

In-house Lawyer Salary Summary 2011

For more detailed analysis of the factors affecting in-house lawyer compensation, please see the following articles:

[Moving in-house - a guide for the private practice lawyer](#)

[Recruiting in-house lawyers - a guide for HR professionals](#)

[Recruiting in-house lawyers - a guide for General Counsel/Legal Directors](#)

2010 and the first part of 2011 saw the in-house legal recruitment market continuing to remain robust. Indeed 2010 saw the numbers of solicitors with practicing certificates in commercial roles increasing by nearly 8% according to The Law Society¹. Over the past decade the number of qualified lawyers within commercial organisations and financial institutions in England and Wales, (defined by The Law Society as Commerce & Industry (C&I)), has grown at an astonishing rate. In the UK, between 2000 and 2010 the number of solicitors with practicing certificates in C&I grew by 140.5% so that by 2010 nearly 11% of all qualified solicitors were working in-house in commercial roles. Moreover, whereas 15 years ago the majority of in-house lawyers in the UK were sole counsel, today that applies to less than a quarter of all legal departments in C&I.

In spite of this phenomenal growth in both the size and complexity of commercial in-house legal departments, in-house lawyer compensation, particularly at the senior level, continues to lag behind that of law firms in virtually all sectors. Even when lawyers who move in-house from private practice are initially able to secure similar or better compensation will, after a few years, likely fall behind relative to their law firm peers.

2010 saw fairly modest increases in base salary increases (inflation or less) for lawyers in most industry sectors. This is reflective of overall corporate compensation policy rather than legal department specific. There were exceptions to this. For example, early in 2010 many investment banks, largely for regulatory or political reasons, substantially increased base salaries – 15-30% for mid-levels and sometimes much more than 100% at MD level. These base salary rises were for political/regulatory reasons in order to reduce the proportion of compensation paid in bonuses. However, in most instances where this occurred, total lawyer compensation fell particularly as, in most banks, the proportion of deferred bonus payments increased.

Surveys of in-house salaries tend to be less accurate than those for law firms. The reason for this is that law firms will generally make salary information public or will have the information to hand to accurately respond in detail to surveys; the same is generally not the case for in-house legal departments unless they are highly localised and "of a type", such as investment banks, whose legal departments tend to be large and comprised of capital markets lawyers based in central London. For this reason any generic in-house lawyer salary survey can only be a guide and organisations wishing to find specific "market rates" for individual lawyers will need to refer to the articles above.

In summary the main factors affecting in-house compensation levels are:

- Industry sector;
- Size of in-house organisation;
- Geography/ location of role;
- Size and seniority of role; and
- Specialisation of lawyer.

¹ The Law Society Annual Statistical Report 2010

In addition, local relative law firm compensation is also an important, indirect contributory factor.

As a guide the table below shows salaries across the various in-house sectors and represents London and the Home Counties in-house teams *with 4-10 legal personnel*. The base salary figures are inclusive of car allowances and other cash benefits. Bonus payments include non-contingent stock. The figures are intended as a broad guide to be read in conjunction with the commentary in the relevant articles mentioned above.

Sector	Compensation	0-2 ppe (junior)	2-4 ppe (mid)	4-6 ppe (mid)	6+ ppe (senior below Director)
Investment Banking	Range (£)	58-80,000	68-95,000	83-105,000	85-120,000
	Typical (£)	65,000	82,000	100,000	105,000
	Typical Bonus	20-35%	25-50%	30-60%	30-90%
Financial Services*	Range (£)	45-77,000	61-90,000	72-95,000	80-105,000
	Typical (£)	57,000	74,000	85,000	97,000
	Typical Bonus	5-25%	15-35%	20-45%	20-60%
Energy	Range (£)	45-65,000	59-80,000	69-90,000	79-105,000
	Typical (£)	57,000	72,000	80,000	96,000
	Typical Bonus	5-15%	10-30%	20-40%	20-40%
Pharma	Range (£)	43-64,000	56-78,000	67-86,000	79-103,000
	Typical (£)	55,000	70,000	79,000	94,000
	Typical Bonus	5-12%	8-20%	15-30%	15-40%
Technology	Range (£)	48-64,000	59-79,000	68-87,000	78-105,000
	Typical (£)	56,000	69,000	78,000	92,000
	Typical Bonus	0-15%	8-25%	10-25%	20-40%
Property/ Construction	Range (£)	45-55,000	55-73,000	63-87,000	78-95,000
	Typical (£)	52,000	63,000	74,000	82,000
	Typical Bonus	0-12%	5-15%	8-20%	10-30%
FMCG & Retail	Range (£)	48-62,000	57-72,000	65-82,000	77-93,000
	Typical (£)	54,000	64,000	74,000	85,000
	Typical Bonus	5-12%	5-20%	10-25%	15-40%
Manufacturing	Range (£)	48-60,000	56-72,000	64-82,000	76-95,000
	Typical (£)	52,000	63,500	72,000	85,000
	Typical Bonus	3-12%	5-15%	8-20%	15-35%
Media	Range (£)	42-54,000	53-67,000	57-77,000	64-92,000
	Typical (£)	49,000	57,000	63,000	77,000
	Typical Bonus	0-8%	3-18%	8-25%	15-30%

* Includes investment management houses, private banks, insurance companies, commercial and retail banks

Heads of Legal/"Director" level positions in departments with 4-10 legal personnel

In legal departments of this size a senior level lawyer running the team would typically be styled "Head of Legal". However, in organisations with large legal departments this would equate to a section head, or "Director" level, position in a financial services company or bank.

Sector	Compensation	
Investment Banking	Range (£)	115-210,000
	Typical (£)	150,000
	Typical Package (£)	220,000
Financial Services*	Range (£)	110-185,000
	Typical (£)	140,000
	Typical Package (£)	200,000
Energy	Range (£)	107-165,000
	Typical (£)	152,000
	Typical Package (£)	190,000
Pharma	Range (£)	105-185,000
	Typical (£)	125,000
	Typical Package (£)	195,000
Technology	Range (£)	97-165,000
	Typical (£)	150,000
	Typical Package (£)	185,000
Property/Construction	Range (£)	95-155,000
	Typical (£)	125,000
	Typical Package (£)	165,000
FMCG & Retail	Range (£)	100-130,000
	Typical (£)	123,000
	Typical Package (£)	160,000
Manufacturing	Range (£)	100-145,000
	Typical (£)	128,000
	Typical Package (£)	160,000
Media	Range (£)	90-128,000
	Typical (£)	115,000
	Typical Package (£)	155,000

Heads of Legal/Legal Directors in smaller commercial organisations

Nearly a quarter of in-house departments consist of a sole lawyer who is usually the legal director for the organisation or its UK subsidiary. Compensation will vary according to the factors above, however, in the London and Home Counties environs typical base salaries, inclusive of car allowances and cash benefits, range from £95,000 to £150,000 with typical median of £112,000. "All in" compensation, inclusive of bonus and non-contingent stock, generally ranges between £107,000 and £175,000 with a median of £120,000.

Group General Counsel/Heads of Legal

For companies with larger legal departments than those reviewed above, comparisons for Heads of Legal by industry sector becomes far more difficult owing to a host of variables such as: contingent performance stock grants, board membership, responsibility for compliance, and whether or not the role entails regional or global responsibility. Some would argue that this makes direct quantitative comparisons almost meaningless; however, Edwards Gibson is well placed to provide bespoke information on request.