



Compensation Report: General Counsel

Breaking Down the Benefits of the Role

October 2024

Law360.com/pulse

Table of Contents

Background and Methodology	Page 3
Introduction	Page 4

1	
General Counsel Ranking	Page 5

2	
Compensation by Sector	Page 7

3	
Compensation by Gender	Page 8

4	
The Making of a General Counsel	Page 9

Meet the Team	Page 11
Copyright	Page 12



Background

Law360 Pulse's 2024 Compensation Report examines the compensation of general counsel and chief legal officers at companies in the S&P 500. Are the same companies still leading the pack with their competitive compensation packages? Have any sectors seen enough growth to bolster their generous salaries? Are women earning as much as men? Which law schools and law firms have produced the most high-profile general counsel? Our data for the second iteration of this report provides a framework for answering these questions. The Law360 Pulse Compensation Report: General Counsel is part of a series of reports that aim to expand the data-driven insights available as part of Law360 Pulse, a news service focused on the business of law.

Methodology

We gathered the compensation data of general counsel at S&P 500 companies from U.S. Securities and Exchange Commission filings for the fiscal year 2023. Approximately half of those companies listed their general counsel or chief legal officer as one of the top five named executive officers for whom they were reporting compensation. To generate our list of highest-paid general counsel, we compared the compensation of general counsel whose compensation was reported to the compensation of the lowest-paid NEO for companies that did not list a general counsel or chief legal officer in that top five, with the assumption that compensation for general counsel or general counsel at those companies would fall below that line. Rankings were calculated by both total compensation value and total cash. Total compensation is the sum of salary, bonus, stock and options awards, nonequity incentive plans and all other compensation. Total cash is the sum of salary and bonus. We used the Global Industry Classification Standard to identify sectors in our breakdown. The law firm and law schools data was collected from company websites and LinkedIn. All of the data used in this report reflects the fiscal year 2023.

Introduction

By **Sam Bell, Xavier Chauvis**
and **Michele Gorman**
Law360 Pulse

Continuing with a trend from recent years that seems to only snowball with time, top corporate lawyers are wearing many hats for their businesses that go beyond their traditional legal advice. It's common now for their titles to involve more than general counsel or chief legal officer, including responsibilities related to corporate governance, compliance, information security or human resources.

The expansion of their duties is happening against a backdrop of geopolitical uncertainty, high interest rates and a cloudy economic climate — all of which affect corporate financial decisions.

The dynamic roles of the lawyers at the helm of legal departments have grown in value, with average total compensation rising by \$148,000 from 2022 to 2023. One similarity between the two most recent surveys is that stock values continued to give big jumps to certain lawyers' compensation in 2023.

However, in 2023 there was close to a \$15 million gap in total compensation between the top and 10th-place earners on the list — a figure that jumped from \$14 million at the end of 2022.

The gender pay gap among legal chiefs may

The dynamic roles of the lawyers at the helm of legal departments have grown in value, with average total compensation rising by \$148,000 from 2022 to 2023.

be shifting in favor of women — at least one part of it, anyway. In the distinguished post, women earned more than men when comparing total cash compensation in the survey, although men did see slightly more in total pay packages. Data for the 10 highest-paid top corporate counsel last year shows an imbalance, with eight men and two women represented in that list.

The sectors represented in the top 10 list of legal chiefs with the most total compensation were more evenly distributed last year than in 2022, with three top lawyers in information technology, two in communication services and financials, and one each for consumer discretionary, real estate and financials.

1. General Counsel Ranking

Our ranking is made up of the 256 general counsel identified as named executive officers by their companies in SEC filings for fiscal year 2023. They are ranked both by total compensation and by

total cash. Two general counsel had the distinction of making it onto the top 10 list in both categories: Kathryn Ruemmler of Goldman Sachs and David Hyman of Netflix.

