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New In-House Counsel Compensation & Career Survey Reports Significant Increase in Average Base Salary

The report also relates little progress in the gender wage gap and equal pay for racialized and disabled lawyers, good progress in work-life balance satisfaction, and evidenced different views between in-house counsel and employers regarding work arrangements.

Toronto – June 4, 2024 – According to the report released today by The Counsel Network, now part of Caldwell, and The Canadian Corporate Counsel Association (CCCA), the national base salary in Canada for in-house counsel increased significantly, female in-house counsel continue to earn less than their male counterparts overall, pay for racialized and disabled lawyers is still a challenge, and retail/hospitality/food and beverage/consumer products is the highest paying industry. Satisfaction with work-life balance increased compared to 2022. The survey was conducted between January 15, 2024 to April 2, 2024.

National average base salary increases are significant

The results show that national average base salary stands at \$196,000, an 8.9% increase over \$180,000 in 2022 and a 17% increase over \$167,500 in 2020. Ontario respondents report average base salaries above the national average. British Columbia and Alberta are close to the national average, while Central Canada, Quebec, Atlantic Canada lag behind the national average.

Consistent with the previous survey, the sector most represented by in-house counsel continues to be financial services, insurance, and banks, followed by government. This year the highest average base salaries are found in the retail/hospitality/food & beverage/consumer products (\$230,000), real estate (\$220,000), and information technology (\$218,000) sectors.

The largest gains in annual base salaries are in information technology (up \$28,000), construction (up \$25,000), financial services/insurance/banks (up \$22,000), and real estate (up \$24,000).

"The increase in base salaries reflects the market shift since the last survey. Although the Great Resignation started in 2021, it peaked in 2022, increasing competition for lawyers in private practice and in-house. This compelled employers to raise compensation at rates not seen for years," said Dal Bhathal, Partner at Caldwell.

Gender wage gap continues

The results show that the total average base salary of female in-house counsel is lower than their male counterparts. In 2024, female in-house counsel report an average base salary \$21,500 less than male in-house counsel. The gap was \$24,000 in 2022 and \$19,000 in 2020.

The most substantial gaps continue to be seen at higher wage levels, with 34% of females receiving a mean salary of over \$200,000, compared to 52% of males who earn the same amount. In 2024, for the first time, females report higher average salaries than males in two of five in-house counsel roles: Assistant/Associate GC and GC Executive Level. The gap in GC Director level, while still at \$11,500, is lower than that seen in 2022 (\$22,000) and 2020 (\$20,000).

"It is disappointing to see that the gender pay gap remains. Although we have seen a slight reduction in the last two years, there is still a long way to go before we can achieve equal pay for women and men," commented Bhathal.

Diversity and compensation

This was the third year additional information was collected on compensation for racialized and non-racialized lawyers. Just over one-quarter (26%) of the group identify as racialized lawyers and report a mean salary \$7,500 below that reported by non-racialized lawyers. The gap was \$8,000 in 2022 and \$12,000 in 2020.

Results also showed persons with disabilities report a mean salary \$34,500 less than non-disabled persons. This is a large increase from gaps seen in 2022 (\$17,000) and 2020 (\$18,500). Workplace appears to be a factor in this finding – most lawyers with disabilities work in government or not-for-profit sectors, which report lower mean base salaries. Additionally, looking at seniority level, persons with disabilities are less represented at the two most senior roles: GC Director Level and GC Executive Level.

"The legal profession continues to identify the need to build diversity, and the survey results back up that need with these statistics," notes Bhathal. "The slight reduction in the pay gap between racialized lawyers and non-racialized lawyers is not encouraging, and the large increase in the pay gap between lawyers with disabilities and those without is extremely disappointing. The results again highlight the need for continued efforts in diversity, equity, and inclusion. Reporting on the gaps regularly is necessary to achieving equal pay. We are proud to be assisting in these efforts."

Factors for Career Moves

Compensation remains by far the number one motivator for moving to a new employer. 47% mentioned this factor in 2024, up dramatically from 39% in 2022 and 37% in 2020.

The next two strongest motivators are better work/life balance (10%) and promotions (9%). While work/life balance has remained at a steady 9-10% over the past three survey reports, promotions have become less of a motivator (2020: 15%, 2022: 12%, and 2024: 9%).

"Compensation and promotions have consistently been the top two motivators for in-house counsel to move since our first study in 2009. It's interesting that work/life balance has surpassed promotions to take the number two spot this year, reflecting a shift in priorities since the pandemic and economic uncertainty," commented Bhathal.

Future outlook

The majority of in-house counsel reported that their legal department has either stayed the same size (44%) or increased (44%) over the past two years. Those that have increased usually added one to three lawyers to the department (75%).

63% of respondents remain optimistic about the future of their organization's legal department. However, a smaller proportion (56%) are optimistic about their own future within their current organization. This is a consistent proportion as in the three previous survey reports.

In 2024, the office location questions were expanded to capture working location, location preference, and location policy. Although 21% work full-time at their employer's location, only 5% prefer that arrangement. Twice as many in-house counsel reported that they would prefer full-time remote (22%) versus 11% who are currently fully remote. 70% reported they preferred a hybrid (at home and office) arrangement.

About the survey

The 2024 In-House Counsel Compensation & Career Survey was commissioned by The Counsel Network, now part of Caldwell, in partnership with The Canadian Corporate Counsel Association (CCCA). The survey provides key information on compensation, benefits, work hours, and job satisfaction for in-house counsel.

This is the eighth wave of this research, with previous studies conducted in 2022, 2020, 2018, 2016, 2012, 2010 and 2009. The survey was conducted by Bramm Research between January 15, 2024 and April 15, 2024. The 724 respondents represented a good mix of in-house counsel from all major cities across Canada and included a variety of sectors and titles.

"This report has become a go-to resource for in-house counsel and HR professionals seeking reliable compensation data for the Canadian in-house counsel market," said Chris Beck, president of Caldwell. "65% of this year's survey respondents named the survey as a key source of information for industry compensation, and we're proud to be a part of that."

To download a copy of the report, please visit <u>https://inhousecounsel.com/</u>.

ABOUT CALDWELL AND THE COUNSEL NETWORK

Caldwell is a leading retained executive search firm connecting clients with transformational talent. The Counsel Network, now part of Caldwell, is the most respected, connected, and diverse lawyer recruitment team in Canada. We specialize in providing the Canadian legal market with comprehensive, long-term talent management solutions for law firms and in-house legal departments. Our robust knowledge of our clients and their strategic, business and financial goals allows us to provide advisory and talent management services, including retention, succession planning, compensation models, business development, and coaching, all of which complement our traditional recruitment services. On October 3, 2022, The Counsel Network merged with Caldwell, greatly expanding our geographic and functional capability. Read more about it <u>here</u>.

ABOUT THE CANADIAN CORPORATE COUNSEL ASSOCIATION (CCCA)

The Canadian Corporate Counsel Association (CCCA) is the leader and voice for in-house counsel in Canada. Their members are lawyers working for public and private companies, non-profits, associations, government and regulatory boards, Crown corporations, municipalities, hospitals, postsecondary institutions and school boards. They also welcome associate members from law firms whose support and expertise enrich their educational programs and events. The Association represents over 5000 in-house counsel from across Canada.

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