests of our clients are furthered when access to the legal system is readily available to resolve disputes.

In recognition of our commitment and as signatories to this Corporate Pro Bono Challenge[®] statement, we will encourage and promote pro bono service by our legal department staff and use our best efforts to encourage our staffs, including at least one-half of our legal staff, to support and participate, as appropriate, in pro bono service.

To underscore the importance of promoting pro bono service, we will encourage the outside law firms with whom we work to acknowledge publicly their support for pro bono by becoming signatories to the Pro Bono Institute's Law Firm Pro Bono Challenge[®].

On behalf of my legal department, I hereby sign the Corporate Pro Bono (CPBO) Challenge[®] statement:

Signature (Chief Legal Officer): _____ Date: _____

Name and Title: _____

Company: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Phone: _____

Email: _____

Contact Person Name and Title: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Phone: _____

Email: _____

Please send completed forms to CPBO at erunyon@probonoinst.org. For more information about the CPBO Challenge[®] initiative, please contact Eve Runyon, CPBO director, at 202.729.6694 or at cpbo@probonoinst.org. Thank you for your interest and support.

2013 CPBO CHALLENGE[®] SURVEY, JANUARY 1, 2013 - DECEMBER 31, 2013

Welcome to the Corporate Pro Bono Challenge[®] 2013 Status Update. Your answers to this survey will be treated in the strictest confidence, and any information published will be only in the aggregate.

Background Information

1. Company Information

Company Name _____

Address (Headquarters) _____

Address 2 _____

City _____

State/Province _____

Zip Code _____

Pro Bono Contact Name _____

Pro Bono Contact Title _____

Pro Bono Contact Email _____

Pro Bono Contact Phone _____

2. Person Completing this Survey (if different than pro bono contact)

Name _____

Title _____

Email _____

Phone _____

3. Company Information

Annual Revenue _____

Number of Employees _____

4. Number of Offices with Legal Staff Onsite

Inside the U.S. _____

Outside the U.S. _____

Participation in Pro Bono

1. Please record the number of legal professionals in the U.S. as of 12/31/13 and how many of those provided pro bono legal services (not including community service) during the reporting period.

	Total in Legal Department	Participating in Pro Bono	Percentage
U.S. Lawyers	_____	_____	_____
U.S. Non-Lawyers	_____	_____	_____

2. Please record the number of legal professionals in the U.S. as of 12/31/13 and how many of those provided pro bono legal services (not including community service) during the reporting period.

	Total in Legal Department	Participating in Pro Bono	Percentage
Non-U.S. Lawyers	_____	_____	_____
Non-U.S. Non-Lawyers	_____	_____	_____

Active Pro Bono Policies and Programs

1. Does your legal department have a written pro bono policy?
2. Does your legal department have a formal pro bono program?

Pro Bono Partnerships

1. Does your legal department partner with outside law firms to provide legal pro bono work?

If yes, with which firms does your legal department partner? _____

2. Does your legal department inquire as to whether its outside firms perform legal pro bono work in RFPs, beauty contests, and/or retention processes?
3. Does your legal department consider a firm's pro bono performance when evaluating outside counsel?
4. Does your legal department encourage its outside firms to join the Pro Bono Institute's Law Firm Pro Bono Challenge®?



www.cpbo.org

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Developed by Corporate Pro Bono
A global partnership project of the Pro Bono Institute and the Association of Corporate Counsel

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