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RESEARCH | RESOURCES | RESULTS

Hiring, Attrition, and Early-Stage Legal Careers: The NALP Foundation's Latest Research



NALP 2023 AEC Presentation
April 27, 2023

CALNDAR YEAR
2022

UPDATE ON
**ASSOCIATE
ATTRITION**

Findings from a National Study of
Law Firm Associate Hiring and Departures

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STUDY OF
LAW SCHOOL ALUMNI
EMPLOYMENT & SATISFACTION

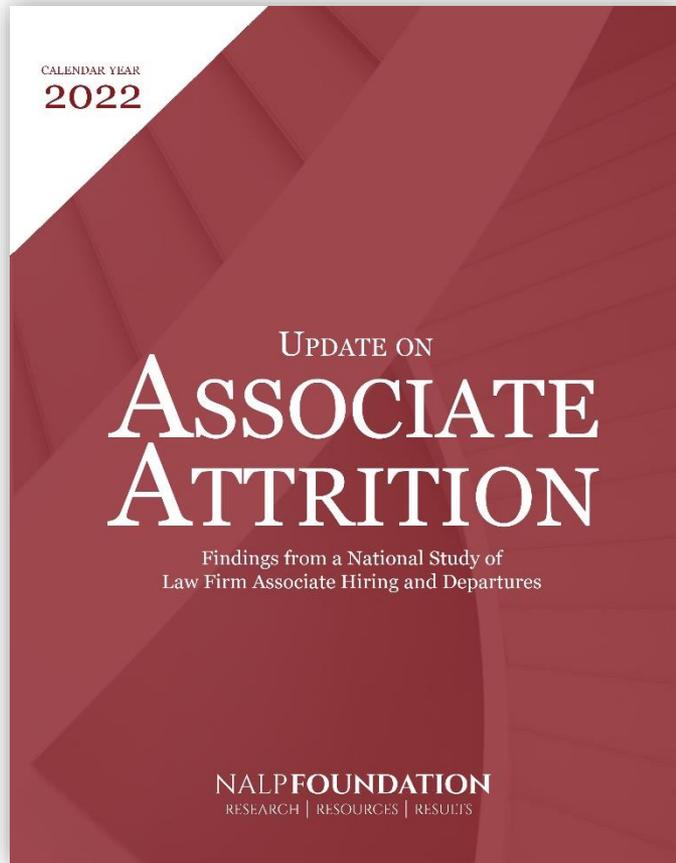
EMPLOYMENT OUTCOMES THREE YEARS AFTER GRADUATION

CLASS OF 2019

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Background and Methodology



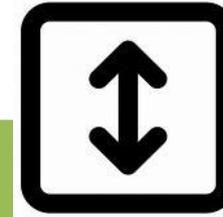
- Data collection January - February 2023.
- Data from 128 law firms across the U.S. and Canada.
 - 6,786 associate hires
 - 4,068 associate departures
- Empiric data aggregated; also segmented by firm size and demographic features.
- New this year:
 - Associate hiring by quarter
 - Advancement opportunities as factor for departures
 - Diversity, Equity and Inclusion (DEI), legal recruiting, and professional development roles as next destinations
 - Breakouts for firms with more than 1,000 attorneys
- Ongoing Queries:
 - Departure date tracking for each associate
 - Rehires
 - Departure reasons: DEI, support for mental health/well-being, community/connectivity, remote/flexible work, vaccination/testing policies
- Full report released April 18, 2023.

CY 2022 In Review



Reverted to Pre-Pandemic Levels

- ✓ Overall attrition rate
- ✓ Entry-levels leaving within one year
- ✓ Unwanted departure rates

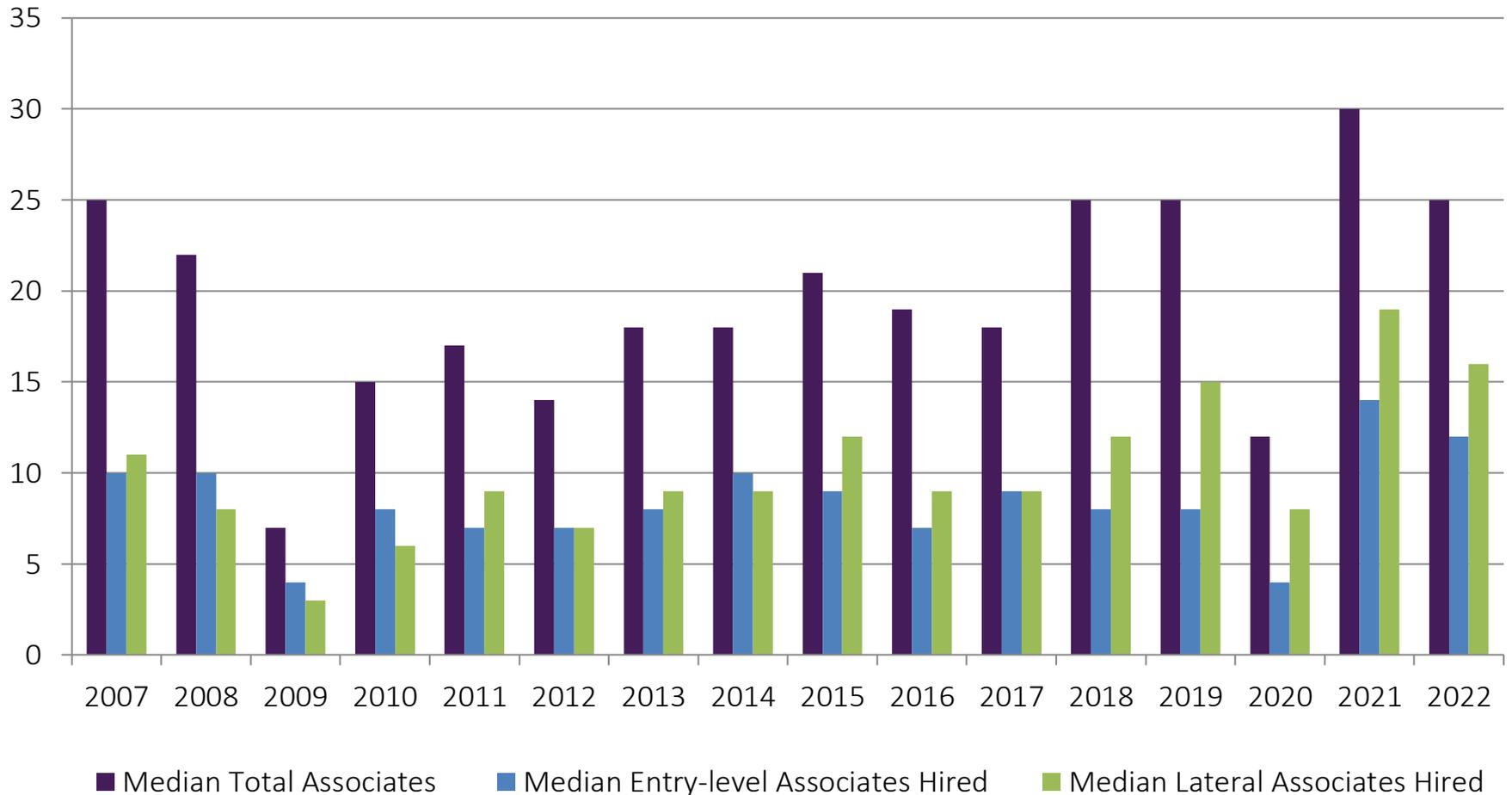


Shifts

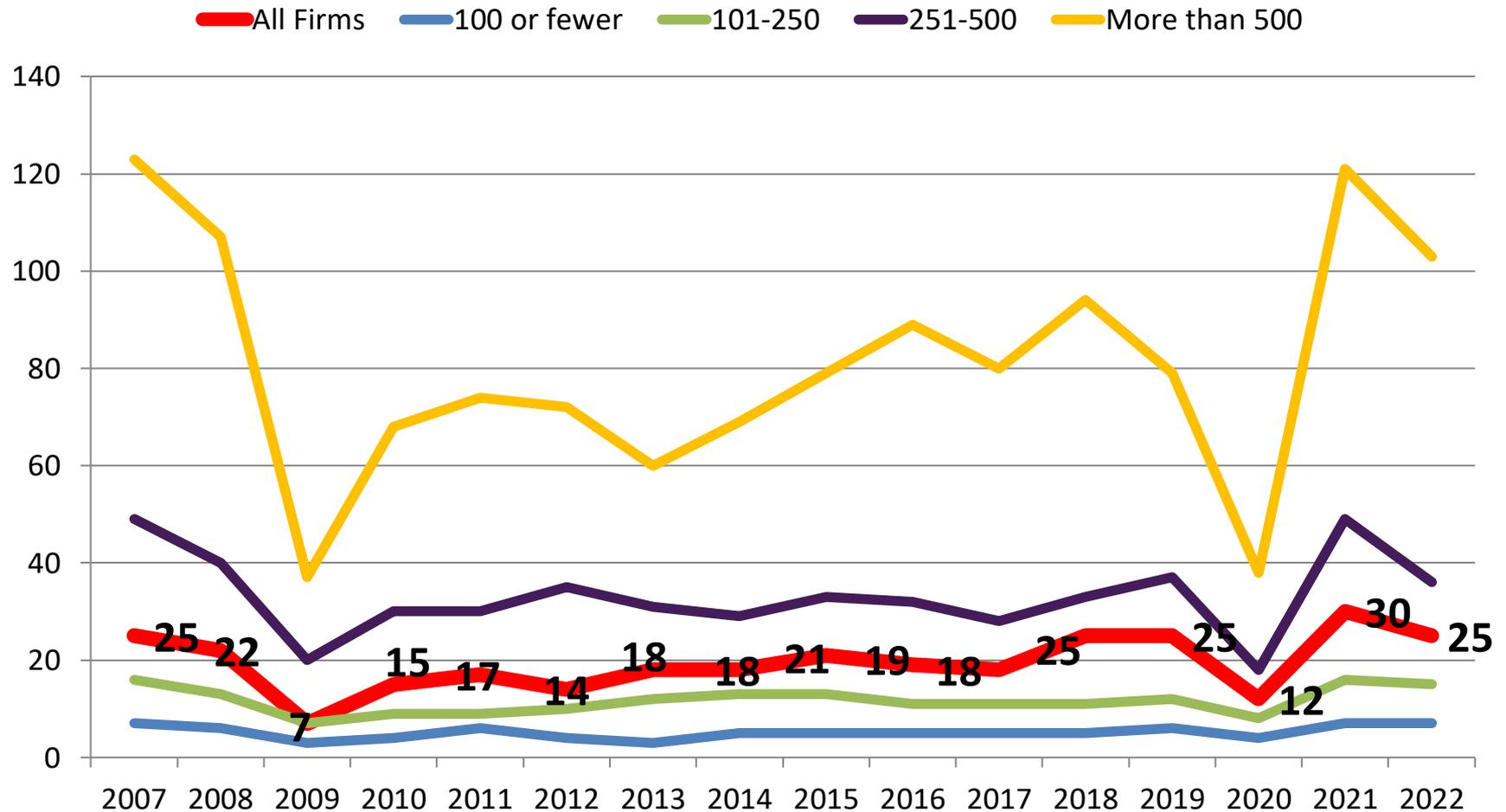
- ⬇ Overall associate hiring
- ⬆ Associates of color hiring
- ⬇ Boomerangs/Rehires
- ⬇ Number of departures
- ⬇ Attrition rate for associates of color
- ⬇ Laterals leaving within one year
- ⬆ Relocation emerged as leading reason for departures
- ⬇ Law firm associate as next position

