

# 2021 In-House Counsel Compensation Report

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Issued June 2021



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# Introduction

## **BarkerGilmore is pleased to present our 2021 In-House Counsel Compensation Report.**

With another year of record participation, our annual report provides in-house counsel the ability to benchmark their pay against their peers, and aids legal leaders and human resources departments in attracting and retaining top talent by helping them to understand competitive compensation packages. With new data collected for sign-on bonuses and the impact law school rank and firm experience have on compensation packages, this year's report is our most insightful yet.

The impact of the Covid-19 pandemic on compensation was felt in 2020. All industries saw the lowest base salary increases of the last five years. Not surprisingly, the consumer, healthcare/life sciences, and professional services industries saw the lowest salary increases while the financial, energy, and technology industries had the highest salary increases.

Hiring for in-house counsel positions continued steadily throughout the last year. However, it is worth noting that, while healthcare and life sciences companies saw one of the lowest annual salary increases, we at BarkerGilmore observed a stark increase in hiring initiatives within these sectors. This is to be expected given the strain of the Covid-19 pandemic on healthcare providers, the race for an effective vaccine, and the unique regulatory challenges that unfolded over the past year. Perhaps, with more resources having been expended on new salaries as opposed to existing in 2020, in-house counsel in the healthcare/life sciences space will reap a greater reward in 2021.

This year, we are excited to share insight into compensation trends we have known anecdotally as executive in-house recruiters for years. Our clients consistently demand exceptional talent with law firm experience from top ranked law schools. The data from this year's report demonstrates that this caliber of talent and education demands higher compensation at all levels, especially for General Counsel.

Our goal is that the 2021 In-House Counsel Compensation Report will provide context around compensation trends during an unprecedented year of change, adaptation, and resilience. We at BarkerGilmore continue to wish all respondents and readers health and wellness while navigating these extraordinary times.

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BarkerGilmore acknowledges the importance of compensation breakdowns for organizations and their human resources departments to formulate pay strategies, and for lawyers looking to expand their roles or leverage experience for new positions. While this report aims to provide a comprehensive breakdown of legal department compensation structures, we must advise that there are several additional variables that must always be considered when dealing with compensation figures. These variables include an individual's unique experiences, abilities, and interpersonal skills, as well as the organization's financial position and the strength of the local economy.

To present the most valuable and reliable data, BarkerGilmore has combined its expertise in executive legal recruitment and consulting with extensive survey data to highlight a diverse array of in-house counsel compensation. The information in this report is meant to provide general guidelines, and while it delivers extremely detailed information, we urge readers to consider the multitude of factors affecting the results and to focus on overall data trends displayed in the graphs and charts.

This report presents general counsel pay trends representative of all private and public company respondents. For high revenue, public company General Counsel pay trends, we encourage you to read our General Counsel Pay Trends report, in partnership with Equilar. The source data for this report comes from SEC filings by the 500 largest, by reported revenue, U.S.-headquartered companies that trade on one of the three major U.S. stock exchanges. The five highest paid employees at each company are found in the SEC filings.

# Key Compensation Trends

- Annual Salary Increase Rates:** The average annual salary increase for all positions across industries was down this year to 3.5% from 4.4% in 2019. The energy, financial, and technology industries all averaged 3.7% salary increases and the consumer, healthcare/life sciences, industrial/manufacturing, and professional services industries all averaged 3.5% or less salary increases.
- Total Compensation Increase Rates:** The following chart summarizes year over year changes to base, bonus, long-term incentive (LTI), and total compensation by position:

	Salary Change '19 to '20	Bonus Change '19 to '20	LTI Change '19 to '20	Total Comp Change '19 to '20
<i>General Counsel</i>	3.93%	3.18%	11.40%	6.64%
<i>Managing Counsel</i>	3.35%	-10.60%	-5.12%	-2.28%
<i>Senior Counsel</i>	3.34%	8.26%	25.00%	13.52%
<i>All Positions</i>	3.50%	-1.00%	11.18%	4.39%

- New Positions:** Eight percent of respondents obtained a new position in 2020. Thirty-five percent of new legal positions received sign-on bonuses. Managing Counsel were the most likely to receive a sign-on bonus at 44%. General Counsel were the least likely to receive a sign-on bonus (32%); however, the General Counsel median sign-on bonus was significantly higher than that of Managing Counsel and Senior Counsel.
- Law School Rank:** Respondents at all levels had higher total compensation if they went to a Top 100 law school. Total compensation averaged 25% higher for General Counsel, 15% higher for Managing Counsel, and 19% higher for Senior Counsel if the respondent obtained their J.D. from a Top 100 law school. Respondents that went to a Top 100 law school and had prior experience at an Am Law 200 law firm had a 10% higher total compensation package than respondents with the same law firm experience who did not attend a Top 100 law school.
- Law Firm Experience:** Across all positions, respondents that worked for an Am Law 100 ranked law firm had higher total compensation packages than those with Am Law 101+ experience or no law firm experience. On average, in-house counsel with Am Law 100 experience had total compensation packages that were 35% greater (41% General Counsel, 32% Managing Counsel, 27% Senior Counsel) than those with no law firm experience. The impact of Am Law 100 or Am Law 101-200 law firm experience was observed to have the greatest impact at the General Counsel and Managing Counsel levels.
- Public vs. Private:** Consistent with the last 5 years, 2020 revealed that the compensation of those at publicly traded companies is significantly higher than at private organizations. The gap is most significant at the General Counsel level, with a 52% disparity in total compensation. Across all position levels, restricted stock units (RSUs) continue to be the most common form of long-term incentive (LTI) compensation at public companies. In private organizations, if LTI is offered, the structure is much more variable and may come in the form of stock options or restricted cash.
- Industry Highs & Lows:** The following chart summarizes the highest and lowest paying industries for each position by total compensation:

Position	Public	Private
Highest Paying		
<i>General Counsel</i>	Healthcare/Life Sciences	Energy
<i>Managing Counsel</i>	Technology	Technology
<i>Senior Counsel</i>	Healthcare/Life Sciences	Financial
Lowest Paying		
<i>General Counsel</i>	Energy	Professional Services
<i>Managing Counsel</i>	Professional Services	Consumer
<i>Senior Counsel</i>	Professional Services	Consumer

# Survey Design

BarkerGilmore conducted an online survey from February to April 2021 to assess in-house counsel compensation trends for the year of 2020. The online survey was administered to a random sample of in-house counsel at various levels of seniority within different sized public and private organizations across the United States. The following table presents the data categories captured by the survey through a combination of multiple-choice and open-ended questions, answered by almost 2,500 individuals from an assortment of industries and practice areas.

**Table 1: Key Survey Terms**

<i>Term</i>	<i>Description</i>
<i>Position</i>	<b>General Counsel</b> – the lead in-house lawyer in an organization <b>Managing Counsel</b> – an in-house lawyer with at least one direct report, who is not the lead lawyer in an organization <b>Senior Counsel</b> – an in-house lawyer who is an individual contributor
<i>Number of Direct Reports</i>	Total number of lawyers managed
<i>J.D. Year</i>	Year in which Juris Doctor was earned
<i>Base Salary</i>	Current base salary in U.S. Dollars for the 2020 fiscal year
<i>Cash Bonus</i>	Most recent cash bonus in U.S. Dollars for the 2020 fiscal year
<i>Long-Term Incentive (LTI)</i>	Value of most recent long-term incentive award in U.S. Dollars for the 2020 fiscal year
<i>Stock Options</i>	LTI compensation by which an employer awards an employee the option to buy company stock at a discounted or fixed price
<i>Restricted Stock Units (RSUs)</i>	LTI compensation in the form of company stock, usually with a vesting plan and distribution scheduled at specific career milestones
<i>Restricted Cash</i>	LTI compensation in the form of money held separate from cash and equivalents listed on the employer's balance sheets/financial statements
<i>Performance Shares</i>	LTI compensation awarded by an employer in the form of company stock, only if certain company-wide performance criteria are met
<i>Total Compensation</i>	The sum of the current base salary, most recent cash bonus, and estimated long-term incentive value in U.S. Dollars for the 2020 fiscal year
<i>Salary Increase Rate</i>	Percent increase in base salary from 2019 to 2020
<i>Practice Area</i>	Field of specialization within an organization
<i>Industry</i>	Commercial segment in which the organization is situated
<i>Organization Revenue</i>	Annual organization revenue in U.S. Dollars for the 2020 fiscal year
<i>Organization Type</i>	Determination of organization status: publicly traded, private, or non-profit
<i>Location Type</i>	Type of location in which the organization is situated: major metropolitan/large city area, mid-sized metropolitan/city area, or small city/rural area
<i>Comparison of Compensation to Peers</i>	How respondents feel their compensation compares to that of their practice area peers at other organizations
<i>Likelihood of Compensation-Motivated Job Search</i>	Likelihood respondents will be looking for a new position during the next year due to compensation dissatisfaction or another compensation-related issue



# Data Methods & Analysis

## Measure of Central Tendency

This report utilizes median as the main method of standardization for the sample statistics collected from the 2020 Compensation Survey. The median can be described as the middle or central value in a given sequence of numbers. In an even set of numbers, the median is calculated as the average of the two middle numbers. This survey report applies median calculation for all numeric data reported, unless otherwise specified.

## Missing Data

While our survey data are nearly complete, we acknowledge the data that are missing due to non-response or misinterpretation. Some respondents opted out of answering a specific question, while others provided unsuitable answers to questions. Since very few cases of missing data occurred, we chose to employ list-wise deletion on a question-by-question basis to eliminate incomplete or inappropriate responses.

## Position Breakdown

This report contains data from three distinct classes of in-house counsel: General Counsel, Managing Counsel, and Senior Counsel. These three classes are largely determined by seniority, experience, and management level, causing compensation to vary across position. Therefore, the greater part of this report is dedicated to the analysis of compensation trends for each individual position.

## Prominent Determinants of Compensation

After extensive statistical analysis of the survey data, organization type, revenue, and industry, in addition to gender, appear to impact compensation significantly for all three positions. J.D. year and practice area influence compensation for both Managing Counsel and Senior Counsel, but not for General Counsel. The data visualizations presented in the ensuing report reflect this breakdown of determinants.

## Disclaimer of Approximation

The data displayed in this report were collected from a wide variety of in-house counsel whose compensation figures are highly dependent on a multitude of different intervening variables. For the purpose of simple interpretation, the complex statistical relationships that resulted from these variables are not included in this report. Thus, the preceding trends should be considered approximations of compensation data that are ultimately contingent upon numerous influences taken together.

## Confidentiality

BarkerGilmore takes protecting the privacy of those who participated in our compensation survey seriously, since confidentiality is the cornerstone of our business. The information provided by survey respondents remains anonymous and will not be shared with anyone.



# Survey Respondents

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## Demographics

*\*This section displays response rate and general characteristics of the survey.*

