

Minnesota Judicial State Court Salaries

Prepared for
the Minnesota District Judges Association

by

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Summary:

I recommend that the Minnesota State Legislature approve a 5.8% increase on July 1, 2013 a 5.8% increase on July 1, 2014, and then an additional 2% increase on July 1, 2015 and again on July 1, 2016. This increase would return Minnesota District Court Judges, Appeals Court Judges, and Supreme Court Justices to the real salary level they earned in 2002. It will also move Minnesota judicial salaries closer to their historical levels, relative to other state court judges, other elected attorneys, and other private sector attorneys.

Analysis:

While Minnesota judicial salaries rose from 2002 up until the salary freeze of 2008, the increases in salary did not keep pace with inflation. Figure 1 plots annual salaries (the dashed line) of the District Court Judges and those same salaries converted to 2012 dollars (the solid line). It is clear from this figure that District Court Judicial salaries have fallen substantially in real terms since 2002. Figures 2 and 3 present the same salary comparisons for the Court of Appeals Judges and the Supreme Court Justices, respectively. The judges at all three levels earn, in real terms, roughly what they would have earned over a decade ago.

To calculate the salary that would return judicial earnings to their 2002 level, I adjusted earnings over the decade for inflation. Consider first the District Court Judges. Beginning with the 2002 salary, if the judges received only cost-of-living increases,¹ they should have earned **\$138,814 in 2012**, as opposed to the \$129,124 actual salary, which represents a 7.5% increase over current year salary. If Appeals Court Judges had received cost-of-living adjustments, they would currently be earning **\$147,874**, as opposed to \$137,552. Similarly, Supreme Court Justices would be earning **\$156,936**, as opposed to \$145,981. Figure 4, 5, and 6 illustrate judicial salaries at each of the judicial levels from 2002 through 2012, compared to what they would have been had they kept pace with inflation. Table 1 illustrates the Minnesota judicial salaries from 2002 to 2012. The first column displays the actual salary paid, while the second represents what those salaries would have been if the 2002 level had been adjusted for inflation in each year.

It would take a 3.7% increase per year for the next two years to bring the 2012 judicial salaries back to 2002 levels. Prices are expected to rise about 2% in 2013 and again in 2014. So in order to keep the salaries in line with inflation, judicial salaries should rise by 5.8% on July 1, 2013 and again on July 1, 2014. Salaries in 2015 and 2016 should rise with inflation, which I have assumed to be about 2% per year. It is difficult to predict inflation out more than a year or two, so I recommend that should inflation, as measured by the CPI, rise more than 2% per year, the salaries should be adjusted accordingly.

¹ To adjust for inflation, I used the Consumer Price Index, Urban Consumers, for the Minneapolis-St. Paul metropolitan area, provided by the Bureau of Labor Statistics.

In 2001, my now-retired colleague, Dr. Karl Egge, conducted an examination of salaries paid to Minnesota Judges. At that time, Dr. Egge estimated that Minnesota District Court Judges' salaries were roughly 20 percent too low. At that time, the Minnesota Legislature chose to follow the recommendations of the compensation council to raise state judicial salaries by 6.5 percent in 2001 and in 2002. (The resulting \$111,359 annual salary in 2002 remained roughly \$6,000 short of Dr. Egge's estimation of the appropriate annual salary for a Minnesota District Court Judge.)

Judicial salaries kept pace with and even slightly exceeded the rate of inflation through 2004, but subsequent increases only matched the inflation rate in two of the following eight years. The salary freeze that has been in place since 2008 has eroded judicial salaries by roughly 11 percent.

To this point, I have focused my analysis primarily on making the judges whole, i.e., returning them to the purchasing power of their 2002 salaries. One might ask how real judicial salaries have fallen comparable to other legal salaries. It is challenging to determine fair market wages for the judiciary, as there are only limited comparable positions. To that end, I compare Minnesota judicial salaries to judicial salaries in other states, as well as to salaries paid to lawyers within Minnesota.