Total Compensation

The highest-paid general counsel in total compensation was Alphabet's Kent Walker, who earned \$27.3 million, an increase of almost \$3 million from the year before. That sum exceeds the compensation threshold of \$23.5 million set by the lowest-paid NEO at Meta – the highest-paid of all the executives listed by the companies that did not list legal officers among their NEOs. The second-highest-paid general counsel, Kate Adams of Apple, saw a decrease of \$200,000 in total compensation after being the highest-paid general counsel of 2022. John G. Finley of Blackstone, who was paid nearly \$18 million in total compensation in 2023, took the third spot from Amazon's David A. Zapolsky, who saw his total compensation dip from \$18 million in 2022 to \$371,000 in 2023, the second year of his company's biennial stock award. As Amazon, Cisco and Disney fell out, Blackstone's John G. Finley, Booking Holding's Peter J. Millones and Delta's Peter W. Carter rose to the top 10 for the 2023 fiscal year.

Stock awards made up the largest portion of total compensation for the top 10 highest-paid general counsel, seven of whom also had the largest stock awards. Alphabet and Apple both reported more than \$22 million in stock awards for their general counsel in

Top 10 GC Earners of 2023 by Total Compensation

COMPANY	GENERAL COUNSEL	TOTAL COMPENSATION
Alphabet	Kent Walker	\$27,343,167
Apple	Kate Adams	\$26,941,705
Blackstone	John G. Finley	\$17,908,548
Booking Holdings	Peter J. Millones	\$15,555,319
Broadcom	Mark D. Brazeal	\$15,494,834
Netflix	David Hyman	\$13,680,073
Prologis	Edward Nekritz	\$13,551,618
Goldman Sachs	Kathryn Ruemmler	\$13,316,019
Delta Air Lines	Peter W. Carter	\$13,133,676
Oracle	Stuart Levey	\$12,757,189

2022 and 2023. David Hyman of Netflix is the exception. He received no stock awards, but made up the difference with \$9.7 million in option awards and a \$4 million salary. Still, even with ranking sixth among the highest-paid general counsel, Hyman's total compensation is just under half that of Walker.

Information technology and communication services were represented in five of the top-10 spots for the highest-paid general counsel in 2023. Although the sectors represented did not change from the previous year except

for the addition of industrials, they were more evenly distributed within the top 10, with three general counsel in communication services, three in information technology, two in communication services and financials,

Salary and Bonus

Kathryn Ruemmler of Goldman Sachs jumped from third to first place on the list of earners raking in the most total cash, taking home over \$7 million in cash compensation, a \$1.6 million increase from 2022. Although neither Netflix's David Hyman nor Fox's Viet D. Dinh received bonuses in 2023 or 2022, they are, with Ruemmler, the only general counsel to make the top 10 in cash compensation two years in a row.

American Express' Laureen E. Seeger took home \$5.4 million, breaking into the top 10 for total cash and landing a spot in second place. Three of the earners in this group

had been in their current role for less than a year as of Dec. 31, 2023, while Netflix's David Hyman had been in the longest, for 21 years.

Bonuses often double, triple and in some cases nearly quadruple the base salary for the highest-paid general counsel.

Goldman Sachs, Netflix, Blackstone and Delta Air Lines pay some of the highest salaries, but the generous benefit packages they offer allow their general counsel to make both the highest total compensation and the most total cash.

Top 10 GC Earners of 2023 by Total Cash (Salary + Bonus)

COMPANY	GENERAL COUNSEL	SALARY	BONUS	TOTAL CASH
Goldman Sachs	Kathryn Ruemmler	\$1,500,000	\$5,800,000	\$7,300,000
American Express	Laureen E. Seeger	\$875,000	\$4,500,000	\$5,375,000
Delta Air Lines	Peter W. Carter	\$616,667	\$4,200,000	\$4,816,667
Netflix	David Hyman	\$4,000,000	\$0	\$4,000,000
Discover	Hope D. Mehlman	\$552,885	\$3,430,000	\$3,982,885
Lowe's	Juliette W. Pryor	\$561,099	\$3,050,000	\$3,611,099
Blackstone	John G. Finley	\$350,000	\$3,091,991	\$3,441,991
Fox	Viet D. Dinh*	\$3,000,000	\$0	\$3,000,000
CVS Health	Samrat S. Khichi	\$753,409	\$2,000,000	\$2,753,409
HP	Julie Jacobs	\$700,000	\$2,000,000	\$2,700,000

*No longer with the company as general counsel

2. Compensation by Sector

Communication services again topped the list of sectors with the highest average and median total compensation for general counsel and chief legal officers, with companies such as Alphabet, Netflix and AT&T in the lead. Median total compensation grew by \$2.2 million, showing the largest sector growth.

