

Solicitors  
Regulation  
Authority

**Impact assessment of the deregulation of the  
prescribed SRA trainee minimum salary**

Post implementation two-year review

November 2017

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## Executive summary

### Aim of the impact assessment

This report reviews the impact of removing the minimum training salary in August 2014, with particular attention to:

- the effect on salary levels and numbers of training contracts (TCs) provided
- impact on equality and diversity.

### Methodology and scope

The study consists of two parts:

1. The first part was a quantitative analysis of SRA data held on trainees and the firms they work in, to explore changes pre and post the minimum salary policy change.
  - The data provides a current profile of the population of trainee solicitors, firms employing trainees and information on training contracts.
  - An in depth quantitative analysis using statistical methods to assess the impact on the salaries of trainee solicitors following the removal of the minimum salary. This consisted of data held on 33,000 trainee solicitors, who started their training between January 2011 and December 2016 as well as on the firms who recruited these trainees.
2. The second part consisted of online surveys aimed at a) employers of trainees b) trainee solicitors and c) students, paralegals and others working in the legal sector, to seek their views on the impact, if any, the change in trainee salary has had. The total number of respondents is shown below:
  - representatives of firms (142 responses)
  - trainees (125 responses)
  - students and paralegals, graduates, legal executives and other individuals considering becoming solicitors (167 responses).

### Key findings

Increase in training contracts

- There has been an upward trend in the number of training contracts, for trainees enrolled between January 2011 and December 2016.

- It is difficult to say whether this is due to the removal of the minimum salary or if it reflects an increasing demand for trainees.

#### Reduction in average pay

- On average, trainees receive £560 per year less since the removal of the minimum salary. The main cause of this is trainees whose salary is in the lowest threshold are being paid less.

#### Impacts on diversity

- The average pay gap between different ethnic groups has reduced since the removal of the minimum salary. This has been driven by reductions in the salaries of White trainees.
- The mean<sup>1</sup> pay gap between Asian and White trainees was previously £765 per year. Based on ethnicity alone, there is no statistically significant gap now.
- Similarly, the mean pay gap between the salaries of Black and White trainees has reduced from £1,850 to £1,099 but remains significant.
- The median (mid-point)<sup>2</sup> salaries of both Black and Asian trainees show they earn less than White trainees.
- The main reason for the gap appears to be differences in the type of firm where different ethnic groups work. Black and Asian trainees are more likely to work in firms that pay less, such as sole practices and firms specialising in criminal, litigation or real estate work. Firms who specialise in areas such as intellectual property or corporate law pay more.
- The mean gender pay gap is now £460, this is an increase of £128<sup>3</sup> on annual salary since the removal of the minimum salary. Even when accounting for factors which might affect salary, such as region and type of firm worked for, female trainees are still on average earning less.

The data did not provide evidence as to why this might be the case nor why there might have been a slight increase in the gap since the removal of the minimum salary. The gender pay gap is not just an issue for the legal sector, it is prevalent in many work sectors. Possible reasons for this are interrelated factors such as the culture of the profession, society and career choices.

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<sup>1</sup> The mean is the average of a data distribution.

<sup>2</sup> The median gives the midpoint of a data distribution.

<sup>3</sup> The pay gap was £332 before the removal of the minimum salary. The gap has increased to £460 after the removal.

## Changes in trainee perceptions

- The survey found that 94% of respondents still want to train as a solicitor but only 83% felt they would still be able to do so.
- These results are significantly more positive than the previous survey in 2012 which was conducted before the removal of the prescribed minimum salary levels, where the respective results were 68% and 50%.
- There has also been a decrease in the number of trainees saying they think their salary is too low, from 55% in 2012 compared to 46% in 2016.
- The majority of trainees (75%) and firms (82%) felt that the change had not had an impact (either positive or negative).

## Training market tiers

There are currently<sup>4</sup> 10,604 trainee solicitor registrations. A higher proportion of women are registered as trainees (62%) compared to 47% of solicitors who are female. Unfortunately, the ethnicity data for trainees is incomplete, however historically the trainee population is more ethnically diverse than the general population<sup>5</sup>. For example, the percentage of ethnic minority trainees across the solicitors' profession as a whole was 30% in 2015. The proportion of Black Asian Minority Ethnic (BAME) in the profession is 18%.

The market for trainee salaries still operates as a two tier system. It was assumed in 2012 that specific tiers of the market would respond in different ways. The 'prime' tier (salaries falling within the range £35k-£45k) supplies 32% of all training contracts. This market already pays well above the minimum level. This market has been unaffected by the removal of the SRA prescribed salary. Organisations in the 'prime' tier tend to be larger firms and the factors they consider when setting salary levels are all independent of the SRA's intervention such as the profitability of the firm and the relevant experience of candidates.

A 'lower' tier market paying at or just above the previous prescribed minimum level (salaries falling within the range £16.5k to £22k) currently accounts for 32% of all trainees. This tier tends to be made up of smaller firms. This has reduced from 42% of trainees falling within this tier in 2012.

In between these two markets is a wider range of salary levels, in total these account for a further 36% of all training contracts.

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<sup>4</sup> As at mid November 2016.

<sup>5</sup> The ethnic minority population for England and Wales was 14% and for the age group 20 to 30 years old was 19% at the last Census. *Census data: Ethnic group by sex by age - NOMIS, 2011*: <https://www.nomisweb.co.uk/census/2011/dc2101ew>

## Supply of training contracts

- There has been an upward trend in the total number of training contracts, for trainees enrolled between January 2011 and December 2016.

## The impact on trainee salaries

Most firms take into account many factors when deciding how many trainees to take on and what to pay them. Key considerations include:

- the profitability of the firm
- relevant experience of candidates
- salaries paid by competitors.

It is unlikely that the removal of the minimum salary, in isolation, has impacted significantly on firms' decisions about whether to start taking on trainees or to take on more trainees or their salaries levels.

The statistical analysis shows the salary of trainees is likely to be determined more on the characteristics and practices of firms.

The data also shows the policy change has not led to employers regularly paying the legal minimum salary.

## Analysis of salary

- The median salary of trainee solicitors is £25,677 after the removal of the minimum salary. This is slightly lower than the median salary of trainee solicitors (£26,255) before the removal of the minimum salary.
- Trainees, whose salary is in the lowest threshold, are being paid less since the removal of the minimum salary. For example, after the removal of the minimum salary, the bottom two percent of trainees in terms of salary level are being paid up to £13,104 per year. This was £17,268 per year before the removal. For the bottom five percent, the salaries are up to £17,675 and £15,406 respectively for before and after the removal of the minimum salary.
- The median salary of female trainees (£24,866) is about £2,500 less than the median salary (£27,349) of male trainees. The median salary of White trainee solicitors is £24,866, which is higher than the median salary of Asian trainees which is £19,515, as well as the median salary of Black trainees which is £19,904.
- Firms, who are specialised in corporate / intellectual property / finance work, pay more to their trainees compared to the firms who are specialised in any other areas of work. Firms who are specialised in criminal work or private clients pay the lowest to their trainees.

- Trainees salaries do not differ between authorised law practices, and other practices that include foreign law practices, non-SRA authorised firms and organisations who have in-house solicitors. However, authorised small firms and firms that obtain at least five percent of their turnover from legal aid work, pay less to their trainees.
- The survey results suggest that the views on current salary were largely split between considering their training salary to be "too low" (45.6%) and "about right for a trainee starting salary" (52.0%). In 2012, almost 55% thought their salary was too low.
- The survey also suggests that the overall picture indicates that the expectation of would-be solicitors is a starting salary of £18,000 to £25,000.

### Pay gap analysis

- The average pay gap between male and female trainees has slightly increased the removal of the minimum salary. The mean gender pay gap is now £460, this is an increase of £128 on annual salary since the removal of the minimum salary.
- There is no statistically significant pay gap between Asian and White trainees since the removal of the minimum salary. The gap was £765 before the removal. The average pay gap between Black and White trainees has also reduced since the removal. However, Black trainees are still receiving about £1099 less than White trainees.
- Firms, who have their head office based in London pay the highest salary to their trainees. Firms, who have their head office based in the North West, pay the lowest salary to their trainees. However, regional variation in the salary of trainees is relatively small if London firms are excluded from the analysis.
- Small firms<sup>6</sup> paid about £5,400 less to their trainees compared to all other firms. The gap has increased to £8,161 since the removal of the minimum salary requirement.
- Upon controlling for the influences of trainees' characteristics and the firms' characteristics, a sole practitioner firm pays relatively more to their trainees compared to the firms who have 2 to 25 partners.
- Further analysis was conducted to understand the reason why lower salaries were paid to Asian and Black trainees. The analysis found these trainees are more likely to work in firms that are:

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<sup>6</sup> Firms whose turnover is up to £400,000 and have up to four partners.

- sole practices
- company limited by shares who are specialised in criminal or private client work
- company limited by shares who are specialised in litigation, other non-litigation or real estate work
- partnership firms who are specialised in criminal or private client work
- partnership firms who are specialised in litigation, other non-litigation or real estate work.

The analysis suggests that the above types of firms pay less to their trainees.

Current trainees were also asked for their views about their salary level. Views on current salary were largely split between considering their training salary to be "too low" (45.6%) and "about right for a trainee starting salary" (52.0%). In 2012, almost 55% thought their salary was too low.

The overall picture indicates that the expectation of would-be solicitors is a starting salary of £18,000 to £25,000.

### Access and diversity

- More BAME respondents did state they would be unable to train as a solicitor due to the SRA not imposing minimum trainee salary levels. However, very few were aware that the SRA had set a minimum level in the past.
- The survey data shows that for the respondents who are first generation of their family going to a university, only 18.2% were earning more than £40,000, compared to 50.6% of respondents whose parents or previous generations had attended university.
- The survey data shows that on average respondents who attended UK state schools tend to be paid relatively lower trainee salaries. 41.0% of respondents who attended a state school are earning less than or equal to £18,590. In contrast, the majority (63.3%) of respondents who attended a UK private or fee paying school are earning more than £40,000<sup>7</sup>.
- Respondents were asked about the most important factor they took into account when choosing specific firms and organisations to apply

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<sup>7</sup> Recent government figures show the pay gap dependent on the university attended by law graduates. The median salary of law graduates (five years after graduation in 2008/9) was £61,500 for those who had attended the University of Oxford and £17,500 for law graduates from the University of Bradford.

<https://www.timeshighereducation.com/news/government-publishes-data-law-graduate-earnings-university#>

for training. The most frequently stated responses were: interest in the type of work and quality of training. These factors were all stronger influences over respondents' career choices than a starting salary for trainees. Most indicated that the longer term salary expectations were more important than the training salary.

## **Conclusion**

The findings show the salary of trainees is likely to be determined more on the characteristics and practices of firms and other factors such as social mobility rather than some of the protected diversity characteristics of trainees.

It is not known what the current and potential earnings from alternative employment (e.g. becoming a paralegal or working in a different sector) could be and how this affects career choices.

The prescribed minimum salary may have artificially impacted on salaries for some groups of trainees. The picture is complex with many factors at play such as the type of firm, the type of work carried out by firms, the social factors and economic factors.

In summary, the removal of a minimum salary does not seem to have had a major negative or positive impact on the market, if viewed in isolation. Potential entrants' desire and ability to train as a solicitor has not been affected.

The level of salary paid to trainees is reflective of market and economic conditions and not due to the deregulation of prescribing minimum salary levels. Salary levels should be set by market forces and the profession itself in the context of the law around the minimum wage and the living wage option.

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# 1. Introduction

## Purpose of the report

On 1 August 2014, the Solicitors Regulation Authority (SRA) changed the minimum salary levels to be paid to trainee solicitors undertaking what is now known as a period of recognised training. The previous levels of prescribed salary were replaced with a requirement for trainees to be paid at least the national minimum wage.

The SRA Board gave a commitment to monitor the impact of the removal of the minimum salary requirement through a future study. This research project is a follow up to the original research which explored the potential impact prior to the removal of the minimum salary requirement set by the SRA.

The aim of this report is to survey a) employers of trainees b) trainee solicitors and c) students, paralegals and others working in the legal sector, to seek their views on the impact, if any, this change in trainee salary has had.

In addition, a separate quantitative analysis was conducted of SRA internal data held on 33,000 trainee solicitors, who started their training between January 2011 and December 2016 as well as on the firms who recruited these trainees.

## Background

In May 2012, the SRA Board decided that setting a minimum salary level for trainee solicitors i.e. individuals on a period of recognised training, above the national minimum wage main rate for employees was not in the public interest<sup>8</sup>. It not a regulatory requirement under the Legal Services Act nor does the SRA attempt to control the market for salaries for anyone else providing legal services. Therefore, the SRA decided after a consultation process and research evidence not to intervene in the market for trainee solicitors regarding setting the level of salaries<sup>9</sup>. The SRA view was that trainee solicitors should be paid, as a minimum, the national minimum wage<sup>10</sup> or national living wage set by the government instead. The change came into effect on 1 August 2014.

The national minimum wage is applicable to school leavers and those under 24 years of age. The national living wage is applicable to those aged 25 and over.

The rates<sup>11</sup> from 1 October 2016 are set out in Figure 1.1.

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<sup>8</sup> Details of the history and previous consultation in 2012 can be found at: <http://www.sra.org.uk/sra/consultations/review-minimum-salary-trainee-solicitors.page>

<sup>9</sup> Appendix I provides details of benchmarking with other industries showing that most regulators do not set minimum trainee salary levels.

<sup>10</sup> This is the employee national wage, not the apprentice national wage.

<sup>11</sup> National Minimum Wage rates change every October. National Living Wage rates change every April. The national living wage did not exist at the time of the SRA Board decision.

<b>Figure 1.1: National minimum wage and national living wage rates</b>				
Year	25 and over	21 to 24	18 to 20	Under 18
October 2016 (current rate per hour)	£7.20	£6.95	£5.55	£4.00
October 2016 (current rate per annum)	£13,104	£12,649	£10,101	£7,280

The SRA prescribed minimum rates just before the removal of this requirement was £18,590 in central London and £16,650 outside of London.

## Report structure

The report has been purposefully kept to a similar structure and format to the original study in 2012 for ease of comparison.

The structure of the remainder of this report is as follows:

Section 2 explains the methodology.

Section 3 sets out the current profile of trainees followed by an in-depth statistical analysis of the impact on trainee salaries before and after the SRA removed the prescribed minimum salary levels.

Section 4 details some of the survey results from firms and organisations employing trainees, and the responses from trainee solicitors and others including students and paralegals, on the impact of removing the minimum salary requirement on salary levels.

Section 5 sets out the summary and conclusions.

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## 2. Methodology

The study consists of two parts:

1. A quantitative analysis of SRA data held on trainees and the firms they work in, to explore changes pre and post the minimum salary policy change.
2. Online surveys aimed at a) employers of trainees b) trainee solicitors and c) students, paralegals and others working in the legal sector, to seek their views on impact, if any, this change in trainee salary has had.

### Quantitative analysis

The data analysis consists of two elements:

- SRA data on the current profile of the population of trainee solicitors, firms employing trainees and information on training contracts<sup>12</sup>.
- An in depth quantitative analysis using statistical methods to assess the impact on the salaries of trainee solicitors following the removal of the minimum salary. This consisted of data held on 33,000 trainee solicitors, who started their training between January 2011 and December 2016 as well as on the firms who recruited these trainees.
- The analysis considers the:
  - impact on the number of training contracts
  - impact on the salary of trainee solicitors
  - distribution of the salary of trainee solicitors
  - association between salary and the diversity characteristics of trainees
  - association between salary and the profile of firms that offer training contracts.

### Online surveys

Three online surveys based on an updated version of the original questionnaires<sup>13</sup> were designed and uploaded onto the SRA website. The surveys were aimed at:

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<sup>12</sup> This comprised of data on gender, age, ethnicity and salary of trainees. For firms this comprised data on area of work specialism, constitution type, region, size of firm, turnover bandings and number of partners (banding).

<sup>13</sup> The questionnaires used for the original study in 2012.

- employers of trainees
- trainee solicitors
- students, paralegals and others working in the legal sector.

The survey was in the field for 11 days, closing on 21 October 2016 and received a total of 434 responses from:

- representatives of firms (142 responses)<sup>14</sup>
- trainees (125 responses)<sup>15</sup>
- students and paralegals, graduates, legal executives and other individuals considering becoming solicitors<sup>16</sup> (167 responses). This sample was designed to obtain the views of people who would like to join the profession and would therefore have views about opportunities for, or barriers to, entry (80% of these respondents stated they were considering becoming a solicitor).

The questionnaires can be found at Appendix II.

The sample cannot be said to be representative of the population as it was self-selecting. Comparisons are made with the 2012 survey however, some caution is required, as the response rate for this current survey was lower across all categories of respondents.

The surveys sought information on:

- the impact of the removal of the minimum trainee salary requirement
- factors considered when setting salaries
- diversity and equality impacts
- career aspirations of would be solicitors and views on trainee salaries
- the number of trainees, the types of organisation employing them and the current salary levels.

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<sup>14</sup> The current population of solicitor firms and organisations is 10,483. There are currently 4,872 organisations with authorisation to take trainees. 2,592 currently have trainees in post. 3,864 of the organisations are Law Practices and 2,130 of these currently have trainees in post.

<sup>15</sup> Current population is 10,604 registered trainee solicitors.

<sup>16</sup> The population figure is harder to estimate. The estimate for current students is approximately 40,000. There are estimated to be over 200,000 unadmitted staff who carry out direct 'fee earning' work. Out of this some are legal executives but the majority are paralegals. However the overall population of 'other' graduates and paralegals is estimated to be high but is hard to define. This high population estimate makes very little impact on the level of statistical significance, which is highly inelastic for population figures of 100,000 and above.

### 3. Quantitative analysis of the profile and salaries of trainees

#### Profile of trainee solicitors

This section details the current profile of the population of all<sup>17</sup> trainee solicitors, firms employing trainees and information on training contracts.

The SRA maintains records of trainee solicitors. There are currently<sup>18</sup> 10,604 trainee solicitor registrations. This is an increase of almost 20% from when the previous study was conducted in 2012. Details of ethnic origin, as well as other biographical data, are sought at the time of enrolment. Individuals are not obliged to complete the question on their ethnicity and in 2016 there was very limited data, the majority being 'unknown'.

When the population of trainee solicitors in England and Wales is compared with the general population, a higher proportion of women are registered as trainees as shown in Figure 3.1. Unfortunately, the ethnicity data for trainees is incomplete, however historically the trainee population is more ethnically diverse than the general population<sup>19</sup>. For example, the percentage of ethnic minority trainees across the solicitors' profession as a whole was 30% in 2015. The proportion of Black Asian Minority Ethnic (BAME) in the profession is 18%.

**Figure 3.1: Trainee solicitor registrations at mid-November 2016 by gender**

		Total entrants	Percentage of all trainees	Percentage of England and Wales population <sup>20</sup>	Percentage of England and Wales population aged 22-30 <sup>21</sup>
Gender	Male	3996	37.7	49.3	50.3
	Female	6608	62.3	50.7	49.7
Total:		10604	100	100	100

Source: SRA Data 2016 N=10604

<sup>17</sup> This includes full and part time training contracts, of which very few are part time.

<sup>18</sup> As at mid November 2016.

<sup>19</sup> The ethnic minority population for England and Wales was 14% and for the age group 20 to 30 years old was 19% at the last Census. *Census data: Ethnic group by sex by age - NOMIS*, 2011: <https://www.nomisweb.co.uk/census/2011/dc2101ew>

<sup>20</sup> *Mid-year population estimates, 2015 - Office of National Statistics, 2016:* <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/midyearpopulationestimatesexplorabledatasets>

<sup>21</sup> Age group was chosen from the available data, to reflect the age of the majority of trainee solicitors. *Mid-year population estimates, 2015 - Office of National Statistics, 2016:* <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/midyearpopulationestimatesexplorabledatasets>

The age profile of trainee solicitors is shown in Figure 3.2. As to be expected the majority (88%) are under 30 years of age although almost 10% are aged 31 to 40 years of age.

<b>Figure 3.2: Trainee solicitor registrations at mid-November 2016 by age</b>			
		Total entrants	Percentage of all trainees <sup>22</sup>
Age	30 or below	9352	88.2
	31-40	1015	9.6
	41-50	176	1.7
	51-60	32	0.3
	61 or over	3	0
	Unknown	26	0.2
<b>Total:</b>		<b>10604</b>	<b>100</b>
<i>Source: SRA Data 2016 N=10604</i>			

Although the available data indicates a diverse trainee population, women and BAME trainee solicitors are less likely to receive higher salaries and this may impact their subsequent career progression.

The data on disability is not complete, with most of the trainee population classified as 'unknown'.

Figure 3.3 and Figure 3.4 shows that the majority, almost 93%, of trainees are based in private practice firms. Only 3.7% of training contracts (TCs) are provided by commerce and industry.

<sup>22</sup> The population data for the corresponding age bands is 21.8%, 16.4%, 17.7%, 16.0% and 28.1% respectively. Although as to be expected the majority of trainees are under 30 years of age. *Mid-year population estimates, 2015* - Office of National Statistics, 2016: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/midyearpopulationestimatesexplorabledatasets>

<b>Figure 3.3: Type of organisations where TCs are provided</b>		
Type of organisation	Number of trainees	Proportion of TCs
Local Government Body	156	1.5%
Registered Charity	4	0%
Regulatory Body	11	0.1%
Advice Service	20	0.2%
Authorised Non SRA Firm	6	0.1%
Commerce & Industry	392	3.7%
Court	15	0.1%
Crown Prosecution Service	7	0.1%
Educational Establishment	33	0.3%
Foreign Law Practice	59	0.6%
Government Body	1	0%
Government Funded Service	4	0%
Government Legal Services	53	0.5%
Health Service	3	0%
Law Practice	9850	92.8%
Total:	10614 <sup>23</sup>	100%
<i>Source: SRA Data 2016</i>		

<b>Figure 3.4: Type of law practices where TCs are provided</b>		
Type of organisation	Number of trainees	Proportion of TCs
Company Limited by Guarantee	2	0%
Company Limited by Shares	1758	16.6%
Limited Liability Partnership	6232	58.7%
Partnership	1593	15.0%
Sole Practice	258	2.4%
Sole Practitioner	2	0%
Unlimited Company	5	0%
Total:	9850	92.8% <sup>24</sup>
<i>Source: SRA Data 2016</i>		

Figure 3.5 shows the majority of trainee solicitors are based in large firms. Almost 40% are based in firms with more than 81 partners. Only 7% of training contracts are provided by sole practices and 17% take place in firms with between two and four partners. The number of training contracts has increased by 9% for private practice firms since 2012. The number of private practice firms has increased by 2% in the same period indicating an overall increase in the number of training contracts offered by firms.

It could be that more firms are offering training contracts because of the SRA policy change on minimum salary levels although it cannot be determined as a direct link as

<sup>23</sup> There were a few individuals that had training contract records against more than one firm. This means the total here is slightly higher than N=10604.

<sup>24</sup> The remainder are non-private practice firms as in Table 3.3.

many factors could determine the rise in training contracts including demand, the economy and the landscape of the legal market.

<b>Figure 3.5: Size<sup>25</sup> of private practice firms where TCs are provided</b>		
Firm size	Number of TCs	Proportion of TCs
Sole practices	740	7.5%
2-4 partners	1700	17.3%
5-10 partners	1065	10.8%
11-25 partners	892	9.1%
26-80 partners	1477	15.0%
81+ partners	3759	38.2%
#N/A <sup>26</sup>	217	2.2%
Total:	9850	100%

*Source: SRA Data 2016 N=9850*

Figure 3.6 provides an indication of the area of law that trainees work in within organisations. One quarter work within corporate law, almost 40% work in mixed areas of law.

<b>Figure 3.6: Areas of law where trainees work</b>		
Area of law	Number of trainees	Proportion of TCs
Corporate	2727	25.4
Criminal	309	2.9
Litigation / ADR	1884	17.6
Other	31	0.3
Private client	908	8.5
Real estate	663	6.2
Mixed	4204	39.2
Total:	10726 <sup>27</sup>	100%

*Source: SRA Data 2016 N=10726*

Over half (57%) of all training contracts are located in London as shown in Figure 3.7. Just over 10% are located in the North West and 2% in Wales. When compared with the number of firms in these locations fewer than 5% of firms authorised to take trainees are based in Wales, compared to 35% in London, where many of the larger firms are based.

<sup>25</sup> The definition of small firms has changed to a turnover of £400,000 and up to four partners in size. In 2012 it was based on partner size alone.

<sup>26</sup> The data contains a few firms with no recorded size, these are labelled as #N/A values. The data was extracted from details of firms which the individual is doing their period of recognised training however, some may have changed constitution type and the firm IDs have not updated in this current snapshot. As the number is relatively small, 217 out of around 10,000 records it does not alter the overall picture by size of firm.

<sup>27</sup> This data was taken at the end of December 2016 for the number of trainees starting training contracts and therefore the number differs slightly from the totals in previous tables.

<b>Figure 3.7: Location of private practice firms where TCs are provided</b>		
Region	Number of TCs	Proportion of TCs
East Midlands	309	3.1%
East of England	362	3.7%
London	5637	57.2%
North East	180	1.8%
North West	1060	10.8%
Scotland	16	0.2%
South East	594	6.0%
South West	529	5.4%
Wales	218	2.2%
West Midlands	429	4.4%
Yorkshire and The Humber	516	5.2%
Total:	9850	100%
<i>Source: SRA Data 2016 N=9850</i>		

### **Trainee salaries**

Figure 3.8 shows the market for trainee salaries is still operating as a two tier model.

A 'prime' market pays high training contract rates (salaries falling within the range £35k-£45k). This market currently accounts for around 32% of trainee contracts and is dominated by large city and national firms.

A 'lower' tier<sup>28</sup> market pays at or just above the previous prescribed minimum level (salaries falling within the range £16.5k-£22k). This market currently accounts for 32% of trainees. In 2012 this figure was 42%, showing more firms are paying higher salaries. This tier includes a significant proportion of trainees in smaller firms.

The data indicates that the policy change has not led to employers paying the lowest levels possible, it shows that more current trainees are being paid above the previous minimum level.

A more in depth analysis on salary levels is provided in the next section.

<sup>28</sup> A small minority (7.3%) are paying less than the previous SRA prescribed minimum salary. Around 26 are part time contracts. The remainder are probably due to incorrect data from firms or data entry errors. These will be looked at by the SRA Supervision team to verify the data with these firms in the first instance before deciding on further steps such as informing HMRC. It must be noted that there is no data collected on the number of hours worked by trainees and subsequent salaries.

**Figure 3.8 Distribution of training contract salaries**



Source: SRA Data 2016

**Firms authorised to take trainees**

There are currently 4872 organisations<sup>29</sup> with authorisation to take trainees. Just over half of these, 2592, organisations currently have trainees in post. In 2012, the respective numbers were 3806 organisations with authorisation and 2400 organisations who had trainees in post. Organisations are granted authorisation on a continual basis, it is only removed if there is reason to do such as enforcement action or if there is no current training principal.

3864 of these organisations are Law Practices and 2130 of these currently have trainees in post.

Figure 3.9 shows the number of private practice firms with authorisation to take trainees. Over 80% of these firms are based in London and the South East.

<sup>29</sup> All organisations: private practice and in house (government, commerce and industry) and others such as overseas firms and those providers regulated by alternative regulators.

<b>Figure 3.9: Regional distribution of TCs for private practice firms</b>			
Region	Number of firms with trainees in post	Number of firms with no trainee in post	Total
East Midlands	108	55	163
East of England	138	110	248
London	760	587	1347
North East	62	58	120
North West	325	256	581
Scotland <sup>30</sup>	3	0	3
South East	213	188	401
South West	110	103	213
Wales	96	87	183
West Midlands	162	155	317
Yorkshire and The Humber	153	135	288
Total:	2130	1734	3864

*Source: SRA Data 2016*

Figure 3.10 shows that all large firms take on trainees and so do a significant proportion of medium sized firms. Sole practices, as to be expected, are less likely to employ trainees however, 462 of these practices do currently have at least one trainee solicitor.

<b>Figure 3.10: Size of private practice firms authorised to take trainees</b>		
Firm size	Number of firms with trainees in post	Number of firms with no trainee in post
Sole practices	462	609
2-4 partners	916	924
5-10 partners	404	183
11-25 partners	192	16
26-80 partners	101	2
81+ partners	55	0
Total:	2130	1734

*Source: SRA Data 2016 N=3864*

<sup>30</sup> Scotland is probably showing here because the head office is based in England or Wales.

## Statistical analysis of data on trainee salaries and firms

This section details the findings of an in depth quantitative analysis using statistical methods to assess the impact on the salaries of trainee solicitors following the removal of the minimum salary requirement.

Firms or organisations, who want to train solicitors in England and Wales, must obtain permission from the SRA. Before taking any trainees, firms submit a form as notification, known as a PRT3<sup>31</sup>, at least 30 days before the training starts. This form contains information about the trainee(s), details about their training contract such as salary and the length of the contract, and information about the firm.

The analysis in this section is based on data collected via the PRT3.

The dataset consisted of 33,000 trainee solicitors who started their training between January 2011 and December 2016. The data on firms who recruited these trainees was also analysed. The data on the firms was obtained by linking them with the information they submitted to the SRA as part of their annual renewal application<sup>32</sup> process. The firm data was matched to the year when trainees started their training.

## Trend analysis of the number of training contracts

Any trainee who enrolled in multiple training contracts between these time periods would count multiple times in this analysis. However, the data suggests that less than one percent of trainees enrolled in multiple contracts.

Figure 3.11 shows the number of trainees commencing their training contracts per quarter since January 2011. The bold line in the figure shows the number of trainees commencing their training contracts per quarter before the removal of the minimum salary, and the faint line shows the number after the removal.

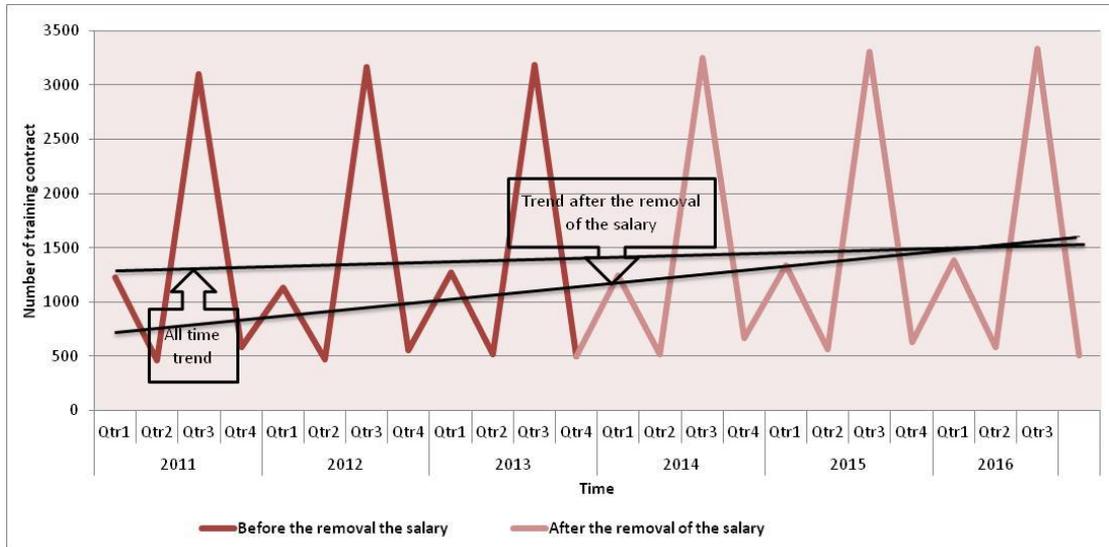
It can be seen that there is an upward trend in the number of trainees since January 2011. Also, most trainees start their training during the third quarter of each year.

