Winning the Talent War: Recruiting and Retaining Associates at Smaller and Midsize Law Firms

Bringing an associate into a firm takes time, training, and steadfast attention. Improving law firm associate retention requires continued investment, especially if another employer is ready to offer a better career path. For smaller and midsize firms, the challenge is understanding which parts of that experience they can improve.

The October 21, 2026 Managing Partner Forum webinar, "Winning the Talent War: Recruiting and Retaining Associates at Smaller and Midsize Law Firms," explored that question using data gathered from the NALP Foundation's 2025 hiring and attrition study.

Moderators:

- **John Remsen, Jr.**: President and CEO, Managing Partner Forum; President, TheRemsenGroup
- **Uri Gutfreund**: Senior Vice President and Managing Principal, Ames & Gough

Panelists:

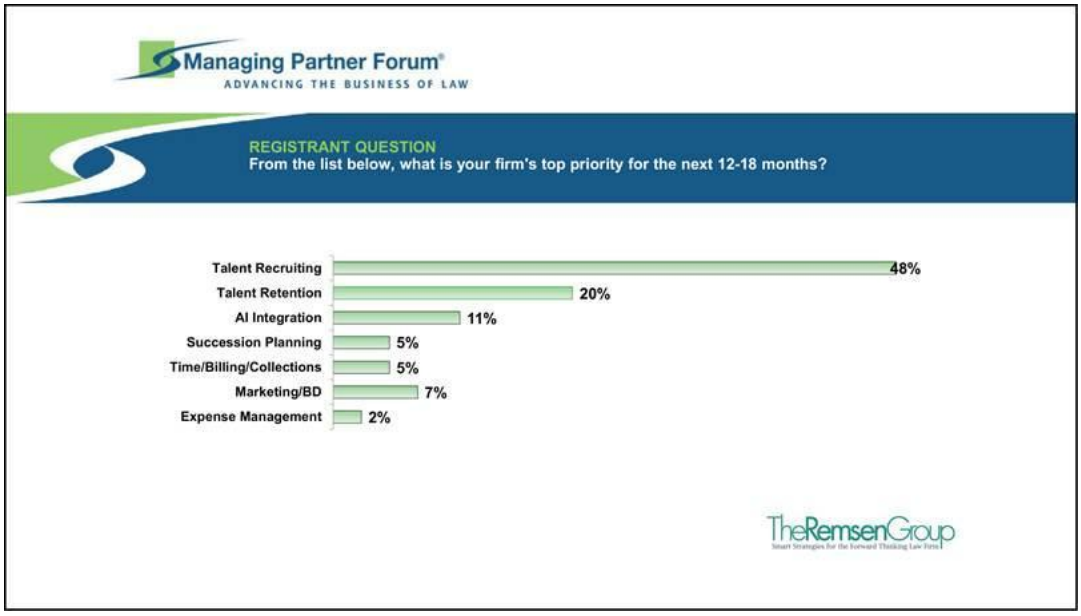
- **Fiona Trevelyan**: President and CEO, NALP Foundation
- **Jennifer Mandery**: Vice President for Research, NALP Foundation
- **Skip Horne**: Vice President for Engagement, NALP Foundation

Key takeaways:

- **Benchmark compensation against comparable firms, work, and markets.** Associates valued fair pay relative to relevant peers, supported by transparent bonus criteria and timely feedback.
- **Balance immediate hiring needs with expected tenure.** Entry-level hires and former summer associates generally stayed longer than laterals, making retention an important consideration alongside experience.
- **Prepare for active recruiting periods while engaging existing associates.** 43% of smaller firms' hiring occurred in Q3, so leaders could prepare earlier while strengthening relationships with people competitors might approach.
- **Keep relationships open with departing lawyers.** Returning associates represented 6% of reported hires, offering firms another source of talent already familiar with their people, systems, and clients.
- **Explain advancement and tailor development to individuals.** Associates wanted a clear personal path supported by mentoring, feedback, and meaningful opportunities, areas where smaller firms could build on closer leadership relationships.
- **Use relevant benchmarks while planning for AI's uncertain effects.** Hiring decisions needed to reflect firm size, market conditions, practice requirements, and capacity to train as technology continued to evolve.