### Response by Position

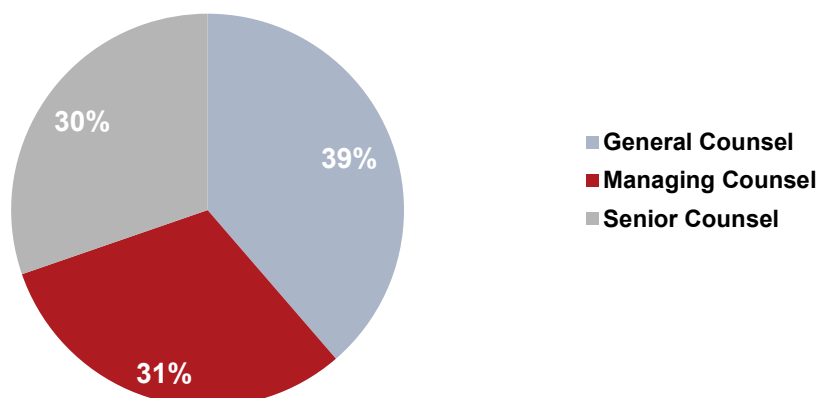


Figure 1.1: Response Distribution by Position, %

### Response by Organization Type

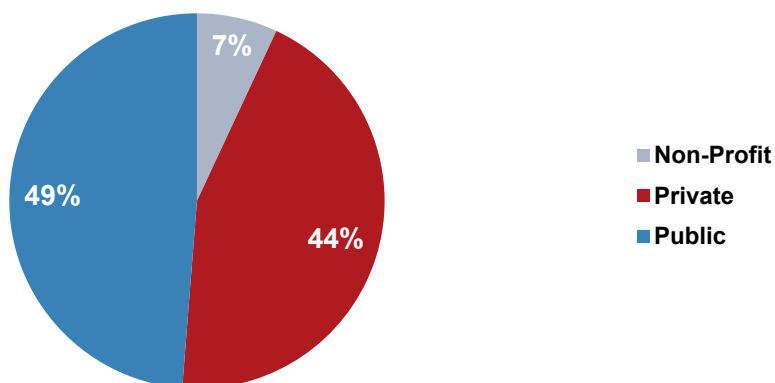


Figure 1.2: Response Distribution by Organization Type, %

### Response by Location Type

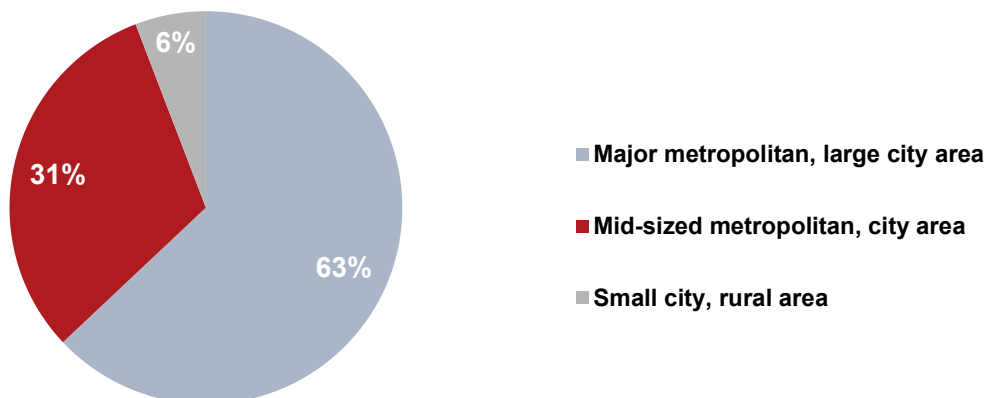


Figure 1.3: Response Distribution by Location Type, %

## Response by Organization Revenue

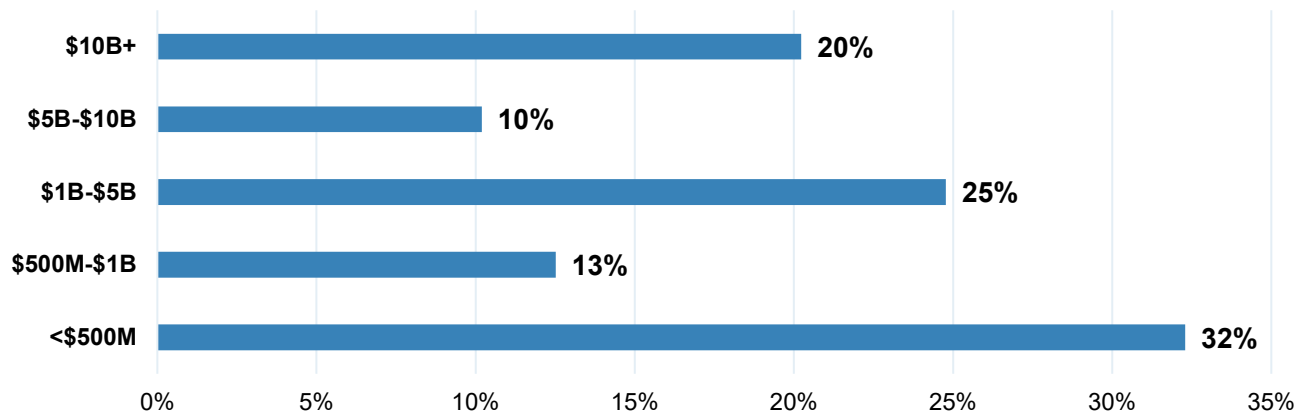


Figure 1.4: Response Distribution by Organization Revenue, %

## Response by Industry

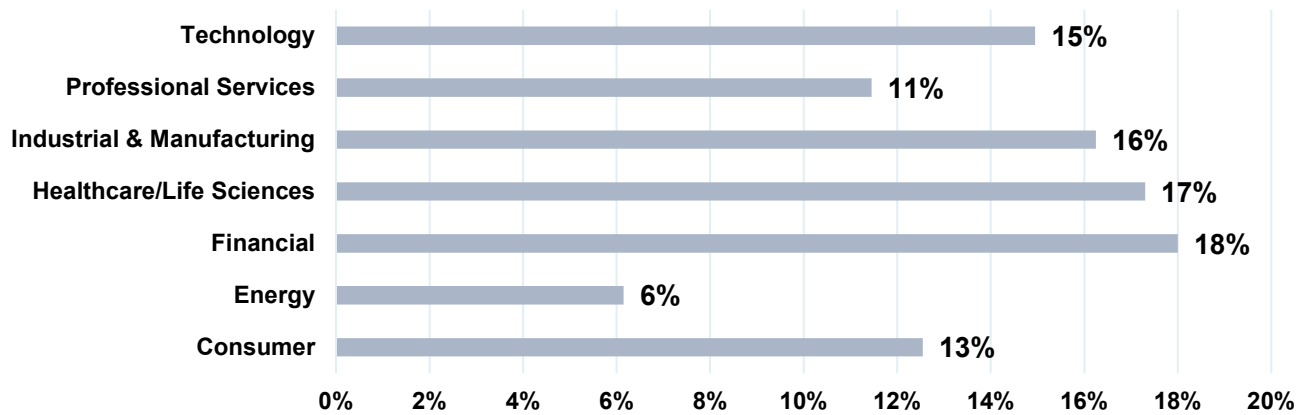


Figure 1.5: Response Distribution by Industry, %

## Response by Gender

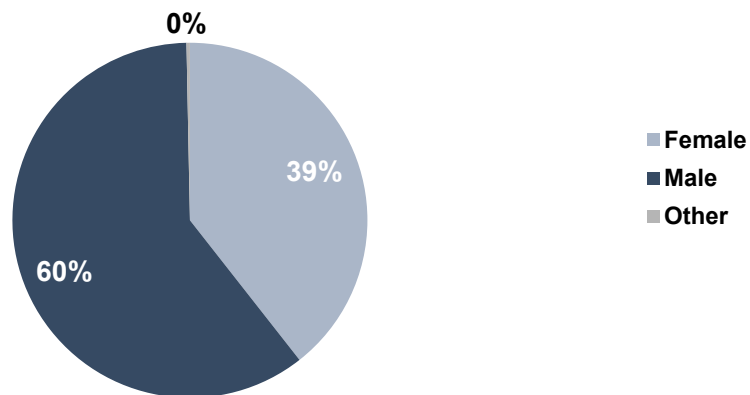


Figure 1.6: Response Distribution by Gender, %

## Response by Race

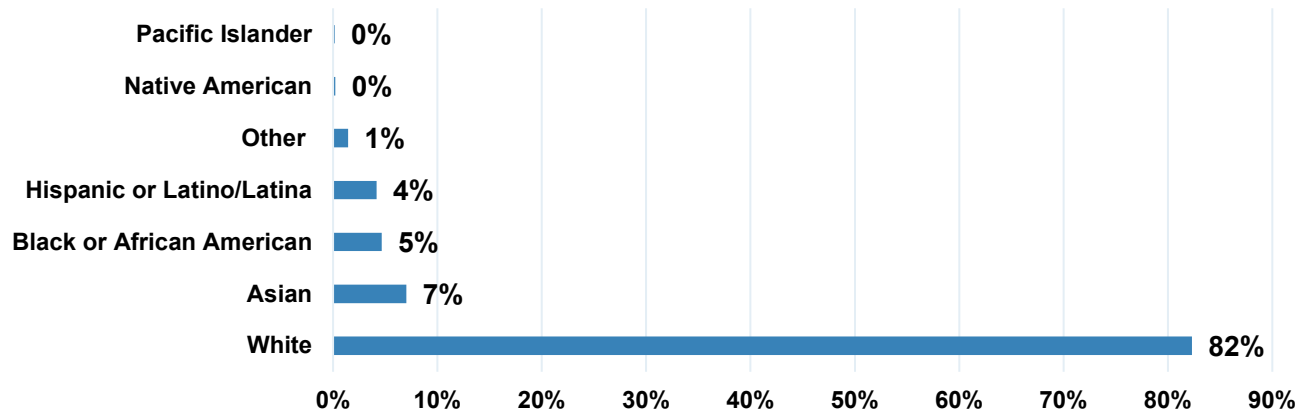


Figure 1.7: Response Distribution by Race, %

## Response by Law School Ranking

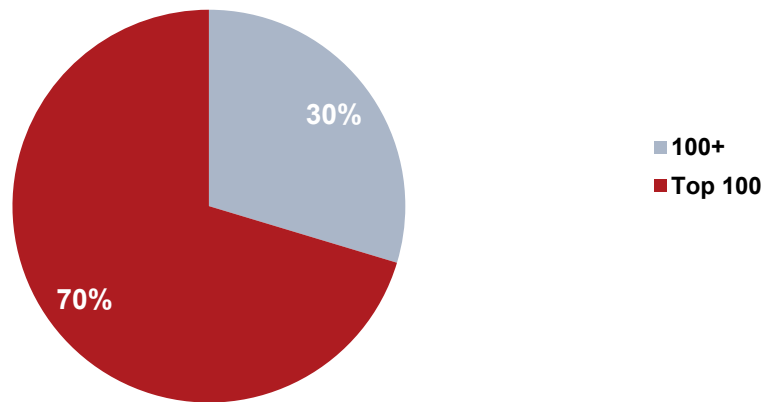


Figure 1.8: Response Distribution by Law School Ranking, %

## Response by J.D. Year

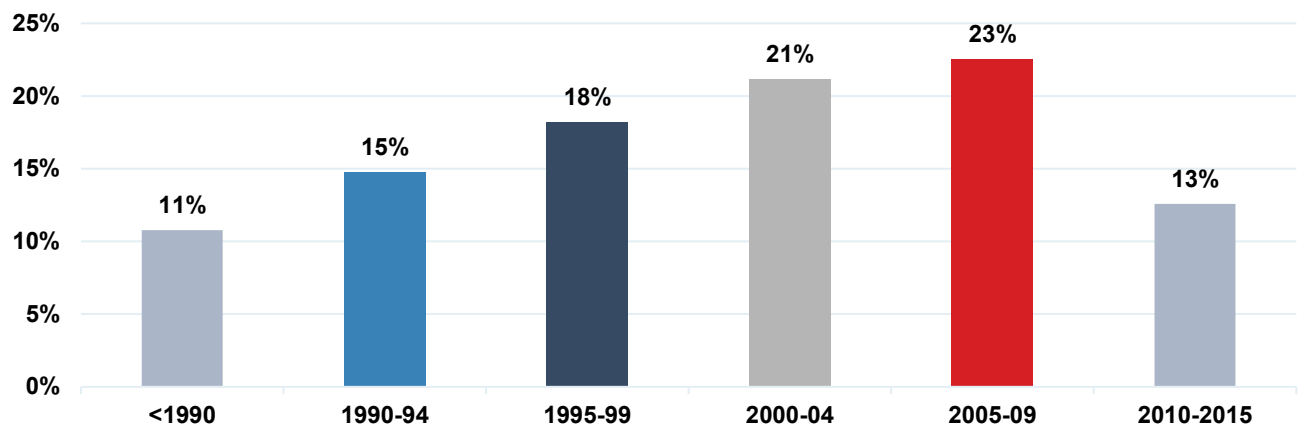


Figure 1.9: Response Distribution by J.D. Year, %



# Collective In-House

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## Compensation Trends

## Salary Increase by Industry

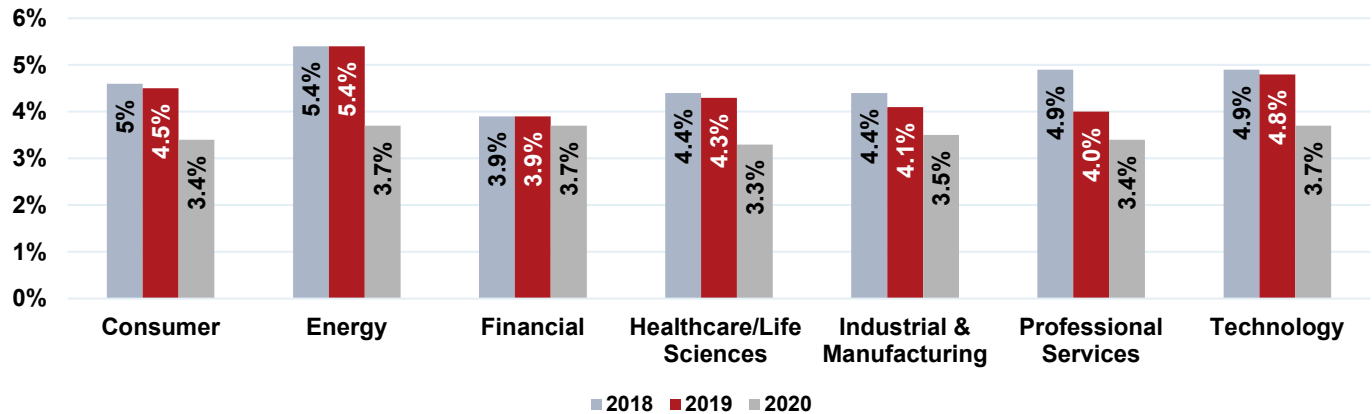


Figure 2.1: Salary Increase by Industry, All Positions, %

## Compensation Relative to Peers by Industry

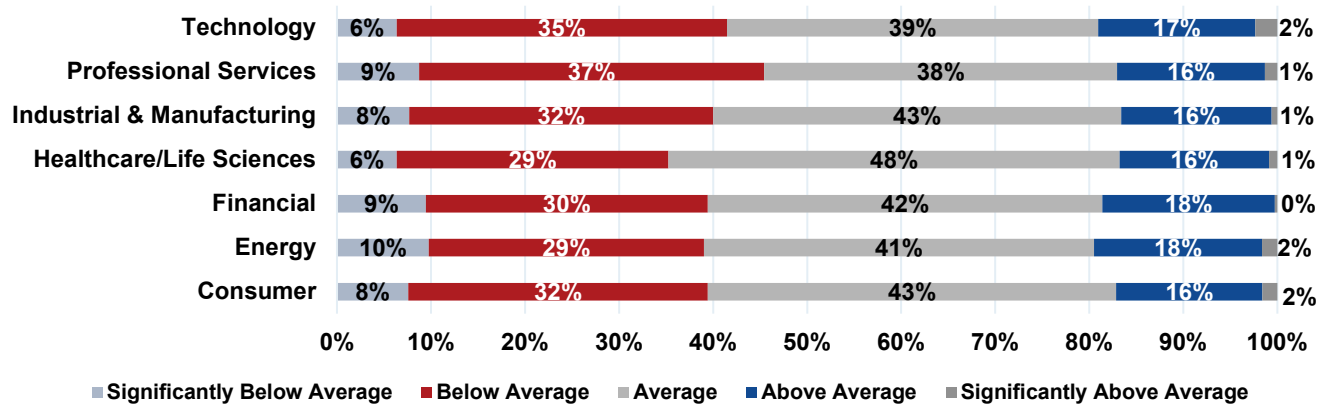


Figure 2.2: Compensation Relative to Peers by Industry, All Positions, %

## Likelihood of Compensation-Motivated Job Search by J.D. Year Range

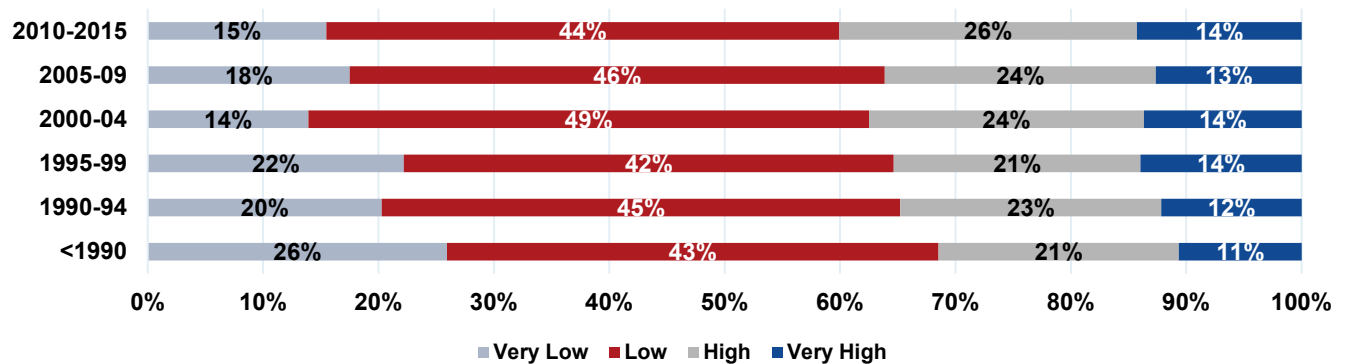


Figure 2.3: Likelihood of Compensation-Motivated Job Search by J.D. Year Range, All Positions, %

