

LEGAL SECTOR REPORT

Methodology: The below report is based on an analysis of the number of jobs posted on Broadbean’s database and the number of applications per vacancy over a set period.

“While our research is showing a level of upheaval in the jobs market – with vacancies reporting peaks and troughs over the last five months as concerns around the economy grew – the standout data is the fall in applications across the legal sector. February reported the second lowest number of applications over the last year, marking a 49% drop month-on-month. While vacancies also fell during this period, this was on a much smaller scale, down just 17%. This suggests that the skills gaps in the sector are widening at an alarming rate.”

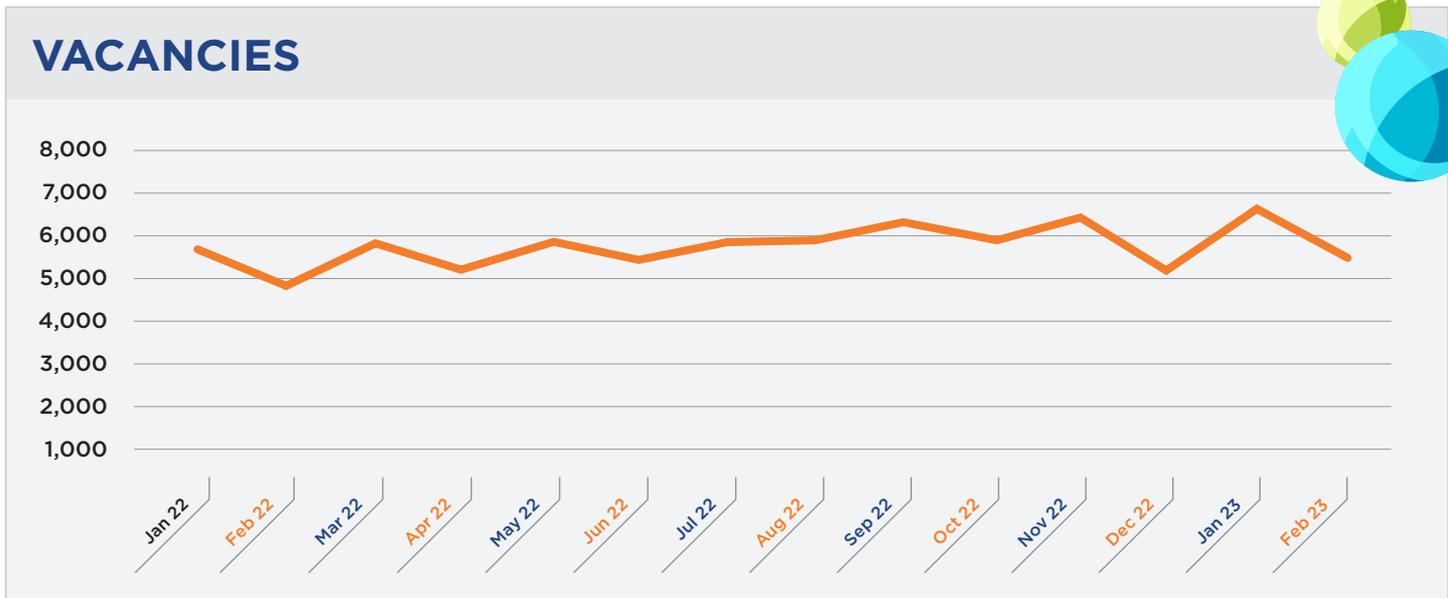
Ann Swain,
Global CEO, APSCo

Legal vacancy breakdown

The number of job vacancies in the legal sector rose noticeably during the second half of 2022, peaking at almost 6,500 in November. This figure was eclipsed in January 2023, although numbers did fall in February. That said, year-on-year figures are noticeably higher. The demand for lawyers’ services continues to remain steady and the challenge for firms will be in retaining key people.