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<sup>31</sup> Further details are provided at <http://www.sra.org.uk/trainees/period-recognised-training/applications.page>.

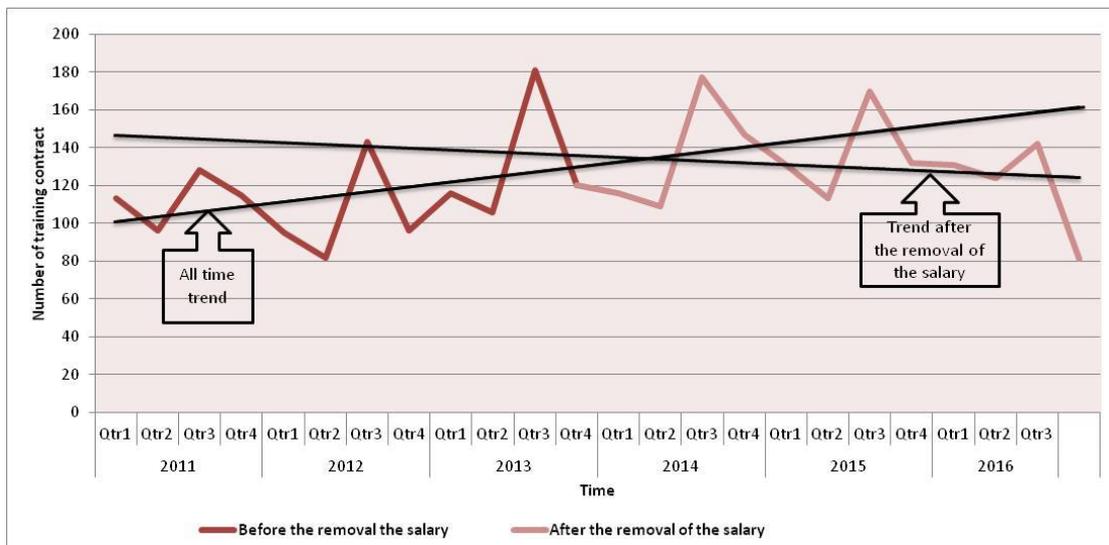
<sup>32</sup> Information provided in the RF1 form.

**Figure 3.11: Trend analysis of the number of training contracts from 2011 - 2016**



The result suggests that the upward trend becomes stronger following the removal of the minimum salary. However, it cannot be determined whether the increasing number of training contracts is as a result of the removal of the minimum salary, or if other factors have caused the increased demand for trainees over time. For example, larger firms are unlikely to have been influenced by any minimum salary levels.

**Figure 3.12: Trend analysis of the number of training contracts offered by small firms from 2011-2016.**



By carrying out a trend analysis on small firms who offered training to solicitors in the past few years as presented in Figure 3.12, it shows there has been an upward trend in the number of trainees in small firms since January 2011. However, following the removal of the minimum salary, the trend decreases. Therefore, removing the minimum salary does not seem to have encouraged small firms to recruit more trainees. This can be viewed as rational behaviour of the market, as small firms

usually run their business with a relatively small team. Unless their business grows significantly, they do not need to increase their head count. There have been challenging times for many small businesses across the economy since 2011. In addition, there are time, resource and investment requirements in order to train and supervise trainee solicitors.

**Analysis of salary data**

Removal of the minimum salary of trainee solicitors means that firms can pay a lower salary to their trainees than the previous recommended minimum salary. A distribution analysis of salaries was carried out as shown in Figure 3.13. To make the salary comparable across all the years, an inflation adjustment was made in line with the retail price index in the UK. The salary has been measured equivalent to the value at November 2016. This adjustment has been used for the rest of the analysis.

**Figure 3.13: Percentile distribution of trainee salary from 2011-2016**

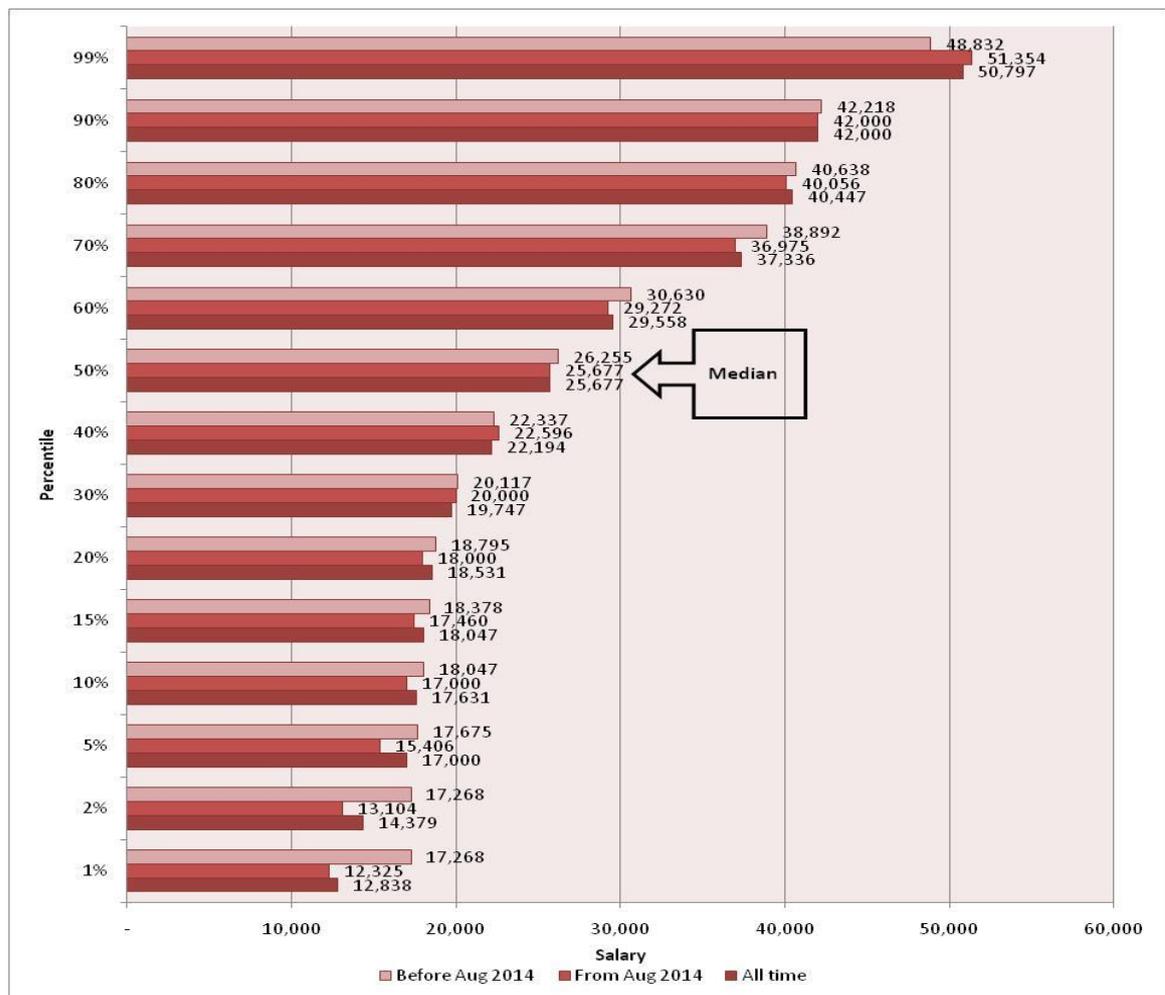
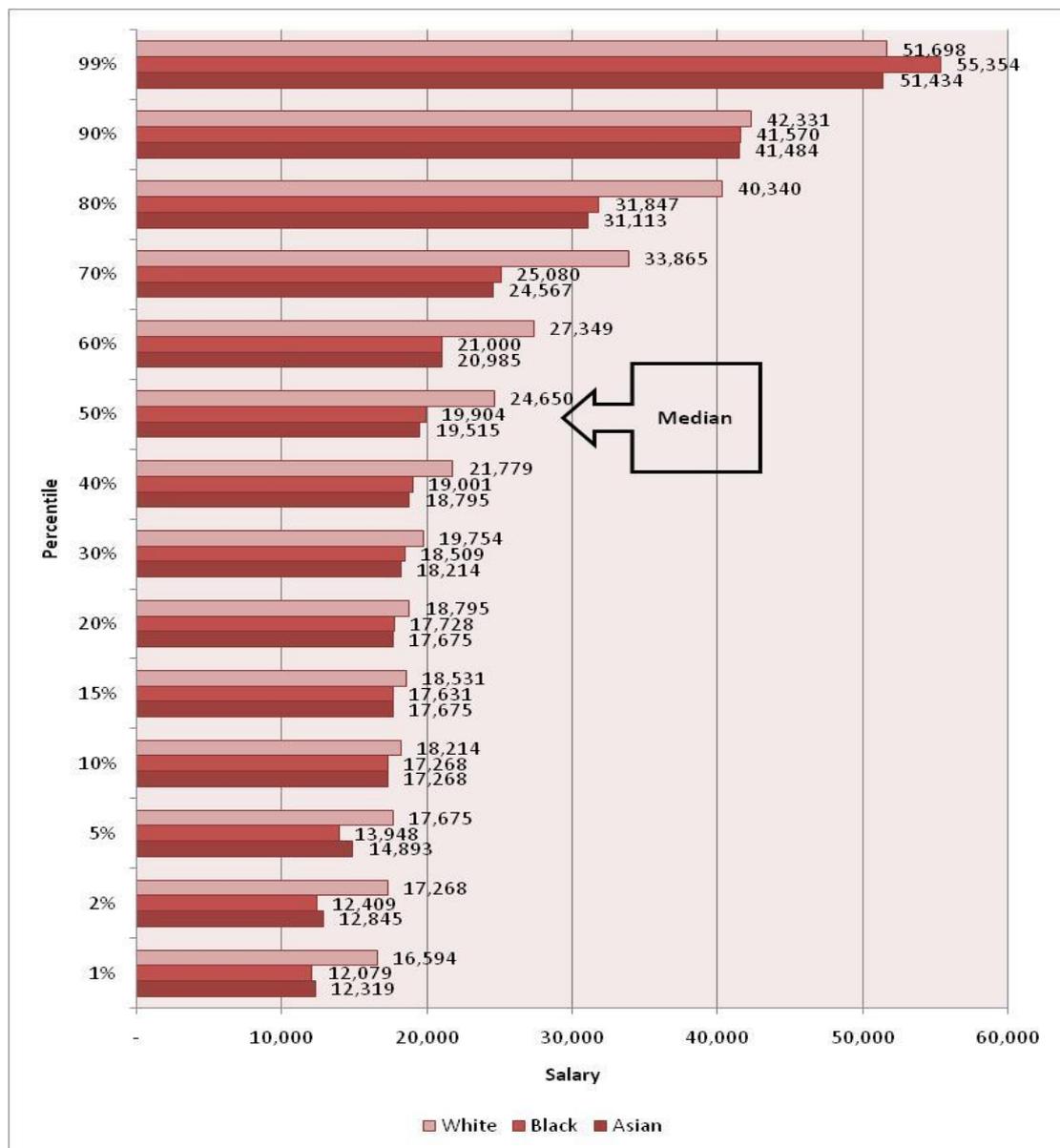


Figure 3.13 presents a percentile distribution of the starting salary of trainees. The 50<sup>th</sup> percentile value of the distribution is also called a median value. The median gives the midpoint of a data distribution. For example, the median salary of a trainee

is £25,677. This means that across the years analysed, half of the trainees received a starting salary up to £25,677, and the remaining half received more than £25,677. Trainees, who were in the bottom percentile, have been paid less since the minimum salary was removed. The salary distribution is consistent for the top earning trainees indicating no change in salary when compared before and after the removal of the minimum salary.

Figure 3.14, shows a comparison of the percentile distribution of the salary of trainees by their ethnicity. The median salaries of Black trainees and Asian trainees are about £5000 less than White trainees. The disproportionality in the salary is noticeable between Black, as well as Asian, and White trainees other than those who earn at the top level salary.

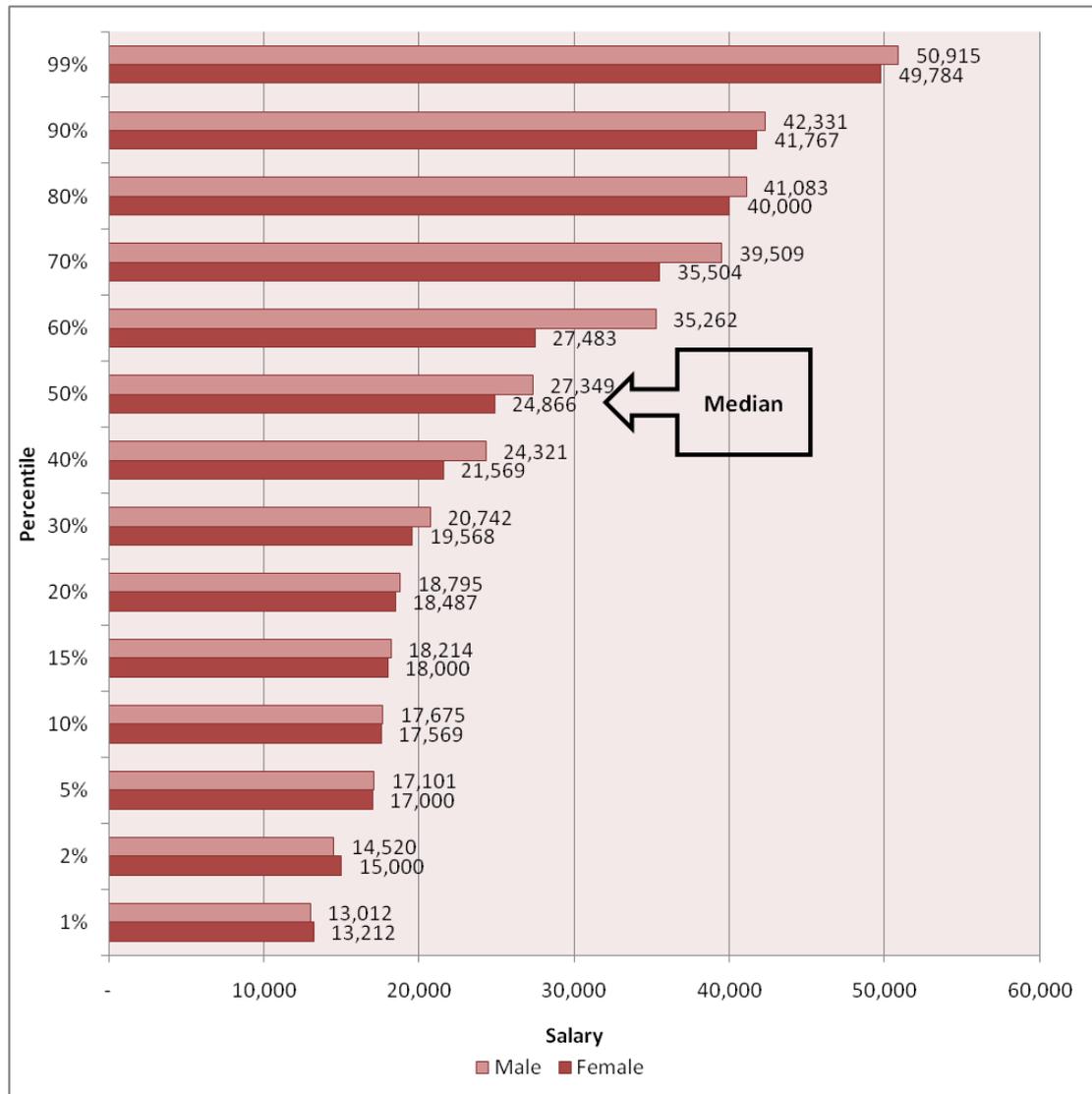
**Figure 3.14: A comparison of trainee salary distribution from 2011-2016 by their ethnicity**



There is a slight variation in the salaries of male and female trainees. Female trainees, between 40 and 70 percentiles, received a lower salary compared to male trainees as shown in Figure 3.15.

It is important to note that the gender pay gap is not just an issue for the legal sector, it is prevalent in many work sectors. There are many interrelated factors such as the culture of the profession, society and career choices<sup>33</sup>.

**Figure 3.15: A comparison of trainee salary distribution from 2011 to 2016 by their gender**



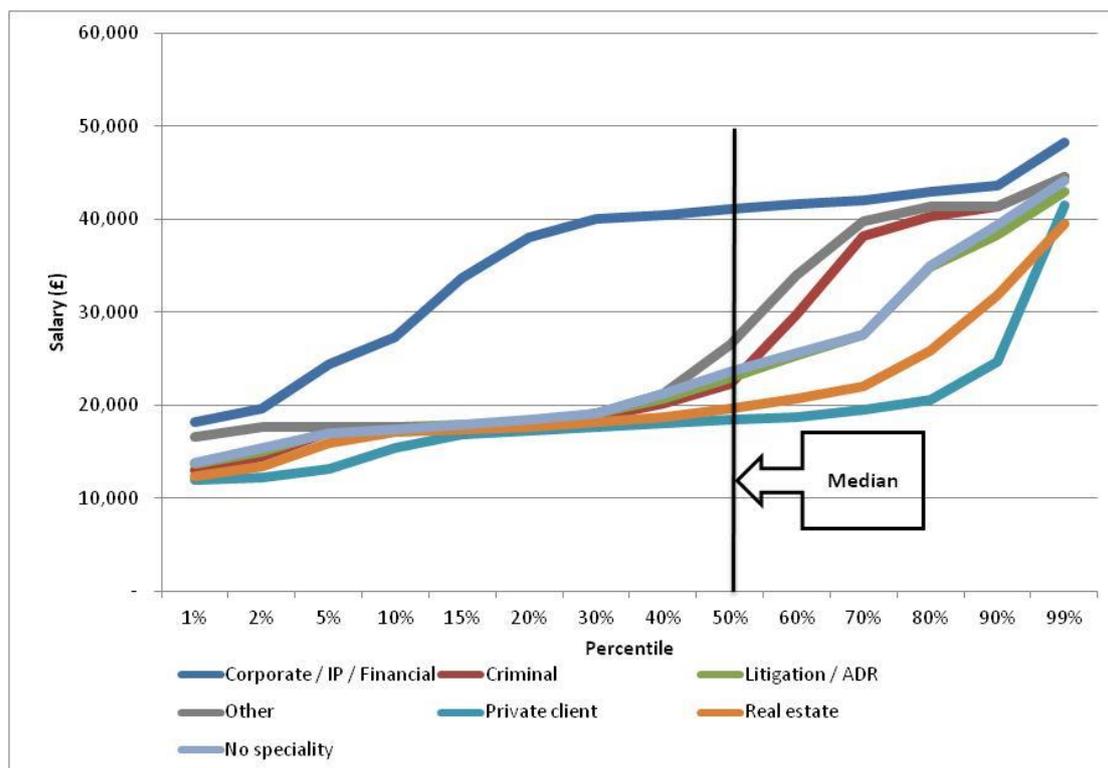
<sup>33</sup>Diversity in the legal profession, Legal Services Board, 2010.

<https://research.legalservicesboard.org.uk/wp-content/media/2010-Diversity-in-the-legal-profession.pdf>

Figure 3.16 shows the percentile distribution of the trainees by the speciality of firms employing them. A firm is specialised in one of the six work categories<sup>34</sup> when at least 50% of its turnover is generated from that category. A mixed category means that firms in this group do not specialise in any of the six categories.

Firms specialised in corporate / intellectual property (IP) / financial work, pay a substantially higher salary compared to other firms. Firms, who specialise in real estate and private client, pay the least to their trainees.

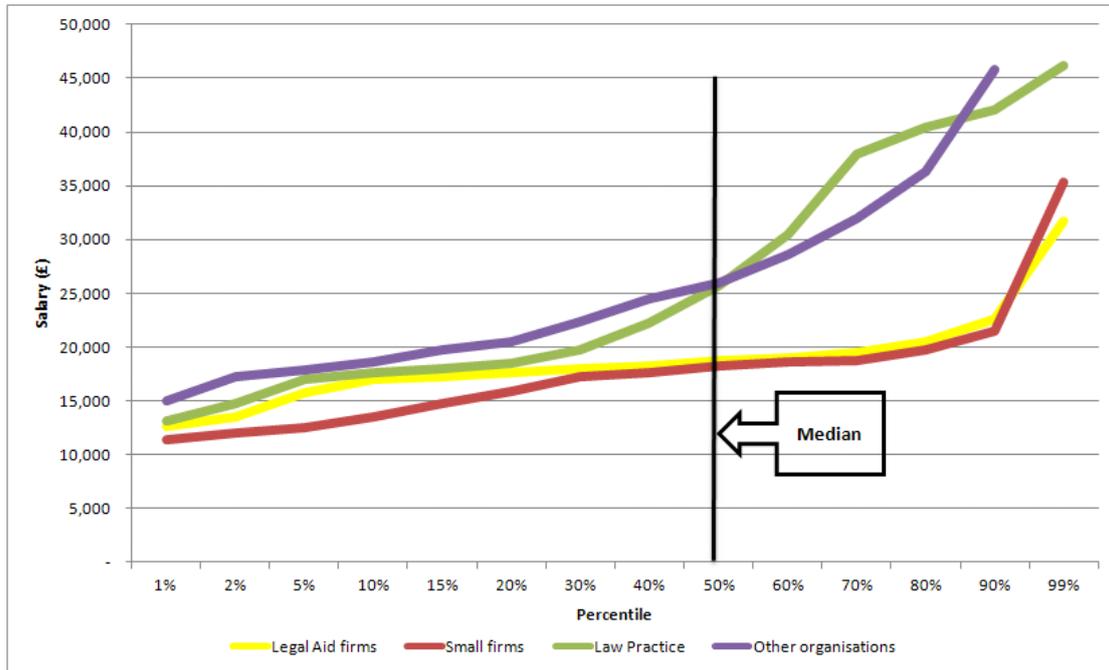
**Figure 3.16: A comparison of trainee salary distribution by the speciality of firms (2011 to 2016)**



A trainee can be trained as a solicitor from a law firm or an organisation providing direct legal service to consumers, but they can also be trained in-house. Figure 3.17 presents a percentile distribution of the salary of trainees by the types of businesses namely legal aid firms, small firms, law practices and other organisations.

<sup>34</sup> Appendix III provides a breakdown of these work categories by their work types.

**Figure 3.17: A comparison of trainee salary distribution by the types of businesses (2011 to 2016)**



The legal aid firms in Figure 3.17 are those who generate at least 5% of their turnover from legal aid work. Other organisations include those that do not offer direct legal services to customers (in house). This category also includes some law practices and foreign law practices that are not authorised by the SRA. The law practices in the above figure are SRA authorised firms that also include the small firms and the legal aid firms.

The salary distribution is consistent between law practices and other organisations. The median salary of trainees who trained in a law practice or in house is about £25,000. However, about 80% of the trainees who work in small firms and firms that carry out legal aid work have a salary less than £20,000.

**Factors that influence salary levels**

Regression analysis investigates the relationship between variables and determines if one or more variables have a causal effect on an outcome. A regression analysis of salary data was conducted to understand if any of the diversity characteristics of trainees or firm characteristics influence trainee salary levels. Variables, such as age, gender, ethnicity, constitution types, region, small firms, speciality of firms, turnover of firms and number partners in firms were included in the analysis<sup>35</sup>. For simplicity, the findings from the regression analysis are presented in three separate tables; even though all the variables were included in a single regression model.

Trainees in a full time training contract with a reported salary of between £5000 and £150,000 were included in this analysis. There were less than one percent of

<sup>35</sup> The effects from all other variables except the one under investigation is controlled to calculate the pay gap.

trainees (approx 170) who did not meet the criterion above. The salary of those with a stated salary of less than £5,000 or more than £150,000 cannot be validated. As mentioned previously (at footnote 28) this could possibly be due to data entry errors.

Figure 3.18 presents the association between the salary of trainees and their diversity characteristics. A double asterisk '\*\*' means that characteristic has a statistically significant<sup>36</sup> impact on salary at the 95% level of significance.

<b>Figure 3.18: Impact on salary from the diversity characteristics of trainees from 2011 to 2016</b>				
<b>Variable types</b>	<b>Variables</b>	<b>All time (£)</b>	<b>Before August 2014 (£)</b>	<b>After August 2014 (£)</b>
Age	Age	-7.4	0.5	-0.4
Gender	Female	-394.6**	-331.6**	-460**
	Male	Base Characteristic	Base Characteristic	Base Characteristic
Ethnicity	Asian	-562.1**	-765.4**	-108.3
	Black	-1555.3**	-1850**	-1099.4**
	Mixed	-344.5	-61.4	-1162.9**
	Other	1008.3**	285	3742**
	Unknown	224.4**	-126.3	883.3**
	White	Base Characteristic	Base Characteristic	Base Characteristic

Where there is no asterisk, it means there was no statistically significant difference between the amount of salary paid to a trainee with that characteristic before and after the removal of the minimum salary. This interpretation is the same for the rest of the tables in this report.

The age variable in the table is not a good predictor of salary, as it is not statistically significant. By controlling effects<sup>37</sup> from the list of variables<sup>38</sup> outlined at the beginning of this section, a female trainee earns about £395 less than a male trainee. The pay

<sup>36</sup> A statistically significant result means that the result is robust. The higher the level of significance, the higher the level of robustness. For example, the result is statistically significant at 95% level of significance means that there is a 95% chance that the result is accurate.

<sup>37</sup> This means by comparing two trainees who have exactly the same characteristics, such as both have same ethnicity and they both work in firms who have exactly the same characteristics. However, the only difference between these trainees would be, one of them is female and other is male.

<sup>38</sup> Age, gender, ethnicity, constitution types, region, small firms, speciality of firms, turnover of firms and number partners in firms.

gap was £332 before the removal of the minimum salary. The gap has increased to £460 after the removal.

The next section of the interpretation is the analysis by where one variable, the base characteristic is under investigation whilst controlling the effects from all other variables used in this model.

Upon analysing the ethnicity data, it was found that an Asian trainee receives about £562 less than a White trainee. However, the pay gap becomes non-significant after the removal of the minimum salary. A Black trainee receives about £1,555 less than a White trainee. The analysis also found that the gap has been reduced from £1,850 to £1,099 since the removal of the minimum salary.

Figure 3.19 presents the impact of firms' characteristics on trainee salaries.

<b>Figure 3.19: Impact on salary from the characteristic of firms that employ trainees</b>				
<b>Variable types</b>	<b>Variables</b>	<b>All time (£)</b>	<b>Before August 2014 (£)</b>	<b>After August 2014 (£)</b>
Constitution types	Company limited by shares	-481**	-1262.4**	1035.7**
	Limited liability partnership	1077.9**	179	2691.4**
	Partnership	1274.2**	203.9	3065.1**
	Sole practice	Base Characteristic	Base Characteristic	Base Characteristic
Regions (head office)	East Midlands	-6629.7**	-6603.6**	-6653.5**
	East of England	-5439.9**	-5258.5**	-5600.3**
	North East	-6595.6**	-6573.7**	-6561.4**
	North West	-6712.6**	-6657.1**	-6798.1**
	South East	-5054.5**	-5006.1**	-5069.6**
	South West	-5839.1**	-5945.3**	-5742.5**
	West Midlands	-6061**	-6042.2**	-6122.4**
	Yorkshire and The Humber	-6712.5**	-6588.3**	-6736.5**
	Wales	-6448.9**	-6511.8**	-6457.1**
	Outside of England and Wales	Not analysed	Not analysed	Not analysed
	London	Base Characteristic	Base Characteristic	Base Characteristic
Speciality of firms	Corporate / IP / Financial	6036.1**	5860.2**	6211**
	Criminal	-458.8**	3.7	-1858.7**
	Litigation ADR	762.1**	1108.6**	290.6**
	Other (non litigation)	175.4	-39.8	680.8
	Private client	-1428.3**	-1141.7**	-1717.6**
	Real estate	49.9	315.5	-329
	No speciality	Base Characteristic	Base Characteristic	Base Characteristic

The salary of trainees from firms with various legal structures was compared with sole practices. Figure 3.19 suggests that before removal of the minimum salary, a firm whose legal structure is company limited by shares would pay £1,262 less than a sole practice. However, after the removal, the same type of firms pay £1,036 more than sole practices. The gap between sole practices with LLP or partnership firms has also increased after the removal. This does not necessarily mean that firms other than sole practices are paying more to their trainees after the removal. In fact, it is more likely that sole practices are paying less to their trainees following the removal of the minimum salary. Therefore, the pay gap has widened between sole practices and all other types of firms.

A similar analysis with firms' head office region suggests that firms with a head office based in London pay between £5,000 and £7,000 more to their trainees compared to the firms in all other regions. The removal of the minimum salary does not appear to have had a major impact on trainees' salaries on a regional basis.

Firms, who are specialise in corporate / intellectual property / financial work pay about £6,000 more to their trainees compared to firms who are not specialised in any area of work. Firms who are specialised in criminal work or private clients pay the lowest to their trainees.

Figure 3.20 presents the influence of firm size on trainees' salaries.

<b>Figure 3.20: Impact on salary from the size of firms that employ trainees</b>				
<b>Variable types</b>	<b>Variables</b>	<b>All time (£)</b>	<b>Before August 2014(£)</b>	<b>After August 2014(£)</b>
Firm size	Small firms	-5439.3**	-499.9	-8161.2**
	Not a small firm	Base Characteristic	Base Characteristic	Base Characteristic
Turnover	£20k - £70k	Base Characteristic	Base Characteristic	Base Characteristic
	£70k - £150k	12.3	-382.1	597.9
	£150k - £400k	955**	150.6	2157.2**
	£400k - £1m	-3073.4**	706.9	-4195.6**
	£1m - £3m	-2707.8**	823.4	-3547.4**
	£3m - £10m	-1452.2**	2047.8	-2306**
	£10m - £30m	857.3	3867.9**	451.8
	£30m - £70m	5361.5**	7802.6**	5510.8**
	£70m - £150m	6018.3**	7785.7**	7086.1**
	£150m+	6211.9**	8067.3**	7352.1**
Partners	1 partner	Base Characteristic	Base Characteristic	Base Characteristic
	2 to 4 partners	-990.4**	-400.3*	-1827.3**
	5 to 10 partners	-1098.5**	-265.4	-2156.8**
	11 to 25 partners	-496.8**	136.8	-1348.6**
	26 to 80 partners	865.1**	2556.4**	-1157.7**
	81 or more partners	-219.4	2280.9**	-3246.5**

In this table, a variable with a single asterisk next to its number '\*\*' against a corresponding variable means that the result is statistically significant at the 90% level of significance.

The table shows that a small firm<sup>39</sup> pays about £5,400 less to its trainees compared to other firms. The gap has widened to £8,161 since the removal of the minimum salary.

Various labour economic studies related to a minimum wage suggest that a falling level of minimum wage increases dispersion in the lower tail of the wage distribution<sup>40</sup>. Studies also suggest that the minimum wage has an impact on wage inequality but (possibly) no effect on employment<sup>41</sup>. Small firms deliver relatively limited business activities throughout the year, and they require a limited resource to deliver their work within a tight budget. Therefore, it was expected that small firms would take advantage of the policy change and pay less to their trainees as a result of the removal of the minimum salary.

The turnover data suggests that since the removal of the minimum salary a medium sized firm, with a turnover of between £400,000 and £10 million, pays less to their trainees compared to a small or very large firm. The partner variable also suggests a similar finding. That is firms, who have between 2 and 25 partners, pay less to their trainees compared to others. The analysis also suggests that one partner firms are paying more to their trainees since the removal of the salary. The majority of these one partner firms are companies limited by share. There were similar findings about the firms, who are company limited by shares detailed in Figure 3.19. Findings from Figure 3.19 and 3.20 suggest that medium sized firms are paying their trainees lower salaries since the removal of the minimum salary.

