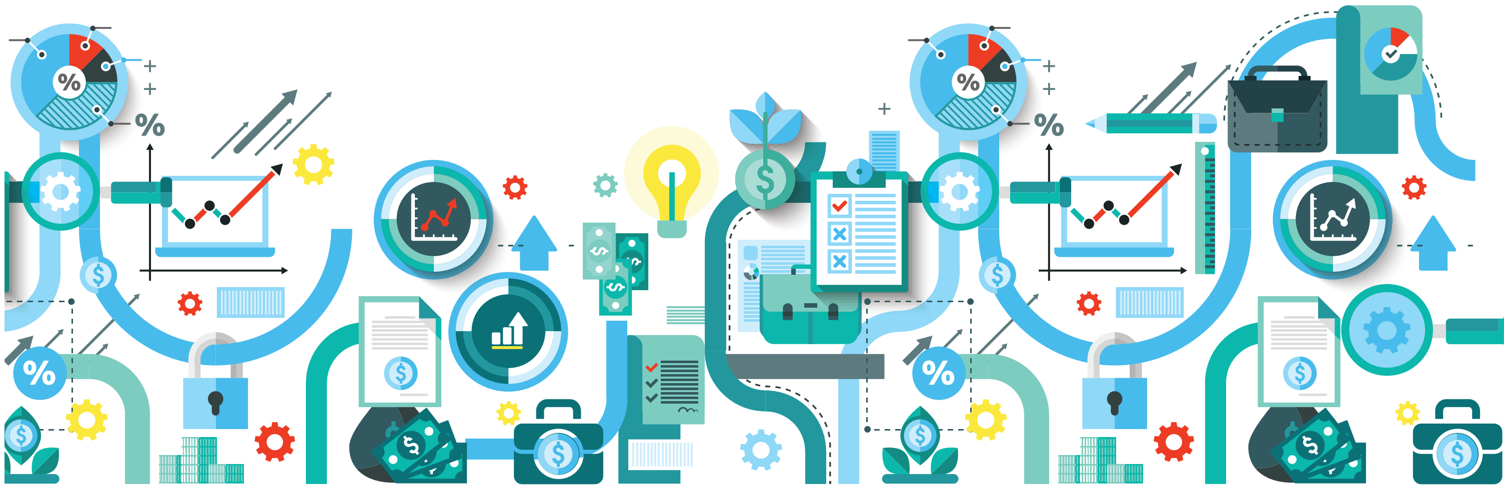


2018 Compensation and Benefits Survey Executive Summary

Executive Summary

Featuring input from more than 9,000 legal industry professionals, the 2018 ALA

Compensation and Benefits Survey provides an in-depth look at key salary, turnover and other information that law firm executives and administrators have relied on for years to make informed decisions.

This year, more than 900 offices' responses are included in the final results. Compensation data was collected for 58 individual management, administrative and other positions; in addition, the 2018 ALA Compensation and Benefits Survey provides billable hour information for both attorneys and paralegals.

ALA partnered this year with intelligence solutions provider iLumen Inc., which compiled analyzed the survey data, to reveal a number of intriguing industry trends.

Notable findings include a significant increase in staff turnover—which rose from approximately 43% to 54%—at U.S. law firms from 2017 to 2018. Firms at both ends of the size spectrum were particularly affected. At organizations with 200 or more attorneys, staff turnover nearly doubled, moving from 16% in 2017 to 31% in 2018. Firms with less than 10 attorneys experienced a massive 131% increase, with staff turnover escalating from 68% to 158%.

Having fewer staff members may explain some of this year's other survey findings, such as the higher attorney-per-secretary ratio at firms with 200 or more lawyers. If staff resources were reduced due to high turnover, it's not inconceivable firms may have had to increase the number of lawyers each secretary worked with to avoid productivity and other delays.

