

PAY & COMPENSATION SURVEY MIDLANDS LEGAL

ROBERT WALTERS

LEGAL PRIVATE PRACTICE PAY AND BONUS TRENDS.

For the third year running we have received survey responses from Midlands legal professionals about the bonuses and pay rises they received this year and their compensation expectations for the year ahead.

- 86% of lawyers received a salary increase during 2015
- 91% of respondents working for an international law firm received a salary increase - 18% up from the previous year
- Since 2014, 20% more lawyers working for regional law firms have received a salary increase
- 39% of lawyers received a bonus during 2015 - up from 32% in 2014
- Pay rise/change in compensation package is the biggest motivator for a job change during 2016

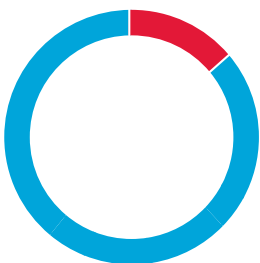
PAY RISES



We've seen the proportion of lawyers receiving substantive pay rises across the last calendar rise considerably year-on-year with figures suggesting this has been consistent across all profiles of firm. The improving market has meant a rise in productivity and there is strong demand for the best talent. This has led to employers having to be proactive in their approach to staff retention and those looking to attract new talent are facing significantly more competition to hire.

Tom Pogmore - Manager, Legal Division

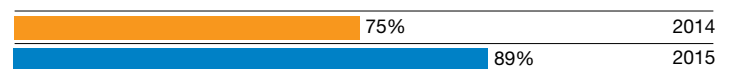
Percentage of respondents who received a salary increase in 2015



- 86% received a salary increase
- 14% did not receive a salary increase

Percentage of respondents who received a salary increase in 2015

Transactional



Non-transactional



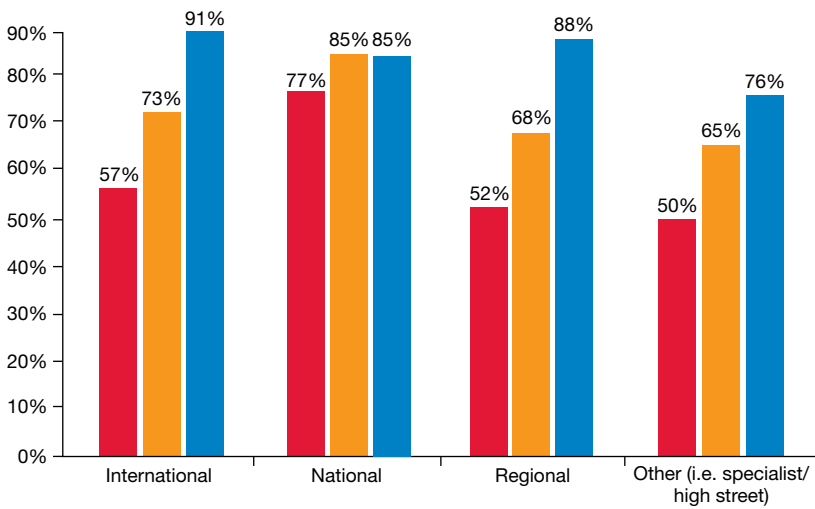
86%

of lawyers received a salary increase in 2015

In association with

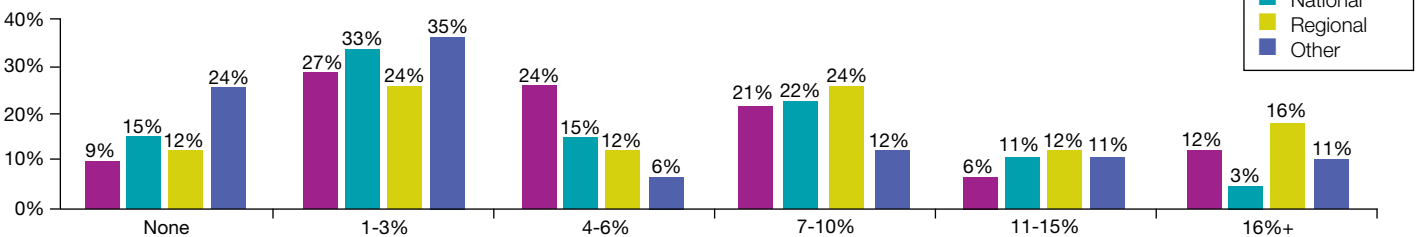


Percentage of respondents who received a salary increase (by type of law firm)



- Significant rise in the number of lawyers receiving a salary increase since 2014
- 91% of respondents working for international law firms received a salary increase this year
- There has been a 36% rise in the number of lawyers working for a regional firm receiving a salary increase in the last two years with 88% receiving a rise in 2015