Key trends:

- Analysing year-on-year data, we find that the number of vacancies in January and February 2023 rose by 17% and 16% respectively compared to the previous year.
- Apart from the 29% rise in January 2023, the second highest month-on-month increase was recorded in March 2022 (21%). December aside, the biggest monthly drop in both 2022 and 2023 was reported in February (down 16% last year and 17% in 2023).
- The trends over the last four months have been similar, characterised by substantial increases followed by equally significant falls. This is indicative of the ongoing uncertainty in the broader economy as well as seasonal hiring slowdowns.



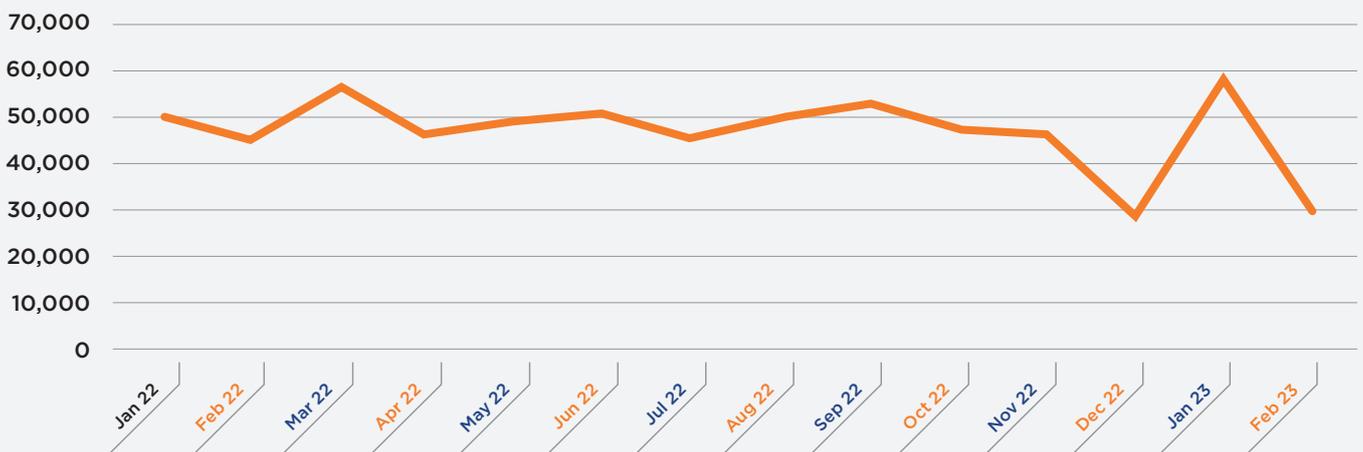
Application numbers

We saw a notable drop in monthly applications during the second half of 2022. Despite the expected uptick at the beginning of this year, February 2023 numbers have plummeted. And with competition for talent expected to become more heated given the shortage of candidates in the market, organisations will have to focus on their employee value propositions (EVPs) to entice the best legal talent.

Key trends:

- Applications rose by 14% in January year-on-year but were down 36% in February 2023 compared to the same point in time 12 months previously.
- Excluding January 2023, by far the most sizeable month-on-month increase was the 22% registered in March 2022. Conversely, the biggest monthly fall during the period so far was reported in February 2023 (down 49%).
- Of concern to employers looking to hire, application numbers have been below 30,000 in two of the last three months.

APPLICATIONS



Salary

Average pay rose in the second half of 2022, a reflection of the cost of living crisis and rising inflation. Salaries, which topped £60,000 for the first time in November, picked up again in February, with the average approaching £62,000. This suggests that employers are recognising the need to offer better pay to attract talent, albeit the salary rises are not keeping up with the rate of inflation.

Key trends:

- Average salaries rose by almost 11% and 13% respectively if we compare year-on-year figures for January and February in 2023 compared to 2022.
- The biggest month-on-month increase of 2022 occurred in July (almost 6.5%) followed by April 2022 and February 2023 (both around 4%). June recorded the biggest monthly drop (over 2%).
- Following the big jump in July (and apart from August), salaries have remained consistent, in excess of £60,000 in three of the last four months.

AVERAGE SALARY



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