

Briefs

COMPENSATION ■ SALARIES ■ ECONOMIC OUTLOOK ■ IN MEMORIAM ■ READERS' COMMENTS

General Counsel Compensation Much Higher at Large Companies

The base salary for general counsel (GC) working in large law departments at companies with upwards of \$30 billion in revenue is 79 percent higher on average than the salaries of GCs working at \$3-5 billion companies, according to the Association of Corporate Counsel.

“As the pendulum continues to swing in favor of bringing more work in-house, in-house counsel will be better positioned to make more strategic business decisions in terms of staffing, compensation and spending,” said Veta T. Richardson, ACC president and CEO. “In particular, law departments have created new positions, especially in regulatory and compliance-related roles, to address the complexity of the global legal environment.

The survey revealed that GCs in 2013 made 2.7 percent more in base salary, on average, compared to 2012. In small law departments, the average GC with supporting attorneys makes 1.29 times the base salary of a GC – single lawyer environment. Similarly in small law divisions, GCs in departments of five or



more attorneys have on average a 10.1 percent premium in base salary over GCs in a two-person department.

Elsewhere, 66 percent of companies with mid-market and small legal divisions boosted inside spending and 55 percent cut outside spending costs in the last fiscal year, according to the survey. Spending patterns also varied by industry.

For example, inside spending rose 16.7 percent in the technology industry, while outside spending fell 5.9 percent. The real estate industry reported that outside spending rose nearly 30 percent and inside spending increased 3.9 percent.

Employment, corporate contracts, regulatory, compliance, intellectual

property, patent and general litigation were listed as high demand specialties with corresponding pay premiums as compared to generalist positions. Specifically, regulatory and compliance positions have become relatively more prevalent than others over the past three years.

“This year’s data is consistent with our observations over the past couple of years of the growing importance of the compliance / regulatory function, including pay levels and staffing for these positions and the expanded complexity of being a general counsel,” said Jeremy Feinstein, managing director at Empsight. ■

Starting Salaries Expected to Climb in 2014

Average starting salaries for legal professionals are projected to increase almost 3 percent overall in 2014, according to the new *Robert Half Legal 2014 Salary Guide*. The largest gains are expected for lawyers, paralegals and legal secretaries at midsize and small-to-midsize law firms. Legal specialists with litigation support and compliance administration expertise also should

see greater-than-average salary gains.

“As law firms and corporate legal departments focus on supporting renewed business activity and related requests for legal services, the market is tightening for attorneys and legal support professionals with expertise in high-demand practice areas, such as healthcare, litigation and commercial law,” said Charles Volkert, executive director of Robert Half

Legal. “Although salaries have not returned to pre-recession levels, more organizations are making the necessary changes in compensation to attract the best candidates and retain their most valued employees.”

Volkert added that employers are seeking experienced candidates who can immediately provide expertise to new or existing casework. “Increasingly, companies and law firms

are competing for top talent as general counsel expand internal teams to address rising workloads and managing partners make strategic hires to support lucrative practice groups,” said Volkert.

According to Robert Half Legal research, average starting salaries for lawyers at law firms are expected to increase 3.1 percent in 2014. Lawyers with four to nine years’ experience at a midsize law firm (35-75 lawyers) will see the greatest

gains in compensation. Starting salaries for this position are expected to increase 4.8 percent, to the average range of \$124,750 to \$187,500 annually. Lawyers with 10-plus years’ experience at small-to-midsize law firms (10-35 lawyers) will see starting salaries rise 4.5 percent, to the range of \$124,750 to \$179,000 per year. First-year associates at small-to-midsize law firms will earn between \$61,000 and \$86,250, a 3.0 percent increase from 2013 projections. ■

Economic Outlook for the Philadelphia Region

Job growth in the Philadelphia market area has been lagging behind that in the rest of the U.S. for almost three years. Service industries are adding jobs, but at a below-average rate, with weak growth in cyclical industries such as financial activities and business/professional services. Job growth in consumer industries is also lagging. One positive is consistent job gains in the region’s key education and healthcare industry. Employment in goods-producing industries has been flat since 2010, with small job gains in construction offsetting losses in manufacturing. Local government budgets remain under pressure with ongoing job losses, unlike in the rest of the country. With below-average job growth the unemployment rate has fallen less quickly than the U.S. rate, and is now slightly above the national average.

With a well-educated workforce

and well-paying industries, median household income in Philadelphia is high for Pennsylvania and the U.S., although it lags behind other major Northeastern metropolitan areas. High business costs relative to Central and Northeast Pennsylvania are a weight on job growth in the area. With low exposure to cyclical drivers and job growth largely in industries that pay below-average wages, income growth in Philadelphia will likely lag behind the nation, although median household income will remain above the U.S.

