

Frenzy Continues As 7 More Firms Hike Associate Salaries

By **Dani Meyer**

Law360, New York (June 23, 2016, 8:24 PM ET) -- Seven more firms have announced salary bumps for their associates in the wake of Cravath Swaine & Moore LLP's new salary benchmark, firm representatives confirmed on Thursday, and one also told attorneys that it is instituting a new agile work policy.

Representatives for Chadbourne & Parke LLP, Linklaters LLP, Reed Smith LLP, Tensegrity Law Group LLP, Pryor Cashman LLP and Steptoe & Johnson LLP each confirmed that they are raising associate salaries after Above the Law posted tips and firm memos online on Thursday, and Sterne Kessler Goldstein & Fox PLLC shared an internal memo with Law360 announcing its salary changes on Thursday.

Chadbourne announced that it will meet the new Cravath scale —which starts at \$180,000 for first-year attorneys and increases to \$315,000 for those in their eighth year of practice — for all U.S. associates in good standing, effective July 1. A firm representative confirmed the raises on Thursday.

"We are proud of the dedicated and talented team of attorneys who contribute so much to the high-quality client service that is critical to our success. Thank you for your hard work on behalf of our clients," Chadbourne's management committee said in the memo announcing the salaries.

A representative for the firm also confirmed that Chadbourne is instituting a new flexible work policy allowing everyone to work from home two days per month.

U.S. associates at Linklaters can also expect new base salaries in line with the Cravath scale starting on July 1, a firm representative confirmed on Thursday.

Reed Smith informed first-year associates in its New York; Chicago; Houston; Washington, D.C.; Tysons, Virginia; and four California offices that they can expect new salaries on par with the Cravath scale, the firm told Law360 in an emailed statement.

Starting salaries in Philadelphia; Princeton, New Jersey; and Wilmington, Delaware will rise to \$160,000 a year, the firm said, associates in Pittsburgh will see \$145,000 starting salaries and associates in Richmond, Virginia, will receive \$130,000 per year.

Reed Smith said that the changes are "aimed at attracting and retaining the strongest talent to provide the highest level of service to our clients."

Reed Smith also told second-year associates in its New York, San Francisco and Silicon Valley offices that

they will receive new salaries matching the Cravath scale, according to memos posted online by Above the Law on Thursday and authenticated by the firm. Third-year and more senior associates will continue to receive salaries on a merit basis, the memos said, although the increase in starting salaries will be taken into account for 2017 salary raises.

Tensegrity has also been swept up in the rush to raise salaries, telling associates in a memo on Thursday that it is raising associate salaries to meet the new Cravath benchmark.

Matt Powers, one of the founding partners at Tensegrity, told Law360 on Thursday that the firm has always been at the top of the scale for base salaries, and above the scale for bonuses.

“We’re doing work at the top of the profession, so everybody should get paid for that work,” Powers said.

Pryor Cashman is also making sure its associates see salary bumps, telling them in a memo that it is adjusting associate salaries by \$20,000. A firm representative confirmed the raise on Thursday.

“As a midsize firm, we have thrived with a different business model than much of BigLaw. ... We do not depend on high leverage, and we offer a highly competitive fee structure. But we take the most pride in the quality of the services we provide, on which our success is ultimately based. Your essential role in the delivery of high-quality and efficient legal services merits this recognition,” Managing Partner Ronald H. Shechtman said in the memo.

At Steptoe, starting salaries at all U.S. offices except Phoenix will jump to \$180,000 effective July 1, a firm representative told Law360 on Thursday. In the Phoenix office, the starting salary will rise to \$140,000.

And associates at Sterne Kessler can expect a \$20,000 market adjustment, according to a firm memo shared with Law360 on Thursday. The firm noted that it doesn’t have “an associate lockstep compensation ladder,” but said that for comparison purposes, starting salaries are being increased to \$180,000 at 2,000 billable hours.

Managing Director Michael B. Ray said in a statement that the firm is proud to be among the best in intellectual property law, and that the strength of the firm depends on its talent and their “tremendous contributions.

“The talent pools in both the IP and Washington, D.C., legal markets are incredibly competitive, and we recognize it is essential to provide fair compensation to our associates based on their skill sets and performance,” Ray said. “This is an important investment in the firm and our future.”

Earlier this month, Cravath upped the game on associate salaries by raising first-year pay to \$180,000. Since then, scores of firms have followed suit.

Haynes and Boone LLP, Sheppard Mullin Richter & Hampton LLP, Greenberg Traurig LLP and Stroock & Stroock & Lavan are some of the most recent firms to increase associate salaries.

--Editing by Stephen Berg.
