



2019 Compensation and Benefits Survey Executive Summary



Executive Summary

This year's ALA Compensation and Benefits Survey revealed a dramatic increase in billable hour goals for paralegals in the Northeast; a sizeable 23% spike in total compensation for summer associates—and an average attorney turnover rate in large law firms that was nearly triple the 2018 number.

Those findings—along with other input related to more than 10,000 legal industry professionals, compiled and analyzed by intelligence solutions provider iLumen Inc.—provide an exclusive look at salary, staffing and other trends that are emerging within U.S. law firms and legal departments.

In addition to information about salaries, bonuses and benefits for well-known, widely employed roles, this year's survey encompasses compensation for more than 25 additional positions, including CRM and eMarketing Specialist, Knowledge Management Technology Administrator and Business Development Chief, a marketing role that is currently the industry's highest paid position.

In total, annual base salary information is offered for more than 90 management positions. ALA's 2019 Compensation and Benefits Survey also breaks down numerous results by size, location and type of organization to allow industry members to see differences in pay, turnover and other factors similar organizations are experiencing—which can help inform the budgetary, staffing and other decisions they make this year and beyond.

Other insights are included in the following report highlights.

Benefits

Approximately 8% fewer legal organizations offered medical plans for employees this year compared to 2018 and employers covered less of the cost—87.5% of the medical plan expense, on average, compared to 96.5% last year. Coverage for dependents also declined.

However, the amount of U.S. locations that currently cover 75–99% of the premiums associated with their employee medical plan remained unchanged from 2018, holding steady at 67%. That total had declined last year; in 2017, 73% of organizations funded 75–99% of employees’ medical plan premiums. The percentage of locations that cover the entire premium also remained at the 2018 level, 24%, this year.

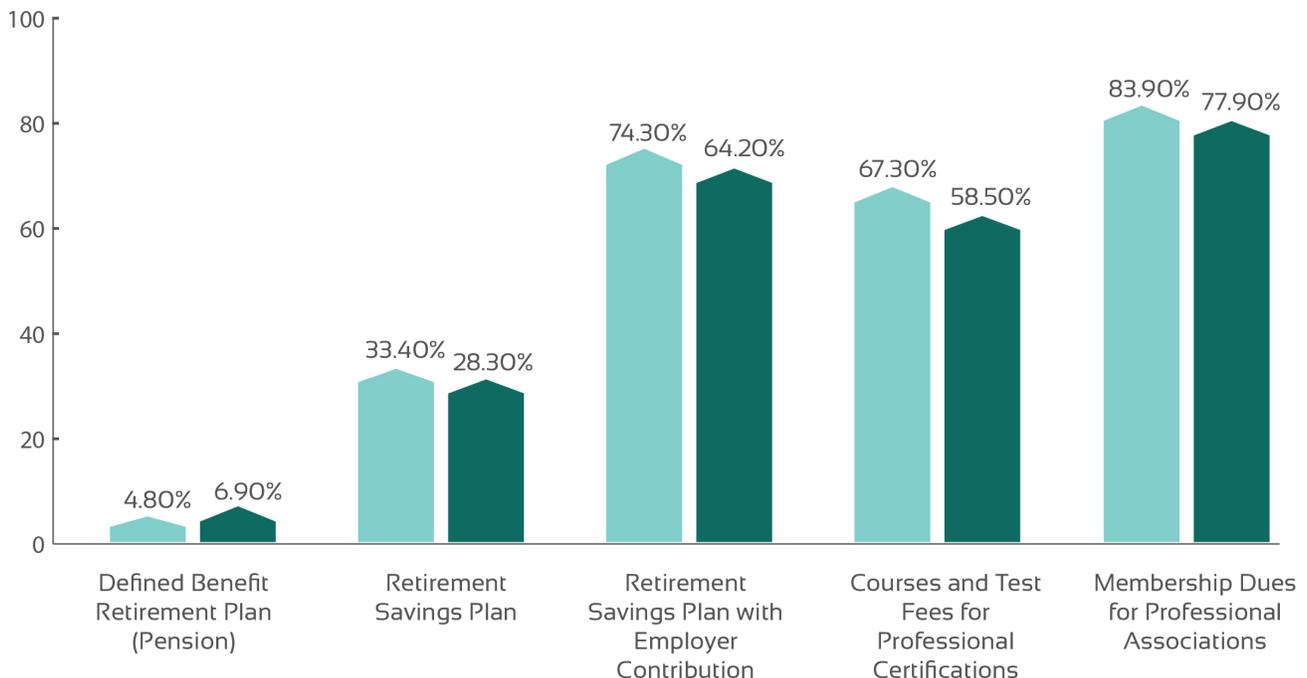
The amount of organizations that extend dental coverage to employees—41% stayed the same this year as well. But 17% more locations now fund 100% of employee dental premiums.

