

**LEGALTECH<sup>®</sup>**  
ON DEMAND

Missed a session? Watch it here!

**LEGALTECH<sup>®</sup>**  
FEBRUARY 1-3, 2010  
THE HILTON NEW YORK

LAW.COM

Select 'Print' in your browser menu to print this document.

Copyright 2009. ALM Media Properties, LLC. All rights reserved.

Page printed from: <http://www.law.com>

[Back to Article](#)

## 2009 Worst Year for Lawyer Headcount in 3 Decades, Says 'NLJ 250' Survey

Leigh Jones

11-09-2009

The United States' largest law firms this year suffered the deepest cuts in their attorney numbers since *The National Law Journal* began tracking their census figures more than 30 years ago.

The total number of attorneys working at the top 250 law firms plunged by 5,259 lawyers. Put another way, it's as if all of the lawyers working at two firms the size of Jones Day vanished in 2009.

The results of the 32nd annual *National Law Journal* survey of the nation's 250 largest law firms provide a vivid picture of the toll that the economic recession exacted from law firms this year. The 4.0 percent decline in the total number of attorneys marked only the third time that the lawyer count among the group has dropped since the *NLJ* started collecting headcount data in 1978. The last time totals backslid was in 1993, when they dipped by 0.9 percent. The first decline was in 1992, when they fell by 1 percent. The tally this year wipes away nearly one-third of the growth that firms made during the past five years and puts many of them well below levels they enjoyed in 2005.

The number of attorneys in 2009 sank to 126,669 lawyers, compared with 131,928 attorneys last year. In 2008, the number of attorneys increased by 4.3 percent.

Among the top 75 law firms on the list, 15 had reductions of more than 100 lawyers. Of the top 50, seven cut more than 200 attorneys. The firm with the largest percentage decrease was No. 95 Fried, Frank, Harris, Shriver & Jacobson, which declined by 26.4 percent to 468 attorneys from 636 in 2008. Last year, the firm held the No. 58 slot in the rankings. The firm losing the greatest number of attorneys was Latham & Watkins, which shed 444 lawyers. It had 1,878 attorneys this year, compared with 2,322 in 2008, for a 19.1 percent decline. It slid from No. 4 to No. 6 in the ranking.

Taking the No. 1 position on the *NLJ* 250 was Baker & McKenzie, which had 3,949 attorneys. The firm maintained that position from the *NLJ* 250's inception until 2007, when DLA Piper edged it out. DLA Piper took the No. 2 spot this year. Its lawyer population fell by 7.3 percent, to 3,450 attorneys from 3,721 attorneys in 2008. Last on this year's list is



newcomer Schwabe, Williamson & Wyatt, based in Portland, Ore. It reported 164 attorneys.

The greatest movement among the top 10 firms came from K&L Gates, which rose to No. 7 this year with 1,813 lawyers from No. 10 in 2008. It broke into the top 10 last year, when it had 1,726 attorneys.

## ASSOCIATE WOES

Not surprisingly, associate ranks were hit hard by work force reductions. The percentage of those attorneys shrank by 8.7 percent, to 61,733 from 67,648 last year.

In addition to laid-off associates, the decline reflects would-be first-year associates whose start dates law firms deferred. Of the 250 firms on the list, 113 reported that they deferred a total of 2,784 associates. That figure represents 42 percent of the 6,636 law graduates who would have been in the incoming first-year associate class. The average number of associates deferred per firm was 25.

At the same time, partner employment, as a whole, remained unscathed. The number of partners in 2009 was 53,468, compared with 52,980 in 2008, an increase of 0.9 percent. Among the top 50 firms, 30 increased their partner totals. The results confirm that law firms' strategy in managing the downturn was to save the partners -- and partnerships. "The cuts made were done primarily to preserve workloads for partners," said Ward Bower, a consultant with Altman Weil. And perhaps troubling to clients, "it suggests that work done by partners is work that associates could do," he added.

Attorneys in the "other" category proved the most expendable. The category includes nonpartner, nonassociate lawyers, including counsel, of counsel, senior counsel and staff attorneys. That group nosedived by 8.9 percent to 11,433 from 12,547 in 2008.

