

# Trainee minimum salary consultation

Analysis of responses

Education and Training – Policy February 2007

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### Introduction

The Law Society Regulation Board (LSRB) – now the Solicitors Regulation Authority (SRA) – opened a consultation on whether to keep the minimum salary for trainee solicitors on Thursday, 19 October 2006.

The consultation, in the form of an online questionnaire, ran for a period of three months. In addition to the consultation paper appearing on the Law Society website, an email inviting responses was sent to around 8,000 individuals: 6,500 trainees, 1,200 training principals, 30 LPC providers, and 500 people who subscribed following the first work based learning consultation in August 2006.

The key issues on which the Board sought views were:

- the perceived purpose of the prescribed minimum salary for trainees
- the impact of the removal, or retention, of this requirement on the supply of training contracts
- whether the LSRB should have a continuing role in the setting of trainee salary levels.

# Background

Almost 6,000 trainees annually enter into training contracts. Each of these trainees is entitled to be paid a minimum salary by their employer.

The requirement to pay a minimum salary was introduced in 1982, to encourage high calibre graduates to enter the profession and to avoid any potential exploitation of trainees. The current minimum salary level is £17,110 in central London and £15,332 outside London. The SRA also sets a recommended salary; currently £17,527 (in central London) and £15,605 (outside central London).

There is a waiver available from this requirement, but none is to be granted for salaries below £12,150. In 2005, only 25 waivers were granted. Recent research suggests that the majority of trainees are paid above the minimum salary.

# **Summary**

A substantial majority of those who responded to this consultation favoured retention of the minimum salary requirement.

# **Profile of respondents**

Most responses came from individuals. Nearly two thirds of respondents were trainee solicitors. Organisations made up nearly 12% of responses.

## Strategic outcomes

Most people thought that the minimum salary helped ensure that those joining the profession came from a wide range of backgrounds and experience. Majorities of firms with trainees, as well as solicitors, trainees, students and paralegals all held this view. Only the authorised firms without trainees indicated that it met none of the SRA's key strategic outcomes.

### Main objective

A majority within each group felt that the main objective of the minimum salary was to protect trainees from exploitation; the majority of these people felt that for the most part it achieved this objective.

### Minimum, recommended, or no regulation?

The majority of all respondents felt that the SRA should continue to set both a prescribed minimum and a recommended minimum salary. A higher proportion of trainees held this view than was the case with other groups, but it was still the most favoured option amongst each respondent group.

## **Public confidence**

Most people thought that removal would have no effect on public confidence in the profession, mainly because there was little public awareness that the minimum salary existed at all.

# Standards in the profession

Nearly three quarters of all respondents thought that removal of the minimum salary requirement would lower standards in the profession. Firms with trainees, as well as all the groups of individual respondents, held this view. Most firms without trainees thought that there would be no effect on standards.

#### **Access**

Over 70% of respondents thought that removing the minimum salary requirement would reduce access to the profession. A lower percentage of firms with trainees and 'other' organisations saw a risk of reduced access.

### Impact of removal

The majority of respondents saw exploitation of trainees as potentially the most significant impact of the removal of the minimum salary requirement. Every respondent category, other than the 'other' organisations and individual groups, saw exploitation as the main risk. The largest proportion of the 'other' organisation group stated that more training positions would be created, and the 'other' individual group stated that professional standards would be lowered.

# Would firms be more likely to employ trainees?

The majority of firms thought that removal of the minimum salary would have no impact on their recruitment of trainees. However, 18 firms – 20% of all organisation respondents – said that they would be more likely to take on trainees if there was no minimum salary requirement.

# **Profile of respondents**

More trainee solicitors completed the consultation questionnaire than any other group – two thirds of respondents. Almost three quarters of all responses were from trainees, students or paralegals.