Energy offered the second-highest median compensation. The healthcare,

information technology and consumer discretionary sectors saw a slight decrease in median total compensation from the previous year, with healthcare seeing the largest drop, of \$400,000, in median total compensation. The median total compensation for general counsel in the financial sector exceeded that of healthcare and information technology by margins of \$249,000 and \$391,000, respectively.

Ranking of GC Total Compensation by Sector

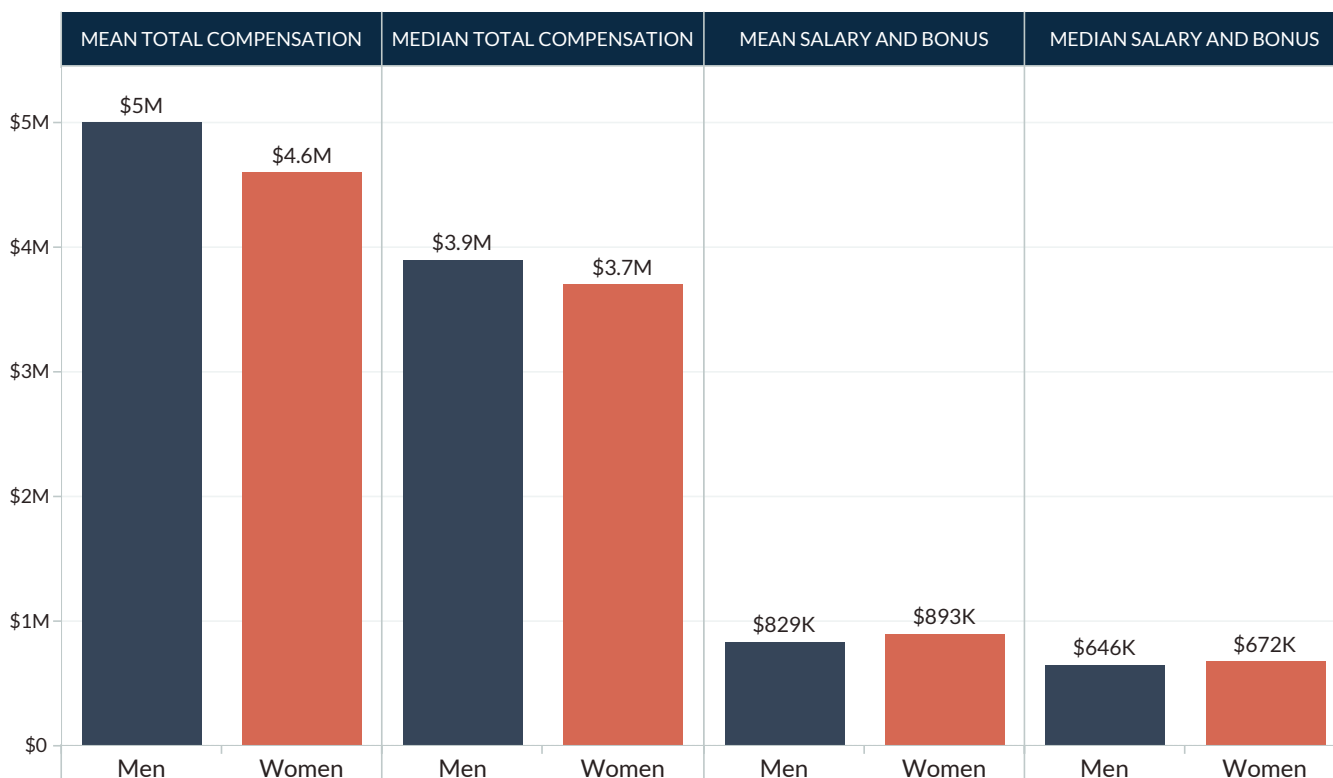
SECTOR	AVERAGE TOTAL COMPENSATION	MEDIAN TOTAL COMPENSATION	NUMBER OF GCS
Communication services	\$9,431,011	\$9,349,790	14
Energy	\$4,648,192	\$5,088,607	15
Financials	\$5,871,897	\$4,591,384	20
Healthcare	\$4,608,232	\$4,342,792	35
Information technology	\$5,836,786	\$4,200,794	34
Consumer staples	\$3,819,548	\$3,861,535	18
Consumer discretionary	\$4,775,985	\$3,385,373	28
Real estate	\$3,952,604	\$3,149,848	16
Industrials	\$4,508,247	\$3,398,100	36
Materials	\$3,235,697	\$2,895,248	16
Utilities	\$3,193,150	\$2,862,206	24