The analysis shows that overall a trainee receives about £560 less since the removal of the salary.

An estimation of the average salary of trainees for each of the **base characteristics** of the variables in the regression is shown in Figure 3.18 to Figure 3.20. Figure 3.21 provides the detail.

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<sup>39</sup> Firms, whose turnover is up to £400,000 and have up to four partners, are classified as small firms.

<sup>40</sup> David H., Manning, Alan and Smith, Christopher L. (2016) The contribution of the minimum wage to US wage inequality over three decades: a reassessment. *American economic Journal: Applied Economics*, 8 (1). pp. 58-99. ISSN 1945-7782 DOI: 10.1257/app.20140073

<sup>41</sup> Tim Butcher, Richard Dickens and Alan Manning, Minimum Wages and Wage Inequality: Some Theory and an Application to the UK, November 2012.

<b>Figure 3.21: Average of trainee's salary before and after the policy implementation</b>				
<b>Average salary conditional on</b>	<b>Before August 2014(£)</b>		<b>After August 2014(£)</b>	
Male	£	30,18	£	29,66
	1.32		6.07	
White	£	28,37	£	25,05
	1.63		5.36	
Sole practice	£	19,93	£	17,52
	1.11		7.60	
London	£	34,29	£	33,79
	2.53		6.58	
No speciality	£	25,51	£	25,89
	6.79		5.89	
Not a small firm	£	29,84	£	29,17
	2.08		0.93	
£20k - £70k	£	19,06	£	15,42
	0.40		8.74	
One Partner	£	20,00	£	18,73
	9.97		5.42	

Figure 3.21 shows the average salary of White trainees and the trainees who are in sole practices has dropped by £3,300 and £2,400 respectively since the removal of the salary. This finding suggests that the reduction of the pay gap between White and Asian or Black trainees after the removal does not necessarily mean that Asian or Black trainees are receiving a better salary. In fact, their salary remains consistent after the removal, while White trainees are being paid less. The figure also shows that very small firms, who have a turnover between £20,000 and £70,000, are paying £3,600 less to their trainees since the removal of the salary requirement.

### **Profile of firms who recruit Asian and Black trainees**

A Chi-square Automatic Interaction Detector (CHAID) analysis is an algorithm used for discovering relationships between a variable of interest and a set of other desired variables. It is useful when looking for patterns in datasets with lots of variables and is a convenient way of summarising the data as the relationships can be easily visualised. A CHAID analysis was carried out to understand the profile of firms where Asian and Black trainees work in order to provide a better understanding of why these trainees receive less than other trainees. The data considered was between January 2011 and December 2016.

The findings from the CHAID analysis are shown in Figure 3.22. In this analysis, all trainees are segmented based on the legal structure of firms they work for and these firms' speciality in their area of work. The analysis suggests that all trainees are clustered into 11 segments depending on the legal structure of firms and speciality of these firms. These segments are presented by 11 rectangles in Figure 3.22. The dark grey area in each of these rectangles presents the percentage of Asian and Black trainees in that segment. For example, the first rectangle represents trainees working in sole practice firms. 992 trainees in our sample have been enrolled in these firms between January 2011 and December 2016. Of these, about 38% were Black or Asian.

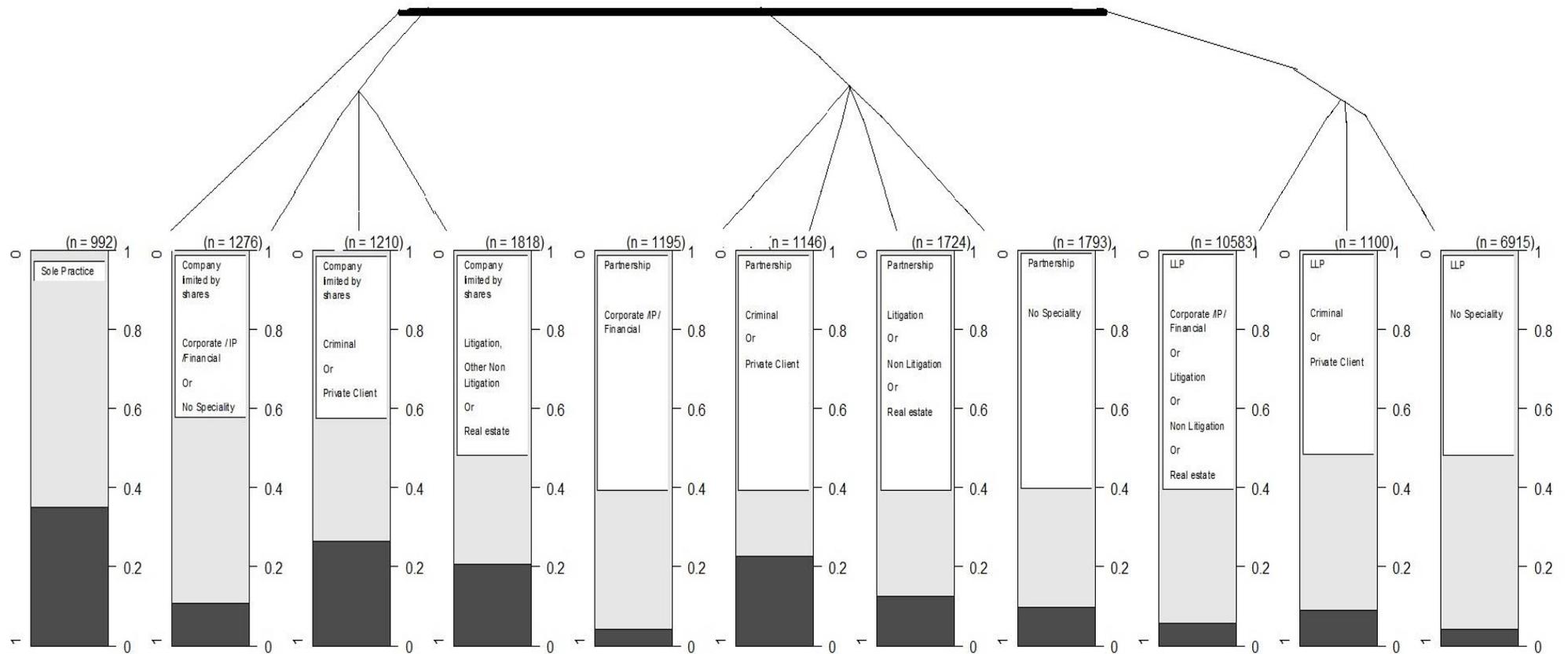
The figure suggests that Asian and Black trainees are more likely to be employed by firms who have at least one of the characteristics as outlined below:

- sole practices
- company limited by shares who are specialised in criminal or private client work
- company limited by shares who are specialised in litigation, other non-litigation or real estate work
- partnership firms who are specialised in criminal or private client work.
- partnership firms who are specialised in litigation, other non-litigation or real estate work.

These characteristics of firms suggest that the salary of Asian and Black trainees has been heavily influenced by the firms they work for. The population data for the profession shows that within smaller firms (0 to 1 partners), 32% of solicitors are BAME.

The regression analysis in the earlier section suggests that sole practices pay less to their trainees. Similarly, firms, who are specialised in criminal and private client work, pay the lowest to their trainees. Firms who are specialised in litigation, other non-litigation and real estate work also pay less to their trainees.

**Figure 3.22: CHAID analysis to predict the profile of firms who employ Asian and Black trainees**



## Summary

The trend analysis of the number of trainees enrolled in training between January 2011 and December 2016 shows an upward trend in the number of training contracts since January 2011 that continues after the removal of the minimum salary. As the trend increased over this time, it is difficult to say whether this upward trend is a direct impact from the removal of the minimum salary, or whether this is just as a result of an increasing demand for trainees in the market following the recovery from the 2008 financial crash.

A distribution analysis of the salary data suggests that the median salary did not drop significantly since the removal of the salary requirement. However, trainees at the bottom threshold of their salary receive less after the removal. It was expected that firms, who previously paid the prescribed minimum salary to their trainees, would pay less as a result of the policy change. Therefore, trainees within the bottom threshold of all salaries are receiving less after the removal of the minimum salary.

Age does not have any impact on the salary of trainees. This is to be expected, as many trainees do not have enough legal experience for this to make a difference and most are within a similar age range. Female trainees receive lower salaries compared to male trainees. Similarly, Asian and Black trainees receive less compared to White trainees. While the gender pay gap has slightly increased after the removal of the salary, the gap between White, and Asian as well as Black have been reduced. However, it does not necessarily mean that Asian or Black trainees are receiving a better salary. In fact, the gap has reduced as White trainees are getting less since the removal of the prescribed minimum salary.

The analysis also found that the characteristics of a firm play a key role in the salary of trainees rather than the characteristics of the trainees. A firm based in London pays at least £5000 more to their trainees compared to firms in other regions. Similarly, firms, who specialise in corporate / intellectual property / finance, pay more to their trainees. Firms that specialise in criminal and private client work pay the lowest trainee salaries.

Further analysis suggests that Asian and Black trainees are more likely to work in a sole practice and firms that are specialised in criminal or private client work. These trainees are also likely to work in firms that are specialised in litigation, non-litigation or real estate work. All of these firm types pay lower trainee salaries. This suggests that the salary of Asian and Black trainees has been influenced by the firms that employ them.

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## 4. Survey findings

This section details some of the **survey** results from firms and organisations employing trainees and the responses from trainee solicitors and others including students and paralegals on the impact of removing the minimum salary requirement on salary levels<sup>42</sup>.

### Organisations employing trainees

A total of 142 representatives of organisations responded to the survey, of which the vast majority (89%) were private practice firms. For other organisations such as commerce and industry or central or local government, the number of trainees employed is very small.

It should be noted that organisations in the survey are not fully representative of the population data, in terms of size. For example, sole practitioners are under-represented in the survey sample. However, in line with the population data, smaller firms have fewer trainees than larger firms.

### Salaries of trainee survey respondents

Respondents to the survey of trainees were asked about their current salary levels.

The following groups of respondents were more likely to state that they had obtained a higher paid training contract:

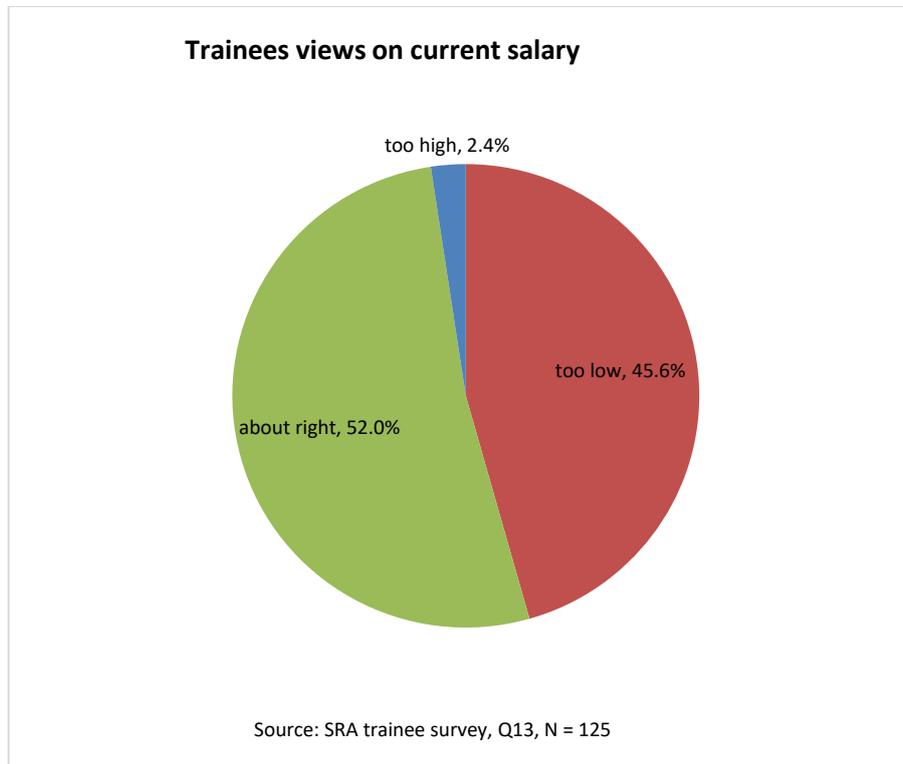
- men
- current trainees (as opposed to responses by firms and others)
- former attendees of independent/fee paying schools
- earlier generations of their family had attended university.

Current trainees were also asked for their views about their salary level. Figure 4.1 shows that views on current salary were largely split between considering their training salary to be "too low" (45.6%) and "about right for a trainee starting salary" (52.0%). In 2012, almost 55% thought their salary was too low.

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<sup>42</sup> Appendix IV provides headline characteristics and demographics of the survey respondents.

**Figure 4.1: Trainees views on current salary**



Some trainees commented that in their particular firm or area of law salary levels had remained high.

*"Removing the minimum salary doesn't seem to have changed City firm salaries. In fact, trainee salaries seem to have gone up."*

Others were very unhappy with their current wage level and felt that it was unfair given the time studying and debt they had accrued to get to the point of the training contract stage. Some respondents commented that they were on a low wage despite working very long hours in demanding training contract roles.

The prescribed minimum wage for trainee solicitors used to be £18,590 in London and £16,650 elsewhere.

Some respondents from the survey of firms said that they would always pay their trainee solicitors above the minimum regardless of whether a minimum level was set by the SRA. Some commented that they did this for ethical reasons, because they felt that employing trainees on a low wage was exploitative.

*"The idea that we further disadvantage bright candidates (who, nowadays, already have a huge debt burden) by allowing solicitors to pay them peanuts is nothing short of scandalous."*

Others commented that they paid higher wages for entirely commercial reasons to attract the best candidates and remain competitive in comparison to their business rivals.

*"Firms in our area and field of work would have to pay well in excess of SRA minimums to attract worthwhile trainees."*

It was predicted that an intended impact of the removal of the SRA prescribed salary levels would be an increase in the number of training contracts. In 2012, almost 70% of firms who were not employing trainees stated that they would seriously consider employing trainees if they did not have to pay a set minimum training salary.

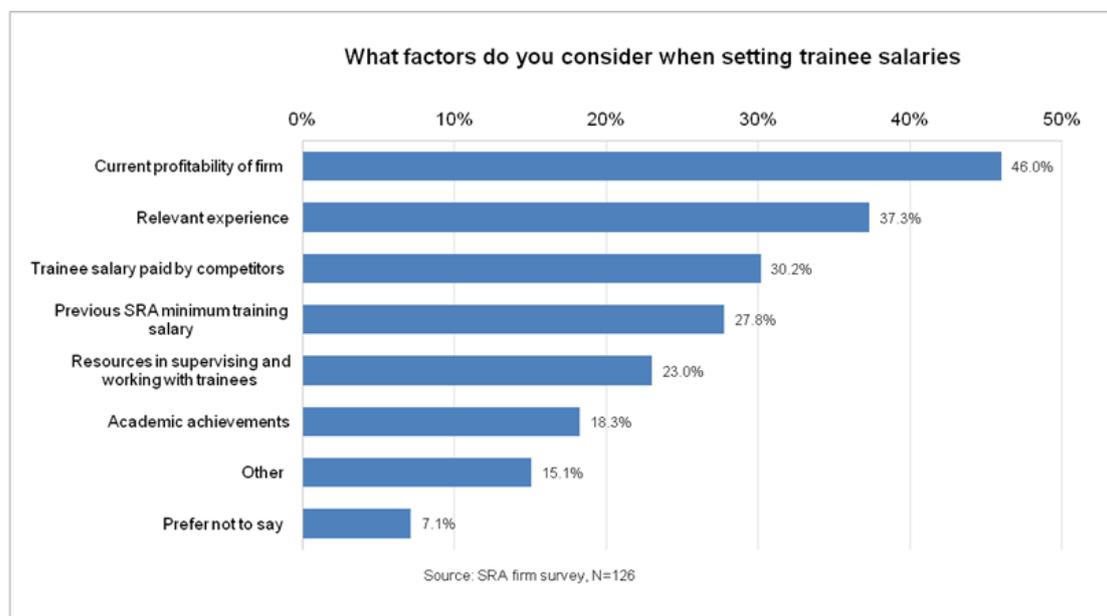
## Factors determining training salaries

Firms take into account a wide range of factors when setting salaries for their trainees.

28% of respondents to the survey of firms stated that the previous SRA minimum training salary was considered when setting salaries for trainees, this compared to 41% in 2012. Other important factors include (similar to the 2012 survey):

- the profitability of the firm (46%) - indicating commercial pressures are of greatest importance
- the relevant experience of the candidate (37%) - suggesting that prior work experience is also a key consideration
- the salary paid by competitors (30%) was also highlighted as a key factor.

**Figure 4.2: Factors considered when setting salary for trainees<sup>43</sup>**

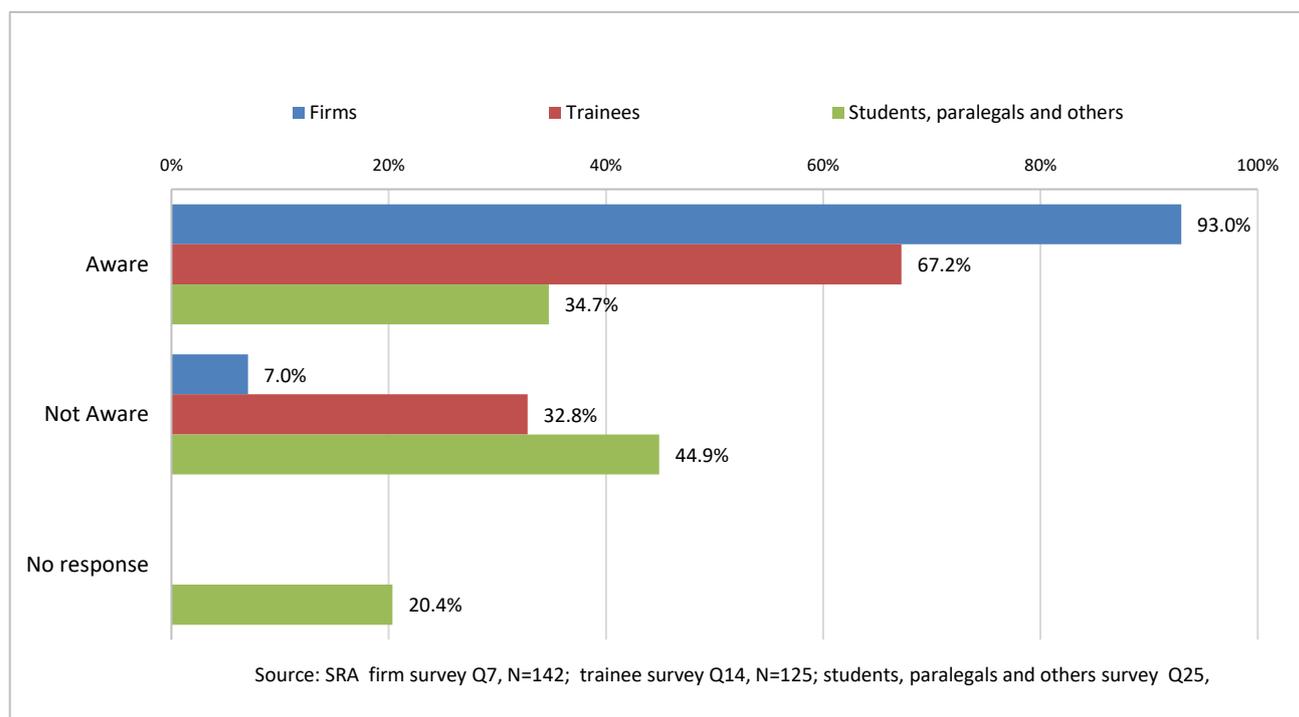


<sup>43</sup> This response is for firms who currently employ trainees - respondents were allowed to select multiple factors.

## Awareness that the SRA used to set a minimum training salary

Respondents to the surveys were asked to state whether they had any prior awareness before taking part in the survey that the SRA had in the past stipulated minimum training salary levels. Awareness across all three groups of respondents was quite different, while, 93% of firms (as to be expected) were aware of the change, only 67% of trainees and 35% of students, paralegals and others were aware of the change as shown in Figure 4.3.

**Figure 4.3: Awareness of previous SRA policy on trainee salaries**



Some firms did explicitly express that they had taken on a trainee solicitor specifically because of the removal of the minimum salary requirements.

*“I believe it [the regulation] should remain as no minimum salary as we would have to reduce the amount we took on again down to 1 or 2 instead of 3, and less trainees will become solicitors and achieve their goals.”*

## Impact on quality and standards

Representatives of firms were asked to consider whether removing the minimum salary had led to specific impacts on quality and standards, the results are depicted in Figure 4.4.

- *Has removal of the minimum salary reduced the overall quality of legal services?*

Only 8.5% of respondents agreed that changing the regulation would have this effect compared to 42% in 2012. 57% of firms disagreed that the change has reduced the overall quality of legal services.

Some respondents from firms felt that the change would have a positive effect on the overall quality of legal services by benefitting smaller firms, making them more competitive and allowing them to expand and diversify.

*"It is more affordable for firms to employ trainees. Due to the level of responsibilities that principals or firms have on the trainee's work, the hours put in to supervise trainees are an expense to the firm which sometimes does not offset the value of work produced by trainees."*

- *Has removal of the minimum salary lead to a lower calibre of new entrants?*

Only 7% of respondents agreed that the change had led to a lower calibre of new entrants. However, the majority (58% of respondents) disagreed that there had been a negative effect on the quality of new entrants - possibly reflecting the importance of other factors in attracting talented people to the profession.

Some respondents felt that a higher salary was needed to be able to attract the best candidates to the profession, and that the use of minimum wage training contracts ran the risk of damaging the standards and reputation of solicitors as a group.

*"There may be those who will work for a much lower wage because they could not get a training contract elsewhere. That would not lead to widening entry to the profession, simply lower standards."*

One respondent commented that, due to the very high level of competition for training contracts good candidates will still be willing to work for a lower wage as their means of entry into the profession.

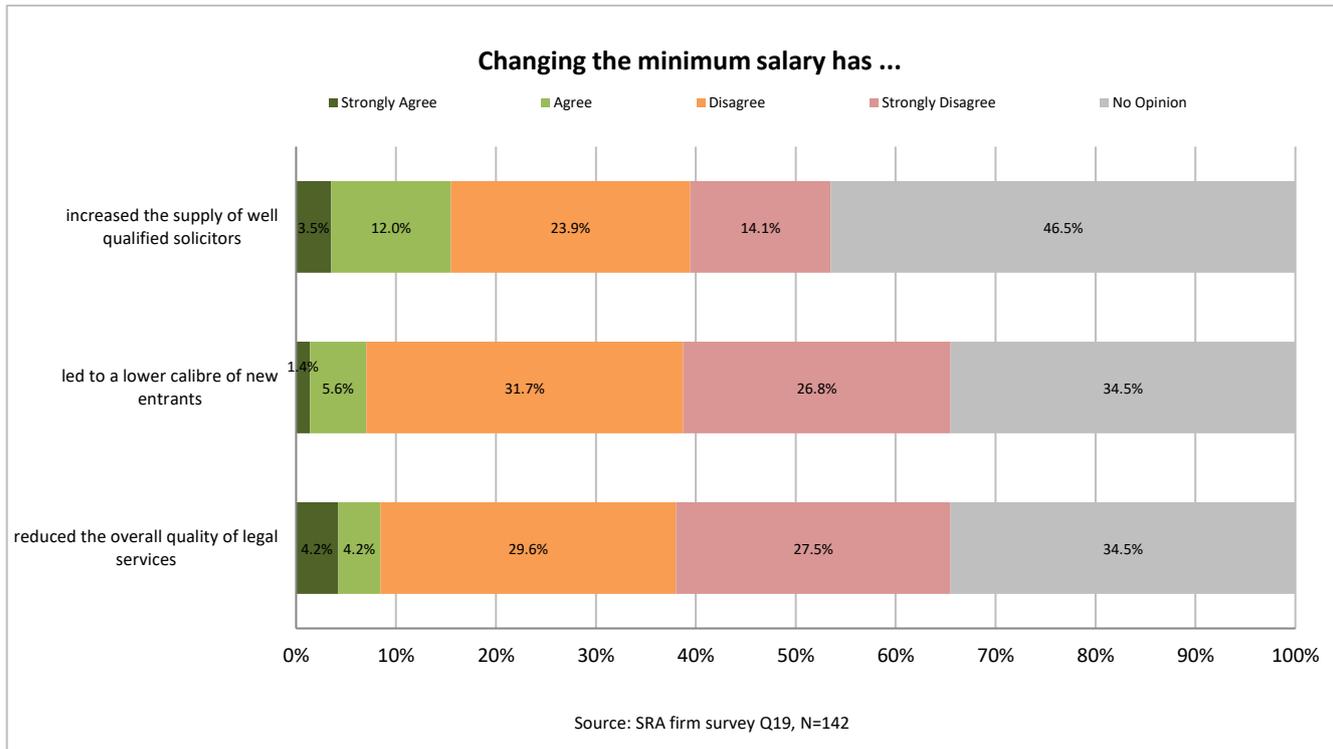
*"Trainees are, in my opinion, more concerned with getting a training contract than the salary".*

- *Has removal of the minimum salary increased the supply of well qualified solicitors?*

Only 15% of firms agreed that the change in the minimum salary had increased the supply of well qualified solicitors. 38% of firms disagreed that changing the minimum salary had led to a net increase in well qualified solicitors.

Some firms commented that removal of the minimum salary has led to more qualified solicitors as more firms are able to take on trainees.

**Figure 4.4: Views of firms on impact and quality**



### Motivating factors to train as a solicitor

Respondents to the survey of current trainees were asked to select the three most important factors in making the career choice to become a solicitor.

The most frequently stated reasons were:

- interest in the work (83.2%)
- longer term salary prospects (66.4%)
- prestige and tradition of the profession (51.2%).

Similar responses were provided when the same question was asked to students, paralegals and others considering becoming solicitors and for the 2012 survey. Figure 4.5 illustrates the responses. 80% of respondents to the students, paralegals and others survey are considering becoming a solicitor. For those considering becoming a solicitor, 17% have secured a training contract.

Trainees were also asked about the most important factor they took into account when choosing specific firms and organisations to apply for a training contract as shown in Figure 4.6. The most frequently stated responses were:

- interest in the type of work carried out by the firm (75.2%)
- quality of training (44.0%)
- prestige of firm/organisation (37.6%).

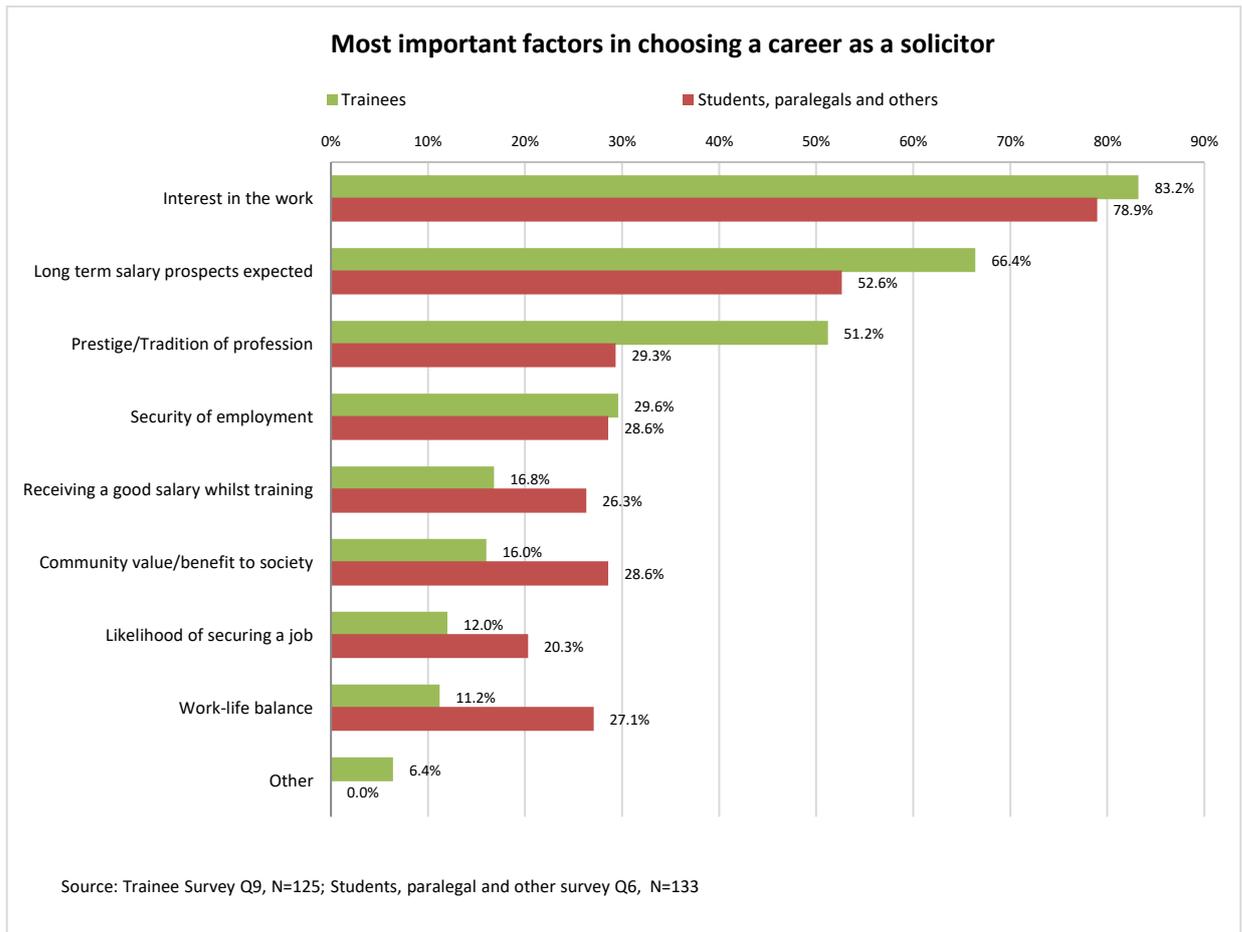
Students, paralegals and others considering a career as a solicitor were also asked about the factors they have, or would, take into account. The rankings for those who have secured training contracts and those who have not are similar, with the exception that those who do not have a training contract thought an important factor to choose a firm is the likelihood of employment with this firm/organisation after completion of the training contract (58.6%).

These factors were all stronger influences over respondents' career choices than a starting salary for trainees. Starting salary was stated by about 10% of trainee respondents, indicating that this factor has a weaker influence in attracting talent to the profession. Its significance was much greater to students and paralegals, approximately 20% of whom stated this as a key factor.