88% of responses overall came from individuals, rather than firms or organisations.

fig 1 respondent's capacity

		no. in group	% of all responses
	firms currently employing trainees	72	9.4%
organisation	firm authorised to employ trainees but with none in post	8	1%
	other organisations	8	1%
	solicitor	107	14%
individual	trainee	500	65%
	student	33	4.3%
	paralegal	29	3.8%
	other individuals	6	0.8%
total		764	

Of the 72 the firms and organisations currently authorised to take trainees, 43 (nearly 60%) of those were private practice firms. There was a small number of local government and commerce and industry respondents, as well as one government department and a law centre. The rest (just under 30%) did not indicate their category. In line with other consultation analyses of this type, firms were categorised into size groups, based on numbers of partners.

Most of the private practice firms were small to medium-sized. 13% were sole practitioners, 25% were small firms (i.e. had between two and four partners), 20% were small to medium (having between five and ten partners). All of these firms employed five trainees or less.

23% were firms with between 11 and 25 partners. 18% of private practice firms had between 26 and 80 partners. Five of the biggest firms, those with 81 or more partners, responded.

# Strategic outcomes

Which, if any, of the board's key strategic outcomes relating to entry to the profession do you think the setting of a minimum salary helps achieve?

That those joining the profession...

- come from a wide range of backgrounds and experience
- meet appropriate standards of character, intellect, knowledge and skills
- are able to sustain client confidence
- understand and are able to sustain commitment to the rule of law
- can demonstrably uphold the principles governing those providing legal services: independence; integrity; the duty to act in the best interests of clients and client confidentiality
- none of the above

#### **Overall view**

The majority of all respondents believed that the minimum salary helped ensure that new solicitors come from a wide range of backgrounds and experience. All but one of the respondent groups matched the overall view – 40% of the firms with authorisation but no trainees felt that the minimum salary met none of the stated objectives.

fig 2 Which key strategic outcomes do you think the setting of a minimum salary helps achieve?

all responses	no.	%
come from a wide range of backgrounds and experience	508	39.6%
meet appropriate standards of character, intellect, knowledge and skills	231	18%
are able to sustain client confidence	117	9.1%
understand and are able to sustain commitment to the rule of law can demonstrably uphold the principles governing those	104	8.1%
providing legal services	168	13.1%
none of the above	155	12.1%
total	1283	100%
no response	11	

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#### **Firms**

Over half of the firms employing trainees felt that the minimum salary helped ensure that new solicitors came from a wide range of backgrounds and experience. However, a third felt that the requirement achieved none of the stated outcomes.

Nearly two thirds of the authorised firms without trainees felt that the requirement achieved none of the stated objectives.

21 firm respondents gave additional comments. These included:

- "Barriers to the profession relate more to costs of pre contract training than the training contract itself. A minimum salary does not, in and of itself, promote or sustain standards"
- "it would be expected of any entrant to the profession to fulfil the above requirements the setting of a minimum salary would not help achieve these objectives"
- "There is no correlation between salaries and quality etc of candidates"

Other comments suggested that the stated outcomes would not be affected by a minimum salary either way. Some thought that it encouraged diversity and prevented exploitation. Only two said that it deterred firms from taking trainees.

#### Solicitors

Over 80% of solicitors thought that the minimum salary helped to ensure entrants come from a wide range of backgrounds and experience.

29 solicitors made additional comments, including:

- "... If the Law Society spreads regulation too widely it risks losing the confidence of member firms."
- "... Without a decent salary, the future of the profession will either be deterred by an inability to meet the debts of those from poorer backgrounds, the talented will be attracted by jobs which pay much greater salaries and a trainee's professional standards are hardly likely to be supported when paid a demeaning salary."
- "client confidence will not be remotely affected by the level of salary, but only by the degree of supervision and to a lesser extent quality of training.

It was raised on several occasions that while trainees at commercial firms could expect good pay, the minimum salary was more helpful in smaller practices which would encourage prospective solicitors to qualify in areas such as legal aid.

Most comments stated that the requirement encouraged access and reduces hardship. Several solicitor respondents also said that it prevented exploitation, and encouraged diversity. Two people felt that it reduced training opportunities.

#### **Trainees**

Over two-thirds of trainees thought that the minimum salary helped ensure entrants came from a wide range of backgrounds and experience. A third also felt that it helped ensure entrants meet appropriate standards of character, intellect, knowledge and skills.