More than 13% fewer legal organizations are offering retirement savings plans without an employer contribution component; more, though are offering defined benefit retirement plans.



ADDITIONAL BENEFITS

Legend:
█ % of U.S. Firms that Offered (2018)
█ % of U.S. Firms that Offer (2019)



Compensation

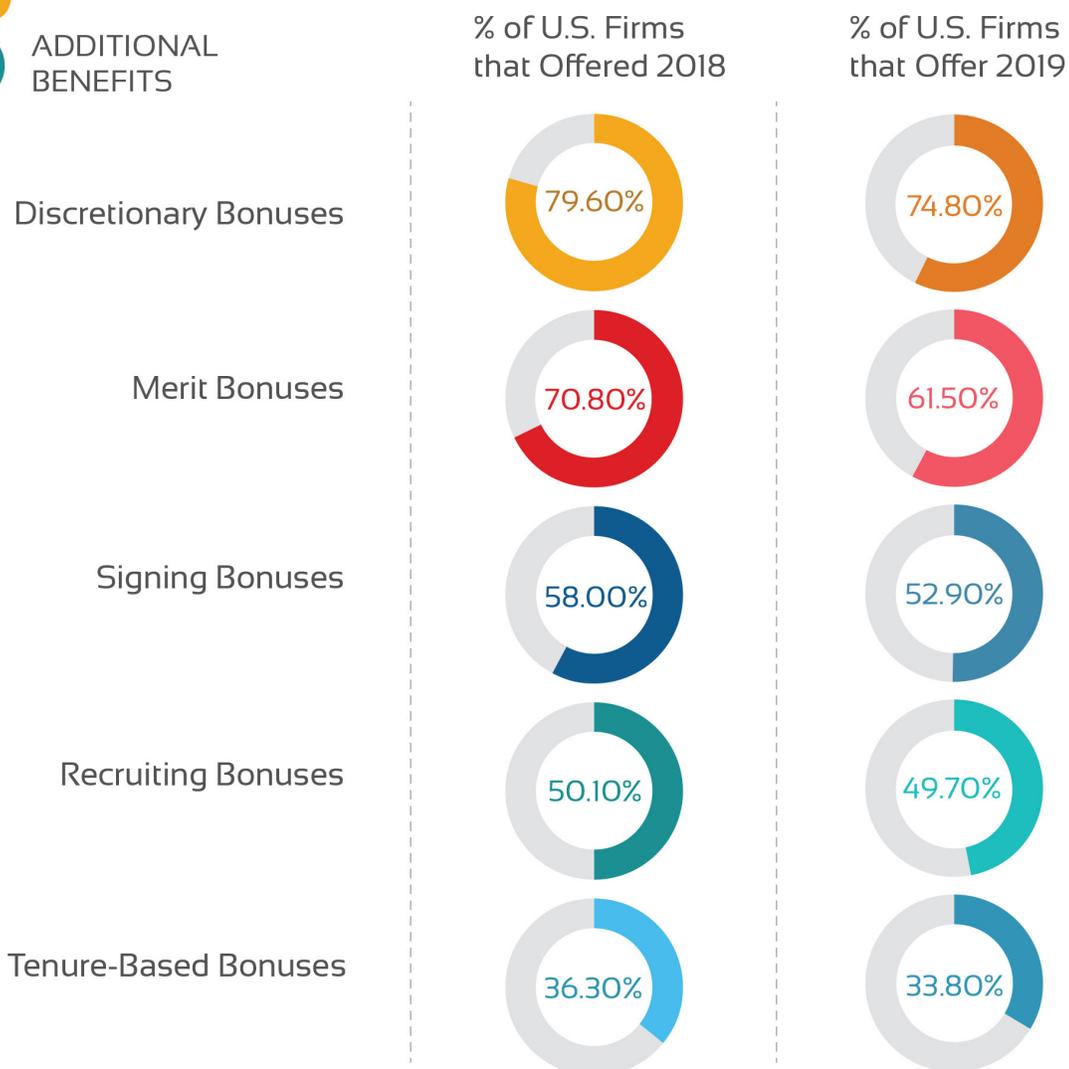
Two roles that were included for the first time in the survey, Business Development Chief and Marketing and Business Development Chief, had the highest paid base salary—\$326,060 and \$325,093, respectively. The Law Firm Principal Administrator role, which was the top-paid position last year, currently has an average base salary of \$278,254, making it the third-highest paid role in 2019.

Fewer non-associate attorney positions experienced reductions in average total compensation; and total compensation for some non-associate attorney and associate attorney roles notably increased this year. Summer Associates, for instance, are being paid 23.6%, or \$19,697 more than last year, and IP Administrator/Directors took home 19.45% more, a \$27,678 increase from 2018.

