Salary Survey – The Results are In!

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Continuing with tradition, SCBA's Young Lawyers Division distributed the 2007 young lawyer's survey, which focused on compensation, work life, and benefits. As mid-year performance reviews approach, the YLD hopes that this information will assist firms and young lawyers.

The YLD received a **total of 50 responses**. Sixty percent of the responding attorneys have practiced less than five years, 28% have practiced five to seven years, and 12% have practiced more than seven years. Fifty percent of the respondents worked at firms with fewer than ten attorneys; 22% work at firms with ten to twenty attorneys, and 28% worked at firms with more than twenty attorneys. Finally, the response from males as compared to females consisted of 57% and 43%, respectively. From the 2001 survey, 63% of the respondents worked for firms with less than ten attorneys, 2% worked for firms with ten to twenty attorneys, and 35% worked for firms with more than twenty attorneys. Perhaps fueled by Sarasota's phenomenal growth over the last several years, since 2001, the smaller firms have grown in numbers from less than 10 attorneys into the 10 – 20 range.

First year associates averaged between $60,001 and $65,000. Surprisingly, survey results for second year attorneys show an average salary between $50,001 and $55,000. Firm size may have played a role in the decline between first and second year salaries, however. First year responding associates as a group worked in larger firms than did the second year associates – 87.5% of first year respondents worked at firms with ten or more attorneys (37.5% from ten to twenty attorneys; 50% from more than twenty), whereas 100% of the second year respondents worked in firms with less than ten attorneys. Extrapolating from this data set, a reasonable assumption is that first year associates at smaller firms make on average $45,000 to $55,000, and second year associates in larger firms make on average $70,001 to $75,000.

There is a healthier representation of small, medium, and large firms for the third through seventh year attorney. The third year associate average salary was $70,001 to $75,000, but this includes one successful outlier making between $110,001 and $115,000. Excluding that respondent, third years averaged between $60,001 and $65,000. Fourth year associates averaged between $65,001 and $70,000. Fifth year associates averaged $80,001 to $85,000; sixth year - $90,001 to $95,000; and seventh through fourteenth year - $100,001 to $105,000.

Salaries based on gender showed inconsistencies. The median salary for females fell in the $60,001 to $65,000 range. The median salary for males ranged from $75,001 to $80,000. Notwithstanding this discrepancy, females had a slight edge in experience with the average female respondent practicing for four years versus the average male practicing three and one-half years. However, firm size may play a role in that males on average worked in larger firms than did their female counterparts, with the average firm sizes being twenty-three and sixteen, respectively. Without additional analysis, the factors contributing to the income disparity based on gender can not be stated conclusively.

While associate salaries appear higher in comparison to the 2001 survey, the data indicates that average salaries adjusted for inflation have remained stagnant or have actually decreased. Inflation has increased on average 2.67% annually since 2001. At that time, large firm first year associates made between $50,000 and $55,000. Since then, large firm first year salaries have increased by roughly $5,000 to $10,000, of which $8,500 can be attributed to cost of living increases. For the third year through sixth year groups, salaries adjusted for inflation show a decrease of approximately $5,000 or more. In short, while appearances suggest that actual salaries have increased since 2001, adjusted salaries have seen a decline.

On the bright side, 82% of respondents this year indicated that they received some annual bonus that averaged $8,148. The median bonus was $5,000. In addition to bonuses, several respondents indicated that they received added compensation for client origination measured by a percentage up to 10%. With so much competition for new clients, more firms ought to consider this type of reward for the enterprising associate who brings in new clientele. On the other hand, firms may want their younger associates to focus on their billable hours at this stage of their career.

Overall, most respondents were at least moderately satisfied with their compensation package, with 78% responding they were moderately or highly satisfied. Forty percent answered that they were at least moderately satisfied with their compensation package.

For all the attention the "billable hour" receives, I was as equally surprised as Morgan Bentley in his 2001 survey article, when, in 2007, only 47% responded that their firm required an annual minimum billable hour. Of those firms requiring billable hours, 48% of respondents were required to bill between 1501 and 1750 hours, and 39% were required to bill between 1751 and 1950 hours annually. To reach their firm requirements, 90% of respondents billed between 36-50 hours per week, and 90% indicated they logged less than 20 non-billable hours per week.

Only 40% of survey respondents had an annual collections goal. Of these respondents, 37.5% had a collections goal of over $300,000; 25% had a collections goal of $250,001 to $300,000; and 25% had a collections goal of $200,001 to $250,000. Finally, only 40% responded that their job required an annual origination goal, which ranged from under $50,000 per year to over $150,000. As one would imagine, the greater the billable requirement, the annual collections, and origination goals, the higher the salary rose.

In addition to the in-office commitments, 70% responded that their firms expected some engagement in community activities, which averaged 100 hours per year. One outstanding member logged over 500 hours per year! Despite the strong commitment to the community, 87% responded that their firms had no pro bono requirement.

Notwithstanding the benchmarks respondents were required to meet, 90% of the respondents indicated that their firm recognized a balance between work and personal time. Only 40% of respondents routinely worked on weekends. Those that did averaged 7.5 hours a weekend, with the median response of between 5 to 6 hours. Additionally, attorneys received an average of 2.6 weeks per year in vacation time, although only 2.1 weeks of vacation was actually taken.

Ninety-eight percent of the respondents received general health benefits, with the firm paying the entire premium for 65% of respondents. In addition, 20% reported that their firm provided additional benefits such as vision, dental, spousal or dependent insurance, or some combination thereof, at no cost to the associate. Those registering dissatisfaction with their health plan resulted from not receiving one or more of these additional benefits.

The partnership track averages 6-7 years. However, 80% indicated that their firm had no established or written partnership criteria, and 64% reported that their firm provided no alternative career path. Apparently, the alternative is to "stay an associate forever."

Finally, most associates expressed their likes as assisting clients, the challenge of helping others through creative problem solving, and getting paid. In the alternative, most associates disliked not getting enough pay, the workload and billing requirements, and job stress. Although several associates responded that they disliked opposing counsel, by and large, the responses indicated a fairly amicable local bar.

Given the number of questions the survey contained, additional analysis and reporting will be required to give a complete picture of firm life for Sarasota's Young Lawyers. Thank you again to all that responded.