Table 2 displays national average and median state level judicial salaries, as well as those for Minnesota, Iowa, and Wisconsin. The Supreme Court Chief Justice is the only Minnesota judge to earn more than the national average. All other levels of judges earn between 4 and 6 percent less than the national average. Indeed, only twenty states in the nation pay their trial court judges less than Minnesota pays District Court Judges. Minnesota pays roughly the same as Wisconsin, across the judiciary. Iowa, however, pays between 6 and 10 percent more at all three levels. After adjusting for cost-of-living differences, Wisconsin pays roughly 5 percent more, and Iowa pays almost 14 percent more than Minnesota. Table 3 illustrates how Minnesota judicial salaries rank relative to other states.

Table 4 compares Twin Cities metropolitan area County Attorney salaries to Minnesota District Court Judges. The first column indicates the 2012 salary. The second column represents the percent increase in the County Attorneys' salaries to District Court Judge salary. The third column indicates what that percent differential would be if the District Court Judge salary was adjusted for inflation since 2002. These County Attorneys earn from 13 to 22 percent more than the Judges that they argue before. Even if the District Court Judges began earning a salary commensurate with their 2002 earnings, they would still be earning between 6 and 13 percent less than the County Attorneys. Historically, District Court Judges earned roughly 9 percent less than Hennepin County Attorneys. Correcting for inflation will bring trial court judge salaries back to those historical differences.

Judicial salaries have not kept pace with salaries paid by law firms. New associates in large Twin Cities law firms earn starting, base salaries of roughly \$120,000. Thus,

Minnesota District Court Judges earn about 8 percent more than new associates at the top ten law firms in the Twin Cities. As a point of comparison, District Court Judges earned 49 percent more than new associates at the top Twin Cities law firms in 1990 and 72 percent more in 1983.²

Data on starting salaries at these law firms is readily available on the law firm websites, but it is more difficult to gather information on legal salaries beyond the first year. The Robert Half Legal Salary Guide reports national averages for law firm salaries that are adjusted for the Twin Cities legal market.³ Table 5 presents the range of these data for law jobs of different sizes and lawyers of different experience levels. Note that the numbers represent starting compensation, and do not include bonuses, incentives, or deferred income programs. Thus, the data underestimate the actual salaries paid to ongoing attorneys at each level. These data, while imperfect, indicate that Minnesota District Court Judges earn salaries on the high end of the pay scale for starting associates with one to three years of experience, and on the low end of the range for attorneys with four to nine years of experience.

Not only are Minnesota Judges paid below attorneys, in private practice or working for corporations, with equivalent experience, but also the gap has been rising over time. If these trends continue, the long run implication is that talented candidates will be less likely to run, or accept appointments, for judicial positions. The court may also suffer from the loss of sitting judges who resign for financial considerations. In this case, we may end up with a judiciary in which only the wealthy, or those with fewer private sector opportunities, will be willing to serve.

Given the challenges of providing the correct comparables, I recommend that the Legislature increase judicial salaries to correct for inflation. These adjustments will move Minnesota judges up in the ranking among states to just above the median for the 50 states. Table 6 displays my salary recommendations for 2013 through 2016.

Conclusion:

It is clear from my analysis that Minnesota judges continue to be undercompensated. Judicial salaries should rise by 5.8 percent on July 1, 2013 and again on July 1, 2014, and then by 2 percent on July 1, 2015 and July 1, 2016. This increase would restore the salaries to their 2002 levels, move the state ranking from below to just above the U.S. median, restore the ratio of the Hennepin County Attorney to District Court Judge salaries to their historical levels, and widen the

² The data on starting salaries for first year associates prior to 2001 at large Twin Cities law firms are taken from Dr. Egge's report, "Judicial Salaries in Minnesota, 2001," written in March of 2001. Current salary information was taken from law firm websites and www.infirmation.com.

³ Robert Half Legal, "2013 Salary Guide: Your Resource for Compensation in the Legal Field." <http://www.roberthalflegal.com/SalaryCenter>.

salary difference between the District Court and first-year associates at top Twin Cities law firms to a more respectable 15 percent.