Several roles, however, experienced a reduction in average total compensation, including Corporate/Government Administrator, which saw a 14.23% decline; Privacy Director/Specialist, which dropped 6.67% and eDiscovery Director/Specialists, whose compensation also decreased by more than 6%. In addition, fewer U.S. firms handed out bonuses in 2019, as shown in the table below.



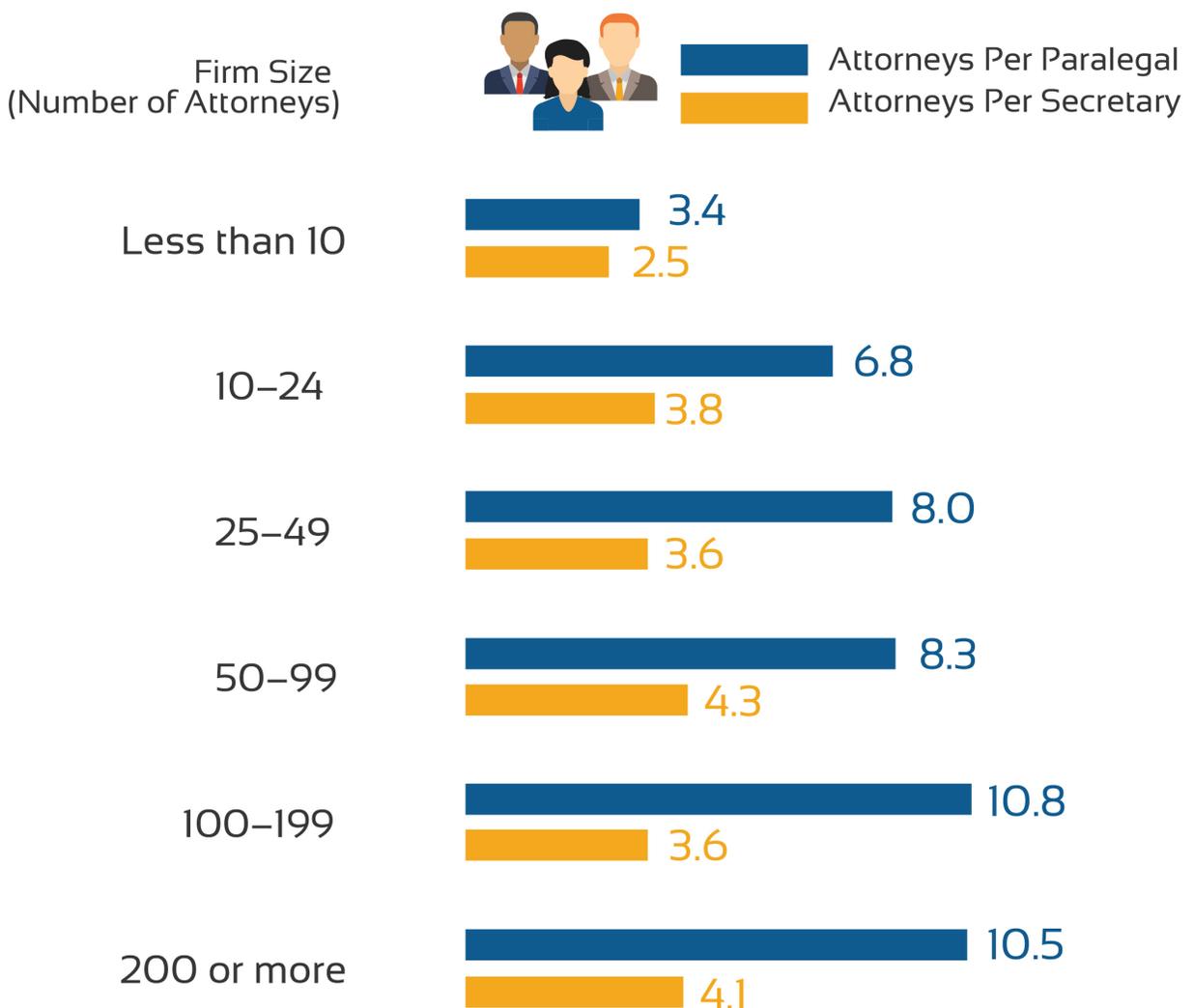
ADDITIONAL BENEFITS



Staffing Ratios and Turnover Rates

Although the attorney-per-paralegal ratio remained the same in 2019 for firms with fewer than 10 attorneys, it decreased for firms with 10–99 attorneys and increased for firms above that size.