The Philadelphia housing market is recovering modestly. Sales of existing homes bottomed out in mid-2011, and prices have been increasing, albeit very slowly, since mid-2012. Homebuilding has picked up over the last few years, with gains in both single-family and multi-family starts, leading to job growth in construction. Philadelphia

was less exposed to the housing crash compared to other parts of the country, with less overbuilding and a smaller run-up in prices. Affordability is better than in other major East Coast markets, and foreclosures are also less of a problem. Starts, sales and prices will all likely continue to improve through the second half of 2013 and into 2014, in our view, with better access to credit a positive. The improving housing market will likely contribute to the area’s overall recovery, as price gains will support consumer

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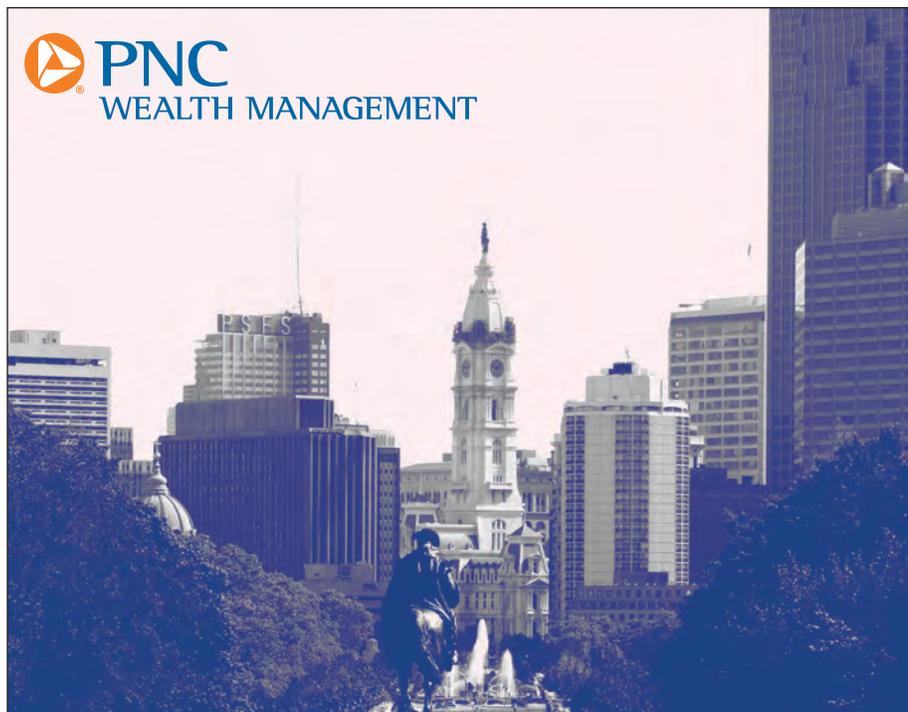
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spending as households feel wealthier, and better homebuilding leads to further construction job gains. However, weak income growth and poor demographics will limit the recovery, and over the long run housing activity will be below average. ■

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IN MEMORIAM

Bernard V. DiGiacomo

Sept. 19, 2013, Age 90

Herbert R. Weiman

Nov. 4, 2013, Age 88

Robert S. Ross

Sept. 30, 2103, Age 69

Jeffrey M. Kornblau

Nov. 11, 2013, Age 56

Thomas E. Wood

Oct. 21, 2013, Age 74

Guy Cellucci

Nov. 15, 2013, Age 59

William R. Cooper II

Oct. 23, 2103, Age 90

Hon. Anthony J. DeFino

Nov. 24, 2013, Age 86

Richard Max Bockol

Nov. 1, 2013, Age 71

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tplmag@philabar.org.

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Readers' Comments

To the Editor:

I read "Taking the Gun Fight to the Courts" in the Fall 2013 edition of *The Philadelphia Lawyer*. Guns, cars, razors, knives, drugs and trucks don't kill people. Humans kill people. The Congress, district attorneys and attorneys general will never "...stem the tide of gun violence." Why can we not see (or pretend not to see) that we must work on the issues that affect our behavior. When we recognize that the media glorifies violence, when we acknowledge that we "feed" our children violence via the TV and when we, as lawyers, admit that our nation is suffering from the "death" of our family structure will we witness the decline of all violence.



I have prosecuted and defended persons accused of crime at every level of our criminal justice system. We must attack the sources and causes of violence – all violence – where it begins: in our homes and neighborhoods. Courts can try to treat the effects of violence, but they have been utter failures in even recognizing the cause of violence. ■

William F. Coyle

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