

# For Immediate Release

December 10, 2015

**CONTACT:**

Kaitlin Mansour  
Walker Sands Communications  
312.648.6004

## In-House Counsel Compensation Increases For Third Straight Year According to HBR Consulting's 2015 Law Department Survey

**December 10, 2015 (Chicago, IL)** — Salaries for in-house legal counsel have grown modestly over the past year, according to HBR Consulting's [2015 Law Department Survey](#). HBR Consulting, a trusted advisor to law firms and corporations worldwide, recently released a comprehensive analysis of in-house compensation from its annual survey. For the third consecutive survey year, inside counsel compensation is increasing, with base salary across all attorney levels up an average of 4.6 percent and total cash compensation (salary and cash bonus) up an average of 3.5 percent.

As law departments continue to control outside counsel costs by bringing work in-house, HBR's survey is an integral resource for aligning law department compensation packages with legal industry benchmarks.

"Although annual cash compensation has only grown slightly, it's a testament to law departments' ability to strategically leverage their in-house resources and personnel," said Lauren Chung, Senior Director of HBR's Law Department Consulting group. "The findings validate the ongoing trend that law departments are keeping more work in-house and many departments are bolstering the legal staff to support the volume. This year's results show that nearly half of law department participants increased the number of in-house lawyers from the previous year. The staffing increase has caused heightened internal spending on compensation."

Of the surveyed companies, 78 percent reported that their budget for law department compensation has increased. This finding supports the core spending metrics in the overall HBR Law Department Survey, which revealed that total internal legal spend is up 3 percent while outside counsel spending has remained flat.

### Base Salary

According to HBR's 2015 survey, in-house lawyers' base salaries rose 4.6 percent in 2015. This is up from last year's survey results, which found a 3.3 percent increase. While variable pay has been a major factor in past surveys, this year's survey shows that corporations are focusing more on robust base salaries.

### Cash Bonus

This year's survey showed the average cash bonus amount across all attorney levels increased 14.5 percent. This is down relative to last year's results, which showed a cash bonus increase of 21.1 percent.

### Total Cash Compensation

According to the Survey, the average increase in total cash compensation (base salary plus cash bonus) for all attorney levels was up 3.5 percent in 2015. Similar to cash bonuses, however, the 2014 survey showed a larger average increase (4.6 percent) versus 2015 results. Due to the slight decline in cash bonus, growth in total cash compensation is down in comparison to last year's results.

### Total Compensation

Total compensation, which is made up of base salary, cash bonus and the value of long-term incentives, increased an average of 3.5 percent across all attorney levels in 2015. This finding indicates slowing compensation growth from the 2014 survey results, which reported that total compensation was up 6.4 percent. This year's results demonstrate the impact of long-term incentives and bonuses on total compensation.



"It's important to note that while the rate of increase in total compensation is lower than the 2014 survey results, it's still on the rise internally across all attorney levels," Chung added. "With a 3.5 percent increase, it's outpacing inflation and salaries continue to grow at a steady pace year over year. The data indicates that the market is looking strong as law departments continue to hire internally and focus on efforts to recruit and retain top talent."

The compensation data in the 2015 Law Department Survey is effective as of March 15, 2015. References to data from the 2014 survey reflect compensation data as of March 15, 2014 and March 15, 2013.

#### About HBR Consulting

HBR CONSULTING ([www.hbrconsulting.com](http://www.hbrconsulting.com)), formerly Hildebrandt Baker Robbins, is globally recognized as the leading business operations and technology consulting firm with more than four decades of experience. We partner with law firms and corporations to increase efficiencies, improve profitability and navigate strategic changes.

#### About the Survey

The annual HBR Law Department Survey is the leading source of benchmarking data for U.S. and global law departments. It gathers and reports key qualitative and quantitative metrics that assess and benchmark law department performance. The Survey, now in its twelfth year, continues to grow its participant base and expand its focus on global legal function management. The 2015 Survey includes a total of 308 participants representing 22 industries.

The HBR Compensation Survey contains detailed information on Base Salary, Cash Bonus, Target Cash Bonus, Long-Term Incentives, Total Cash Compensation and Total Compensation for all staff levels in the law department. This year's survey includes data from over 6,000 lawyers and more than 4,000 non-attorney staff.

Unique among law department surveys, HBR's survey focuses on larger law departments, includes both global and U.S. law departments and emphasizes data consistency and rigorous quality control procedures. For more information about how to purchase the full HBR Law Department Survey, visit <http://www.hbrconsulting.com/lawdepartmentsurvey.html> or call 215.628.3409.