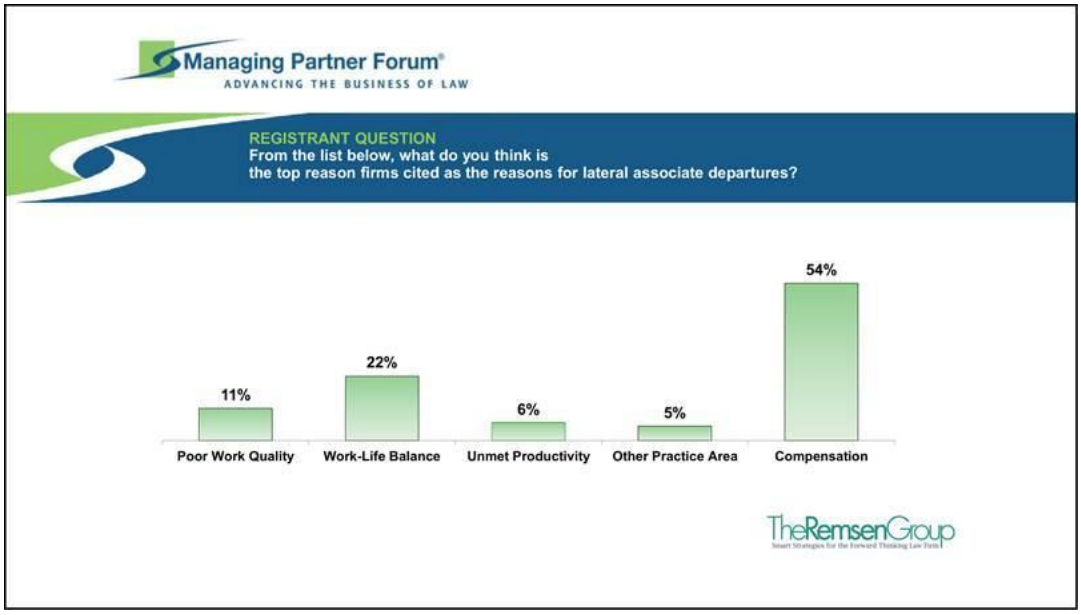
Bringing on the Data!

The program drew 105 registered firm leaders, among whom recruiting was the leading priority for the next 12-18 months at 48%, followed by retention at 20% and AI integration at 11%. John Remsen Jr. acknowledged the audience's interest in talent and encouraged leaders to **give keeping good people the same deliberate attention as finding them**.



Audience poll: recruiting and retention led priorities among webinar registrants

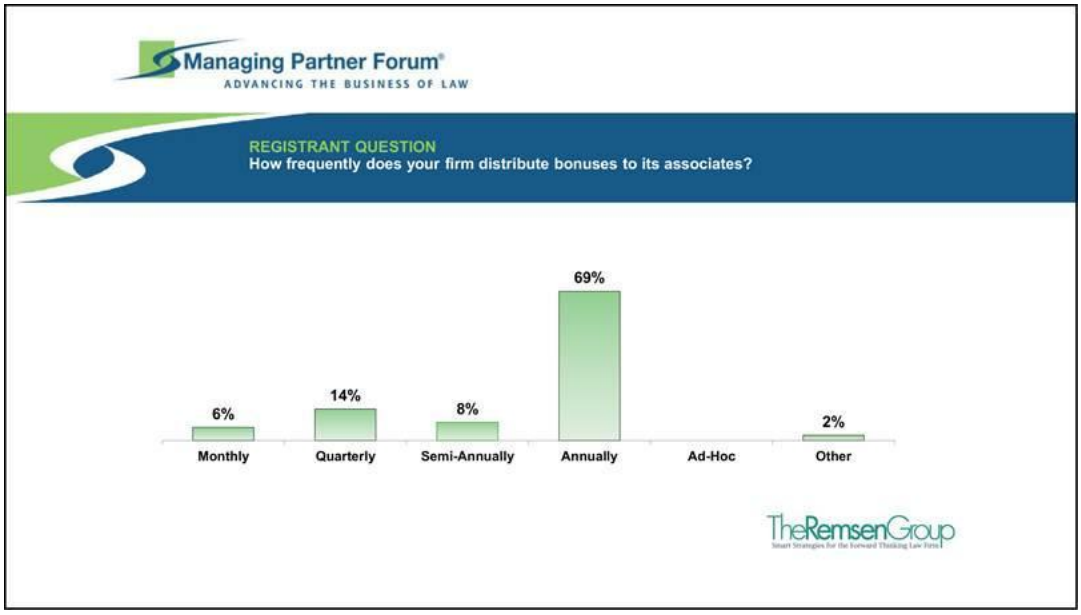
Compensation dominated registrants' perceptions of why laterals left. Skip Horne distinguished fair pay from pursuing the largest salary: associates compared their compensation with peers doing similar work in comparable markets.



Audience poll: registrant perceptions of the leading reasons firms cited for lateral departures

69% distributed bonuses annually, but Uri Gutfreund described more frequent rewards as opportunities for quicker feedback and renewed motivation. Jennifer Mandery noted that the latest attrition study showed relatively steady departures through the year, without marked post-bonus spikes.