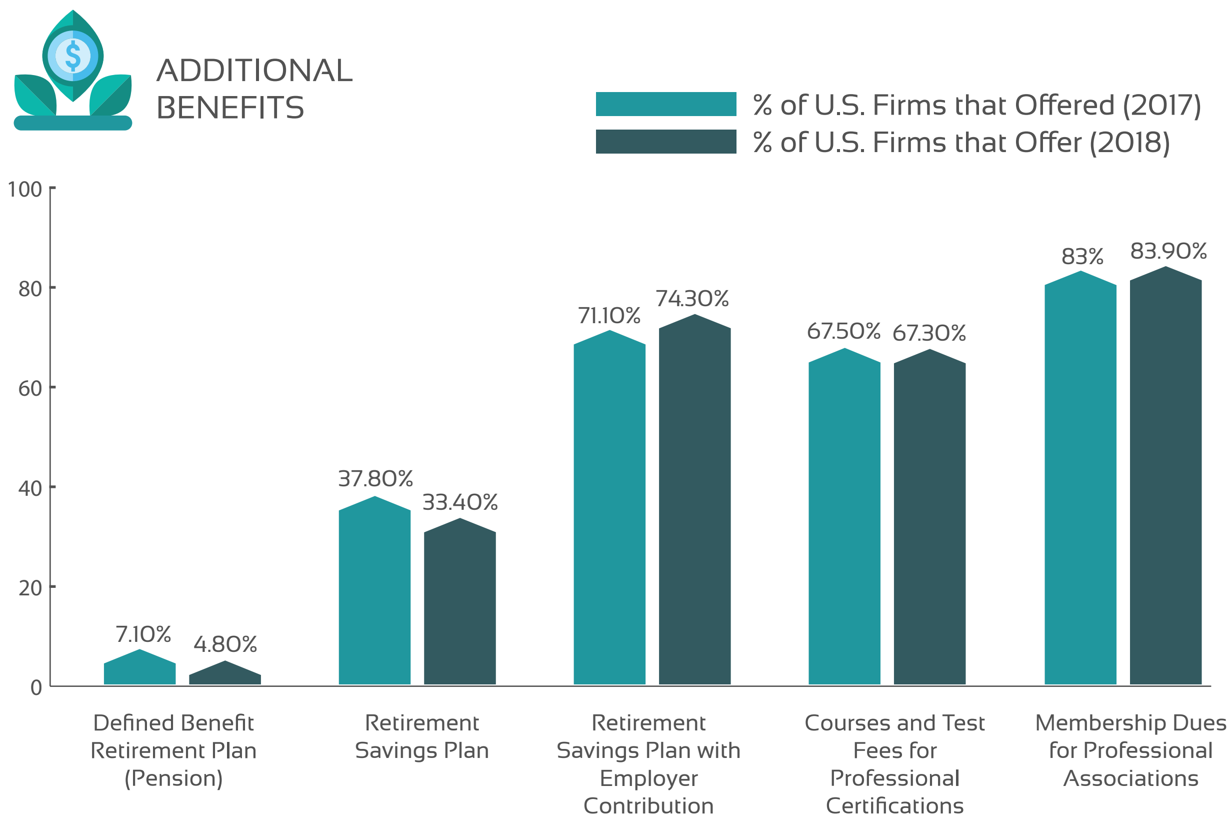
Several other noteworthy insights are included with the survey results below.

Benefits

Fewer U.S. locations covered 75–99 percent of the premiums associated with the medical plan they offer employees in 2018; the amount declined from 73% in 2017 to 67%. The percentage of locations that cover the entire medical plan premium also decreased from 26% in 2017 to 24% in 2018.

Employee dental premium coverage, though, increased in the last year. The amount of firms that pay for 100 percent of employee dental premiums rose significantly between 2017 and 2018 from 14% to 31%.

Fewer firms are offering defined benefit retirement plans or retirement savings plans without an employer contribution component. The percentage that provide retirement savings plans with an employer contribution, however, increased slightly from 71% to 74% between 2017 and 2018.