Size of salary increase during 2015 (by type of law firm)



- The majority of lawyers received a salary increase of 1-3% during last year
- Only 14% of all respondents did not receive a salary increase in 2015
- Lawyers working for regional law firms were more likely to receive a salary increase of 16%+ or above
- However, 31% of all lawyers stated that they are not expecting a salary increase in the year ahead

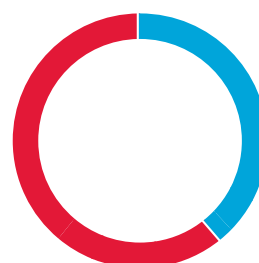


BONUSES

Just over a third of lawyers received a bonus in 2015, with 61% of legal professionals not receiving a bonus last year. Of the professionals who said they were dissatisfied or very dissatisfied within their current role, 65% of those did not receive a bonus during 2015. Most firms offer a bonus paid between 1-3% however nearly one in two lawyers are expecting a bonus in 2016.

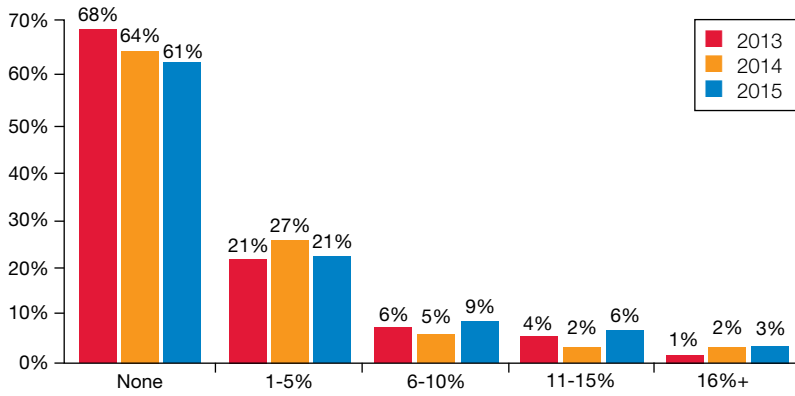


Percentage of respondents who received a bonus in 2015



- 39% received a bonus
- 61% didn't receive a bonus

Size of bonus received in 2013, 2014 and 2015*

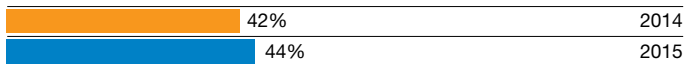


*As percentage of salary

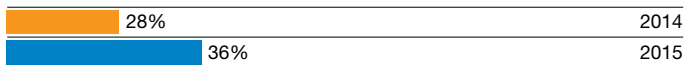
- 61% of total respondents did not receive a bonus in 2016
- The majority of lawyers received a bonus between 1-5% in 2015
- The difference between genders receiving a bonus has reduced by 6% year-on-year

Percentage of respondents who received a bonus in 2015 (by gender)

