

Young Lawyers

BY LAYKE MARTIN, ESQ., YOUNG LAWYERS CHAIR



YOU NEVER KNOW UNLESS YOU ASK: SALARY NEGOTIATION FOR NEW LAWYERS

A few years ago, a colleague at my law firm and I got into a discussion about bar review courses, and it came up that the firm had paid for my review course but not his. During the discussion, the managing partner walked into the office where we were chatting, and my colleague asked why the firm had not paid for his review course. The managing partner replied, “Because you didn’t ask.”

Young lawyers negotiating salaries for their first jobs in the legal field, or even when switching firms, often don’t know what they can ask for or how to go about asking for it. Employers vary widely when it comes to salary ranges, bonus structures and benefits, and information on what similar firms are offering is not widely available. Also, coming out of one of the worst legal employment markets in history, young lawyers, particularly those who graduated in 2011 and 2012, at the bottom of the market, often feel like they do not have the leverage to negotiate salary. Many feel they are lucky to be receiving an offer at all.

My goal in this column is to share some points about salary negotiation, based on what I’ve seen both in my role on a firm hiring committee and

as a career advisor, as well as from discussions with law firm recruiters and hiring partners.

1. You have the most leverage at the moment the offer is made.

By the time you receive an offer from a law firm, the law firm is typically quite invested in you. Think about the non-billable time spent on the hiring process alone. For firms with more formal hiring processes, this process has likely taken a month or so. First, the firm determined that it had sufficient work to require the hiring of an associate, then the firm posted the position or spread the word about the opening through other channels, accepted applications for a few weeks, then reviewed those applications, held initial interviews, often by phone, with a handful of candidates, scheduled callback interviews with two or three (or more) candidates (this can take half a day or longer), collected evaluations from all of the attorneys who interviewed the candidates, met as a hiring committee to discuss the candidate evaluations, selected a candidate, presented that candidate to the partnership for approval, and then drafted and sent an offer letter to the selected candidate. At this point, not only are the members of the firm excited to have you join their team, they also want to avoid having to go back to the drawing board if you don’t accept their offer. So, the moment you receive the offer is the very best time to request the salary terms you want.

2. You will not lose an offer as the result of making a reasonable counteroffer.

In four years on a law firm hiring committee, and an additional four years advising students and graduates on legal careers, I have never seen an offer withdrawn solely because the offeree made a reasonable counteroffer. Certainly, I have seen counteroffers rejected, at which point the offeree has to decide whether or not to accept the original offer. However, the mere fact that the offeree made a reasonable counteroffer has never, in my experience, been the basis for a firm to entirely withdraw its offer. Of course, the counteroffer should be within a reasonable range based on market research (i.e., you wouldn’t receive an offer of \$60,000 and counter for \$160,000).

3. Do your research.

While information on salaries and other compensation from firm to firm can be difficult to find, there are some helpful resources to aid you in your research. Information on entry-level base salary by job type and firm size is the most widely available, thanks to research collected by law schools and reported by the National Association for Law Placement (NALP).¹ For the most recent data collected on entry level salaries, see <http://www.nalp.org/uploads/NatlSummaryChartClassof2013.pdf>. For regional salaries, see the second page of the report for the mountain region, which includes Nevada. For

public sector salaries, see <http://www.nalp.org/publicsectorsalaries>. For a more broad discussion of entry-level associate salaries nationally, see <http://www.nalp.org/privatesectorsalaries>. When looking at national figures for associate salaries, it is important to keep in mind that the starting associate salaries reaching \$160,000 in legal markets such as New York, Los Angeles, Boston and Washington, D.C. are not the norm, or anywhere near the norm, for associate salaries in Nevada.

If there are factors that support your need for a slightly higher salary or other compensation, you can be candid about those factors. As one hiring partner told me, if something like high student loans would impact a candidate's ability to accept an offer at a particular salary, the firm would want to know that when considering a counteroffer. For lateral attorneys, there can be a lot more leverage in negotiating salary beyond market rates — particularly with smaller firms — when the candidate can demonstrate that he or she has some sort of book of business; can handle client contact, managing a file, and collection with little supervision; and can add expertise in a new practice area for the firm.

4. Think beyond base salary.

While entry-level base salary information is fairly accessible, the availability of information regarding other types of compensation varies depending on firm size. For large firms, the NALP Directory of Legal Employers on nalpdirectory.com provides some helpful information regarding other types of compensation. There are six firms in Nevada that have information listed with the NALP Directory of Legal Employers. Even if you are not applying to any of these firms, what you can learn about the other types of compensation potentially available could help you to formulate a counteroffer. Keep in mind, however, that other types of compensation vary widely from firm to firm, and these are not all available at every firm, particularly small or mid-size firms. Some types of other compensation offered by larger firms include: payment for bar review courses or a one-time bonus to cover bar exam-related costs and living expenses for the summer after graduation, a judicial clerkship

bonus, funds to be used toward business development, bonuses for articles written or CLEs taught, and moving expenses. Other benefits to consider include 401k matching, the cost of health insurance for the attorney and dependents, medical and vacation leave policies, and flexible hour schedules. At firms where these other types of compensation may not be the norm, you might consider incentivizing your counteroffer — if you ask the firm to reimburse you for your bar exam course, you could offer to pay that money back if you end up leaving the firm in the first few years.

5. Practice your pitch, and then back it up.

When preparing to negotiate salary, it never hurts to practice. Try having the conversation with a friend, mentor or a career advisor from your law school before you have the real discussion with the hiring partner. And finally, all of the hiring partners I spoke with said that, if

you are successful in negotiating higher compensation, you must be prepared to back it up. At the time of the offer, hiring partners already have a clear idea about the hourly rate at which they can bill out an associate, so they know the expected rate of return on that associate and therefore the wiggle room they have to negotiate the associate's salary. If you ask for more, be prepared for the firm to expect more from you in return. **NL**

1. I am a board member of NALP.

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