## Likelihood of Compensation-Motivated Job Search by Practice Area

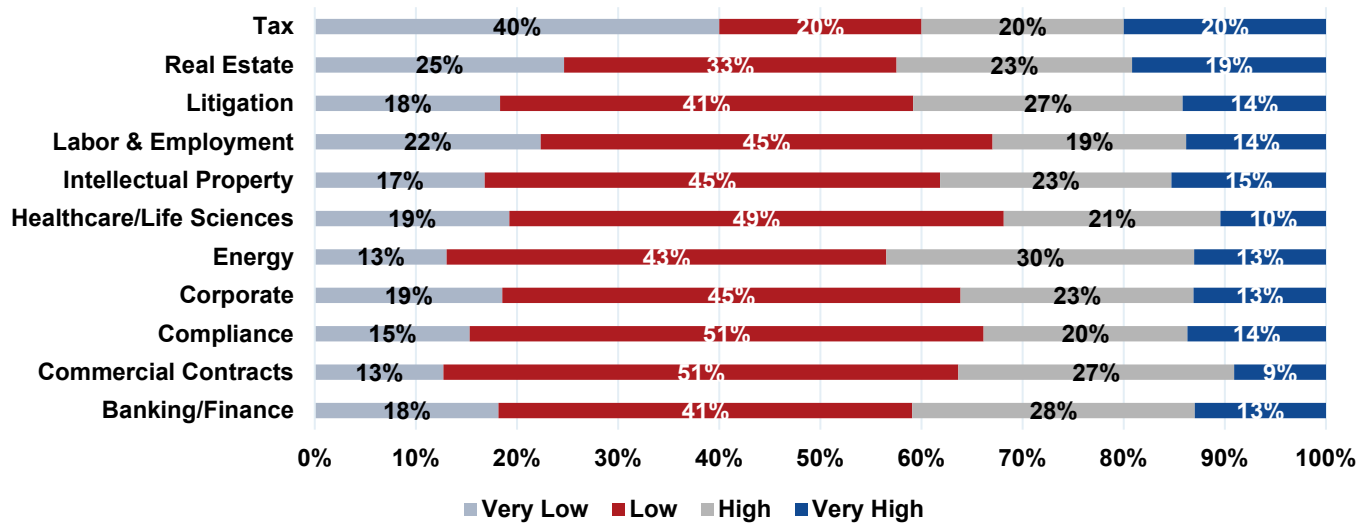


Figure 2.4: Likelihood of Compensation-Motivated Job Search by Practice Area, All Positions, %

## Total Compensation by Organization Location Type, Public

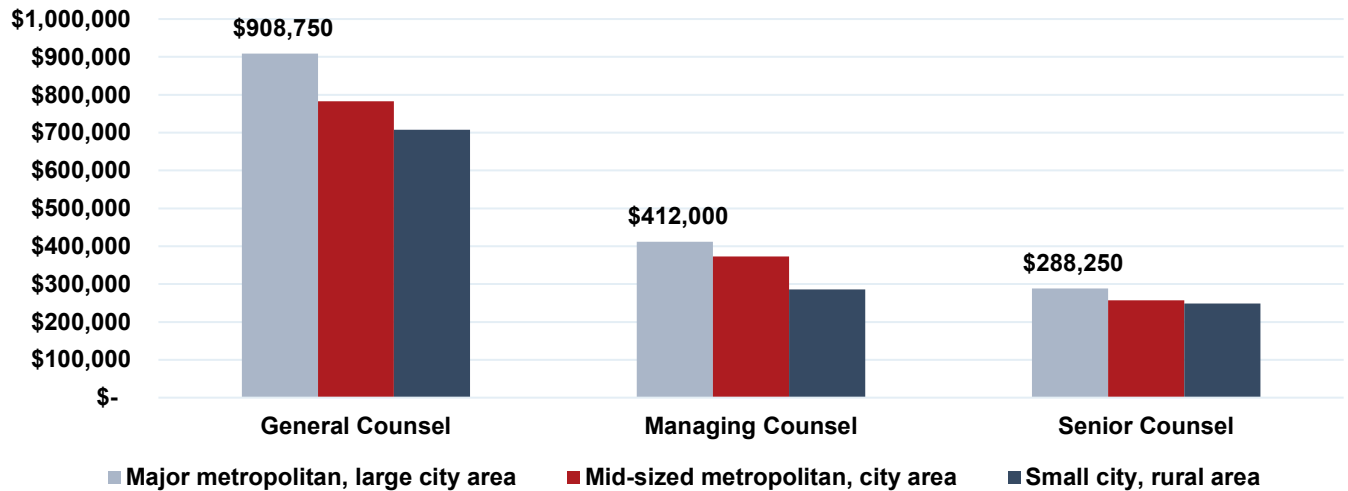


Figure 2.5: Total Compensation by Organization Location Type, Public, All Positions

## Total Compensation by Organization Location Type, Private

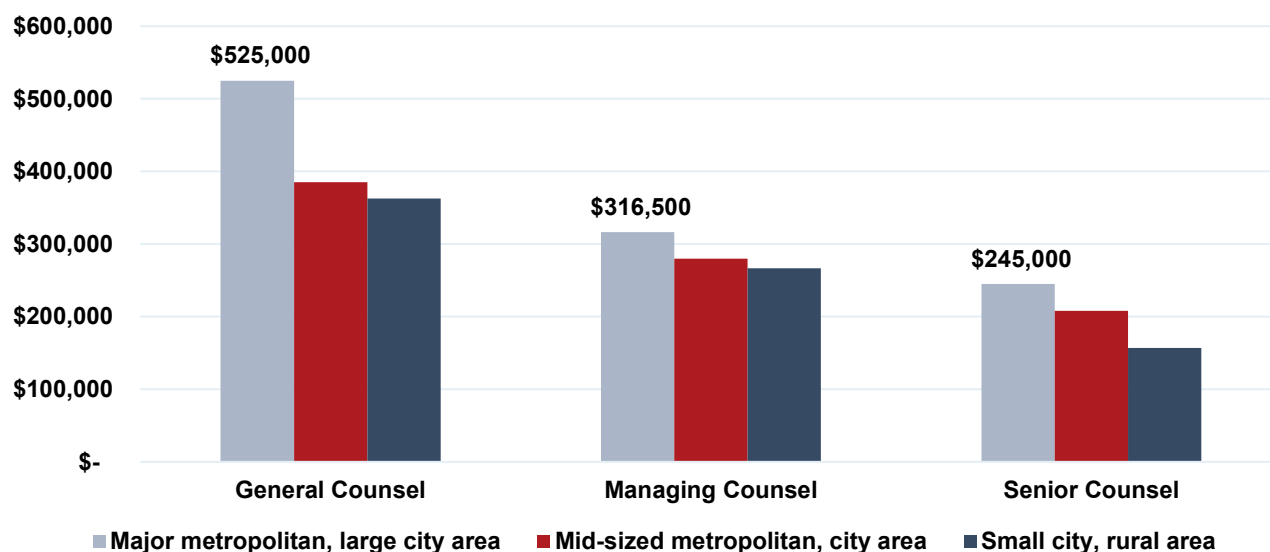


Figure 2.6: Total Compensation by Organization Location Type, Private, All Positions

## Compensation Breakdown by Gender

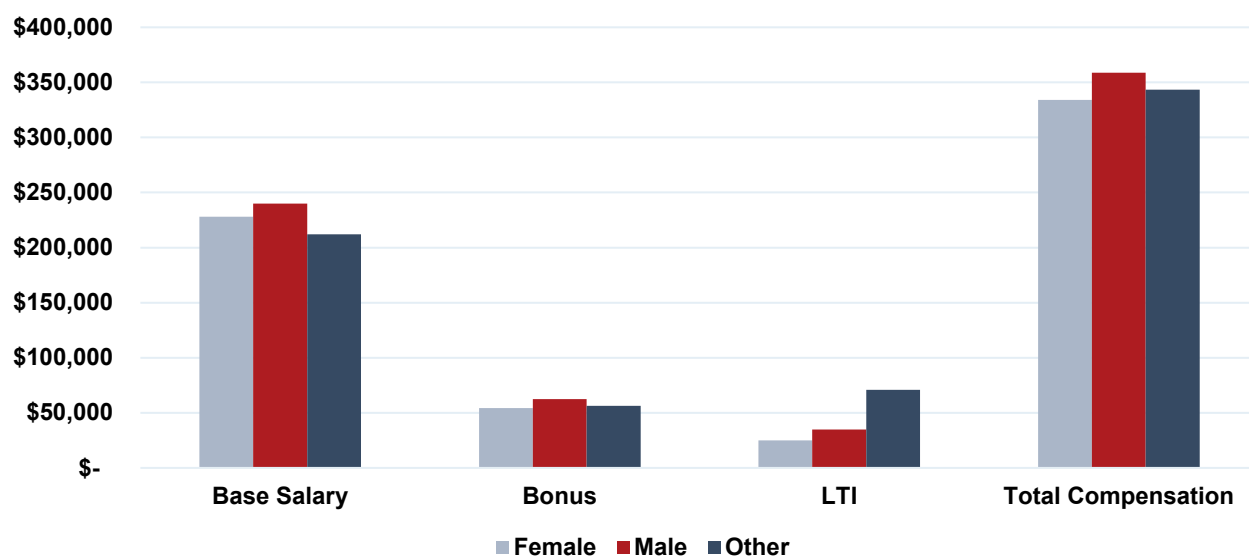


Figure 2.7: Compensation Breakdown by Gender, All Positions

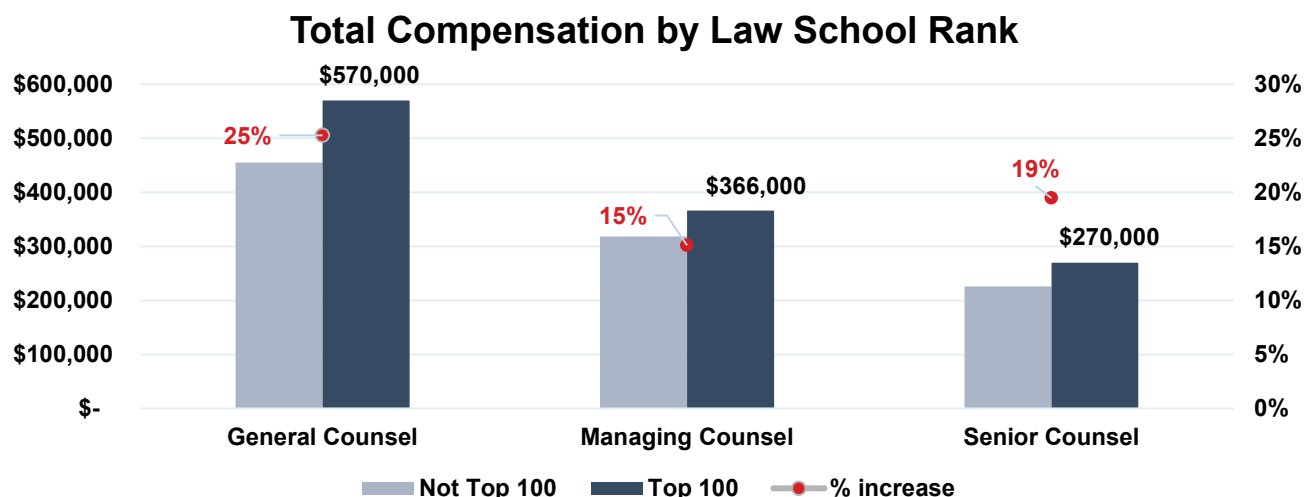


Figure 2.8: Total Compensation by Law School Rank

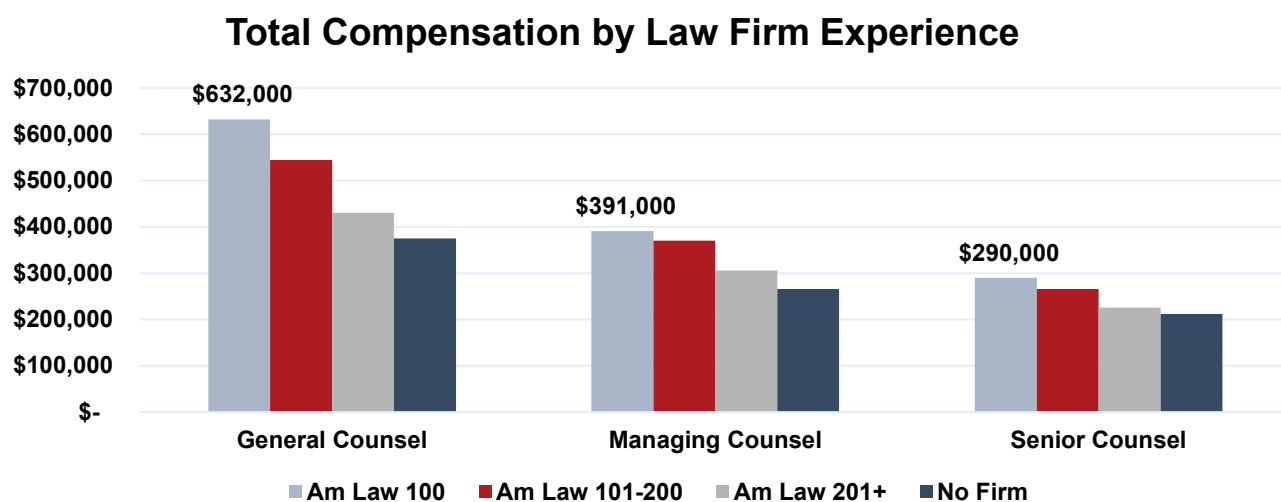


Figure 2.9: Total Compensation by Law Firm Experience

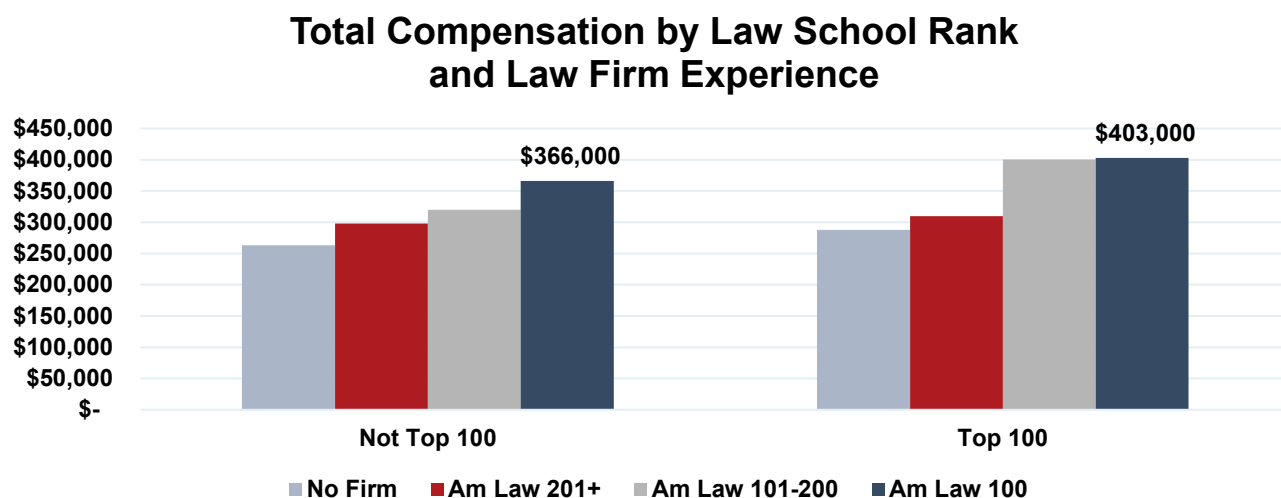


Figure 2.10: Total Compensation by Law School Rank and Law Firm Experience, All Positions