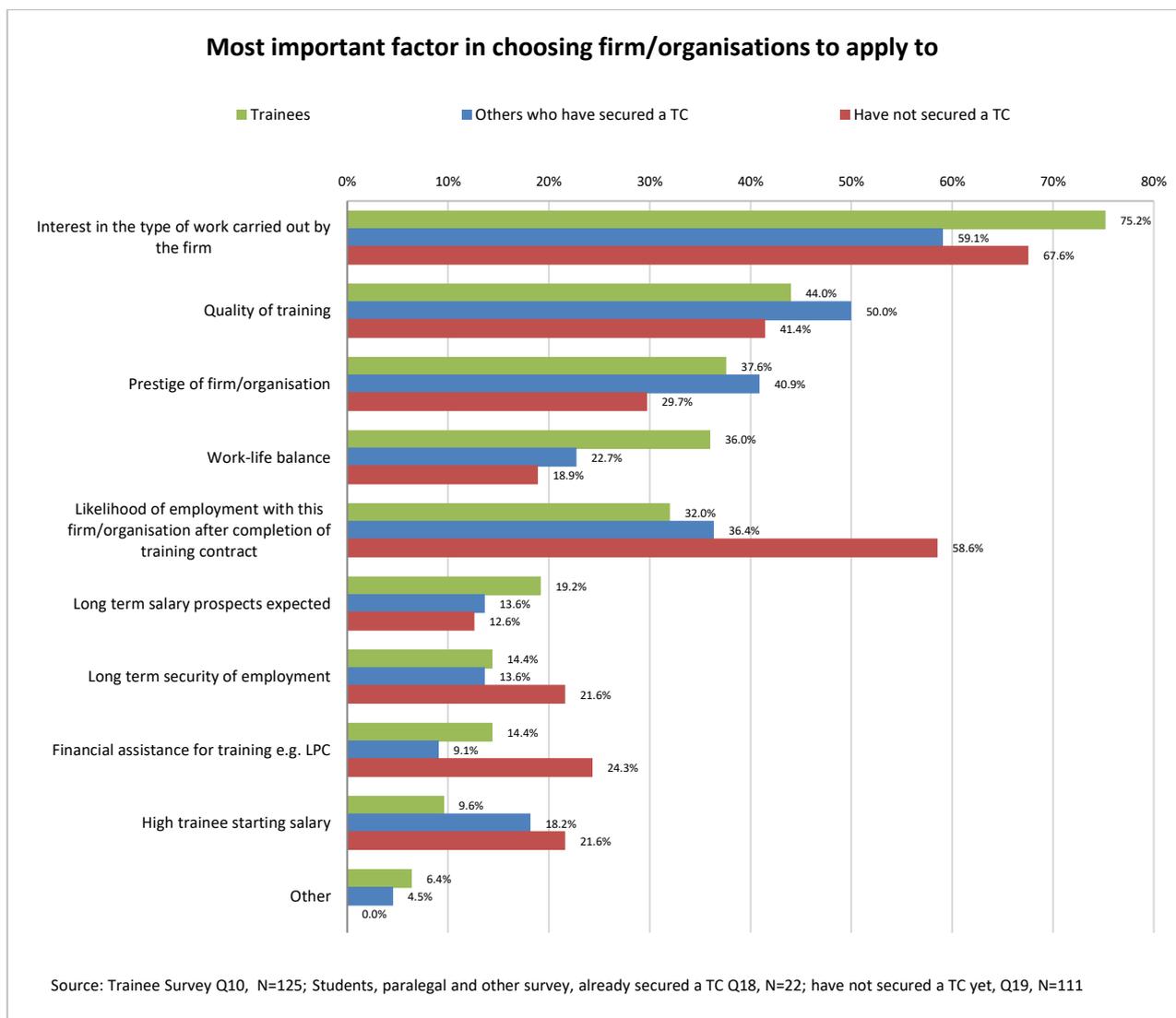
A higher proportion of students, paralegals and others who have not secured a training contract stated "long term security of employment" (21.6%), "financial assistance for training" (24.3%) and the level of starting salary (21.6%) as important factors. By comparison, only 14.4% of trainee respondents stated that "long term security of employment" and "financial assistance for training" were important factors in selecting the firms or organisation to apply to for a training contract and only 9.6% of trainees chose initial high salary levels.

Trainees were more likely to see "work-life balance" (36.0%) or the "long term salary prospects" (19.2%) as important factors in their decision making process.

**Figure 4.5: Most important factors in choosing a career as a solicitor**



**Figure 4.6: Most important factor in choosing firm/organisations to apply to**



### Securing a training contract

Figure 4.7 shows 73.6% of trainees felt that good academic results were the most important factor in enabling them to secure their training contract. In addition,

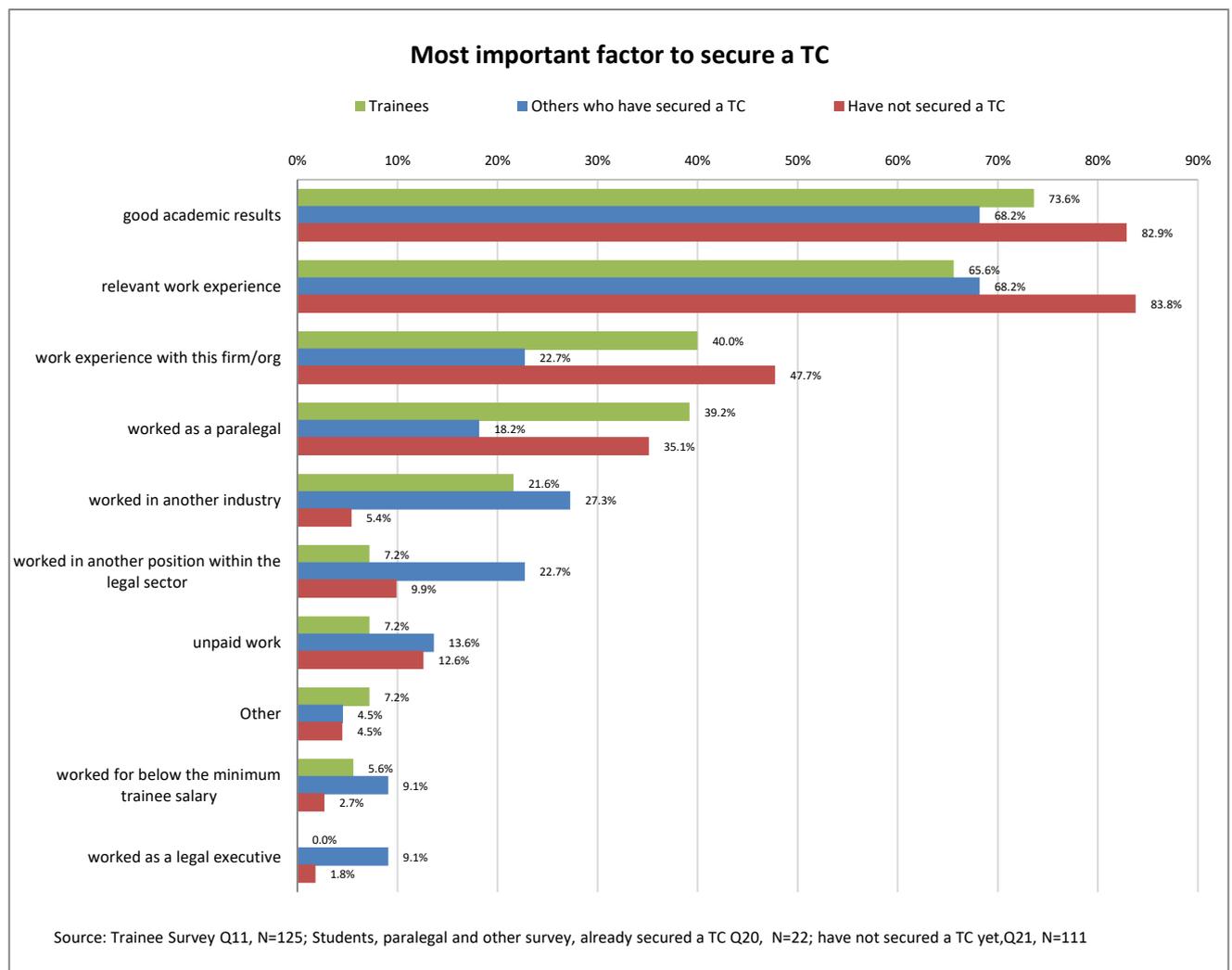
- having relevant general work experience<sup>44</sup> was stated as an important factor by 65.6% of trainees
- relevant work experience with the firm where they are training was stated by 40.0%
- work as a paralegal was stated by 39.2% and

<sup>44</sup> These findings reflect well with the results of the SRA research on work experience <http://www.sra.org.uk/sra/news/press/work-based-experience-research.page>

- 21.6% of trainees stated that having worked in another industry was an important factor in gaining their training contract.

Students, paralegals and others looking to enter the profession were also asked for their views about which factors they believed would be most important in helping them secure a training contract or had helped them if one had already been secured. As Figure 4.7 shows, responses were very similar to those from existing trainees.

**Figure 4.7: Most important factor to secure a training contract**



69% of trainees said that securing a training contract is quite difficult or very difficult. Only 13% said it was easy as seen in Figure 4.8. The most common response as to why it was difficult to obtain a training contract was simply that it was a very competitive market, with a large number of candidates all vying for a limited number of contracts.

Others thought the recruitment processes were often rigid or convoluted.

*"There also seems to be an unreasonable reliance by law firms on psychometric tests."*

*"Being automatically disregarded because of where you attended University."*

A handful of respondents referred to financial reasons being a barrier to gaining a training contract because they were in too much financial difficulty, or had too many financial commitments, to accept a low paid training scheme.

*"Some firms I loved and was offered a training contract, but I was unable to accept it as I have to pay back my LPC loan among other loans to care for my mother."*

**Figure 4.8: How easy or difficult was it to secure a training contract?**

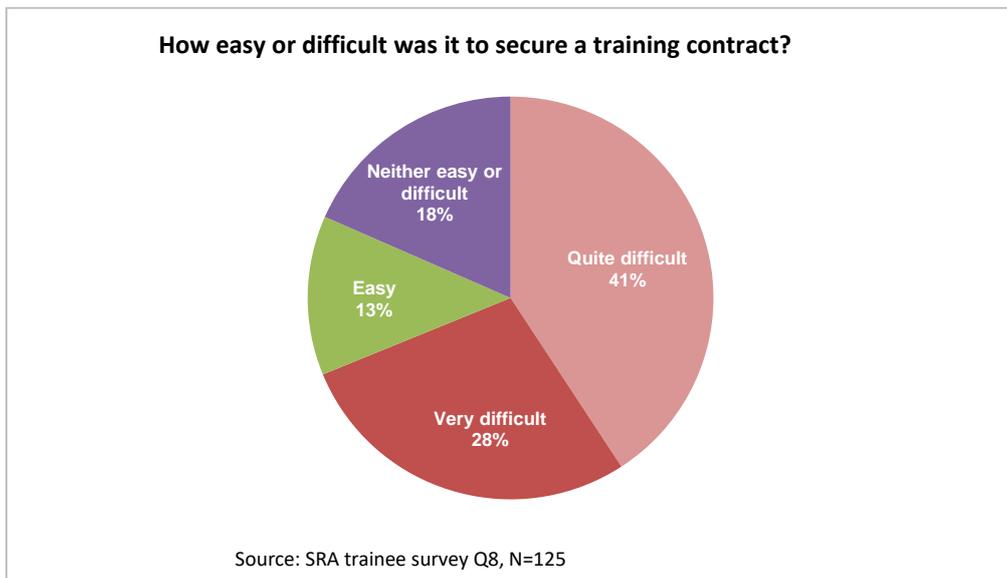
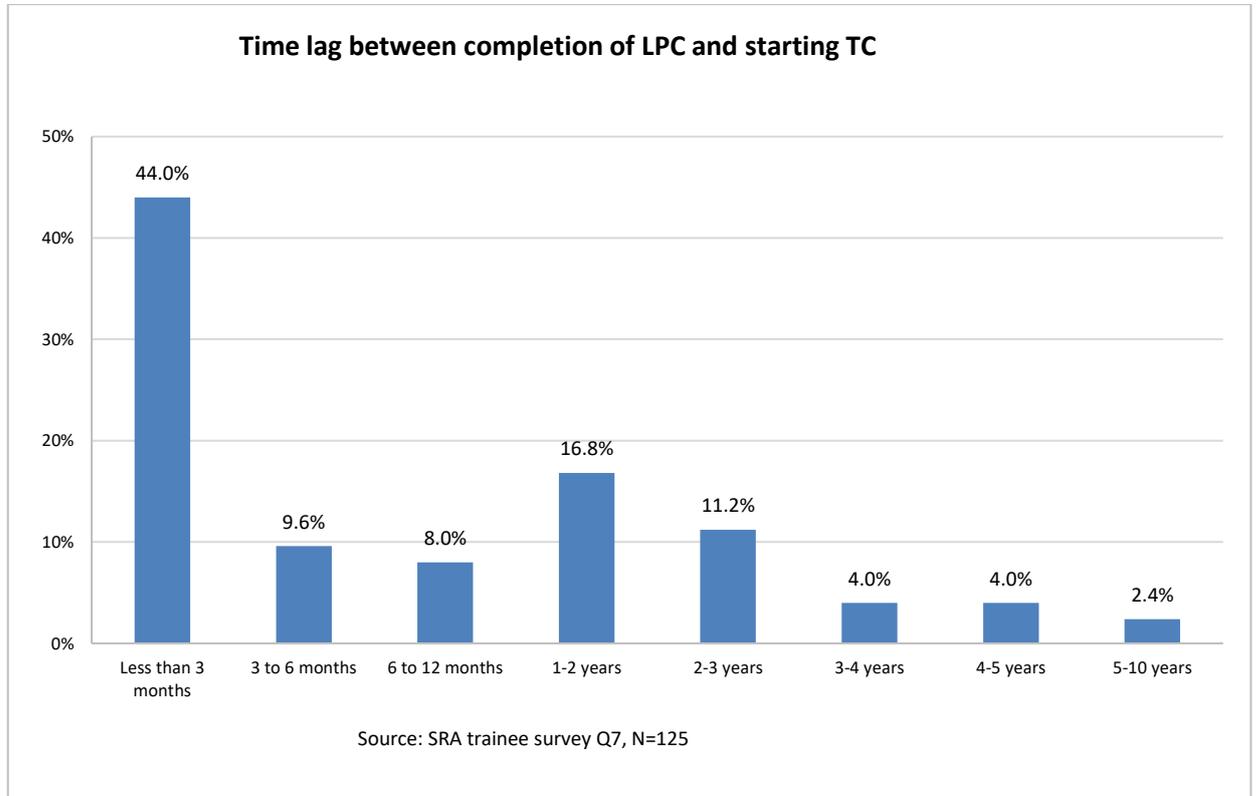


Figure 4.9 demonstrates that there are sometimes long time lags between completion of a Legal Practice Course (LPC) and starting a training contract. Although almost two thirds of trainees (61.6%) started their training contract within a year of completing the LPC, 28.0% waited up to three years and a small proportion (2.4%) over five years. These respondents tended to be female, mature, state school educated and the first generation of their family to attend university.

The time lag is unrelated to the minimum salary.

*"[To get a training contract] it took me nearly 5 years and I had to relocate."*

**Figure 4.9: Time lag between completion of LPC and starting TC**



### View on the impact of removing the minimum training salary

Students, paralegals and others considering becoming a solicitor were asked about their desire and ability to train now that the SRA imposes a different minimum trainee salary. It should be noted that only 35% were aware of the previous levels as shown in Figure 4.3.

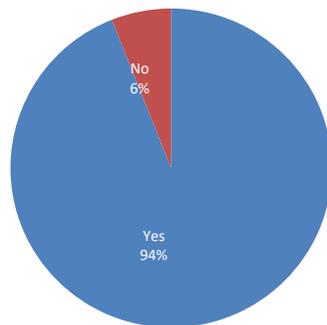
Respondents were asked:

- Now that the SRA imposes a different minimum trainee salary - would they still want to train as a solicitor
- Now that the SRA imposes a different minimum trainee salary - would they still be able to train as a solicitor

One of the key findings is that 94% of respondents would still want to train as a solicitor but only 83% felt they would still be able to do so. These results are much more positive than the previous survey conducted in 2012, where the respective results were 68% and 50%, showing that potential entrants have not been put off becoming solicitors as seen in Figure 4.10.

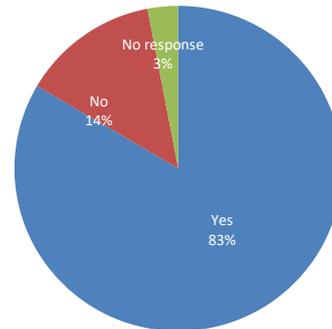
**Figure 4.10: Training as a solicitor, able to or want to**

Do you still want to train as a solicitor with a different minimum trainee salary set by the SRA?



Source: SRA Students, paralegal and other survey survey Q26, N=133

Are you still able to train as a solicitor with a different minimum trainee salary set by the SRA?



Source: SRA Students, paralegal and other survey survey Q27, N=133

Those who felt that the salary levels were low included a mature trainee:

*"I am a mature student...I feel that whereas I once had a £30k salary in IT related fields now that I have moved to a different career it is expected that I start on minimum wage when I'm mid-30's with a young family. It is quite frankly unacceptable."*

Others felt that the long term benefits of a career as a solicitor outweighed the disadvantages of initial, low paid training contracts.

*"I have a passion to work in the legal field, and I do not mind the amount of salary I get as a trainee as long as I have the chance to be trained."*

Many respondents commented that, although the removal of the minimum salary for trainees would not stop them wanting to train as a solicitor, they still had concerns around low salary. Some gave the impression that because they had already spent so much time and money pursuing a legal career in a competitive market that they could not turn back now.

- Responses to "Now that the SRA imposes a different minimum trainee salary, do you still want to train as a solicitor?" were correlated with age, ethnicity and whether the person was the first generation of their family to attend university.

A higher proportion of respondents in the age group 26-30, 31-35 years old stated they would not want to train as a solicitor after the change of the minimum trainee salary.

This maybe because mature respondents are more likely to have financial commitments such as a mortgage and having to support children or elderly relatives, which means that a low starting income will have a greater impact upon them. One respondent commented:

*“[I am able to train] Only because current circumstances allow. Should anything change, such as having children, I will no longer be able to afford to train.”*

- Responses to "Now that the SRA imposes a different minimum trainee salary, are you still able to train as a solicitor?" were correlated with ethnicity and whether the person were the first generation to attend university.

A much higher proportion of BAME respondents stated that they would not be able to train as a solicitor compared to white respondents, particularly for Asian/Asian British respondents, 35% stated not being able to train as a solicitor after the change of the minimum salary.

One respondent from a firm described an experience whereby a BAME candidate turned down a training contract due to salary concerns.

*“The individual who turned down the training contract due to very low wage was a mature, female, student, from a BAME background who was also a mother. She was unable to accept the training contract purely due to the low wage impacting upon her ability to provide for her children.”*

**Figure 4.11: Salary expectations**

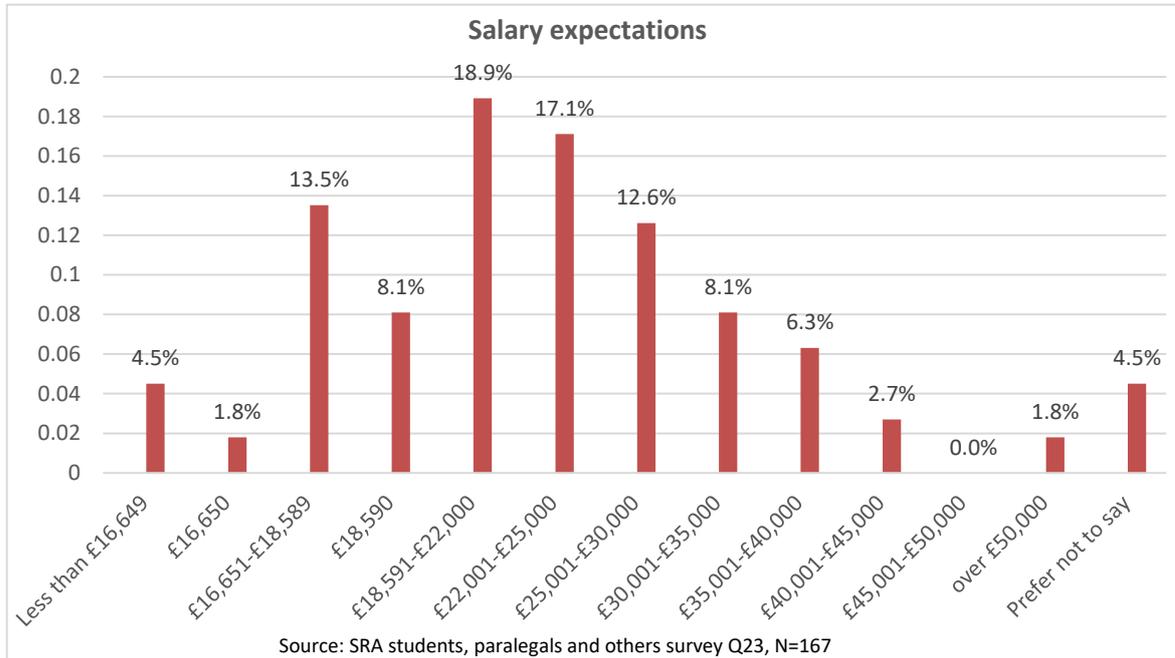


Figure 4.11 shows the salary levels that students, paralegals and others who are considering becoming a solicitor and have not secured a training contract yet (111 out of 167) would accept as a salary to train as a solicitor.

- Only 4.5% of students, paralegals and others would accept a salary less than £16,649, whilst there are 7.3% of trainees being paid at this range.
- Similarly, for the range of £16,651 to £ 18,589, only 13.5% of students, paralegals and others would choose to accept this salary and 14% of trainees were paid within this range.
- In the range of £18,591 to £25,000, a higher proportion of potential future trainees would accept this salary (36%), but a smaller proportion of trainees were actually paid in that range (25.4%).

The overall picture indicates that the expectation of would be solicitors is around a starting salary of £18,000 to £25,000.

This following section summarises the impact on equality and diversity as indicated by the respondents to the **survey**.

### Summary of potential impact on diversity and access to the profession

The following section highlights findings on issues of access and diversity from the survey respondents.

#### **Potential impact on access by people from less affluent backgrounds**

Respondents to the surveys were asked for their views on any impacts (either positive or negative) that amending the minimum salary requirement has had on individuals from less affluent backgrounds from pursuing a career as a solicitor:

- 31% of trainees felt there had been no impact at all, compared to 47% who did not know.
- 32% of firms felt there had been no impact, compared to 42% who did not know.
- 14% of students, paralegals and others considering becoming a solicitor felt there had been no impact, compared to 41% who did not know.

*“I am aware that those from a less advantaged background find this yet a further deterrent to pursuing a career in the law which is something I regard as abhorrent and a retrograde step.”*

*“[I am able to train] Only because my parents are willing to subsidise my living costs... which is frankly ridiculous.”*

*“It is already difficult to break in to this industry, but when there is no guarantee of a salary that will leave you fully self-sufficient, the doors are pretty much closed to people from poorer families.”*

#### **Potential impact on access to the profession in terms of age, disability, gender and ethnicity**

Respondents to the surveys were also asked specifically about their views on any impacts, either positive or negative, that amending the minimum salary requirement has had on the diversity of the profession in respect of entrants' age, ethnicity, gender or other diversity factors:

- 39% of trainees felt there had been no impact compared to 48% who did not know.
- 36% of firms felt there had been no impact compared to 23% who did not know.
- 23% of students, paralegals and others considering becoming a solicitor felt there had been no impact compared to 45% who did not know.

## Any impact

Respondents were asked about any impacts whatsoever related to the minimum salary:

- 25% of trainees felt there had been some impact.
- 18% of firms felt there had been some impact.
- 11% of students, paralegals and others considering becoming a solicitor firms felt there had been some impact.

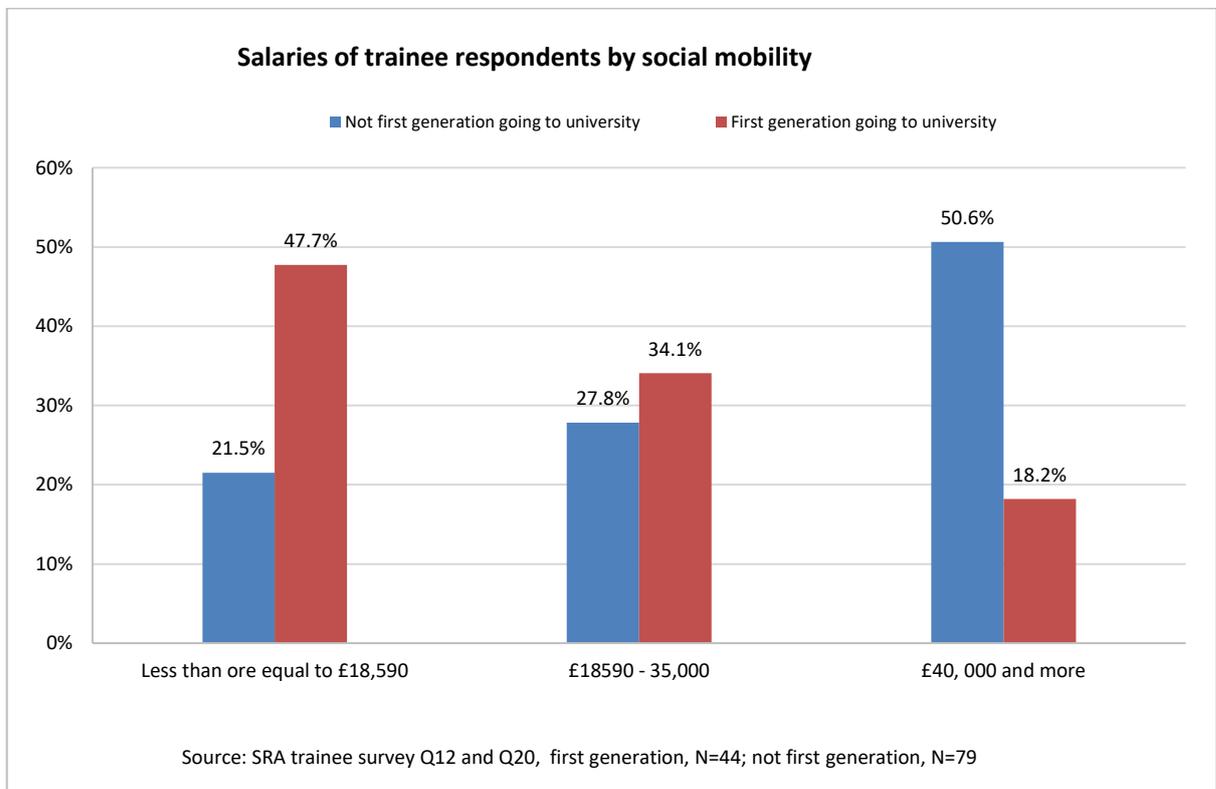
Therefore, the majority of trainees (75%) and firms (82%) felt that the change had not had an impact (either positive or negative).

## Social mobility characteristics

Figure 4.12 shows that on average, if the trainee was the first generation of their family to go to university, this is associated with relatively lower current trainee salaries. For the respondents who are first generation of their family going to a university, only 18.2% were earning more than £40,000, compared to 50.6% of respondents whose parents or previous generations had attended university.

At the lower end of the spectrum, 47.7% of the respondents who were the first generation going to a university are earning less than or equal to £18,590.

**Figure 4.12: Salaries of trainee respondents by social mobility**



Some of the trainee solicitors, students and paralegals felt that there was a bias in the profession against candidates who are not from privileged backgrounds that went far beyond issues around the minimum salary.

*“Individuals from less affluent backgrounds struggle to get into the legal profession, not because of the salary but because of perceptions on the part of hiring partners.”*

**Figure 4.13: Salaries of trainee respondents by type of school**

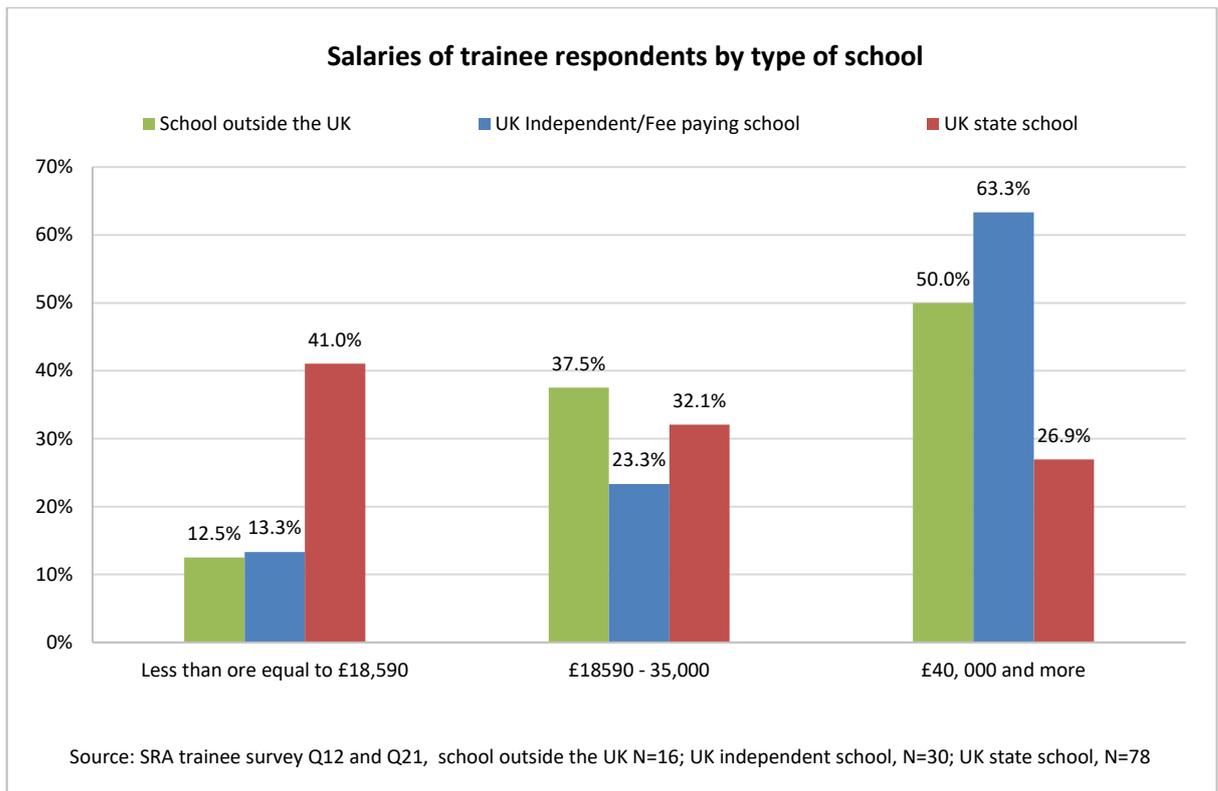


Figure 4.13 shows that on average respondents who attended UK state schools tend to be paid relatively lower trainee salaries. 41.0% of respondents who attended a state school are earning less than or equal to £18,590. In contrast, the majority (63.3%) of respondents who attended a UK private or fee paying school are earning more than £40,000.

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## 5. Summary

This section sets out a summary of impacts on:

- supply of training contracts and salary levels
- trainees or potential trainees with particular reference to age, gender and ethnicity
- access to the profession.

This summary reflects upon, updates and seeks to provide the evidence for the issues and potential impacts predicted in the 2012 impact assessment.

### Training market tiers

The market for trainee salaries still operates as a two tier system. It was assumed in 2012 that specific tiers of the market would respond in different ways. The 'prime' tier (salaries falling within the range £35k-£45k) supplies 32% of all training contracts. This market already pays well above the minimum level. This market has been unaffected by the removal of the SRA prescribed salary. Organisations in the 'prime' tier tend to be larger firms and the factors they consider when setting salary levels are all independent of the SRA's intervention such as the profitability of the firm and the relevant experience of candidates.

A 'lower' tier market paying at or just above the previous prescribed minimum level (salaries falling within the range £16.5k to £22k) currently accounts for 32% of all trainees. This tier tends to be made up of smaller firms. This has reduced from 42% of trainees falling within this tier in 2012.