A separate live poll suggested approximately 1,800 expected billable hours; Uri's New York market figures (just over 1,400 actual billed hours) reflected a different population and measure. Fiona Trevelyan saw room for smaller firms to compete through the rhythm of evaluations and rewards. Uri suggested that a fresh quarterly opportunity could help an associate re-engage after a weak first half, instead of regarding the entire year's bonus as out of reach.



Audience poll: bonus payment frequency among registrants

Balancing Entry-Level and Lateral Hiring

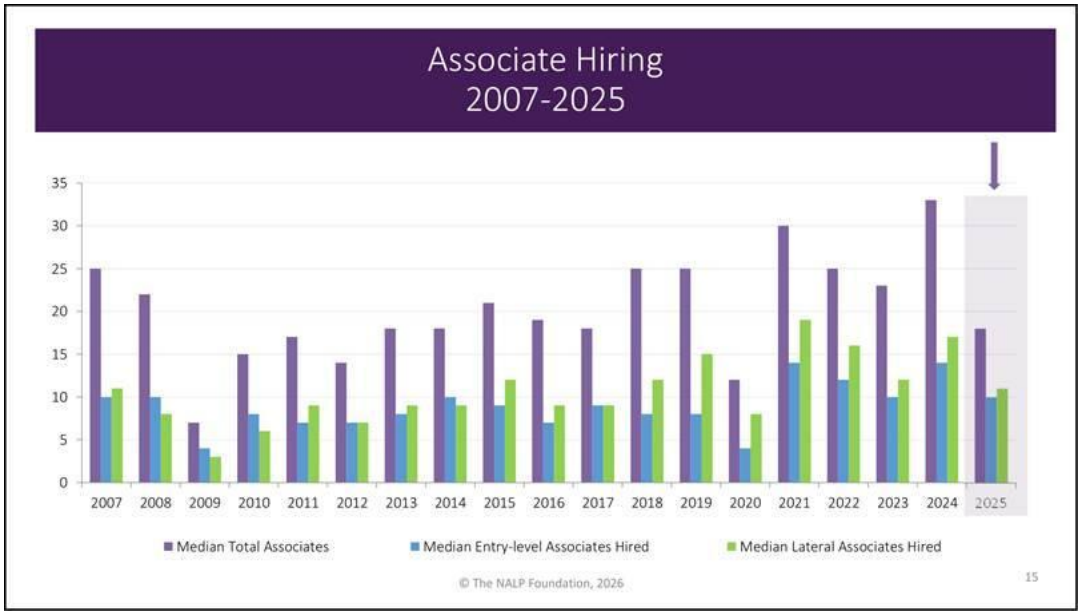
Fiona introduced the NALP Foundation's calendar-year 2025 hiring and attrition study, covering 141 firms across the United States and Canada. Participating firms reported 6,335 associate hires and 4,042 departures. Individual snapshot reports allowed participants to compare their experience with aggregate benchmarks.



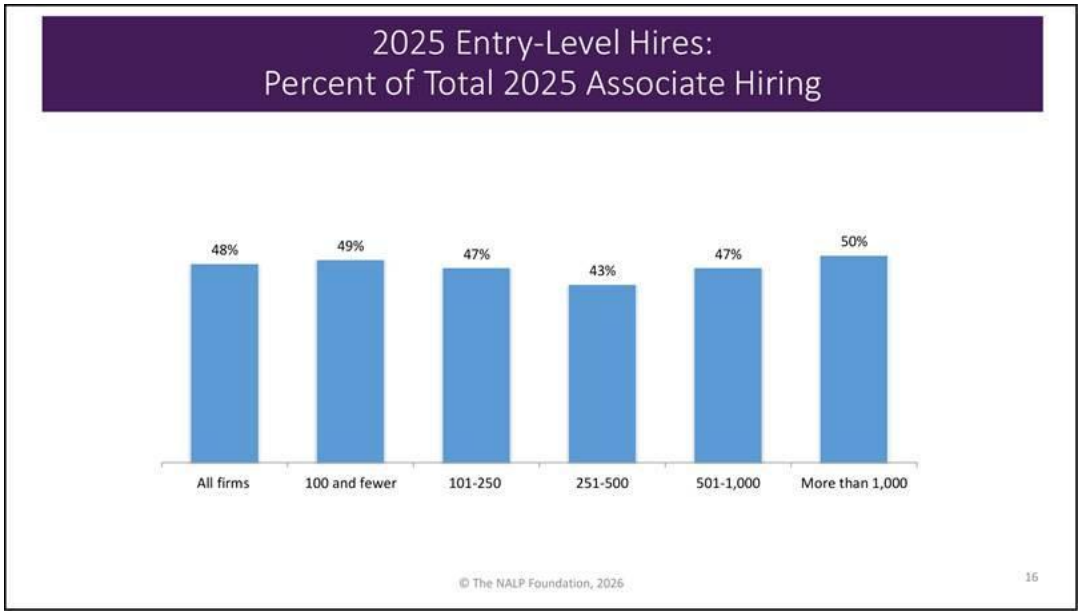
NALP: scope and methodology of the CY 2025 hiring and attrition study