A note about the author:

Karine S. Moe is the F.R. Bigelow Professor of Economics and the Chair of the Economics Department at Macalester College. An applied microeconomist, her research and teaching interests center on the U.S. labor market. She earned her M.A. and Ph.D. in Economics from the University of Minnesota in 1992 and 1995, respectively, a Master of Public Policy from Harvard Kennedy School in 1989, and a B.A. in economics from St. Olaf College. Dr. Moe has published numerous articles and two books. She volunteered her time to conduct this analysis. All analysis was conducted independently.

Table 1: Minnesota Judicial Salaries, Nominal and Cost-of-Living Adjusted, 2002-2012

Supreme Court				
Year	Chief Justice		Associate Justices	
	Nominal	COL Adjusted	Nominal	COL Adjusted
2002	\$138,487	\$138,487	\$125,897	\$125,897
2003	\$142,641	\$140,877	\$129,674	\$128,070
2004	\$146,920	\$144,887	\$133,564	\$131,715
2005	\$149,124	\$148,896	\$135,567	\$135,360
2006	\$151,361	\$151,287	\$137,601	\$137,533
2007	\$155,902	\$155,178	\$141,729	\$141,071
2008	\$160,579	\$161,124	\$145,981	\$146,476
2009	\$160,579	\$160,300	\$145,981	\$145,727
2010	\$160,579	\$163,260	\$145,981	\$148,418
2011	\$160,579	\$169,129	\$145,981	\$153,753
2012	\$160,579	\$172,630	\$145,981	\$156,936

Court of Appeals				
Year	Chief Judge		Judges	
	Nominal	COL Adjusted	Nominal	COL Adjusted
2002	\$124,558	\$124,558	\$118,627	\$118,627
2003	\$128,295	\$126,708	\$122,186	\$120,675
2004	\$132,144	\$130,315	\$125,852	\$124,110
2005	\$134,126	\$133,921	\$127,740	\$127,544
2006	\$136,138	\$136,071	\$129,656	\$129,592
2007	\$140,222	\$139,571	\$133,546	\$132,926
2008	\$144,429	\$144,919	\$137,552	\$138,019
2009	\$144,429	\$144,178	\$137,552	\$137,313
2010	\$144,429	\$146,840	\$137,552	\$139,848
2011	\$144,429	\$152,119	\$137,552	\$144,875
2012	\$144,429	\$155,268	\$137,552	\$147,875

Trial Court				
Year	Chief Judge		Judges	
	Nominal	COL Adjusted	Nominal	COL Adjusted
2002	\$116,926	\$116,926	\$111,359	\$111,359
2003	\$120,434	\$118,944	\$114,700	\$113,281
2004	\$124,047	\$122,330	\$118,141	\$116,505
2005	\$125,908	\$125,715	\$119,913	\$119,730
2006	\$127,797	\$127,733	\$121,712	\$121,652
2007	\$131,631	\$131,019	\$125,363	\$124,781
2008	\$135,580	\$136,039	\$129,124	\$129,562
2009	\$135,580	\$135,343	\$129,124	\$128,899
2010	\$135,580	\$137,843	\$129,124	\$131,280
2011	\$135,580	\$142,798	\$129,124	\$135,999
2012	\$135,580	\$145,754	\$129,124	\$138,814

Note: Cost-of-Living adjustments were made to the 2002 Nominal salaries with the CPI-U, for the Minneapolis-St. Paul metropolitan region, Bureau of Labor Statistics.

Table 2: National mean and median judicial salaries, plus salaries for selected states.

	2012 State Court Judicial Salaries				
	National				
	Mean	Median	Minnesota	Wisconsin	Iowa
Supreme Court Chief Justice	\$157,759	\$152,500	\$160,579		
Supreme Court Justice	\$152,606	\$146,917	\$145,981	\$144,495	\$163,200
Appellate Judge	\$146,887	\$140,732	\$137,552	\$136,316	\$147,900
Trial Court Judge	\$137,151	\$132,500	\$129,124	\$128,600	\$137,700

Source: National Center for State Courts, "Survey of Judicial Salaries," Vol. 37, No. 1, 2012.

