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Chadwick Nott

National Paralegal Salary Survey 2011

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LEGAL RECRUITMENT, EXPERTLY PLACED

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Market Review

Background

In this salary survey we have sought to provide a snapshot of the national paralegal market and identify the typical salaries a paralegal can expect to earn working either in private practice or in-house in various geographical locations across the country.

The five geographical regions are London, the South West, the South East, Midlands and the North. In London we have subdivided law firms into Magic Circle, US, City and West End.

The data has been compiled from information provided to us by clients and candidates, combined with our own market intelligence. We have then sought to summarise this information into both narrative and tabular form.

Market Trends

In recent years the paralegal market has grown slowly but steadily. Law firms and companies have discovered that used in the right way paralegals are increasingly useful to their businesses, as well as being profitable fee earners in their own right. Many non-qualified candidates can carry out tasks that do not require to be completed by a qualified lawyer and at a far lower salary.

Commercial Litigation has been steady over the last couple of years although the predicted surge towards litigation during the economic downturn never materialised. However, there has been an increase in short term and temporary work within litigation over the last few months. The larger City and US law firms in particular have been noticeably busier.

Property and Real Estate work has been extremely quiet over the past couple of years but there has been a marked increase in the number of commercial property roles over the last 6 months or so. However, residential property roles have not increased to the same level.

In London in particular we have seen an increase in Banking, Finance and Corporate roles in various types of firms, including the mid-size City firms, but still these areas are nowhere near the levels of 2007/8.

Non fee-earning roles such as Knowledge Management and Know How have been limited over the past couple of years but their reappearance is an indication of the increasing strength of the recruitment market.

Across both London and the Regions the paralegal market is getting stronger but it is also increasingly competitive. There are many LPC graduates searching for work whilst also trying to secure elusive training contracts at good commercial law firms.

This is not being helped by those law firms that have reduced their trainee intake or delayed their start dates causing further competition for the entry level roles.

Salary Trends

Salaries have generally remained at the same levels since 2008 with occasional increases by individual firms. This has been in both the permanent and temporary markets but there has also been a marked increase in short term rolling contracts as clients have been reluctant to overstaff their firms. Instead they have elected to use flexible recruitment solutions.

Throughout 2010 many law firms sought to cut salaries paid to their paralegals, with many law firms continuing to freeze base salaries in 2011.

With redundancies still occurring throughout 2010 competition for the relatively few roles around at the time was intense. With the over supply of paralegal candidates this added to the negative

Market Review cont.

impact on salaries with many law firms taking advantage of a “buyers” market.

Candidates who were made redundant were grateful to secure a new role even if their new salary was lower than before. Motivations for changing jobs became less centred around salary increases and more focussed on career progression.

As you would expect, salaries in London exceed those in the regional UK market, with the US law firms leading the way.

Salaries within areas such as Media, Employment, Family and Personal Injury remain marginally lower than other commercial areas. This is mainly due to their popularity as areas of law. Entry level roles in these areas are highly sought after.

Bonuses

Despite law firms in general experiencing a positive start to 2011, with many reaching or exceeding their financial targets for Q1, there is no real evidence of base salary pay increases so far.

Instead, as the market has picked up many law firms have begun to introduce performance related salary structures. These allow the base salary to be ‘topped up’ where a paralegal and/or their team meets and exceeds certain specific performance targets, normally based on billable hours. These bonuses are awarded on a quarterly, six monthly or annual basis.

With the potential to earn anything up to and beyond an additional 10% of basic salary, these bonuses are set to continue as a permanent feature and will result in good financial rewards for those dedicated enough to achieve them.

Benefits

Whilst mass salary increases seem a little premature, firms are increasingly offering additional benefits (both contractual and non-contractual) in order to

attract, retain and to increase the earning potential of their paralegals. This is especially true within the larger commercial law firms. In the case of insurance firms, those on the claimant side are less likely to offer benefits compared to defendant focussed firms.

Employers who offer flexible benefits and the ability for a paralegal to ‘buy and sell’ core benefits are proving popular. The opportunity to select a combination of benefits that are relevant and appropriate to the personal circumstances and needs at the time of that paralegal is proving a winner.

For more information please contact our National Paralegal Team on **0800 0121 848** or visit www.chadwicknott.co.uk

London Salary Tables

Magic Circle Firms

| | Salary (£) |
|-----|-----------------|
| 0-2 | 22,000 - 27,000 |
| 2+ | 23,000 - 35,000 |

US Firms

| | Salary (£) |
|-----|-----------------|
| 0-2 | 25,000 - 35,000 |
| 2+ | 27,000 - 40,000 |

City

| | Salary (£) |
|-----|-----------------|
| 0-2 | 20,000 - 25,000 |
| 2+ | 23,000 - 32,000 |

West End

| | Salary (£) |
|-----|-----------------|
| 0-2 | 20,000 - 25,000 |
| 2+ | 23,000 - 32,000 |

In-House

| | Salary (£) |
|-----|-----------------|
| 0-2 | 24,000 - 28,000 |
| 2+ | 25,000 - 45,000 |

Regional Salary Tables

South West

| | Lower (£) | Mid to Higher (£) | Highest (£) | In-House (£) |
|-----|-----------------|-------------------|-----------------|-----------------|
| 0-2 | 13,000 - 16,000 | 16,000 - 20,000 | 21,000 - 23,000 | 16,000 - 21,000 |
| 2+ | 18,000 - 20,000 | 20,000 - 24,000 | 24,000 - 27,000 | 20,000 - 25,000 |

South East

| | Lower (£) | Mid to Higher (£) | Highest (£) | In-House (£) |
|-----|-----------------|-------------------|-----------------|-----------------|
| 0-2 | 15,000 - 17,000 | 17,000 - 21,000 | 21,000 - 24,000 | 16,000 - 22,000 |
| 2+ | 18,000 - 21,000 | 21,000 - 25,000 | 25,000 - 30,000 | 21,000 - 28,000 |

Midlands

| | Lower (£) | Mid to Higher (£) | Highest (£) | In-House (£) |
|-----|-----------------|-------------------|-----------------|-----------------|
| 0-2 | 15,000 - 17,000 | 15,000 - 18,000 | 18,000 - 20,000 | 16,000 - 22,000 |
| 2+ | 17,000 - 20,000 | 20,000 - 30,000 | 30,000 - 50,000 | 19,000 - 24,000 |

The North

| | Lower (£) | Mid to Higher (£) | Highest (£) | In-House (£) |
|-----|-----------------|-------------------|-----------------|-----------------|
| 0-2 | 12,000 - 15,000 | 15,000 - 18,000 | 18,000 - 20,000 | 16,000 - 22,000 |
| 2+ | 16,000 - 20,000 | 20,000 - 30,000 | 30,000 - 50,000 | 19,000 - 24,000 |

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