Associate Hiring

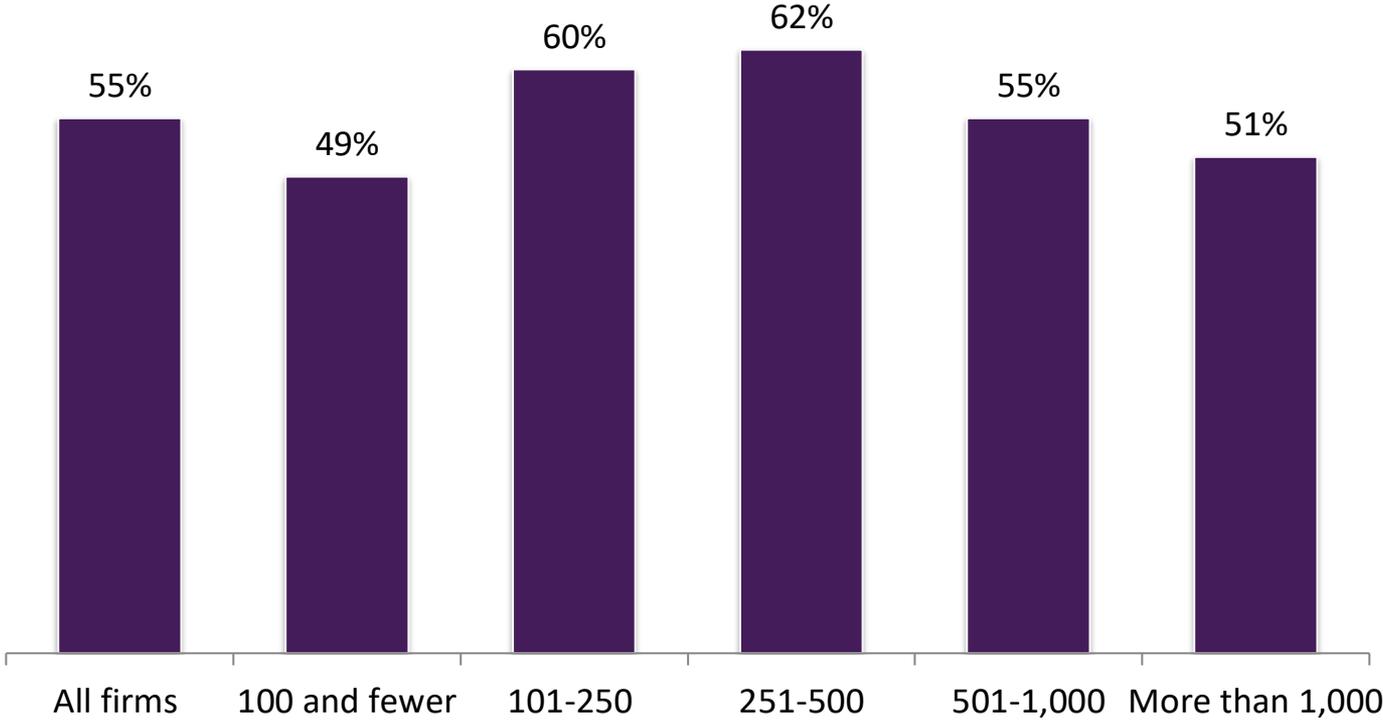
Associate Hiring 2007-2022



Associate Hiring by Firm Size 2007-2022



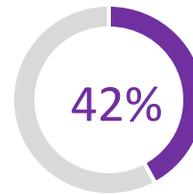
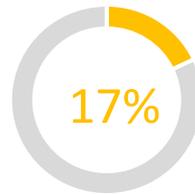
2022 Lateral Hires as a Percent of Total 2022 Associate Hiring



2022 Associate Hiring by Quarter



All associate hiring



	Q1	Q2	Q3	Q4
All associate hiring	18%	17%	42%	23%
100 or fewer	18%	17%	41%	24%
101-250	20%	19%	45%	17%
251-500	22%	20%	40%	19%
501-1,000	18%	17%	43%	22%
More than 1,000	17%	15%	40%	28%

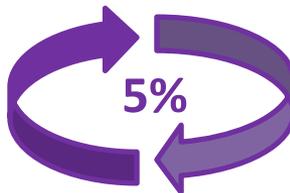
2022 Rehires as a Percent of Total 2022 Associate Hiring



- 48% of participating firms reported hiring at least one former associate.



- 21% of participating firms reported hiring at least one associate who both left and returned to their firm within 2022.



- “Boomerang” associates represented 5% of total 2022 associate hiring.



BOOMERANG

Associate Attrition

Associate Attrition Rate Overall and by Firm Size 2007-2022

Year	Overall	100 or fewer attorneys	101-250 attorneys	251-500 attorneys	More than 500 attorneys
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%

2022 Associate Attrition Rate Overall and by Law Firm Size

	Law Firm Size				
Overall	100 or fewer attorneys	101 – 250 attorneys	251 – 500 attorneys	501-1,000 attorneys	More than 1,000 attorneys
Mean: 20% Median: 20% Range: 0%-39% (n=127)	Mean: 16% Median: 16% Range: 0%-35% (n=15)	Mean: 21% Median: 21% Range: 3%-38% (n=43)	Mean: 21% Median: 20% Range: 6%-39% (n=27)	Mean: 20% Median: 20% Range: 4%-26% (n=29)	Mean: 18% Median: 18% Range: 16%-21% (n=13)
Attrition Rate: Total associate departures 1.1-12.31.22/total employed as of 1.1.22. Firms with incomplete data not included in the calculations.					

2022 Associate Attrition Rates by Demographic Cohorts and Regions

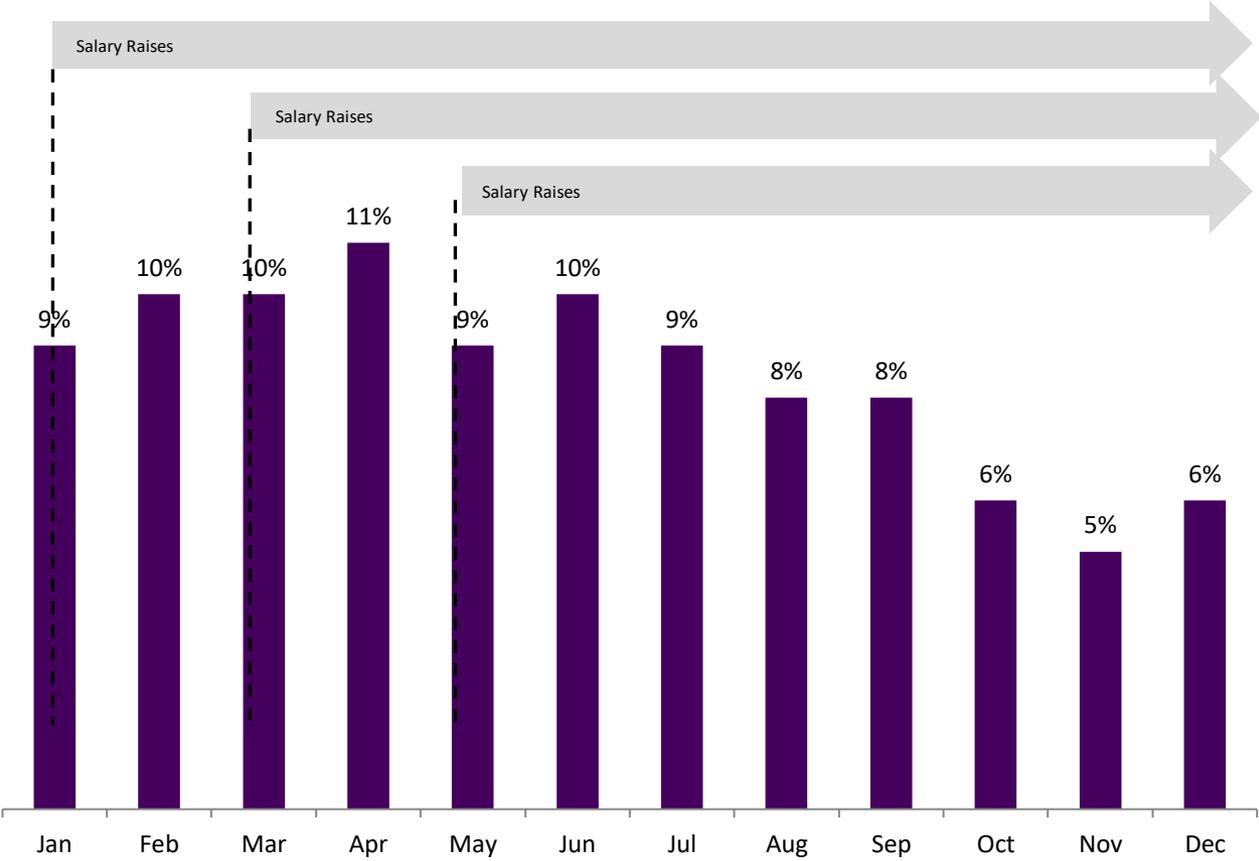
Overall
20%

- Male – 20%
- Female – 19%
- Non-binary – 14%

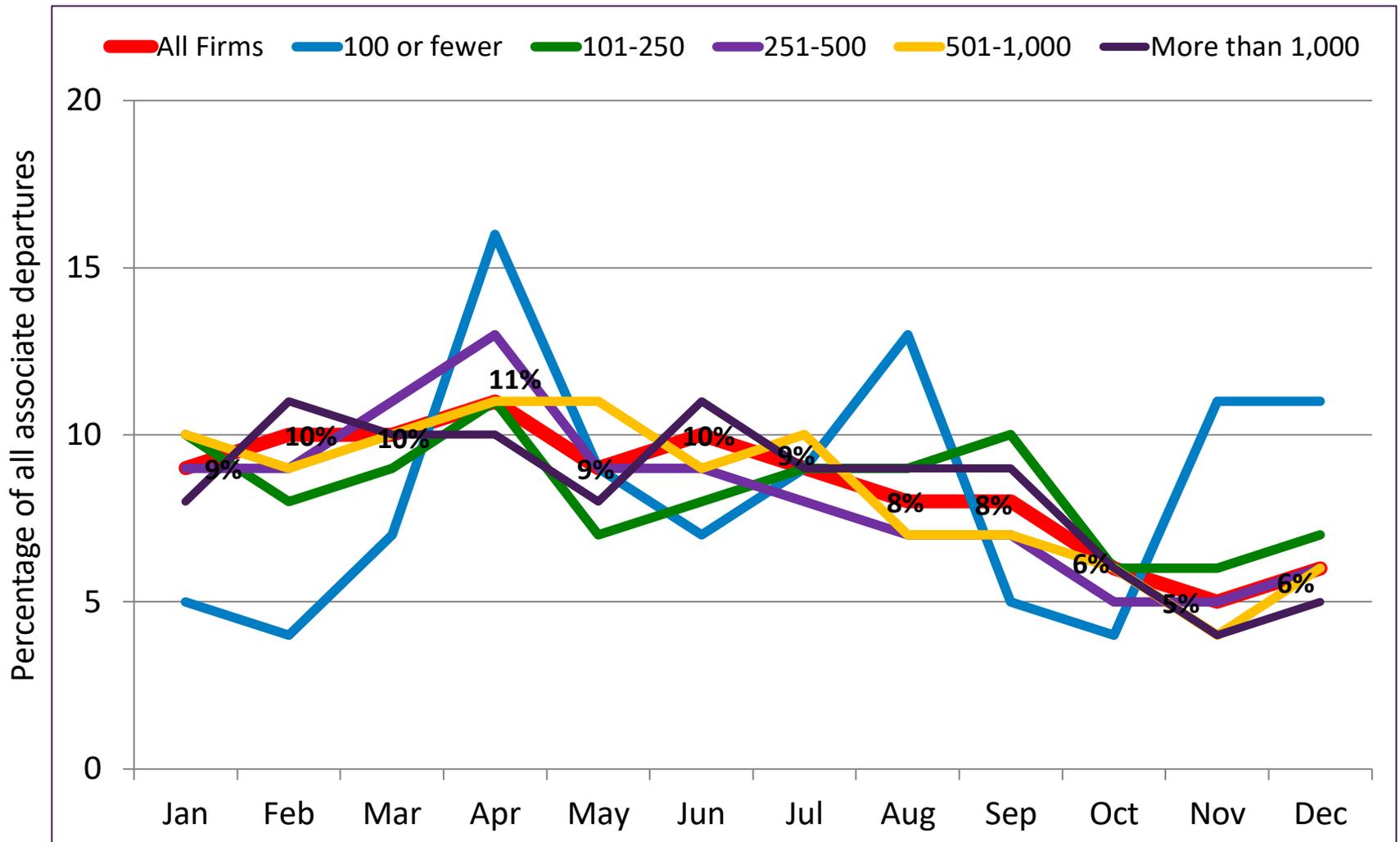
- White/Caucasian – 18%
- Associates of Color – 26%

