

Affinity Groups

Tools for Retention

By Jane DiRenzo Pigott

Affinity groups are groups that are sponsored and supported by an organization and consist of people with a common set of characteristics. Common affinity groups in larger law firms include ones involving women attorneys; attorneys of color; reduced-schedule attorneys; and people who are gay, lesbian, bisexual, or transgender ("GLBT"). Affinity groups are effective tools that organizations have used successfully to improve retention and promotion, and to enhance recruiting efforts. Affinity groups that "support the attorneys and provide outlets and channels of communication with senior management" are also considered diversity best practices (The Association of the Bar of the City of New York, Statement of Diversity Principles, Diversity Practices).

UTILIZING AN AFFINITY GROUP

Affinity groups may have a material, positive impact on retention in a number of key ways. This article discusses four tactical uses of affinity groups that improve retention of key affinity group members: creating community, targeted professional development, effective two-way communication, and positive public profile.

Creating Community

Affinity groups quite naturally create the ability to form communities. Many diverse attorneys are isolated, for example, by being the only person like them in their practice group or by having no one more senior than them in their specialty to use as a role model. Bringing similar people together from across an organization allows the group to create a community, encourages informal mentoring, and begins the process of establishing and maintaining critical mass.

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Social and professional ties can be established and enhanced.

Targeted Professional Development

Retention is also enhanced by targeted professional development, and affinity groups serve as an effective vehicle for delivering access to such skill-building opportunities. There are a variety of ways in which this goal can be achieved. Some affinity groups have sponsored events where speakers discuss topics of particular interest to the members of the affinity group. Other affinity groups have utilized a portion of their budget to create workshops where their members can acquire and enhance necessary success skills.

Effective Two-Way Communication

One of the most effective ways in which affinity groups can be utilized by both the organization and the members of the affinity group is effective two-way communication. The affinity group, without fears of retribution against any individual, can communicate issues or opportunities that the group has identified as well as potential action plans to deal with the issues or take advantage of the opportunities. The affinity group can also provide a forum for the leaders of the organization to disseminate information in an efficient and effective fashion.

Positive Public Profile

Affinity groups can use their budget, power, and influence to create positive public profiles for the members of the group and the organization. One way in which affinity groups have been successful in this endeavor is by hosting client events. For example, a law firm's women's affinity group hosts a spa day for its women partners and clients. They get to know each other, the "face" of the firm changes for that client, relationships are strengthened, and business increases.

Another way that affinity groups have been successfully utilized to create a positive public profile is when they become issue champions for their organization. The affinity group is in probably the best position to advise its organization as to which outside activities are worthwhile and likely to achieve the organization's goals in a targeted commu-

nity. For example, the GLBT affinity group is in a great position to advise its organization on which GLBT events, activities, and groups would allow the organization to be effective and efficient in achieving its desired profile in the GLBT community.

One final way in which an affinity group can assist the organization and its members in creating positive visibility is by supporting its members' activities and leadership in outside professional organizations. For example, the affinity group can provide monetary and in-kind support of its member who is elected to lead the Hispanic National Bar Association, giving both the individual and the organization a positive profile. In addition, the affinity group can work to position other members so that they succeed to leadership roles and can take advantage of spotlight opportunities offered by others' leadership roles.

RETENTION

How can affinity groups positively impact retention? Creating a sense of community and a forum where specific issues impacting members of the affinity group can safely be explored is vital to retention. Even more important is an effective communication vehicle where information can be shared and acted upon. This combination allows members of the affinity group to feel as if they own the organization and have a stake in its success. Investing in individuals' personal and professional development is also an essential piece of the puzzle of retention; the organization needs to make a consistent investment in its people and their ability to be ready for promotion. Finally, creating a positive profile for your affinity group members is a win-win-win. It's good for the individual in terms of personal gravitas; it's good for the organization in terms of the "face" it has in the community; and it improves the likelihood of retaining key people.

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CREATING AN AFFINITY GROUP

How do you create an effective affinity group? There are a number of key elements necessary to accomplish this goal. First, the group must be created by members of the group, not the firm's management. Second, senior people must lead the group. Junior people will be essential to the success of the affinity group, but if the more senior members of the group are not

involved, the group cannot attain all of the goals discussed in this article. Third, the programming of the group must be strategic to the firm and to the participants. Fourth, the leadership of the firm must strongly and consistently support the group. Fifth, the group must develop and strategically utilize a budget. Sixth, the business case for the affinity group must be clearly communicated to the firm. Finally, the activities of the affinity group should be communicated internally and externally.

Affinity groups are a readily available tool that can efficiently improve recruitment, retention, and promotion of members of the affinity group. The most important factors in the success of any affinity group in a firm are leadership, both of the affinity group and at the firm, and relevance. An organization that creates and maintains effective affinity groups facilitates its strategic goal of retaining the right people.



Tax Laws

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both a deduction for domestic production activities and the tuition deduction. Those entering "B" must attach a breakdown showing the amounts claimed for each deduction.

TEACHERS' DEDUCTION FOR CLASSROOM EXPENSES

Spouses or children of attorneys and their staff who are elementary or high school teachers (or counselors, principals, or aides) and who work at least 900 hours during a school year may take an above-the-line deduction for up to \$250 of the expenses they pay for books, supplies, computers (including related software and services), other equipment, and supplementary materials used by them in the classroom. This deduction is now available for amounts paid or incurred for the 2006 and 2007 tax years.

If filing on paper, claim the deduction on Form 1040, line 23, "Archer MSA deduction." On the dotted line to the left of that line entry, enter "E" if claiming the teachers' deduction, or "B" if claiming both an Archer MSA deduction and a teachers' deduction. Those entering "B" must attach a breakdown showing the amounts claimed for each deduction.

EXPANDED AMT CREDIT

TRHCA allows for a refundable alternative minimum tax ("AMT") credit starting in 2007 and ending in 2012. A portion of the minimum tax

credit can be applied against the regular tax liability of attorneys and their staff and is refundable. This modification was designed, in part, to help taxpayers who had exercised incentive stock options and were unable to utilize the related AMT credit that may have been generated.

The AMT refundable credit amount is the greater of: a) the lesser of \$5000 or the long-term unused minimum tax credit, or b) 20% of the long-term unused minimum tax credit. The "long-term unused minimum tax credit" for a year is the portion of the minimum tax credit attributable to a taxpayer's adjusted net minimum tax for years before the third year immediately preceding the tax year (*i.e.*, for the 2007 year, utilize the portion of credit on Form 8801 that relates to tax years before and including 2003 on a first-in, first-out basis). Table 1 shows how this long-term credit translates into the taxpayer's AMT refundable credit.

In the case of an individual whose AGI for a taxable year exceeds the threshold amount for purposes of the dependency exemption, the AMT refundable credit amount is reduced.

DEDUCTION FOR MORTGAGE INSURANCE PREMIUMS

For 2007 only, qualified mortgage insurance premiums paid in connection with acquisition indebtedness that is related to a qualified residence may be deducted as qualified residence interest. Qualified mortgage insurance includes mortgage insurance provided by the Veterans Administration, the Rural Housing Administration, or private mortgage insurance ("PMI"). The deduction begins to phase out once AGI exceeds \$100,000 (\$50,000 if married filing separate) and is completely phased out once AGI exceeds \$110,000 (\$55,000 if married filing separate).



Table 1. Calculation of AMT Refundable Credit

Long-term unused minimum tax credit	Amount of the AMT refundable credit
Up to \$5000	100% of the long-term unused minimum tax credit
\$5001 to \$25,000	\$5000
\$25,001 and up	20% of the long-term unused minimum tax credit

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