

Boston's supply of lawyers falls far short of firms' heavy demand

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Lisa Arrowood wants to hire a mid-level associate specializing in litigation for her 10-attorney, Boston-based law firm. So earlier this year, she advertised for the position in a local trade publication.

A few years ago, she would have been bombarded with resumes — and impressive ones at that. Arrowood recalls one job applicant at the turn of the decade who had an Ivy League degree and had been looking for work for a year.

Today, it's a different case. She's getting far fewer resumes, and few, if any, respondents have even been worth an interview, she said. Her firm has approached headhunters for leads, but has been told there

"There just aren't that many people moving (from one firm to another)."

Demand for legal talent in Boston may never have been higher than it is right now, according to managing partners and legal recruiters. Seemingly every couple of months, another major law firm opens an office in Boston. Most of them want to grow quickly. Firms both new and old are thriving financially and looking for extra bodies to help them with all of the work thrown off by their clients.

"I can tell you that in my 35 years, I don't recall it ever being as busy as it is now, in terms of firms looking for both partners and associates," said Mark Kwatcher of Boston's Kwatcher Legal Placement LLC.

But the supply of attorneys falls far short of that demand, experts said. As a result, local firms are forgoing work and leaving client money on the table.

Firm loyalty high in Boston

The lack of available attorneys has multiple causes. At the associate level, it's partially because enrollment in law schools has dropped off significantly in recent years. That's directly attributable to the period after the recession, when the situation was in many ways the opposite of what firms and attorneys now face: Young lawyers couldn't find a job because firms weren't hiring. That scared people away from entering the profession as a whole.

At the partner level, the lack of movement is tied to the insular nature of the Boston legal world. Experienced Boston lawyers are more loyal to their firms than their counterparts in other U.S. cities, according to managing partners and headhunters. With their current firms so busy with work, many partners are reluctant to risk leaving behind a good thing.

"Call it the New England mentality of, 'You've got to prove it to me.' You need to prove to me why I should take my time to sit down and talk to you about my future," said Robert Zinn of the recruiting firm Major Lindsey & Africa's Boston office.

Some also attribute the unwillingness of legal employees to look elsewhere, despite the growing local economy, to the fact that the city's professional circles are relatively small. Some lawyers may be concerned that if word gets out that they're on the market, it could spread quickly and even get back to their employer.

Many suitors, few choices

But experts say the heavy demand is more to blame than a stagnant supply. Lateral activity has actually picked up lately, according to a Major Lindsey & Africa analysis: The recruiting firm counted 21 Boston lawyers with a partner or counsel title who switched firms in 2018's first three months, compared with 16 in the same period a year earlier.

Still, that level of activity is no match for the number of firms interested in hiring experienced attorneys. In addition to the dozens of large and midsize firms that populate Boston, the city has welcomed Kirkland & Ellis LLP, Hogan Lovells, White & Case LLP, Quinn Emanuel

Urquhart & Sullivan LLP, Wilson Sonsini Goodrich & Rosati, Hunton Andrews Kurth, Polsinelli PC and Womble Bond Dickinson since the beginning of 2016. Each of those firms ranks among the 100 highest-grossing in the U.S.

The new firms' success in wooing Boston partners has been mixed. Kirkland, the world's highest-grossing law firm, has added eight partners from other Boston offices in less than a year. By contrast, Wilson Sonsini has not brought on any partners from another firm for its Boston office.

Meanwhile, many of Boston's old-guard firms are booming financially. Boston's second- and third-largest law firms, Goodwin and Mintz Levin, had record revenues in 2017, according to American Lawyer Media data. (The largest, Ropes & Gray, has yet to make its financials public.)

Mintz has added new lateral partners over the past year. But managing partner Bob Bodian wants to make sure he takes advantage of record revenues and profits to bolster the firm as much as he can before the economy turns. "That's my biggest challenge," Bodian said. "I feel like if we don't take advantage of it, it's a real wasted opportunity."

It's not just large firms that are affected. The six-attorney family-law firm Fields and Dennis LLP recently took on an adjoining suite at its Wellesley office building, allowing it to grow to up to 10 lawyers. But despite searching for close to a year, it has yet to make any hires.

"I see that there's movement, but unless you're in the right place at the right time to capture that person, they're gone," founding partner Sheryl Dennis said.

High demand, high payouts

With demand so high, partners who are willing to switch firms are being paid handsomely for their willingness to move, managing partners and recruiters said, though they declined to provide specifics. For its open position, Arrowood's firm is offering significantly more than it was a few years ago, she said. Associates at many firms saw pay increases two years ago, when large firms across the country moved en masse to raise first-year salaries from \$160,000

to \$180,000.

While in-demand lawyers have leverage now, firm leaders are consoling themselves by holding that the current market dynamics won't last forever.

"It will change again," Arrowood said. "I've been doing this for 35 years. I've been through these cycles."

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