- Mid-Atlantic – 21%
- Midwest – 19%
- Northeast – 18%
- Southeast – 20%
- West/Rocky Mountain – 21%

2022 Associate Departures by Month



2022 Associate Departures by Month and Firm Size



Reasons for Departures

2022 Reasons for Departures

Top Reasons

All Entry-Level Associates	
Pursuit of specific practice interests	19%
Career change to other legal job type	15%
Relocation	11%
Better support for work-life balance	8%
Work quality standards not met	7%
Better compensation/bonuses	7%
Desire to gain a more regular schedule	7%

All Lateral Associates	
Career change to other legal job type	17%
Pursuit of specific practice interests	15%
Work quality standards were not met	13%
Better compensation/bonuses	11%
Better support for work-life balance	9%

COVID-19 Related Reasons

All Entry-Level Associates	
Vaccination/testing policy	<1%
Return to office policy	1%
Health/health of dependent/family member	<1%
Dependent care	<1%
Downsizing due to COVID-19	<1%
Furloughed prior to departure	0%
Dependent educational needs	0%

All Lateral Associates	
Vaccination/testing policy	<1%
Return to office policy	<1%
Health/health of dependent/family member	<1%
Dependent care	<1%
Downsizing due to COVID-19	0%
Furloughed prior to departure	0%
Dependent educational needs	0%

Support/Balance Related Reasons

All Entry-Level Associates	
Desire for remote/flexible work arrangements	2%
Desire for more DEI within organization	1%
Better support for well-being/mental health	1%
Lack of community/desire for connectivity	2%

All Lateral Associates	
Desire for remote/flexible work arrangements	3%
Desire for more DEI within organization	1%
Better support for well-being/mental health	1%
Lack of community/desire for connectivity	2%

Departure Destinations

2022 Departure Destinations

	Overall	Entry-Level	Lateral
Law Firm Associate	41%	42%	39%
Corporate in-house counsel	23%	20%	27%
“Unknown destination”	11%	8%	14%

Status at Time of Departure

Status at Time of Departure Entry-Level Associates

Year	Associate's Departure was...		
	Unwanted	Desired	Neutral
2022	63%	13%	24%
2021	70%	12%	18%
2020	58%	22%	20%
2019	66%	16%	18%
2018	64%	16%	21%
2017	59%	20%	21%
2016	60%	23%	17%
2015	64%	21%	15%
2014	56%	20%	26%
2013	51%	24%	25%
2012	54%	22%	24%
2011	57%	22%	21%
2010	53%	24%	23%
2009	31%	42%	26%
2008	45%	26%	29%
2007	50%	31%	19%

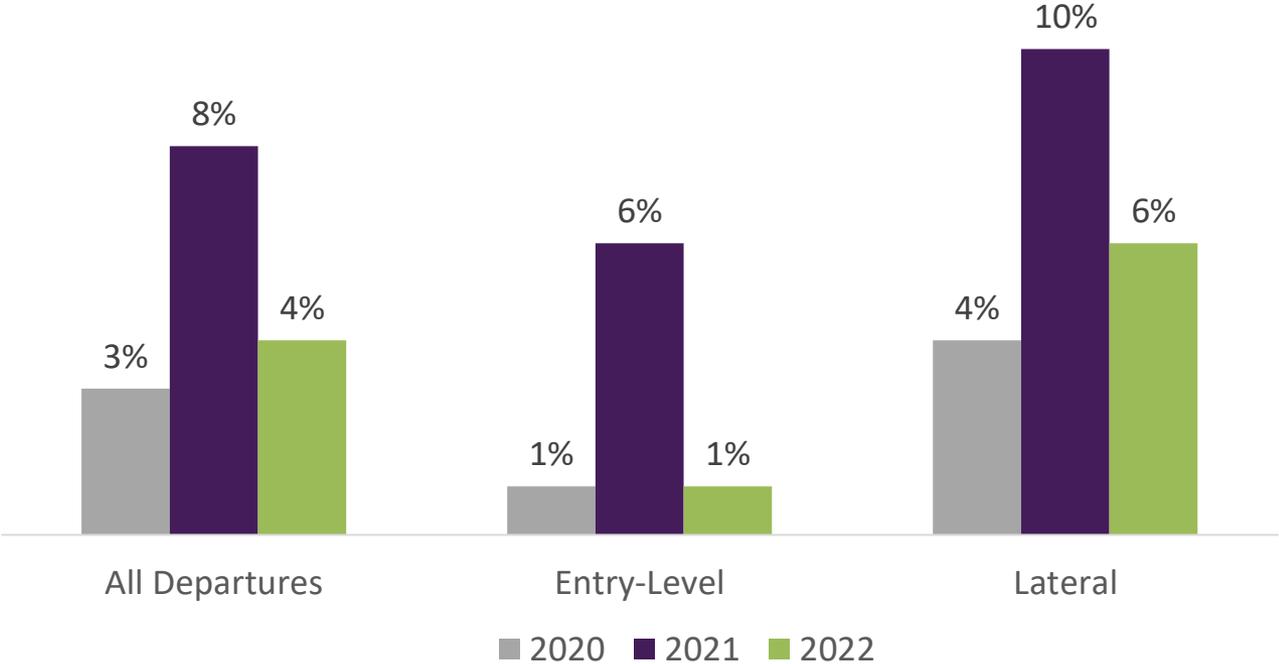
Status at Time of Departure Lateral Associates

Year	Associate's Departure was...		
	Unwanted	Desired	Neutral
 2022	58%	20%	22%
2021	63%	17%	20%
2020	56%	28%	16%
2019	62%	21%	17%
2018	56%	22%	23%
2017	49%	28%	24%
2016	51%	27%	22%
2015	52%	33%	14%
2014	50%	25%	25%
2013	41%	31%	28%
2012	45%	30%	25%
2011	45%	30%	25%
2010	44%	30%	26%
2009	25%	49%	26%
2008	36%	36%	28%
2007	39%	31%	30%

Tenure with Firm at Time of Departure

Associate Departures by Tenure – Within 1 Year of Hire

% Departing Within 1 Year of Hiring Year



Associate Departures by Tenure – Within 5 Years of Hire

78%
Overall

Longer Tenures

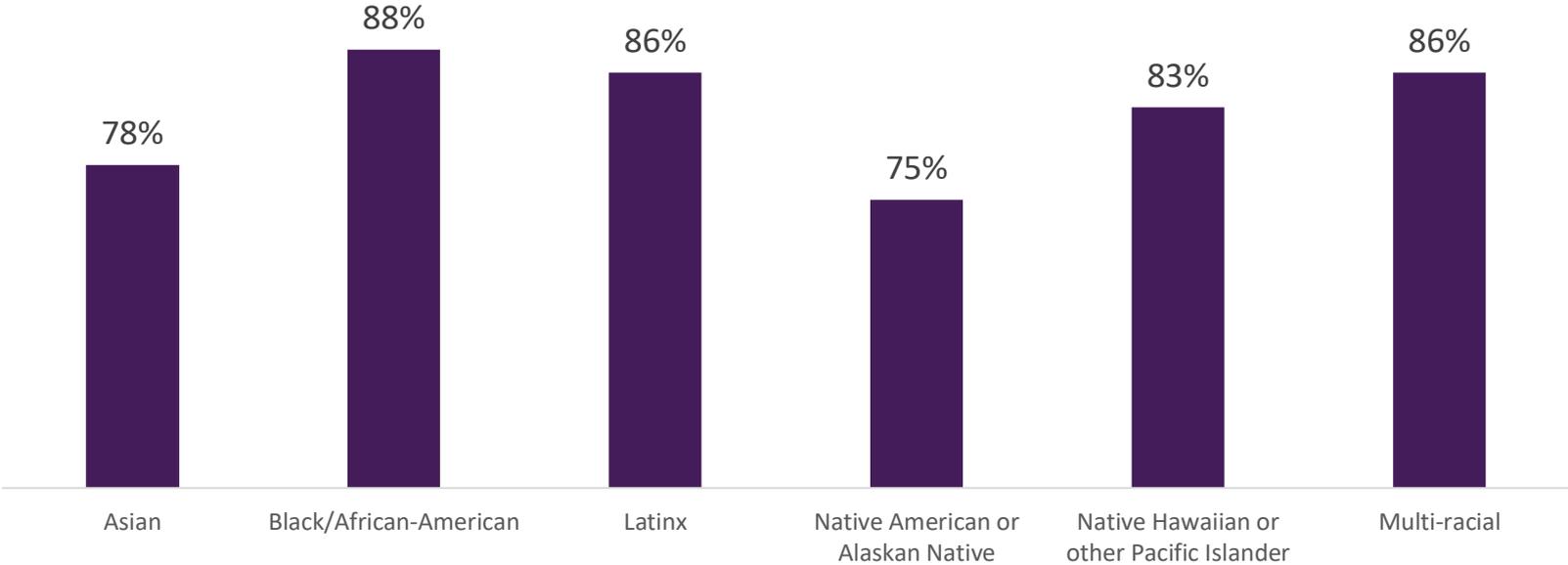
- Entry-Level Associates – 71%
- Summer Associates – 70%
- White/Caucasian Associates – 75%

Shorter Tenures

- Lateral Associates – 85%
- Non-Summer Associates – 84%
- Associates of Color – 84%

Associate of Color Departures by Tenure – Within 5 Years of Hire

% Departing Within 5 Years of Hiring Year



Using Attrition Study Data

Law Firms

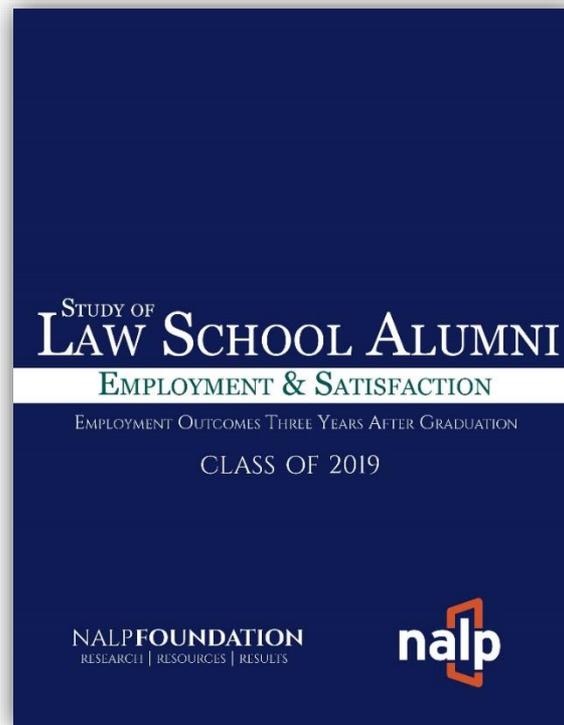
- Benchmarking firm attrition rates against national averages and peer firms
 - Overall
 - By specific associate cohorts
 - Departure date tracking
- Identifying areas that may warrant further organizational attention
- Assessing optimal weight between entry-level and lateral recruiting
- Impact of summer programs on retention
- Lateral sourcing