# New Positions

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## Compensation Trends

## Years in Current Position

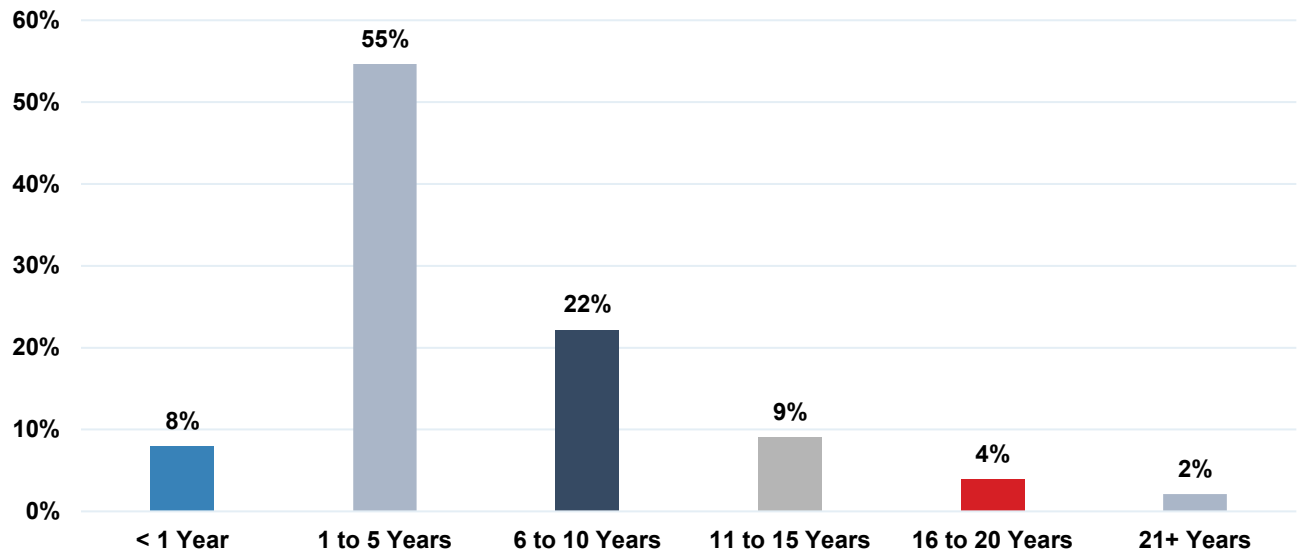


Figure 3.1: Years in Current Position, All Positions, %

## Average Sign-On Bonus w/ Percent of Respondents that Received by Position

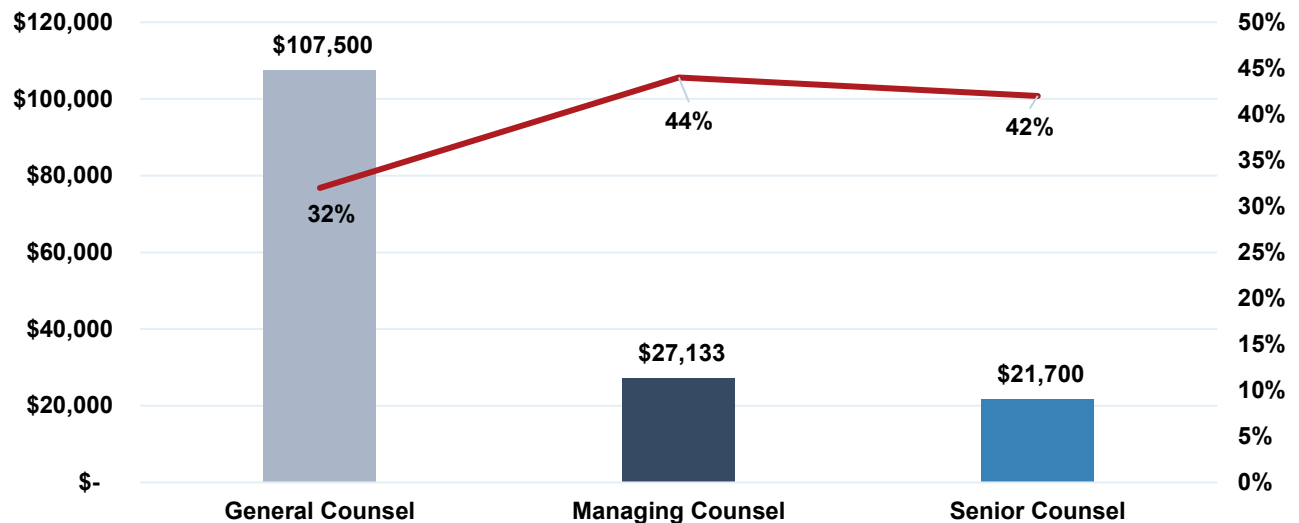


Figure 3.2: Average Sign-On Bonus w/ Percent of Respondents that Received by Position, %



