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Law Firms See Less Turnover, More Remote Work In Pandemic

By **Anna Sanders**

Law360 (October 26, 2021, 4:32 PM EDT) -- U.S. law firms saw significantly less attorney and staff turnover this year amid an uptick in working from home and increased benefits during the coronavirus pandemic, according to a new survey released Tuesday.

Median attorney turnover was 6.7% this year, down from 16.7% in 2020, as more legal professionals avoided the risks of seeking new work with COVID-19 still spreading across the country, according to the Association of Legal Administrators 2021 Compensation and Benefits Survey. Median staff turnover also dropped, from 25% reported in 2020 to just 13.3% this year.

At the same time, the percentage of U.S. law firms that allow some form of remote working increased from 44.4% to 58.4%, according to the ALA survey of 285 firms across 967 office locations. In 2019, only 38.7% had work-from-home policies. About 86% of firms with remote work policies introduced them for the first time during the pandemic in 2020.

And while just 28.1% of firms predict remote working will go back to prepandemic levels, 58.2% of those surveyed said this will only decrease to some extent.

"The survey findings show that many firms adapted very well to the pandemic," the ALA's executive director, April Campbell, told the association's Legal Management magazine. "They have taken the right steps to retain their attorneys and staff by helping them balance their personal lives while the ground shifted under their feet."

Law firms surveyed also offered some increased benefits for their staff.

About 84.7% of firms had employee dental coverage in 2021, nearly double the rate from 2020, according to the survey. Vision plans were available at 82.2% of firms, up from just 23.7% the previous year. Maternity and paternity leave also saw increases of a few percentage points.

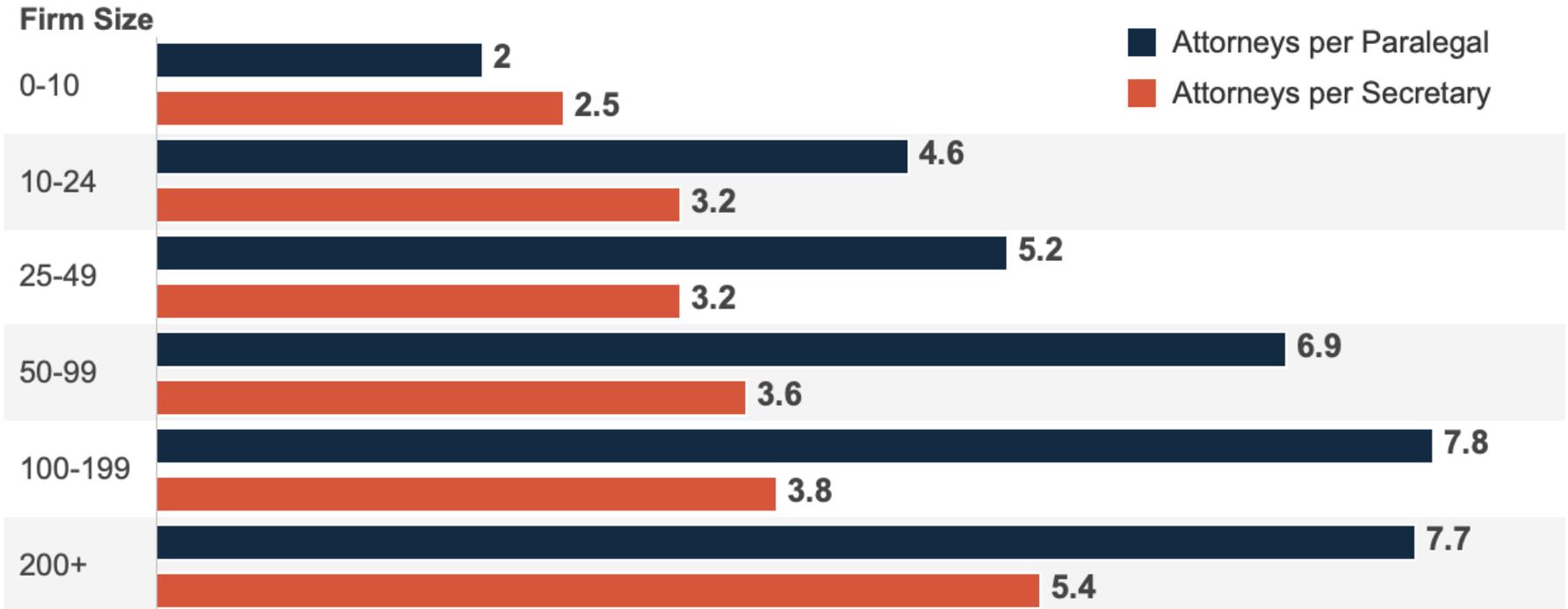
While medical coverage was offered by 86.5% of firm locations, a slight increase from the 2020 survey, the portion of firms covering 100% of premiums declined by nearly 5 percentage points to 14.2%. Firms with medical coverage offered for dependents increased by nearly 13 points to 83.2% this year.