Law Schools

- Tool and resource for
 - Student advising
 - CSO education
- Differentiating employers
- Alumni advising

Law School Employment & Satisfaction

Classes of 2010 - 2019



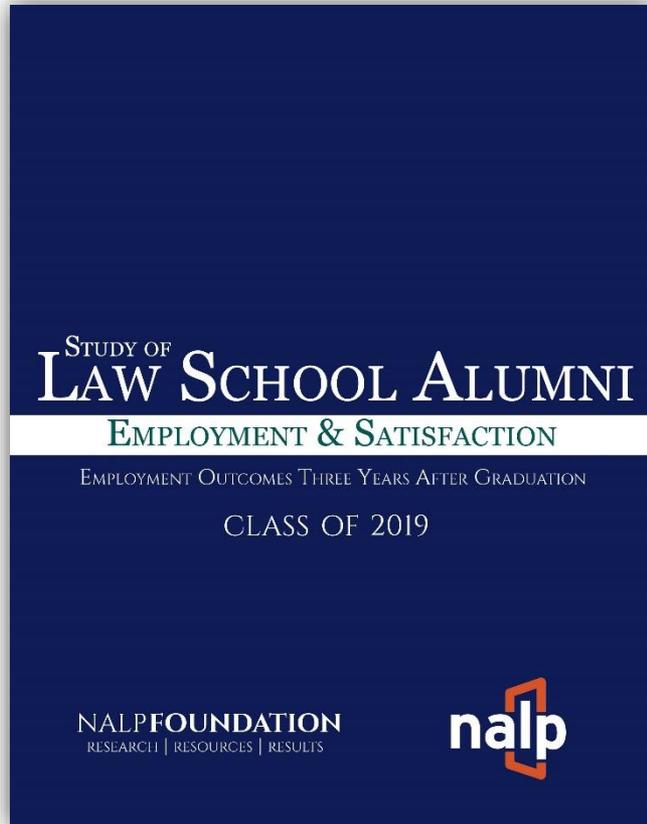
Background & Methodology

- Study developed by The NALP Foundation and NALP to obtain data beyond the ABA/NALP 10-month post-graduation reporting mark on:
 - Employment
 - Career satisfaction
 - Return on investment in legal education
- Frequency and scope:
 - Class of 2010 Beta study
 - Conducted annually since then
 - Expanded in 2017 to include Canadian law schools
- All ABA accredited law schools invited to participate via their Deans each year.
- Each school's primary contact receives a unique survey link to share with their alumni, as well as a study distribution guide.
- Aggregate results from over 23,000 alumni.

Report Coverage

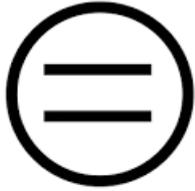
- Part I: Employment Status
- Part II: Annual Compensation
- Part III: Mobility
- Part IV: Work Setting and Career Trajectory
- Part V: Dimensions of Satisfaction
- Part VI: Experiential Learning Opportunities
- Part VII: Post-Graduate Engagement
- Part VIII: Educational Debt
- Part IX: Ongoing Pandemic Impacts

Class of 2019 Study



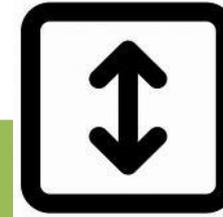
- Generous grant from AccessLex Institute:
 - Supporting participation of 6 HBCU law schools
 - Additional law schools with significant levels of students and alumni from groups underrepresented in the legal profession
- Data collection November 2022 through January 2023.
- Reflects the aggregate information collected from 2,290 alumni responses:
 - 1,927 alumni from 42 U.S. law schools
 - 363 alumni from five Canadian law schools
- New questions added to address:
 - Professional identity formation
 - Prior work experience
 - Recruitment timing for post-graduate positions
 - Reasons for job changes
- Continued to examine:
 - Alumni preferences re engagement with law schools
 - Educational debt
 - Remote work
 - Pandemic's ongoing effect on alumni careers

Class of 2019 In Review



Aligned with Prior Studies

- ✓ Number of jobs held
- ✓ Higher mobility for alumni of color



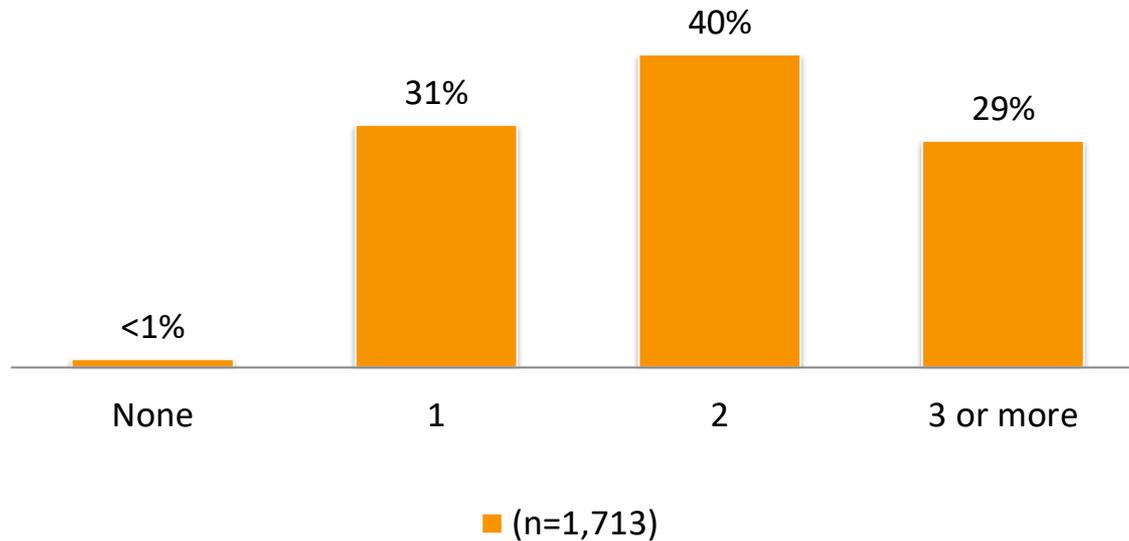
Shifts

- ↓ Intentions to seek new job
- ↑ Male mobility levels (2+ jobs); mirroring female rates
- ↑ Educational debt
- ↑ Compensation more than \$300,000
- ↑ Pandemic's effect on mental health and well-being
- ↑ Graduates working hybrid
- ↓ Graduates working from home

Mobility

Mobility: Number of Jobs Class of 2019

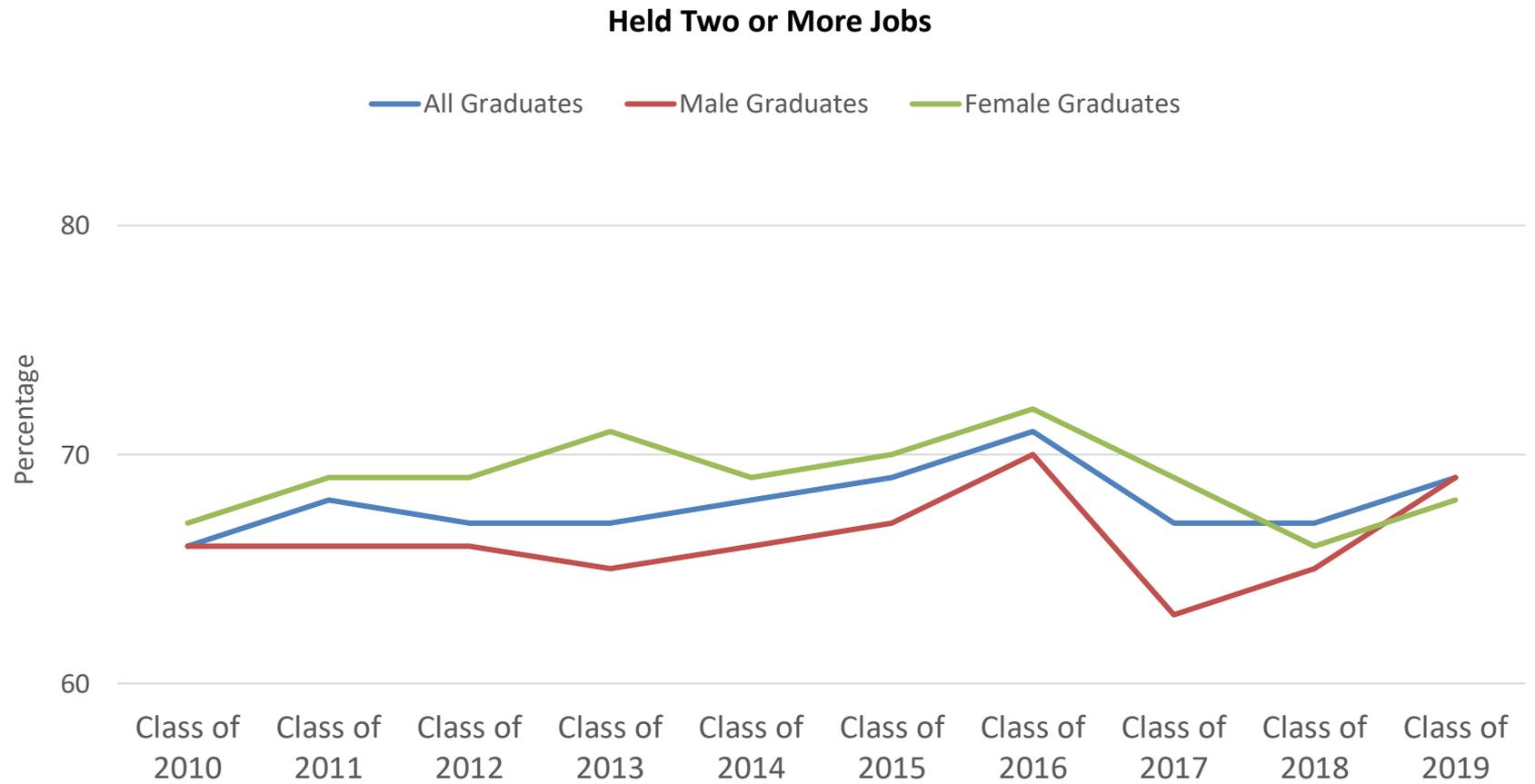
Total Number of Jobs Held Since Graduation



