

Corporate Counsel Salaries Soar

By Jen Woods

In-house attorneys continue to make top dollar. Their base salaries have risen between 2.2% and 9.5% nationwide, according to a recent Altman Weil, Inc., survey.

Altman Weil and LexisNexis Martindale-Hubbell of New Providence, NJ, collected data from 6,255 lawyers in 277 legal departments. Researchers compared lawyers' salaries and annual bonuses for March 1, 2005 to those for March 1, 2006.

The results of the 2006 survey were not consistent with the findings reported for the previous year. "Last year, salaries rose slightly, augmented by big bonuses. This year, we're seeing bigger salary increases reflecting greater corporate confidence, along with a mixed bag of bonus levels, which seem designed to catch up some of the more junior in-house positions that were overlooked in past years," said Altman Weil principal James Wilber.

Fierce competition in the legal industry has led to higher compensation, especially at the senior level, said Barry Solomon, Esq., Vice President and General Manager of LexisNexis Martindale-Hubbell. "As a result, corporations will reward their top law department officers first, and only later adjust compensation for junior managers and staff lawyers," he added.

Base salaries for positions in corporate legal departments increased across the board. Division general counsel (mid-level management lawyers) saw an average salary increase of 7.1%, while chief legal officers saw an average increase of 8%.

Lawyers in non-management positions also received fatter paychecks. High-level specialists' salaries increased by 9.5%, senior attorneys' salaries (for those with eight or more years of experience) increased by 8.5%, and staff attorneys' salaries (for those with at least one year of experience) saw an increase of 3.5%. Recent graduates earned more modest base salary increases, with an average increase of 2.2%.

According to the survey, the average chief legal officer earns a salary of \$280,000 annually, while the average senior attorney makes \$140,000 and the average new law school graduate makes \$65,000.

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In-house counsel are also compensated with annual bonuses. Unlike base salaries, which are guaranteed amounts, bonuses are performance-based and reflect companies' levels of prosperity.

While salaries climbed nationwide for in-house attorneys, there were mixed results in terms of bonuses. Bonuses skyrocketed for some attorneys, while other attorneys saw decreases.

Bonuses increased for all non-management positions in law departments. The average senior attorney bonus increased by 14.4%, while the average junior attorney bonus increased by 62.5%. Staff attorneys earned bonuses that were 71% higher on average than they were the previous year.

Most corporate counsel in management positions also received bonus increases. Division general counsel bonuses increased by 20.29%, and managing attorneys earned 25.32% more than they did in 2005.

However, chief legal officers and their deputies received smaller bonuses than they had received the year before.

According to the survey, the average chief legal officer earned a bonus of about \$132,000, while the average division general counsel received a bonus of \$104,000 and the average senior attorney earned a bonus of \$29,200.

Stock options for chief legal officers averaged a fair market value of \$919,400—more than double the average annual compensation for chief legal officers. Deputy chief legal officers received an average of \$230,100, senior attorneys received an average of \$87,900, and staff attorneys received an average of \$24,700 in stock options.

The survey also shows that larger law departments are generally more profitable. Chief legal officers in departments with more than 25 lawyers earned an average of 88.9% more in total cash compensation, compared with the national average. In addition, deputy chief legal officers in large law departments earned 57.5% more, compared to the national average.

Chief legal officer compensation also varied by industry. The average chief legal officer in the information/telecommunications sector earned 75% more in total cash compensation than the average chief legal officer in the service sector and 39.9% more than the average chief legal officer.

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Practice specialty also influenced compensation for non-management attorneys. On average, high-level specialists working with mergers and acquisitions earned 23.8% more total compensation than the average attorney. Senior attorneys and attorneys specializing in patents with more than four years of experience earned 22% and 33% more, respectively.

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