

The Michael Page Paralegal
Salary Survey 2006



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Setting the precedent in Legal recruitment | www.michaelpage.co.uk/legal

Michael Page
PARALEGAL

Introduction

Our 2006 national salary surveys are our most ambitious yet – with dedicated surveys covering private practice, industry and commerce and the financial services. We invited over 500 UK and US law firms and over 900 in-house departments from industry and the financial services to participate.

Our research was carried out by means of a postal and/or electronic questionnaire and/or telephone interview. Aside from assimilating minimum and maximum salary information according to location, level of qualification and type of firm, we have also researched some of the most interesting trends occurring in the legal market during the last 12 months, as well as looking forward. We are pleased to assist with any bespoke analysis/research as required. Please note that the information obtained has been supplemented by other market information to which we have access.

A Marketing Update

In addition to salary surveys, Michael Page Legal conducts additional market research amongst client and candidate groups. We have been involved in seminars and workshops on the recruitment and retention of staff as well as getting involved in various Diversity in Law programmes.

Client and candidate events also form a crucial part of the Michael Page Legal calendar. Events last year included our fifth National Quiz, a National Golf Tournament and an open evening at Hamleys Toy Store in December. We are sure to host many more in 2006.

Now in its third successful phase since development, the Michael Page International website is well established as one of the premier recruitment sites in the UK. Michael Page Legal receives over 1,000 job applications each month and a third of all candidates who find roles come directly through our website. We hope that you will also find it an excellent source of information to assist you with your job search or recruitment needs.

21 years of Michael Page Legal

Established in 1985, Michael Page Legal specialises in legal recruitment at all levels, from partner or head of legal roles to paralegals on both a permanent and locum/contract basis. Our clients include all the leading UK law firms, US firms and a large cross-section of industry & commerce and financial services clients who have in-house legal departments. We operate within the UK in London, Bristol, Birmingham, Manchester, Leeds and Reading and internationally in Paris, Amsterdam, Milan, Frankfurt, Madrid, Sydney, Melbourne, Tokyo, Hong Kong, Singapore, and Sao Paulo.

This year we celebrate 21 years of specialist Legal recruitment and are proud to incorporate 21 years of expertise in this guide.

In the increasingly competitive world of Legal recruitment, Michael Page Legal continues to work hard to provide you with the highest levels of service and delivery available in the market today. I hope you enjoy the guide and we look forward to looking after your interests for at least another 21 years.

Stephen Hockey

Managing Director of Michael Page Legal

Overview

Michael Page Paralegal is part of Michael Page International, one of the worlds leading recruitment consultancies, with 21 years of expertise across a range of professional disciplines. Our 2006 dedicated paralegal survey includes private practice, industry and commerce and the financial services. We invited over 500 UK and US law firms and over 900 in-house departments from industry and commerce and the financial services to participate.

This specialist division is dedicated to the recruitment of Paralegals. The paralegal market covers all non qualified legal recruitment including:

- Law Graduates
- Paralegals
- Legal Assistants
- Legal Advisors
- Legal Executives
- Documentation Specialists
- Transaction management professionals
- Contracts Managers
- Commercial Managers
- Company Secretaries

Private Practice

UK Paralegal

The private practice paralegal market saw a general increase in headcount over 2005 providing for a very healthy start to 2006. This has been attributed to growth plans as opposed to replacements or consolidation which have dominated over the previous few years.

The number of candidates taking their LPC continues to soar and even further outweighs the number of training contracts available despite a general increase in traineeships across top-tier firms. This coupled with an increase in antipodean lawyers in London who are willing to paralegal has provided for a fantastic supply of candidates. In fact, the term paralegal is constantly in the top ten most searchable words on our website.

From a demand perspective, firms are recognising more widely the benefits of employing paralegals both on a temporary and permanent basis in more varied departments including capital markets, banking, IP and professional support. Corporate, litigation and property still recruit heavily on the temporary and contract side. Overtime is paid in most cases with the average working week being 40 to 45 hours.