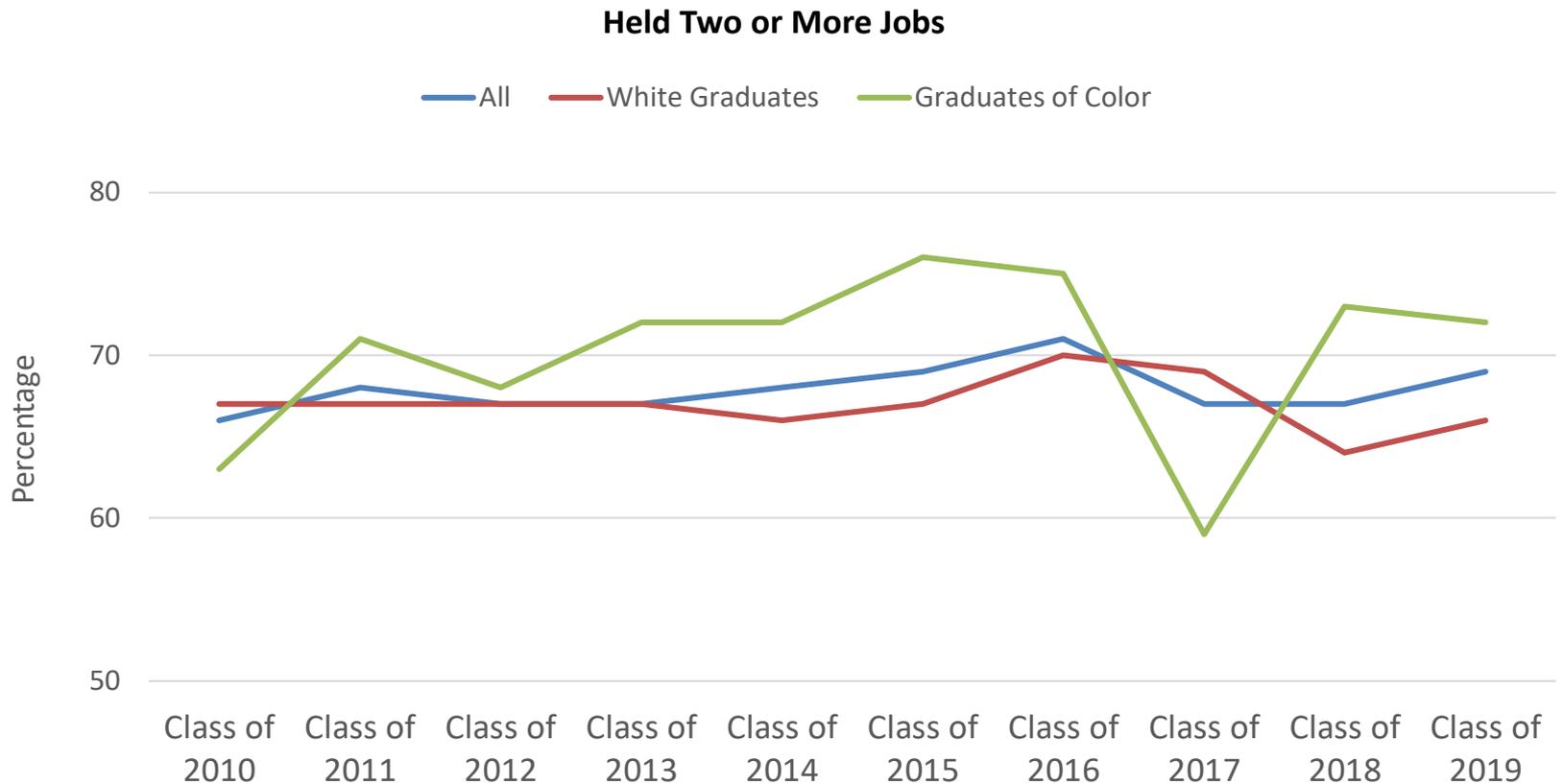
All percentages have been rounded.

Mobility: Number of Jobs Since Law School Graduation

Classes of 2010-2019



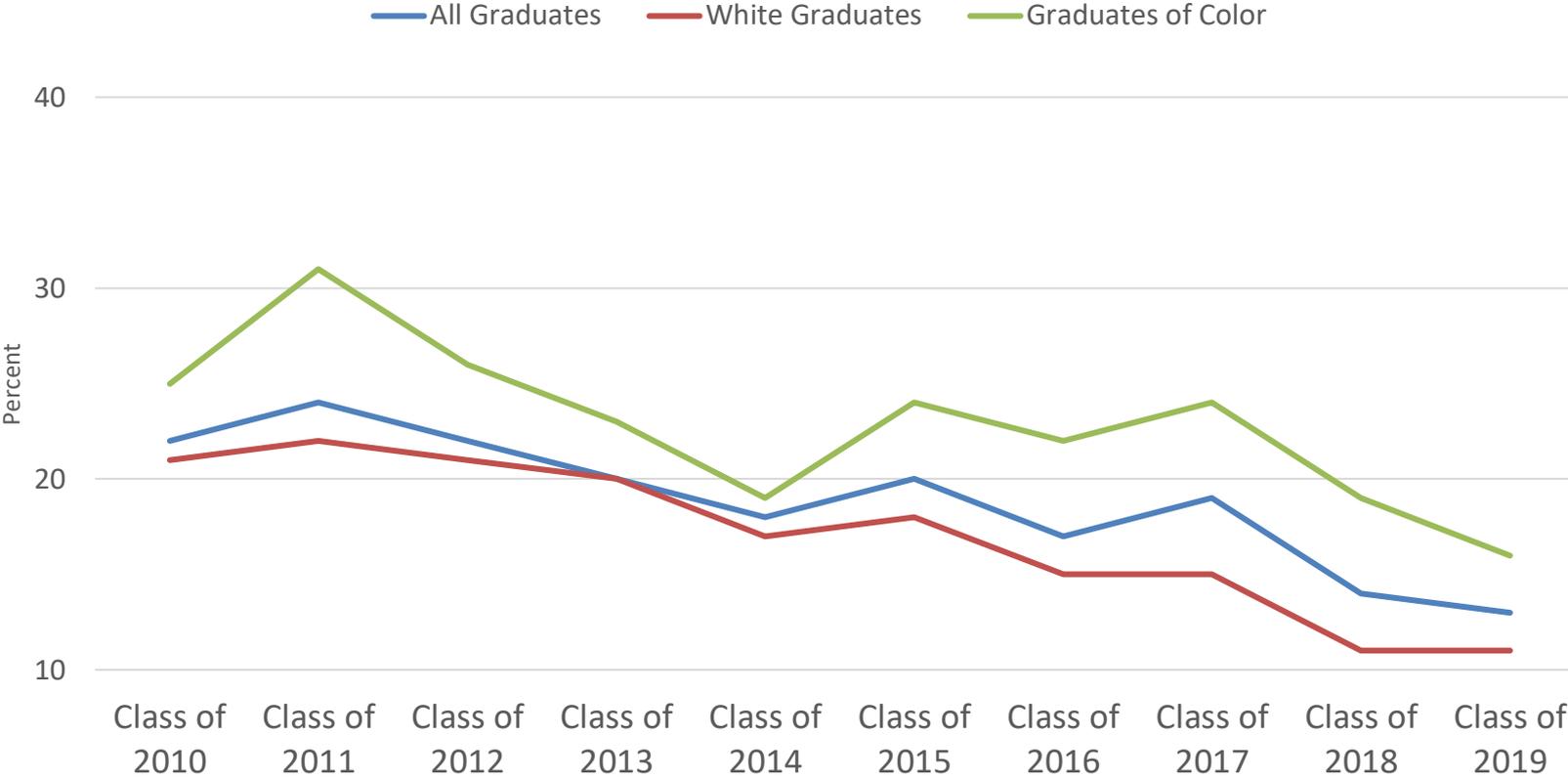
Mobility: Number of Jobs Since Law School Graduation Classes of 2010-2019



Mobility: Intentions to Change Jobs

Classes of 2010-2019

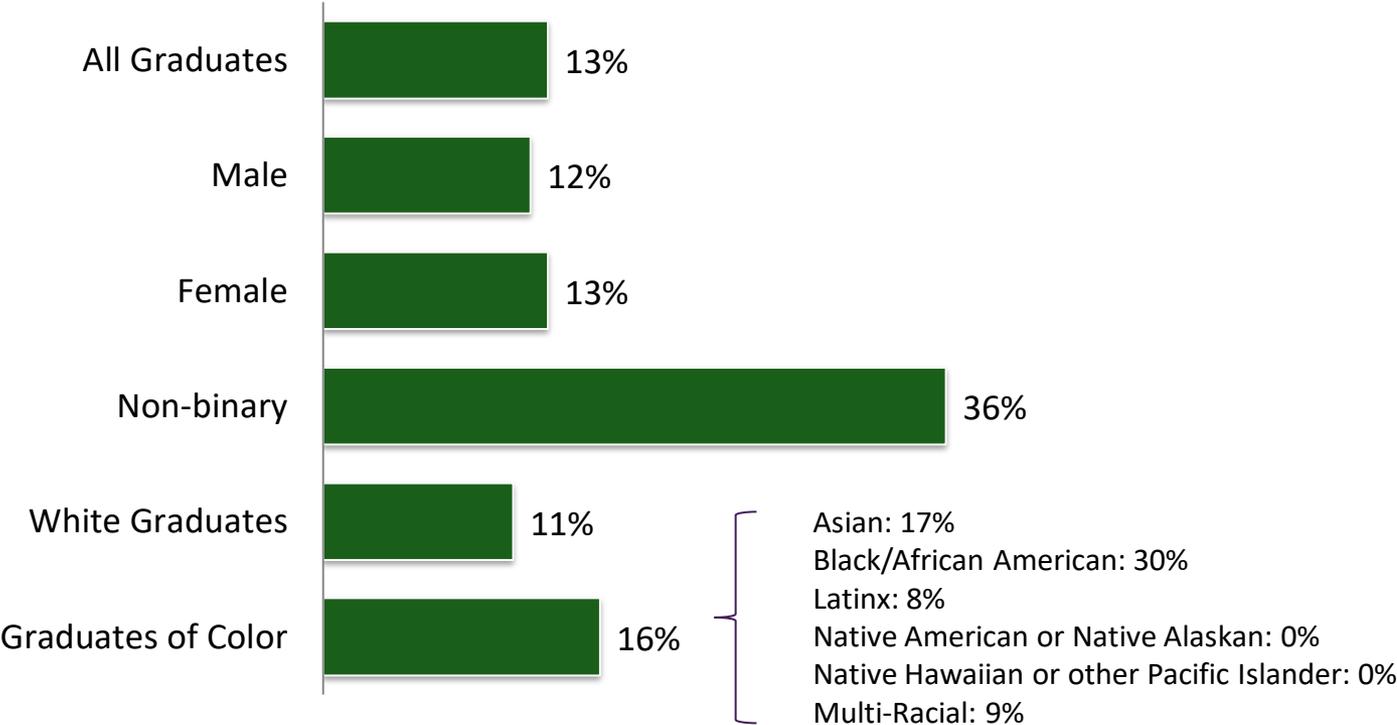
Actively Seeking New Job



Mobility: Intentions to Change Jobs

Class of 2019

Actively Seeking Another Job



Reasons for Job Change Class of 2019

Top	• Better compensation/bonuses	62%
	• Attitude or “fit” concerns	42%
Next Level	• Better support for work-life balance	39%
	• No clear advancement path/prospects	37%
	• Better benefits	37%
	• Pursuit of specific practice interests	35%
	• Desire for enhanced training and development	35%
	• Desire for mentors or role models	35%
Third Level	• Career change to other legal job type	22%
	• Better support for well-being/mental health	27%

Reasons for Job Change Class of 2019

COVID Related

- Downsizing due to COVID-19 6%
- Return to office policy 7%
- Vaccination/testing policy 2%
- Dependent care 2%