However, a significant proportion – almost 20% – felt that it did not help to achieve any of the stated outcomes.

101 trainees made additional comments. Many focused on the repercussions of removal of the requirement, rather than considering the current benefits.

- "... If qualified solicitors are expected to be financially sound and indeed SPR 19.04 deals with this issue, surely we should expect the same from the trainees. This cannot be possible if minimum salaries are abolished and trainees could be expected to live on £10,000 a year."
- "... [the stated objectives] are achieved by market forces and competition between firms for the best trainees, not an artificially set minimum salary."

Over half of those making comments felt that it would discourage diversity, increase hardship and reduce access. 20% felt that removal could result in exploitation. 5% felt that the requirement helped to protect clients.

Only one trainee felt that removal would encourage firms to offer more training contracts.

#### **Students**

The students' responses mirrored those of trainees. Again, a majority believed that the requirement helped ensure that entrants came from a wide range of backgrounds and experience. Also, over 20% saw the requirement as not fulfilling any of the stated outcomes.

Only 11 people made additional comments. Most of these felt that the minimum salary requirement did not meet these outcomes. A handful felt that removal would result in exploitation, discourage diversity, reduce access, and/or increase hardship.

No students felt that removal would encourage more firms to take trainees or increase contract opportunities.

#### **Paralegals**

Paralegals' views were more varied. A smaller majority than the other respondents saw the minimum as helping ensure that entrants came from a wide range of backgrounds and experience.

About a third thought it helped new entrants meet appropriate standards of character, intellect, knowledge and skills. A slightly smaller proportion answered 'client confidence' and 'understand and are able to sustain commitment to the rule of law'. Another third answered 'none of the above'.

Eight paralegals gave comments. One felt that the minimum salary "... stops those who have obtained a wealth of experience through other means, from completing their final qualification... as to do so would require a substantial drop in salary."

- "Most places pay above it anyway so it is irrelevant."
- "A minimum salary exists purely so firms can see whether having a trainee is viable for their firm."

# Main objective

# What do you consider to be the main objective of the minimum salary requirement?

- Enhance public confidence in the solicitors' profession
- Demonstrate the commitment of the profession to quality training
- Attract high calibre graduates into the profession
- Protect trainees from exploitation
- Attract graduates from a wide range of backgrounds and experiences, promoting diversity within the profession

#### Overall view

The majority of all groups felt that the minimum salary's main objective was to protect trainees from exploitation – three quarters of all respondents.

The proportions varied slightly according to the respondent type, although similar proportions of training firms, solicitors and students/trainees held this view.

fig 3 trainee protection

group		no.	% of group
	firms currently employing trainees	53	73.6%
organisation	firm authorised to employ trainees but with none in post	7	87.5%
	other organisations	6	75%
	solicitor	79	73.8%
individual	trainee	374	74.8%
	student	25	75.8%
	paralegal	21	72.4%
	other individuals	5	83.3%
total		570	74.6%

The majority of these people thought that the minimum salary mostly achieved this objective. A quarter believed that it only achieved trainee protection 'a little', 11% that it completely achieved this objective, and 5% that it did not achieve it at all.

# Minimum, recommended, or no regulation?

#### The board should set...

- a minimum salary only
- a recommended salary only
- both a minimum salary and a recommended salary
- neither a minimum salary nor a recommended salary

### **Overall view**

In all respondent groups, the most favoured option was both a recommended and a required minimum salary.

12% from both firm sub-groups favoured no recommended or required levels at all. Supporting comments here suggested that the market should be the only driver behind salary levels.

One solicitor who favoured scrapping the regulation suggested a system of reporting salary levels, so that any abuses could be more apparent. Another, who recognised that the requirement could deter small firms from taking trainees, suggested that the problem lay in over-supply of LPC graduates seeking contracts.

fia 4	the Board should	set

	a minimum salary only	a recommended salary only	a required and recommended minimum salary	neither a minimum nor a recommended salary
group	% of group	% of group	% of group	% of group
firms currently employing trainees firm authorised to employ trainees but with none in post other organisations	23.6% 0% 12.5%	15.3% 37.5% 25%	47.2% 50% 62.5%	12.5% 12.5% 0%
solicitor trainee	31.8% 21.4%	6.5% 2%	55.1% 73%	4.7% 2.2%
student	15.2%	15.2%	66.7%	3%
paralegal	34.5%	10.3%	55.2%	0%
other individuals	33.3%	0%	50%	16.7%

### **Public confidence**

Do you think that the removal of the requirement to pay a minimum salary to trainee solicitors would increase or reduce public confidence in the profession?