Table 3: Salary rankings, Minnesota, Wisconsin, and Iowa

	2012 State Court Ranking¹		
	Minnesota	Wisconsin	Iowa
Supreme Court Justice	28	31	16
Appellate Court Judge ²	23	25	16
Trial Court Judge	31	32	21

1. Highest paid state rank=1 and lowest paid state rank=50.
2. Only 39 states have Appellate Courts.

Source: National Center for State Courts, "Survey of Judicial Salaries," Vol. 37, No. 1, 2012.

Table 4: Minnesota District Court Judge salaries relative to metropolitan area County Attorneys

	2012 Salary	Percent Increase Over District Court Judge Salary	
		Current	COL Adjusted
Hennepin County Attorney	\$149,483	16%	8%
Ramsey County Attorney	\$146,497	13%	6%
Stearns County Attorney	\$155,691	21%	12%
Dakota County Attorney	\$157,200	22%	13%
MN District Court Judge	\$129,124		
MN District Court Judge, COL Adjusted	\$138,814		

Table 5: Range of estimated starting salaries at Minneapolis law jobs, varying types and experience levels, 2012

	2012 Low	2012 High
Senior Lawyer (10-12 years experience)		
Large Law Firm	\$173,020	\$259,794
Midsize Law Firm	\$144,271	\$238,430
Small/Midsize Law Firm	\$119,743	\$175,394
Small Law Firm	\$96,533	\$159,833
In-House Corporate Attorney	\$137,941	\$237,903
Licensed Lawyer (4-9 years experience)		
Large Law Firm	\$120,534	\$203,615
Midsize Law Firm	\$122,116	\$177,768
Small/Midsize Law Firm	\$88,356	\$157,723
Small Law Firm	\$68,791	\$130,556
In-House Corporate Attorney	\$102,071	\$194,120
Licensed Lawyer (1-3 years experience)		
Large Law Firm	\$114,468	\$156,931
Midsize Law Firm	\$83,873	\$123,435
Small/Midsize Law Firm	\$66,993	\$103,654
Small Law Firm	\$56,706	\$90,730
In-House Corporate Attorney	\$80,971	\$124,490

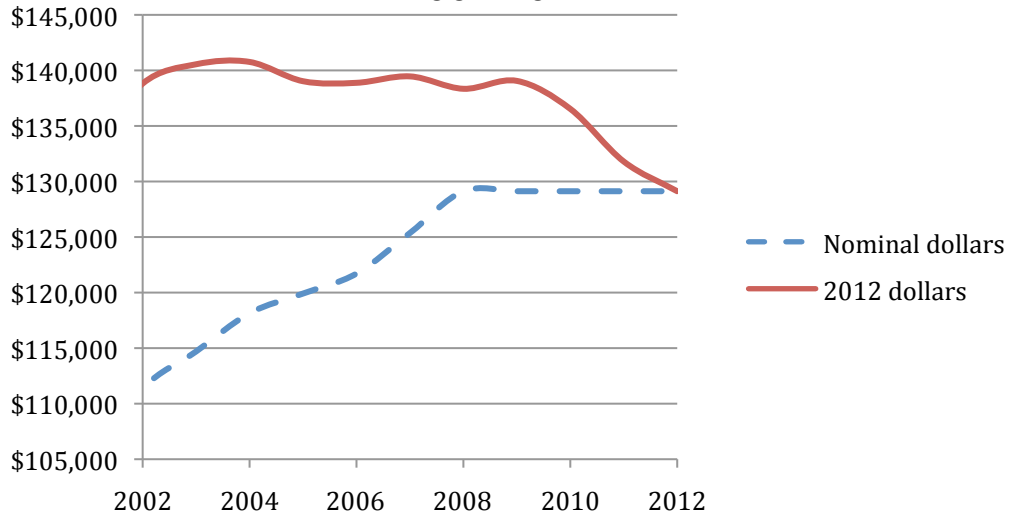
Source: Robert Half Legal, "2013 Salary Guide: Your Resource for Compensation in the Legal Field," www.roberthalflegal.com/SalaryCenter.