Support/ Balance Related

- Desire for remote/flexible work arrangements 19%
- Desire for more DEI within organization 14%
- Lack of community/desire for connectivity 14%

Satisfaction/Risk Factors

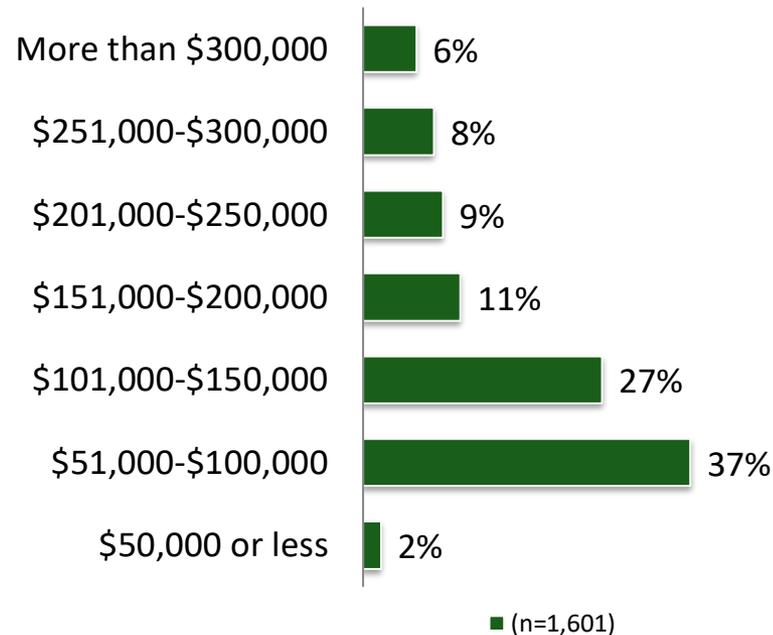
Satisfaction with Aspects of Current Job Class of 2019



On a 5-point scale: 5 equals "extremely satisfied," 1 equals "extremely dissatisfied."

Total Annual Compensation Class of 2019

Employed Respondents



**Note: Figures are for full-time, long-term jobs lasting more than one year, and includes salary, bonus, and profit sharing. All percentages have been rounded.*

Work Location as a Factor in Job Satisfaction

Class of 2019

Employed Respondents

82%



100% Remote

86%



100% In Person/Office

86%



Hybrid

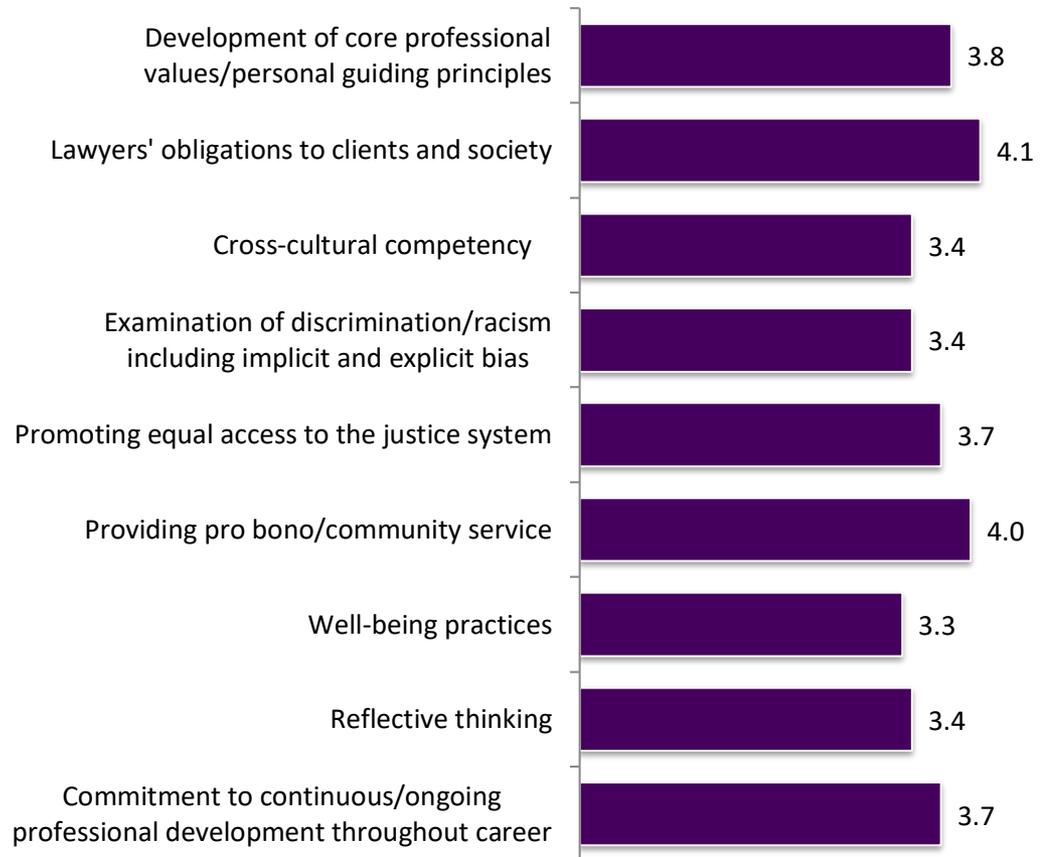
Professional Identity Formation

Professional Identity: Early Career Development



Professional Identity Formation Class of 2019

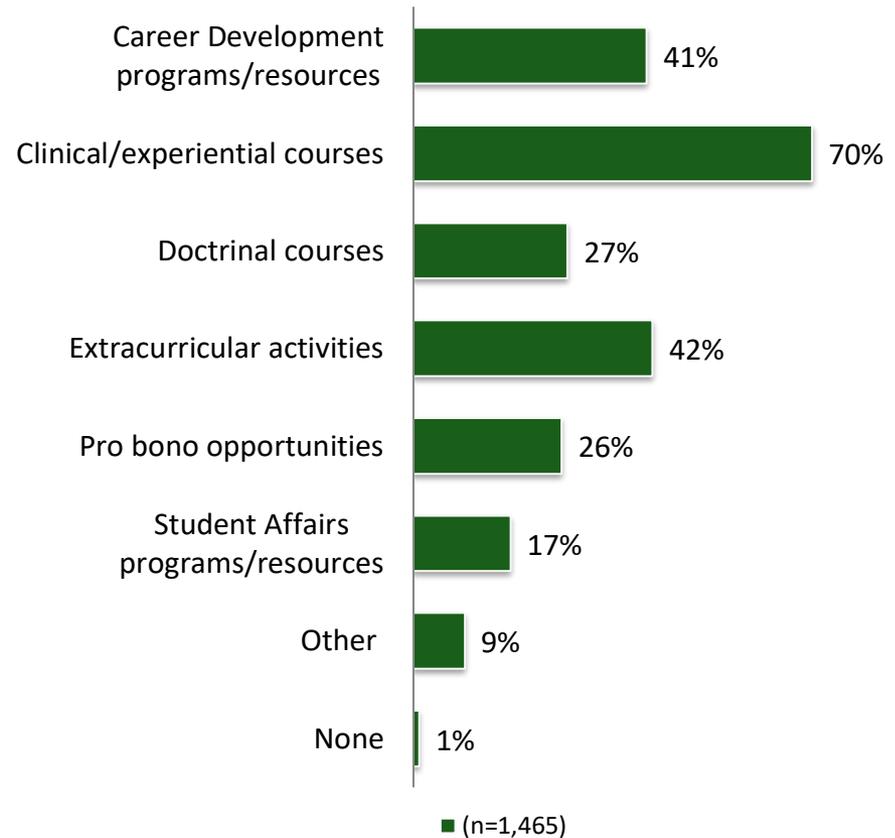
Efficacy of
Law School
Preparation
(Mean)



5-point scale: 5 equals "extremely effective," 1 equals "not at all."

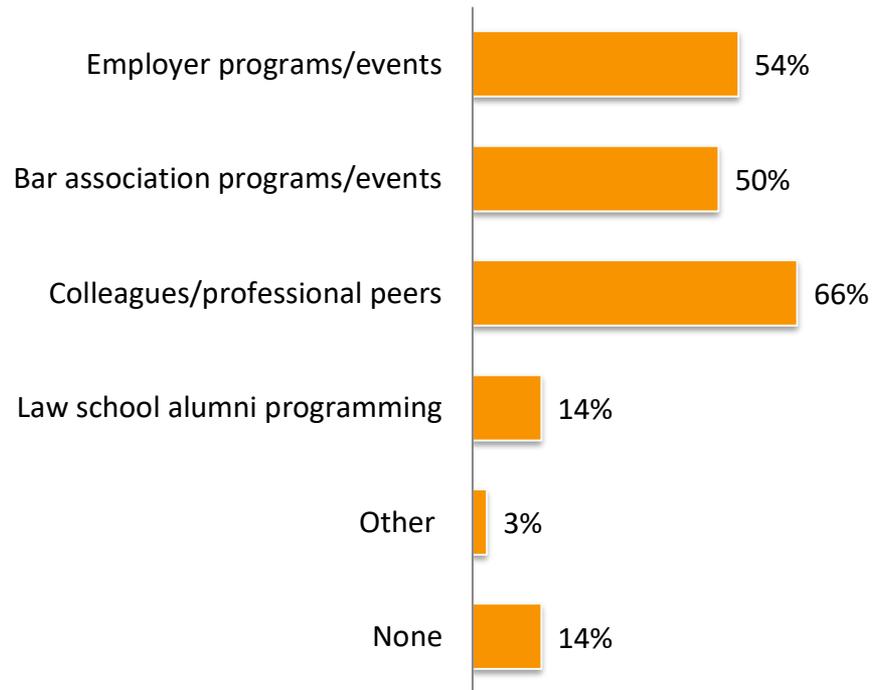
Resources for Developing Professional Identity Class of 2019

