



2020 ALA Compensation and Benefits Survey EXECUTIVE SUMMARY

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Introduction

ALA's 2020 Compensation and Benefits Survey gathered data from most of 2019 into early 2020. The survey revealed a dramatic 31 percentage point rise in Mountain region firms offering recruiting bonuses; a sharp increase in billable hours goal for associates in the Northeast region; a substantial increase in firms providing coverage for medical costs and short-term disability; and continuing declines in staff turnover at smaller law firms.

The survey includes data on salary, staffing, benefits and trends relating to more than 10,000 legal industry professionals at law firms and corporate legal departments, compiled and analyzed by intelligence solutions provider iLumen, Inc.

Of the 853 respondents, nearly all (95.5%) were private law firms, with corporate law departments making up most of the remainder. The median number of lawyers/judges at a location was 21, slightly lower than the 25 reported in the 2019 survey. The majority of the respondents (59%) have fewer than 50 lawyers or judges per location, while 9.1% of respondents have 100 or more.

The survey provides annual base salary information for 80 management positions. Industry members will be able to use the information in the survey — which breaks down many results by size, location and organizational type — to help inform their own budgetary and staffing decisions over the coming 12 months and beyond.

For additional insights see the following highlights.

Benefits

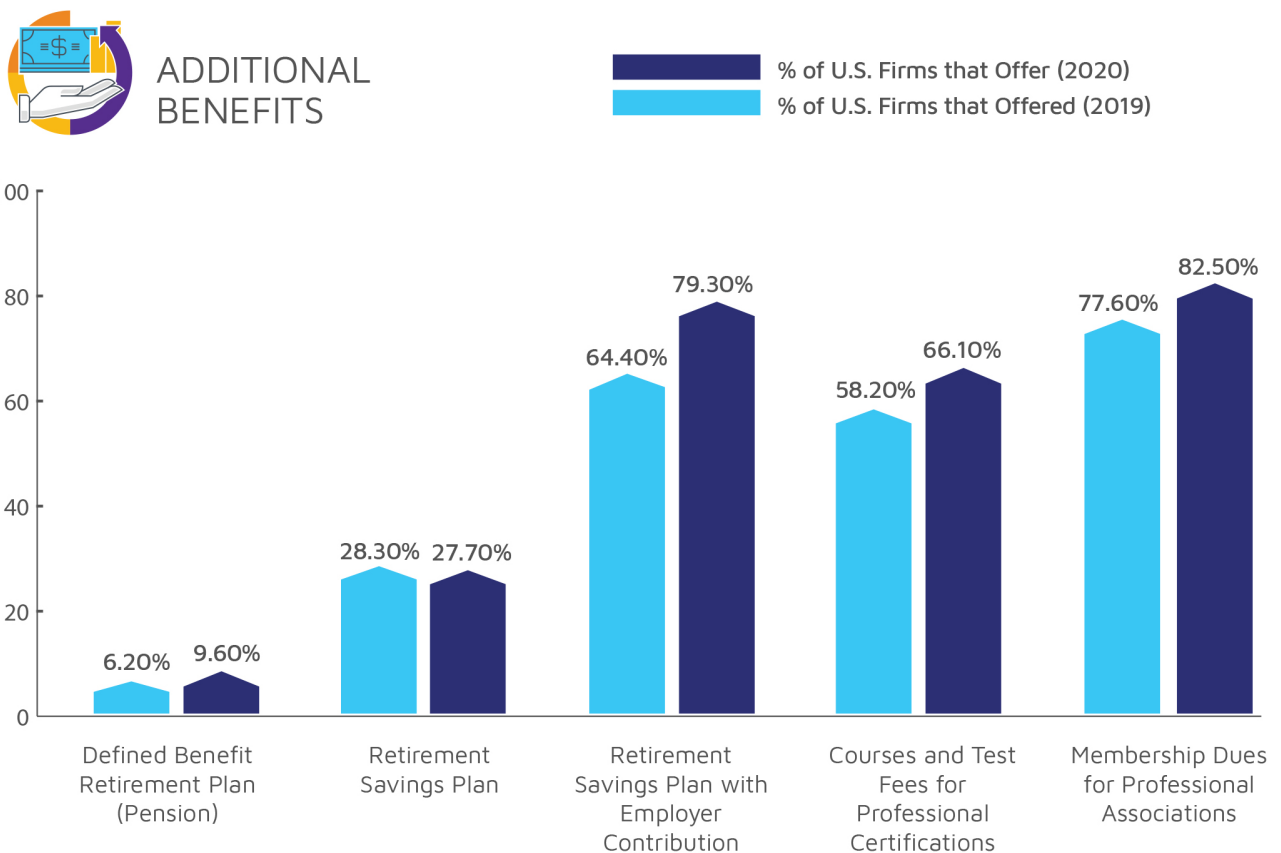
Medical plans for employees remained the most popular benefit, offered by 86% of legal organizations in 2020, an increase from the 78.8% of the previous year. However, more firms asked employees to shoulder part of the premium burden. The portion of respondents covering 100% of premiums declined by nearly six percentage points to 18.7%, as more firms picked up between 75% to 99% of premiums.