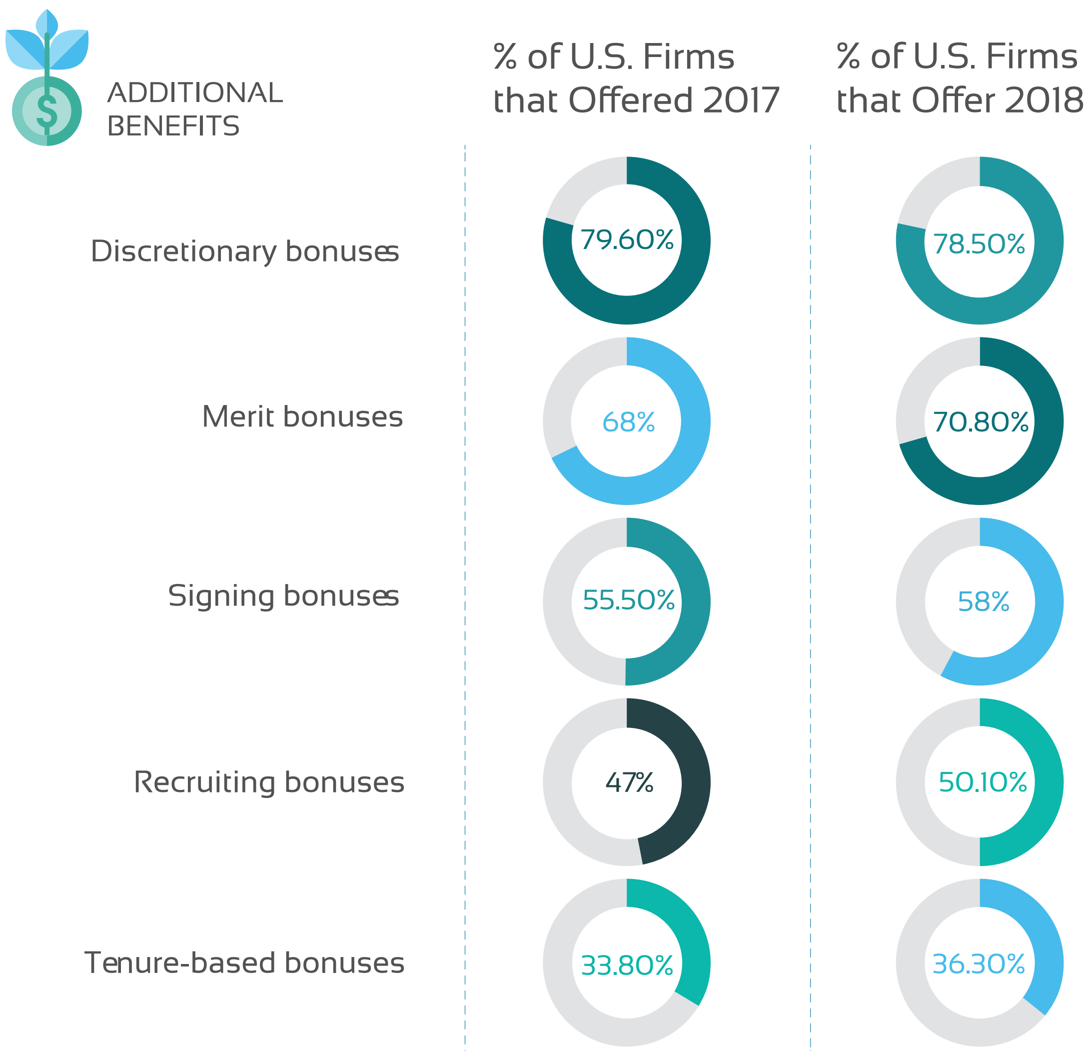
Compensation

Principal Administrators/Executive Directors/Chief Operating Officers had the highest paid base salary—an average of $251,393, which is an approximately 9 percent increase from 2017. The marketing-related Pricing Director role, which has an average base salary of $181,949, was the second-highest paid position in 2018.

Eighteen non-associate attorney positions experienced reductions in average total compensation, including a $10,419 compensation decrease for the Practice Area Administrator role; a $7,788 reduction for Finance Reporting Analysts/Managers and compensation that was $6,865 less for the IP Paralegal function.