Most Helpful
During
Law School



Resources for Developing Professional Identity Class of 2019

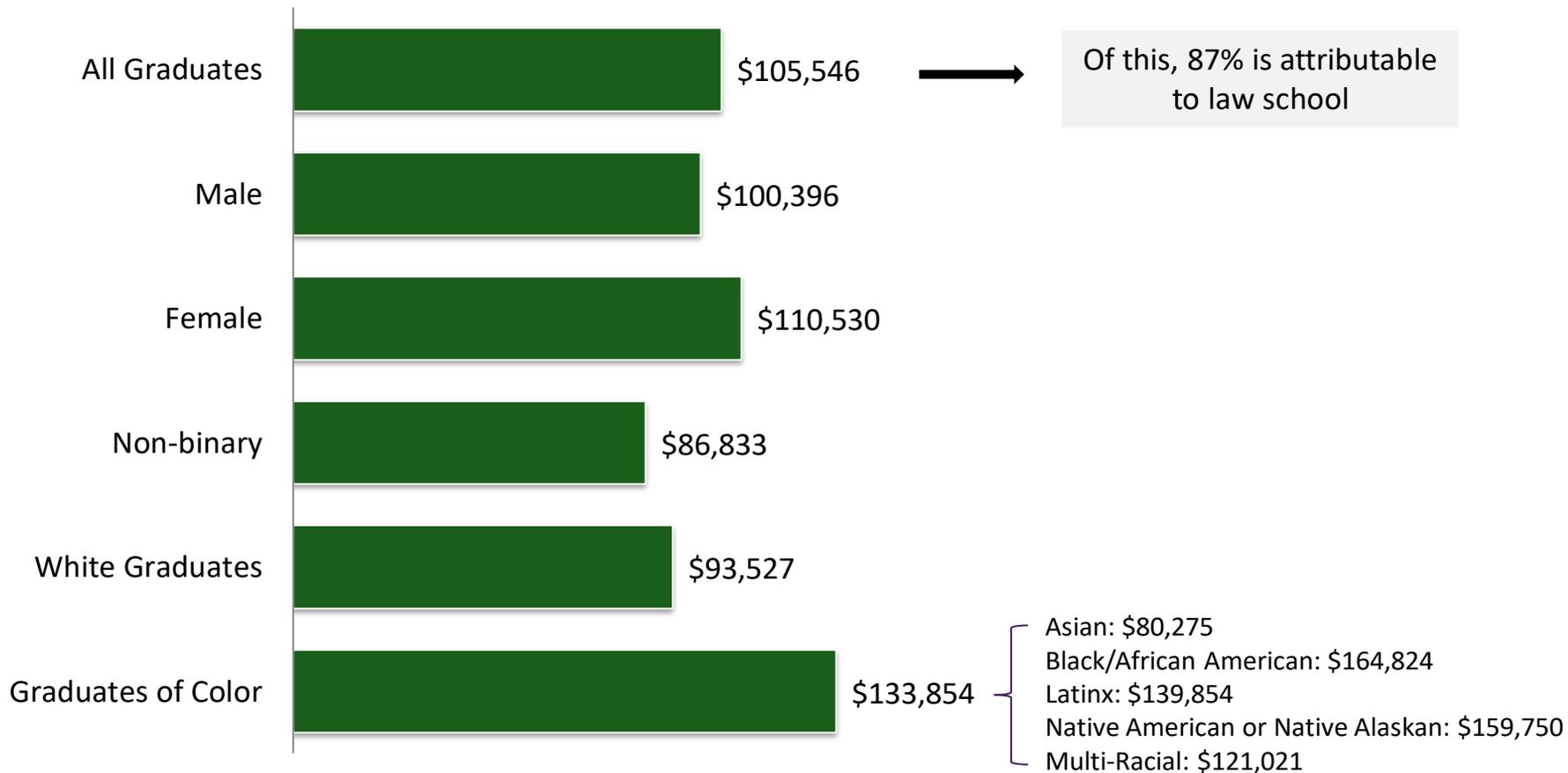
Most Helpful
Post-
Graduate



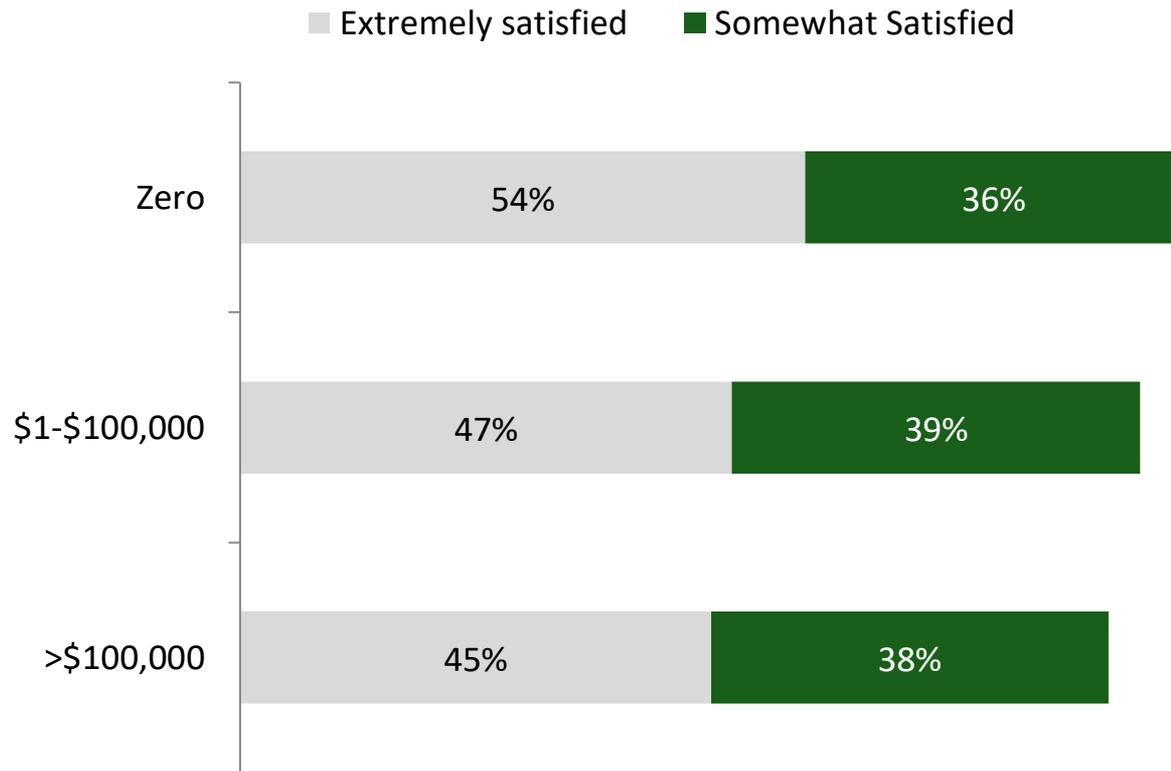
■ (n=1,500)

Educational Debt and Impact

Educational Debt Remaining (Mean) Class of 2019



Impact of Debt on Job Satisfaction Class of 2019



Debt: Personal and Professional Impacts

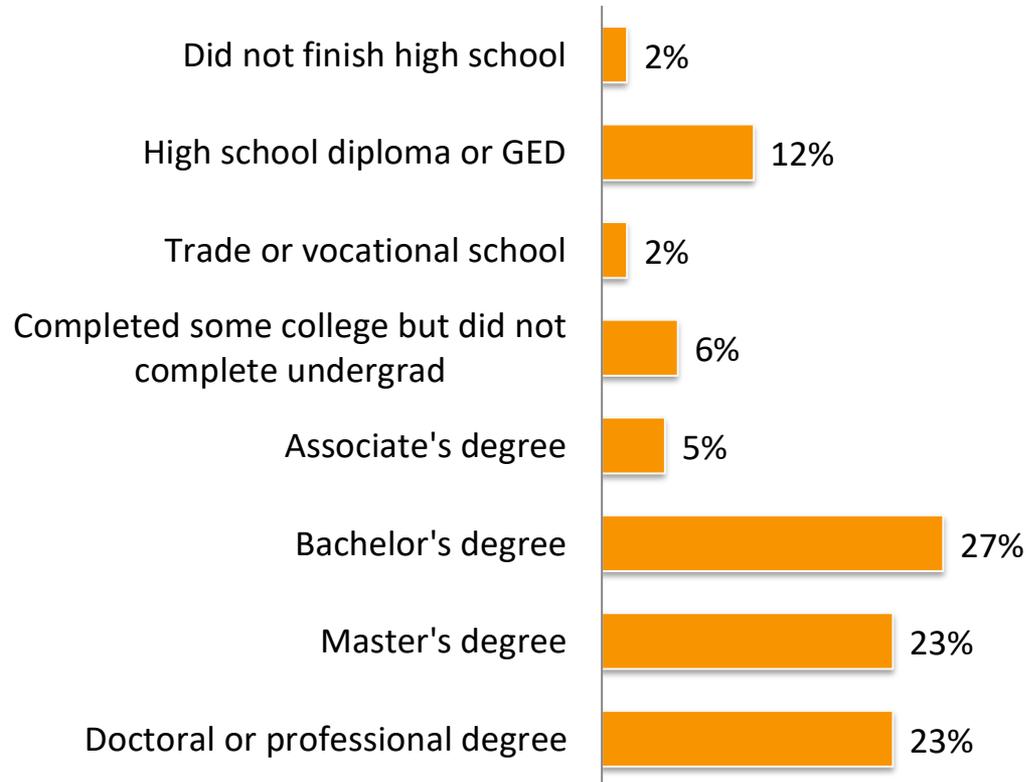
Class of 2019

	Zero Debt	\$1-\$100,000	>\$100,000
Job choice	5%	42%	56%
Left the legal profession	<1%	2%	3%
Affected what sector to work in	2%	25%	35%
Delayed home ownership	5%	48%	58%
Affected when to have children	3%	35%	45%
Affected where to live	3%	43%	54%
Negative impact on mental health and well-being	3%	40%	59%
Other	<1%	5%	5%
No impact	5%	17%	7%

All percentages have been rounded.

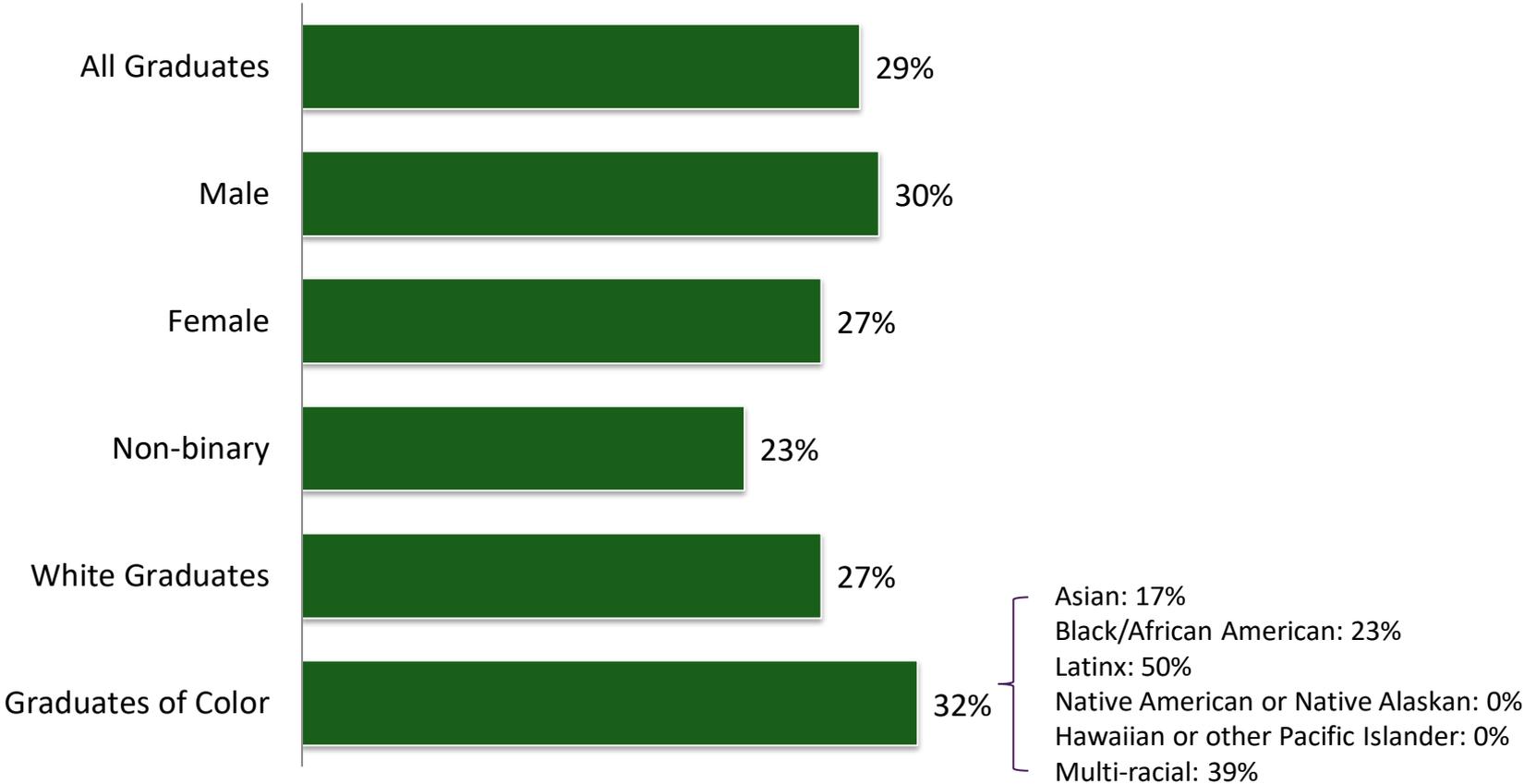
First-Generation

Highest Level of Education Completed by Either Parent/Guardian Class of 2019



All percentages have been rounded.