The benefit seems especially popular with smaller firms. Firms with fewer than 100 lawyers reported increases, and 90.2% of firms with fewer than 10 attorneys offered the benefit. Firms offering coverage for dependents also increased substantially, by more than 10 percentage points to 70.8%. The plans covered on average 87% of the costs for employees and 65% for dependents, about the same as 2019.

Some 44.5% of legal organizations extend dental coverage to employees — up a bit from 2019. But again, more employees needed to share the bill: 28.5% of respondents covered 100% of premiums, a decline from last year's 36.9%.

More firms than a year ago offered liability, life and accidental death insurance. The most substantial increase was for short-term disability, up by 8.2 percentage points to 64.2% of respondents.

Plans with employer contributions were the most popular in the retirement savings category, up a notable 15 percentage points to 79.3% of firms. Increases for such plans were reported in every region and in every size of firm except for those with 200 or more lawyers, where the figure declined to 45.8% from 63%. There was also a continuing increase in the number of firms offering defined benefit retirement plans.



Compensation

Marketing and Business Development Chiefs received the highest base salary at \$286,266, although that figure represented a decline of some 12% from 2019. The Marketing and/or Communications Chief was next in line at \$266,493, an increase of some 11% from 2019. The Business Development Chief was \$238,517, down 27% from the previous year.

The Principal Administrator, the highest paid position two years ago, was \$264,357, down 5% from 2019. When bonuses are included, however, the average total compensation for that position came to \$331,321, the highest of all.

Total compensation for associate attorneys continued an upward trend noted in our 2019 survey. Summer associates received a significant pay increase for the second consecutive year: Their \$97,114 total compensation was some 16% higher than 2019.



Other standouts included increases of 77.59% for Corporate/Government Administrator; 28.51% for Practice Area Administrator; and 26.46% for Administrative/Office Manager. Total compensation for Web Developers/Managers increased by nearly 31% to \$134,684. Collections Managers saw a 13% increase.

Some positions experienced significant reductions in average total compensation. These included Pricing Director (-11.19%), Marketing Technology Manager (-13.7%) and Program Analyst — Knowledge Management (-17.93%).