- Increase
- Reduce
- No effect

#### **Overall view**

Across all responses, the majority view was that removal of the minimum salary would have no effect on public confidence. There was more variation between respondent groups here than in previous questions, and the supporting comments are explored in more detail in the group-specific analyses that follow.

fig 5 would removal increase or reduce public confidence?

all responses	no.	%
increase	16	2.1%
reduce	303	40.2%
no effect	434	57.6%
total	753	100%
no answer	10	

#### **Firms**

The majority of firms, either with or without trainees, believed that removing the minimum salary would have no effect on public confidence in the profession. Although not all respondents gave supporting comments, those that did almost invariably stated that the public did not know or care about the minimum salary.

Around a third of firms thought that it would reduce public confidence. Some thought that paying trainees less would attract less able candidates, others that any exploitation of trainees would show the profession in a bad light.

The majority of other organisations – almost two thirds – were of the opinion that public confidence would be reduced if the requirement was removed. Few reasons were given, other than those from the Law Society. They suggested that reduction in public confidence would occur if:

some trainees had to work without any payment, or had to pay for the experience

 some were paid little for complex, stressful work, involving long hours but charged out at high rates, potentially impacting on the quality of work and of people entering the legal profession

The Law Society also commented that the minimum salary helped to uphold the standards of the profession as it ensured that only those firms that could afford to pay trainees a proper salary took on trainees; those firms that could not afford to pay a trainee a minimum salary, were likely also to be unable to supervise a training contract Properly.

#### **Solicitors**

The majority of solicitors felt that removing the minimum salary would have no effect on public confidence. As with the firm responses, most supporting comments said that the public were largely unaware of the requirement.

The remainder – almost a third – felt that it would reduce public confidence. Some of the reasons given here were concerned that removal would reinforce existing perceptions of solicitors as being either greedy, out of touch, or elitist. A small number felt that trainees on low incomes could be forced into second jobs - "Do you want to see your solicitor working behind a bar in the evenings?"

#### **Trainees**

There was a more even split in the trainee respondent group. Just over half felt that there would be no effect on public confidence. Again, a lack of existing public awareness and/or interest in the minimum salary requirement was given as the main factor behind this.

Over 40% stated that it would harm public confidence, for reasons such as hardship affecting the general professionalism, i.e. appearance and work-ethic, of poorly paid trainees — "being paid less gives them less incentive to work hard and takes away loyalty to the firm; clients would be less likely to want advice from a poorly paid trainee with a bad attitude who can't afford a decent suit." A potential perception of avarice and exploitation from trainers was cited by this group also.

14 people – a small proportion at 2.8% - felt that public confidence would actually be increased by removal of the requirement.

### **Students**

The student group largely echoed the proportions of solicitor responses – just under two thirds saying that there would be no effect, just over a third saying it would be reduced.

As with the other categories, students saw a lack of public awareness as the reason why confidence would be unaffected. Those who felt there would be a reduction in confidence gave as reasons trainee stress and lack of commitment due to low pay.

# **Paralegals**

The paralegal respondent group also mainly viewed removal as having no effect on public confidence in the profession.

# Standards in the profession

Do you think that the removal of the requirement to pay a minimum salary to trainee solicitors would enhance or lower standards in the profession?

- Enhance
- Lower
- No effect

#### **Overall view**

Across all responses, the majority opinion was that standards in the profession would be lowered if the minimum salary requirement was removed. There was enough variation between the respondent groups to warrant discrete analysis.

fig 6 would removal enhance or lower standards in the profession?

all responses	no.	%
enhance	35	4.6%
lower	534	70.4%
no effect	189	24.9%
total	758	100%
no answer	5	

#### **Firms**

The majority of firms with trainees – over half – felt that standards in the profession would be lowered if the requirement to pay a minimum salary to trainees was removed. The arguments given for this view included the risk of exploitation, that low pay could encourage less able people into training contracts, and that trainees could become a source of cheap labour.