The historical data showed **lateral hiring overtaking entry-level hiring around 2015**. In 2025, entry-level lawyers represented 48% of hiring overall and 49% at firms with 100 or fewer attorneys. Fiona urged leaders to assess that balance against their own strategy, noting that entry-level hires generally stayed longer than laterals.

The near-even hiring split did not mean every practice needed the same approach: some required established expertise, while others could invest in developing graduates.



NALP: median associate hiring at participating firms, 2007-2025



NALP: entry-level hires as a share of total associate hiring in 2025

Timing Recruitment and Keeping the Door Open to Returning Associates

For firms with 100 or fewer attorneys, 43% of hiring occurred in the third quarter. Fiona suggested preparing the market in Q2 when aiming to hire in Q3, while adjusting to practice demand and candidate availability. Uri stressed the defensive side: **competitors could be approaching existing associates during the same period**.



NALP: quarterly hiring patterns varied by firm size

Returning associates offered another source of talent. Jennifer reported that 44% of participating firms rehired at least one former associate; returning lawyers represented 6% of total hires. Their familiarity with colleagues, clients, and systems could ease their return. John and Uri shared positive examples, although Jennifer cautioned that limited research did not establish greater loyalty among returnees.

Fiona encouraged **maintaining connections with lawyers whose expertise or client relationships would be difficult to replace**. 10% of participating firms had rehired someone who both left and returned within 2025. Keeping contact open could preserve opportunities even when an associate initially chose another employer.



NALP: boomerang associates accounted for 6% of reported hires

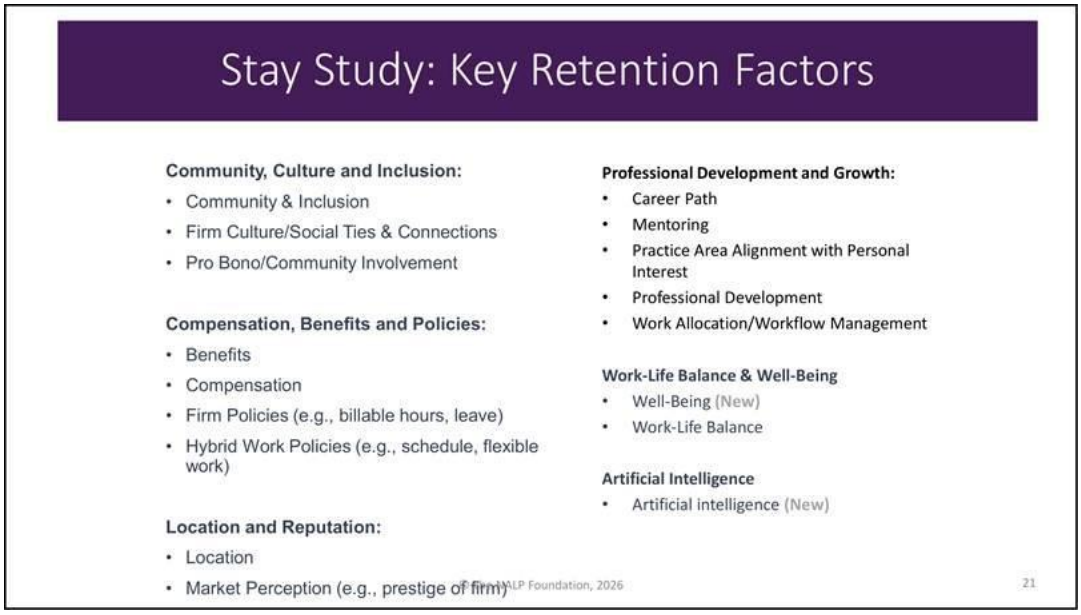
Finding Opportunity in an Earlier Recruiting Cycle

Fiona described large firms extending summer offers increasingly early, sometimes before students had law-school grades. Smaller firms could wait for evidence of legal aptitude and identify strong candidates overlooked in that process. She also suggested that earlier decisions made with less information might produce more mismatches and subsequent mobility. That possibility remained a hypothesis, not an established research finding.

Decisions based heavily on undergraduate performance might miss students who subsequently demonstrated strong legal skills. Waiting for a semester or more of law-school results could change the information available to a smaller firm.