Table 6: Recommended judicial salaries, 2013-2016

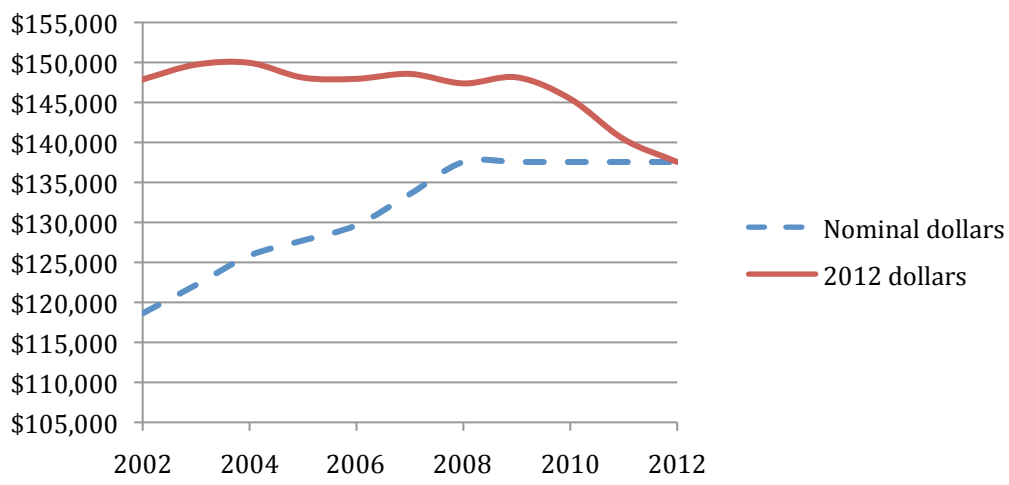
Beginning	District	Appellate	Supreme
July 1, 2013	\$136,613	\$145,530	\$154,448
July 1, 2014	\$144,537	\$153,971	\$163,406
July 1, 2015	\$147,427	\$157,050	\$166,674
July 1, 2016	\$150,376	\$160,191	\$170,007

Note: these recommended salaries assume a 5.8% increase in 2013 and 2014, and 2% increases in 2015 and 2016.

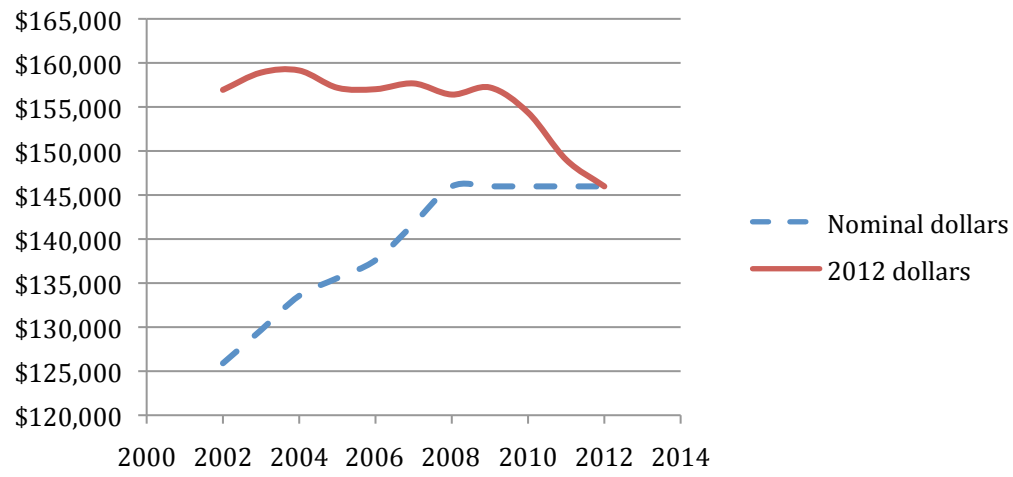
**Figure 1:
MN District Court Judicial Salaries
Nominal and Real 2012 Dollars
2002-2012**



