Featured White Paper

2023 Solo & Small Firms Compensation Survey Report

by

Above the Law and iManage

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2023 Solo & Small Firm Compensation Survey Report

iManage

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Welcome to the 2023 edition of Above the Law's Solo & Small Firm Compensation Report.

Most of the nation's 1.3 million attorneys work in private practice, and most of those attorneys practice in small law firms. And yet it is surprisingly difficult to find detailed information about compensation in the world of small law.

To help fill that gap, several years ago Above the Law began surveying solo practitioners and small firm lawyers about their pay. We are now pleased to release the results of our fifth Solo & Small Firm Compensation Survey.

We surveyed more than 1,000 attorneys at firms with 50 or fewer lawyers over the summer and fall of 2023, asking them to provide the following information:

- Total annual compensation
- Target bonus (as a percentage of base pay)
- Average raise
- Percentage of total compensation based on collections
- Percentage of total compensation based on origination fees
- Percentage of firm revenue derived from their book of business

Their responses have been aggregated and segmented by demographic, including position, firm size, practice area, geographic region, year of law school graduation, and gender.

Whether you are looking to benchmark your current pay, considering joining a small firm, or launching your own practice, we hope this report serves as a useful resource.

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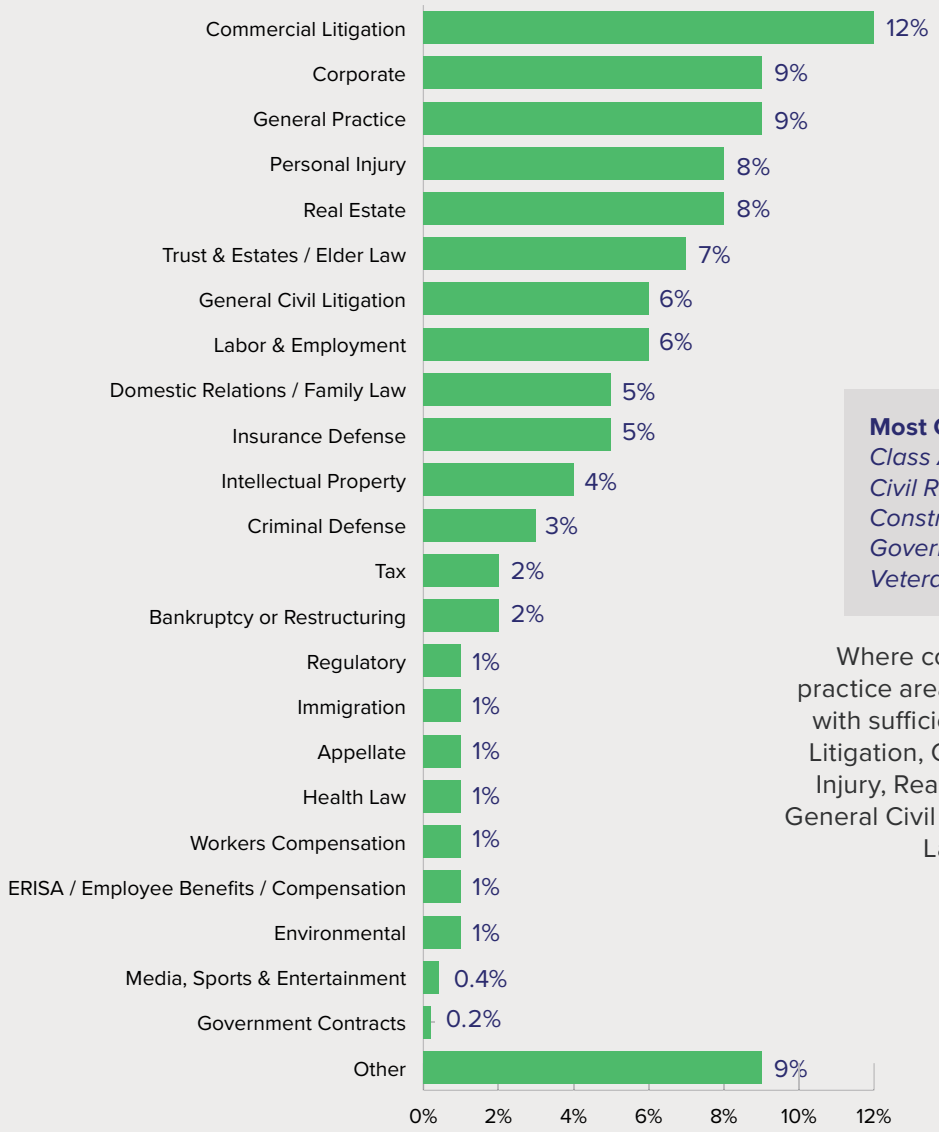
RESPONDENT DEMOGRAPHICS

1,054
respondents

72%
work in a city or metro area with a population of
one million+

37% partners
31% associates
5% counsel
27% sole proprietors

PRACTICE AREA

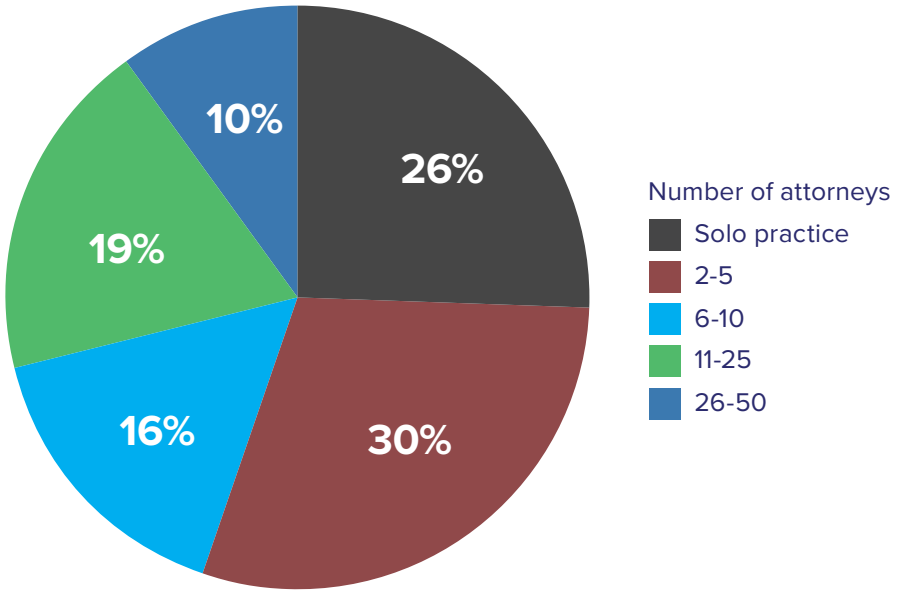


Most Common "Other" write-ins:
Class Actions, Consumer Protection, Civil Rights, General Business Practice, Construction, Education, Local Government, Maritime, Mass Torts, and Veterans Law.

Where compensation data is segmented by practice area, details are provided for the 10 areas with sufficient responses, including Commercial Litigation, Corporate, General Practice, Personal Injury, Real Estate, Trusts & Estates / Elder Law, General Civil Litigation, Labor & Employment, Family Law, and Insurance Defense.

RESPONDENT DEMOGRAPHICS

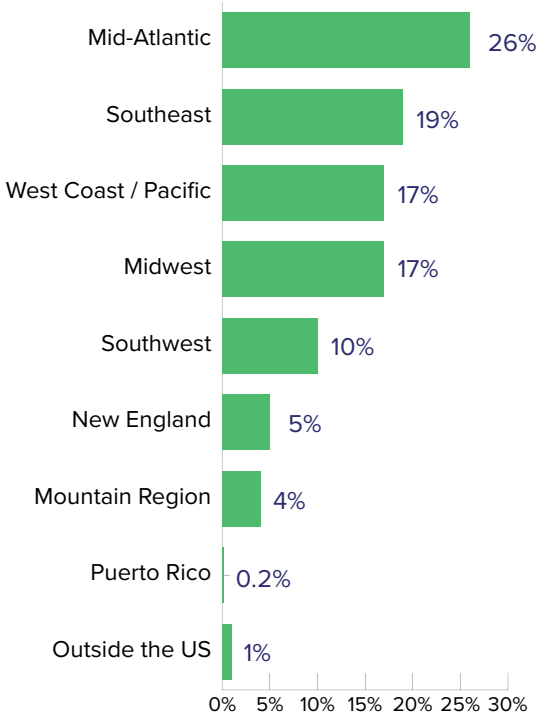
FIRM SIZE



GEOGRAPHIC REGION

Respondents are located throughout the United States. For the purposes of this report, data will be segmented for the following US regions:

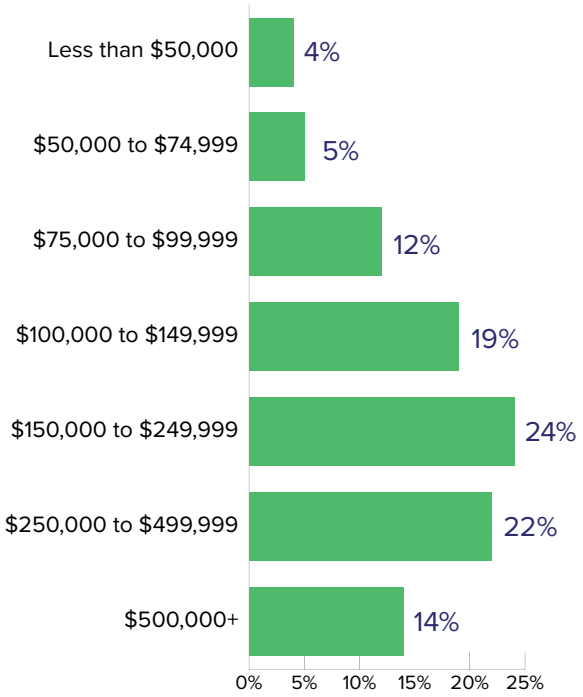
- **Mid-Atlantic:** Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania
- **Southeast:** Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia
- **West Coast / Pacific:** Alaska, California, Hawaii, Oregon, Washington
- **Midwest:** Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin
- **Southwest:** Arizona, New Mexico, Oklahoma, Texas
- **New England:** Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
- **Mountain Region:** Colorado, Idaho, Montana, Nevada, Utah, Wyoming



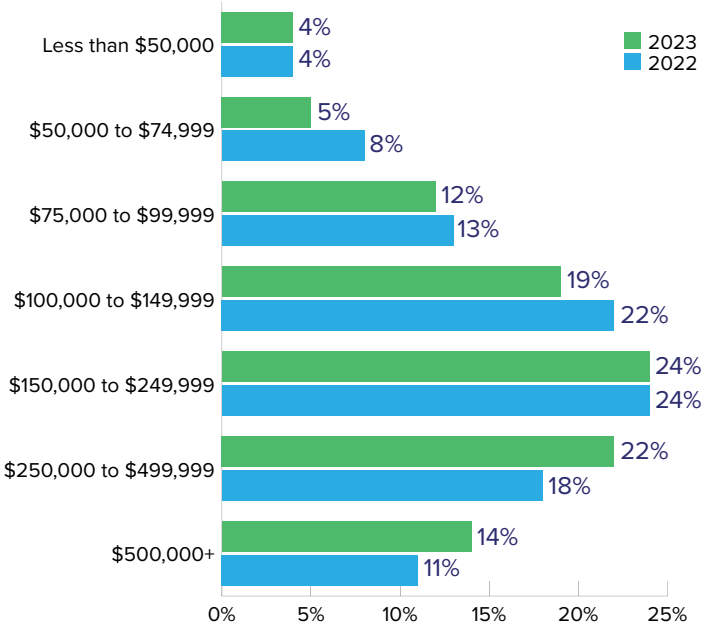
ANNUAL COMPENSATION

The results of this year's survey show that attorneys are, on the whole, earning more than they were last year. The largest group of respondents (24%) reported annual compensation of $150,000 to $249,999. While this figure is the same as the results of our 2021-22 survey, the proportion of attorneys earning $250,000 or more has increased. In 2022, 29% of respondents reported annual compensation of $250,000 or more; this year, 36% of attorneys fall into that category.

What is your approximate total annual compensation?

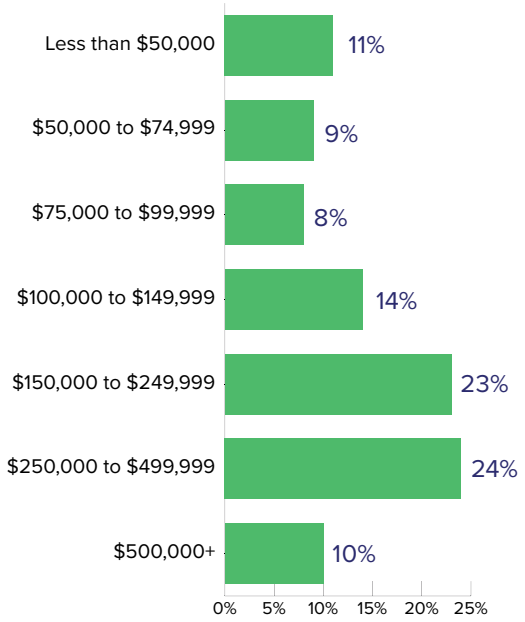


Annual compensation, 2023 vs 2022



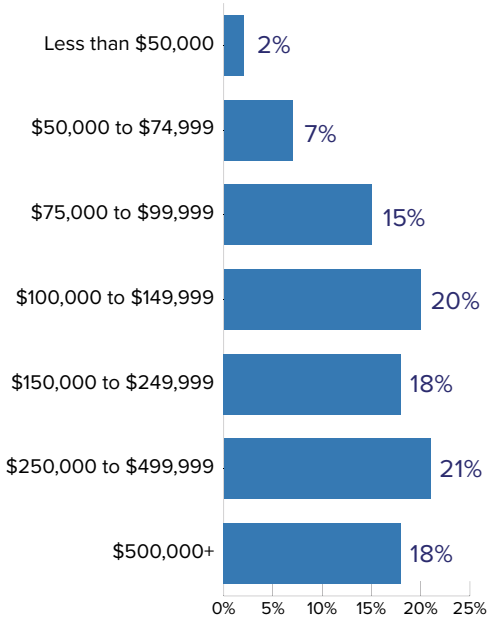
COMPENSATION BY FIRM SIZE

Solo Practice



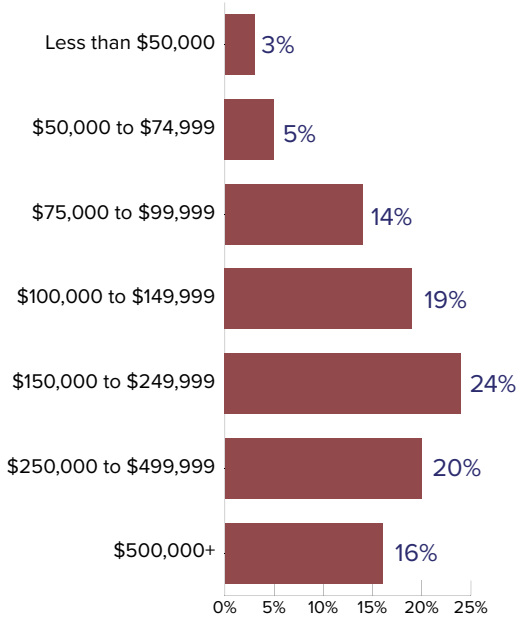
Among solo practitioners, the most common compensation ranges are $150,000 to $249,999 and $250,000 to $499,999. Eleven percent earn less than $50,000, and 10% earn more than $500,000. More than one-third of solo attorneys (34%) reported earning at least $250,000; this figure is substantially higher than the 22% who reported the same in 2022.