Why Associates Stay

The foundation's Stay Study asked associates directly what influenced their decisions to remain, providing valuable insights into law firm associate retention. Its framework covered culture, compensation and policies, professional development, location and reputation, and work-life balance. The latest iteration also added questions about AI.

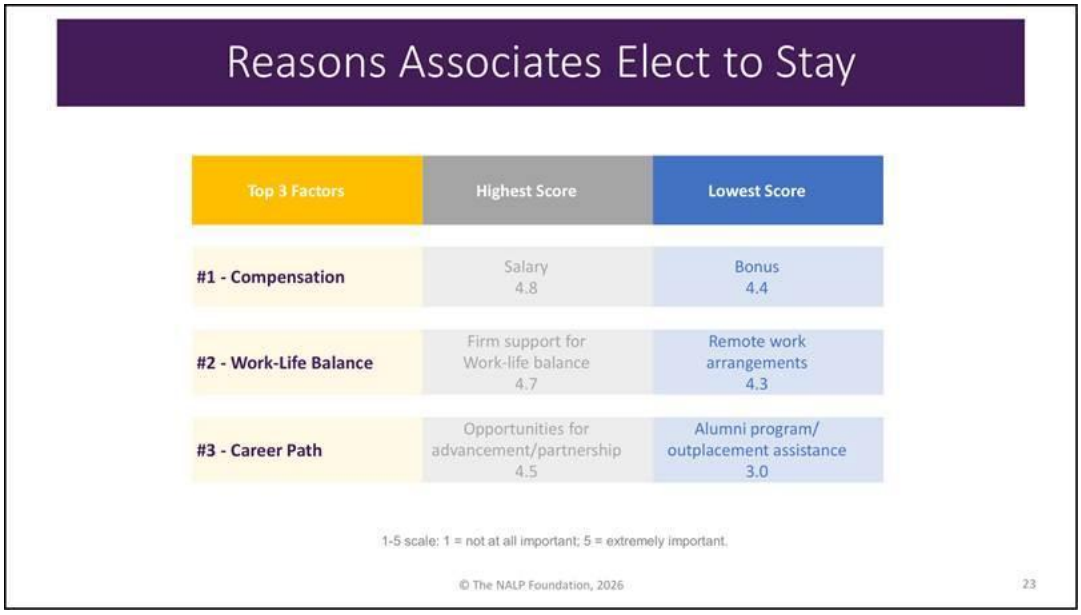


NALP: the stay-study framework examined multiple dimensions of the associate experience

Compensation, work-life balance, and career path emerged as the top three factors. On a five-point importance scale, salary scored 4.8 and bonuses 4.4. Firm support for work-life balance scored 4.7, while advancement and partnership opportunities scored 4.5. Fiona interpreted those priorities together as a desire to make a legal career sustainable over time.

Fair compensation remained a top priority, alongside room for personal commitments and visible opportunities to progress. Remote arrangements scored 4.3, illustrating that a relatively lower score within a category could still indicate substantial importance.

> *“They're looking for a way to make this a long-term sustainable proposition.”*
>
> – Fiona Trevelyan



NALP: importance scores within the three leading retention factors

Making the Path to Partnership Clear

Jennifer emphasized development tailored to each associate, while Skip stressed the importance of understanding an individual career path. John observed that leaders could believe advancement criteria were clear while associates remained uncertain. He encouraged firms to explain expectations around hours, citizenship, and nonbillable contributions.

> *"They want to know individually what their bespoke path is going to be."*
>
> – Skip Horne

Fiona identified accessible leadership and candid communication as potential advantages for smaller firms. Uri highlighted meaningful client experience and opportunities to build a practice. Candid communication also concerned the direction of the firm. Fiona argued that gathering colleagues together and building direct connections could be more manageable in a smaller organization than across a very large partnership.

Why Associates Leave and Where They Go

Overall associate attrition was 19% in 2025, down from 20% in 2024. Firms with 100 or fewer lawyers recorded 24%, down from 31%. Jennifer noted substantial variation within that group, where smaller associate populations could produce more volatile rates.