However, a significant proportion, over 40%, felt that it would have no effect. The market was largely seen as the main reason for this, in that firms had an interest in protecting standards in order to attract clients, not just to meet regulatory requirements.

It was also suggested that trainees should have a longer-term view, in that their earning potential upon qualification was much greater, and that "a solicitor's ethical stance should not be affected by his/her remuneration."

The majority of firms authorised, but with no trainees in post, felt that there would be no effect on standards in the profession if the requirement was removed. One of the few supporting comments did not see a valid link between remuneration and standards.

#### **Solicitors**

Most solicitors, almost three quarters, felt that standards in the profession would be lowered if the minimum salary requirement was removed. The potential damage to diversity, with only the students from wealthier backgrounds being able to afford to train, was given as a reason – this was a recurring theme across all groups. The loss of capable LPC graduates to other, more lucrative careers was also seen as a potential issue.

Exploitation and increased pressure on trainees were also cited as having a negative impact on professional standards. The view that small, legal aid practices might not be able to offer salaries that competed with larger firms, thus forcing the more able trainees to the larger firms and reducing quality in this area of work, was also put forward several times.

A quarter of solicitor respondents saw no potential negative effect. Those who expressed a view saw standards and the quality of training given as being separate issues to access and pay levels. One respondent thought that abolition of the minimum salary could encourage more firms to offer training places, thus widening access.

#### **Trainees**

As with solicitors, the majority of trainees saw potential removal as being detrimental to standards.

Restricting entry to only those who could afford a low wage, exploitation, the loss of talented individuals to other professions, increased stress and decreased morale, and deterring people from training in legal aid areas were all offered as reasons for this view.

However, over 100 trainees (over 20% of the respondent group) felt that removal would have no effect. Comments included the view that competition for places would maintain individuals' standards of work, that long-term earning potential was more attractive than training salary, and that motivation to become a solicitor was more due to the work than the pay and therefore the calibre of entrant would not diminish.

#### Students

Again, the majority of student respondents were of the view that standards would be lowered. The effects of low pay and debt on a trainee's commitment and efficiency, exploitation and a decrease in diversity were given as reasons for lowered standards.

A small proportion of student respondents thought that there would be no effect on standards. Looking at the supporting comments, one student believed that academic and training requirements were the key factor in maintaining standards.

Three students thought that removing the requirement to pay a minimum salary could encourage more firms to offer training contracts.

#### **Paralegals**

Almost two thirds of paralegals thought that standards would lower if the minimum salary requirement was removed. Again, exploitation, forcing out able candidates due to financial pressure, and low morale appeared in the supporting comments.

### Access

Do you think that the removal of the requirement to pay a minimum salary to trainee solicitors would increase or reduce access to the profession to trainees from a wide range of backgrounds and experience?

- Increase
- Reduce
- No effect

#### **Overall view**

The majority view from all respondents was that access would be reduced if the minimum salary was no longer in place. There was variation from the proportions when the different respondent groups were analysed separately.

fig 7 would removal increase or reduce access to trainees from a wide range of backgrounds and experience

all responses	no.	%
increase	85	11.2%
reduce	542	71.4%
no effect	132	17.4%
total	759	100%
no answer	5	

### **Firms**

Exactly half of the firms currently employing trainees felt that access to the profession would be reduced if the minimum salary requirement were removed. Slightly less than 30% felt that removal would have no impact on access, and 20% felt that access would increase.

The reason commonly given for reducing access was that the current minimum salary slightly alleviated the burden of student debt, and if this was removed then training opportunities would be effectively restricted to the wealthy.

Those who foresaw no impact on access commented that market forces would ensure fairness, and that trainees would generally be prepared to accept less money due to post-qualification earning power. One respondent suggested that equalities and equal pay legislation had done more to improve access than a minimum salary.