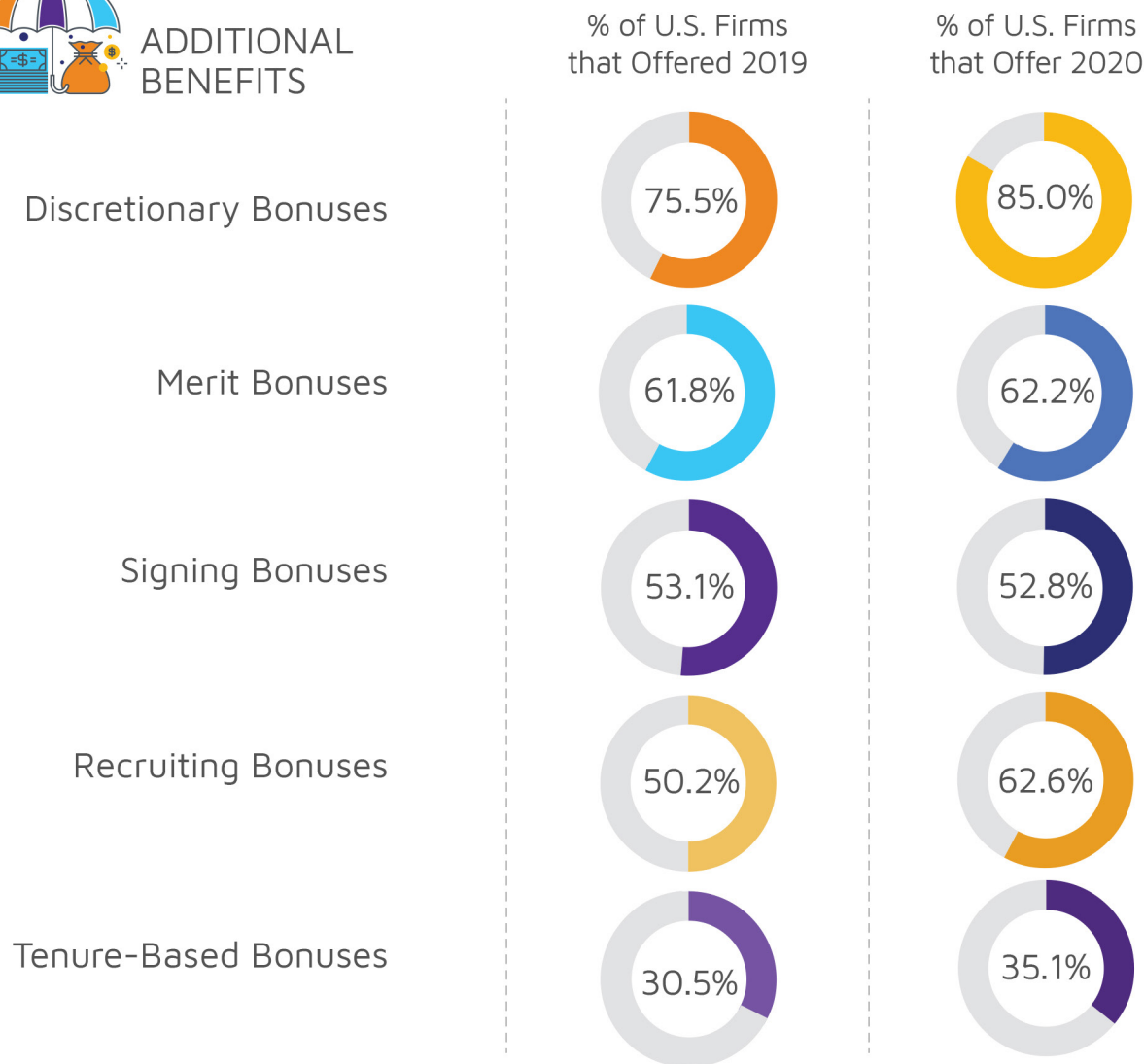
A noteworthy standout was the recruiting bonus, now offered by 62.6% of firms, which saw an increase of more than 12 percentage points over the previous survey. Increases were reported in all regions except the Midwest. The Mountain region was especially active: The portion of firms offering such bonuses increased by more than 31 percentage points to 59.3%. Discretionary bonuses exhibited nearly the same rate of increase, to 85% of firms nationwide.

Steady increases were reported in the portion of firms offering additional benefits such as reimbursements for parking fees, tuition and professional dues. The portion of firms offering maternity/paternity leave increased by 10 percentage points or more for many employee categories.

Compensation



ADDITIONAL BENEFITS



Staffing Ratios and Turnover Rates

Firms overall reported an average of 7.2 attorneys per paralegal, about the same as the previous survey. As was the case in 2019, larger organizations reported a higher attorney to paralegal ratio: Firms with more than 200 attorneys had 12.2 attorneys per paralegal, up from 10.5 attorneys the previous year. Firms with fewer than 10 attorneys reported only 3.5 attorneys per paralegal, about the same as the previous survey.