In between these two markets is a wider range of salary levels, in total these account for a further 36% of all training contracts.

### Supply of training contracts

- There has been an upward trend in the total number of training contracts, for trainees enrolled between January 2011 and December 2016. The upward trend becomes slightly stronger after the removal of the minimum salary.
- As the trend increased over the time period, it is difficult to say whether the slight increase in the number of training contract is as a result of the removal of the minimum salary or whether this merely reflects increasing demand for trainees in the market.
- There is an upward trend in the number of trainees in small firms from January 2011. However, the trend has declined after the removal of the minimum salary requirement.

## The impact on trainee salaries

Most firms take into account many factors when deciding how many trainees to take on and what to pay them. Key considerations include:

- the profitability of the firm
- relevant experience of candidates
- salaries paid by competitors.

It is unlikely that the removal of the minimum salary, in isolation, has impacted significantly on firms' decisions about whether to start taking on trainees or to take on more trainees or their salaries levels.

The statistical analysis shows the salary of trainees is likely to be determined more on the characteristics and practices of firms.

The data also shows the policy change has not led to employers regularly paying the legal minimum salary.

### Analysis of salary

- The median salary of trainee solicitors is £25,677 after the removal of the minimum salary. This is slightly lower than the median salary of trainee solicitors (£26,255) before the removal of the minimum salary.
- Trainees, whose salary is in the lowest threshold, are being paid less since the removal of the minimum salary. For example, after the removal of the minimum salary, the bottom two percent of trainees in terms of salary level are being paid up to £13,104 per year. This was £17,268 per year before the removal. For the bottom five percent the salaries are up to £15,406 and £17,675 respectively for before and after the removal of the minimum salary.
- The median salary of female trainees (£24,866) is about £2,500 less than the median salary (£27,349) of male trainees. The median salary of White trainee solicitors is £24,866, which is higher than the median salary of Asian trainees which is £19,515, as well as the median salary of Black trainees which is £19,904.
- Firms, who are specialised in corporate / intellectual property / finance work, pay more to their trainees compared to the firms who are specialised in any other areas of work. Firms who are specialised in criminal work or private clients pay the lowest to their trainees.
- Trainees salaries do not differ between authorised law practices, and other practices that include foreign law practices, non-SRA authorised firms and organisations who have in-house solicitors. However, authorised small firms and firms that obtain at least five percent of their turnover from legal aid work, pay less to their trainees.

## Pay gap analysis

- A trainee receives about £560 less per year since the removal of the salary.
- The average pay gap between male and female has increased slightly by £128 (on annual salary) since the removal of the minimum salary.
- There is no statistically significant pay gap between Asian and White trainees since the removal of the minimum salary. The gap was £765 before the removal. The average pay gap between Black and White trainees has also reduced since the removal. However, Black trainees are still receiving about £1099 less than White trainees.
- A firm, which is a company limited by shares, pay their trainees the lowest salaries. This is followed by sole practices. On average partnership firms pay the highest salaries to their trainees. This is likely to be reflective of the size of the firm as opposed to the particular type of business structure, with many larger firms still adopting the partnership model.
- Firms, who have their head office based in London pay the highest salary to their trainees. Firms, who have their head office based in the North West, pay the lowest salary to their trainees. However, regional variation in the salary of trainees is relatively small if London firms are excluded from the analysis.
- Small firms<sup>45</sup> paid about £5,400 less to their trainees compared to all other firms. The gap has increased to £8,161 since the removal of the minimum salary requirement.
- Firms who are specialised in corporate / intellectual property / financial work pay on average £6,000 more compared to firms that are not specialised. Trainees who work in firms that specialise in criminal and private client work receive the lowest training salary. The pay gap of these firms has increased further, compared to the firms that are not specialised since the removal of the minimum salary.
- Medium sized firms, whose turnover between is £400,000 and £10m, pay less to their trainees compared to the firms whose turnover is up to £400,000.
- Upon controlling for the influences of trainees' characteristics and the firms' characteristics, a sole practitioner firm pays relatively more to their trainees compared to the firms who have 2 to 25 partners.
- Further analysis was conducted to understand the reason why lower salaries were paid to Asian and Black trainees. The analysis found these trainees are more likely to work in firms that are:

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<sup>45</sup> Firms whose turnover is up to £400,000 and have up to four partners.

- sole practices
- company limited by shares who are specialised in criminal or private client work
- company limited by shares who are specialised in litigation, other non-litigation or real estate work
- partnership firms who are specialised in criminal or private client work
- partnership firms who are specialised in litigation, other non-litigation or real estate work.

The analysis suggests that the above types of firms pay less to their trainees.

Current trainees were also asked for their views about their salary level. Views on current salary were largely split between considering their training salary to be "too low" (45.6%) and "about right for a trainee starting salary" (52.0%). In 2012, almost 55% thought their salary was too low.

The overall picture indicates that the expectation of would-be solicitors is a starting salary of £18,000 to £25,000.

## Equality impacts

In the 2012 impact assessment, it was considered that the impact of the removal of the minimum salary requirement could disproportionately negatively affect the following groups who are over represented in the 'lower' tier of the market:

- women
- those from a BAME group
- people within older age groups
- those working outside of central London
- those who attended state schools.

Taking each of these variables in turn, the statistical analysis *and* the survey results show:

### Gender

The statistical analysis shows the average pay gap between male and female trainees has increased slightly by £128 (on annual salary) since the removal of the minimum salary.

It is important to note that the gender pay gap is not just an issue for the legal sector, it is prevalent in many work sectors. There are many interrelated factors such as the culture of the profession, society and career choices<sup>46</sup>.

<sup>46</sup>Diversity in the legal profession, LSB, 2010 - <https://research.legalservicesboard.org.uk/wp-content/media/2010-Diversity-in-the-legal-profession.pdf>

## Ethnicity

There is no statistically significant pay gap between Asian and White trainees since the removal of the minimum salary. The gap was about £765 before the removal. The average pay gap between Black and White trainees has also reduced since the removal. However, Black trainees are still receiving about £1099 less than White trainees. The ethnicity pay gap is found in other similar sectors.

## Age

The statistical analysis indicates age does not have any impact on the salary of trainees. The majority of trainees are under 30 years of age.

## Region

Firms who have their head office based in London pay the highest salary to their trainees. Firms who have their head office based in the North West pay the lowest to their trainees. However, regional variation in the salary of trainees is relatively small if London firms are excluded from the analysis.

## Social mobility

The survey data shows that for the respondents who are first generation of their family going to a university, only 18.2% were earning more than £40,000, compared to 50.6% of respondents whose parents or previous generations had attended university.

The survey data shows that on average respondents who attended UK state schools tend to be paid relatively lower trainee salaries. 41.0% of respondents who attended a state school are earning less than or equal to £18,590. In contrast, the majority (63.3%) of respondents who attended a UK private or fee paying school are earning more than £40,000<sup>47</sup>.

The findings show the salary of trainees is likely to be determined more on the characteristics and practices of firms and other factors such as social mobility rather than some of the other protected diversity characteristics of trainees.

## Access and diversity

Students, paralegals and others considering becoming a solicitor were asked about their desire and ability to train now that the SRA imposes a different minimum trainee salary. One of the key findings is that 94% of respondents still want to train as a solicitor but only 83% felt they would still be able to do so. These results are more

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<sup>47</sup> Recent government figures show the pay gap dependent on the university attended by law graduates. The median salary of law graduates (five years after graduation in 2008/9) was £61,500 for those who had attended the University of Oxford and £17,500 for law graduates from the University of Bradford.

<https://www.timeshighereducation.com/news/government-publishes-data-law-graduate-earnings-university#>

positive than the previous survey conducted in 2012 showing that potential entrants have not been put off becoming solicitors.

More BAME respondents did state they would be unable to train as a solicitor due to the SRA not imposing minimum trainee salary levels. However, very few were aware that the SRA had set a minimum level in the past.

It is not known what the current and potential earnings from alternative employment (e.g. becoming a paralegal or working in a different sector) could be and how this affects career choices. The issues surrounding diversity in the profession go beyond trainee salaries.

Respondents were asked about the most important factor they took into account when choosing specific firms and organisations to apply for training. The most frequently stated responses were: interest in the type of work and quality of training. These factors were all stronger influences over respondents' career choices than a starting salary for trainees. Most indicated that the longer term salary expectations were more important than the training salary.

Finally, overall when asked if there had been any impact at all (either positive or negative) due to the change in the SRA prescribed minimum salary the responses show:

- 25% of trainees felt there had been some impact
- 18% of firms felt there had been some impact
- 11% of students, paralegals and others considering becoming a solicitor firms felt there had been some impact.

This shows overall the majority of respondents thought there had been no impact from this policy change as the majority of trainees (75%) and firms (82%) felt that the change had not had an impact (either positive or negative).

## Conclusion

The findings show the salary of trainees is likely to be determined more on the characteristics and practices of firms and other factors such as social mobility rather than some of the protected diversity characteristics of trainees.

It is not known what the current and potential earnings from alternative employment (e.g. becoming a paralegal or working in a different sector) could be and how this affects career choices.

The prescribed minimum salary may have artificially impacted on salaries for some groups of trainees. The picture is complex with many factors at play such as the type of firm, the type of work carried out by firms, the social factors and economic factors.

In summary, the removal of a minimum salary does not seem to have had a major negative or positive impact on the market, if viewed in isolation. Potential entrants' desire and ability to train as a solicitor has not been affected.

The level of salary paid to trainees is reflective of market and economic conditions and not due to the deregulation of prescribing minimum salary levels. Salary levels should be set by market forces and the profession itself in the context of the law around the minimum wage and the living wage option.

## Appendix I. Benchmarking training salaries in other industries

This table sets out the approach taken in comparable industries to setting or suggesting training salaries as updated from similar benchmarking in the 2012 report.

Benchmarking training salaries in other industries						
Profession	Regulator		Training Programme Format	Minimum Starting Salary		Notes
				Formally Imposed by Regulator?	Suggested by Regulator?	
Barristers	Bar Standards Board	BSB	<p>The final stage of the route to qualification as a Barrister in England and Wales is pupillage. Pupillage comprises practical training under the supervision of an experienced Barrister. Pupillage is divided into two parts and consists of:</p> <ul style="list-style-type: none"> <li>• Six months of non-practising experience</li> <li>• Six months of practising experience</li> </ul>	Yes.  All Pupils must be paid no less than £12,000pa + reasonable travel expenses where applicable.		The minimum salary for pupils is intended to be close to the National Minimum Wage. The reason for this is that pupils are not covered by the National Minimum Wage legislation.
Doctors	General Medical Council	GMC	<p>The Foundation Programme is a 2 year training programme that all UK medical school graduates are required to undertake in order to practice medicine in the UK. The programme was launched in August 2005 and enables new doctors to gain competencies in core clinical skills, as well as other professional skills such as team working and communication. Doctors are assessed throughout the 2 year period.</p> <p>The GMC is responsible for the approval and quality assurance of the Foundation programme.</p>	No	No	Trainee Doctors working for the NHS earn a basic salary (£22,636 in year 1/£28,076 in year 2) which is set as part of the Government's annual spending review and not by the GMC.

### Benchmarking training salaries in other industries

Benchmarking training salaries in other industries						
Profession	Regulator		Training Programme Format	Minimum Starting Salary		
				Formally Imposed by Regulator?	Suggested by Regulator?	Notes
Pharmacists	General Pharmaceutical Council	GPhC	<p>The one year training programme for Pharmacists is called a Pre-registration programme. Pre-registration Pharmacists must complete 52 weeks of supervised and assessed training in employment (at an approved hospital or community pharmacy) and pass the registration examination for admission to the GPhC register.</p> <p>The GPhC is responsible for quality assuring the one year training programme for Pharmacists and the subsequent registration as a Pharmacist.</p>	No	No	NHS hospital based Pre-registration Pharmacists/entry level typically start on a Band 5 salary (£21,692 approx) which is a suggested salary put forward by the NHS/agenda for change and not the GPhC.
Architects	Architects Registration Board	ARB	<p>The ARB is the UK's statutory regulator of architects. The ARB is the only body in the UK that is allowed to recognise the qualifications needed to become an architect. The most common route to the qualification takes 7 years which is divided into three parts:</p> <ul style="list-style-type: none"> <li>• Part 1: a 3 year degree in architecture prescribed by ARB + 1 year practical experience.</li> <li>• Part 2: a 2 year full time study course + 1 year practical experience</li> <li>• Part 3: professional practice qualification</li> </ul>	No	No	The regulator does not impose a minimum salary.

### Benchmarking training salaries in other industries

Benchmarking training salaries in other industries						
Profession	Regulator		Training Programme Format	Minimum Starting Salary		
				Formally Imposed by Regulator?	Suggested by Regulator?	Notes
Chartered Surveyors	Royal Institution for Chartered Surveyors	RICS	<p>The Assessment of Professional Competence (APC) is the practical training and experience which when combined with academic qualifications, leads to RICS membership. The objective of the APC is to ensure individuals are competent to practise as a Chartered Surveyor. To enrol and start an APC the individual must be in suitable employment with a firm.</p> <p>The APC consists of:</p> <ul style="list-style-type: none"> <li>• A period of structured training (primarily competency based)</li> <li>• A minimum of 400 days relevant practical experience</li> <li>• A final assessment interview</li> </ul>	No	No	---
Chartered Accountants	Institute of Chartered	ICAEW	Students cannot qualify for the ACA qualification without completing and passing all four of the following elements:	No		---

### Benchmarking training salaries in other industries

Benchmarking training salaries in other industries						
				Minimum Starting Salary		
Profession	Regulator	Training Programme Format		Formally Imposed by Regulator?	Suggested by Regulator?	Notes
	Accountants in England & Wales		<ul style="list-style-type: none"> <li>Exams</li> <li>Technical work experience (450 days)</li> <li>Initial professional development</li> <li>Structured training in ethics</li> </ul> <p>Along with these four elements, ICAEW requires students to have:</p> <ul style="list-style-type: none"> <li>An ACA training agreement</li> <li>Six monthly reviews throughout their training</li> </ul>		No <sup>48</sup>	
Teachers	General Teaching Council for England <sup>49</sup>	GTCE	<p>Anyone wanting to teach in England &amp; Wales must complete Initial Teacher Training (ITT). There are many different types of ITT course (by age group/subject the teacher wants to teach) and all courses cover the principles of teaching along with practical experience in the classroom.</p> <p>Qualified Teacher Status (QTS) is awarded to teachers who can demonstrate that they meet the required professional standards to teach in maintained schools or non-maintained special schools. The standards are a set of statements, formally setting out what a trainee teacher is expected to know, understand and be able to do in order to</p>	No	No	All teachers are paid according to pay scales, updated each September by the Government. Once ITT has been completed and QTS has been achieved NQT's can expect to start on £22,244 per year (and a higher wage than this in

### Benchmarking training salaries in other industries

Benchmarking training salaries in other industries						
Profession	Regulator		Training Programme Format	Minimum Starting Salary		
				Formally Imposed by Regulator?	Suggested by Regulator?	Notes
			<p>be awarded QTS and succeed as an effective teacher. They are divided into three categories:</p> <ul style="list-style-type: none"> <li>• Attributes</li> <li>• Knowledge and understanding</li> <li>• Skills</li> </ul> <p>QTS is a permanent award and does not expire. Once gained, it allows teachers to teach any age and any subject. Once QTS is obtained, teachers can begin their induction as a Newly Qualified Teacher (NQT).</p>			parts of London). These minimum salaries are set by Government and not by the Regulator.
Scottish solicitors	The Law Society of Scotland		Two-year training contract similar to training contract in England and Wales. No mandatory minimum salary, but a recommended minimum salary is advised by the Law Society and revised each year. On 27 April 2012 the Law Society of Scotland's Council decided to implement requirements to ensure that all trainees are paid at least the National Minimum Wage.	No	Yes	---

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## Appendix II. Questionnaires

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### A) Questionnaire: Organisations

<b>Introduction</b>
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**1) In which type of organisation do you currently work?\***

- Private practice
- Commerce and industry
- Central or local Government
- Crown Prosecution Service
- Other, please state: \_\_\_\_\_

**2) Which of the following classifications best describes the size of your private practice firm in terms of number of partners?**

- 1 (sole practitioner)
- 2-4 partners
- 5-10 partners
- 11-25 partners
- 26-80 partners
- 81+ partners
- Do not know

**3) Which of the following classifications best describes your firm?**

- Sole practice
- High street practice
- Medium to large practice
- Top 100 City Firm
- Specialist/niche firm
- Other, please state: \_\_\_\_\_

**4) In which region do you work?\***

- North East
- North West
- Yorkshire and Humberside
- East Midlands
- West Midlands
- South West
- East of England
- Central London
- Rest of Greater London
- South East
- Wales
- Overseas

**5) Which of the following best describes your position in the firm/organisation?\***

- Sole practitioner
- Partner
- Assistant/Associate
- Consultant
- Prefer not to say
- Other, please state: \_\_\_\_\_

**Trainee solicitors**

**6) Do you have a responsibility for supervising or managing the work of trainee solicitors?\***

- Yes
- No
- Prefer not to say

**7) Before taking part in this survey, were you aware that, up until 1 August 2014, the SRA set a different minimum salary for trainee solicitors?**

Yes

No

**8) How many trainees does your firm/organisation currently employ?\***

0

1

2-4

5-10

11-15

16-20

21-25

Over 25

**9) How many apprentices does your firm/organisation currently employ?\***

0

1

2-4

5-10

11-15

16-20

21-25

Over 25

**10) Has the amendment of the minimum trainee salary level had an effect on whether you would seriously consider employing trainees?\***

Yes

No

Unsure

**Please state reasons**

---

**11) What did you pay your trainees as a starting salary before 1 August 2014?\***

(Please choose an average figure, if different for each trainee.)

- Less than £16,649
- £16,650
- £16,651-£18,589
- £18,590
- £18,591-£22,000
- £22,001-£25,000
- £25,001-£30,000
- £30,001-£35,000
- £35,001-£40,000
- £40,001-£45,000
- £45,001-£50,000
- Over £50,000
- Prefer not to say

**12) In the last four years, has the number of trainees your firm has taken on:\***

- Increased
- Decreased
- Stayed the same

**13) What do you/would you pay as a trainee starting salary?**

(Please choose an average figure, if different for each trainee.)

- Less than £16,649
- £16,650
- £16,651-£18,589
- £18,590
- £18,591-£22,000
- £22,001-£25,000
- £25,001-£30,000
- £30,001-£35,000
- £35,001-£40,000

- £40,001-£45,000
- £45,001-£50,000
- Over £50,000
- Prefer not to say

**14) Do you set the same salary for each trainee?**

- Yes
- No

**15) What factors do you now consider when setting your salary for trainees?**

- Academic achievements of trainee
- Relevant experience of trainee
- The previous SRA minimum training salary level
- Trainee salary paid by competitors
- Resources in supervising and working with trainee
- Current profitability of your firm
- Other, please state: \_\_\_\_\_
- Prefer not to say

**16) Are you aware of any impacts, either positive or negative, of the SRA's amendment to the minimum salary level?**

- Yes
- No
- Don't know

**Please state your reasons**

---

**17) Are you aware of any impacts (either positive or negative) that amending the minimum salary requirement has had on individuals from less affluent backgrounds from pursuing a career as a solicitor?**

- Yes
- No
- Don't know

Please state your reasons

---

**18) Are you aware of any impacts, either positive or negative, that amending the minimum salary requirement has had on the diversity of the profession in respect of entrants' age, ethnicity, gender or other diversity factors?**

- Yes
- No
- Don't know

Please state your reasons

---

**19) On a scale of 1 to 4 (where 1 is strongly agree and 4 is strongly disagree), how much do you agree with the following statements?**

	<b>Strongly agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>Don't know/no opinion</b>
Changing the minimum salary has reduced the overall quality of legal services.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Changing the minimum salary has led to a lower calibre of new entrants.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Changing the minimum salary has increased the supply of well	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

qualified solicitors.					
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**20) Do you have any additional comments on the SRA's review of the changing of the minimum salary requirement?**

---

**Thank you**

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## **B) Questionnaire: Trainees**

**Which of the following best describes your current status?\***

- I am a law student (undergraduate)
- I am a law student (postgraduate)
- I am a trainee solicitor (first year of period of recognised training)
- I am a trainee solicitor (second year of period of recognised training)
- I am a legal apprentice
- I am a paralegal
- I am a legal executive
- I work in another position in the legal sector
- I am a solicitor

### **Introduction**

**1) How long have you been working as a trainee solicitor?\***

- Less than 6 months
- 6 months - 1 year
- Over 1 year - less than 2 years
- Over 2 years - less than 3 years
- Over 3 years

**2) In which type of organisation do you currently work?\***

- Private practice
- Commerce and industry
- Central or local Government
- Crown Prosecution Service
- Other, please state: \_\_\_\_\_

**3) Which of the following classifications best describes the size of your private practice firm in terms of number of partners?**

- 1 (sole practitioner)
- 2-4 partners
- 5-10 partners
- 11-25 partners
- 26-80 partners
- 81+ partners
- Do not know

**4) Which of the following classifications *best* describes your firm?**

- Sole practice
- High street practice
- Medium to large practice
- Top 100 City Firm
- Specialist/niche firm
- Other, please state: \_\_\_\_\_

**5) In which region do you work?\***

- North East
- North West
- Yorkshire and Humberside
- East Midlands
- West Midlands
- South West
- East of England
- Central London
- Rest of Greater London
- South East
- Wales
- Overseas

**6) At what institution did you study a) law or equivalent qualifying degree (e.g, Common Professional Exam (CPE ) or Graduate Diploma in Law (GDL))? b) LPC**

a) Law or equivalent qualifying degree:

\_\_\_\_\_

b) LPC: \_\_\_\_\_

**7) How long after completing your Legal Practice Course did you commence your period of recognised training?\***

- Less than 3 months
- 3 to 6 months
- 6 to 12 months
- 1-2 years
- 2-3 years
- 3-4 years
- 4-5 years
- 5-10 years
- Over 10 years

**8) How easy or difficult was it to secure a training contract?\***

- Very easy
- Easy
- Neither easy or difficult
- Quite difficult
- Very difficult

Please state reasons for your answer:

\_\_\_\_\_

## Career aspirations

### **9) In choosing a career as a solicitor, which three factors were the most important to you?\***

(Please choose up to three factors.)

- Interest in the work
- Prestige/Tradition of profession
- Likelihood of securing a job
- Security of employment
- Long term salary prospects expected
- Receiving a good salary whilst training
- Community value/benefit to society
- Work-life balance
- Other, please state: \_\_\_\_\_

### **10) In deciding which firms or organisations to apply to for a period of recognised training, which three factors were most important?\***

(Please choose up to three factors.)

- Interest in the type of work carried out by the firm
- Prestige of firm/organisation
- Likelihood of employment with this firm/organisation after completion of training contract
- Long term security of employment
- High trainee starting salary
- Long term salary prospects expected
- Financial assistance for training e.g. LPC
- Quality of training
- Work-life balance
- Other, please state: \_\_\_\_\_

### **11) What were the three key factors you feel helped you to secure a period of recognised training?\***

(Please choose up to three factors.)

- By obtaining good academic results

- By having done relevant work experience
- By having done relevant work experience with this firm/organisation
- By having worked as a paralegal
- By having worked as a legal executive
- By having worked in another position within the legal sector
- By having worked in another industry
- By having worked for below the minimum trainee salary
- By having done unpaid work
- Other, please state: \_\_\_\_\_

**Remuneration**

**12) What is your current salary per annum?\***

- Less than £16,649
- £16,650
- £16,651-£18,589
- £18,590
- £18,591-£22,000
- £22,001-£25,000
- £25,001-£30,000
- £30,001-£35,000
- £35,001-£40,000
- £40,001-£45,000
- £45,001-£50,000
- Over £50,000
- Prefer not to say

**13) Do you think your current remuneration is...?\***

- Too low for a trainee starting salary
- About right for a trainee starting salary
- Too high for a trainee starting salary

**14) Before taking part in this survey, were you aware that up until 1 August 2014, the SRA set a different minimum salary level for trainee solicitors?\***

- Yes
- No

**15) Are you aware of any impacts, either positive or negative, of the SRA's changing of the minimum salary?**

- Yes
- No
- Don't know

Please state your reasons

---

**16) Are you aware of any impacts (either positive or negative) that changing the minimum salary requirement has had on individuals from less affluent backgrounds from pursuing a career as a solicitor?**

- Yes
- No
- Don't know

Please state your reasons

---

**17) Are you aware of any impacts, either positive or negative, that changing the minimum salary requirement has had on the diversity of the profession in respect of entrants' age, ethnicity, gender or other diversity factors?**

- Yes
- No
- Don't know

Please state your reasons

---

**18) Do you have any additional comments on the SRA's review of the changing of the minimum salary requirement?**

---

**Background information**

**19) Is your main permanent residence...?\***

- In the UK
- Within the EU (outside the UK)
- International (outside the EU)
- Prefer not to say

**20) If you went to university to study a degree (e.g. BA, BSc course or higher), were you part of the first generation of your family to do so?\***

- Yes
- No
- Did not attend university
- Prefer not to say
- Do not know

**21) Did you mainly attend a state or fee paying school between the ages of 11-18?\***

- UK state school
- UK Independent/Fee paying school
- School outside the UK
- Prefer not to say

**22) Are you?\***

- Male
- Female
- Prefer not to say

**23) How old are you?\***

(years)

- 18-21
- 22-25
- 26-30
- 31-35
- 36-40
- 41-45
- 46-50
- 51-55
- 56-60
- 61+
- Prefer not to say

**24) Which of the following best describes your ethnic group?\***

**White**

- British/English/Welsh/Northern Irish/Scottish
- Irish
- Gypsy or Irish Traveller
- Any other white background

**Black or Black British**

- African
- Caribbean
- Other Black/Caribbean/Black British background

**Asian or Asian British**

- Bangladeshi
- Chinese

- Indian
- Pakistani
- Any other Asian background

**Mixed**

- White and Asian
- White and Black African
- White and Black Caribbean
- White and Chinese
- Any other mixed background

**Any other ethnic group**

- Arab
- Any other ethnic group
- Prefer not to say

**25) Do you consider yourself to have a disability according to the definition in the Equality Act?\***

- Yes
- No
- Prefer not to say

**26) Are you a primary carer for a child or children under 18?\***

- Yes
- No
- Prefer not to say

**Thank you**

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## **C) Questionnaire: Students, paralegals and others considering training as a solicitor**

**Which of the following best describes your current status?\***

- I am a law student (undergraduate)
- I am a law student (postgraduate)
- I am a trainee solicitor (first year of period of recognised training)
- I am a trainee solicitor (second year of period of recognised training)
- I am a legal apprentice
- I am a paralegal
- I am a legal executive
- I work in another position in the legal sector
- I am a solicitor

### **Career aspirations**

**1) Which of the following best describes your current status?\***

- First year law student
- Second year law student
- Third year law student
- Post Graduate law student - GDL/CPE/LLM
- Studying LPC
- Working as a paralegal
- Working as a legal executive
- Working in any other industry
- Working in another position within the legal sector
- Other, please state: \_\_\_\_\_

**2) At what institution are you currently studying law?**

\_\_\_\_\_

**3) If you studied for a law degree, at what institution did you study?**

\_\_\_\_\_

**4) Do you have a Legal Practice Course (LPC) qualification?\***

Yes

No

Name of institution

---

**5) Are you considering becoming a solicitor?\***

Yes

No

**6) In choosing a career as a solicitor, which three factors were the most important to you?**

Interest in the work

Prestige/Tradition of profession

Likelihood of securing a job

Security of employment

Long term salary prospects expected

Receiving a good salary whilst training

Community value/benefit to society

Work-life balance

Other, please state

**7) If you had seriously considered becoming a solicitor, but have since changed your mind, what were the three main factors that deterred you?\***

(Please choose up to three factors.)

No longer interested in law

Demanding level of current study

High level of commitment as a solicitor

Financial cost of completing solicitors training

Difficult to secure a training contract

- Low trainee solicitor starting salary
- Unlikely to secure a job as a solicitor
- Security of employment as a solicitor
- Poor image of solicitor's profession
- Worried about discrimination within the solicitors profession
- Work-life balance as a solicitor
- Would prefer to qualify in a different legal profession (e.g. barrister, trade mark attorney, CILEx)
- Other, please state: \_\_\_\_\_

**8) Are you currently working in the legal sector?\***

- Yes
- No

**9) How long have you been working in the legal sector?**

- Less than 6 months
- 6 months - 1 year
- Over 1 year - less than 2 years
- Over 2 years - less than 3 years
- Over 3 years - less than 5 years
- Over 5 years - less than 10 years
- Over 10 years

**10) In which type of organisation do you currently work?\***

- Private practice
- Commerce and industry
- Central or local Government
- Crown Prosecution Service
- Other, please state: \_\_\_\_\_

**11) In which type of organisation would you prefer to work?\***

- Private practice
- Commerce and industry
- Central or local Government
- Crown Prosecution Service
- Other, please state: \_\_\_\_\_

**12) Which of the following classifications best describes the size of your private practice firm in terms of number of partners?\***

- 1 (sole practitioner)
- 2-4 partners
- 5-10 partners
- 11-25 partners
- 26-80 partners
- 81+ partners
- Do not know

**13) Which of the following classifications best describes your firm?\***

- Sole practice
- High street practice
- Medium to large practice
- Top 100 City Firm
- Specialist/niche firm
- Other, please state: \_\_\_\_\_

**14) You said you would prefer to work in private practice. Which of the following classifications best describes the type of firm where you would prefer to work?**

- Sole practice
- High street practice
- Medium to large practice
- Top 100 City Firm

Specialist/niche firm

Other, please state: \_\_\_\_\_

**15) In which region do you work?\***

North East

North West

Yorkshire and Humberside

East Midlands

West Midlands

South West

East of England

Central London

Rest of Greater London

South East

Wales

Overseas

**16) In which region would you prefer to work?**

North East

North West

Yorkshire and Humberside

East Midlands

West Midlands

South West

East of England

Central London

Rest of Greater London

South East

Wales

Overseas

**17) Have you secured a training contract?\***

- Yes
- No

**18) In deciding which firms or organisations to apply to for a period of recognised training, which three factors were most important?\***

(Please choose up to three factors.)

- Interest in the type of work carried out by the firm
- Prestige of firm/organisation
- Likelihood of employment with this firm/organisation after completion of training contract
- Long term security of employment
- High trainee starting salary
- Long term salary prospects expected
- Financial assistance for training e.g. LPC
- Quality of training
- Work-life balance
- Other, please state: \_\_\_\_\_

**19) In deciding which firms or organisations to apply to for a period of recognised training, which three factors would be most important?\***

(Please choose up to three factors.)

- Interest in the type of work carried out by the firm
- Prestige of firm/organisation
- Likelihood of employment with this firm/organisation after completion of training contract
- Long term security of employment
- High trainee starting salary
- Long term salary prospects expected
- Financial assistance for training e.g. LPC
- Quality of training
- Work-life balance
- Other, please state: \_\_\_\_\_

**20) What were the three most important key factors you feel helped you to secure a period of recognised training?\***

(Please choose up to three factors.)

- By obtaining good academic results
- By having done relevant work experience
- By having done relevant work experience with this firm/organisation
- By having worked as a paralegal
- By having worked as a legal executive
- By having worked in another position within the legal sector
- By having worked in another industry
- By having worked for below the minimum trainee salary
- By having done unpaid work
- Other, please state: \_\_\_\_\_

**21) What do you feel would be the three most important key factors that would help you to secure a period of recognised training?\***

(Please choose up to three factors.)