One or More Parent/Guardian with JD Class of 2019



Ongoing Pandemic Impacts

Impact of Pandemic Class of 2019

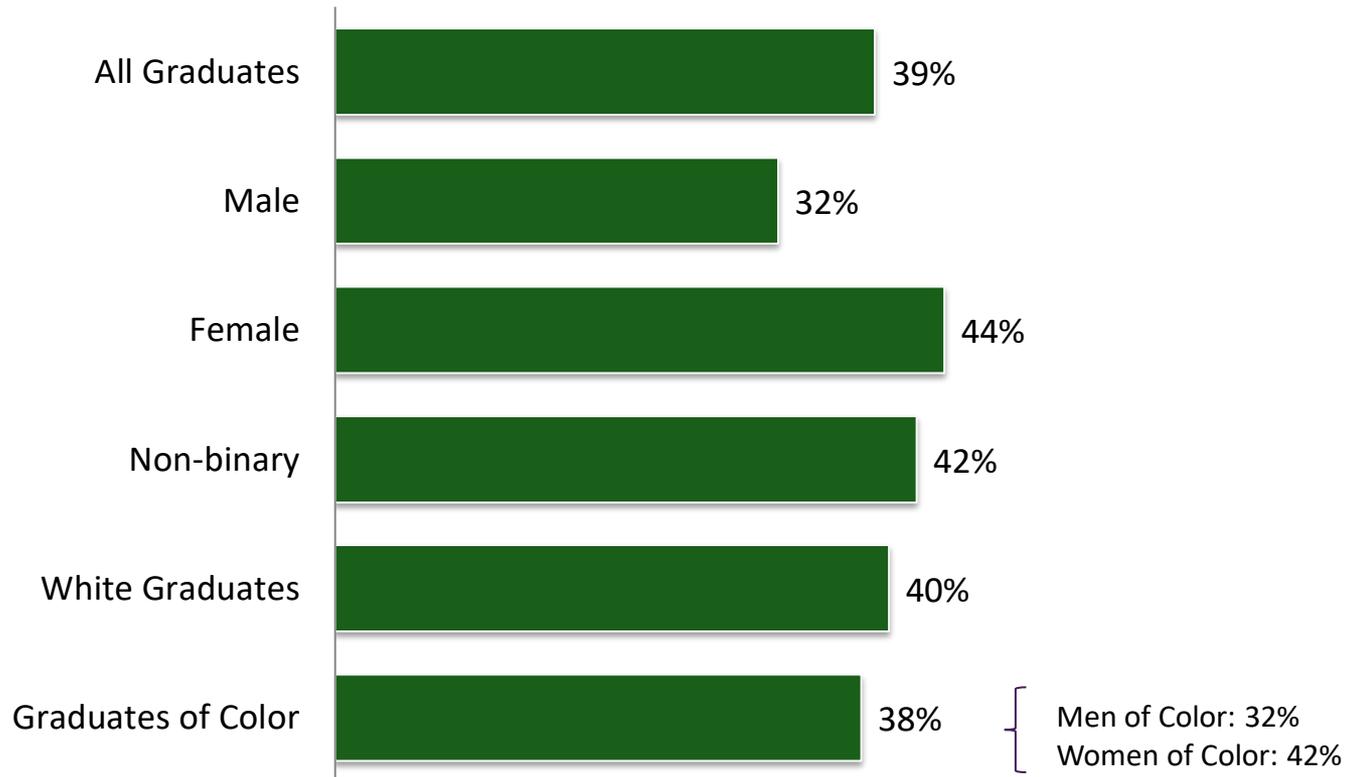
Effect of COVID-19:

- Work from home: 57%
- Affected mental health & well-being: 39%
- Affected educational loan repayment: 32%
- Changed jobs: 24%
- Positive effect: 20%
- No noticeable impact: 18%

Impact on work location:

- Hybrid: 57%
- 100% in person at the office: 30%
- 100% remote work from home: 13%
- Alumni working 100% remote reported lower overall job satisfaction.

Pandemic Effect on Mental Health & Well-Being Class of 2019



Using Alumni Study Data

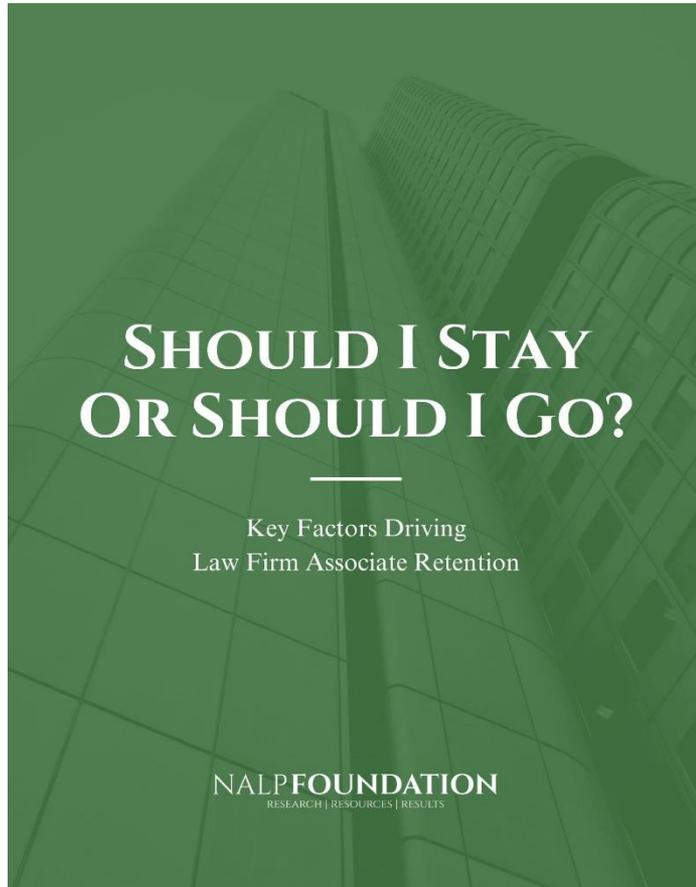
Law Schools

- **Faculty:** Curricular planning for doctrinal, skills-based, and experiential offerings
- **Administration:** Benchmarking against other schools, nationally and locally
- **Alumni/Development:** Non-financial engagement opportunity for building connectivity with alumni
- **Admissions:** Empiric data to support unique or highly regarded aspects of the law school experience
- **Marketing:** Narrative responses and survey statistics can be used in marketing efforts

Employers

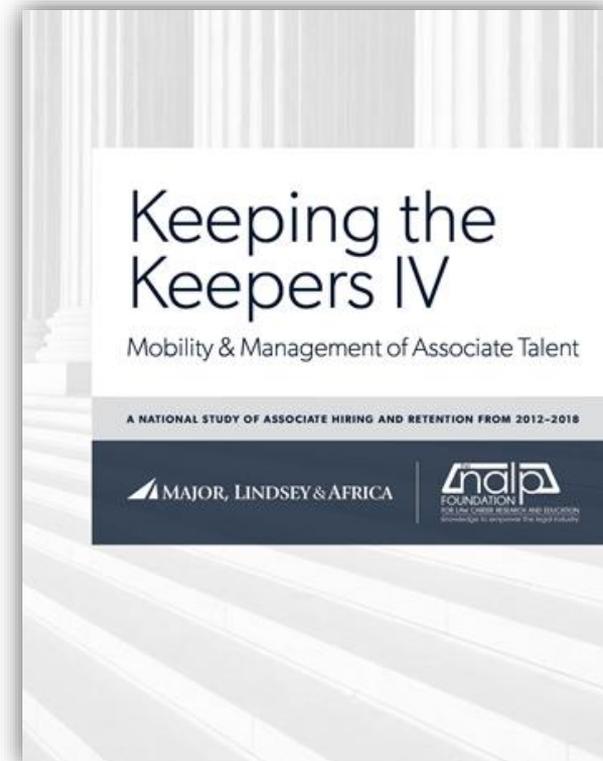
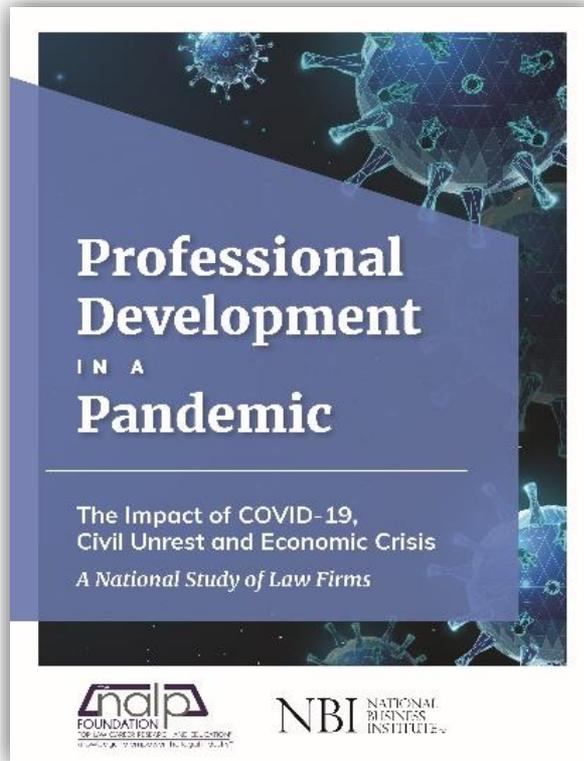
- **Assessment:** Aligning hiring criteria, professional development focus, and evaluation competencies with law school preparation
- **Law School Recruiting:** Identifying law schools with close alignment to employer needs
- **Competencies:** Curricular comparisons between law schools
- **Retention:** Framework for assessing associate mobility/attrition
- **Lateral Recruiting:** Identifying potential talent pools for lateral searches

Stay Survey Coming Soon!



- Key reasons driving associates to stay at their firms.
- Advisory Board, including industry experts from leading law firms.
- Queries re variety of topics:
 - Work allocation/work flow
 - Compensation (salary/bonus/other)
 - Professional Development/Training (formal/informal)
 - Policies (billable hours/credit, leave, remote/flexible work/etc.)
 - Mentoring
 - DEI
 - Pro Bono/Community Involvement
 - Culture/Social Ties
 - Mental Health/Well-being Support
 - Benefits
 - Market perception of firm
- Empiric data aggregated; also segmented by firm size and demographic features.
- All survey responses and data, as well as participating firms' identities, will be kept strictly confidential.

Additional NALP Foundation Resources



All NALP Foundation research publications can be found at:

<https://www.nalpfoundation.org/bookstore>.

NALP Foundation Programs



Events listed on NALP Foundation website:
<https://www.nalpfoundation.org/events>

NALP Foundation



Webinars on NALP Foundation Research



Topical Town Halls/Round Tables



City Group & Law School Consortia Presentations



Conference Presentations (NALP AEC Conference, ABA, NALSC, NALSAP, regional)

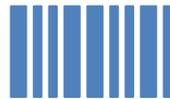
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Questions

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