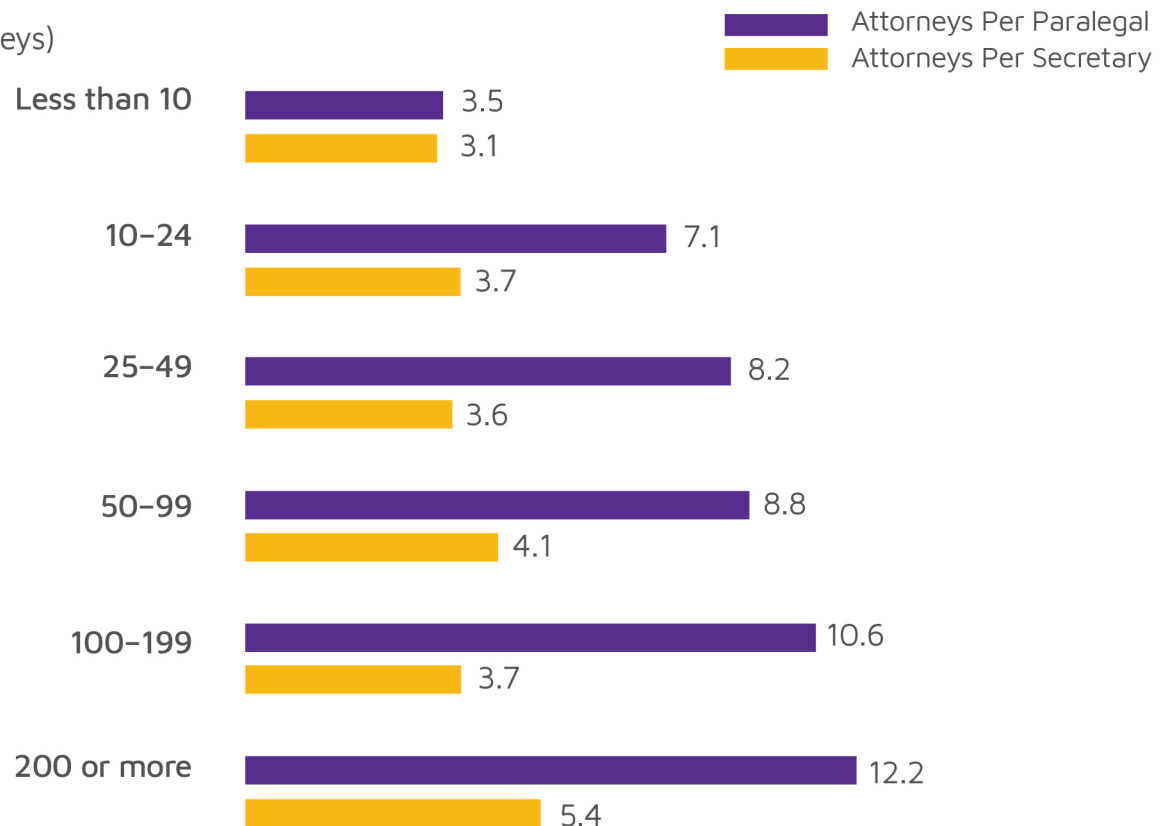
The same general pattern held for the number of attorneys per secretary, which also remained steady at 3.6. Again, larger firms achieved higher productivity — those with 200 or more lawyers reported 5.4 attorneys per secretary, while those with fewer than 10 attorneys reported only 3.1. Even so, both groups reported noticeable increases in the number of attorneys per secretary.

Although average attorney turnover at private law firms again increased slightly, from 16.9% to 17.2%, staff turnover decreased from 51.6% to 40.3%. Both changes extended trends from 2019.

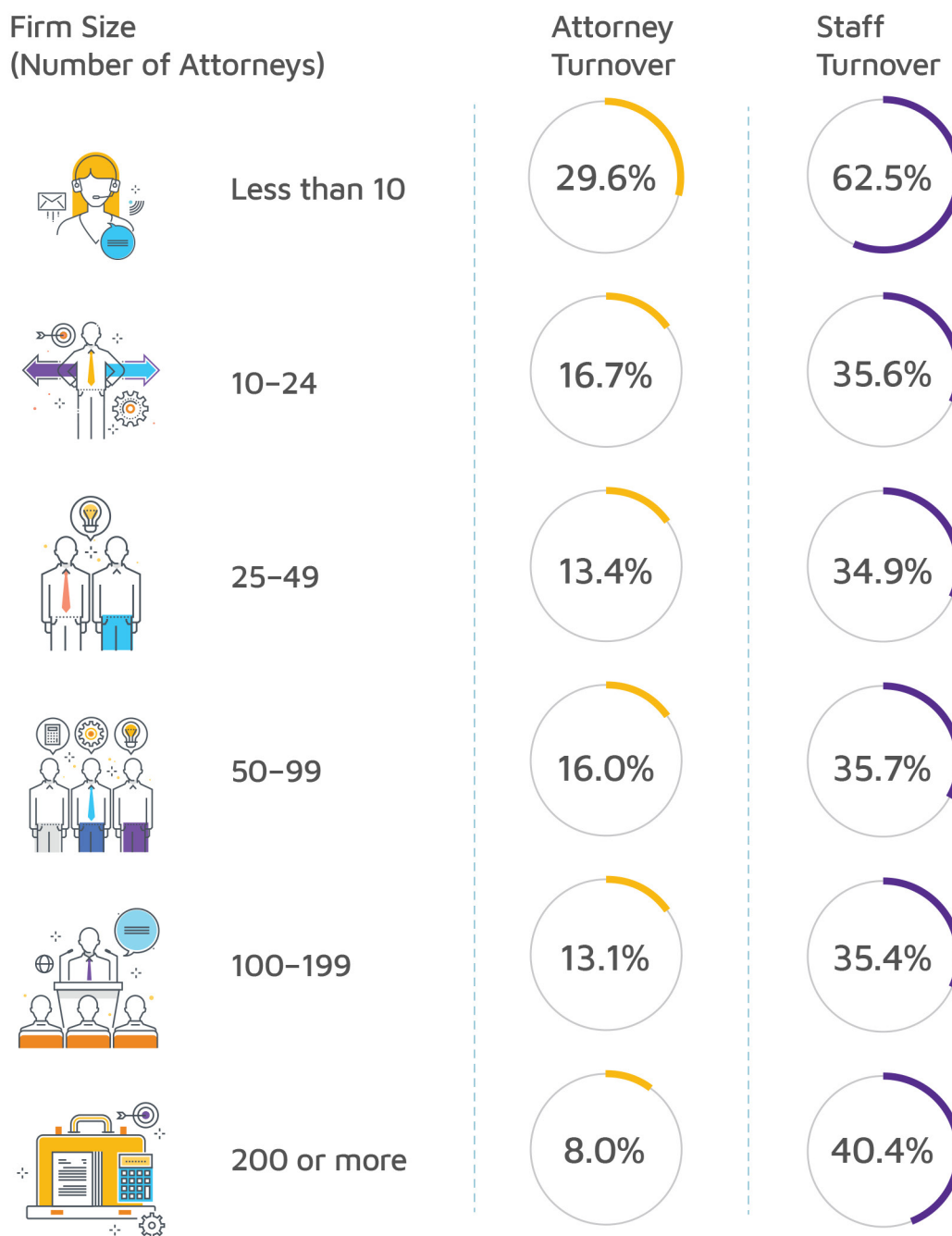
Firms with 200 or more lawyers reported a steep decline in attorney turnover and the smallest reported number of any group, moving from 26.9% to only 8%. The most significant increase was reported at firms with 50-99 lawyers, where turnover increased from a former level of 12% to 16%.