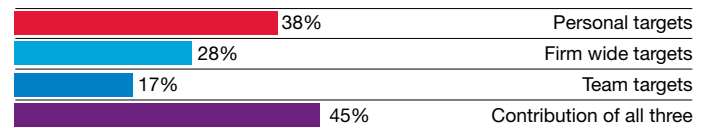
Male



Female

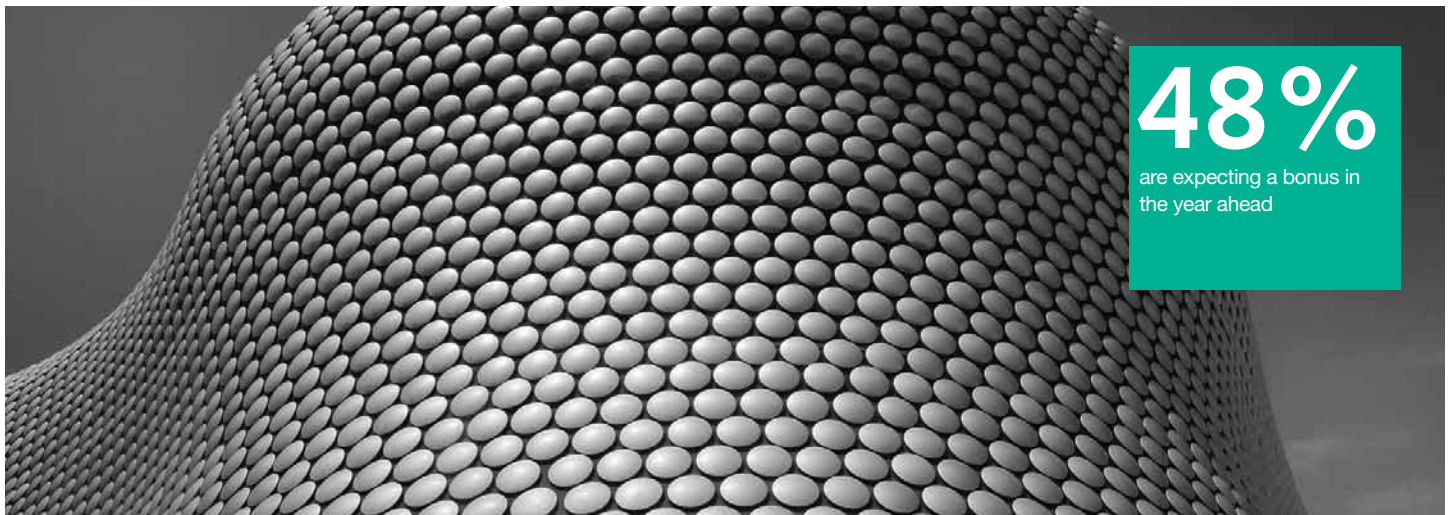


What targets determine your eligibility for a bonus in the year ahead

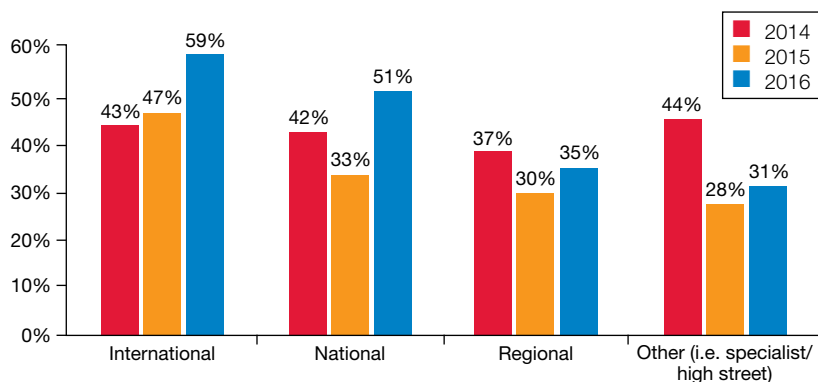


More private practice firms have established defined bonus schemes in an effort to incentivise fee earners and also give greater as to the potential total compensation you can earn within their business. The question still remains as to whether these bonus schemes encourage the right behaviours, but there is no doubt that in a rising market those well utilised fee earners are going to be significantly better off financially thanks to the presence of a defined scheme and this will likely help those firms in attracting new talent into the business."

Tom Pogmore - Manager, Legal Division



Percentage of respondents expecting a bonus (by type of law firm)



- The majority of lawyers are expecting to receive a bonus in the year ahead
- 59% of respondents working for International law firms are expecting a bonus in 2016
- Respondents from national law firms saw the biggest increase in bonus expectations - an 18% increase since 2014
- Expectations in regional and 'other' firms have increased marginally since 2015