Firms with 2-5 attorneys



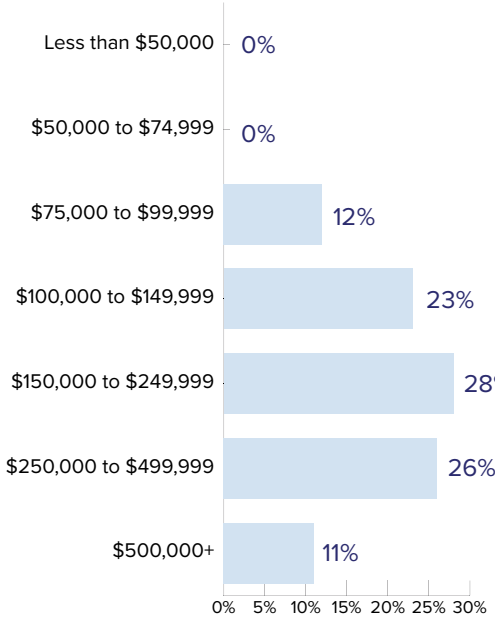
Nearly all respondents at firms with 2 to 5 attorneys earn at least $75,000, and 39% earn $250,000 or more. These figures are notably higher than those reported in 2022.

Firms with 6-10 attorneys



Among firms with 6-10 attorneys, the most common pay range is $150,000 to $249,999 (24%). Less than 10% of respondents reported earning less than $75,000, and 16% earn $500,000 or more.

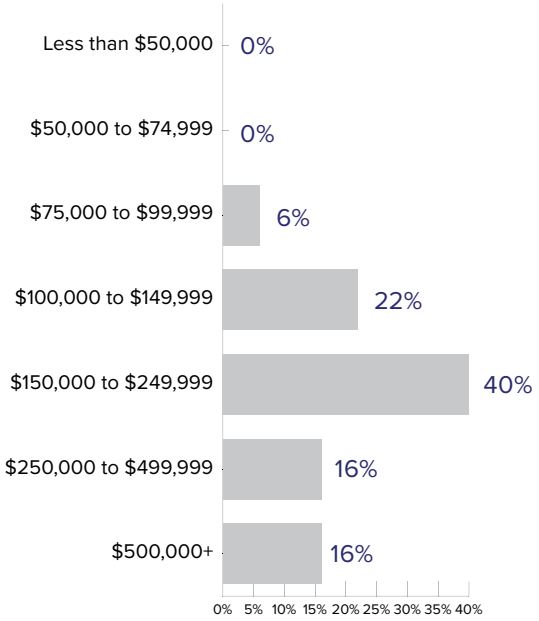
Firms with 11-25 attorneys



All respondents at firms with 11-25 attorneys earn at least $75,000, and more than 75% reported compensation between $100,000 and $499,000.

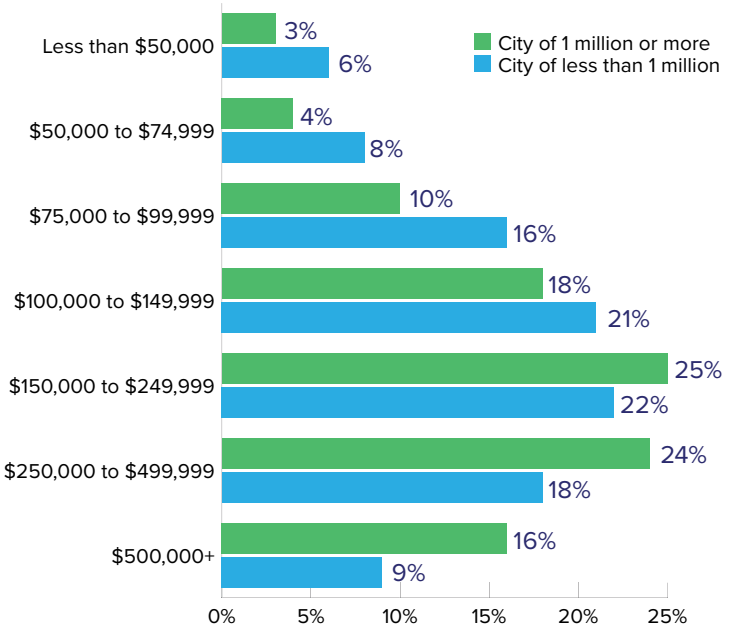
COMPENSATION BY FIRM SIZE

Firms with 26-50 attorneys



No respondents at firms with 26-50 attorneys reported compensation below $75,000. The largest group (40%) earn between $150,000 and $249,000.

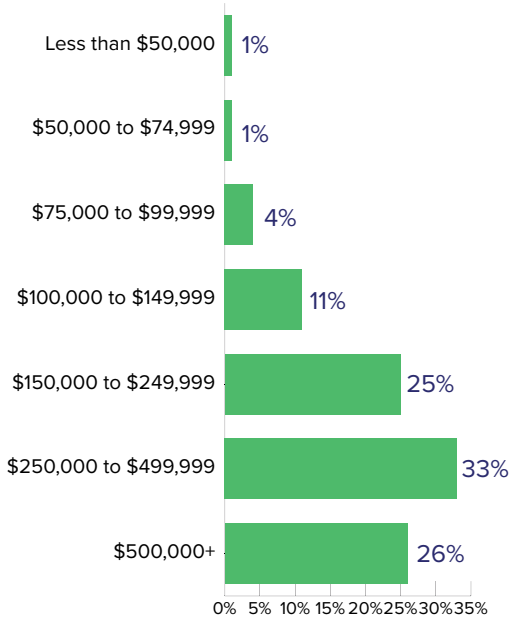
COMPENSATION BY MARKET SIZE



Attorneys at firms in cities with a population of one million or more reported higher compensation on the whole than their counterparts in smaller regions. Among both sets of attorneys, the largest group of respondents reported compensation between $150,000 and $249,000. However, attorneys in larger metro areas were much more likely to earn $250,000 or more (40% vs 27%), while a higher proportion of attorneys in smaller markets reported salaries of less than $100,000 (30% vs 17%).

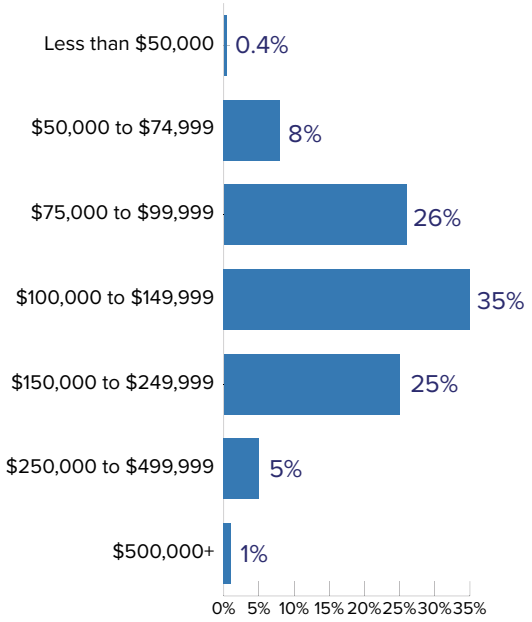
COMPENSATION BY POSITION

Partners



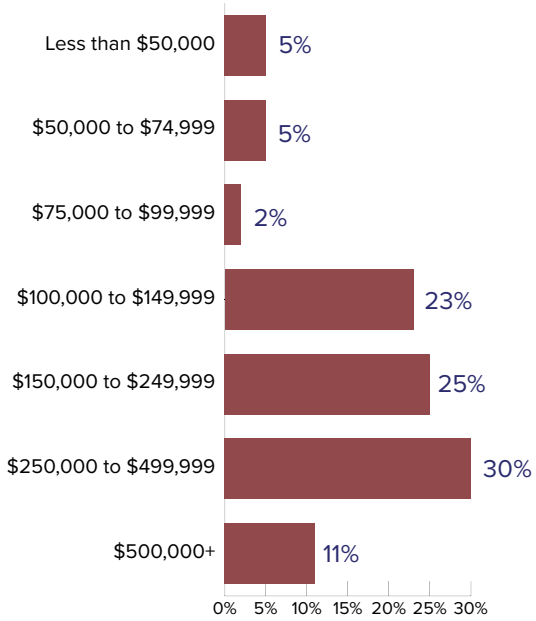
Partner compensation skews higher this year than in our previous report. The largest group of partners (33%) reported earning between $250,000 to $499,999, and 26% said they earn $500,000 or more. In our 2022 survey, the most common range was $150,000 to $249,999 (representing 29% of respondents) and just 19% reported earning $500,000 or more.

Associates



Associate pay has also increased since our last report. In 2022, 15% of associates reported pay under $75,000; this year, just 8% did. Compensation for the majority of respondents (86%) is concentrated between $75,000 and $250,000.

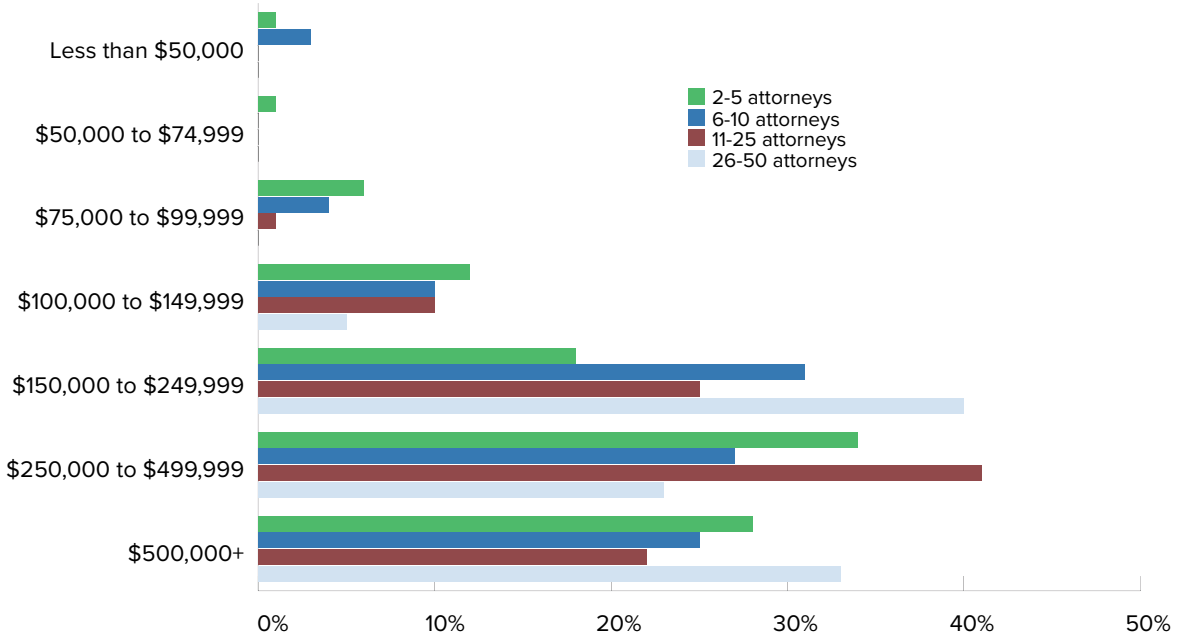
Counsel



Compensation among counsel has increased since our previous survey report. The most common range, with 30% of respondents, is $250,000 to $499,000 — representing a substantially higher proportion of respondents compared to 2022, when just 18% said they earned that much. Similarly, the percentage of counsel earning less than $100,000 has fallen from 21% in 2022 to 12% this year.

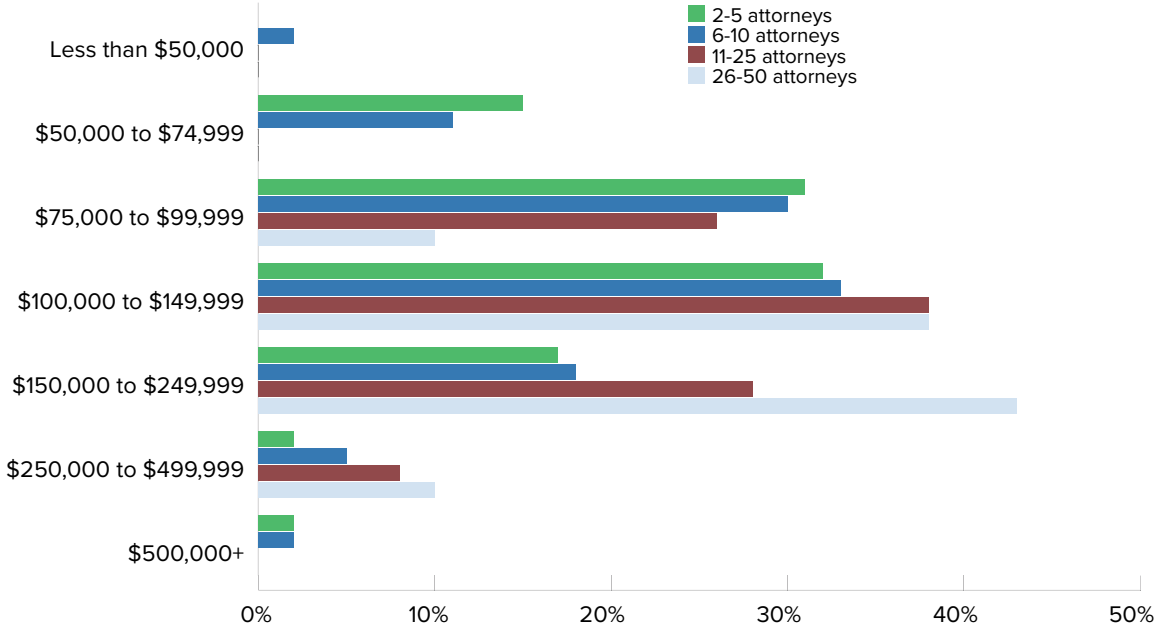
COMPENSATION BY POSITION AND FIRM SIZE

Partner Compensation by Firm Size



Partners at firms with more than 25 attorneys are the most likely to earn $500,000 or more. The most common pay range at firms with either 2 to 5 attorneys or 11 to 25 attorneys is $250,000 to $499,999. Among small firms with between 6 and 10 attorneys, more partners reported earning between $150,000 and $249,999.