"The wider range of benefits in the survey is a reflection of the greater difficulty law firms are experiencing replacing people who leave," Campbell told Legal Management. "It also shows a growing dialogue among management, attorneys and staff about what people need in the workplace."

Overall, firms reported employing a median of 4.5 attorneys per paralegal, slightly down from last year. And the median number of attorneys per secretary also dipped somewhat to 3.1. Larger firms reported having fewer paralegals and secretaries per attorney.

Larger Law Firms Have Lower Support Staff Ratio

Smaller U.S. law firms reported fewer attorneys per paralegal and secretary, the Association of Legal Administrators compensation and benefits survey found.



Source: Association of Legal Administrators



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Like last year, marketing and business development chief officers had the highest median base salary of \$337,000, according to the survey. Chief information officers reported the second highest, at \$280,000, a 3% bump from 2020.

This may be partially due to the importance of knowledge management in retiring lawyers and staff as well as handling increasing use of data with more law firm workers and clients working from home, according to Campbell.

"The higher salaries for the CIO position reflect high demand for people with technical skills," Campbell told Legal Management. "There's a lot of competition for that talent."

Compensation for associate attorneys with more than two years of experience increased by some 3% over 2020.

The typical chief operating officer at a law firm makes a base salary of \$400,000, according to the ALA's 2021 Large Firm Key Staff Compensation Survey, also released Tuesday. That's 44% more than the second-highest median base salary of \$277,500 for chief financial officers or directors of finance.

Median Base Salaries for Key Staff at Large Firms

Chief operating officers easily topped the median base salaries of 13 c-suite positions at large U.S. law firms as of Jan. 1, according to a recent survey.



Source: Association of Legal Administrators



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The majority of law firm positions saw base salary increases between 2% and 5%, with larger shops tending to report higher pay, according to the compensation and benefits survey.

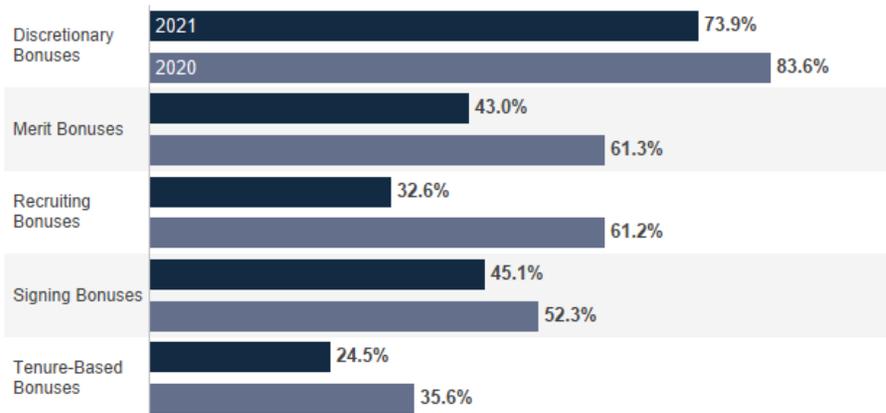
Still, about a fourth of law firms laid off employees in response to the pandemic, the survey found. Most of those layoffs affected less than 6% of the staff, but a fifth of firms laid off 10% or more.

About a fourth of law firms surveyed also froze salaries or bonuses, and nearly a third of them took temporary pay reductions, with roughly half reducing pay by 10% to 24%. But these

reductions lasted less than half a year at most firms, with the majority reporting that salary levels returned to normal by Jan. 1.

Shift in Bonuses Offered by Law Firms

A smaller share of U.S. law firms provided discretionary, merit, signing, recruiting and tenure-based bonuses in 2021 compared to last year, according to a recent survey.



Source: Association of Legal Administrators



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The percent of law firms offering discretionary, merit, signing, recruiting and tenure-based bonuses also dropped. But merit and recruiting bonuses took the biggest hits. Just 43% of U.S. law firms surveyed offered merit bonuses, down from 61.3% in 2020. And only 32.6% offered recruiting bonuses, down from 61.2%.

--Graphics by Jason Mallory and Chris Yates. Editing by Andrew Cohen.

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