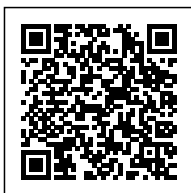


# INCOME OF MOST PARTNERS IN SPAIN INCREASED IN LAST YEAR

*Posted on 22/06/2015*

## The €1m+ Club

Eleven per cent of participants in our survey said their total annual income was €1m or more (in contrast, the lowest paid respondents earned less than €50,000). Of those earning €1m or more, 73 per cent were men with 27 per cent women. Ninety per cent of the lawyers earning €1m or more had been partners for at least 11 years. Forty five per cent of the “€1m+ Club” worked in firms with more than 500 lawyers, with another 45 per cent working in firms with 51 to 100 lawyers. Around a third (36 per cent) of the best paid partners are Corporate/M&A lawyers, 18 per cent are banking and finance specialists, with 18 per cent being tax lawyers. The income of two-thirds of the €1m-plus earners had increased in the last six months, while 22 per cent expect their income to increase by more than 10 per cent in the next 12 months.



## **Indications that the good times are back as two-thirds of partners say their income level is higher than it was before the economic crisis**

Sixty per cent of law firm partners in Spain received an increase in their income in the last year, according to new research.

A survey conducted by Iberian Lawyer revealed that 38 per cent of partners in Spain had received an increase in the last six months, while a further 22 per cent had received an increase six months to a year ago. Furthermore, in an indication that lawyers' remuneration is beginning to surpass pre-crisis levels, a total of 65 per cent of respondents said that their current income had increased in comparison to their income "prior to the economic crisis".

Market optimism is further fuelled by the fact that most lawyers expect their income to increase in the coming year. A total of 72 per cent said they expected their income to increase in the next 12 months – of those expecting an increase, nearly half (44 per cent) said they expected their income to go up by at least 9 per cent.

Perhaps unsurprisingly, given that many of the nation's lawyers are earning more, more than three-quarters of respondents (77 per cent) said they thought their firm's remuneration system was effective. Two-thirds of participants in the survey believed they were remunerated "in line with the rest of the market".

However, not all partners in Spain have begun to feel more prosperous in the last year. Around one in five partners (21 per cent) said it had been more than two years since they had last received an increase in their income, with half of those saying their earnings had not increased for more than three years.

A total of 35 per cent of all respondents to the survey said their current income was less than the income they received prior to the economic crisis, while just over one in four (28 per cent) said they did not expect their income to increase in the next 12 months.

One partner, who identified himself as a tax lawyer, criticised his firm's remuneration system because, in his view, it is not performance related. "It [the remuneration system] is very subjective and based on the number of units you hold, the more senior you are, the higher your compensation, regardless of your performance," he said. Meanwhile, another partner, also a tax lawyer, said his firm's remuneration system could be improved by increasing the number of "remunerated units taking into consideration years as partner".

A capital markets partner said the remuneration system at his firm could be enhanced by "establishing a degree of certainty at partner level", while one banking and finance partner said a "fair profit allocation system improving the benefits of junior partners" should be implemented at his firm. A total of 110 partners participated in the online survey in May 2015.

### **The best paid lawyers by practice area**

The following list shows what the highest paid partner in each practice area earns, according to the survey: **Administrative and Public Law** (€450,000-€475,000); **Banking and Finance** (€1m+); **Corporate and M&A** (€1m+); **Dispute Resolution** (€1m+); **EU and Competition** (€625,000-€650,000); **Employment** (€675,000-€700,000); **Insurance** (€225,000-€250,000); **Intellectual Property** (€300,000-€325,000); **Projects and Energy** (€1m+); **Real Estate and Construction** (€1m+); **TMT** (€200,000-€225,000); **Tax** (€1m+).