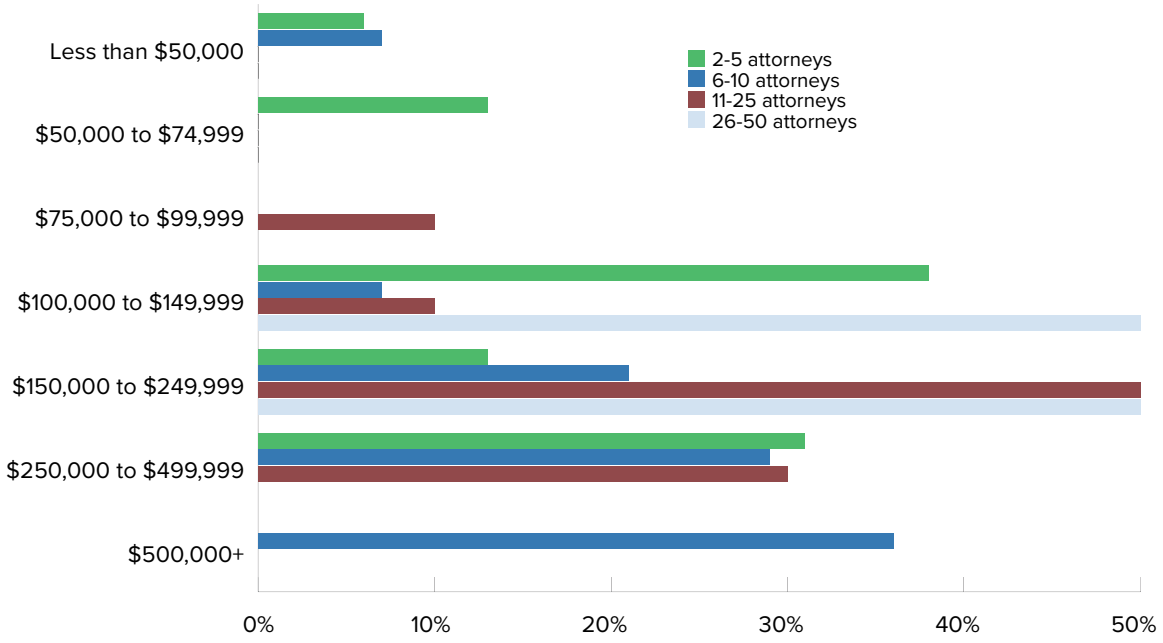
Associate Compensation by Firm Size



More than half of associates at firms with 26 to 50 attorneys reported earning at least $150,000. The most common range at smaller firms is $100,000 to $149,999. The only respondents whose compensation falls below $75,000 are at law firms with 10 or fewer attorneys.

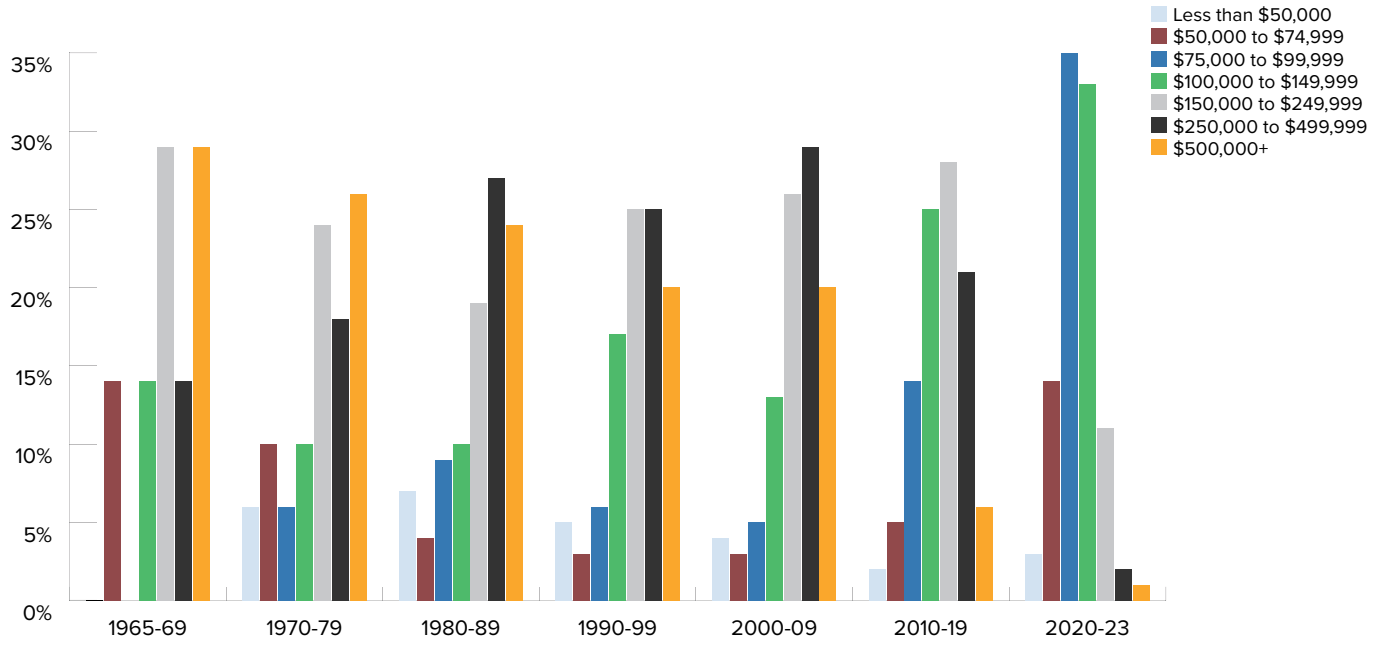
COMPENSATION BY POSITION AND FIRM SIZE

Counsel Compensation by Firm Size



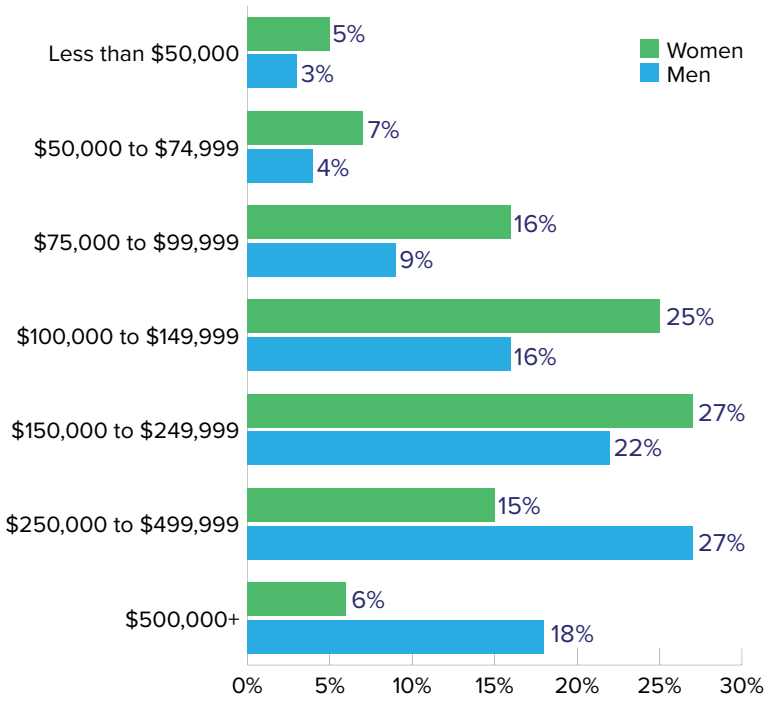
The only counsel who reported compensation of $500,000 or more are at firms with 6 to 10 lawyers. At other firms, pay is more likely to be between $100,000 and $149,999 or between $150,000 and $249,999.

COMPENSATION BY YEAR OF LAW SCHOOL GRADUATION



Compensation among the most recent graduates is concentrated between $75,000 and $150,000, while many who graduated between 2010 and 2019 earn $150,000 or more. The most common range among respondents who graduated in either the 1980s, 1990s, or 2000s is $250,000 to $499,999. The attorneys most likely to report pay of $500,000 or more are those who graduated prior to 1980.

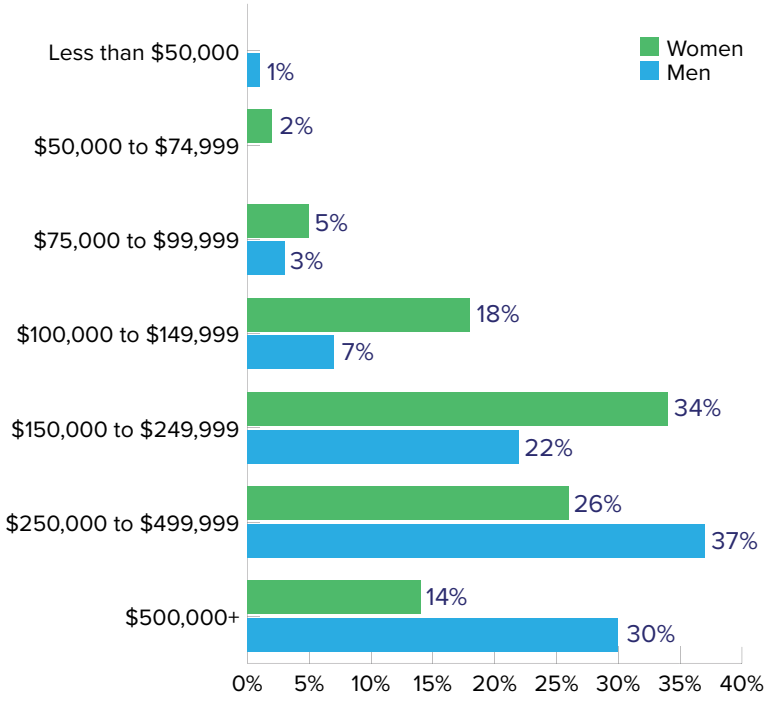
COMPENSATION BY GENDER



This year's results reflect higher compensation for both men and women, although the gains are more notable among male respondents, revealing a wider gap between genders. In 2022, 43% of female respondents reported compensation of $150,000 or more; this year, 48% did. Meanwhile, the proportion of male respondents earning $150,000 or more increased from 59% to 67%.

More than half of female respondents earn between $100,000 and $249,999. Among men, the most common ranges are between $150,000 and $499,999. Men are also far more likely to earn $500,000 or more than women (18% vs 6%).

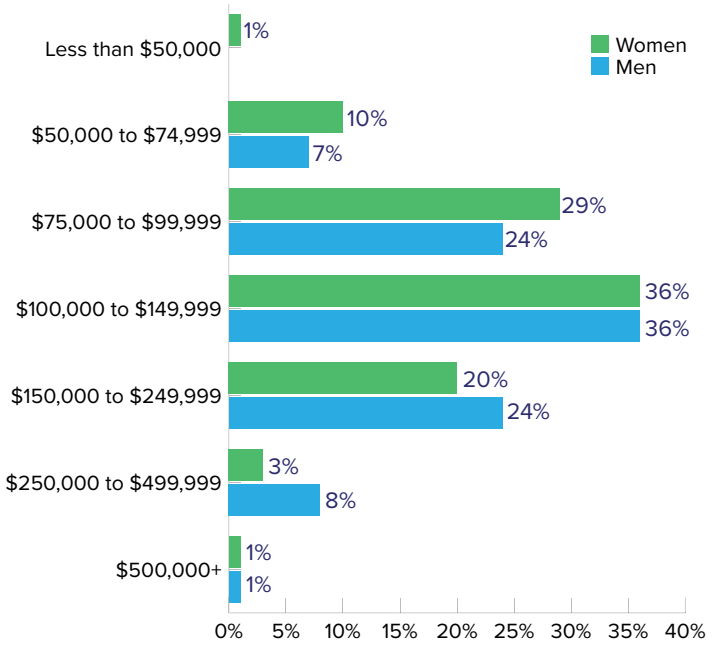
Partner compensation, by gender



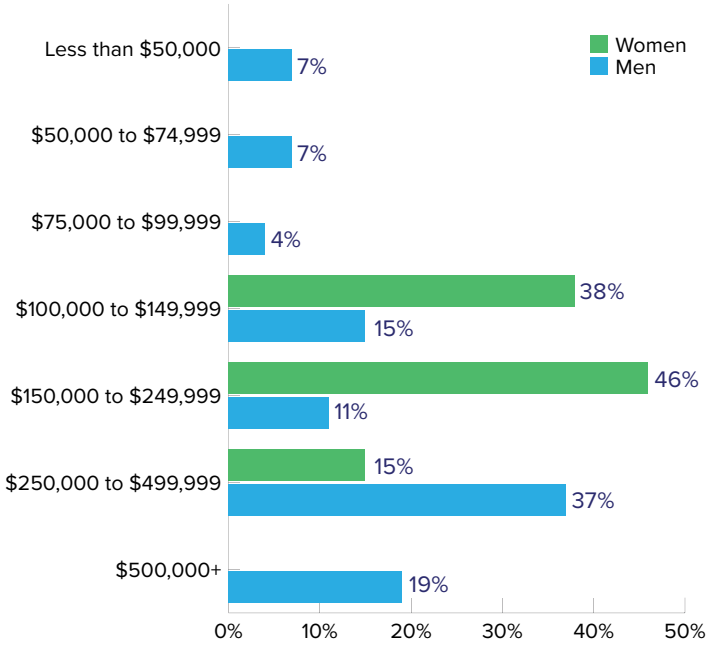
The gender disparities are most evident when comparing the results for partners, counsel, and sole proprietors, among whom men are much more likely than women to report compensation at the top end of the spectrum.