Associate Attrition Rate Overall and by Firm Size 2007-2025

Year	Overall	100 or fewer attorneys	101-250 attorneys	251-500 attorneys	More than 500 attorneys
2025	**19%**	**24%**	**16%**	**16%**	**18%**
2024	20%	31%	19%	17%	18%
2023	18%	19%	20%	16%	16%
2022	20%	16%	21%	21%	19%
2021	26%	27%	25%	24%	28%
2020	16%	15%	15%	17%	15%
2019	18%	15%	18%	19%	19%
2018	19%	15%	20%	20%	20%
2017	16%	16%	14%	18%	18%
2016	16%	15%	14%	18%	18%
2015	20%	20%	20%	21%	19%
2014	18%	17%	17%	19%	19%
2013	17%	17%	17%	16%	17%
2012	17%	13%	17%	18%	18%
2011	18%	15%	18%	20%	19%
2010	18%	19%	15%	19%	18%
2009	17%	16%	16%	19%	18%
2008	16%	16%	15%	17%	16%
2007	18%	17%	17%	18%	21%

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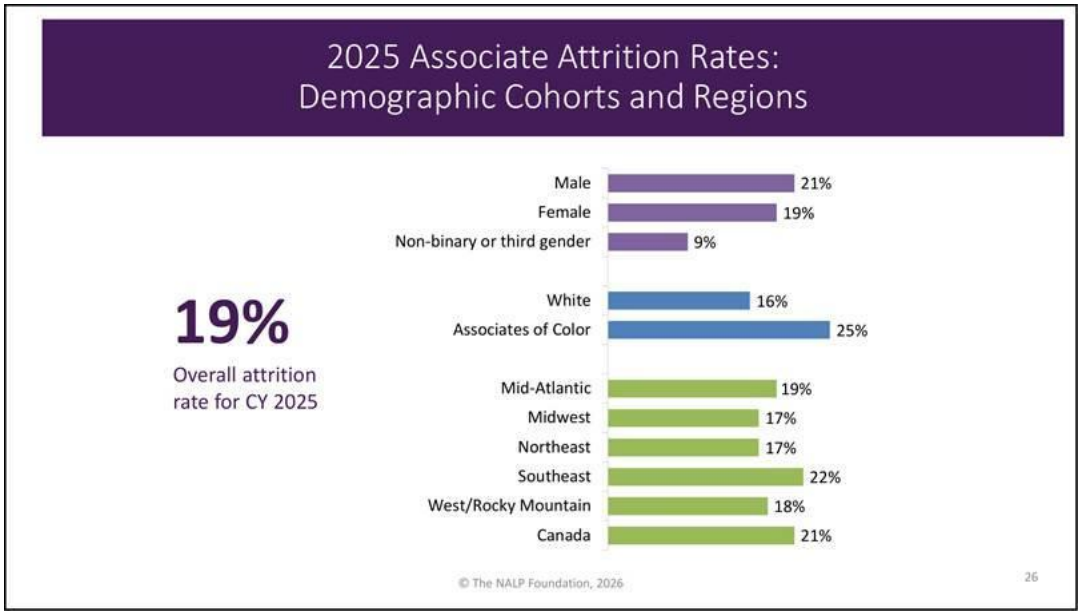
NALP: annual attrition benchmarks overall and by firm size

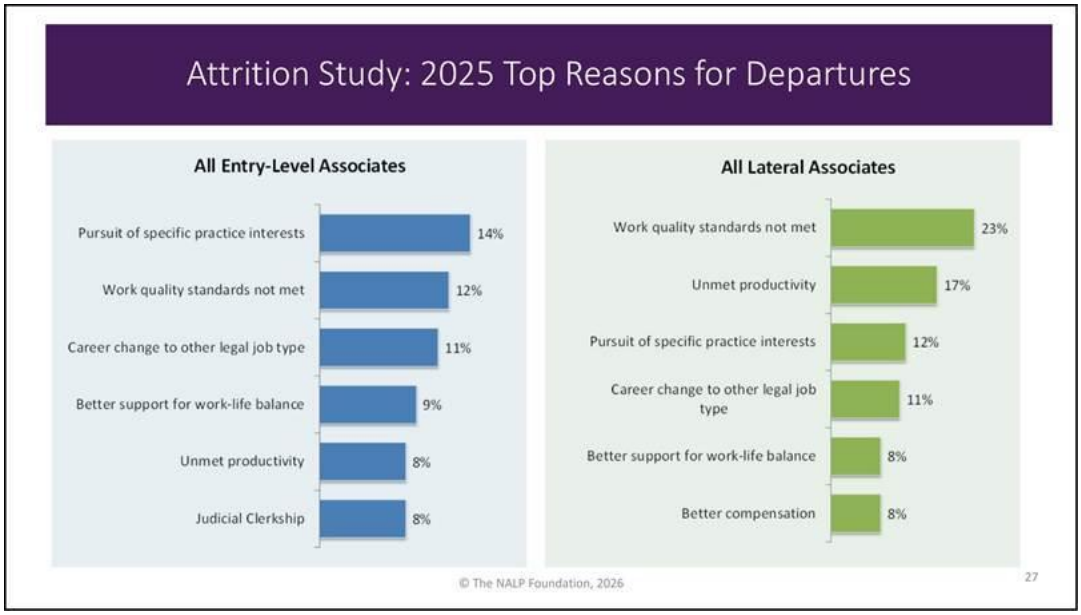
Attrition also differed across cohorts and markets. Associates of color had a 25% rate, compared with 16% for white associates. Fiona discussed higher average educational debt as a relevant financial pressure. Regional attrition ranged from 17% in the Midwest and Northeast to 22% in the Southeast. The Northeast had fallen from 23% the prior year, demonstrating how local benchmarks could change.



