

# The 2011 *Canadian Lawyer* compensation survey

Most law firms and corporate legal departments say they'll be giving lawyers a salary boost in 2012.

BY ROBERT TODD

**T**here should soon be plenty of cheery lawyers across the land, based on the results of *Canadian Lawyer's* 2011 compensation survey. If you're a lawyer looking for work — or a change of scene — you'll be glad to know that 44 per cent of the 60 law firms that participated in this year's survey plan to hire more lawyers in 2011. Associates can smile over news that 63 per cent said their lawyers would receive a salary boost in 2012.

All of this is likely a reflection of the fact that partners are also feeling good about what they earn, with 62 per cent of respondents saying partners' earnings increased in 2010 over 2009. The positivity will soon be felt in corporate law departments as well, with 77 per cent of the 117 chief legal officers and corporate law department heads that responded reporting plans to raise their lawyers' average salaries next year. If these plans come to pass, it will be good news for lawyers who've seen their earnings flatten or decrease over the last couple of years.





This year's survey again sheds light on the earnings, salaries, bonuses, perks, and other compensation factors for lawyers across the land. The results were gleaned from an online survey, and again give managing lawyers a unique glimpse at trends as they aim to lure top legal talent.

## LAW FIRMS

Managing partners and sole practitioners from 60 law firms across the country offered up their compensation data for this year's survey. On the question of legal hiring, 48 per cent said they planned to hold steady and keep the same number of lawyers in 2011, 44 per cent planned to hire more, while just eight per cent planned to cut the number of lawyers within their firm.

Merit-based pay for partners was the most common among respondents, at 39 per cent. Twenty-two per cent said their compensation method involves

equal partnership, five per cent said lockstep, and 34 per cent said they use a different approach entirely.

Meanwhile, 62 per cent said partners' earnings at their firm increased in 2010 over 2009. Most respondents (76 per cent) said their firm does not have an annual billable hour target for partners. Of those that do provide such targets, just 11 per cent said their firm pays out bonuses accordingly, and 92 per cent said there is no penalty for partners who fail to reach their target. See the accompanying chart for a breakdown of law firm partners' compensation, consisting of annual draws and splits.

Turning to associates' compensation trends, 70 per cent of law firm respondents said their firm does not have an annual billable hour target. However, 46 per cent said they do enforce an annual monetary billing target for their associates, with the highest portion (47 per cent) falling in the range of

\$200,000 to \$300,000. Sixty-seven per cent of respondents said their firm paid associates a general bonus in 2010, with 70 per cent reporting that such payments were discretionary.

Associates will be glad to hear that 63 per cent of responding managing partners said their firm would increase salary ranges next year. However, firms appear to be reluctant to fiddle with their compensation methods, with just seven per cent reporting plans to alter their approach next year. See the accompanying chart for details of associates' salary ranges based on year of call.

## IN-HOUSE LAWYERS

Chief legal officers and corporate law department leaders appeared more eager than their law firm counterparts to divulge compensation data this year, with 117 of them participating in the survey. In terms of average legal spends

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budgeted for 2011, 36 per cent said their corporate legal department would come in under \$500,000, 26 per cent said \$500,000 to \$1 million, 15 per cent said \$1 million to \$2 million, 14 per cent said \$2 million to \$5 million, five per cent said \$5 million to \$10 million, and five per cent said over \$10 million.

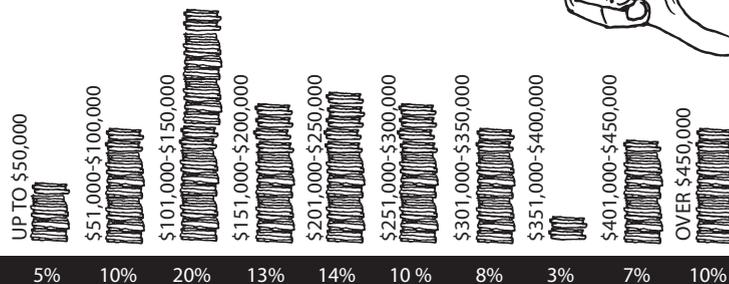
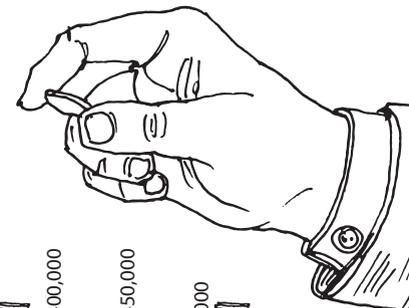
In-house lawyers too will be heartened that 77 per cent of respondents said average salaries would go up in 2012. The financial benefits for corporate counsel go well beyond salary levels, however. Over 96 per cent of respondents said their company provides benefits for its lawyers, and 75 per cent said they receive perks such as professional development and health club memberships. In addition, 78 per cent said some of their lawyers received a bonus in 2010, most likely (74 per cent) based on a percentage of overall salary.

More details of compensation for in-house lawyers are available in the accompanying charts.

## GEOGRAPHY AND METHODOLOGY

Forty-three per cent of respondents identified their law firm or company as national, with the remainder characterizing their operation as regional. The majority of those who completed the survey have offices based in Ontario (63 per cent), 28 per cent in British Columbia, 23 per cent in Quebec, 22 per cent in Alberta, 16 per cent international, 10 per cent in Nova Scotia, and the remainder scattered throughout the other provinces and territories.

Compensation figures were based on salary before bonuses or perks, which were covered in other parts of the survey and can often lead to a substantial boost in overall pay. Data from respondents who provided salary ranges, rather than solid numbers, were averaged out and applied to overall calculations. ■

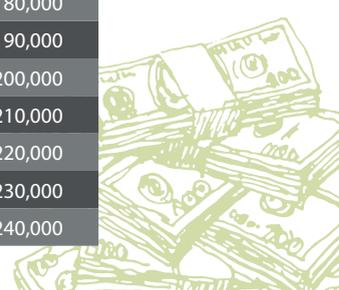


**LAW FIRM PARTNER INCOME** NATIONAL (Sample size: 42)

## ASSOCIATE COMPENSATION

NATIONAL (Sample size: 34 firms)

Year of call	Median	Lowest	Highest
2010	\$76,000	\$36,000	\$175,000
2009	\$90,000	\$55,000	\$180,000
2008	\$95,000	\$50,000	\$190,000
2007	\$100,000	\$65,000	\$200,000
2006	\$100,000	\$50,500	\$210,000
2005	\$140,750	\$87,000	\$220,000
2004	\$101,000	\$80,000	\$230,000
2003 and before	\$130,000	\$50,000	\$240,000



## SENIOR IN-HOUSE COUNSEL COMPENSATION

NATIONAL (Sample size: 121)

	Median	Lowest	Highest
General counsel at director level	\$155,000	\$70,000	\$300,000
General counsel at executive level	\$207,000	\$85,000	\$654,000

## IN-HOUSE COUNSEL AVERAGE COMPENSATION

NATIONAL (Sample size: 87)

Year of call	Median	Lowest	Highest
2010	\$85,000	\$56,000	\$152,000
2009	\$81,865	\$70,000	\$120,000
2008	\$92,500	\$70,000	\$136,000
2007	\$101,646	\$80,000	\$175,000
2006	\$115,000	\$85,000	\$145,000
2005	\$103,292	\$80,700	\$140,000
2004	\$100,000	\$75,400	\$140,000
2003	\$121,022	\$75,000	\$175,000
2002	\$124,511	\$100,000	\$190,000
2001 and before	\$150,000	\$85,000	\$385,000