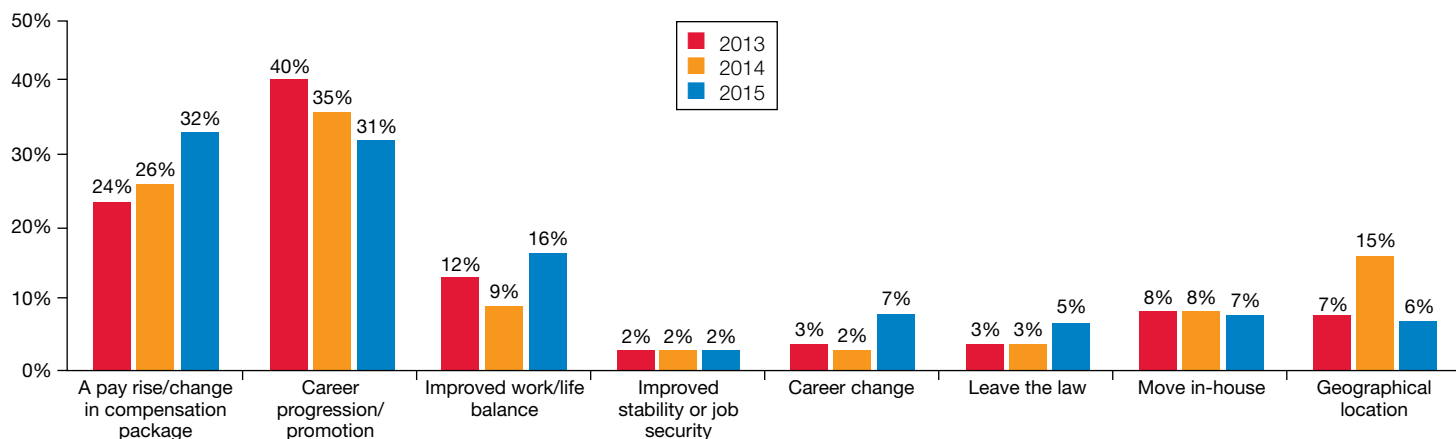
CHANGING JOBS



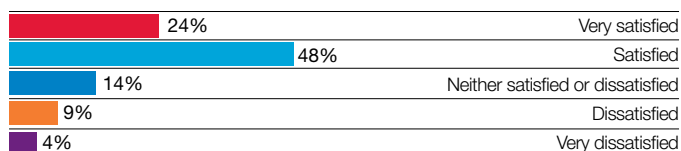
“The improved confidence in the market place is reflected in the responses as to the motivating factors for lawyers seeking a move. In the preceding two years, career progression had been the main driver for making a move, whereas this year – improved salary and work life balance have moved up the priority list. Perhaps worryingly for legal employers, the number of individuals looking at a career change or leaving the law completely has increased in the last 12 months.”

Tom Pogmore - Manager, Legal Division

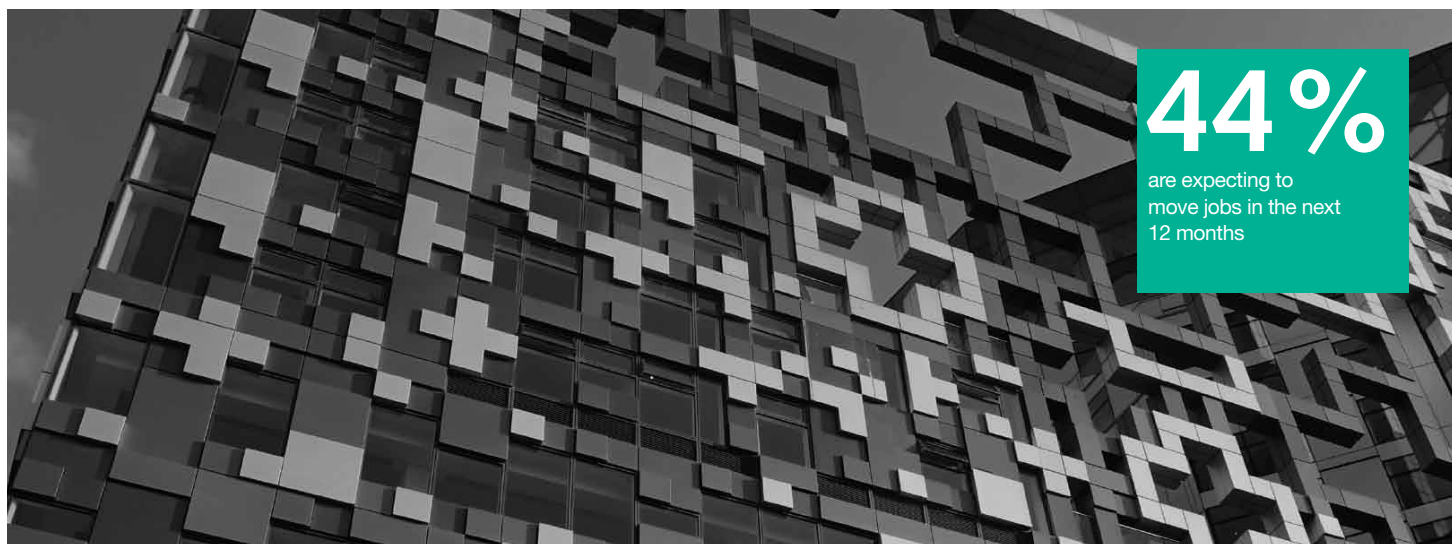
If you were to change job what would your main motivation be?



How satisfied are you in your current role?



- 32% of respondents ranked pay rise and a change in compensation package as the main motivator for a job move
- 31% of all females consider career progression as the biggest motivator for moving job
- In comparison 41% of males consider pay & compensation packages the main priority when changing roles



44%

are expecting to move jobs in the next 12 months



Included in the response are members of The Birmingham Solicitors Group, an organisation for solicitors in Birmingham. The group is open to all solicitors in the region from newly qualified up to 10 years qualification. They aim to help maintain and develop the legal community in Birmingham. And they are the largest organisation of its kind in the country outside London. www.birminghamsolicitorsgroup.com

For all your legal recruitment needs contact:

Tom Pogmore - Manager, Legal Division

T: 0121 260 2582

E: tom.pogmore@robertwalters.com

About the survey.

The legal pay survey, conducted in 2013, 2014 and 2015 is based on the responses of legal professionals working across a variety of sectors to questions about the pay and bonuses they received and their compensation expectations for the future.