- By obtaining good academic results
- By having done relevant work experience
- By having done relevant work experience with this firm/organisation
- By having worked as a paralegal
- By having worked as a legal executive
- By having worked in another position within the legal sector
- By having worked in another industry
- By having worked for below the minimum trainee salary
- By having done unpaid work
- Other, please state: \_\_\_\_\_

## Remuneration

### 22) What will be your trainee starting salary per annum?

- Less than £16,649
- £16,650
- £16,651-£18,589
- £18,590
- £18,591-£22,000
- £22,001-£25,000
- £25,001-£30,000
- £30,001-£35,000
- £35,001-£40,000
- £40,001-£45,000
- £45,001-£50,000
- Over £50,000
- Prefer not to say

### 23) What is the minimum trainee salary you would accept?

- Less than £16,649
- £16,650
- £16,651-£18,589
- £18,590
- £18,591-£22,000
- £22,001-£25,000
- £25,001-£30,000
- £30,001-£35,000
- £35,001-£40,000
- £40,001-£45,000
- £45,001-£50,000
- Over £50,000
- Prefer not to say

**24) Do you think this current remuneration is...?**

- Too low for a trainee starting salary
- About right for a trainee starting salary
- Too high for a trainee starting salary

**25) Before taking part in this survey, were you aware that up until 1 August 2014, the SRA set a different minimum salary for trainee solicitors?**

- Yes
- No

**26) Now that the SRA imposes a different minimum trainee salary, do you still *want* to train as a solicitor?**

- Yes
- No

Please state reasons

---

**27) Now that the SRA imposes a different minimum trainee salary, are you still *able* to train as a solicitor?**

- Yes
- No

Please state reasons

---

**28) Are you aware of any impacts, either positive or negative, of the SRA's change of the minimum salary?**

- Yes
- No
- Don't know

**Please state your reasons**

---

**29) Are you aware of any impacts (either positive or negative) that changing the minimum salary requirement has had on individuals from less affluent backgrounds from pursuing a career as a solicitor?**

- Yes
- No
- Don't know

**Please state your reasons**

---

**30) Are you aware of any impacts, either positive or negative, that changing the minimum salary requirement has had on the diversity of the profession in respect of entrants' age, ethnicity, gender or other diversity factors?**

- Yes
- No
- Don't know

Please state your reasons

---

**31) Do you have any additional comments on the SRA's review of the change of the minimum salary requirement?**

---

## Background information

**32) Is your main permanent residence...?\***

- In the UK
- Within the EU (outside the UK)
- International (outside the EU)
- Prefer not to say

**33) If you went to university to study a degree (e.g. BA, BSc course or higher), were you part of the first generation of your family to do so?\***

- Yes
- No
- Did not attend university
- Prefer not to say
- Do not know

**34) Did you mainly attend a state or fee paying school between the ages of 11-18?\***

- UK state school
- UK Independent/Fee paying school
- School outside the UK
- Prefer not to say

**35) Are you?\***

- Male
- Female
- Prefer not to say

**36) How old are you?\***

(years)

- 18-21
- 22-25
- 26-30
- 31-35
- 36-40
- 41-45
- 46-50
- 51-55
- 56-60
- 61+
- Prefer not to say

**37) Which of the following best describes your ethnic group?\***

**White**

- British/English/Welsh/Northern Irish/Scottish
- Irish
- Gypsy or Irish Traveller
- Any other white background

**Black or Black British**

- African
- Caribbean
- Other Black/Caribbean/Black British background

**Asian or Asian British**

- Bangladeshi
- Chinese
- Indian
- Pakistani
- Any other Asian background

**Mixed**

- White and Asian
- White and Black African

- White and Black Caribbean
- White and Chinese
- Any other mixed background

**Any other ethnic group**

- Arab
- Any other ethnic group
- Prefer not to say

**38) Do you consider yourself to have a disability according to the definition in the Equality Act?\***

- Yes
- No
- Prefer not to say

**39) Are you a primary carer for a child or children under 18?\***

- Yes
- No
- Prefer not to say

**Thank you**

## Appendix III. Work type category

Work Category	Work type
Corporate / financial / IP	Commercial/corporate work for listed companies
	Commercial/corporate work for non-listed companies and other
	Financial advice and services (regulated by FSA)
	Financial advice and services (regulated by SRA)
	Intellectual property
	Bankruptcy / insolvency
	Debt Collection
Criminal	Criminal
Litigation / ADR	Arbitration and alternative dispute resolution
	Discrimination / civil liberties / human rights
	Employment
	Litigation - other
	Personal injury
Other	Non-litigation – other
Private client	Consumer
	Wills, trusts and tax planning
	Children
	Family / matrimonial
	Immigration
	Mental health
	Probate and estate administration
	Social welfare
Real estate	Landlord and tenant (commercial and domestic)
	Property – commercial
	Planning
	Property – residential

---

## Appendix IV. Profile of respondents

This appendix provides headline characteristics and demographics of the survey respondents.

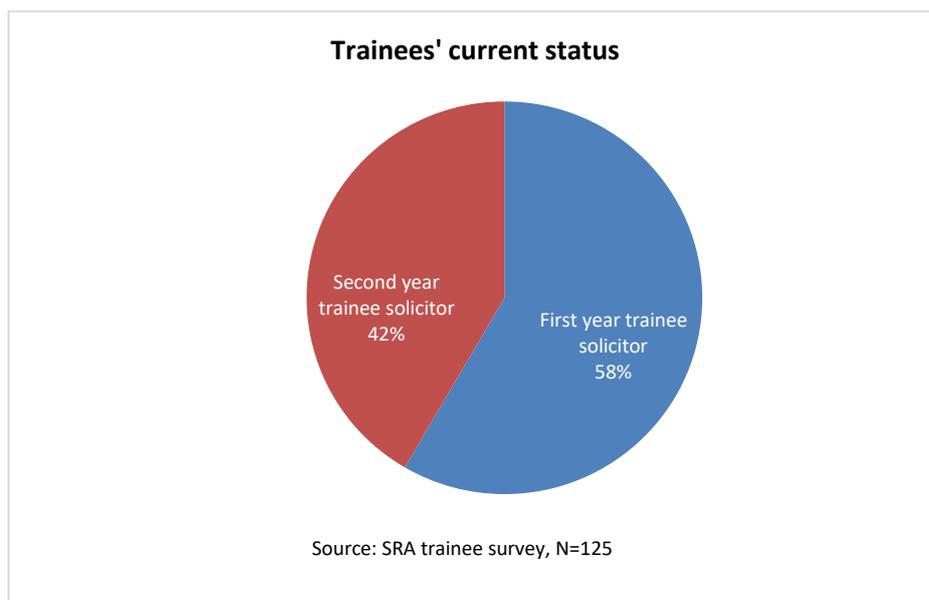
### Trainees

This section describes the characteristics of the respondents to the survey of trainees.

### Trainee status

125 trainees responded to this survey, 58% were in their first year as a trainee solicitor and 42% were in their second year.

**Figure I.1: Status of trainees**



34.4% had only been a trainee solicitor for less than 6 months.

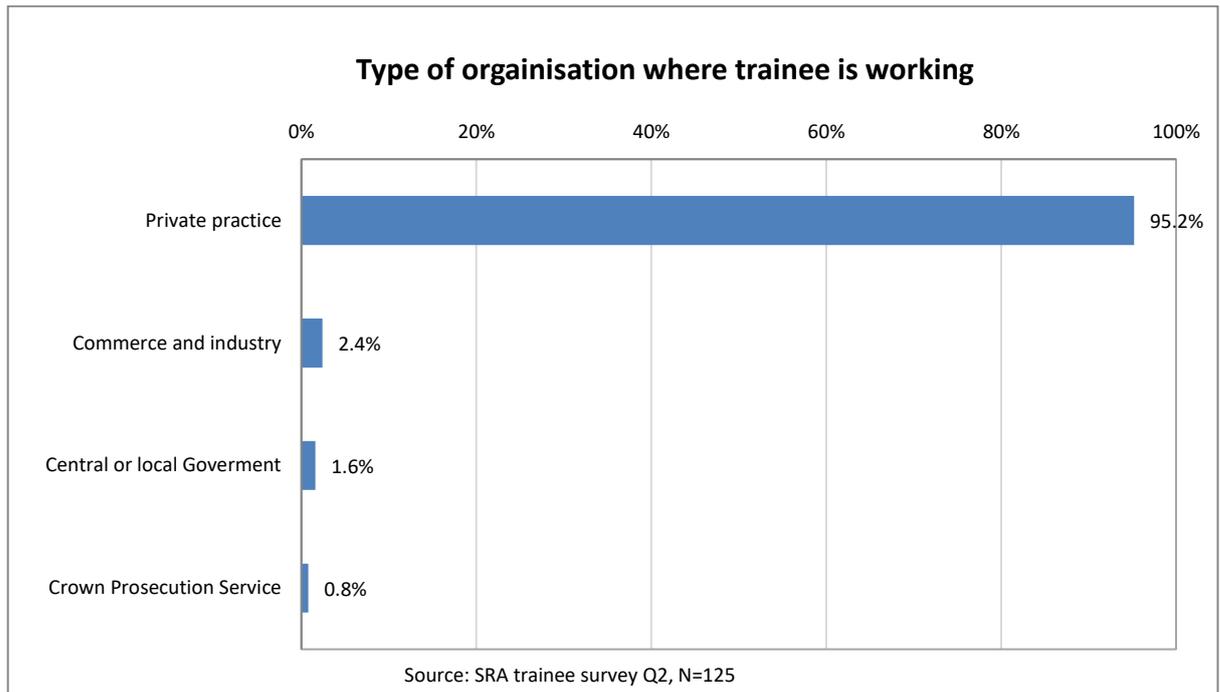
**Figure I.2: Time spent as a trainee**



**Organisation type**

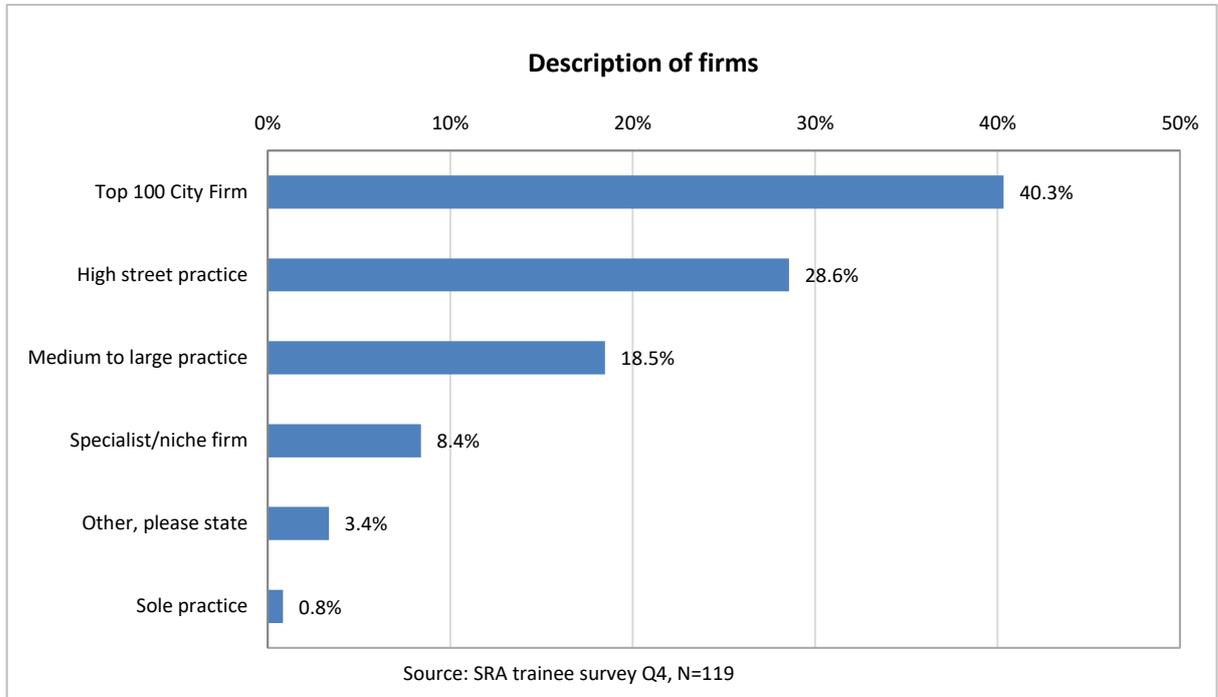
125 trainees responded to this survey and of these the majority worked in private practice firms.

**Figure I.3: Type of organisation where trainee is working**



Approximately 40.3% of respondents working in private practice described the firms they worked in as a top 100 city firm, and 28.6% worked in a high street practice. Around 18.5% worked in a medium to large practice, and 8.4% worked in a specialist/niche firm and 0.8% in sole practices.

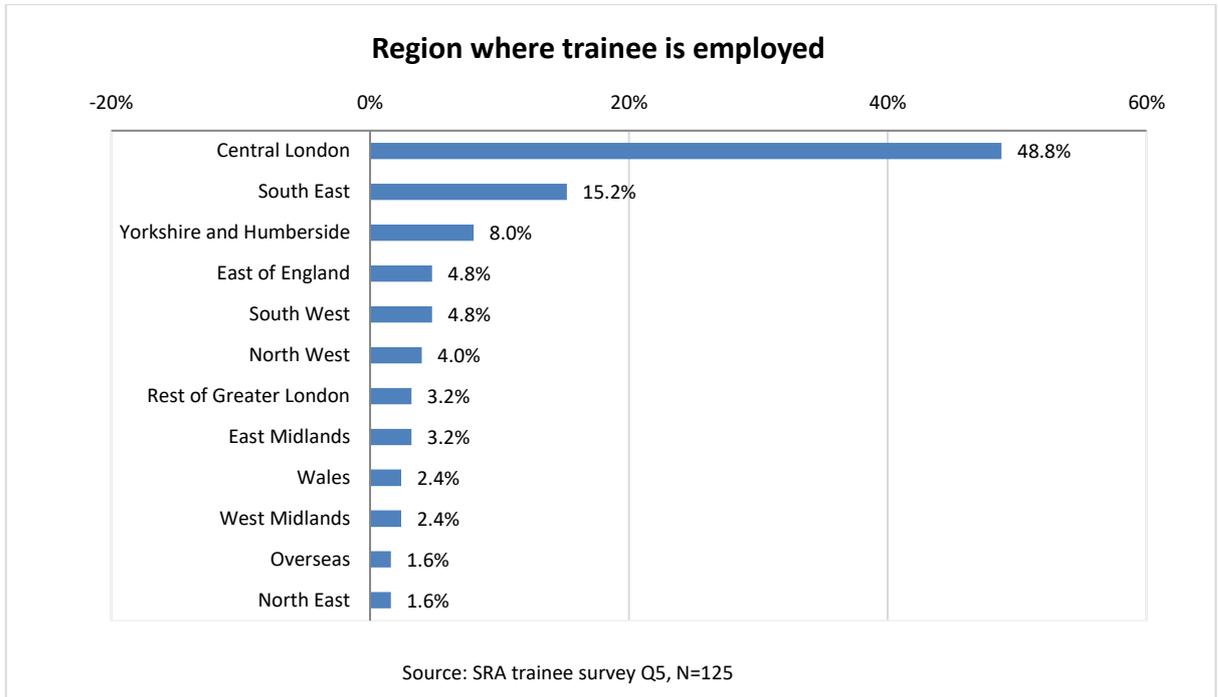
**Figure I.4: Description of firm where trainees work**



### Location of firm

Trainees who completed the survey were mostly working in central London, the South East, Yorkshire and Humberside. Fewer respondents came from overseas and the North East.

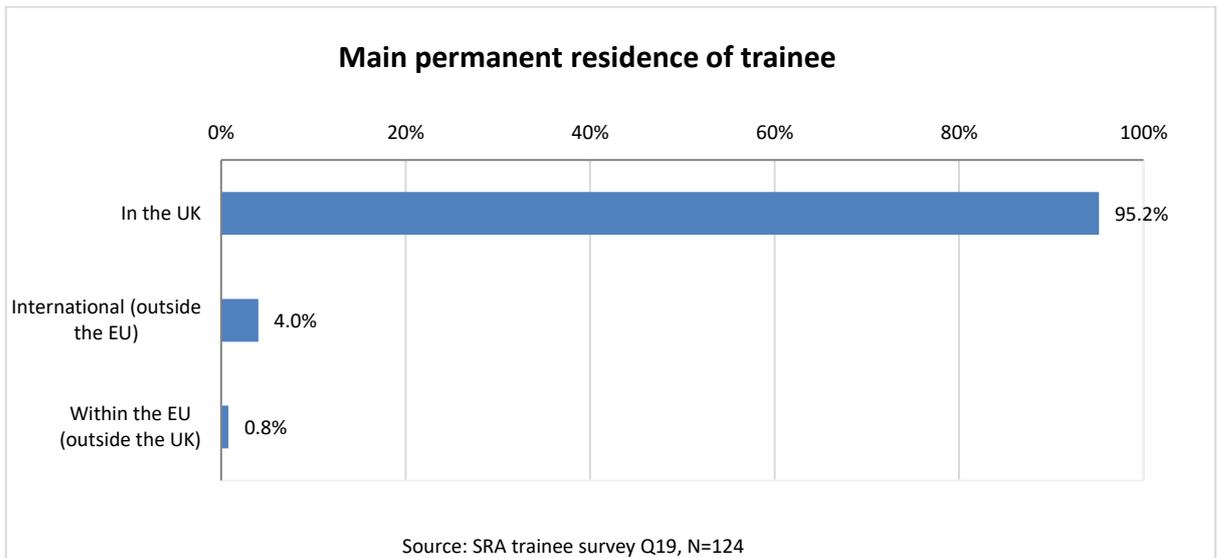
**Figure I.5: Region where trainee is employed**



**Residence**

95.2% of trainees who completed the survey described the UK as their main permanent residence.

**Figure I.6: Main permanent residence of trainee**

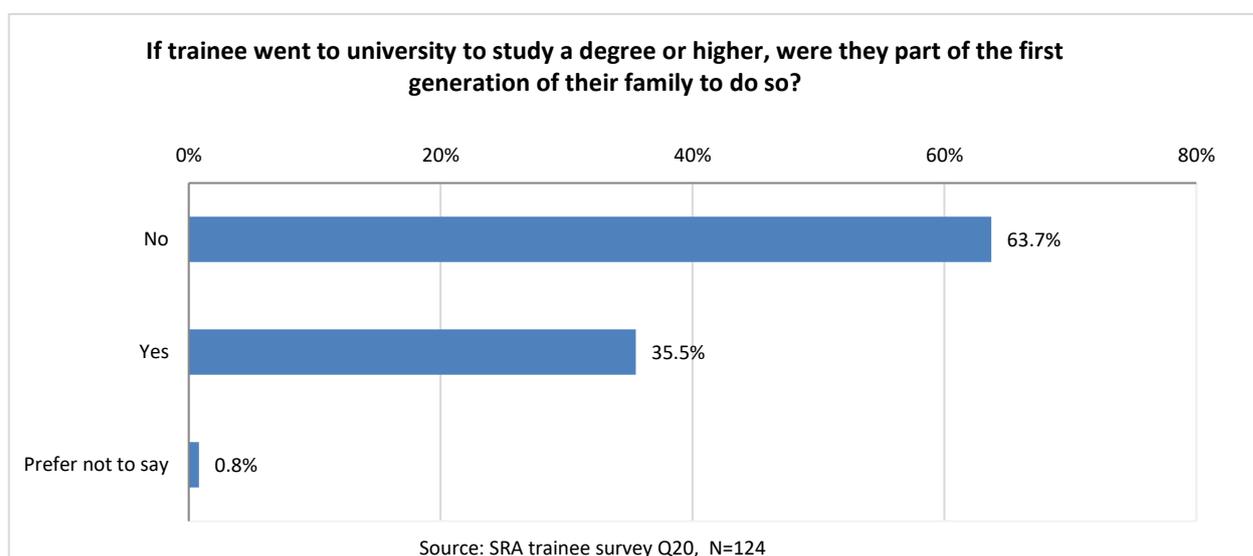


## Socio-economic background

Two proxy measures were used for socio-economic background; whether the trainee was part of the first generation of their family to go to university, and whether the trainee attended a state school or a fee paying school.

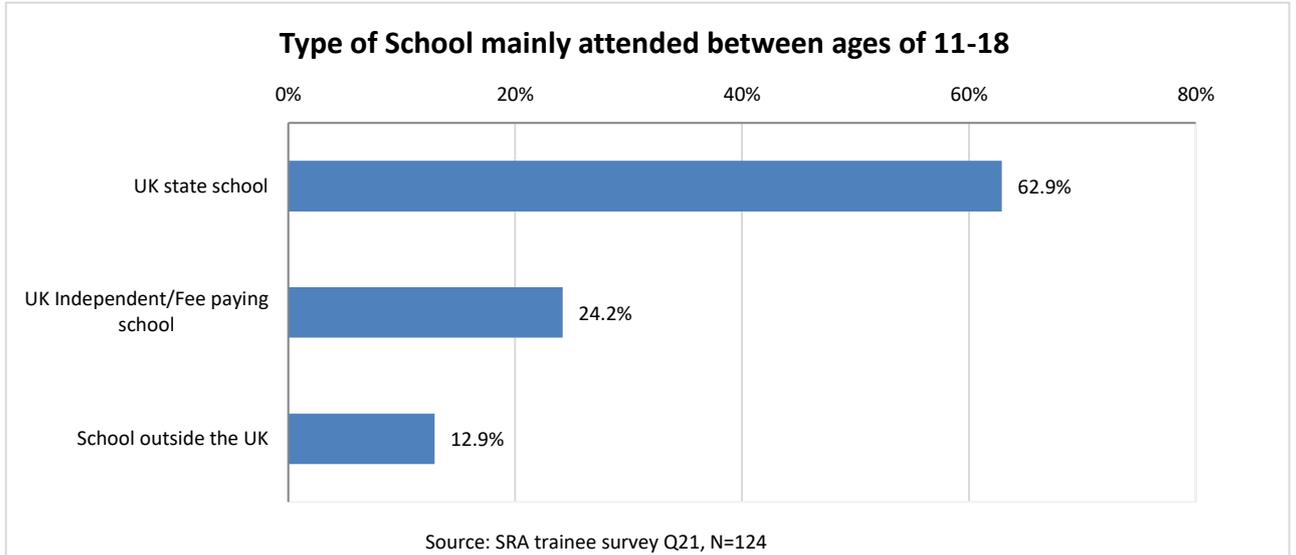
Of the 125 trainees who responded, 63.7% were not part of the first generation of their family to go to university, but 35.5% were.

**Figure I.7: If trainee went to university to study a degree or higher, were they part of the first generation of their family to do so?**



The majority of trainees (62.9%) who responded to the survey attended a UK state schools. 24.2% attended an independent fee paying school, and 12.9% attended a school outside the UK.

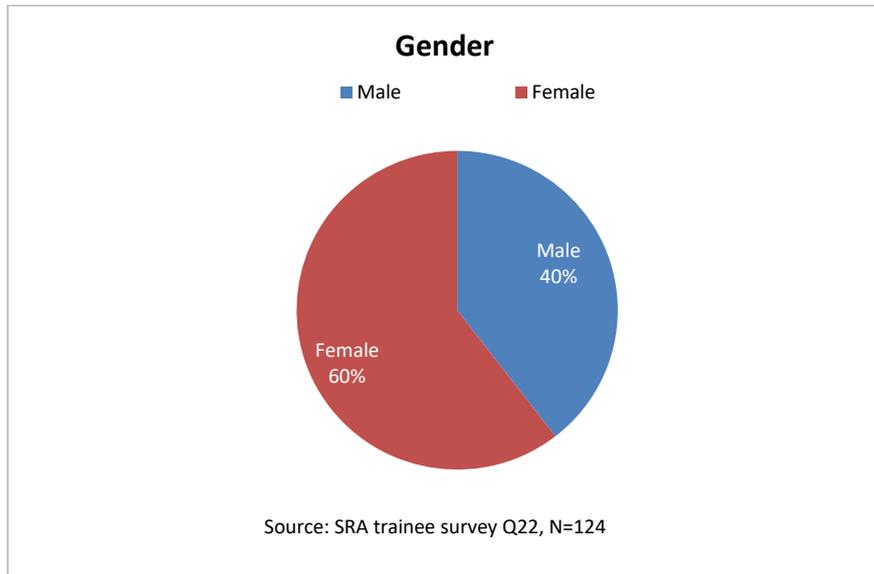
**Figure I.8: Type of School mainly attended between ages of 11-18**



**Gender**

Sixty percent of trainee respondents were women, and forty percent were men.

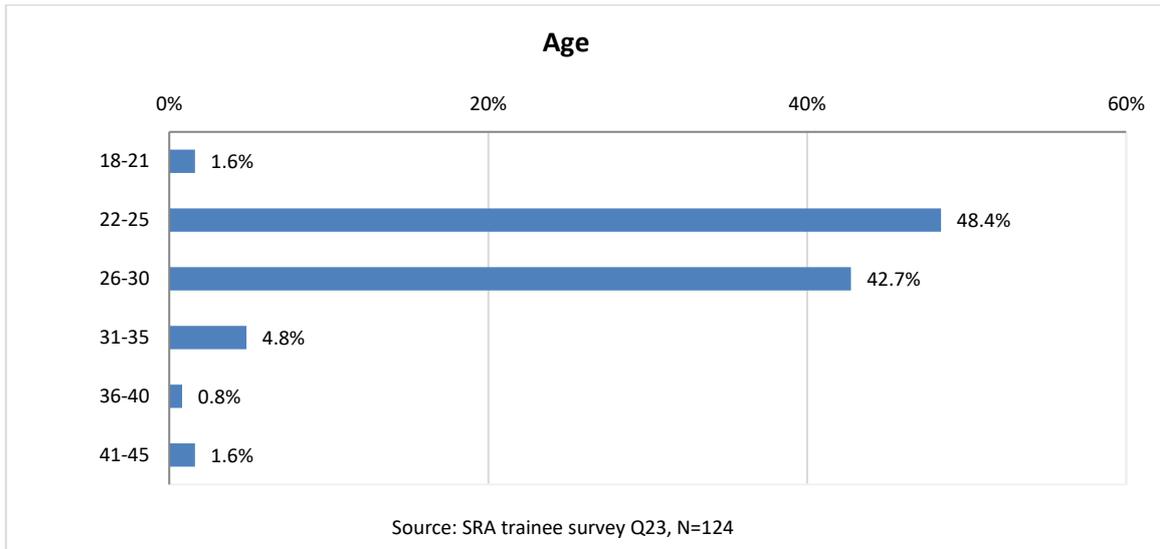
**Figure I.9: Gender**



**Age**

Most respondents were aged between 22 and 30 years of age. 48.4% were in the 22-25 age bracket, and 42.7% were in the 26-30 age bracket. 4.8% were 31-35 years old, and around 2.4% were over 36 years of age.

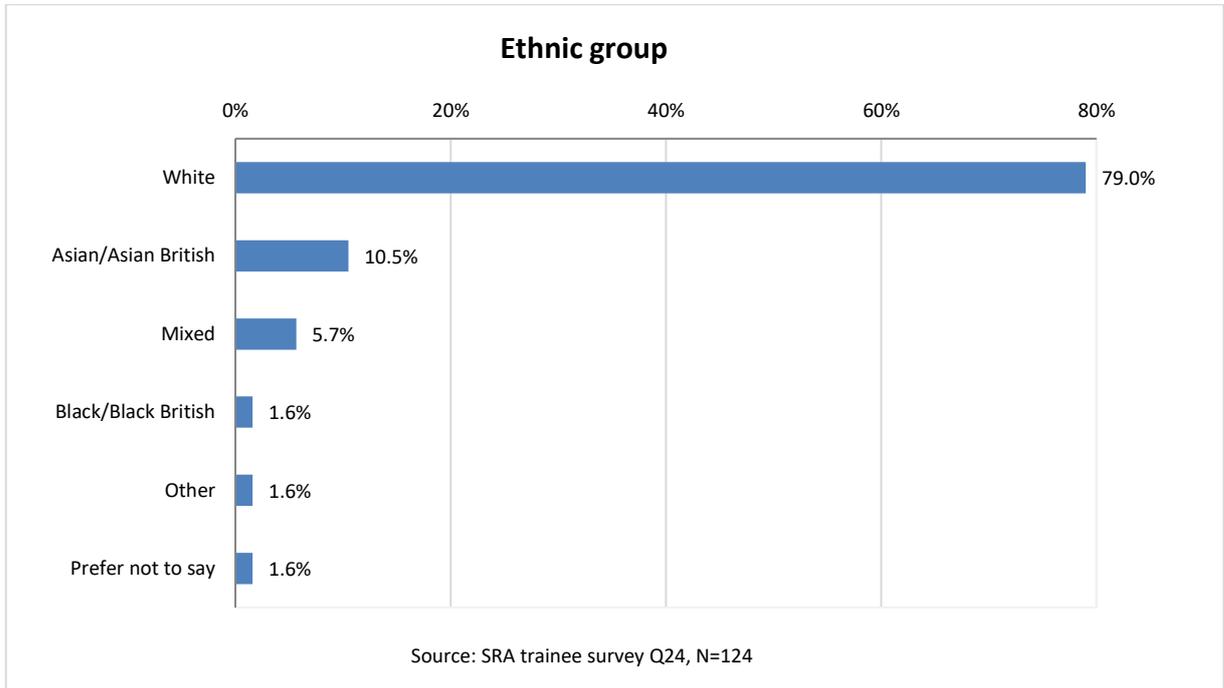
**Figure I.10: Age**



**Ethnic background**

79% of trainee respondents described their ethnic group as White, with a further 10.5% describing themselves as Asian, 5.7% Mixed, 1.6% Black and 1.6% as 'other' group.

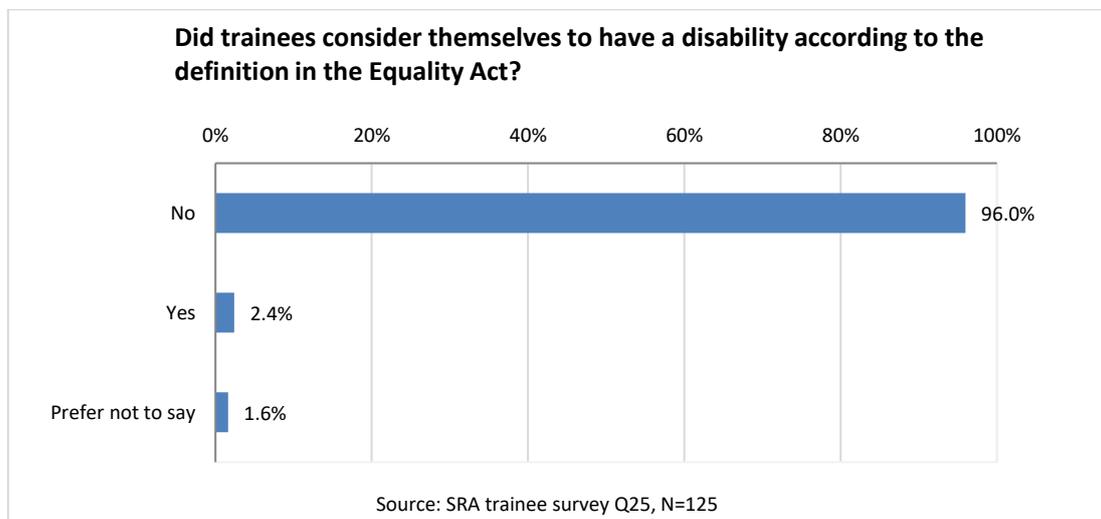
**Figure I.11: Ethnic group**



**Disability status**

The Equality Act 2010 generally defines a disabled person as someone who has a mental or physical impairment that has a substantial and long term adverse effect on the person's ability to carry out normal day-to-day activities. Using this definition, 2.4% of respondents described themselves as disabled.