COMPENSATION BY GENDER

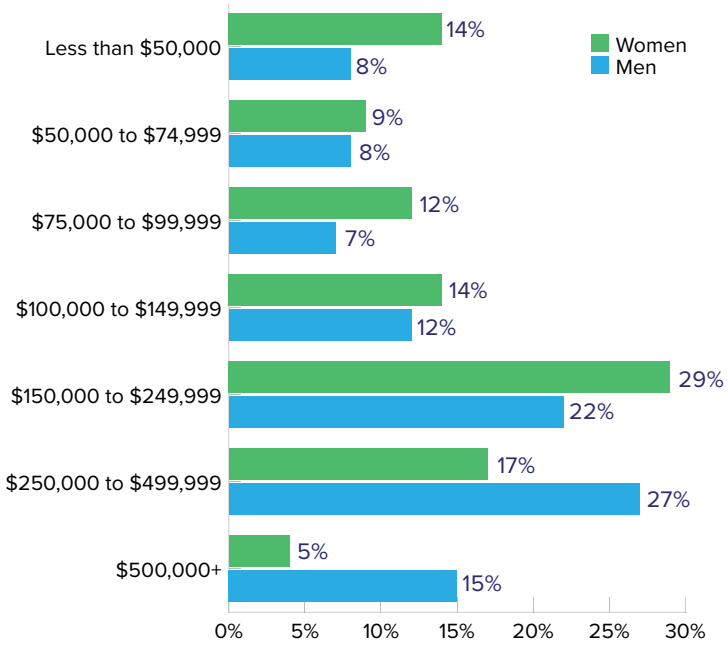
Associate compensation, by gender



Counsel compensation, by gender



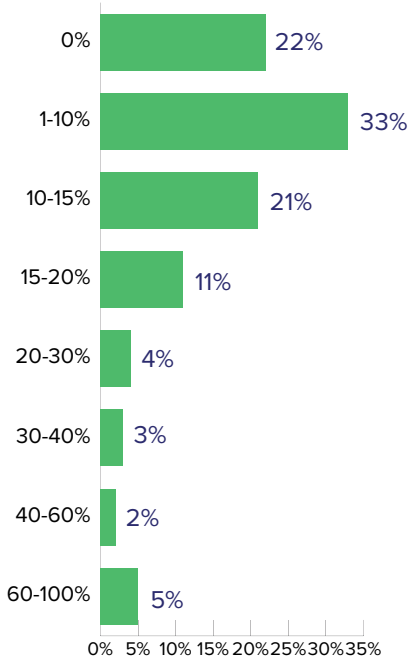
Sole proprietor compensation, by gender



TARGET BONUS

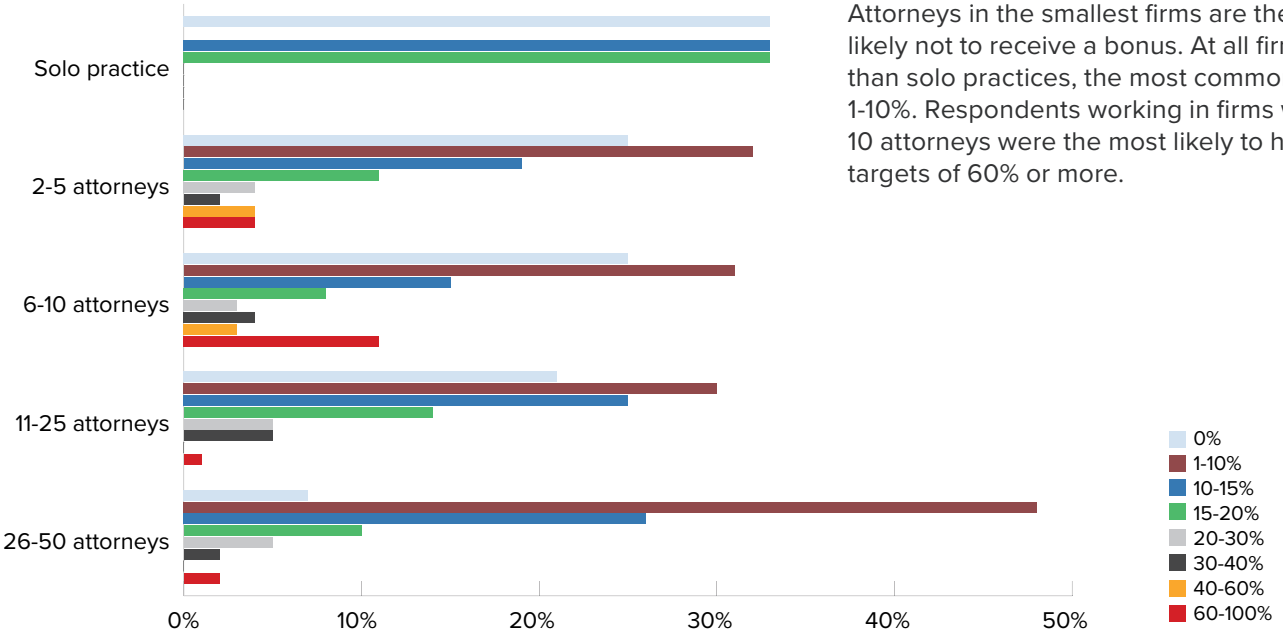
For associates and counsel:

What is your target bonus (as a percentage of base pay)?



The largest group of respondents (33%) reported target bonuses between 1 and 10%. Less than 15% have bonus targets representing 20% or more of base pay. More than 20% of associates and counsel said they do not receive bonuses at all.

Target bonus, by firm size



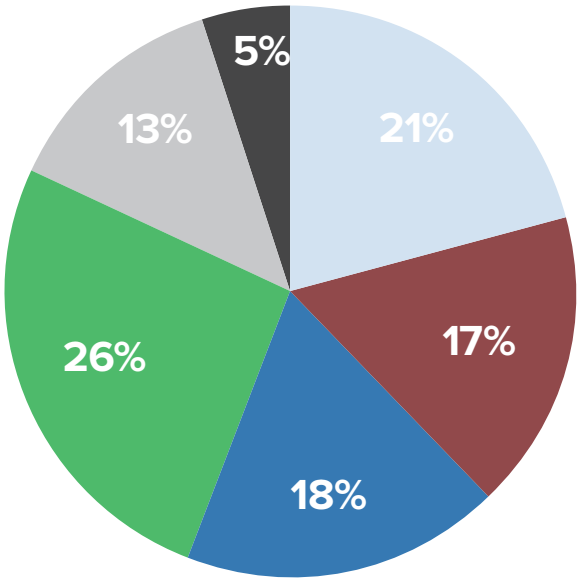
Attorneys in the smallest firms are the most likely not to receive a bonus. At all firms other than solo practices, the most common range is 1-10%. Respondents working in firms with 6 to 10 attorneys were the most likely to have bonus targets of 60% or more.

ACTUAL BONUS

For associates and counsel:

The respondents were also asked to tell us about the bonuses they actually received in the past few years. Their responses have been categorized into the following approximate ranges.

What has been your actual bonus for the past few years?



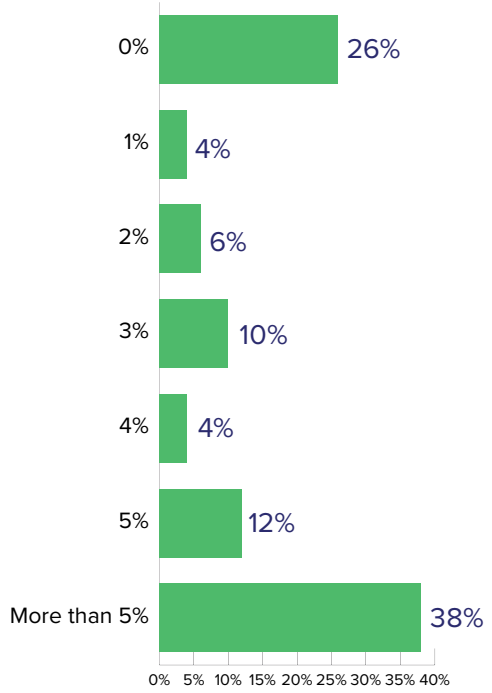
The bonuses actually received range from zero to more than $200,000, although the majority (61%) were less than $25,000. Less than 20% of respondents reported receiving bonuses of $25,000 or more, while 21% said they received no bonus at all.

- None
- Under $5,000
- $5,000-$9,000
- $10,000-$24,000
- $25,000-$100,000
- Over $100,000

AVERAGE RAISE

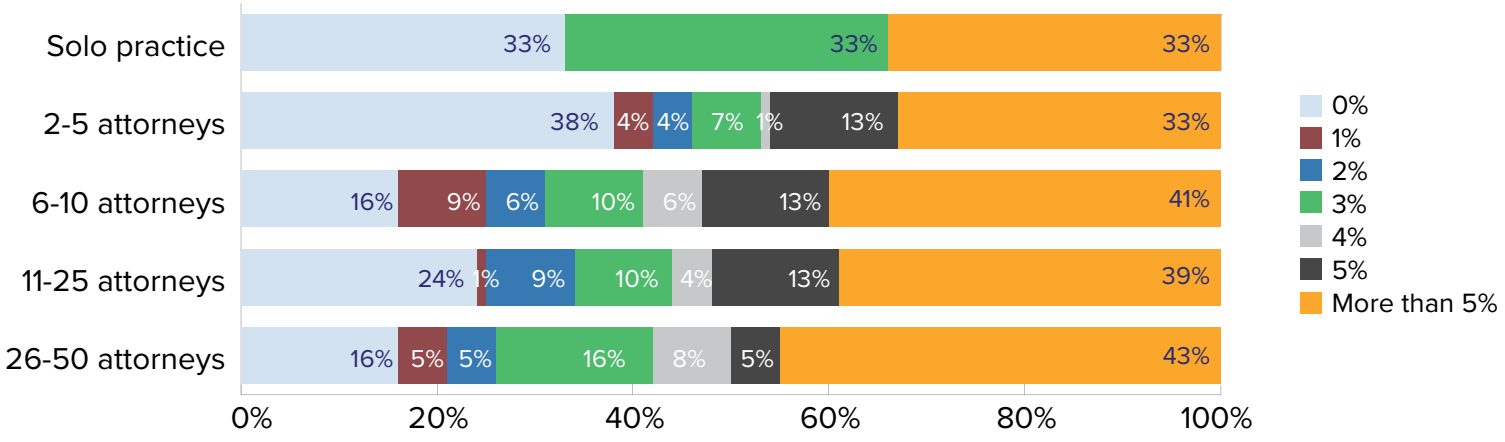
For associates and counsel:

What is the average raise you've received over the past few years?



Half of associates and counsel reported average raises of at least 5%, while more than one-fourth (26%) said they haven't received any raise in the last few years.

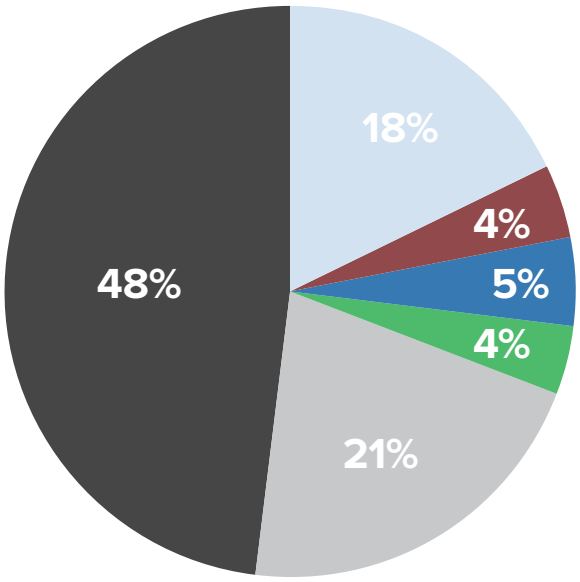
Average Raise by Firm Size



One-third or more of solo practitioners and attorneys at firms with 2 to 5 lawyers said they have not received any raise. Among firms with more than 5 attorneys, raises in excess of 5% are common.

PERCENTAGE OF TOTAL COMPENSATION BASED ON COLLECTIONS

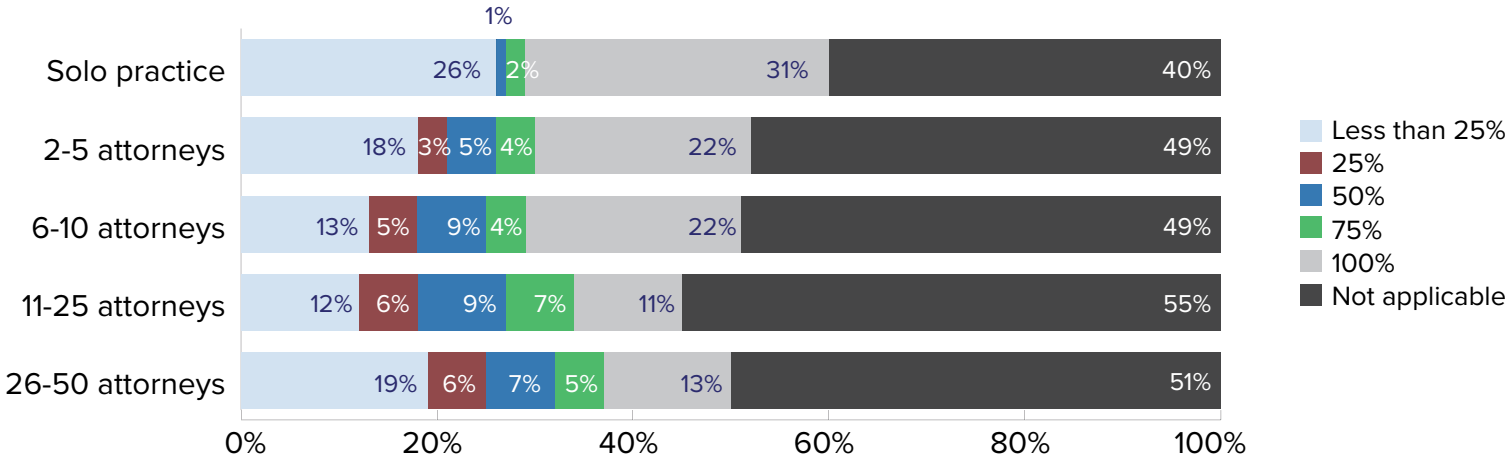
What approximate percentage of your total compensation is based on collections?



Collections play a role in the compensation for 52% of the attorneys surveyed. For many (21%), their entire compensation is based on collections, while for others (18%), it represents less than 25%.

