

# Attorney Salary Trends

Contributed by Norton Gappy

The most common question we get asked - surprisingly or not - is what attorney salary trends look like. To complement our attorney salary survey results database (which lists compensation by career stage and geographic location), here's a brief discussion of trends for different types of practices and where it looks like there will be growth.

{mosloadposition advert1}

## First Year Associates

The National Association of Legal Placement (NALP) collects salary information from reporting law firms. According to NALP reports, as of April 1, 2007, first-year associate salaries at firms of 501+ lawyers rose to about \$145,000 in cities such as Boston, Chicago, Washington D.C., and various cities in California. Starting salary data from New York based law firms was even higher at \$160,000.

So, how do you get a job at these firms? There is no set formula and no guarantee, but the following characteristics are often important to the large law firms:

- Attending a top tier law school such as the ones listed on Legalnut's Law School Ranking Page
- Getting involved in moot court and law review.
- Ranking in the top 10% of your law school class (i.e. graduating with honors or distinction).

## Lateral Attorneys

For lateral attorneys looking to move from one firm to another, financial success is often measured by your book of business. Graduating at the top of your law school class is great, but to catch the eye of another firm, your ability to build and maintain a client base is essential. It also places you in an excellent bargaining position in order to negotiate a shorter partnership track or a higher salary. Law firms, like every industry, are feeling the pains of the economy, so if you are able to bring-in (i.e. "make-rain") new business, it is certainly worth marketing.

## Solo Practitioners

And then there are those self-made individuals who can't envision themselves working for others. Many who have that entrepreneurial spirit chose a more challenging route by building their own successful law practices. These business-minded individuals often begin building their client base even before law school and continue to grow it throughout their career. The downside is that they do not have the luxury of support staff, research assistants, and other perks offered at larger firms, and they have to cover their own overhead expenses.

However, after overcoming the first couple years of growing pains, solo practitioners find themselves more financially satisfied than attorneys working for others. Their salary is never capped. On the contrary, the more they nurture the business, the greater the long-term reward. Unlike lawyers at the mid-size and larger firms, these self-taught attorneys will spend more time doing their own research and writing, develop a more thorough and complete understanding of their area of practice, and maintain contact with their clients. Their knowledge of the law matures exponentially with their time spent in the practice as they must rely on their own hands-on experience.

It is not uncommon for solo practitioners and other small law practices to eventually merge their practice into a larger firm. The benefit of merging a law practice is to obtain economies of scale by utilizing professional staff, name recognition, cross-marketing, etc.

For more information on maintaining a solo law practice check out Legalnut's page on starting a law practice and the outline on Accounting for Lawyers outline.

### Practice Area Trends and Growth

The U.S. housing market is currently struggling. Homeowners have had financial trouble maintaining their residences, which has impacted the legal field by shrinking the amount of residential real estate closings, and increasing the number of bankruptcies and complaints for divorce in many cities. Therefore, there is less of a need for real estate attorneys.

On the other hand, in states that are especially hard hit by the economy, the crime rate continues to increase as people become desperate, and as a result, there is an increase in the demand for criminal defense attorneys and prosecutors.

In addition, the growth of the internet has created a demand for legal specialties in the following areas: intellectual property, patent, trademark and copyright, mergers and acquisitions, antitrust, and international business law.

### Salary Trends

Law firms of all sizes are increasing salaries for first-year associates in order to remain competitive in the current market. Attorney salaries depend on many factors, including, but not limited to, the following:

- Size and location of law firm
- Years of experience
- Type of employer (public sector vs. private sector)
- Practice area
- Ability to bring in business and maintain client relationships (book of business)
- Billable hour expectations
- Age

- Gender
- Travel requirements
- Law School ranking
- GPA ranking

Other lawyer resources and consulting services.