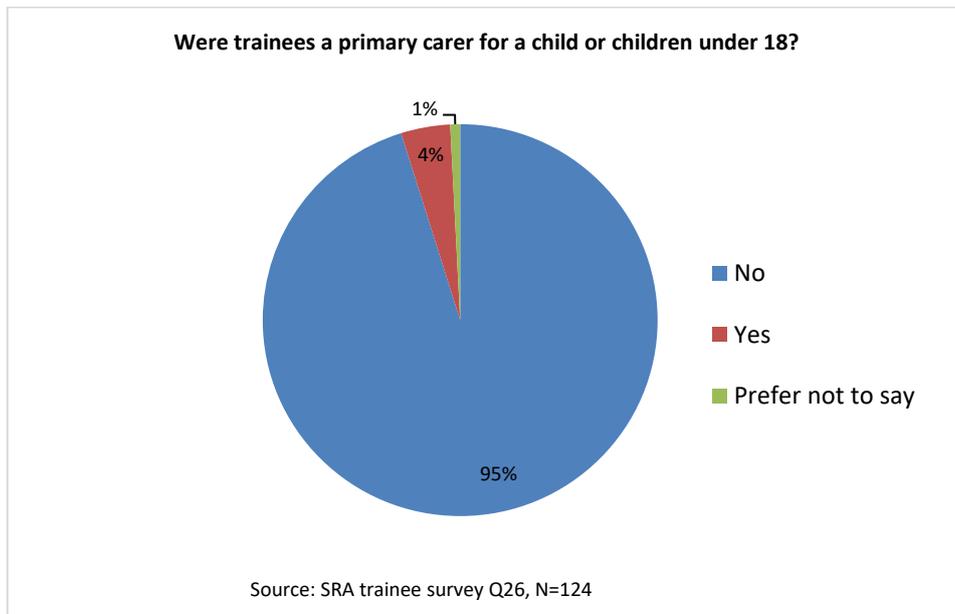
**Figure I.12: Disability**



## Carer status

4% of trainee respondents were primary carers for a child or children under 18.

**Figure I.13: Carer status**



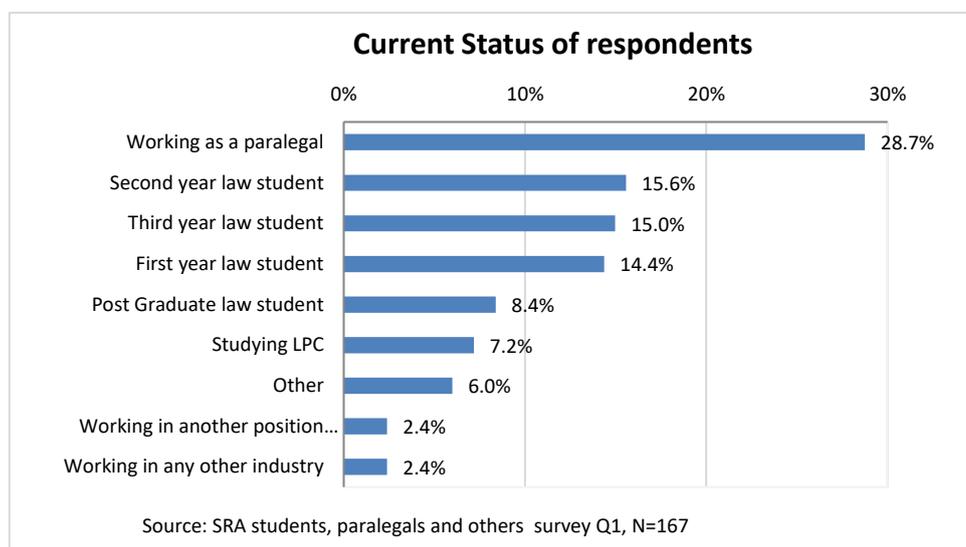
## Survey of students, paralegals and others considering training as a solicitor

This section described the sample of respondents to the survey of students, paralegals and others considering training as a solicitor.

### Status

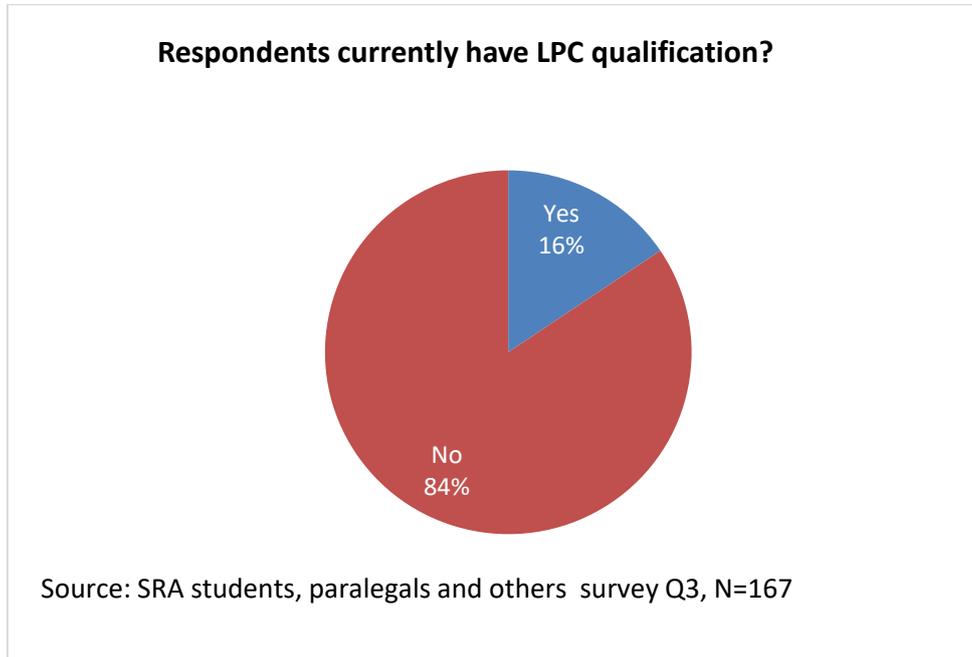
167 students and other interested parties (who were not trainees or solicitors) responded to this survey, of these 28.7% were working as a paralegal, first to third year law students combined made up 45% of respondents, post graduate law students (8.4%) and about 7% were studying the Legal Practice Course (LPC).

**Figure I.14: Current status**



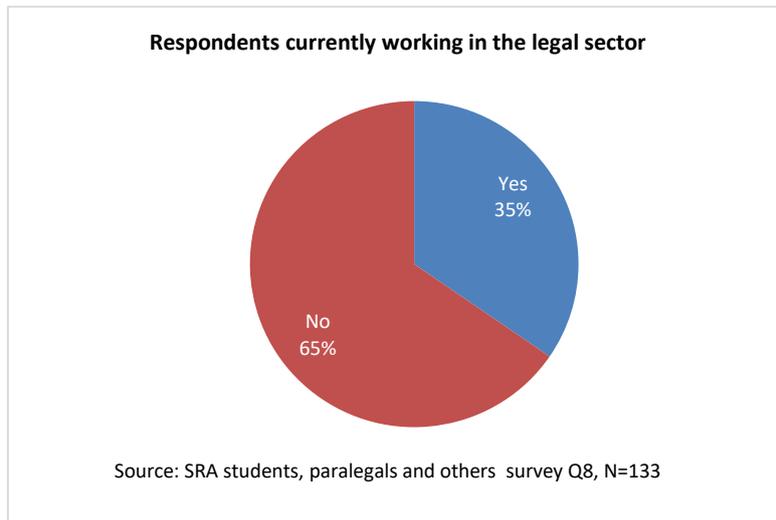
Only 16% of the 167 respondents had a Legal Practice Course qualification.

**Figure I.15: Legal Practice Course qualification**



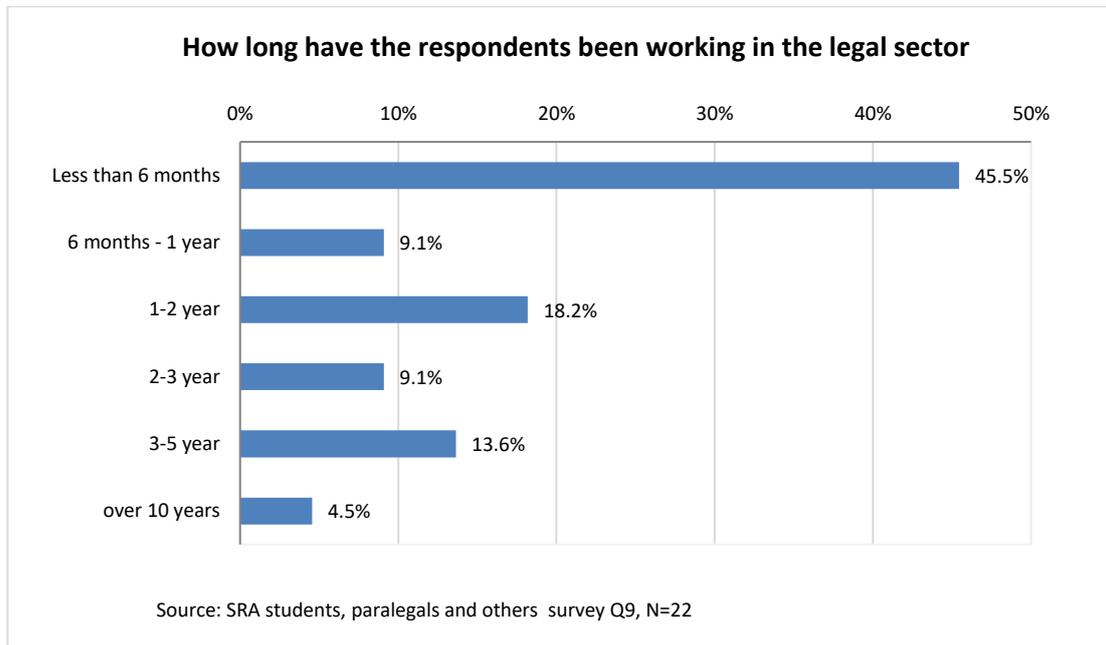
35% of respondents (133 responded to this question out of 167) were currently working in the legal sector.

**Figure I.16: Respondents currently working in the legal sector**



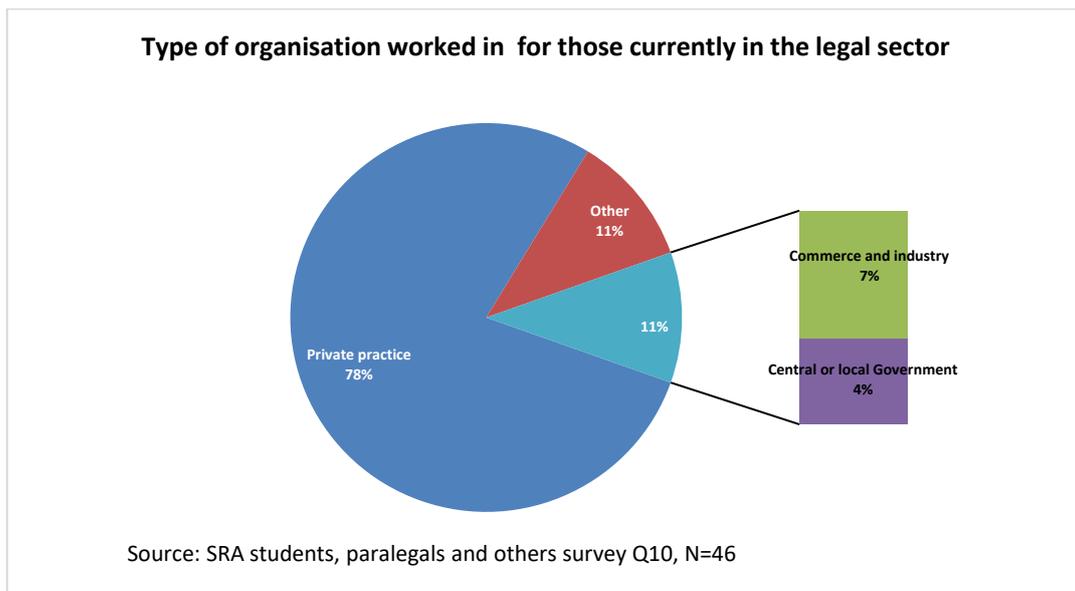
Only 22 respondents answered the question in terms the length of time they had worked in the legal sector. The majority (45.5%) of them having worked less than six months in this sector.

**Figure I.17: How long have the respondents been working in the legal sector**



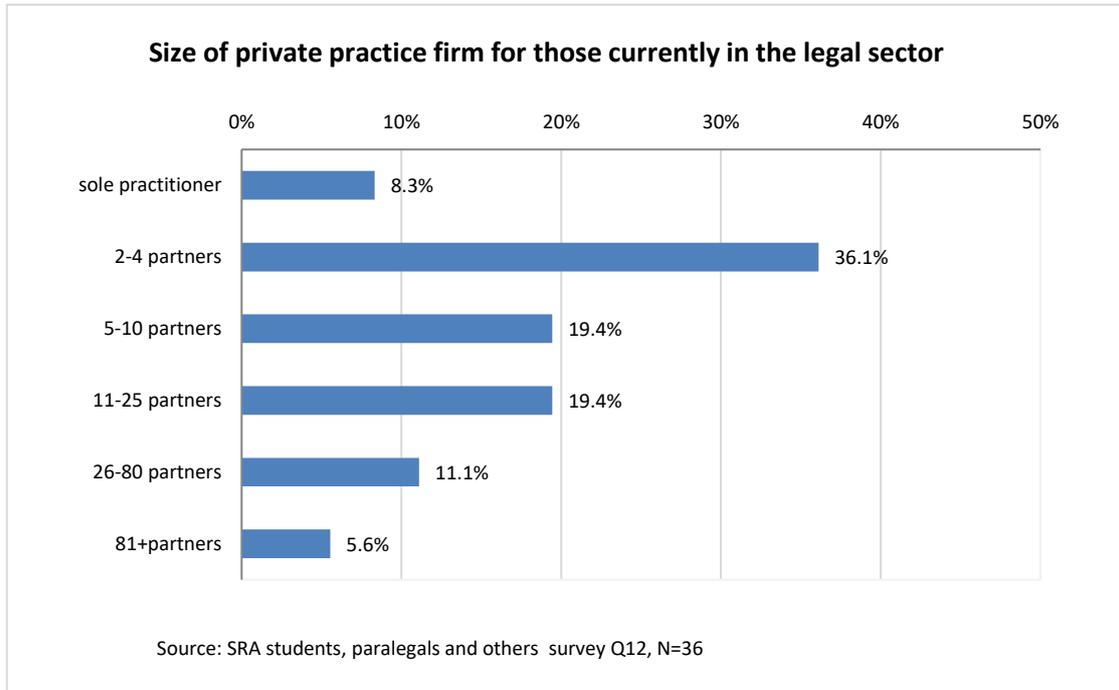
Of those working in the legal sector, 78% were working in private practice organisations.

**Figure I.18: Type of organisation worked in for those currently in the legal sector**



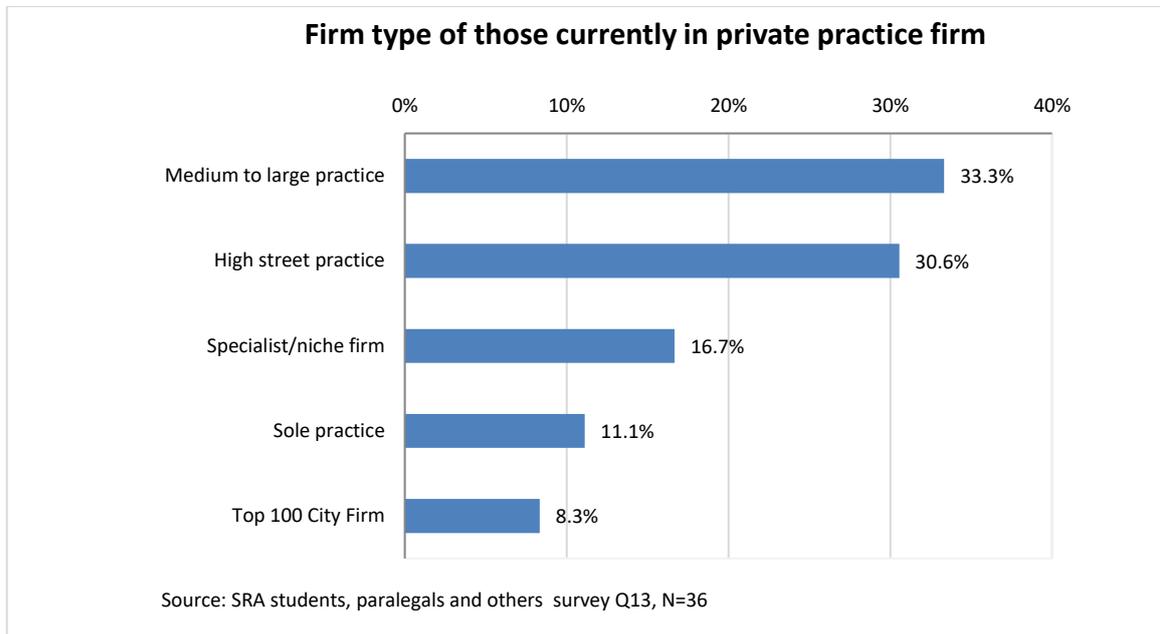
Of those working in private practice (36 out of 167), most (36.1%) worked in a firm with two to four partners. Only 8.3% described themselves as working in sole practitioner firms.

**Figure I.19: Size of private practice firm for those currently in the legal sector**



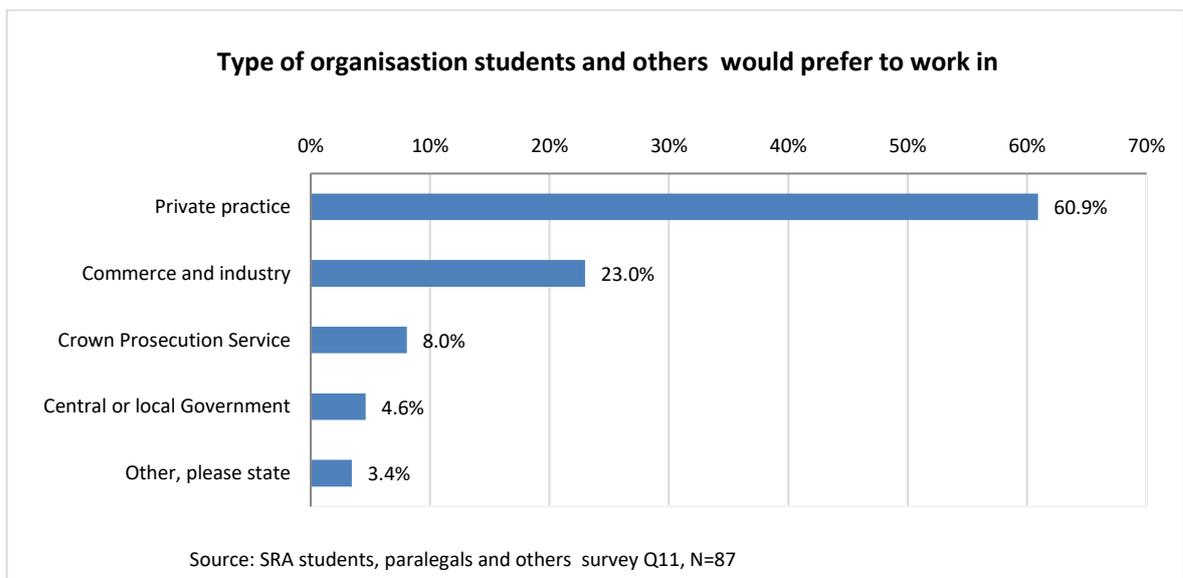
In terms of the firm type for those currently working in private practice, one third (33.3%) described themselves as working in medium to large practices, and just less than a third (30.6%) described themselves as working in high street practices.

**Figure I.20: Firm type of those currently in private practice firm**



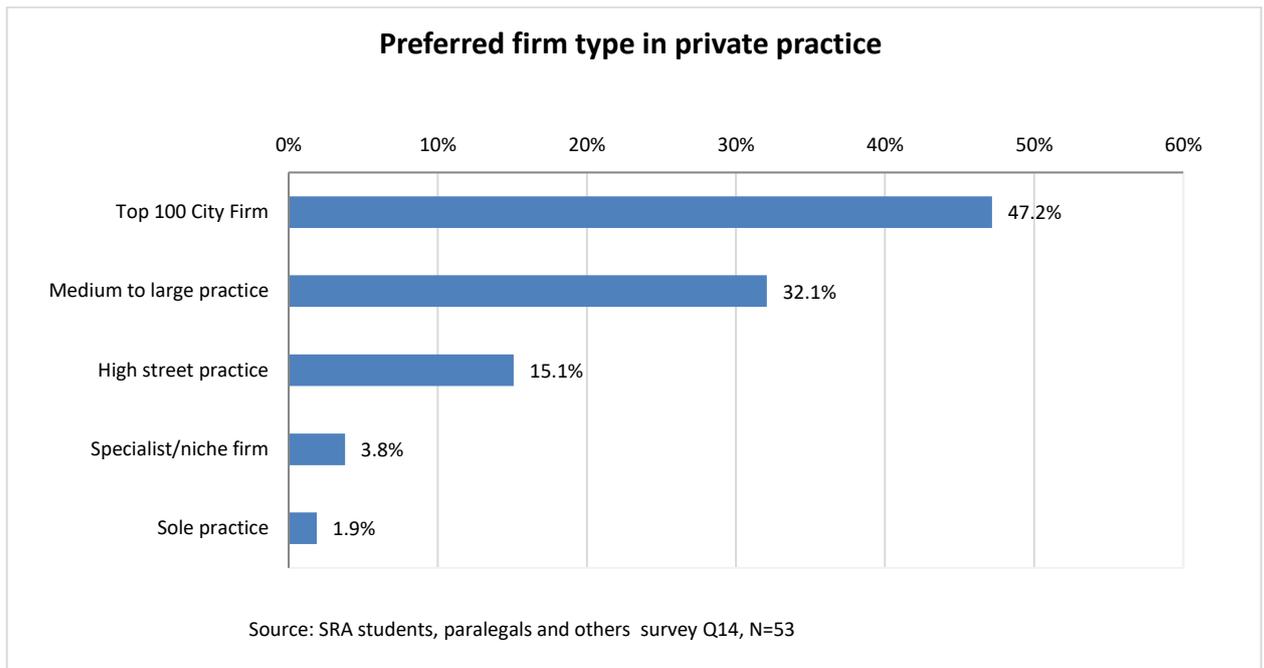
Of those who were not currently working in the legal sector, when asked which type of organisation they would prefer to work, 61% chose private practice and 23% chose commerce and industry.

**Figure I.21: Type of organisation students and others would prefer to work in**



Of those not working in the legal sector 32.1% said they would prefer to work in a medium to large practice and 15% stated in a high street practice. Only 4% said they would like to work in a specialist or niche firm, 47% said they would prefer to work in a top 100 city firm.

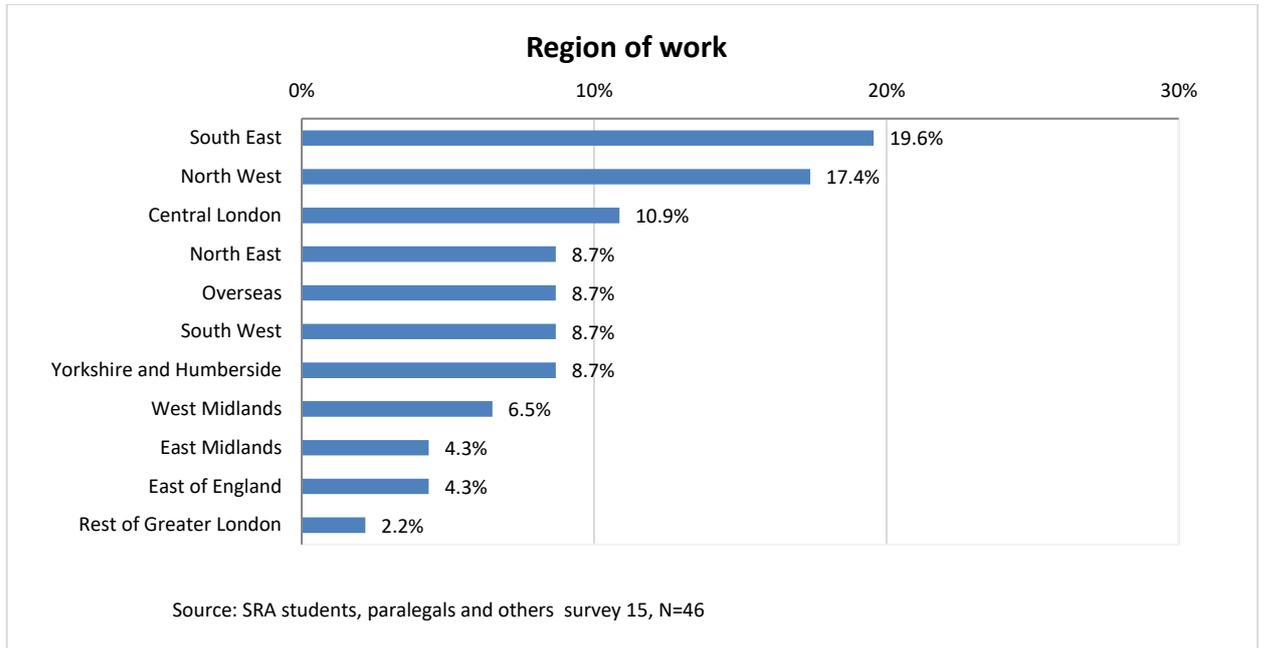
**Figure I.22: Preferred firm type in private practice**



### Region of work

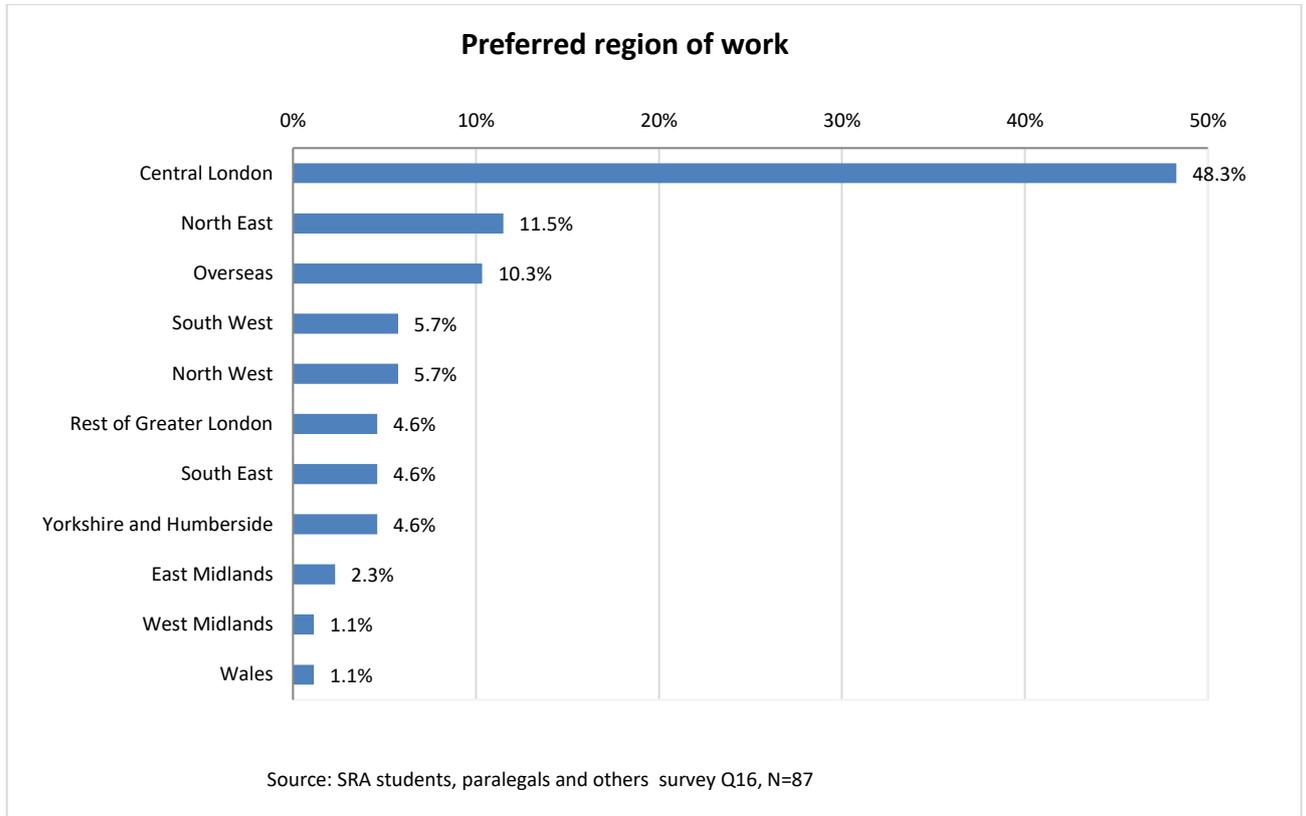
Of those currently working in the legal sector, 19.6% worked in South East and 2.2% in the rest of Greater London.

**Figure I.23: Region of work**



Of those not working in the legal sector, when asked which region they would prefer to work in, around half (48.3%) said they would like to work in central London, with the North East, Overseas, and South West the next popular choices.

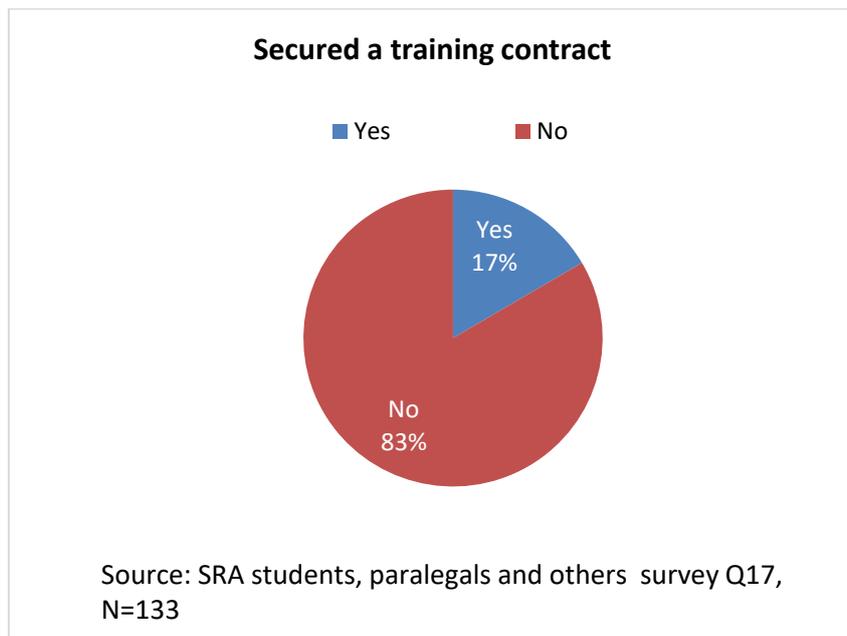
**Figure I.24: Preferred region of work**



**Training contract**

Of those who completed this survey, 17% had secured a training contract.