- Less than 25%
- 25%
- 50%
- 75%
- 100%
- Not applicable

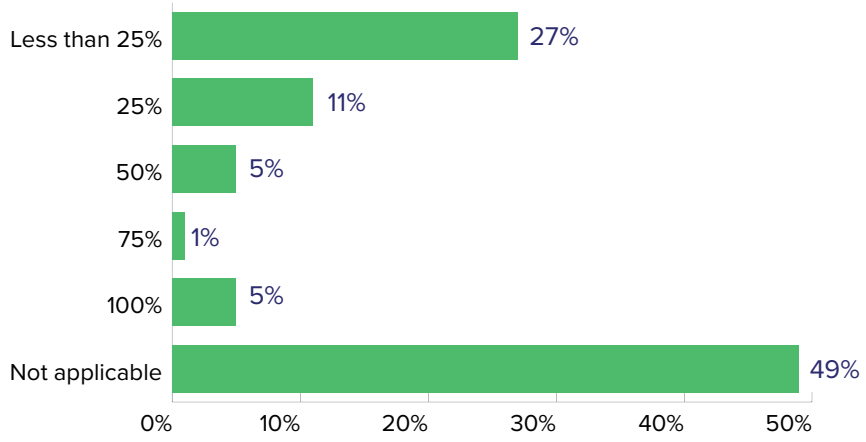
Compensation Based on Collections by Firm Size



PERCENTAGE OF TOTAL COMPENSATION BASED ON ORIGINATION FEES

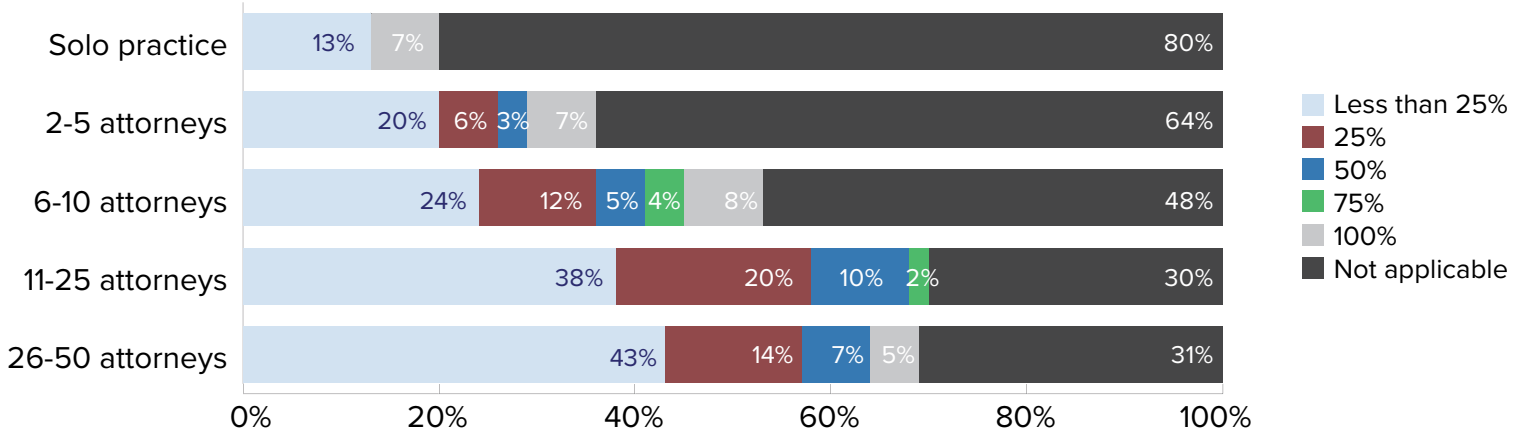
For partners and counsel:

What approximate percentage of your compensation is based on origination fees?



Just over half of partners and counsel said their total compensation is based on origination fees; the largest group (27%) said it represents less than 25% of their total compensation. Origination fees play a more significant role for respondents at larger firms.

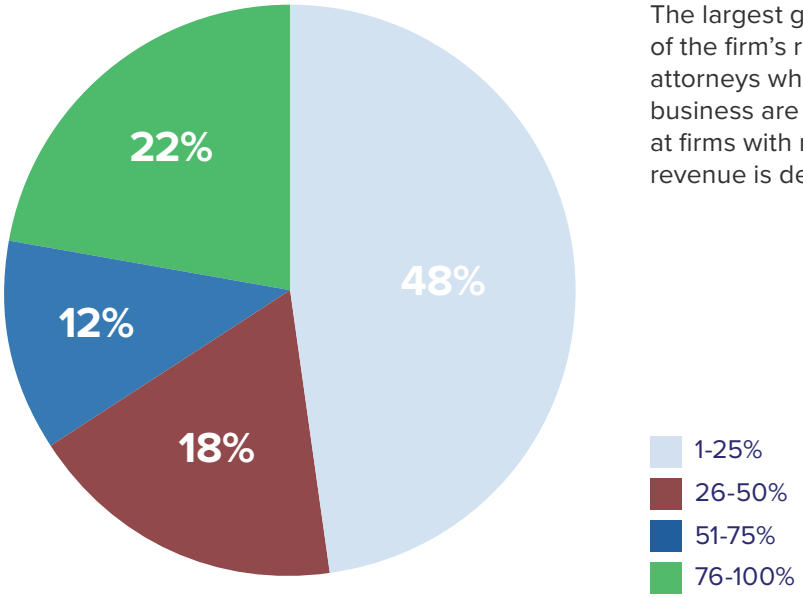
Compensation Based on Origination Fees by Firm Size



PERCENTAGE OF FIRM REVENUE DERIVED FROM RESPONDENT'S BOOK OF BUSINESS

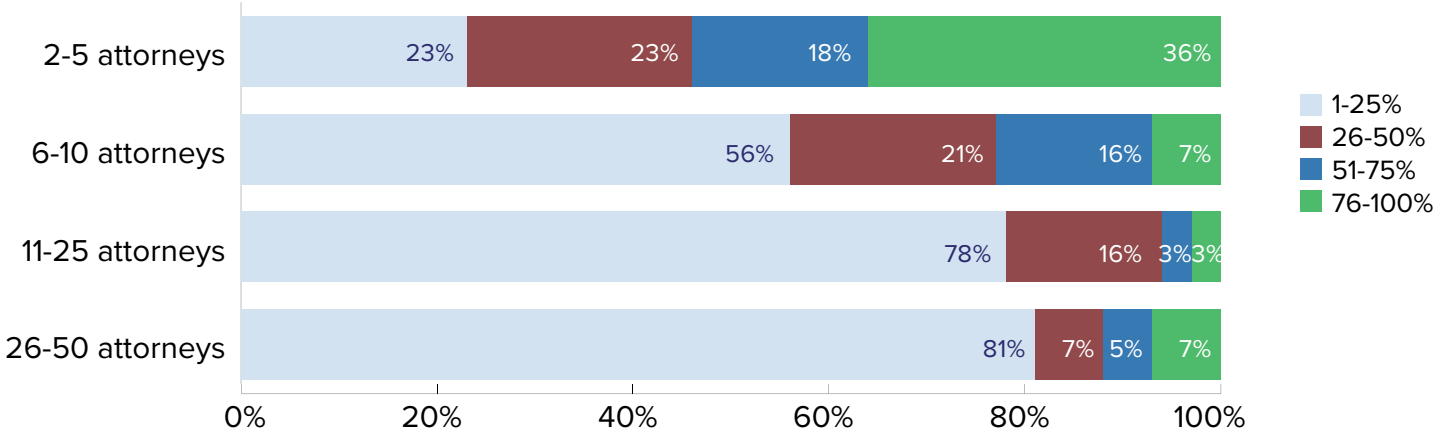
For partners and counsel:

Approximately what percentage of the firm's revenue derives from your book of business?



The largest group of respondents (48%) said that less than 25% of the firm's revenue comes from their book of business. The attorneys whose firms are most dependent on their book of business are at the smallest firms. The majority of respondents at firms with more than 10 attorneys said just 1-25% of their firm's revenue is derived from their book of business.

Revenue Derived from Respondent's Book of Business by Firm Size

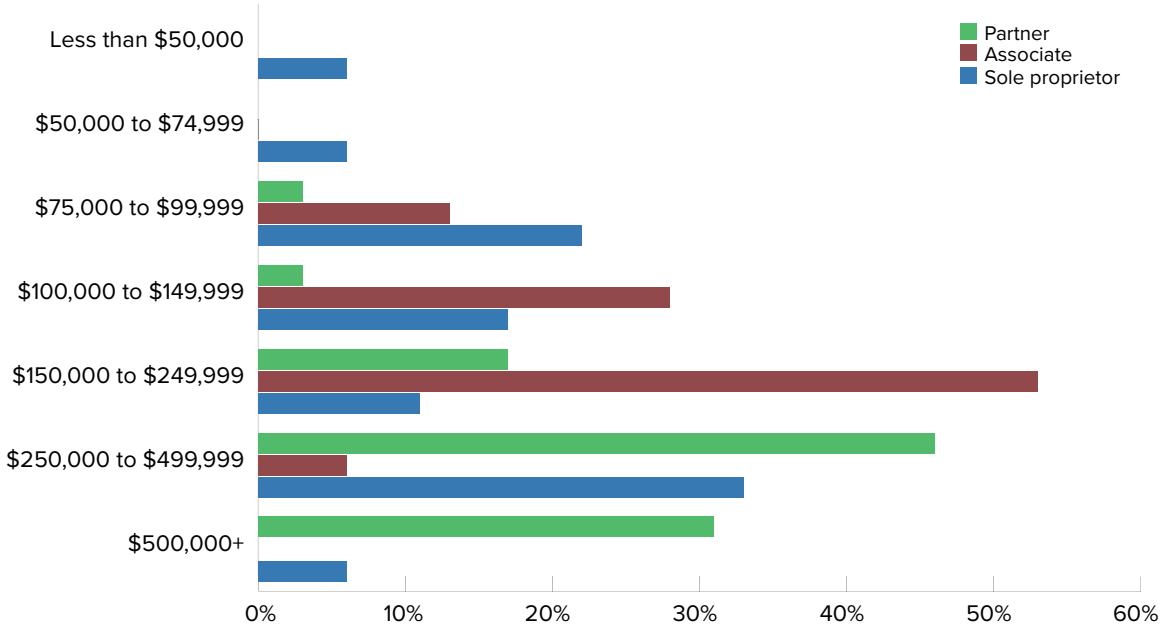


APPROXIMATE ANNUAL COMPENSATION BY PRACTICE AREA

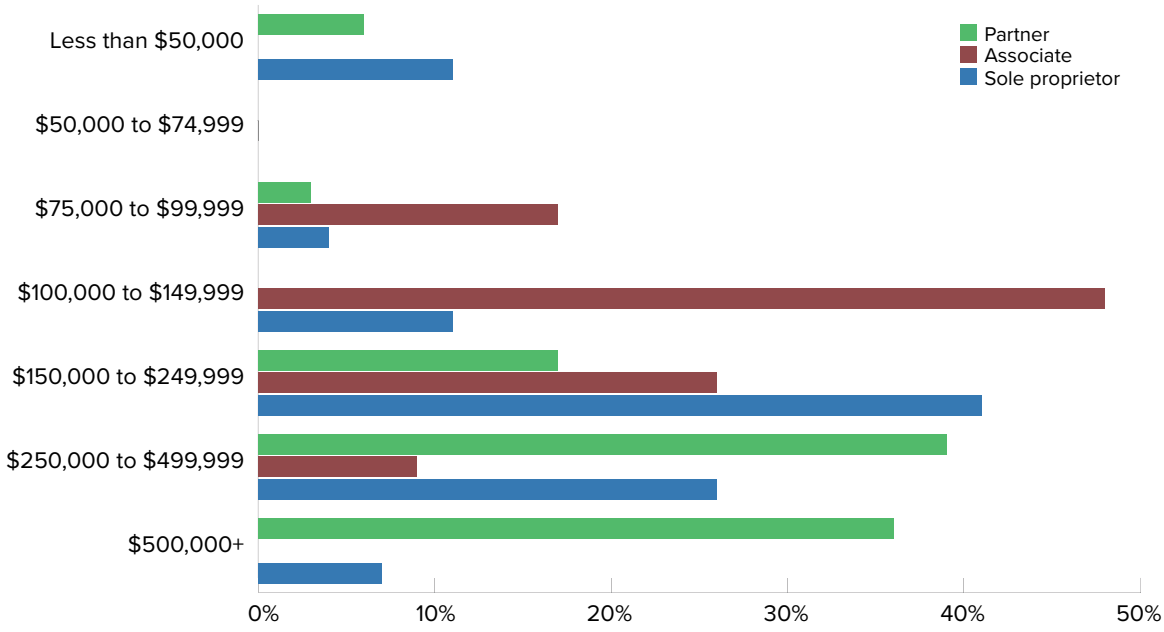
The sole proprietors with the highest compensation are those who practice personal injury law; 58% reported annual compensation of $500,000 or more. By contrast, more than half of the solo respondents who work in trusts & estates or have a general practice earn less than $100,000.

Many of the top-earning partners practice commercial litigation, corporate, real estate, or intellectual property. Commercial litigation is also the practice area with the most associates whose compensation is $150,000 or more.

