
Associates Survey 2010: They Survived Economic Downturn, but Now What?

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Many people would consider Am Law 200 midlevel associates to be extremely fortunate. While thousands of their colleagues lost jobs, these young lawyers are gainfully employed with salaries in the six figures. The midlevels tell us that they survived the recession in part because of the quality of their work, and that they aren't worried about losing their jobs going forward. And even though revenue and profits dipped at the majority of their firms, relative to other industries, BigLaw wasn't hit as hard during the recession. In many ways, once their student loans are paid off, midlevel associates' prospects seem bright.

But that's not how they see it. Maybe it's the posttraumatic stress syndrome from watching so many associates and law firm staffers get the ax, but the midlevels who survived the great purge aren't feeling particularly fortunate. In fact, they seem downright cranky.

In our annual survey of 5,092 midlevel associates, attorneys in their third, fourth, and fifth years of practice, the average composite score -- which is based on ratings for 12 core questions -- fell from 3.897 in 2009 to 3.728 this year. That's the lowest score since 2004. In particular, associates lowered the individual grades for their own firms, giving an average rating of 3.96 this year -- less than the 4.16 rating in 2009 -- and the lowest score in recent years. (Only 15 firms saw their individual scores increase in 2010.) A look at the ratings according to the cities where the associates are located shows a downward trend, too. The overall scores for 15 big American cities, including the major legal hubs, declined over last year. "People are busier, but ... there remains a sense of unease," says a Simpson Thacher & Bartlett associate, in reference to the overall mood of associates at national firms.

That unease isn't because midlevels fear being pink-slipped. In the 2009 survey, a whopping 83 percent of respondents expressed medium to high anxiety about losing their jobs, but this year nearly 80 percent of survey respondents said they were not worried about being laid off. And of the nearly 69 percent of respondents in this year's survey who said their firms conducted associate layoffs, 47 percent believed they were spared because of the quality of their work. Plus, many of them are busy now that work has rebounded in certain practice areas. Perhaps it's only because they're feeling so secure that the midlevels chose to complain about reduced benefits and salaries, poor communication by firms (especially about becoming partner), heavier workloads and new promotion models.

Associates were particularly peeved about their compensation. Only 4 percent of respondents said their pay was reduced in 2010, but associates were eager to see law firms make up for previous cuts. (In the 2009 survey, 16 percent of respondents said their pay was pared back.) In the open-ended comments section of the 2010 survey, one Cooley associate advised his firm to "increase salaries back to prerecession levels, please." (All survey respondents are guaranteed anonymity.) A Cooley spokeswoman says that the firm's associate pay is "competitive within the various markets" that Cooley practices in.

Many associates also complained that they are no longer being paid market rates. An Orrick, Herrington & Sutcliffe associate observed that "compensation is below market for most associates." (Orrick disagrees and argues that it has changed its compensation plan and that when bonuses are factored in, its associates can make above market.) Given comments like these, it is not surprising that when asked to rate their benefits and compensation, associates in the 2010 survey responded with a 3.78 rating -- the lowest in recent years.

The percentage of associates who saw their benefits reduced rose from 21 percent in 2009 to 27 percent in 2010. In the open-ended comments section, an Armstrong Teasdale associate implored the firm to bring back its 401(k) match. (The firm says that it will reconsider matching contributions when the economy has regained strength.) Associates also mentioned the need to restore more superficial cutbacks. An O'Melveny & Myers associate wrote that the firm should "bring back fun perks from before the recession," such as lunches, summer events and retreats.

Workloads, which became anemic following the economic downturn, appeared to be increasing, but that was a mixed blessing. Associates reported more work (nearly 37 percent described their 2010 workloads as heavier than last year). The percentage of respondents describing their workload as too heavy increased in 2010 to nearly 15 percent, from 8 percent in 2009. An Alston & Bird associate pointed out that having fewer associates at the firm resulted in heavier workloads for those in practice areas that have remained busy, while a Fulbright & Jaworski associate wrote that there is now "an expectation that fewer people will handle the same or greater workloads." Several of the open-ended comments by associates at Boies, Schiller & Flexner, which dropped in the national rankings this year from 49 to 72, were complaints about the workload. "Each partner thinks you should spend 70 percent of your time on their matter," says a Boies, Schiller associate in a follow-up interview, "and if you are working on matters for three or four partners, that becomes a problem." (Alan Vickery, cochair of Boies, Schiller's recruitment committee, says, "We have always staffed leanly in order to expose associates to multiple cases and greater responsibility.")