A small number of the 20% who thought access would increase sounded a note of caution in their responses, however. They reiterated the potential for exploitation and reduction in quality of the training experience if the minimum salary was removed.

In the firms with trainee authorisation but no trainees, opinion was split equally between an increase in access and a reduction. It was seen that some firms would be encouraged to take on trainees if there was no minimum salary requirement. One supporting comment stated that it would be "better to have a training contract on a lower salary than no contract and no salary."

#### **Solicitors**

Three quarters of solicitors felt that there would be a reduction in access. It was widely recognised that people from lower socio-economic groups could be forced away from qualification, either at the outset or part way through the process.

There were also opinions expressed that in larger practices and city firms – which paid well above the minimum – there existed a tendency to select trainees from more privileged backgrounds, meaning that removal would disproportionately affect poorer, lower class and ethnic minority trainees. Another factor put forward was the potential reluctance of banks to loan money for the under and post graduate training programmes if no guarantee of a minimum wage were available.

Only eight solicitors thought that access would be widened.

#### **Trainees**

As with solicitor respondents, three-quarters were of the view that access would be reduced if the minimum salary requirement was removed. Debt and the daunting prospect of a two year period on low pay was again the most common reason for this, with people from less affluent, non-traditional backgrounds being adversely affected. Access for mature people, possibly changing careers later in life, was also perceived to be threatened by removal of a guaranteed minimum salary.

A small proportion of trainees – 15.6% - commented that they did not foresee firms offering more contracts as a result of not having to pay the minimum salary.

The 9% of trainees who saw access increasing believed that more training contracts would become available in smaller firms if there was no minimum. Some also thought that the minimum acted as a precedent which artificially kept salary levels low.

#### **Students**

Student opinions were slightly more spread out over the three possible responses, but even so a majority believed that the absence of a minimum salary would reduce access to people from a wide range of backgrounds.

Some students said that it would be impossible to plan the financial arrangements necessary to fund the LPC if there was no minimum pay and they could not rely on their family for support.

One student noted that those people with a social objective in becoming a solicitor would be adversely affected, as they would largely train outside the larger commercial firms who paid well above the minimum.

18% thought that access would increase, but were cautious about other implications, such as exploitation.

### **Paralegals**

A similar proportion of paralegals to students thought that access would reduce if there was no minimum salary – 65%. The supporting comments were typical of other respondent groups, with concerns expressed about the impact on less well-off individuals if firms could pay no more than the national minimum wage.

Almost 30% of paralegals thought that there would be no effect. Supporting comments varied. One paralegal thought that even if the minimum salary were to end "the prejudices the legal profession has against certain applicants would still exist."

# Impact of removal

What do you consider would be the most significant impact of the removal of the requirement to pay a minimum salary?

This question was framed in an open way in order to allow a free-text response. Responses were therefore more difficult to quantify, but have been grouped according to several common themes. Some responses covered more than one theme.

#### **Overall view**

The majority of respondents saw exploitation as the biggest impact of removing the minimum salary. 'Exploitation' as a term encompassed several meanings: direct exploitation of individual trainees due to an over-supply of LPC graduates, firms exploiting the lack of regulation to drive down trainee salaries in general, and unscrupulous firms abusing trainees by requiring them to work as fee earners whilst offering little real training and minimum-wage pay.

fig 8 what would be the most significant impact of removal?

all responses	no.	% of answers	% of all respondents
lower professional standards	46	6.4%	6%
more training positions created, or			
burden on training firms eased	52	7.2%	6.8%
market would decide salaries	6	0.8%	0.8%
exploitation	304	42.2%	39.8%
create hardship amongst trainees/lower			
salaries	72	10%	9.4%
diversity reduced	139	19.3%	18.2%
damage to the profession's reputation	16	2.2%	2.1%
deter entrants altogether	58	8.1%	7.6%
little impact	5	0.7%	0.7%
salaries will be driven up	4	0.6%	0.5%
professional standards improved	1	0.1%	0.1%
adversely affect high street/legal aid			
firms	17	2.4%	2.2%
total	720	100%	

#### **Firms**

The majority of firms with trainee solicitors saw exploitation as the most significant impact. None stated that they would themselves lower trainee salaries, but saw other firms as being given carte blanche to take advantage of individuals' desperation to qualify by offering rock-bottom pay, high work loads and minimal training.