# General Counsel

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## Compensation Trends

## Compensation by Organization Revenue, General Counsel

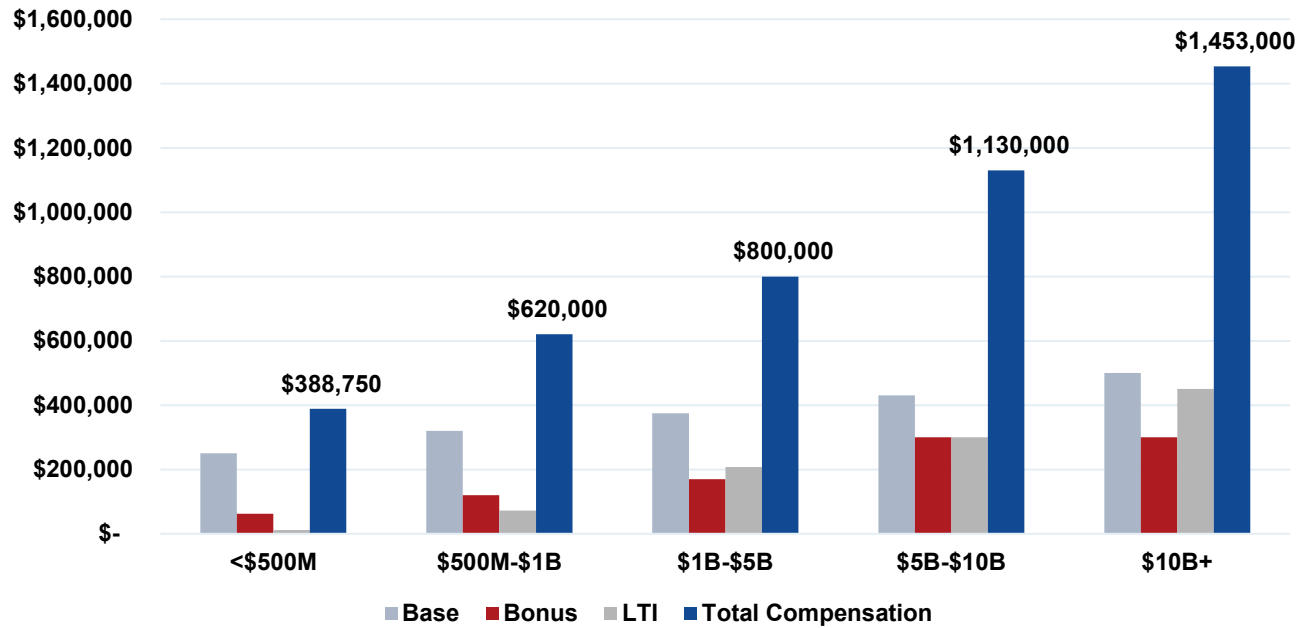


Figure 4.1: Compensation by Organization Revenue, General Counsel

## Total Compensation by Industry, General Counsel

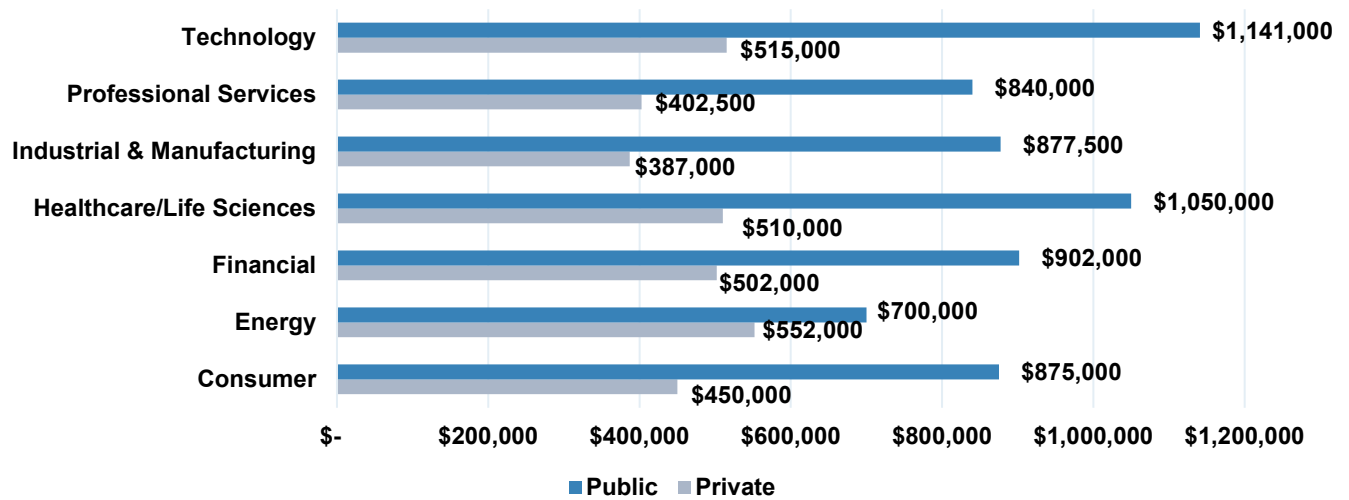


Figure 4.2: Total Compensation by Industry, General Counsel

## Compensation Breakdown by Organization Revenue, Public vs. Private, General Counsel

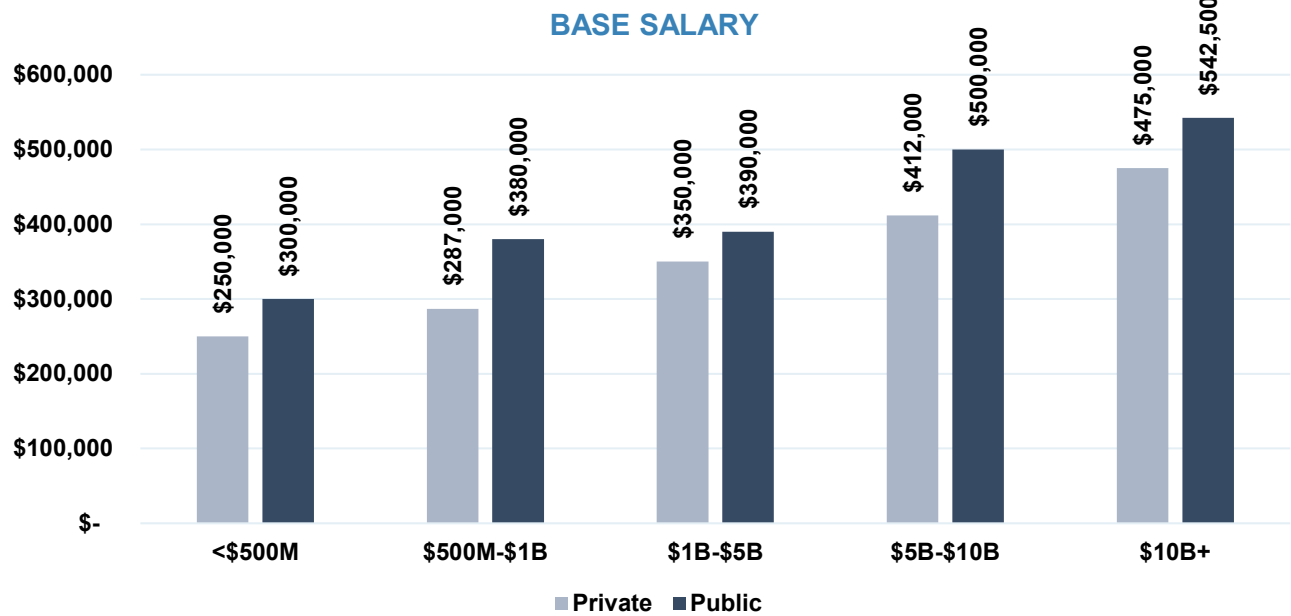


Figure 4.3: Median Base Salary by Organization Revenue, General Counsel

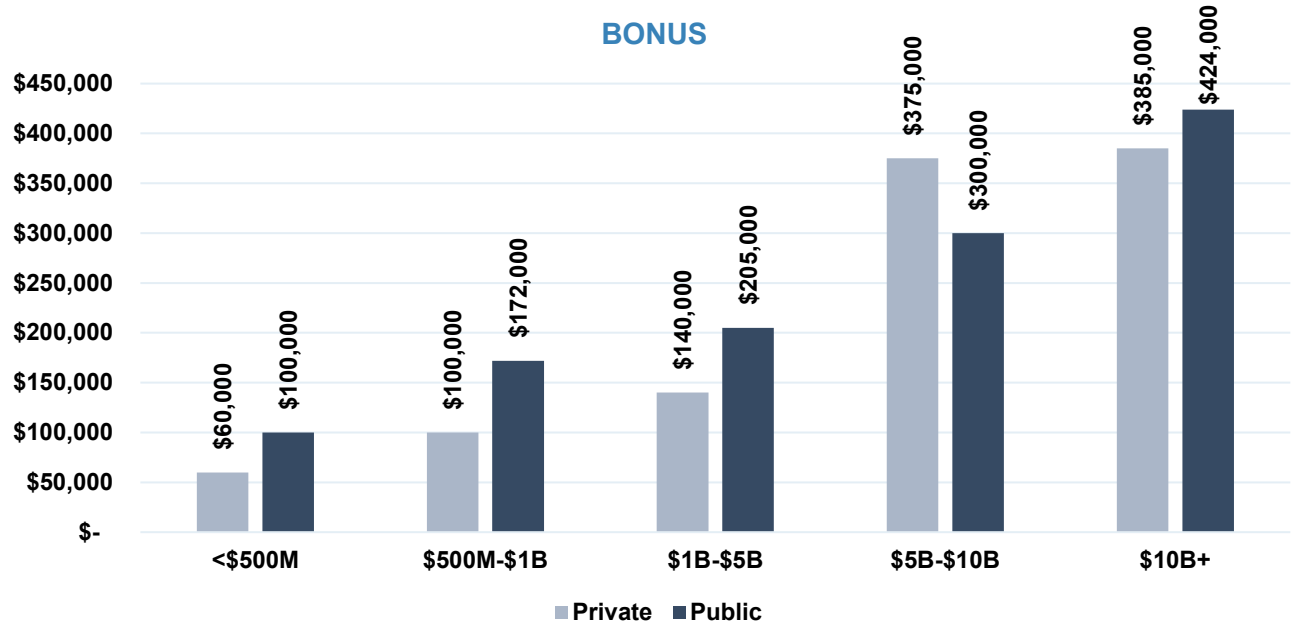


Figure 4.4: Median Bonus by Organization Revenue, General Counsel

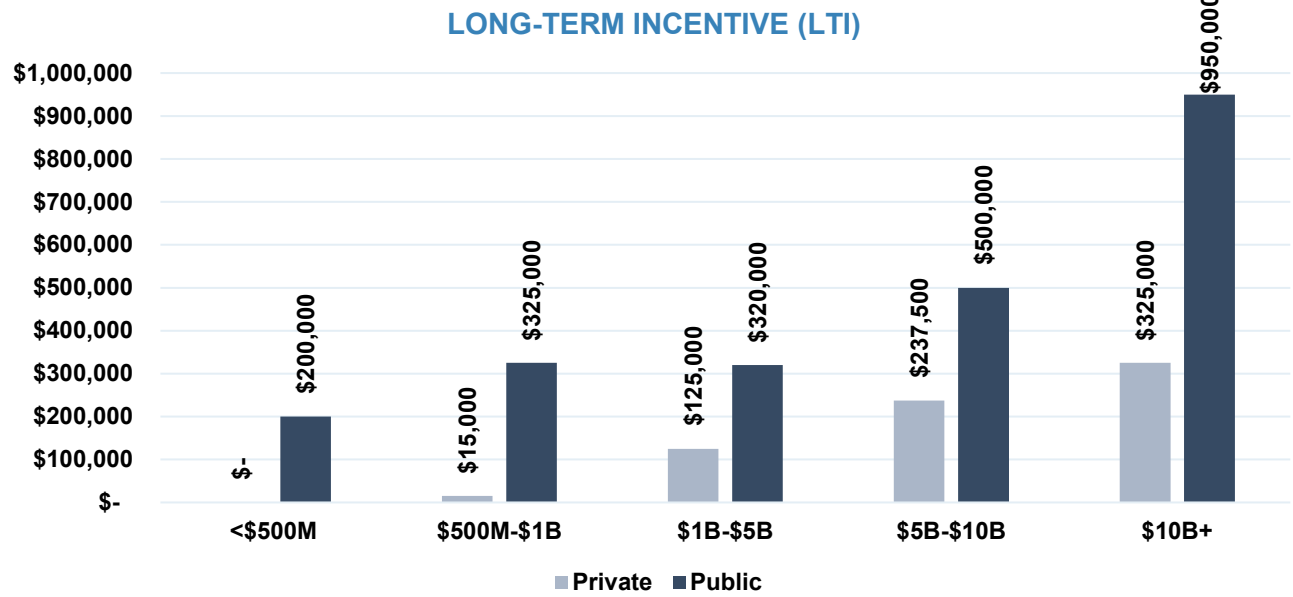


Figure 4.5: Median Long-Term Incentive by Organization Revenue, General Counsel

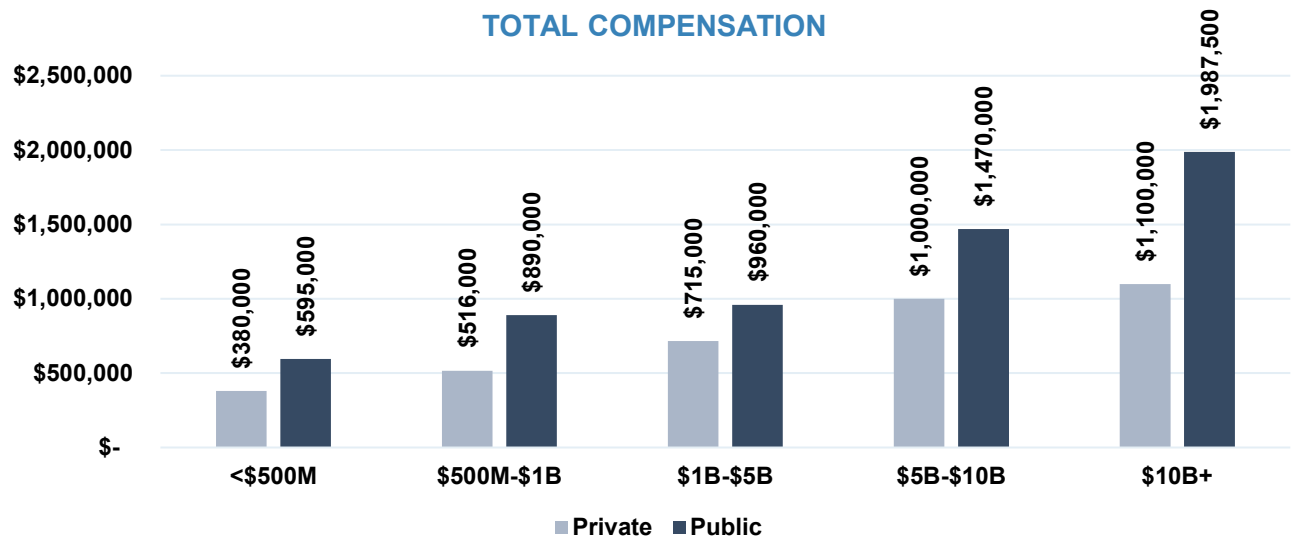


Figure 4.6: Total Compensation by Organization Revenue, General Counsel

## Long-Term Incentive Breakdown, Public Company General Counsel

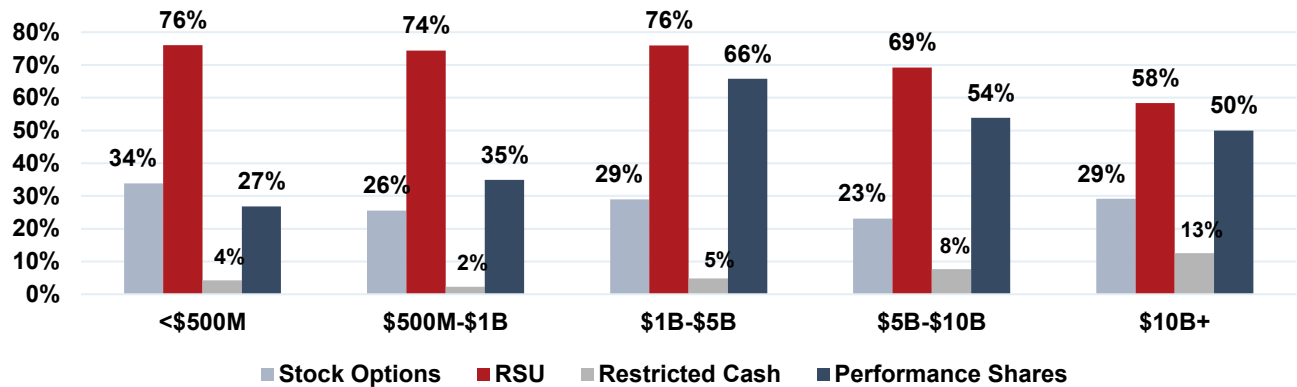


Figure 4.7: Long-Term Incentive Breakdown, Public Company General Counsel, %

## Long-Term Incentive Breakdown, Private Company General Counsel

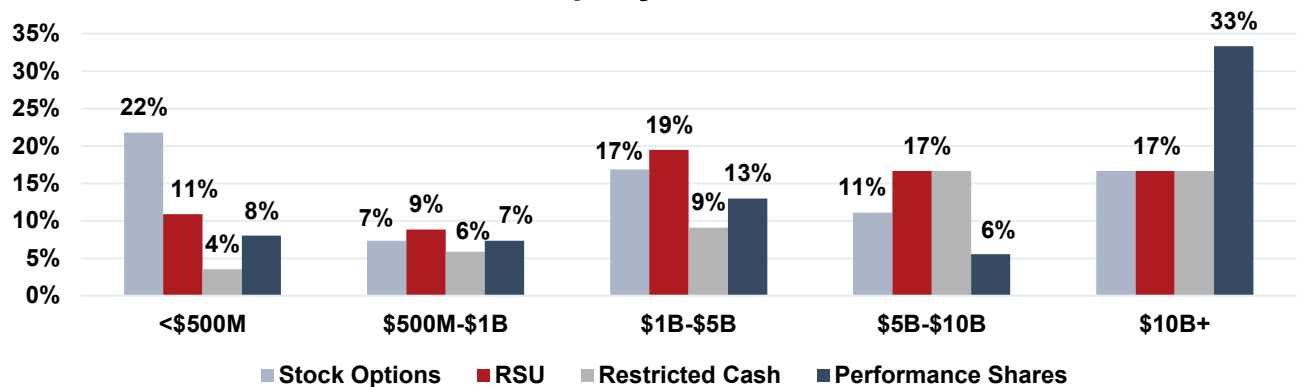


Figure 4.8: Long-Term Incentive Breakdown, Private Company General Counsel, %

## Compensation Breakdown by Gender, General Counsel

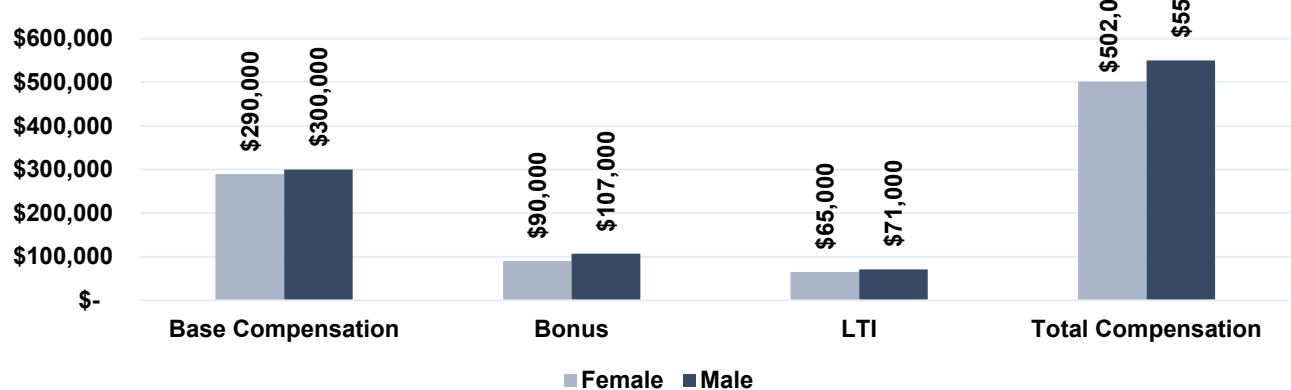


Figure 4.9: Compensation Breakdown by Gender, General Counsel

Note: Female GCs were 12 percentage points more likely to have been in their current role for 5 years or less, as compared to their male GC counterparts, 72% female versus 60% male