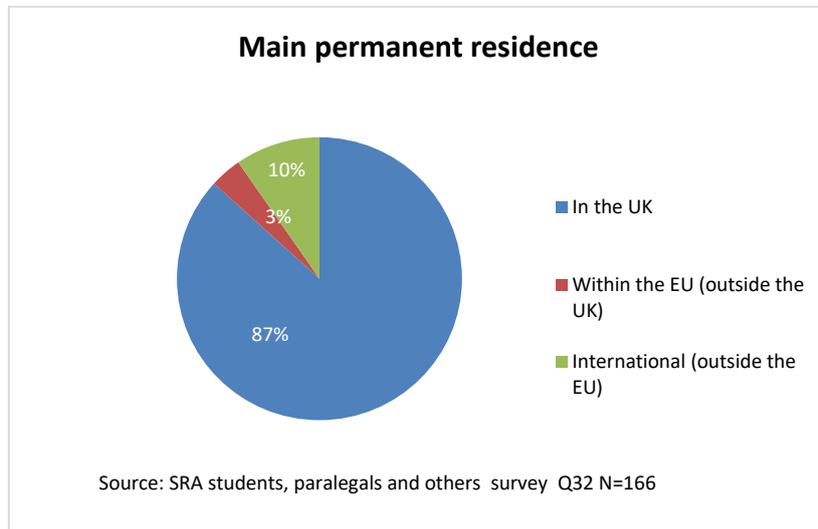
**Figure I.25: Secured a training contract**



**Main residence**

87% of respondents were primarily resident in the UK.

**Figure I.26: Main permanent residence**

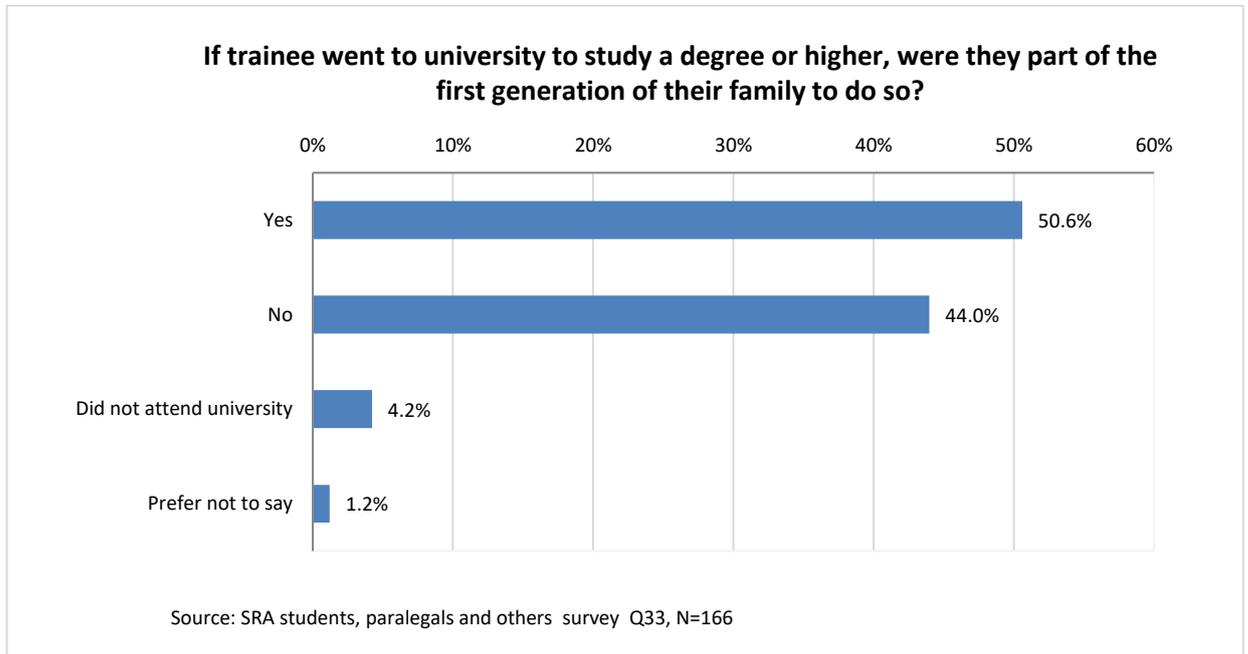


**Socio-economic status**

Two proxy measures were used for socio-economic background; whether the trainee was part of the first generation of their family to go to university, and whether the trainee attended a state school or a fee paying school.

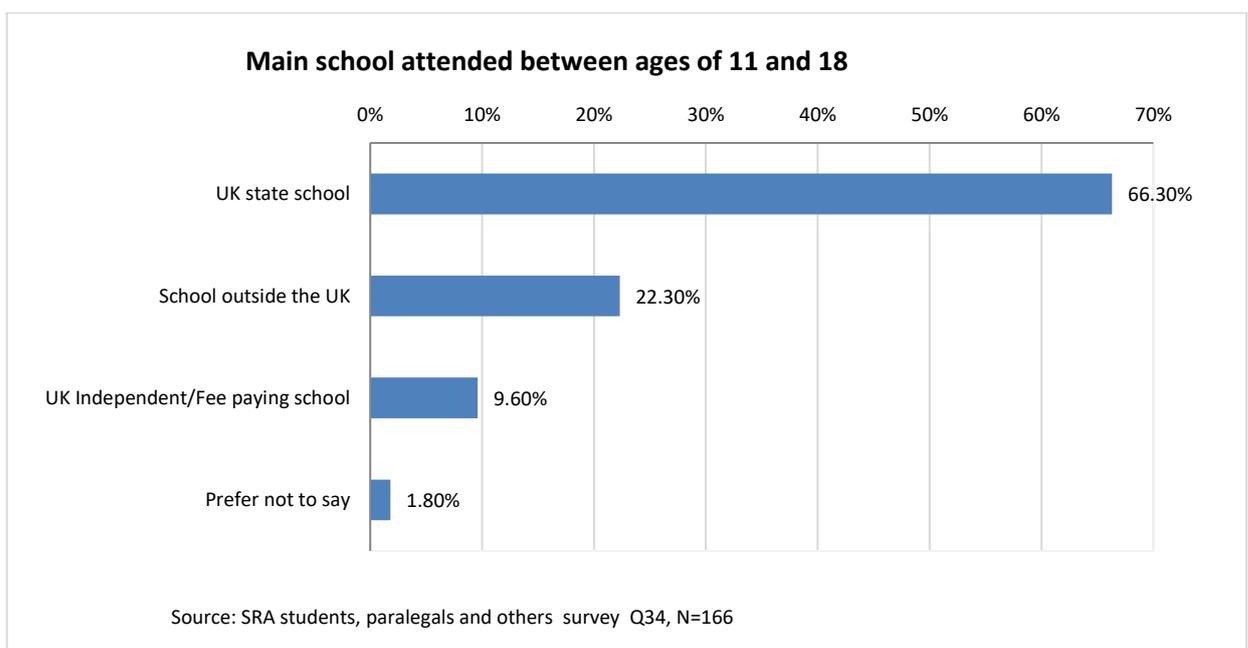
Of 166 students who responded, 44% were not part of the first generation of their family to go to university, but 51% were the first to attend university.

**Figure I.27: If trainee went to university to study a degree or higher, were they part of the first generation of their family to do so?**



Nearly two thirds of respondents went to a UK state school, with 9.6% attending a fee paying independent school and 22.3% attending a school outside the UK.

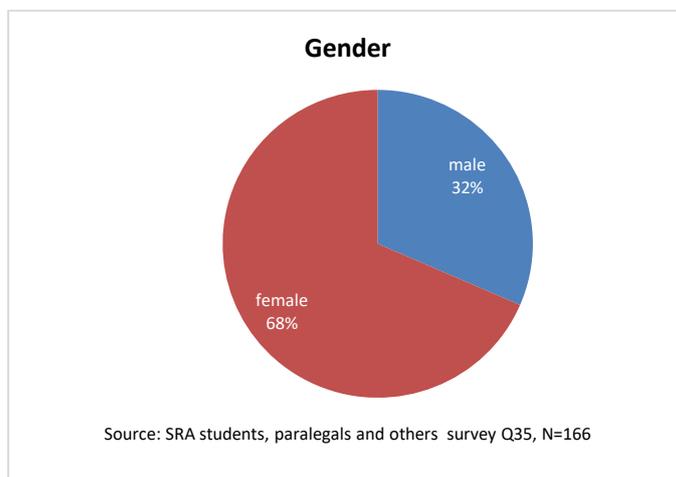
**Figure I.28: Main school attended between ages of 11 and 18**



## Gender

69% of respondents were male and 31% were female.

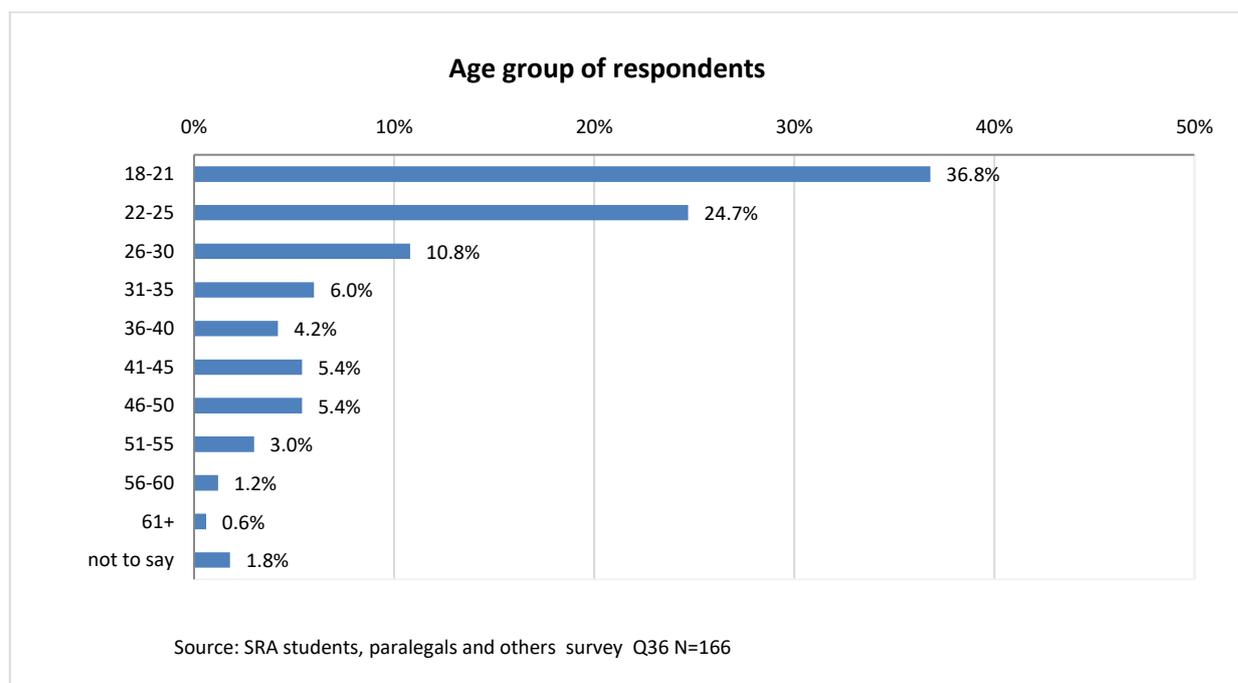
**Figure I.29: Gender**



## Age

Around 37% of respondents were aged between 18-21, one in four respondents were aged 22-25, and around 11% were 26-30 years of age. The rest were over 30 years of age.

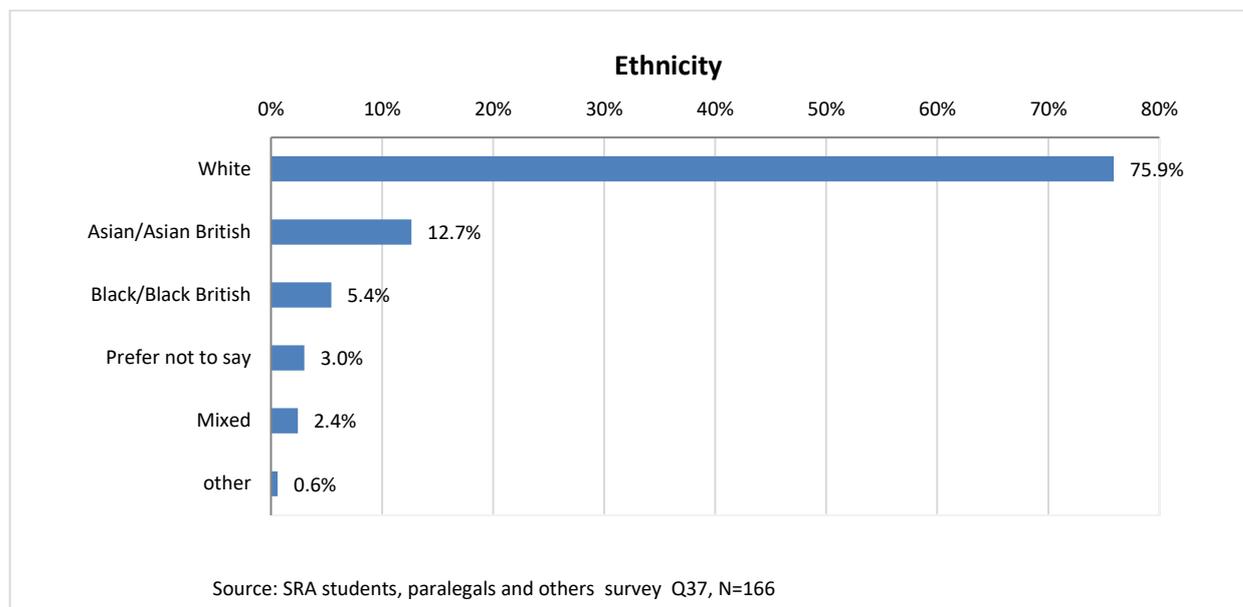
**Figure I.30: Age group of respondents**



## Ethnic group

Approximately 76% of respondents described themselves as white, with 12.7% from an Asian ethnic group, 5.4% Black and 2.4% Mixed ethnic group.

**Figure I.31: Ethnicity**

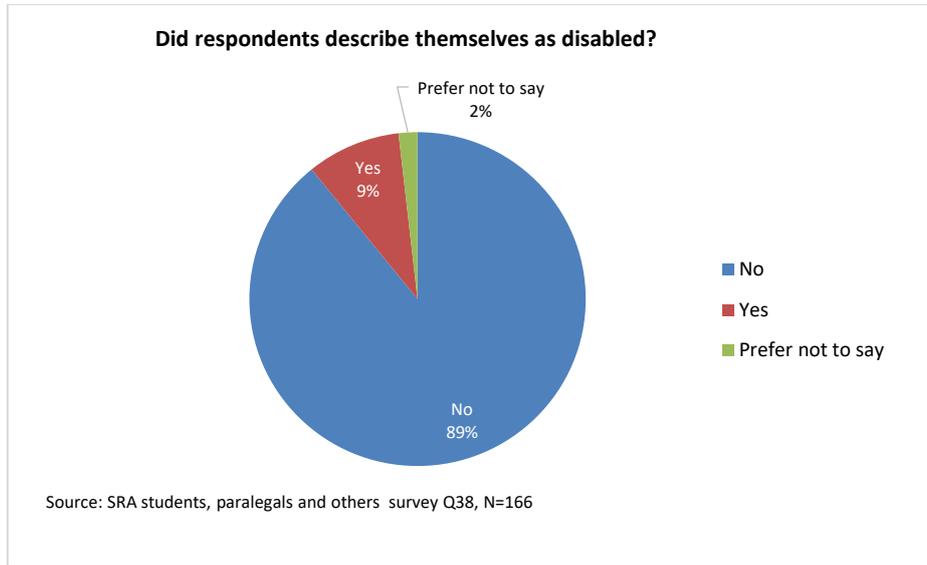


## Disability status

The Equality Act 2010 generally defines a disabled person as someone who has a mental or physical impairment that has a substantial and long term adverse effect on the person's ability to carry out normal day-to-day activities.

9% of respondents defined themselves as having a disability.

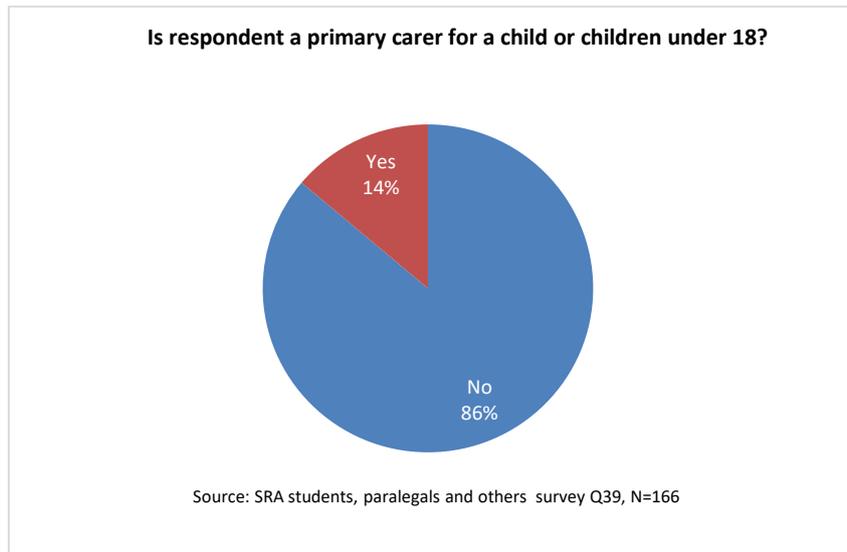
**Figure I.32: Did respondents describe themselves as disabled?**



**Carer status**

14% of respondents were a primary carer for a child or children under 18.

**Figure I.33: Is respondent a primary carer for a child or children under 18**



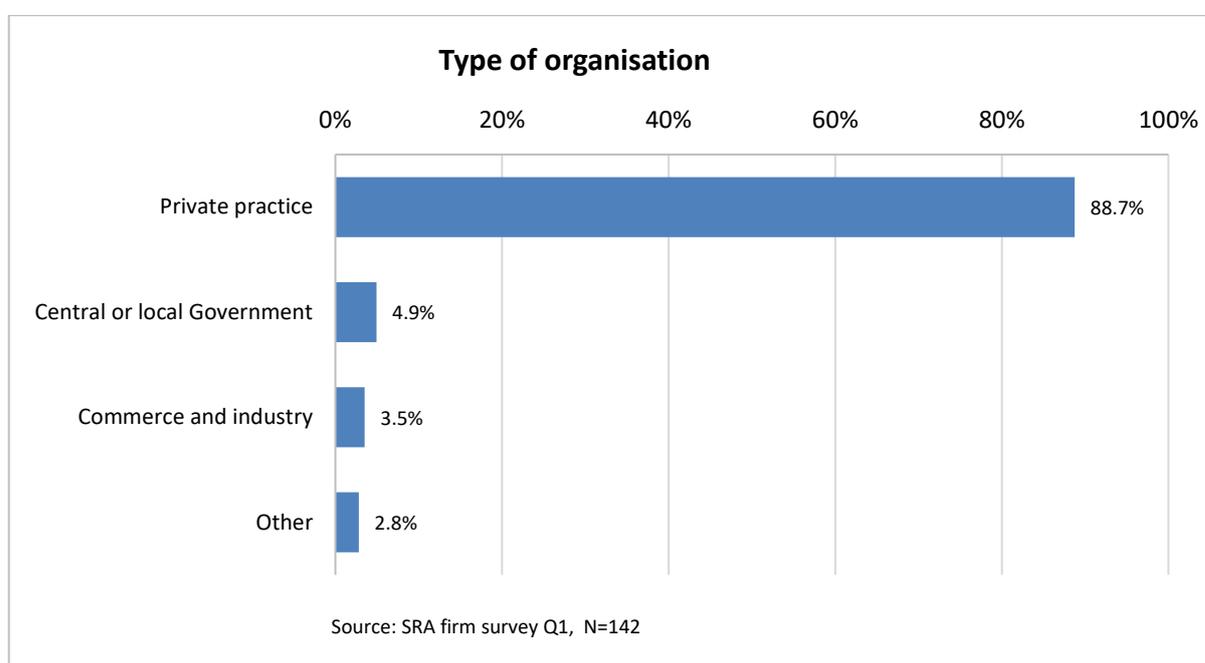
## Survey of Firms /Organisations

This section describes the sample of respondents to the firms survey.

### Firm type

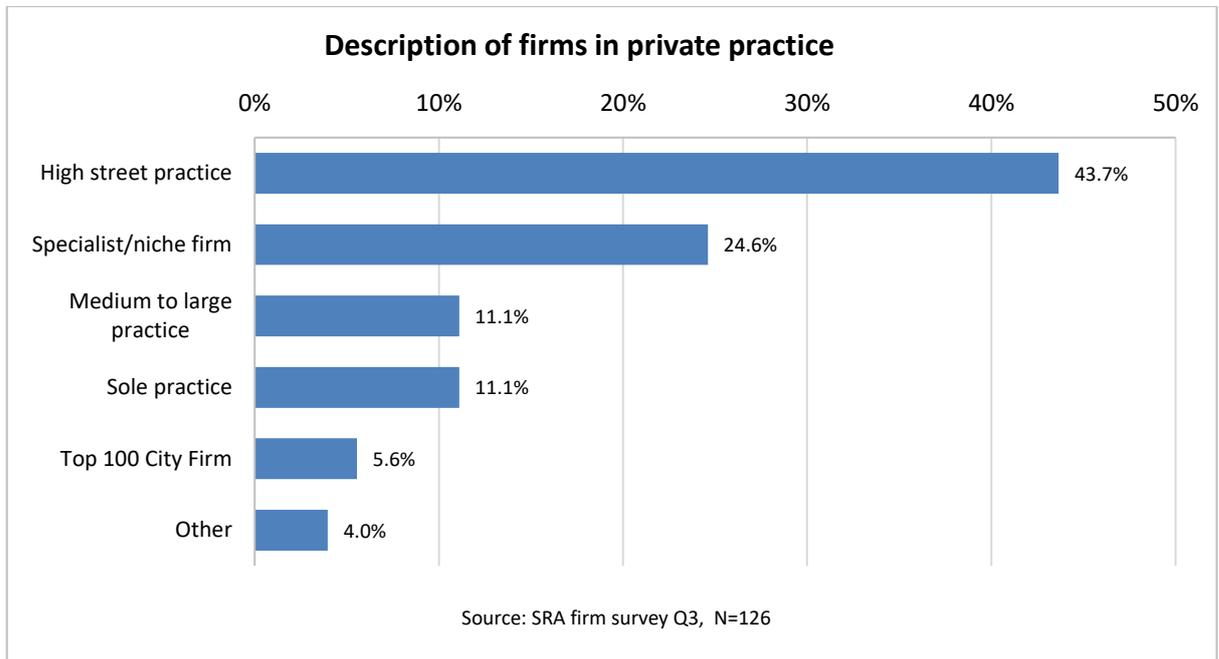
142 representatives of firms responded to this survey, of these the majority were organisations describing themselves as private practice firms (88.7%).

Figure I.34: Type of organisation



Nearly half of respondents (43.7%) were representing firms described as high street practices and a further 24.6% were specialist or niche firms. Only a small proportion (5.6%) of respondents were from Top 100 City Firms.

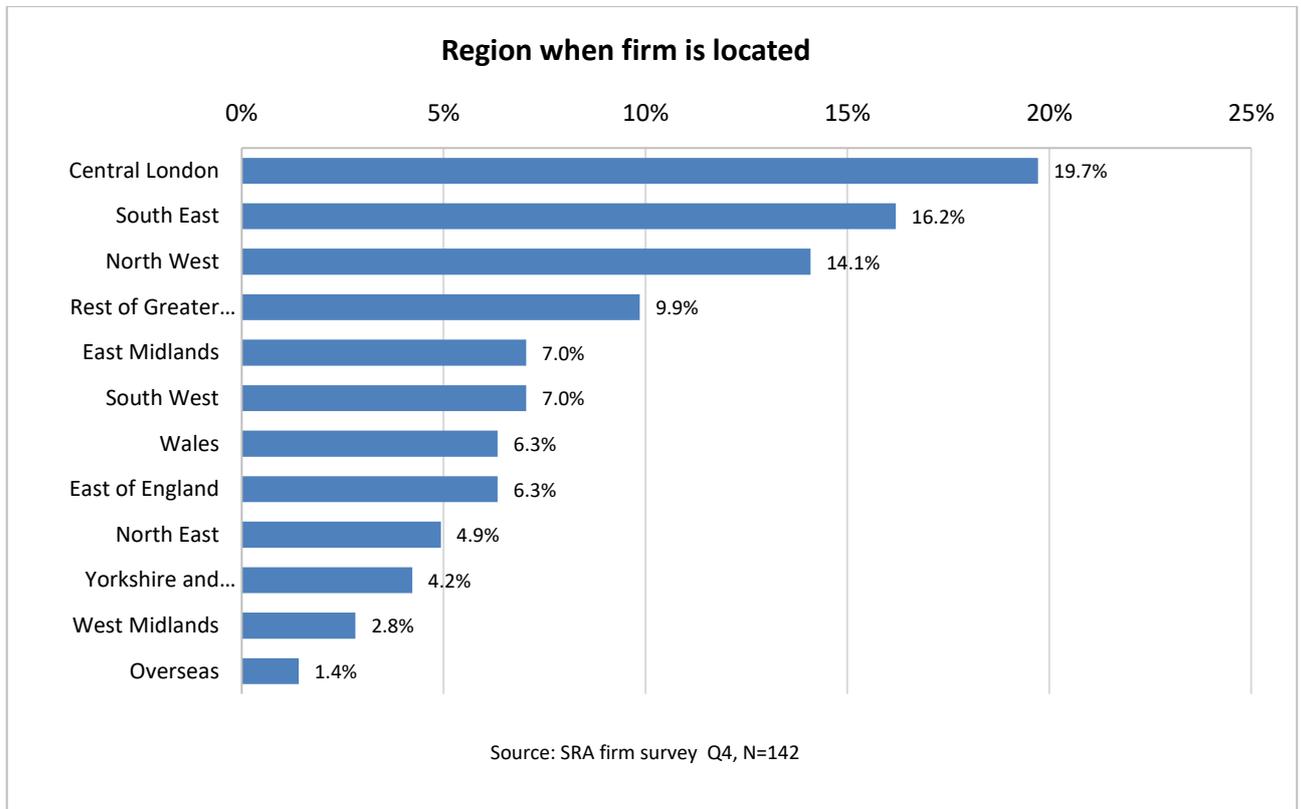
**Figure I.35: Description of firms in private practice**



### Location of firm

More firms from central London, the South East and the North West responded to the survey. Fewer numbers of respondents came from firms in Yorkshire and Humberside, the West Midlands and Overseas.

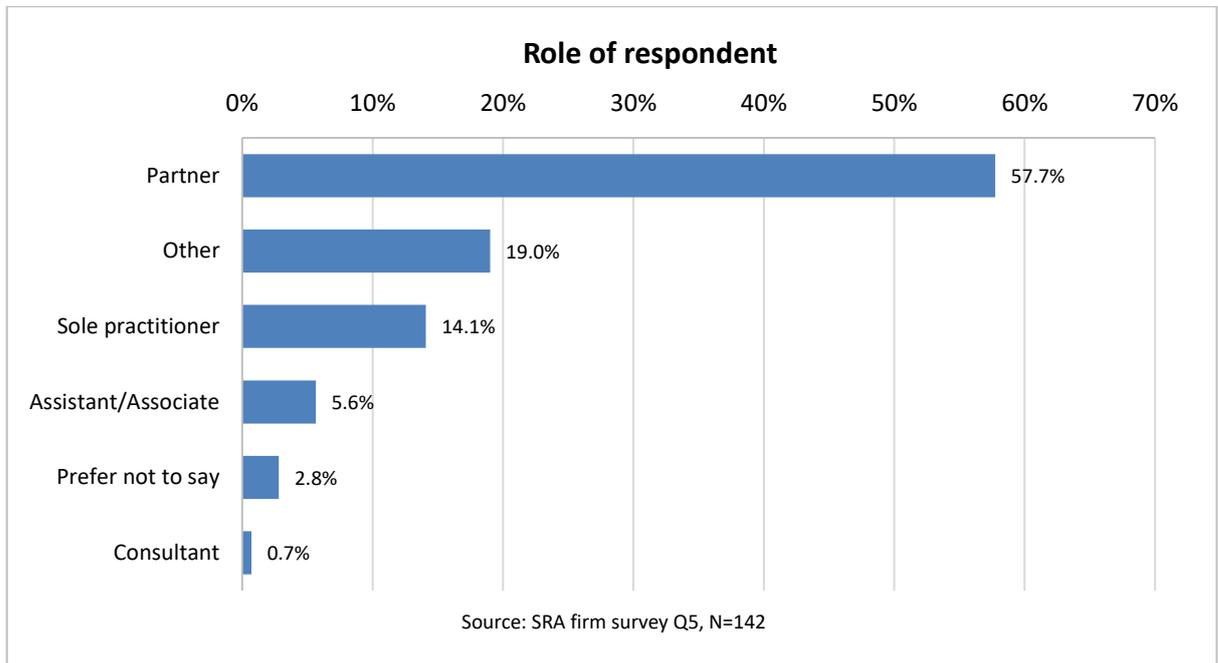
**Figure I.36: Region when firm is located**



**Role and responsibilities of respondent**

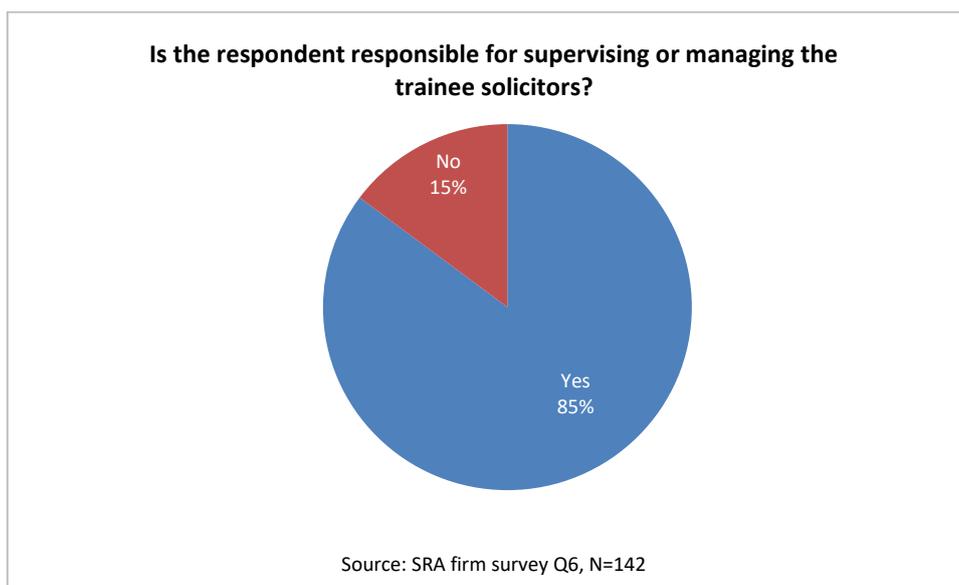
Respondents tended to hold senior positions within their firm. 57.7% of respondents stated that they were partners and 14.1% were sole practitioners. 5.6% of respondents held roles such as assistants or associates.

**Figure I.37: Role of respondent**



85% of respondents said that they have a responsibility for supervising or managing the work of trainee solicitors.

**Figure I.38: Is the respondent responsible for supervising or managing the trainee solicitors?**



## Trainees employed by firms

21.8% of respondents stated that their firm currently employ only one trainee. The majority employed a small number of trainees (between one and three).

**Figure I.39: Number of trainees employed**