The next most common potential impacts, that were given, appeared contradictory. Over 20% of firms with trainees foresaw a reduction in diversity, but another 20% saw an increase in the number of training positions as resulting from a removal of the prescribed minimum salary. The first group believed that if low or minimum wage positions were common outside the larger, higher-paying organisations, then this would have a disproportionate effect on non-traditional candidates, especially mature entrants and those from lower socio-economic groups. The thinking was that trainees here would have to rely more on family support, making it more likely that only people from wealthy backgrounds could qualify. The second group felt that with less interference from the SRA, more firms would be encouraged to offer training positions, albeit at lower pay rates.

Three firms without trainees predicted a potential increase in traineeships in these circumstances, although they spoke in general terms, without stating that they would be more likely to take on trainees themselves.

#### **Solicitors**

The majority of solicitors, almost a third, saw exploitation as the main impact of removal. It was clear from some responses that as recent qualifiers they had benefited from the protection of the minimum salary and could see a small number of firms taking advantage of its absence and exploiting trainees.

The next most common response was an impact on the diversity of trainees. It was suggested that, when taking into account the debt burden accrued during the academic and LPC stages, only those students from wealthier backgrounds would be able to afford to train if lower wages were on offer at the vocational stage. It could mean that people were unable to live during the training contract stage, or it would deter people from attempting to qualify at the outset.

In both of these response categories, some very strong opinions were expressed:

- "This would have an utterly reprehensible effect on the cross section of people joining the profession."
- "The minimum is a farce in any event, you can earn more in Leeds working in a call centre, than as a trainee"
- "the profession would move significantly from a profession which is open to the most able to a profession which is open to those who can afford to get in, reversing the progress made in recent years towards opening up a white, male, middle class profession to all."

#### **Trainees**

Almost half the trainee respondents saw exploitation as the main risk. The fierce competition for training contracts was seen as a driver for exploitation. Some specific comments were:

"I know that the firm [where] I work only pays me £15,332 as they have to!"

 "trainees have very little bargaining power in dictating the terms of a training contract."

Other responses were spread amongst the categories of reducing diversity, creating hardship amongst trainees or generally driving down wages, and deterring entrants from the solicitors profession altogether.

#### **Students**

Again, students saw exploitation as being the main impact of removal – some saw it as being the only impact:

• "Large law firms would be able to squeeze even more out of their trainees, small law firms still wouldn't take on trainees due to the demand on time and regulation."

A large proportion foresaw some people being put off a career in law altogether if low pay at the vocational stage became an unavoidable reality. Four students believed that more opportunities to train would be opened up.

# **Paralegals**

Exploitation was also the single most common foreseeable impact among paralegals. One respondent stated that "firms will get away with paying trainees whatever they want because they will know that a person would not turn down a training contract due to the salary."

Hardship, extra work pressures, the debt burden, and the relative immunity of trainees at larger corporate firms to the effects of minimum salary removal were also given as potential impacts.

# Would firms be more likely to employ trainees?

If you are responding on behalf of a firm or organisation, would you be more likely or less likely to employ trainees if the requirement to pay a minimum salary was removed?

- More likely to employ trainees
- Less likely to employ trainees
- No impact on recruitment of trainees

#### **Firms**

Just over half of the firms currently employing trainees said that removal of the minimum salary requirement would have no impact on trainee recruitment. Only 15 firms – 20% of the group – thought that they would be more likely to take on trainees if they did not have to pay a minimum salary.

The firms authorised to take trainees but with none in post was a small group with eight responses. Two stated that removal would encourage them to take on trainees.

#### Individuals

This question was phrased specifically to capture the views of firms only. However, a small percentage of individuals expressed their views on the likelihood of training offers being more common if the minimum salary was no longer a requirement.

The most common view among solicitors and trainees was that removal would have no impact on trainee recruitment. Two students thought that it would encourage recruitment.