# Managing Counsel

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## Compensation Trends

## Compensation by Organization Revenue, Managing Counsel

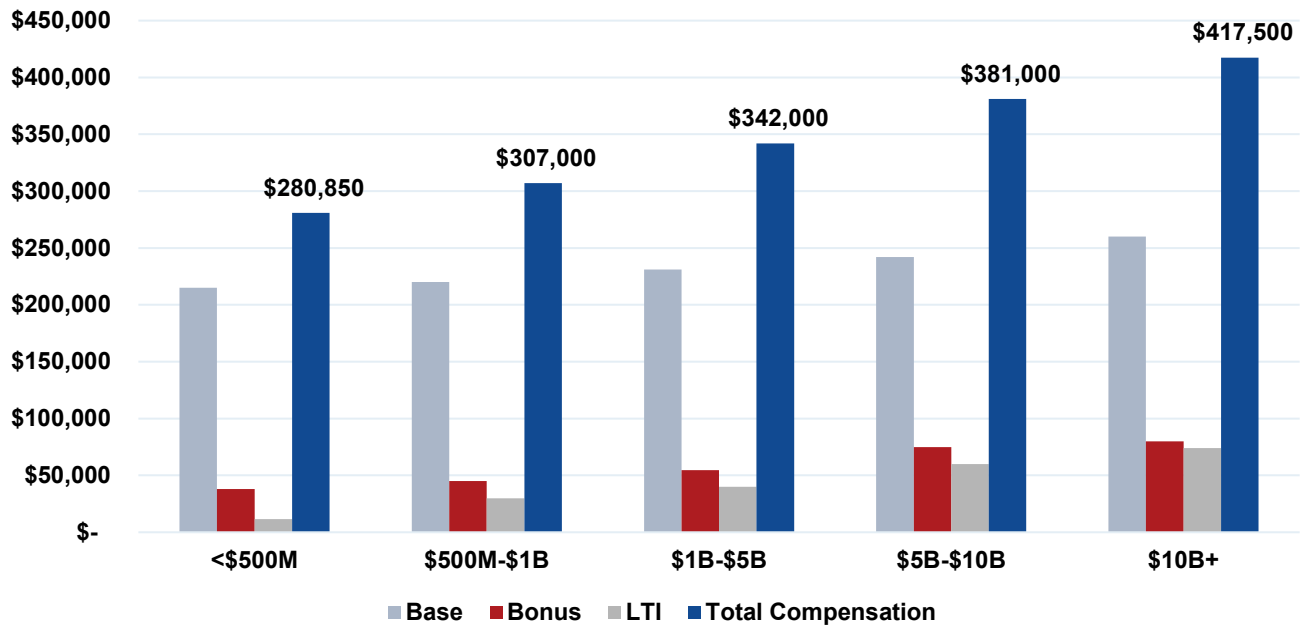


Figure 5.1: Compensation by Organization Revenue, Managing Counsel

## Total Compensation by Industry, Managing Counsel

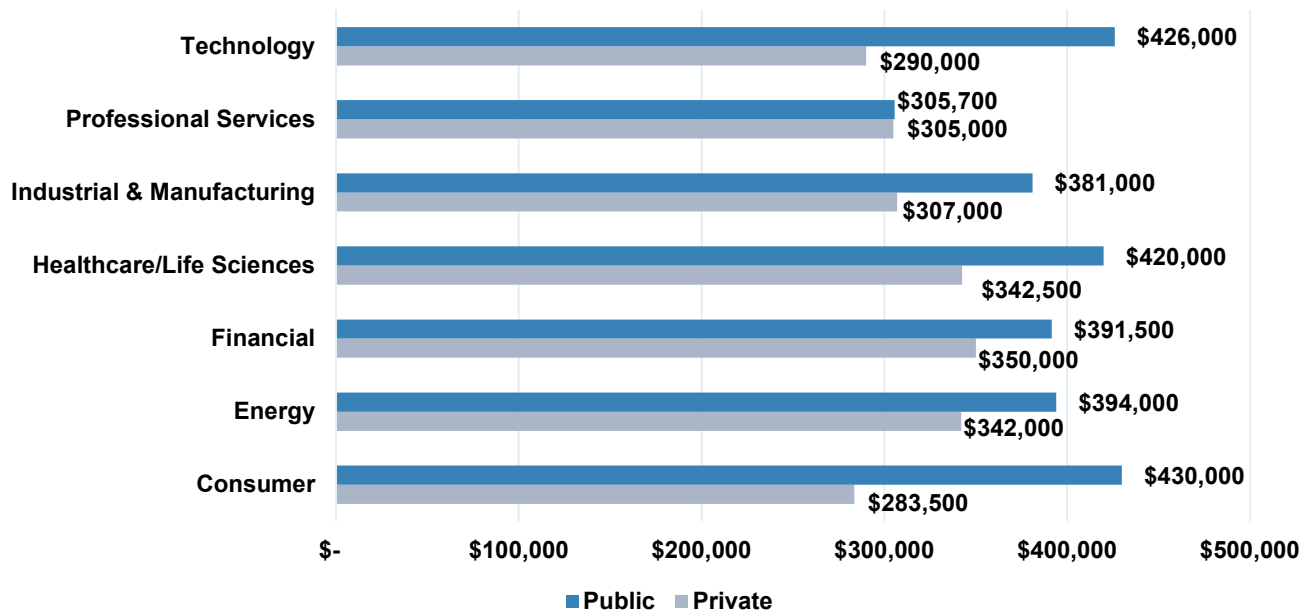


Figure 5.2: Total Compensation by Industry, Managing Counsel

## Compensation Breakdown by Organization Revenue, Public vs. Private, Managing Counsel

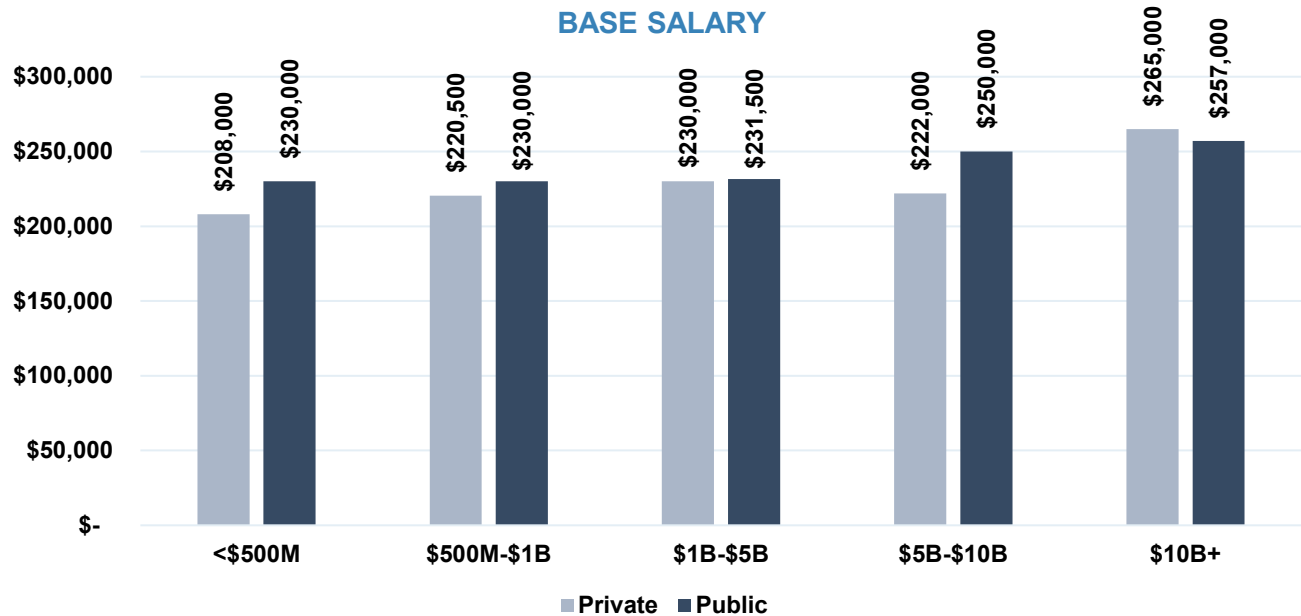


Figure 5.3: Median Base Salary by Organization Revenue, Managing Counsel

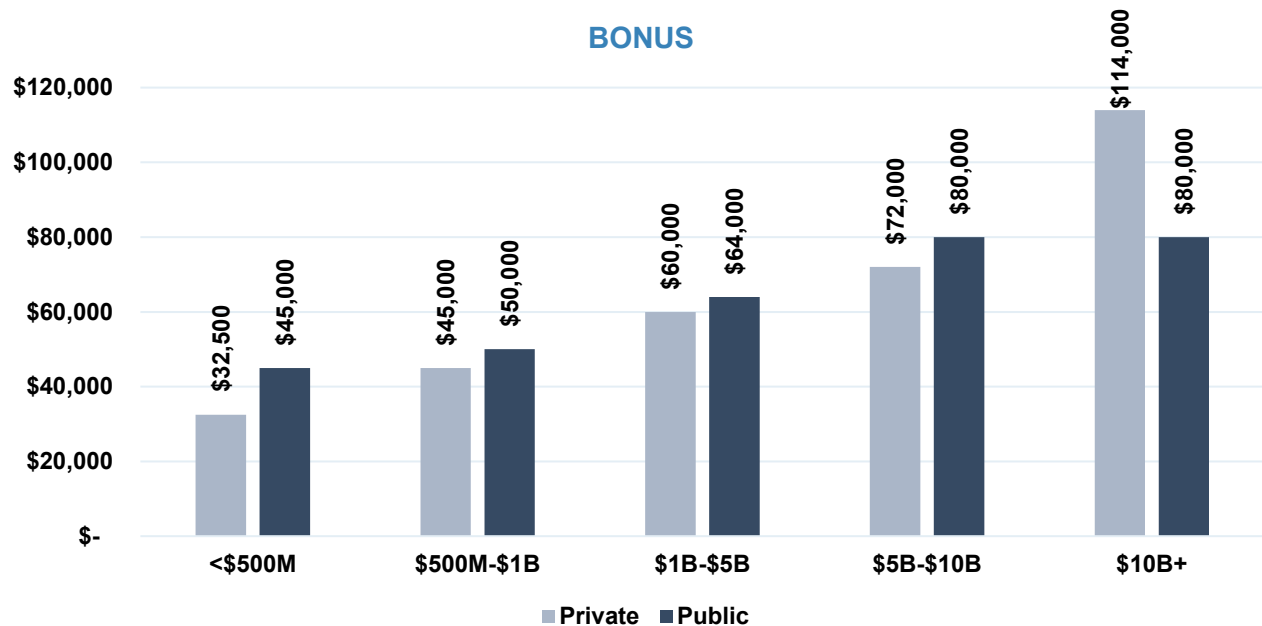


Figure 5.4: Median Bonus by Organization Revenue, Managing Counsel

Note: 72% of public company Managing Counsel went to Top 100 law schools compared to 90% of private company Managing Counsel respondents. This was the only variable correlated with the sharp increase in private company Managing Counsel compensation.

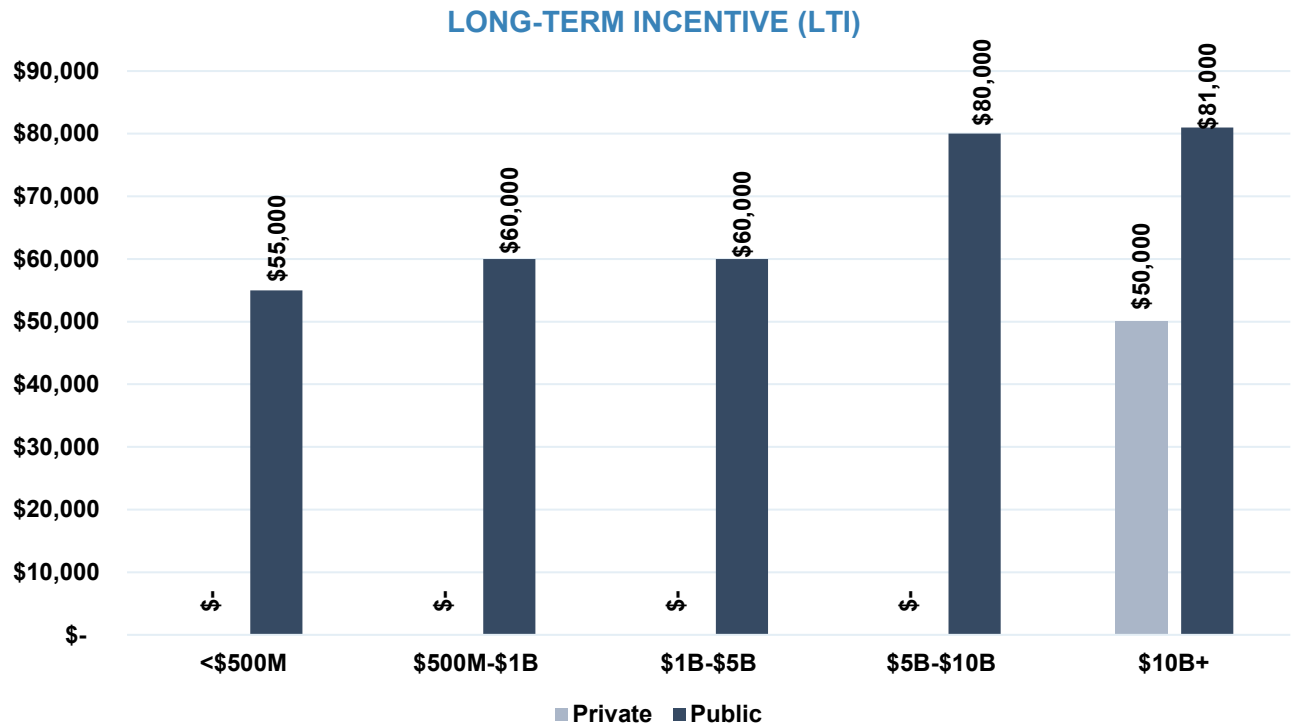


Figure 5.5: Median Long-Term Incentive by Organization Revenue, Managing Counsel

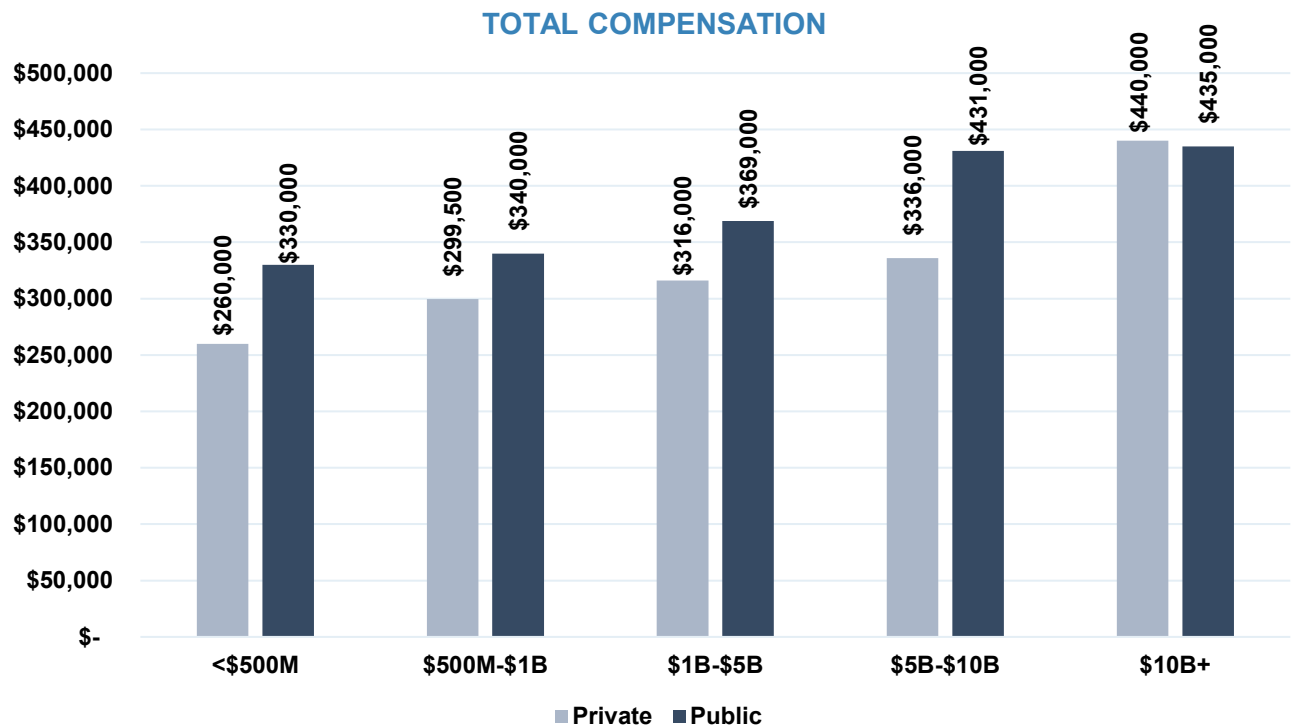


Figure 5.6: Total Compensation by Organization Revenue, Managing Counsel

Note: 72% of public company Managing Counsel went to Top 100 law schools compared to 90% of private company Managing Counsel respondents. This was the only variable correlated with the sharp increase in private company Managing Counsel compensation.