The overall downturn in totals this year was partly a correction of the rapid growth that *NLJ* 250 firms experienced during the preceding five years. Between 2004 and 2008, firms added 21,948 attorneys. Many firms declined to near or below their numbers of five years ago. Latham & Watkins' total this year of 1,878 was just 38 attorneys more than it had in 2005. The firm announced in February that it was laying off 190 attorneys, a move that followed speculation about other unreported attorney reductions. Morgan, Lewis & Bockius, with 1,243 attorneys, fell below its 2005 number of 1,281. Other top firms with this year's totals lower than their 2005 results were Wilmer Cutler Pickering Hale and Dorr; McDermott Will & Emery; Shearman & Sterling; O'Melveny & Myers; Akin Gump Strauss Hauer & Feld; and Fulbright & Jaworski.

## THE BREAKDOWNS

The average number of attorneys at *NLJ* 250 firms was 507, down from 535 last year. The average number of associates was 242, and their average starting salary this year was \$132,178. The average number of women partners went up -- barely -- to 41. Last year, the average number of female partners was 39.4. The average number of female associates at *NLJ*

Of the few firms that gained significant numbers of attorneys, most did so through mergers. Bryan Cave added 76 lawyers and climbed to No. 21 by absorbing Powell Goldstein in January. Bingham McCutchen, No. 27, added 116 attorneys, mainly by merging in August with McKee Nelson. Polsinelli Shughart, with 481 attorneys, was created through the February merger of two Kansas City, Mo.-based firms, Polsinelli Shalton Flanigan Suelthaus and Shughart Thomson & Kilroy. Bradley Arant Boult Cummings, with 363 attorneys, was the result of the merger between Birmingham, Ala.-based Bradley Arant Rose & White and Nashville, Tenn.-based Boult, Cummings, Connors & Berry.

Covington & Burling, ranked No. 43, climbed 21 slots and added 102 lawyers for a total of 764 this year. About 50 attorneys came from Heller Ehrman, many from the defunct firm's intellectual property group.

The other additions stemmed from the firm's "long-term trajectory," said Timothy Hester, chairman of the firm's management committee. Even in a poor economy, the firm has continued to invest in talent for the long term, he said. Covington & Burling added several former government attorneys this year, including Thomas Barnett, former assistant attorney general in charge of the U.S. Department of Justice Antitrust Division, and Deborah Garza, acting assistant attorney general in charge of the antitrust division. "You keep going," Hester said. "If people come along and they could help make the firm stronger for the next 10 or 15 years, you look at them."

He declined to comment on the firm's financial performance during 2009, saying only that it was not immune from the recession. Covington & Burling's gross revenue in 2008 was \$531 million, up by 13.7 percent, according to *The American Lawyer*, an affiliate of *The National Law Journal*.

In addition to Fried Frank, firms with major headcount losses were Paul, Hastings, Janofsky & Walker; Dewey & LeBoeuf; Dechert; Milbank, Tweed, Hadley & McCloy; and Epstein Becker & Green. For more on firms with headcount

declines, see Page S6.

Thirteen firms joined the list this year. Debuting at the highest spot was Clark Hill, at No. 204. With 197 attorneys, the Detroit firm has practice groups ranging from corporate to family law and criminal defense.

Most firms that slipped off the list hovered near the bottom last year. Others merged with larger firms. For example, Bell, Boyd & Lloyd, which ranked No. 167 last year with 260 attorneys, joined this year with K&L Gates. Another firm that slipped off was Tampa's Fowler White Boggs, ranked No. 211 in 2008 with 201 attorneys. In August 2008, the firm, formerly known as Fowler White Boggs Banker, announced that its insurance defense practice was breaking from the firm because of potential conflicts of interest. The split created Fowler White Boggs and Banker Lopez Gassler. Fowler White now has 131 attorneys.

The 2009 *NLJ* 250 was based on attorney census information covering the period between Oct. 1, 2008, and Sept. 30, 2009, that was provided by the nation's largest firms. Surveys were sent to approximately 300 firms.

#### **RELATED INFORMATION:**

*For additional details, see the following articles and charts on The National Law Journal Web site:*

#### **Drop Zone**

Cuts came for nearly every type of firm imaginable.

#### **Future Shock**

How will the *NLJ* 250 look a decade from now?

#### **Biggest Gainers, Steepest Declines**

Firms that added the most lawyers to their ranks and those that took the biggest losses.

#### **Hello, Goodbye**

Firms new to the *NLJ* 250 and firms that dropped off our list -- in some cases, shutting their doors for good.

#### **The *NLJ* 250**

Our annual ranking of the nation's largest law firms.

#### **Here and There**

A look at the *NLJ* 250's branch offices: Where are the lawyers?

#### **The List, A-Z**

An alphabetical listing of firms on the *NLJ* 250.

#### **Methodology**

How we compiled the data.