NALP: attrition varied by demographic cohort and region

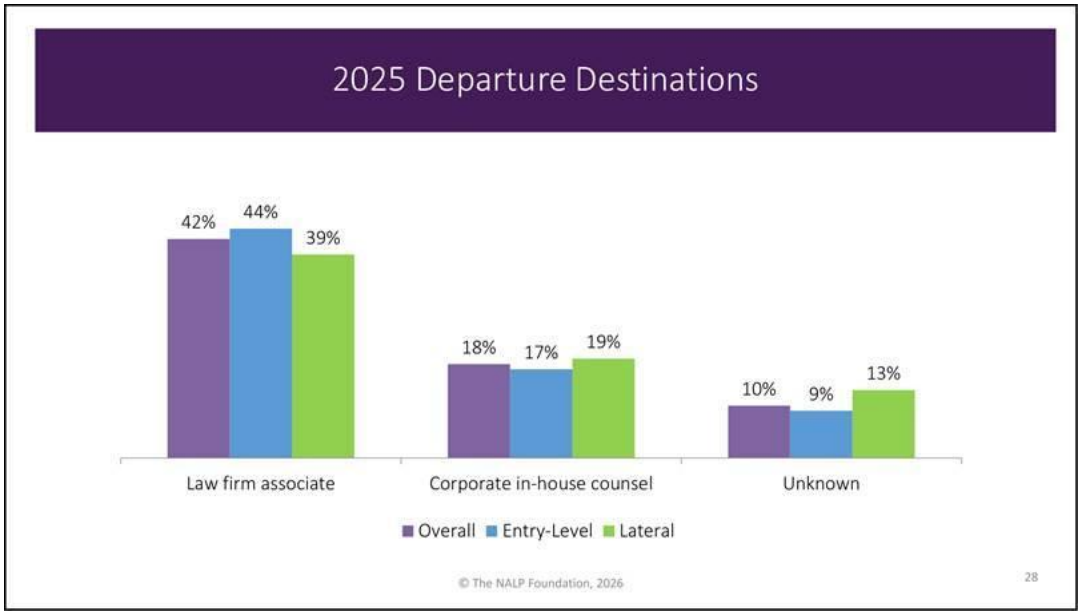
The source of departure explanations mattered. Firms cited practice interests as the leading reason for entry-level departures, while work-quality standards not met led for laterals. Jennifer

clarified that these were employers' reports; **compensation received more emphasis when associates themselves explained their moves**.

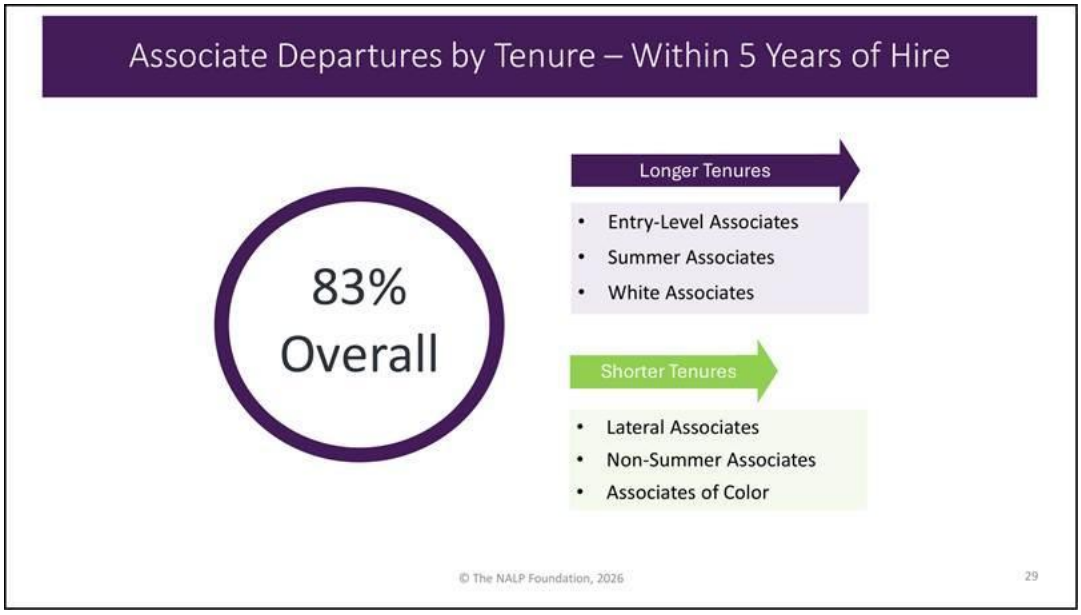


NALP: firm-reported departure reasons for entry-level and lateral associates

Skip reported that 42% moved to another associate position and 18% went in-house. The tenure findings showed 83% departing within five years of hire, a measure separate from annual attrition. Entry-level hires and former summer associates generally stayed longer than laterals.