Commercial Litigation

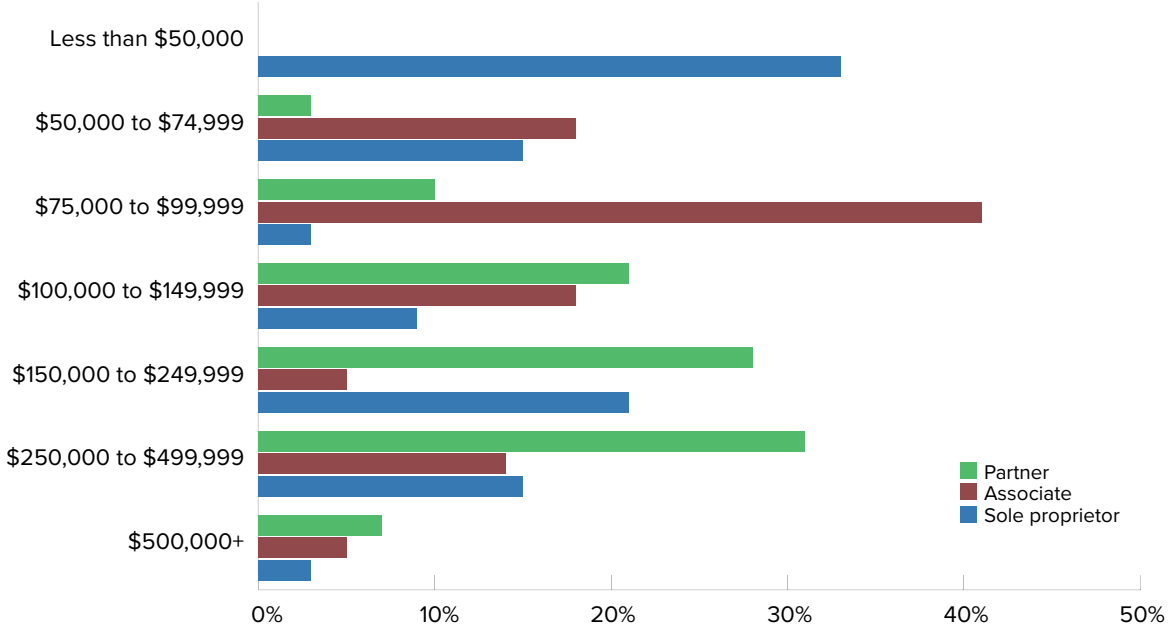


Corporate

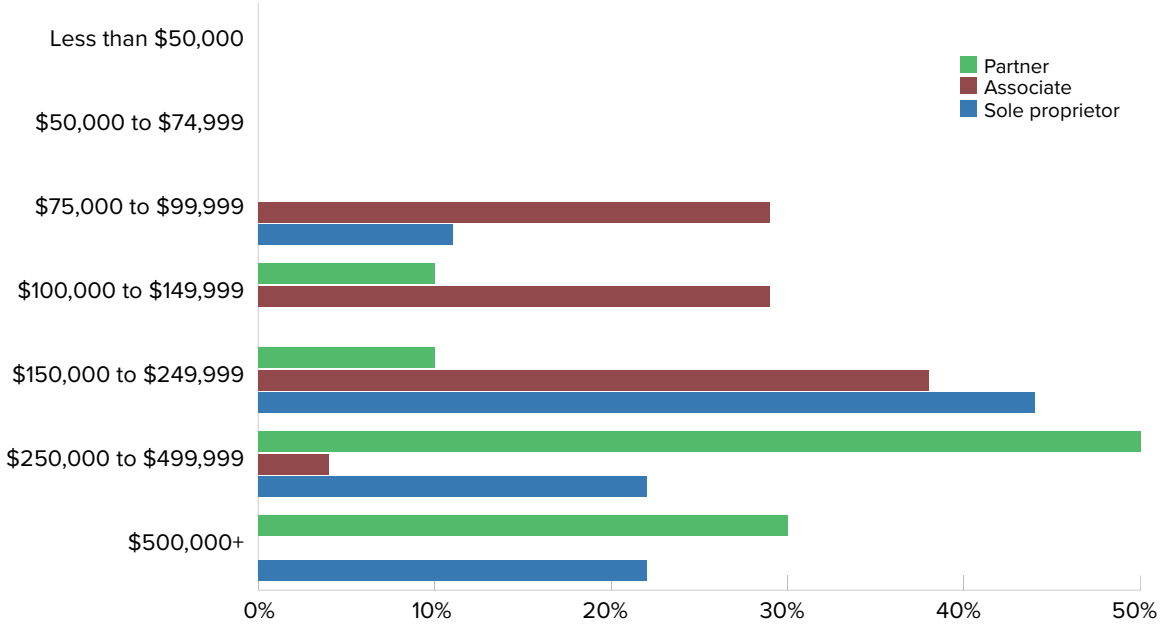


APPROXIMATE ANNUAL COMPENSATION BY PRACTICE AREA

General Practice

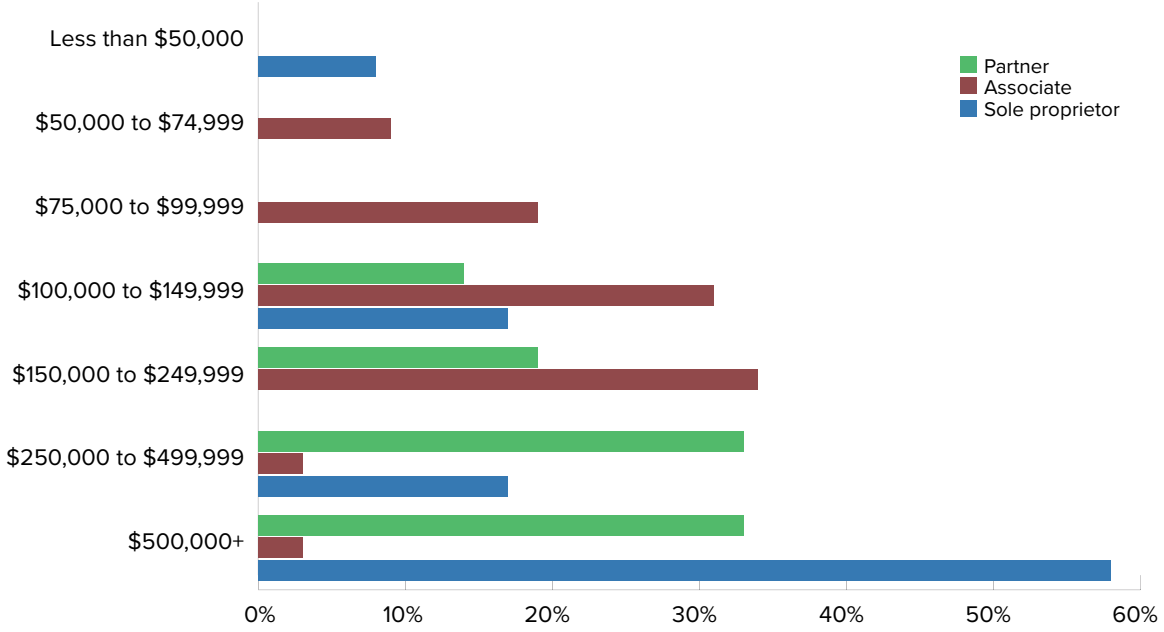


Real Estate

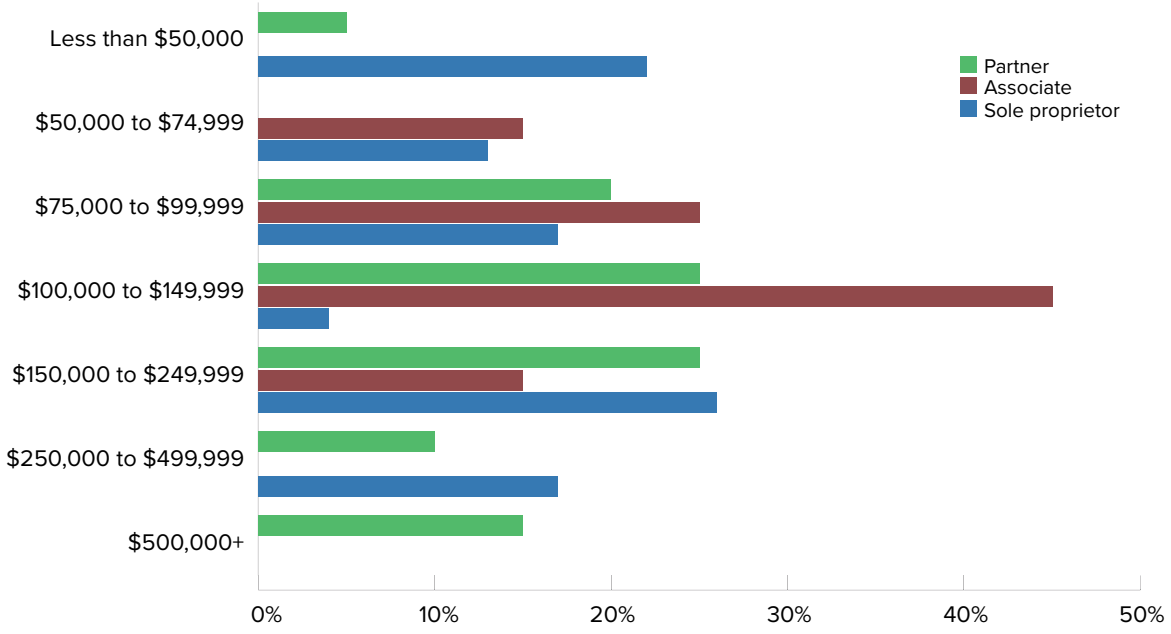


APPROXIMATE ANNUAL COMPENSATION BY PRACTICE AREA

Personal Injury

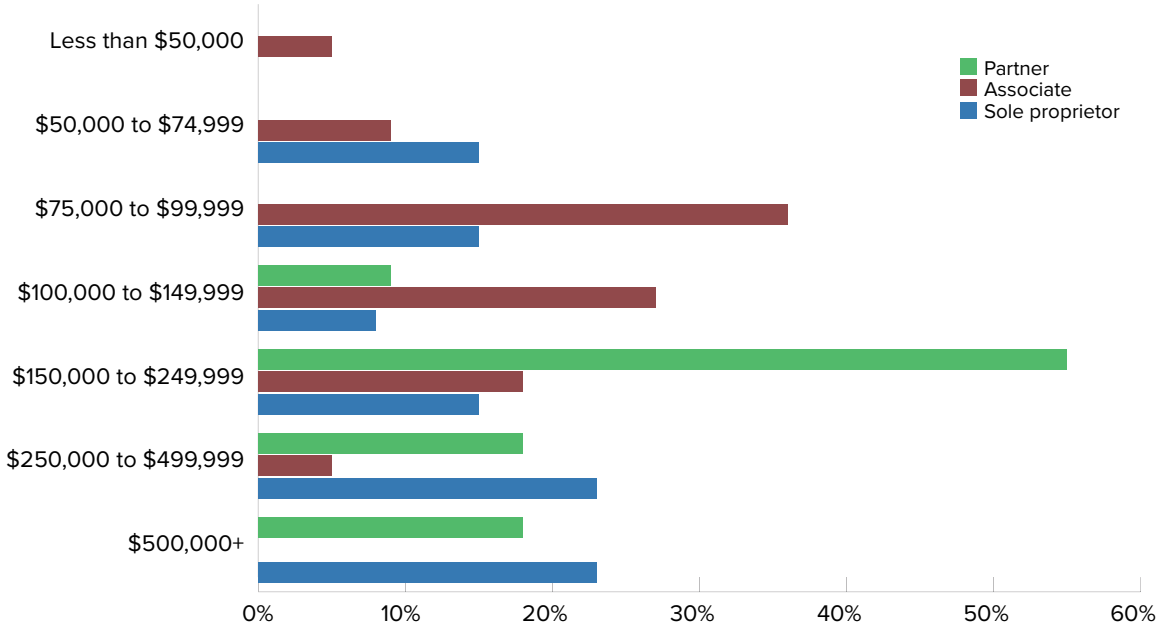


Trusts & Estates/Elder Law

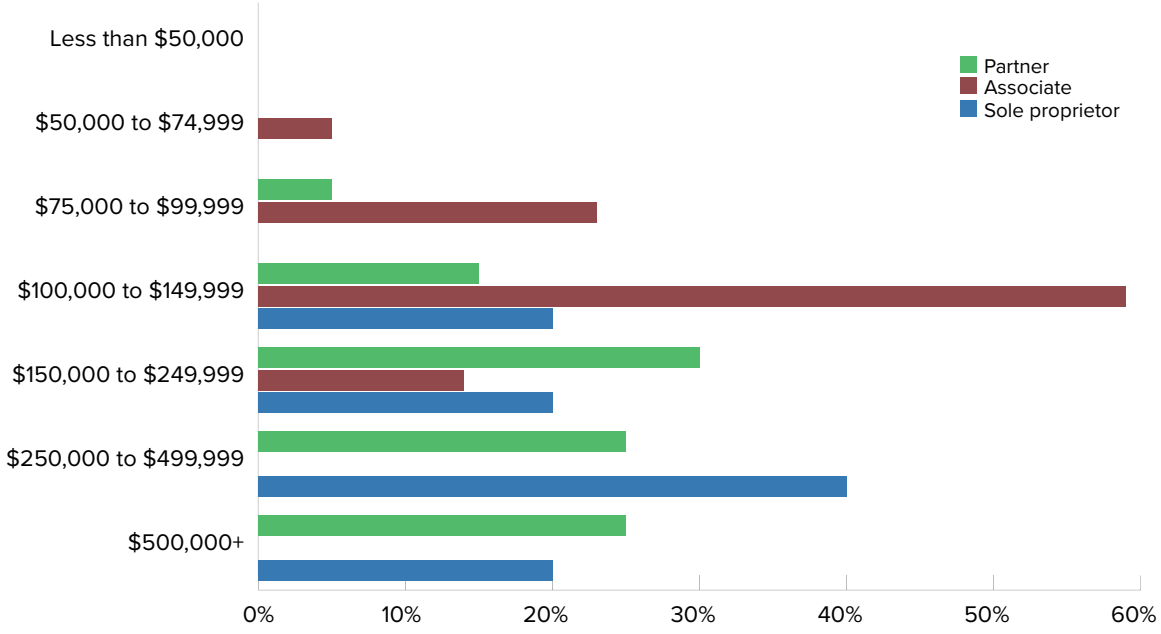


APPROXIMATE ANNUAL COMPENSATION BY PRACTICE AREA

General Civil Litigation

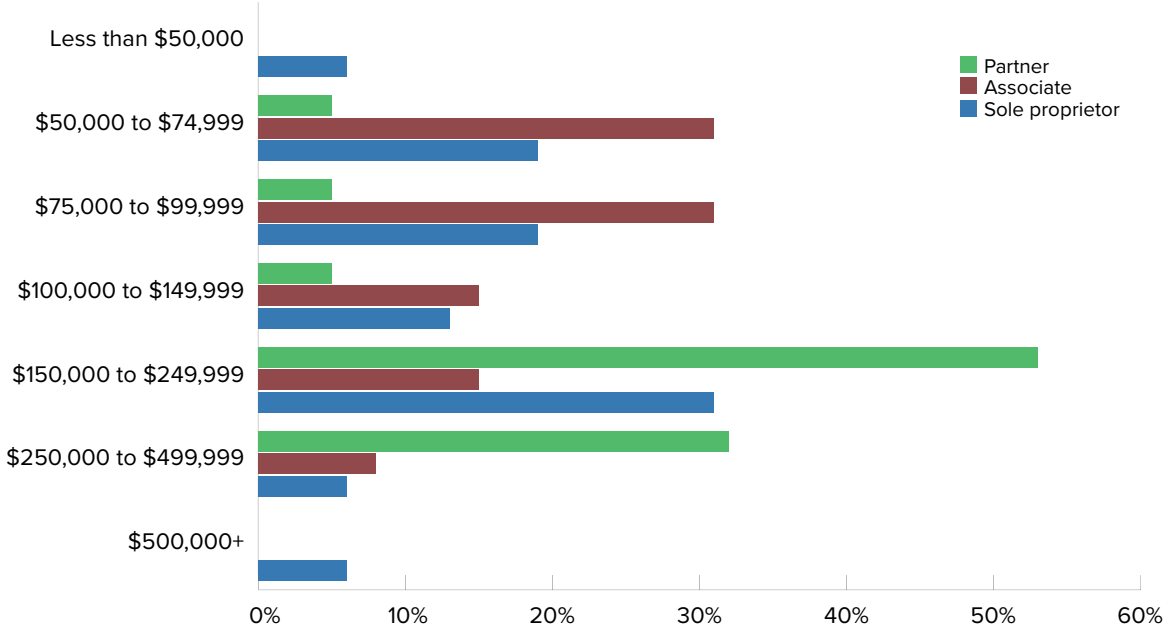


Labor & Employment

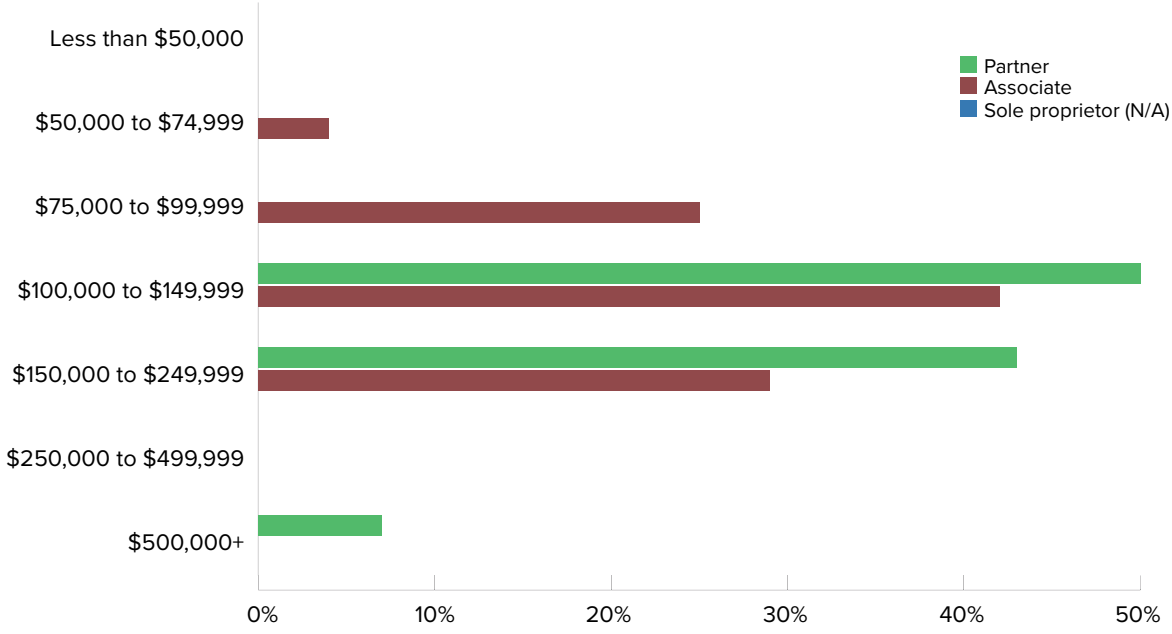


APPROXIMATE ANNUAL COMPENSATION BY PRACTICE AREA

Family Law