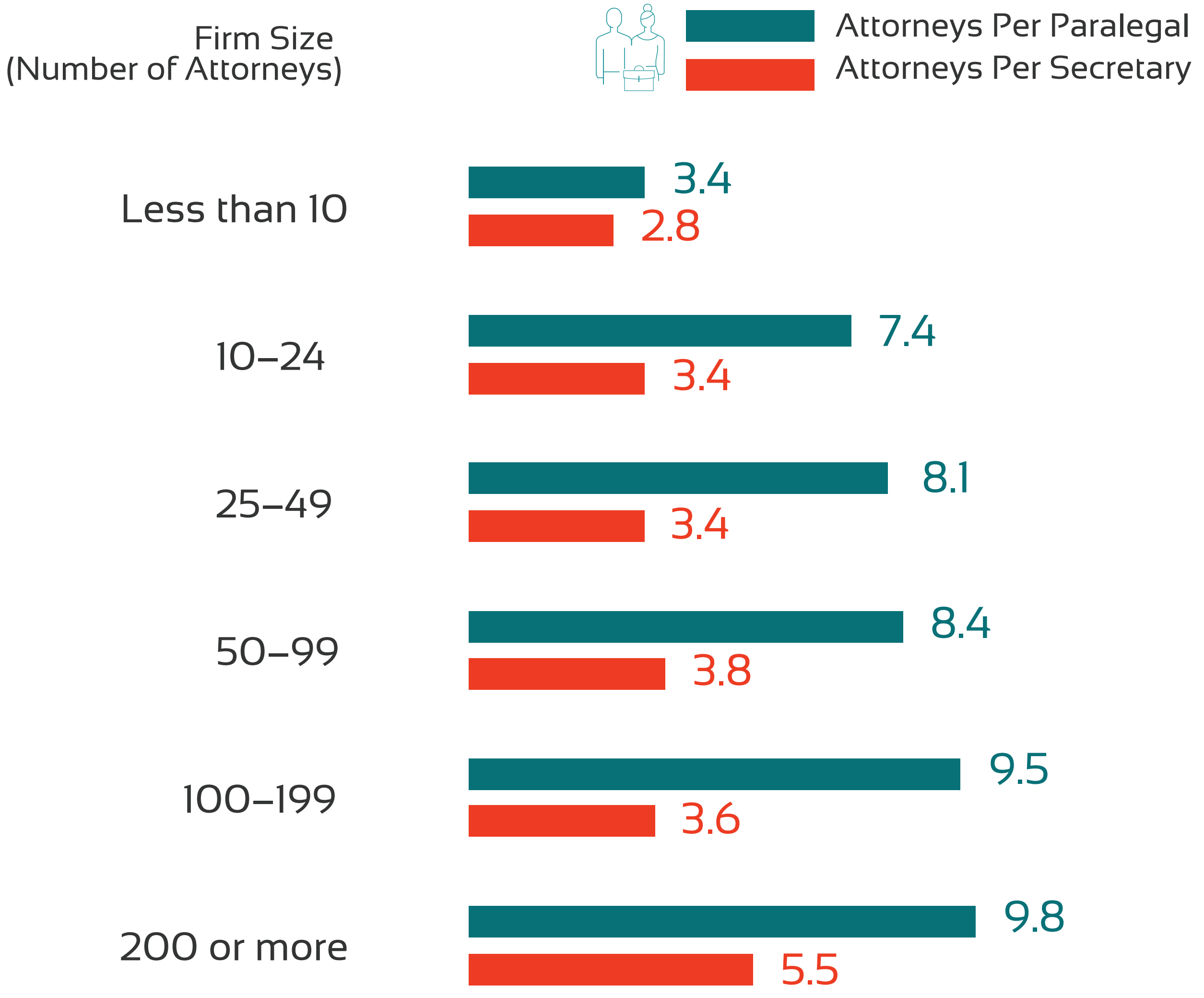
A number of other positions, however, experienced notable increases. Legal Project Managers, for example, were paid a base salary that was $11,027 higher, on average, in 2018—a roughly 10% increase from the prior year. Compensation for the Cybercrime Director/Specialist role was $15,357 more than in 2017; and Pricing Directors' compensation saw a $19,043—or 12%—increase last year.

In addition, more U.S. firms handed out bonuses in 2018, as shown in the table below.



Staffing Ratios and Turnover Rates

Firms with 100 or more employees saw larger attorney-to-paralegal and attorney-to-secretary ratio increases in 2018. The attorney-per-secretary ratio at firms with 200 or more lawyers, for example, increased by 45% percent, moving from 3.8 attorneys per secretary to 5.5 in 2018. Firms with 100–199 attorneys paired 9.5 attorneys with each paralegal, compared to 8.8 in 2017.



For firms with 10–49 attorneys, the attorney-per-secretary ratio remained the same in the past year. Although the amount of attorneys paired with each secretary was only slightly higher for firms with 100–199 lawyers, firms with 50–99 showed a 15% increase.

Although attorney turnover at private law firms decreased slightly, staff turnover rose 27% from 42.70% to 54.10% in 2018.

When considering law firm size, the most significant staff fluctuations were seen in both the smallest and largest organizations. Staff member turnover grew from 68.20% to 157.80% at firms with less than 10 attorneys; at firms with 200 or more, it increased from 16.10% in 2017 to 31.20% in 2018.

Firm Size (Number of Attorneys)	Attorney Turnover	Staff Turnover
Less than 10	29.10%	157.80%
10–24	15.20%	43.90%
25–49	31.80%	31.80%
50–99	26.50%	26.50%
100–199	21.90%	21.90%
200 or more	31.20%	31.20%

Billable Hour Goals

Law firms in the Southern region once again averaged the highest billable hour goals for associates. Although the region also had the highest paralegal billable hour goals last year, firms in the Midwest registered the biggest amount this year, with an average goal of 1,547 billable hours for paralegals in 2018.

The North Central region (21.0%) had the highest attorney turnover rate; the Southwestern region experienced the highest staff turnover rate (66.5%).

The Mountain region experienced the most significant paralegal billable hour goal (5%) and associate billable hour goal (3%) increase between 2017 and 2018. Notable billable hour changes also included an approximately 4% paralegal hour goal decline and a 2% associate hour goal decrease for Southwestern firms.

The figures above are just a few highlights from the full survey results, which can be found on the following pages. We thank the 946 offices from across North America who completed this year's survey and willingly shared their data to benefit everyone; and we encourage you to compare your firm against the benchmarks listed within this document—and utilize the report as an important asset as you make staffing and compensation decisions during the course of the coming year.