## Long-Term Incentive Breakdown, Public Company Managing Counsel

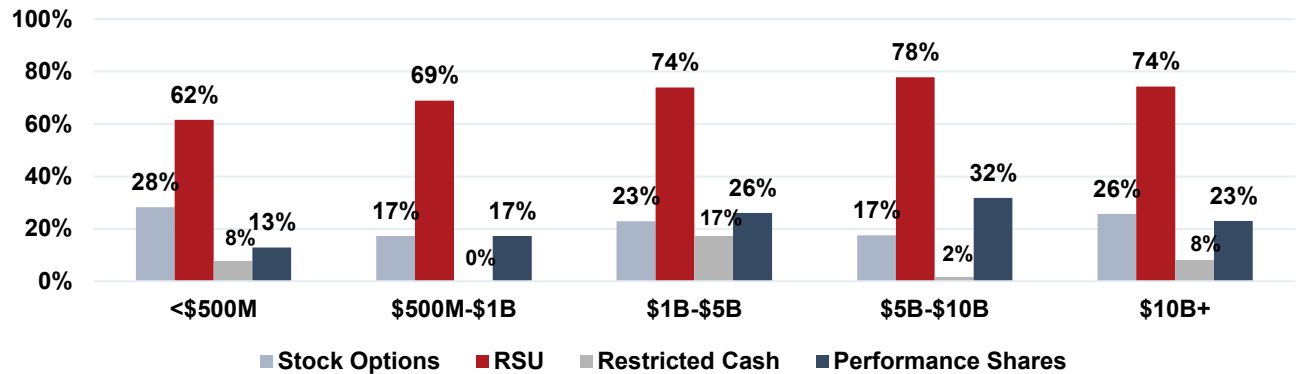


Figure 5.7: Long-Term Incentive Breakdown, Public Company Managing Counsel, %

## Long-Term Incentive Breakdown, Private Company Managing Counsel

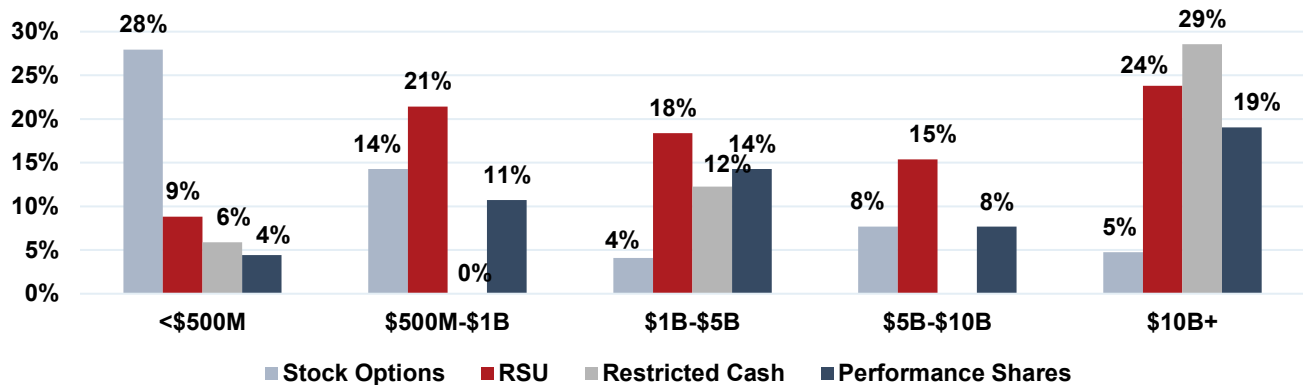


Figure 5.8: Long-Term Incentive Breakdown, Private Company Managing Counsel, %

## Compensation Breakdown by Gender, Managing Counsel

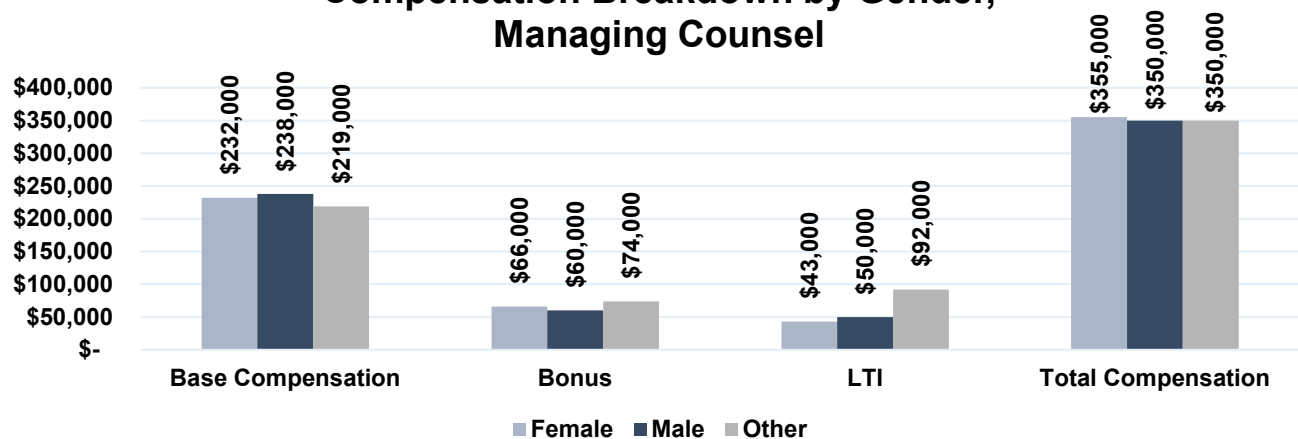


Figure 5.9: Compensation Breakdown by Gender, Managing Counsel



# Senior Counsel

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## Compensation Trends

## Compensation by Organization Revenue, Senior Counsel

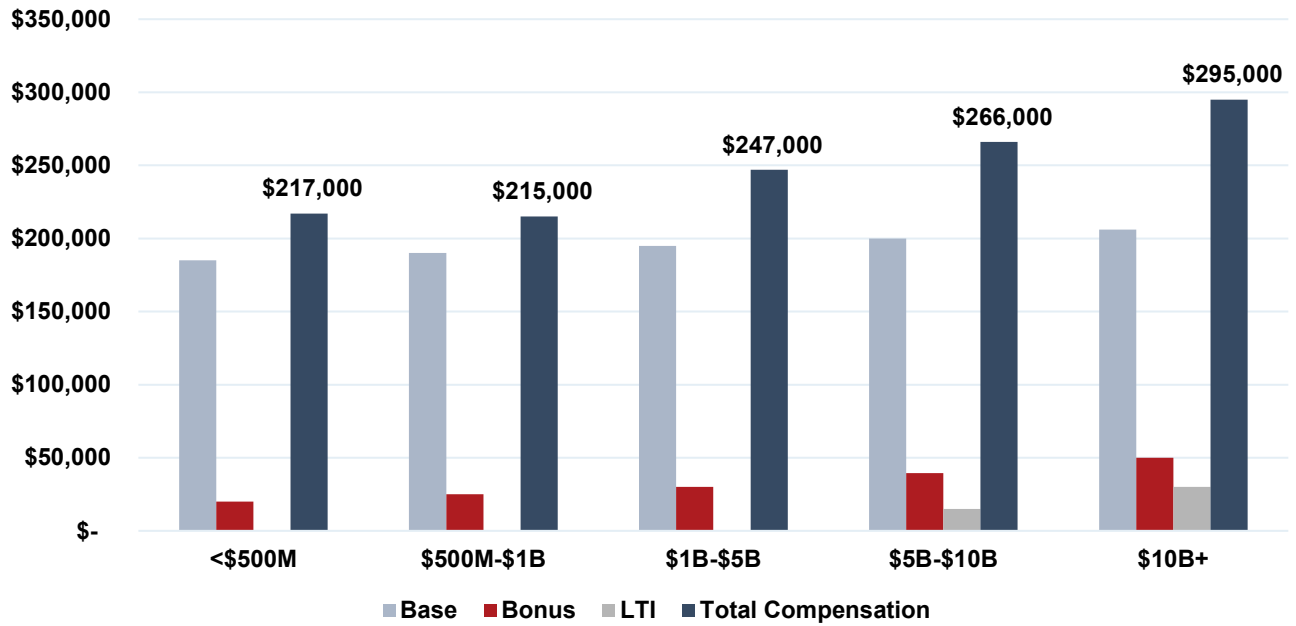


Figure 6.1: Compensation by Organization Revenue, Senior Counsel

## Total Compensation by Industry, Senior Counsel

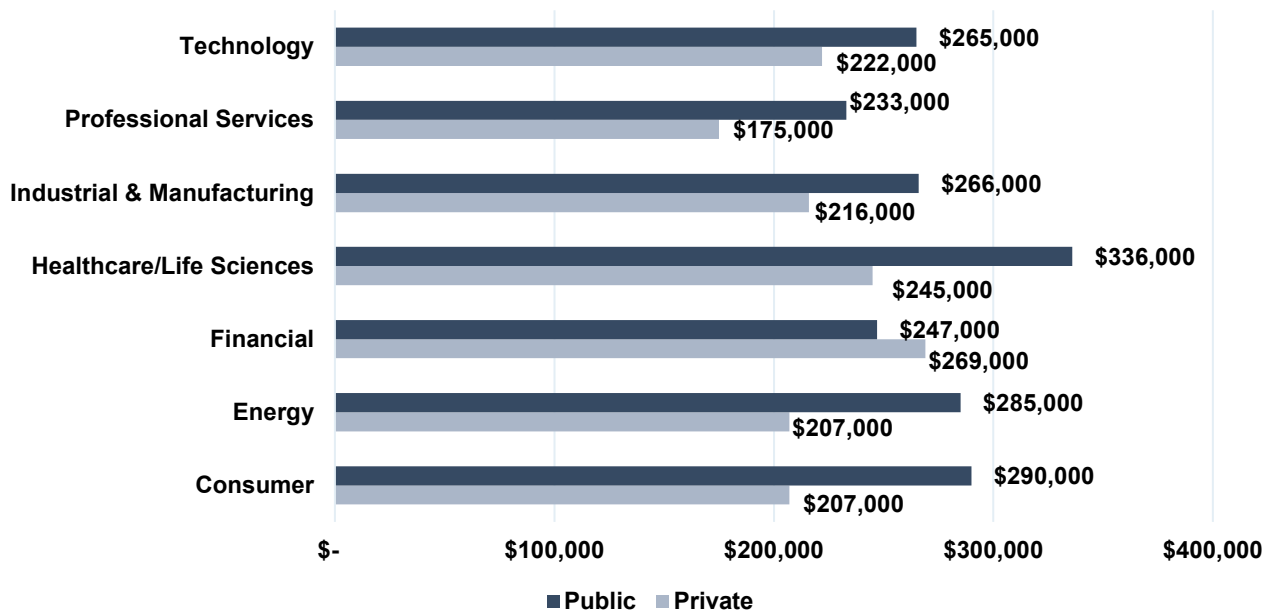


Figure 6.2: Total Compensation by Industry, Senior Counsel

## Compensation Breakdown by Organization Revenue, Public vs. Private, Senior Counsel

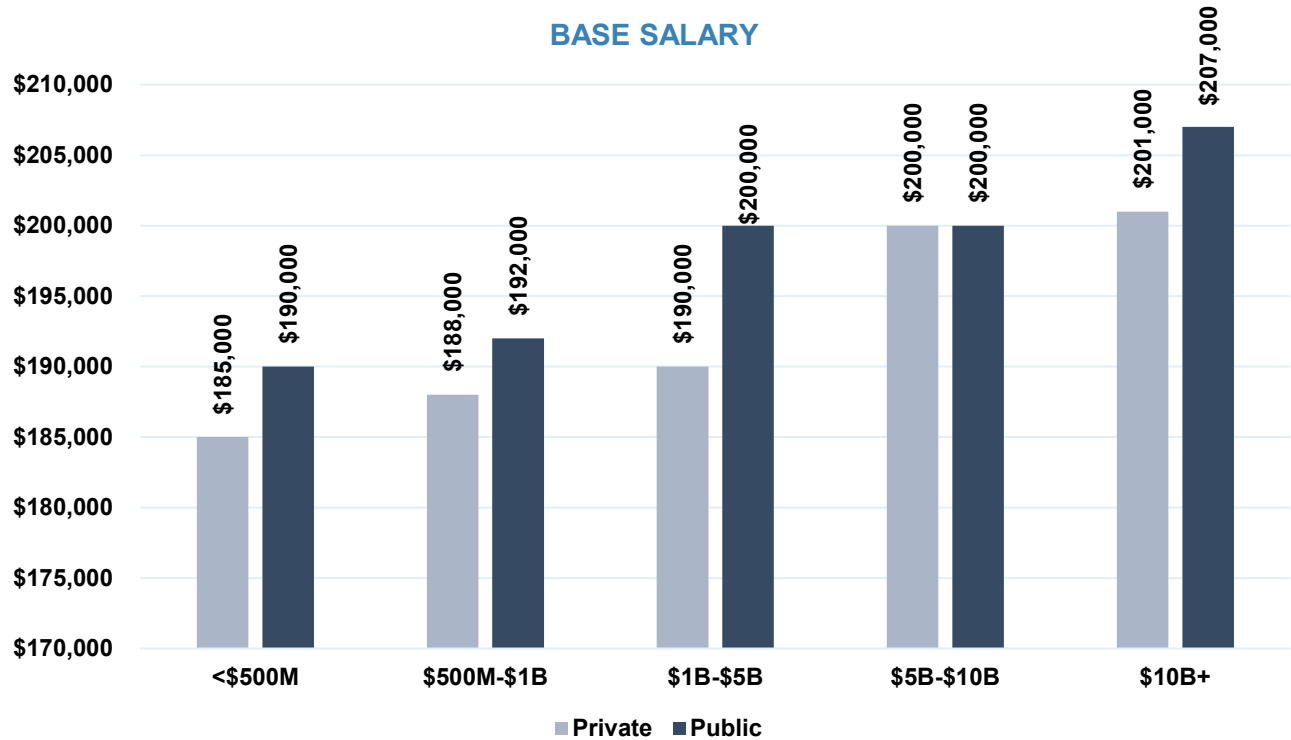