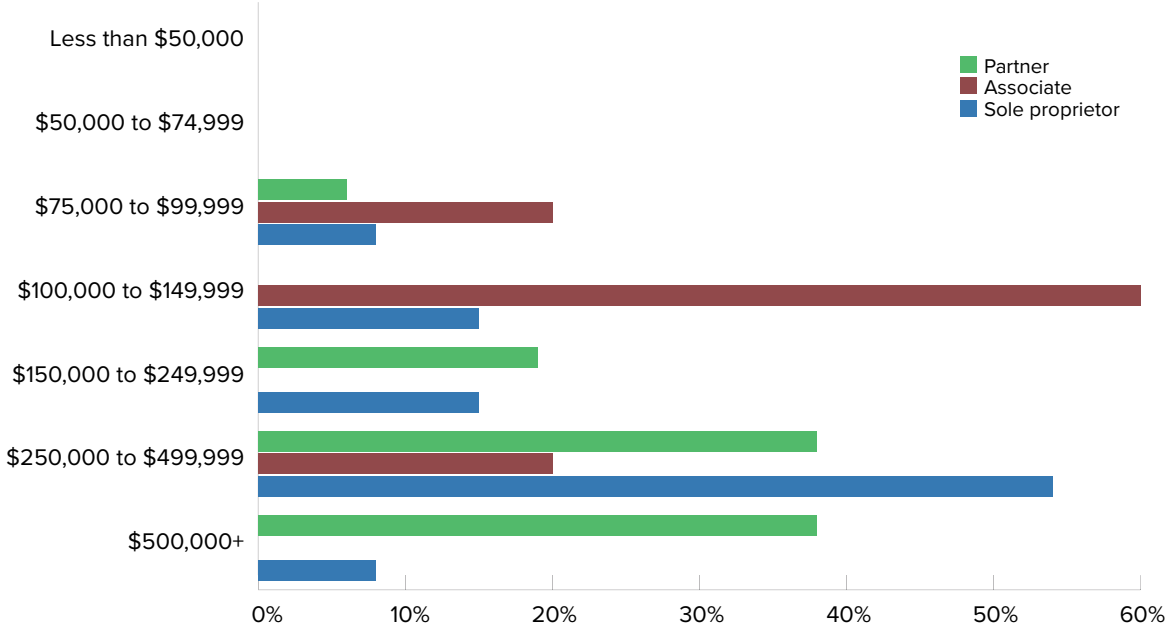


Insurance Defense

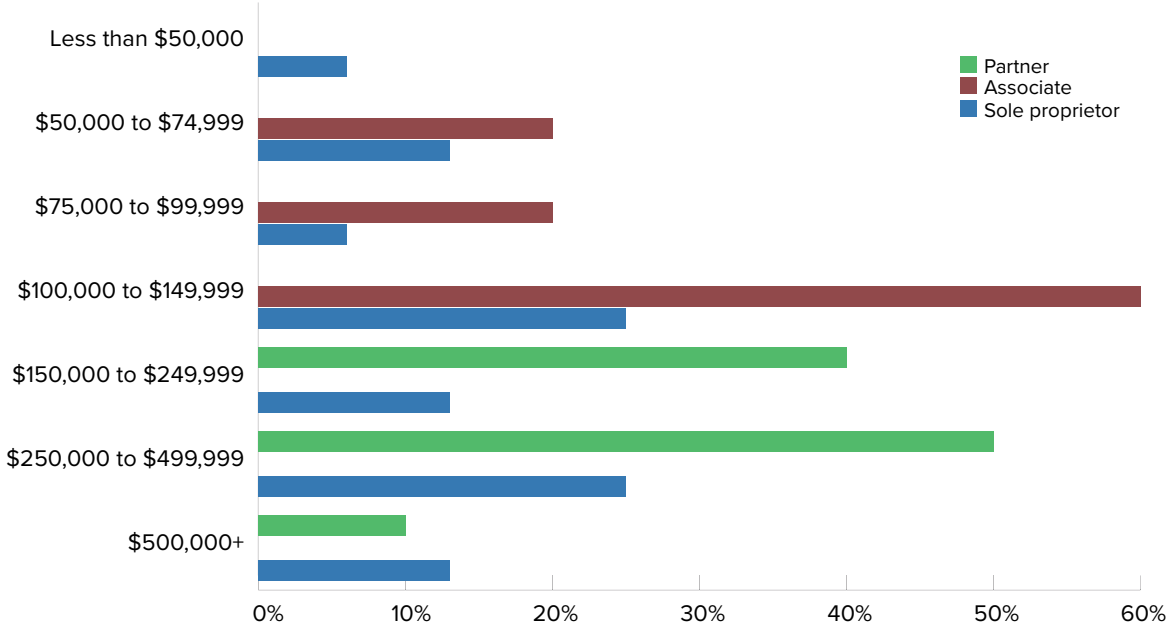


APPROXIMATE ANNUAL COMPENSATION BY PRACTICE AREA

Intellectual Property



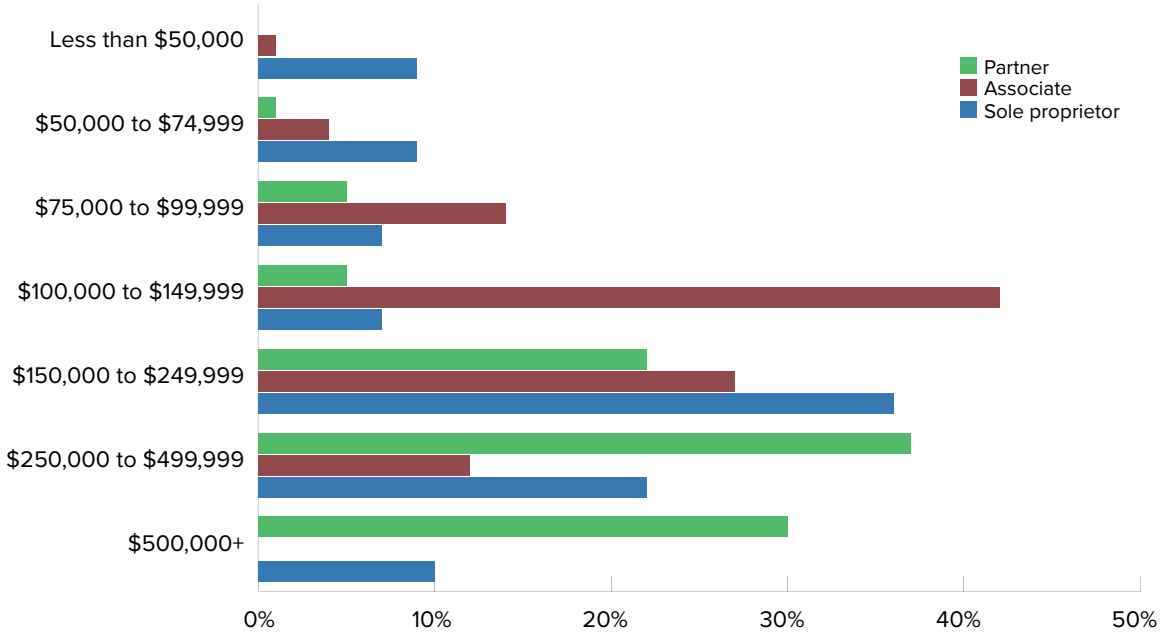
Criminal Defense



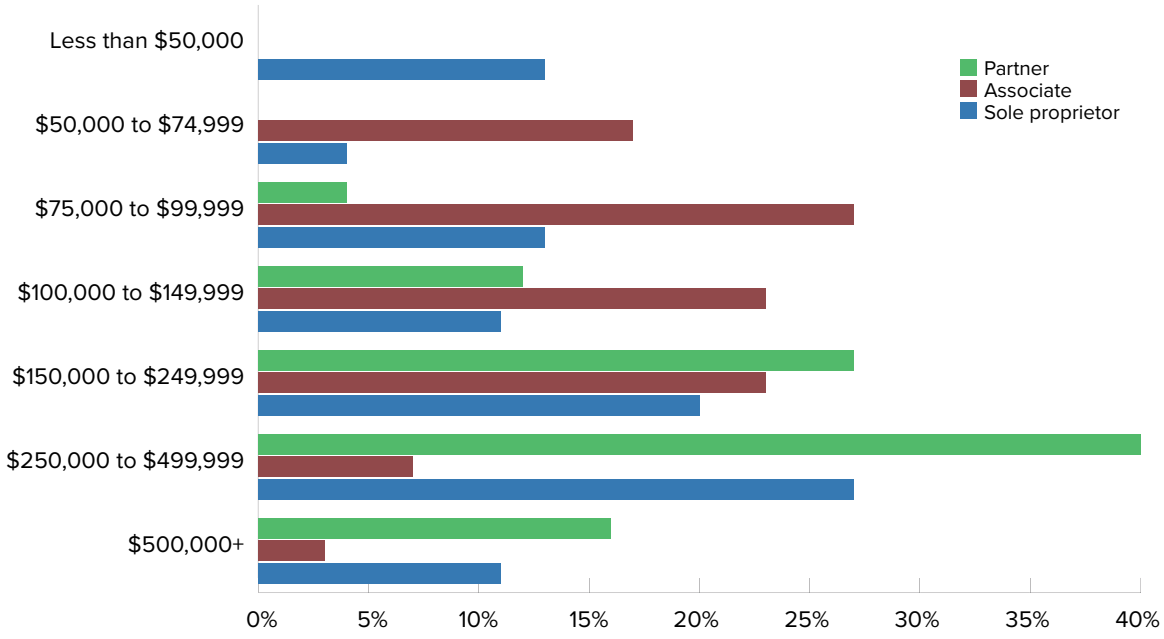
APPROXIMATE ANNUAL COMPENSATION BY REGION

Two-thirds or more of the partners surveyed in the Mid-Atlantic, West Coast, and Southwest regions reported total compensation of at least $250,000. The most common pay range for associates in most regions is between $100,000 and $149,999. But in the Midwest, compensation between $75,000 and $99,999 is more common, and in the Rocky Mountain Region, associates are more likely to earn $150,000 to $249,999.

