



## FOR IMMEDIATE RELEASE

March 27, 2024

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## Firms Put the Brakes on Lateral Hiring in 2023 – Falling 35% From 2022

The lateral hiring market showed continued signs of a course correction in 2023, with lateral lawyer hiring down 35% overall, following 2022's decline of 11.5%, according to the latest analyses from NALP's **2023 Lateral Hiring Survey**. The downturn in the lateral market over the past two years comes after the hiring surge of 2021, during which lateral hiring increased by an unprecedented 111%. This reversal suggests that many firms continue to readjust their talent growth strategies as they grapple with excess capacity, especially among associates.

While lateral hiring was down across all lawyer categories in 2023, the associate lateral market continued to be the softest, declining by nearly 43%, following 2022's decline of approximately 20%. After a small uptick of 5.5% in 2022, partner lateral hiring fell in 2023, but to a much lesser extent, only decreasing by 10%. Other lateral lawyers, such as staff lawyers and counsel, make up a smaller share of the lateral market, and hiring was down for these positions by nearly 32%.

"Hindsight is often everything. Now that we have the benefit of being a few years out from the pandemic, we can clearly see that the talent wars of 2021 led many firms to deviate in their growth strategies from what longer-term trends might have suggested. The fact that we are seeing such a large decline in lateral hiring for the second year in a row coupled with the research NALP released earlier this month showing a similar drop in the volume of offers made to rising 2Ls for next year's summer program strongly suggests that law firms are projecting lower client demand over the next few years and readjusting their talent growth strategies as a result. Still, it's important to keep in perspective that these decreases are tied to that unprecedented hiring surge, which occurred in only one segment of the industry, and makes this situation very different than what we saw during the Great Recession when hiring across all segments was down," said NALP Executive Director Nikia Gray.

However, as in prior years, there were variations in lateral hiring across firm sizes, regions, and cities. For example, consistent with 2022, there are signs that smaller firms once again capitalized on the more sizable reduction in lateral hiring across larger-sized firms in 2023, as lateral partner hiring increased by 21% in firms of 250 or fewer lawyers, as compared to a 20% decrease in lateral partner hiring at the largest firms. By geography, Wilmington, DE was an outlier where lateral hiring increased by 146% overall driven by a strong associate lateral market.

NALP's 2023 analyses include data on more than 4,400 lateral lawyer hires from 479 offices/firms in the U.S.

### **Key Findings:**

- The overall total volume of lateral hiring declined by 35% compared with 2022 in the 479 offices/firms responding to the survey, with a median of 4.0 lateral hires and an average of 9.3 per office/firm. These are the lowest median and average lateral hire figures reported since 2010. Respondents were encouraged to report as much individual-office level data as possible, but these overall average and median figures do include some firm-wide reporting.
- The overall average number of lateral associates hired per office/firm in 2023 was 5.1 and the median was two, compared to an average of 2.3 and a median of one for lateral partner hires. Lateral associate hiring accounted for 55.1% of all lateral hiring in 2023 (down from 63.5% in 2022) and lateral partner hiring accounted for 24.4% (up from 18.0% in 2022). Other lateral hiring comprised 20.4% of all lateral hiring.
- Changes in lateral hiring compared to 2022 varied by firm size. For example, despite the overall aggregate decline in lateral partner hiring, partner hiring actually increased in most firm sizes except for those with 501-700 lawyers (-19.1%) and more than 1,000 lawyers (-19.9%). Conversely, lateral associate hiring experienced a major downturn across all firm sizes, with the largest change in firms with more than 1,000 lawyers, at -51%. Other firm sizes had declines ranging from approximately -26% to -42%.
- Among offices reporting lateral hiring activity for a single office (thus, excluding a subset of firm-wide respondents included in the figures reported above), offices averaged from 1.9 to 4.0 lateral associate hires depending on firm size, whereas partner lateral hiring averages ranged from 0.5 to 1.2 per office, with firms of 250 or fewer lawyers at the top of each range.
- Average figures varied by city for offices reporting hiring activity for a single office. For example, the average number of hires by city range from 1.3 to 6.6 for lateral associates and 0.1 to 2.9 for lateral partners, with New York City at the top of both ranges.
- Changes in lateral partner hiring varied extensively by location, ranging from a decrease of 80% in Austin to an increase of 150% in San Diego. Lateral associate hiring, on the other hand, decreased across almost every city, with Charlotte and cities in Florida experiencing the largest declines of more than 55%. One outlier was Wilmington, DE, where lateral associate hiring increased by 144.4%.

- For the third year, NALP asked offices about lateral lawyer hires from outside of the firm’s geographic areas who were granted the flexibility to work primarily on a remote basis without relocating. As the lateral hiring market has cooled, a smaller share of firms is hiring fully remote laterals located outside of the firms’ geographic areas. For firms/offices hiring lateral partners in 2023, 12% hired lateral partners located outside of the firm’s office locations who did not need to relocate – a decline from 16.1% of offices in 2022. Similarly, for firms/offices hiring lateral associates in 2023, 13.6% hired lateral associates from outside of the firm’s area who did not need to relocate – down from 2022 (19.3%) and 2021 (22.7%).

Read NALP’s full analysis on the 2023 lateral hiring market at <https://www.nalp.org/entry-lateral>. To request an interview, contact [media@nalp.org](mailto:media@nalp.org).

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### **About NALP**

NALP is an association of more than 3,000 legal career professionals who advise law students, lawyers, law offices, and law schools in North America and beyond. What brings NALP members together is a common belief in three fundamental things. First, all law students and lawyers should benefit from a fair and ethical hiring process. Second, law students and lawyers are more successful when supported by professional development and legal career professionals. Third, a diverse and inclusive legal profession best serves clients and our communities. That’s why NALP members work together every day to collect and publish accurate legal employment data and information, and champion education and ethical principles for recruiting, professional and career development, and diversity and inclusion. For more than 50 years, NALP has played an essential role in the success of our members and the lawyers and law students they serve. NALP maintains an online archive of press releases at [www.nalp.org/pressreleases](http://www.nalp.org/pressreleases). For additional information, contact NALP at [info@nalp.org](mailto:info@nalp.org) or call (202) 835-1001.