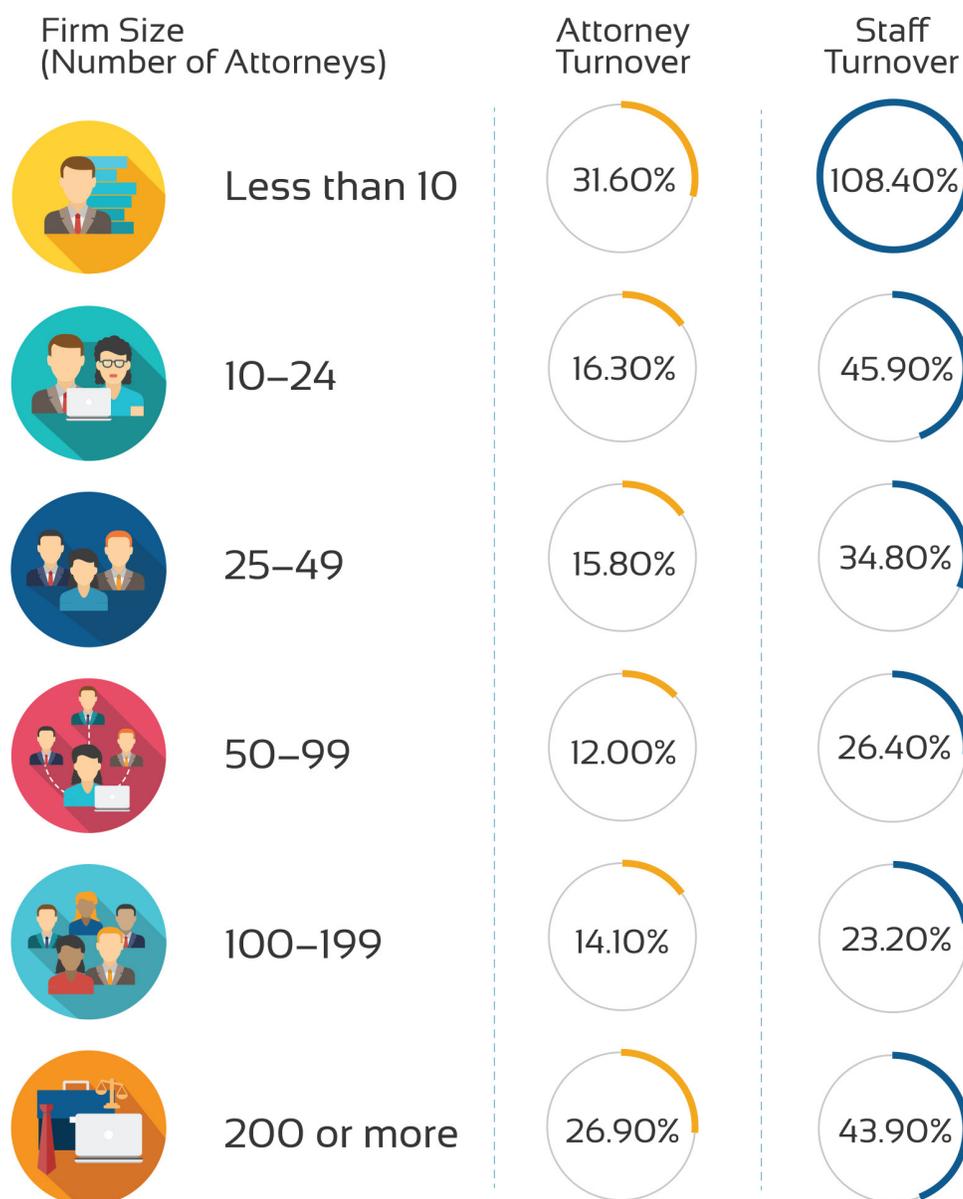
The number of attorneys per secretary at firms with 10–49 lawyers slightly increased in the past year. While the number of attorneys per secretary in firms with 100–199 lawyers remained unchanged; the ratio at firms with 50–99 attorneys increased by 13%.



Although average attorney turnover at private law firms increased slightly, from 16.2% to 16.9%, staff turnover decreased from 54.1% to 51.6%.

Staff turnover, in fact, declined in the smallest firms; ones with nine or fewer attorneys experienced a 31% drop. With the exception of firms with 50–99 attorneys, at which non-attorney turnover remained essentially the same—26.4%, compared to 26.5% in 2018—staff turnover rose in firms of all other sizes.

Attorney turnover increased in firms of all sizes, except for those with 50–99 lawyers. The most notable upswing was in law firms with 200 or more attorneys, where average attorney turnover more than doubled, moving from 10.8% to nearly 27%.



Billable Hour Goals

Billable hour goals for associates in the Pacific region this year eclipsed the targets set by law firms in the South, which for the previous two years has had the highest average hourly goals.

The above analysis includes just a few highlights from the full survey results—which are listed on the following pages of the report. ALA would like to thank the 868 respondents across North America who completed this year’s survey questions and graciously shared their data to benefit the industry.

We encourage you to compare your organization’s data to the information listed within this document—and hope you will find the report helpful during the coming year as you address staffing, compensation and other operational needs.

REGIONS

