

# CHICAGO LAWYER

## 2024 Employment Outlook



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#### What changes do you see for associate pay in 2024? Any new trends in compensation and sign on bonuses?

Well, we all know that Milbank started the most recent wave of associate pay increases at the end of 2023, moving 1st year associates up to \$225K. So that alone, of course, is always a welcomed change for biglaw attorneys. With that, annual year-end bonuses also increased. As for the firms that do not compensate their attorneys based on this scale, of course, they are having to reevaluate and become even more competitive

than they once were, but interestingly (though not surprisingly), we are not seeing the increases at these firms like we did in '21 and '22, but rather they are capitalizing on what they can offer outside of compensation, most importantly in-office flexibility and lower billables.

As for sign on bonuses, they're still being offered but definitely not at the rate we were seeing over the last couple of years. Historically, sign-on bonuses were used to ensure the attorney wasn't leaving any money on the table during the lateral process or as a bargaining chip to beat out competing offers - we're there

again. Especially if someone's looking to move in the first half of the year, we're seeing firms negotiate the ability to achieve a full year end bonus with prorated hours.

#### What are your current thoughts on the legal employment market in Chicago 2024? / What are the biggest changes to the legal job market in 2024 compared to 2023?

Opportunistic hiring is back! So, what does this mean? For attorneys looking to make a move and those in the business of recruiting attorneys, what we mean is, the legal market has shifted back to a pre-pandemic market where firms are focusing on growth and strategic hiring. Work is steady and the opportunities are there, however not just for anyone. Firms are being more selective during the interview process to ensure the attorney is the right fit and someone they want to invest their time and resources towards. We have officially moved away from discussions of a recession and hiring freezes just as much as we have moved away from the mass hiring the pandemic brought on in 2021 and 2022. Sure, certain practice areas (litigation, employment, intellectual property) are in more demand as of late, but we are experiencing what we believe to be a healthy, stable hiring market and we feel confident this will continue as we head into Q2. So, if you're passively looking for what could be your ideal position ... now is definitely the time to do it!



Kelsey Morrison is a Practice Manager at Beacon Hill Legal where she oversees attorney placements and client services throughout the Midwest. As an Ohio native, and a Chicago transplant since attending law school, Kelsey has developed a deep understanding of the Midwest legal markets. She matches attorneys (associates, partners, and in-house counsel) to opportunities with leading law firms and companies, nationally.

Laura Lichterman is a Senior Consultant at Beacon Hill Legal where she connects attorneys to both law firm and in-house opportunities. As a SLU Law Alum and Chicago-land native, she's established an in-depth knowledge of the Midwest legal market. Laura's experience allows her to confidently navigate attorneys, at any level of their career, through the lateral process.



### **As new names continue to open their doors in the Chicago market, how have they affected the employment market?**

This is a great question. It's always interesting to see which firms find their footing quickly and grow versus those who have a tough time entering the Chicago market. At first, of course, we can all suffer from shiny object syndrome, and naturally gravitate towards what's new and exciting, however, with discussions of a possible recession, layoffs, etc., many of these new names are having to reevaluate their plans to grow, as the mentality of being "first in, first out", "on an island" or working from a "satellite office" can be hard reservations to combat – particularly for those attorneys who don't yet have their own book of business. So to answer your question, our experience is that they haven't shaken up the employment market like some of us expected. From our experience working with new names in the market, I cannot impress upon firm leadership enough how much the group of attorneys who are opening your doors, matters.

### **What advice do you have for attorneys looking to lateral in 2024?**

Knowledge is power! As we mentioned previously, if you're passively looking for what could be your ideal position ... now is the time to connect with a local recruiter. The legal market has shifted, fewer positions are posted or advertised as firms are now creating roles in response to growth and strategic planning. As a result, firms are holding out for the candidate of their choice,

rather than choosing from those who are actively applying. Even if you don't ultimately make a move, connect and learn what could be out there. Particularly for those mid-level folks who can jump in and add value immediately, this is a fantastic market to explore.

### **Is hybrid/remote work still common in 2024?**

In the current legal market, prioritizing flexibility and embracing remote work opportunities is crucial. However, it's important for firms to be discerning about any "required" in-office time, ensuring that it genuinely adds value to employees rather than detracts. What we've found most interesting in this hybrid / remote conversation is the number of attorneys that are prioritizing an in-office component when considering a potential move. This isn't to say they don't value remote work, but that they emphasize the flexibility piece. If they need to work from home, can they do so without push-back?

The legal market has absolutely moved on from hiring one person fully remote to support an in-office team. Unless a firm has integrated a fully remote team where everyone is on a remote schedule, most positions are on a hybrid basis. But what does hybrid even mean? It's important to dive deeper into what a firm actually means by "hybrid schedule."

While each firm has their own version of what "hybrid" means we thought a few successful policies should be highlighted. Such as designated in-office days and allowing flexibility on other days to ensure that attorneys are truly gaining the value the firm is putting on in-office

time. Also, actually testing out in-office policies to see if it works for your office. Having firm leadership adhere to in-office requirements before rolling them out to all attorneys can make a significant difference.

### **Are Mid-sized and boutique firms still offering attractive packages to compete?**

As we mentioned earlier, mid-size and boutique firms have not rushed to adjust their compensation as a reaction to the new market scale. While many have considered the new scale into their annual compensation reviews, firms of this size must balance attorney salaries with the continued success of the firm.

With that, many mid-size and boutique firms have found additional ways to increase their compensation packages. This can include offering origination bonuses at the associate level, an objective hours-based bonus in addition to a year-end bonus, or profit-sharing bonuses. However, the most successful mid-size and boutique firms consistently attract talent by offering other incentives beyond compensation.

These incentives can include the type of work offered in a particular practice, smaller attorney teams allowing for increased responsibility, lower billables to promote work/life balance, counting an increased number of DEI and pro bono hours towards billable hour expectations, rate relief, an emphasis on mentorship, or a clear and accelerated path to partnership. By effectively highlighting these factors during the interview process, mid-size and boutique firms can definitely attract top talent!