NALP: selected departure destinations, including other associate and in-house positions



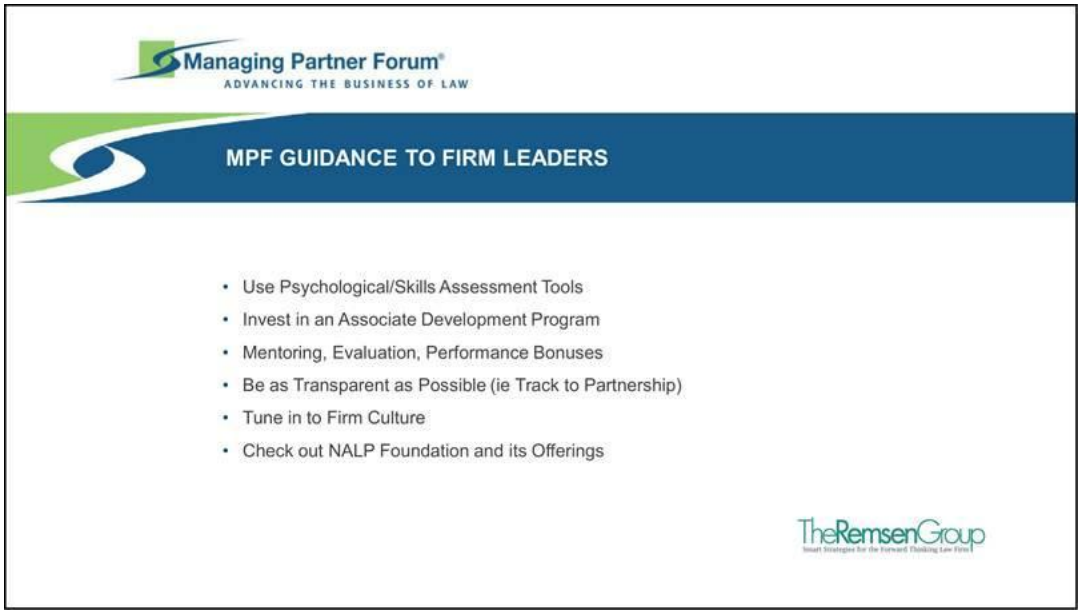
NALP: departures within five years of hire and groups with relatively longer or shorter tenures

Planning for Talent Needs as AI Changes Legal Work

AI's effects on junior and midlevel work remained unresolved. Fiona said few firms were radically changing immediate recruiting plans because of AI, although many were considering longer-term implications. Whether technology would replace particular tasks or change the work assigned to associates remained an open question. Recruiting choices still depended on practice needs, local talent, and a firm's capacity to train graduates.

Fiona encouraged building law-school relationships to communicate openings and identify suitable candidates. John's question about a hypothetical 50-lawyer firm brought the issue back to practical staffing choices. Fiona emphasized considering whether the work could be taught to new graduates or required skills and client relationships already established.

What's a Firm Leader to Do?



MPF's closing guidance emphasized assessment, development, transparency, culture, and research

The closing guidance focused on actions firms could adapt to their circumstances:

- Assess skills and fit
- Invest in development
- Provide mentoring and feedback
- Explain advancement
- Pay attention to culture

Fiona mentioned Suited as an example of an assessment provider. Such tools could add information when accelerated recruiting left firms with fewer academic indicators.

Jennifer described customized peer, regional, and firm-size reports that could help leaders interpret their own experience. The panel also outlined continuing stay-study, alumni, and attrition research.



NALP: foundation resources included customized reports and individual firm presentations



NALP: upcoming research discussed during the webinar

Uri urged leaders to focus on strengths their firms could credibly deliver. Improving law firm associate retention means addressing associates' actual experience through clearer development conversations, combined with accessible leadership and timely feedback. Smaller organizations could make changes more readily, but the changes needed to address their associates' actual experience. A clear development conversation, accessible leadership, or more timely feedback could give substance to the reasons a lawyer had chosen the firm, and reasons to remain.

> *“You have the ability to make changes much easier than these mega firms.”*
>
> – Uri Gutfreund