Salaries have increased to some extent over last year with key increases being noted for senior corporate paralegals attributed, to some extent, to the level of competition and the increase in antipodean candidates being taken on at this level. The majority of firms have reported a planned increase in legal assistant headcount of 5%.

UK PARALEGAL			
Level of experience	Average (£)	Minimum (£)	Maximum (£)
0 to 6 months	20,000	16,000	23,000
6 to 12 months	21,000	18,000	24,000
1 year	24,000	20,000	25,000
2 years	25,000	21,000	26,000
3 years	27,000	25,000	30,000
4+ years	29,000	27,000	31,000

Private Practice

US Paralegal

The London offices of US firms continued to grow from strength to strength in 2005, this trend is set to continue through 2006 with an estimated average increase of 10% in the recruitment of legal assistants across the core practice areas. Several firms have also recognised a need for legal assistants in other departmental areas including Intellectual Property, Capital Markets and Banking. The majority of anticipated roles in 2006 are likely to be within Corporate.

The perception of US firms amongst candidates continues to be positive with the general view being that work is of high quality with more attractive packages than UK firms. The previous situation of legal assistants in US firms working extremely long hours seems to have been addressed to some extent by some firms adopting an increase in headcount rather than very small numbers of legal assistants carrying out large levels of overtime. The average number of hours worked in a week by a legal assistant is approximately 40 to 45. Though there has been some increase in the number of temporary legal assistants recruited, especially across very project driven firms, it is still preferable to recruit legal assistants onto permanent contracts.

Benefits are fairly standard across the board for paralegal/legal assistants whether working in a US or UK firm with the exception of bonuses which are not generally paid by UK firms. Bonuses within US firms are normally based on overall performance and the profit of the firm/team with the average bonus level at 5%. US salaries continue to be on average higher than their UK counterparts.

One of the main changes to the market this year is presence. An increase in the number of US firms competing at magic circle level and therefore providing for more opportunities at both the qualified and non qualified level. It is anticipated that competition for more senior candidates will become evident and salaries may be pushed even higher.

US PARALEGAL			
Level of experience	Average (£)	Minimum (£)	Maximum (£)
0 to 6 months	23,000	21,000	25,000
6 to 12 months	26,000	23,000	28,000
1 year	27,000	24,000	28,000
2 years	28,000	27,000	29,000
3 years	32,000	30,000	34,000
4+ years	34,000	32,000	36,000

In-house

Paralegals

The paralegal in-house market has shown consistent demand in IT/Hi-tech throughout 2005 and moving in to 2006. Requirement within the Media, Leisure & Entertainment market has remained consistent whilst Property and Construction have seen an increase. In-house the title "Paralegal" has increasingly come to be associated with more junior opportunities, reflected in the salary ranges from 0 to 12 months. As many companies still have relatively streamlined legal departments most roles tend to be permanent, frequently offering the opportunity to progress internally with the focus on organic growth.

Contracts Managers

The role of 'Contracts Manager' or 'Legal Advisor' is increasingly viewed as a legitimate and well respected alternative career path. Candidates tend to need at least one year commercial experience specialising in a particular industry sector before they can adopt a role of this level/title. Requirements for Contract Managers continue to be dominated by the IT/Hi-tech market, Telecoms and Media, though Business Services has certainly seen growth at a more senior level in the latter stages of last year and continuing into 2006. Competition for media roles has kept salary levels stable whilst high demand for IT contracts specialists has led to competitive salary increases.

Overall demand for the non-qualified option can be attributed to the popularity of experienced contract managers over newly qualified lawyers, often demonstrating more practical knowledge and commercial savvy. Salaries differ dependent upon sector with more niche experience in Energy and Pharmaceutical companies offering remuneration packages often 10% to 15% higher than those shown in our survey.