Mid-Atlantic

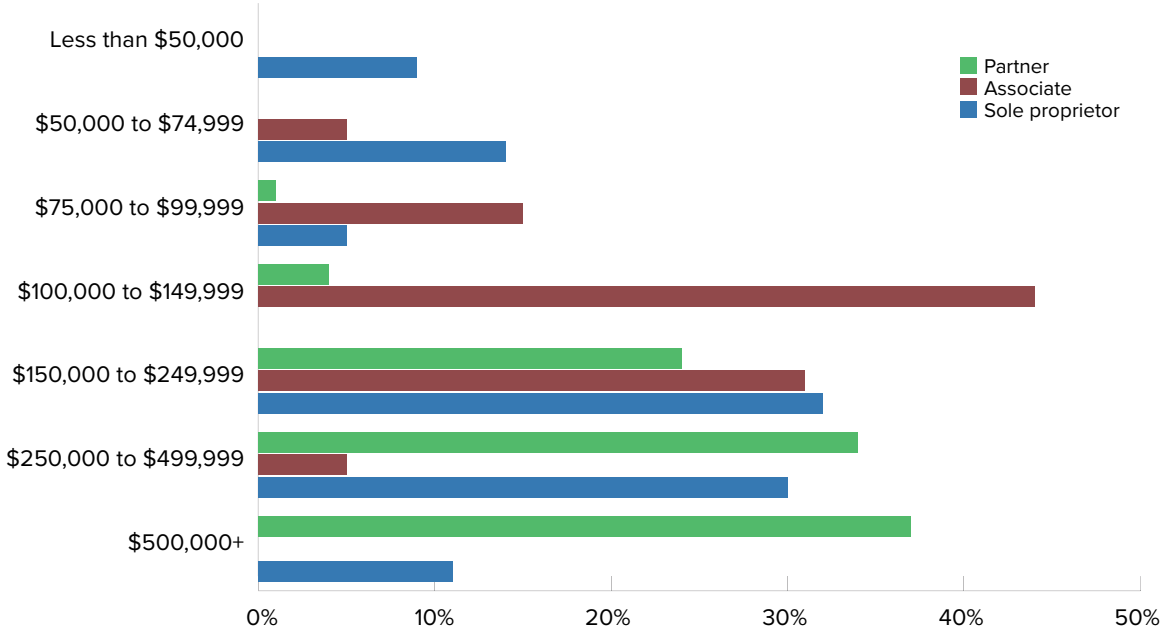


Southeast

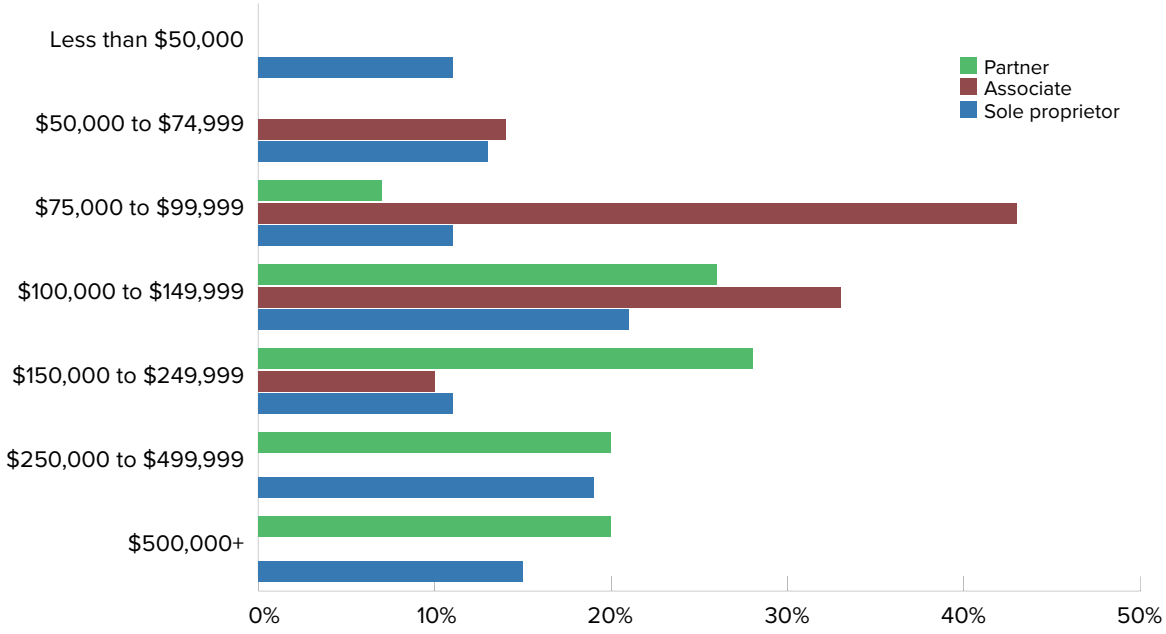


APPROXIMATE ANNUAL COMPENSATION BY REGION

West Coast/Pacific

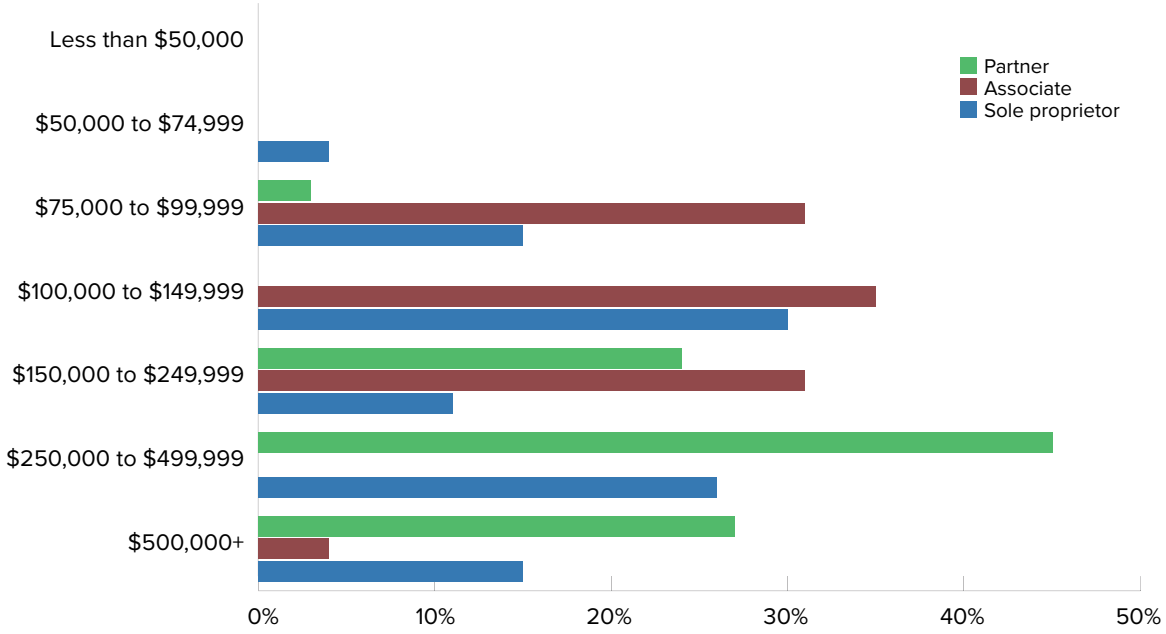


Midwest

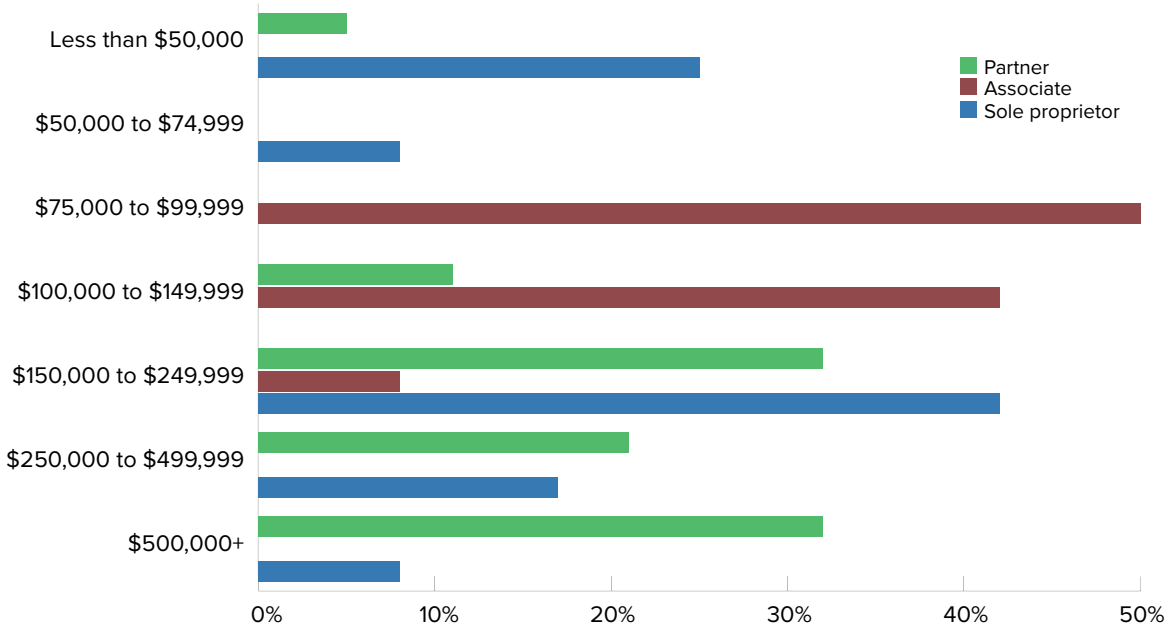


APPROXIMATE ANNUAL COMPENSATION BY REGION

Southwest

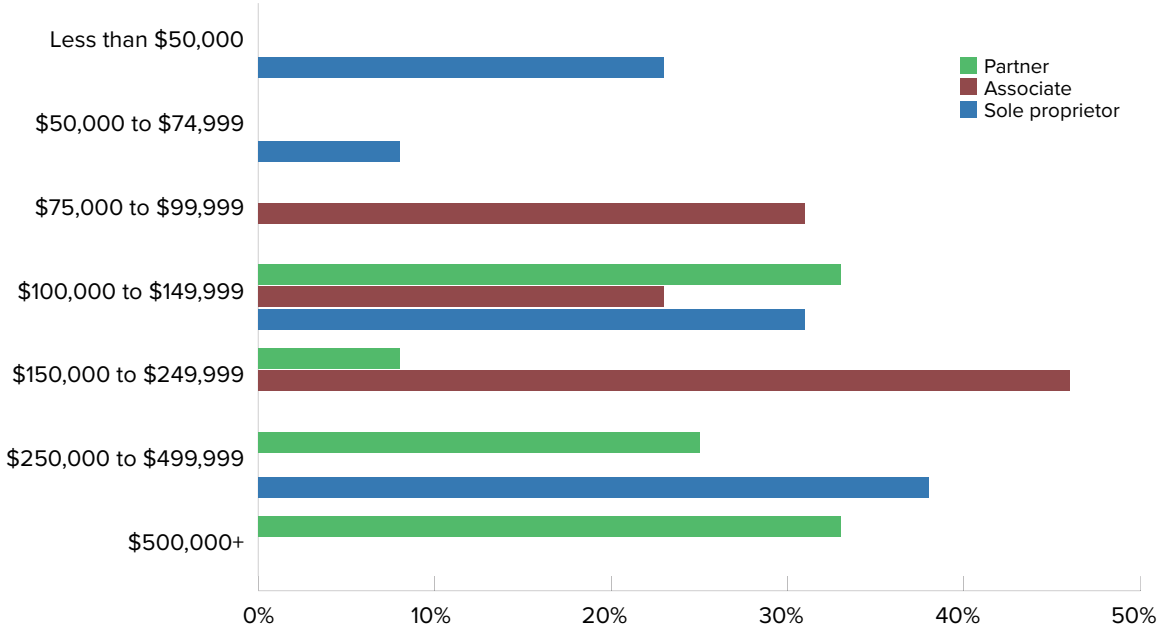


New England



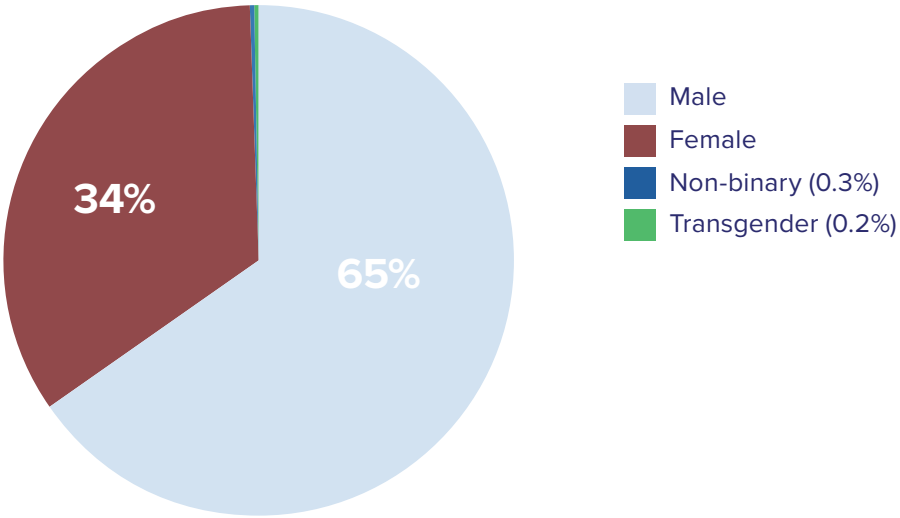
APPROXIMATE ANNUAL COMPENSATION BY REGION

Mountain Region

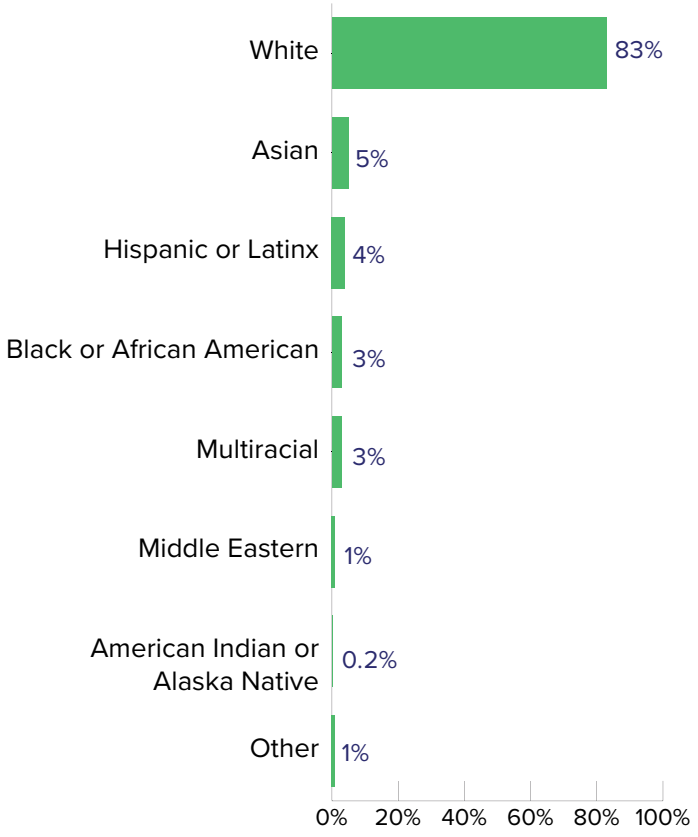
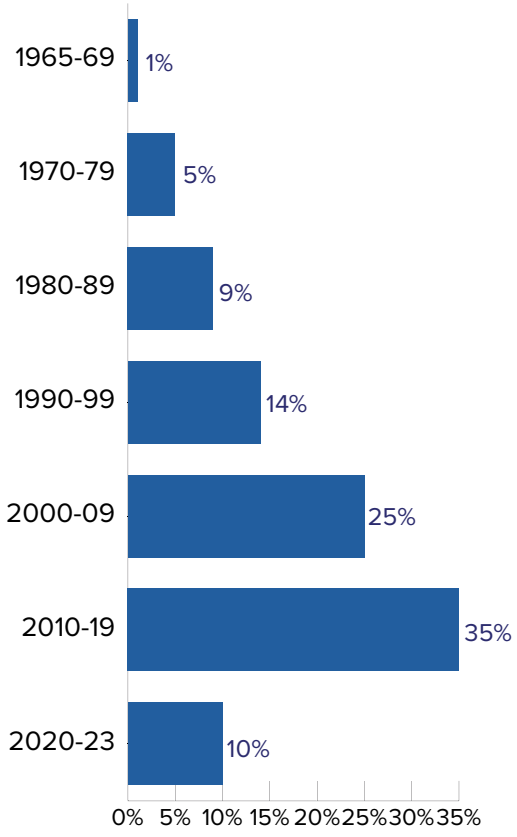


ADDITIONAL DEMOGRAPHICS

GENDER



RACE/ETHNICITY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