3. Compensation by Gender

The top general counsel whose compensation packages were reported to the SEC in 2023 include 156 men and 100 women, with men averaging more than women in total compensation, but women averaging more than men in total cash — a difference of \$336,000 and \$64,000, respectively. Only two out of the 10 highest-paid general counsel are women, and Kate Adams, the highest paid general counsel by total compensation in 2022, earned less than Kent Walker of Alphabet in 2023.

Women earned an average of \$4.6 million in total compensation, and men, an average of \$5 million — a reversal from 2022. The median total compensation shows similar results, with women bringing in \$3.7 million and men earning \$3.9 million. The average total cash taken home by female general counsel was \$893,000, while male general counsel took home \$829,000 in 2023. Median total cash values followed similar lines, but with smaller margins, as women earned \$672,000 and men earned \$646,000.

General Counsel Compensation by Gender



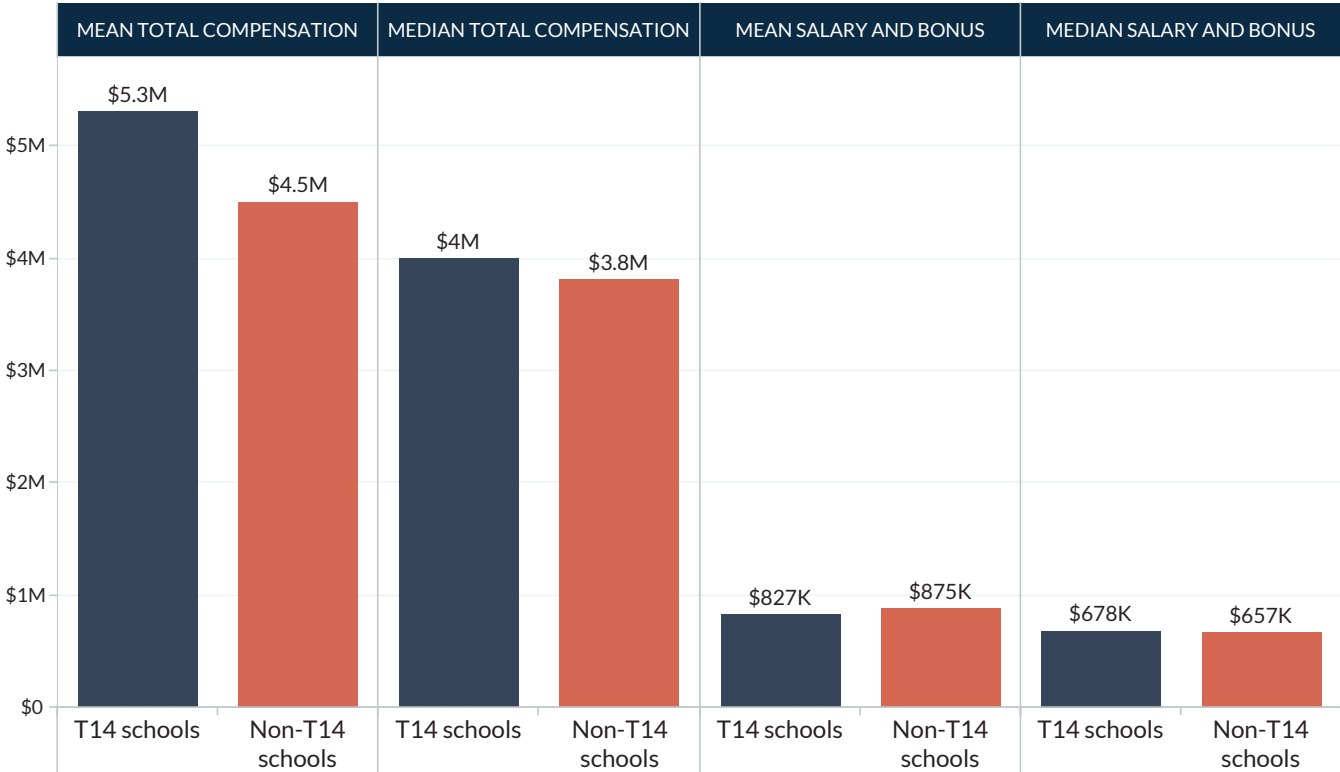
4. The Making of a General Counsel

Our data shows a consistent difference in average and median compensation between general counsel who graduated from a top law school and those who did not, with graduates of top law schools making, on average, \$852,000 more in total compensation. Of the general counsel at S&P 500 companies whose pay was disclosed, 103 graduated from law schools in the top 14 ranked by U.S. News & World Report, and 152 graduated from non-T14 schools. The mean and median total cash metrics were higher for general counsel who graduated from T14 schools. The average total cash

metric was slightly higher for graduates from non-T14 schools by \$49,000.

The difference in average total compensation between T14 and non-T14 graduates shrank from the previous year, with non-T14 graduates earning \$852,000 less in 2023, after earning \$1.1 million less in 2022. The discrepancy in median total compensation was also smaller, with non-T14 graduates earning \$3.8 million, and T14 graduates earning \$4 million, in 2023 – a difference of \$200,000, compared with one of \$400,000 the previous year.

General Counsel Compensation by Law School