Benefits from 0 to 2 years' experience tend to be limited to the standard company package. Annual company bonuses are not unheard of at this more junior level but additional performance related bonuses tend to kick in from two years' experience and beyond with increased autonomy and responsibility. For roles based out of town, car benefits can also be included at an early stage.

IN HOUSE			
Level of experience	Average (£)	Minimum (£)	Maximum (£)
0 to 6 months	23,000	21,000	25,000
6 to 12 months	26,000	24,000	28,000
1 year	28,000	25,000	30,000
2 years	30,000	28,000	32,000
3 years	32,000	30,000	35,000
4+ years	40,000	35,000	45,000+

Financial Services

The financial services breakdown is structured differently to private practice and in-house as salaries differ hugely dependant on the area in which candidates have developed their skills, the level and length of time spent in this area also has an impact. There is a distinct shortage of candidates in certain areas which has in turn pushed salaries higher as firms strive to remain competitive. The institutes that have been surveyed include investment banks, commercial and retail banks, fund houses and insurance companies.

The financial services industry saw increased activity across most sectors in 2005 with continued growth in the investment banking sector in particular. Within investment banking, candidates in the area of Master Agreements with 2 to 5 years' experience are still in high demand. We have also seen the market grow significantly for candidates with good Capital Markets and Corporate Finance experience.

The salaries shown give a general reflection of the whole financial services market, although different institutions' bonuses and benefits do vary a great deal. More bonuses were paid in 2005 than the preceding three years and ranged from 10% to 30%. The outlook for 2006 is a positive one with an increase in recruitment activity across the board.

FINANCIAL SERVICES			
Sector	Average (£)	Minimum (£)	Maximum (£)
M&A/Corporate Finance	36,000	30,000	45,000
ISDA/Documentation Specialist	50,000	35,000	85,000
Capital Markets/Transaction Management	50,000	30,000	80,000
Securitisation	40,000	30,000	50,000
Corporate Banking	40,000	27,000	45,000
Private Equity	40,000	30,000	45,000
Derivatives	40,000	30,000	50,000
Private Client/Banking	40,000	27,000	40,000
Investment Management	40,000	27,000	50,000
Litigation Specialist	33,500	27,000	40,000
Employment	33,500	27,000	40,000
IP/IT	33,500	27,000	40,000
Insurance	31,000	25,000	40,000

Regions

Northern Region

The paralegal market in the North continues to be relatively immature compared to the London market, although we are seeing increased demand in pockets of disciplines. Historically, the concentration of opportunities has always been in the volume areas of Personal Injury and Conveyancing and whilst there is still a steady flow of demand due to relatively high levels of attrition, there is no longer huge demand due to growth. However, with Clementi looming, the likelihood is that the Personal Injury market will become increasingly reliant on paralegal resource so demand may well increase in the future. The residential property market continues to remain relatively buoyant for qualified by experience candidates.

In recent months, the market has seen growing evidence that mid and top-tier firms are being more flexible in resourcing at the paralegal/legal executive level particularly in the candidate scarce markets such as commercial property, corporate, banking, construction and employment. This trend is likely to continue on both a temporary and permanent basis.

The in-house market and not for profit sectors have retained a steady demand for good quality paralegals and as growth continues in these markets across the region, there will be a natural increase in demand.

Midlands

Recruitment within the paralegal market in 2005 was sporadic, and it was evident that those firms requiring paralegal staff were mainly from the mid and top-tiers. The popular disciplines recruiting for paralegals were PI, Residential Conveyancing/Plot Sales and Debt Recovery/Mortgage Repossession. Such firms are still requiring top calibre candidates with a minimum of 12 months' experience who are either looking to study or who are currently studying towards their ILEX qualification.

More firms are realising the benefit of hiring "career paralegals" as a cost effective alternative to traditional fee earners. This is particularly common within family, wills and probate, conveyancing and civil litigation but is becoming increasingly popular within general commercial as well.

For further information on how Michael Page Paralegal can help, please contact our consultants in one of the following regional offices:

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