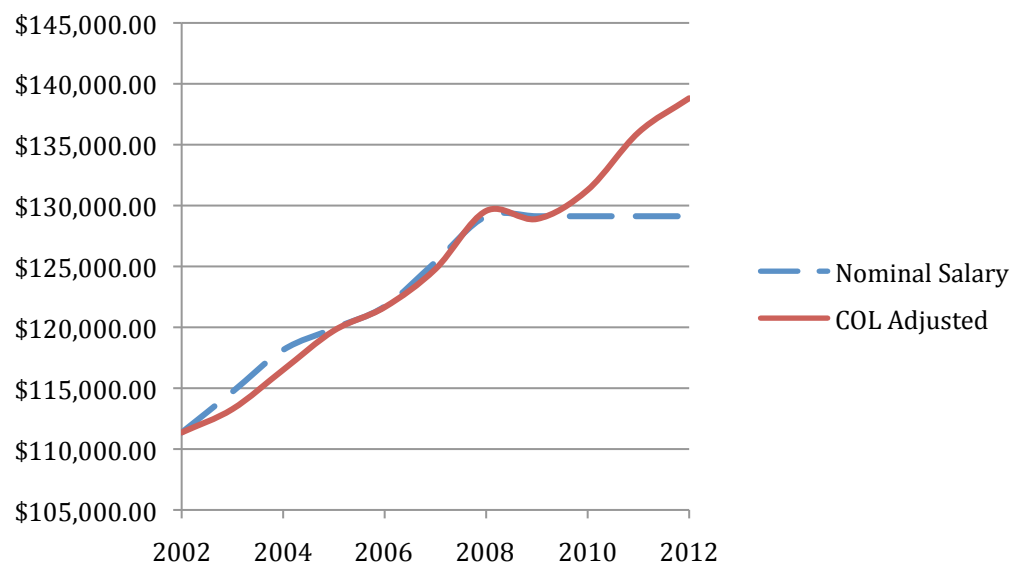
**Figure 2:
MN Court of Appeals Judicial Salaries
Nominal and Real 2012 Dollars
2002-2012**



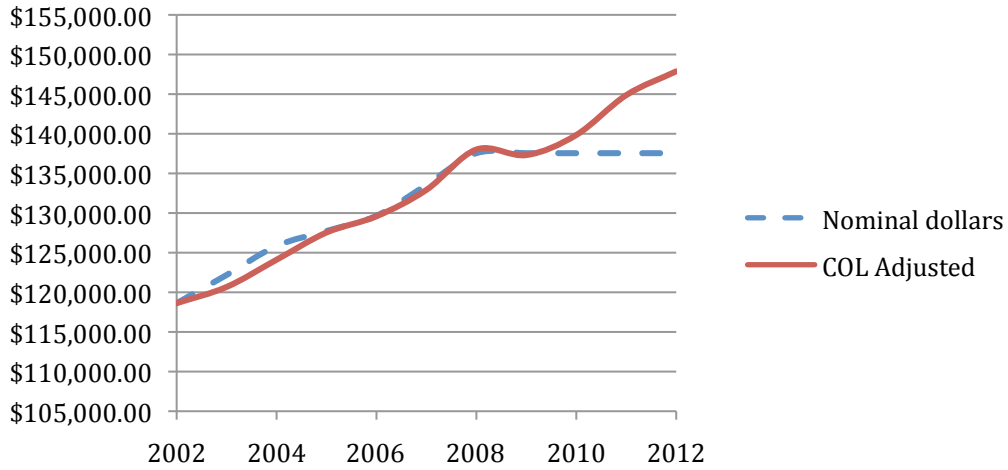
**Figure 3:
MN Supreme Court Judicial Salaries
Nominal and Real 2012 Dollars
2002-2012**



**Figure 4:
Minnesota District Court Judicial Salaries
Nominal and Cost-of-Living Adjusted
2002-2012**



**Figure 5:
MN Court of Appeals Judicial Salaries
Nominal and Cost-of-living Adjusted
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**Figure 6:
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