Figure 6.3: Median Base Salary by Organization Revenue, Senior Counsel

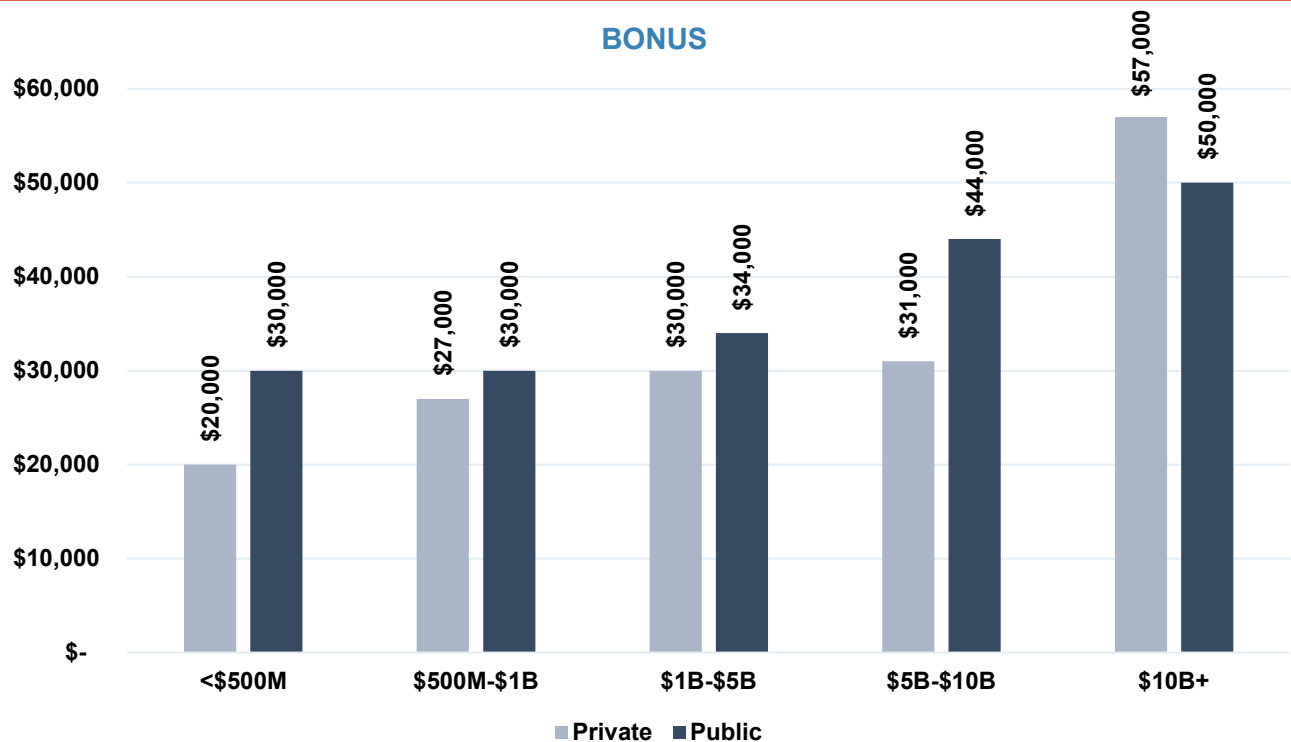


Figure 6.4: Median Bonus by Organization Revenue, Senior Counsel

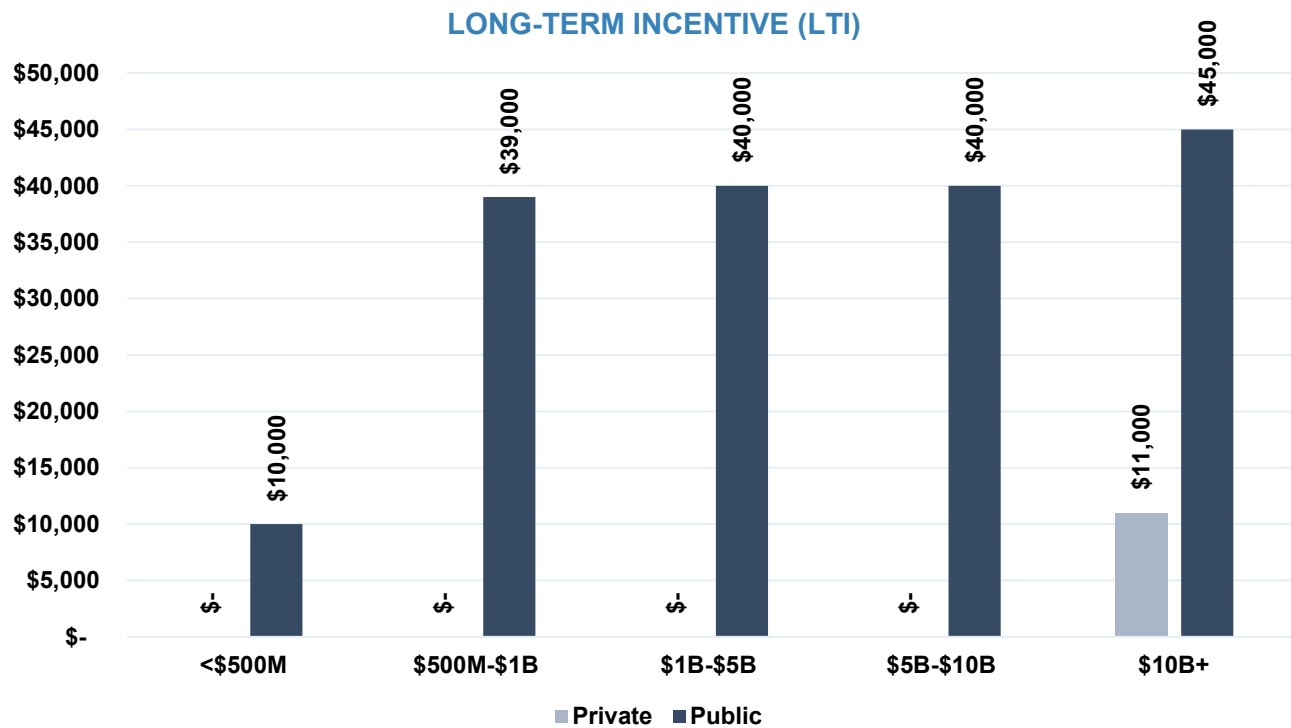


Figure 6.5: Median Long-Term Incentive by Organization Revenue, Senior Counsel

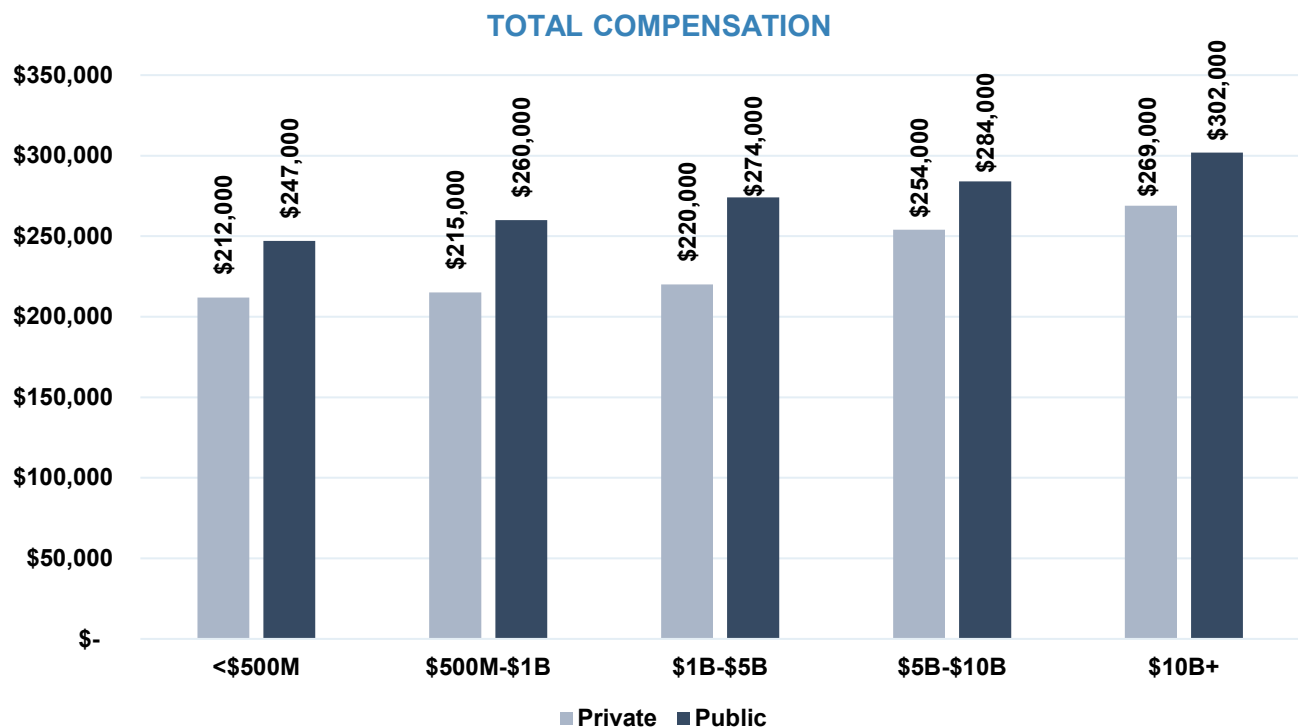


Figure 6.6: Total Compensation by Organization Revenue, Senior Counsel

## Long-Term Incentive Breakdown, Public Company Senior Counsel

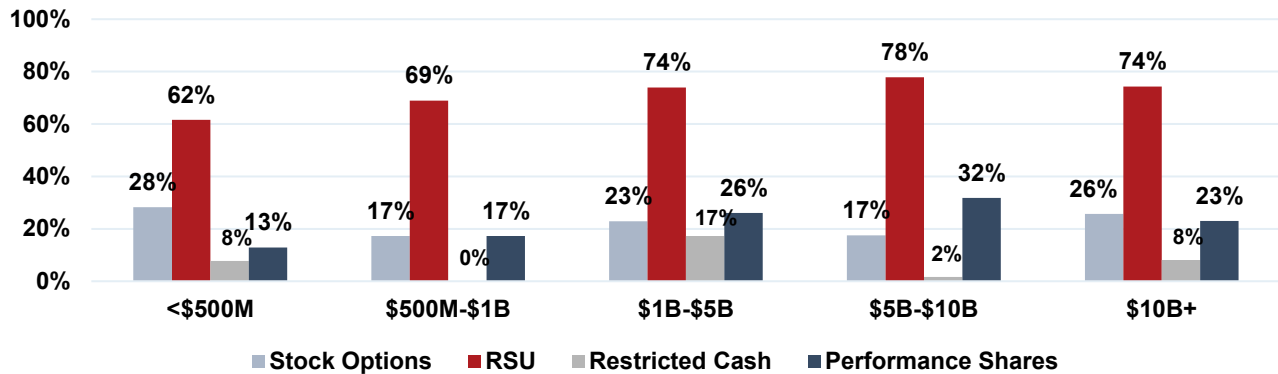


Figure 6.7: Long-Term Incentive Breakdown, Public Company Senior Counsel, %

## Long-Term Incentive Breakdown, Private Company Senior Counsel

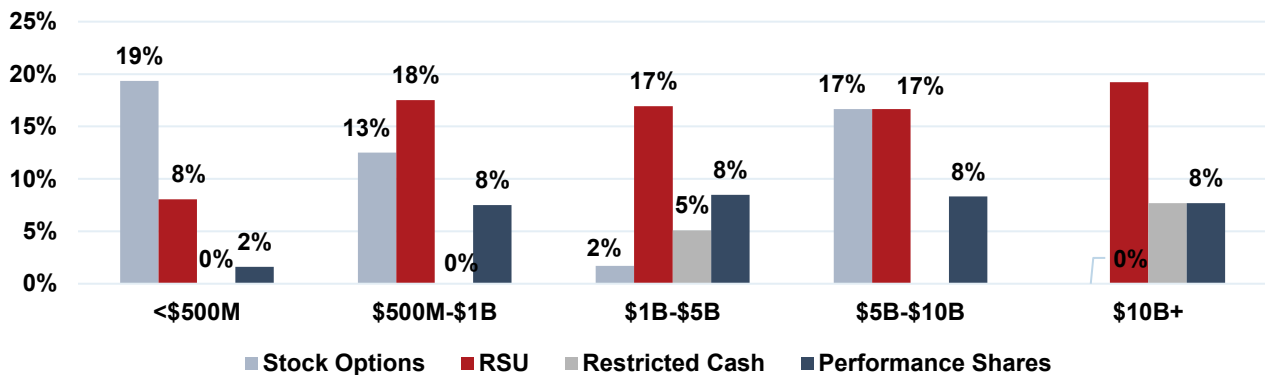


Figure 6.8: Long-Term Incentive Breakdown, Private Company Senior Counsel, %

## Compensation Breakdown by Gender, Senior Counsel

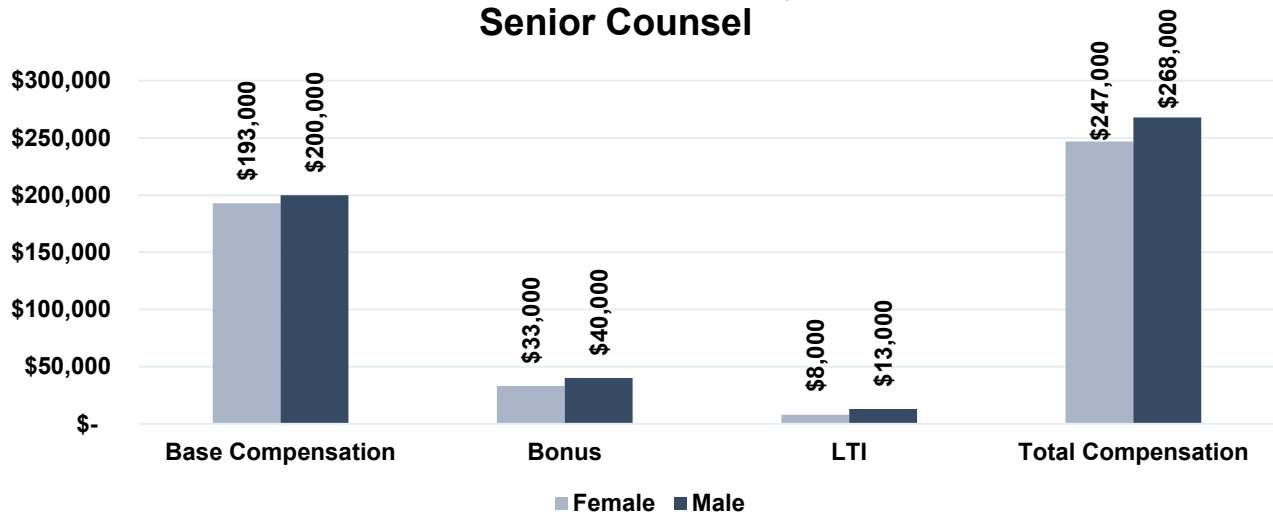


Figure 6.9: Compensation Breakdown by Gender, Senior Counsel



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