Of the general counsel named in S&P 500 company filings, Harvard Law School educated the highest number – 21 – followed by Georgetown University Law Center with 15 and the University of Virginia School of Law with 12. The University of Michigan Law School broke into the top 10 with eight graduates, and George Washington University Law School, the University of Minnesota and Cornell University Law School each had six, making the list of schools producing the best-compensated general counsel.

LAW FIRM	GENERAL COUNSEL
Latham	10
Baker Botts	6
Kirkland	6
Morgan Lewis	6
Morrison Foerster	6
Simpson Thacher	6
Arnold & Porter	5
Foley & Lardner	5
Jones Day	5
Skadden	5

LAW SCHOOL	GENERAL COUNSEL
Harvard	21
Georgetown	15
University of Virginia	12
Stanford	8
University of Michigan	8
Columbia	7
New York University	7
Cornell	6
George Washington University	6
University of Chicago	6
University of Minnesota	6
University of Pennsylvania	6
Yale	6

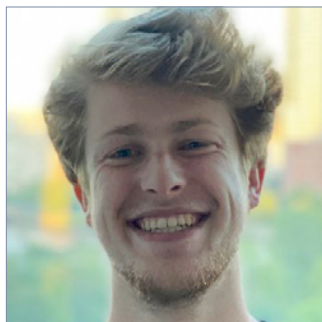
Latham & Watkins LLP is still the most frequent former firm for general counsel or chief legal officers of S&P 500 companies whose salaries are disclosed, followed by Morrison Foerster LLP and Baker Botts LLP – both new to the top 10.



Meet the Team



Sam Bell
Data Analyst



Xavier Chauvis
Data Analyst



Michele Gorman
Editor at Large,
In-House



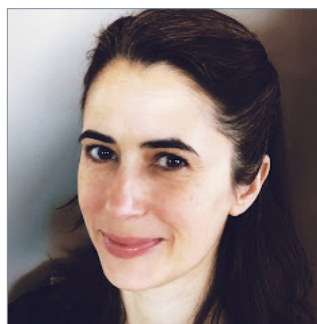
Pamela Wilkinson
Features Editor



John Campbell
Senior Data Editor



Chris Yates
Art Director



Jacqueline Bell
Director of Series,
Surveys & Data

Copyright

This publication has been prepared for general guidance on matters of interest only, and does not constitute legal or professional advice. You should not act upon the information contained in this publication without obtaining specific legal or professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the fullest extent permitted by law, Portfolio Media Inc. and its affiliates and their respective members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

iStock images by george, spukkato, tiny-al.

© 2024 Portfolio Media Inc., publisher of Law360 Pulse. This publication is licensed to you or your organization on a personal basis. To obtain a redistribution license from Law360, contact reprints@law360.com. All rights reserved.