Staff turnover declined markedly in smaller firms, with those having fewer than 10 attorneys experiencing a 45.9 percentage point drop to 62.5%. Results were mixed at other size firms.

Firm Size
(Number of Attorneys)

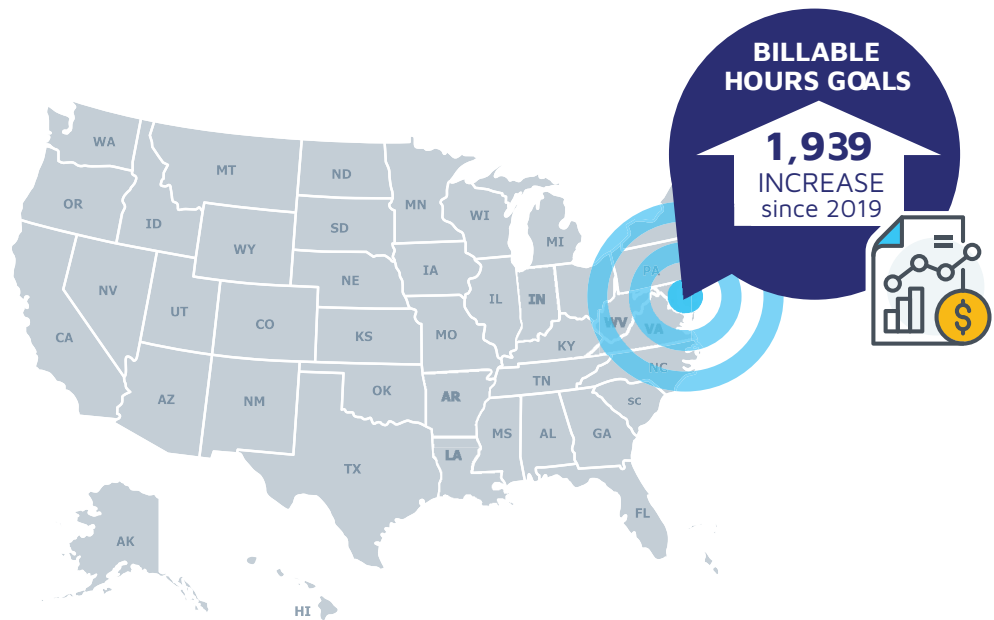


Staffing Ratios and Turnover Rates



Billable Hours Goals

Firms in the Northeast reported average billable hours goals for associates of 1,939, a sharp increase from 2019 and the highest of any region.



While the above analysis casts a bright light on some of the most noteworthy results of the survey, industry members will find much more in the following pages. ALA thanks the 853 respondents who participated in this year's survey.



THANK YOU TO
853
RESPONDENTS

As you make decisions about staffing, compensation and other operational matters over the coming year we encourage you to utilize the vast array of results in this year's report.