But it wasn't just the dearth of associates that drew the ire of survey respondents. In the opened-ended comments, another major concern was the impact of depleted staff levels. Several Baker & McKenzie associates complained about less office support, with one writing, "I have to do paralegal work." An Akin Gump Strauss Hauer & Feld associate asked the firm to bring back night secretaries. David Botter, Akin's firmwide hiring partner, responds, "We react to our clients' needs, but we are conservative when staffing up." Botter adds, "You have to wonder whether these folks who are concerned they have too much to do were concerned when they had too little to do."

Still, some firms have been plotting and implementing significant changes in the way they train and promote associates. A number of firms have announced new associate development models in which advancement and salary increases are doled out based on performance reviews and mastery of certain skill sets rather than in a lockstep manner. Nearly 28 percent of survey respondents said their firms had adopted such models. And of that group, 60 percent of respondents said they like the change. But some firms who have recently introduced these models, including Orrick and Wilmer Cutler Pickering Hale and Dorr, saw their rankings drop from last year. In the survey's open-ended comments, a McDermott Will & Emery associate wrote of that firm's new career progression model, "Time will tell whether the system delivers to high-performers, as promised." An Orrick associate was slightly less diplomatic: "There is a lot of uncertainty regarding our new talent model, and that uncertainty has bred dissatisfaction." Orrick partner Siobhan Handley says, "We are radically changing the way associates are viewed and moving toward a much more merit-based system. For a number of associates this presents a more challenging environment."

- **The complete Associates Survey 2010 is available at www.americanlawyer.com/associates.**

A substantial majority of the midlevels who responded to our survey appeared to view themselves as up for the decathlon-like challenge of making partner. And 72 percent of respondents described themselves as being on the partner track. But many associates said the partner-grooming process at their firm was opaque. A Cravath, Swaine & Moore associate wanted "more transparency on ... what it takes to make partner and progress satisfactorily as one becomes more senior." A Simpson Thacher associate suggested that associates can handle the truth: "We want to make partner. We know that's not always possible, or even likely, but we want to know what it takes and be given a fair shot at it."

A high score regarding openness about the partnership selection process helped several smaller firms. For the third consecutive year, the 144-attorney Boston-based firm Nutter McClennen & Fish garnered the survey's highest national ranking score. Nutter McClennen scored well across the board, but its high rating of 4.42 regarding openness about the partnership process stood out.

However, smaller firms didn't have a monopoly on high scores, and some of the biggest leaps in this year's national ranking were made by large national firms. Kelley Drye & Warren jumped 97 spots, to a rank of 26 on the 2010 survey. Dewey & LeBoeuf made a similar leap, climbing 96 spots, to a ranking of 41. In an interview, a Dewey associate pegged the increased associate satisfaction to the departure of some "unhappy midlevels" and a general sense among those remaining that "the economy is improving and we're not going to get laid off in three months." Latham & Watkins rose 57 spots, to a ranking of 22. Firm management declined to comment on the jump, with a firm spokesman saying the firm would let the results speak for themselves. But a Latham associate attributed the increased satisfaction to a sense that associates no longer need to worry about losing their jobs and can focus on "developing our skills." Texas-based Vinson & Elkins avoided associate layoffs and saw its ranking soar 41 spots, to twenty-third on the list. "Associates saw that we kept our commitment to build for the future rather than look to short-term profits and conduct layoffs," says Vinson managing partner Joseph Dilg.

At Paul, Hastings, Janofsky & Walker, which leaped 59 spaces, to the seventh position on the national rankings, partner James Owens attributes the firm's performance to a five-year-long process that included changes to the training, communication, and evaluation process for associates. "We have been more vigilant about communicating with associates. We have institutionalized professional development functions and increased the number of training programs," says Owens, who is chair of global attorney development at the firm.

At the other end of the spectrum, the number of respondents who said they were looking for another job nearly doubled, to a little under 16 percent, from around 8 percent in 2009. And the number of respondents who thought they would still be at their firms in five years as an equity partner, nonequity partner, or counsel/senior associate, dropped 9 percent from last year, to just 35 percen -- even though nearly three-fourths of respondents currently consider themselves on a partnership track.

While some of this willingness to jump ship is likely a reflection of the improving economy, it hints at a return of concerns that have plagued law firms for years. Nearly 45 percent of respondents said that if they leave their firm it will be for a better work/life balance -- a 5 percent increase from 2009. A Morrison & Foerster associate wrote that, "Work/life balance is important to more people than ... [just] mothers and lazy people." What's important to associates seems to be an ever moving, multiheaded target. Over the past few years, it has included compensation (during the economic boom), job security (during the recession), quality work assignments, mentoring, and work/life balance. They want it all. And if you ask them why, they'll say it's because they deserve it.