

2024

COMPENSATION GUIDE

Private Practice Compensation Overview

Insights on the shifting hiring
practices in the legal industry



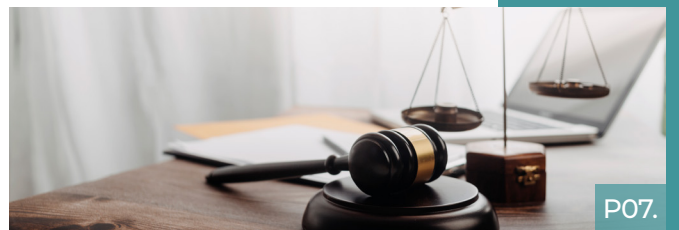
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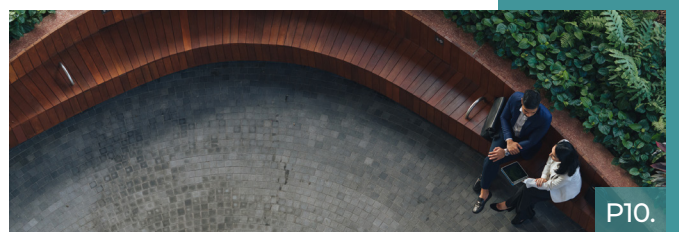
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Summary





Introduction

The regulatory & legal industry is in a state of dynamic transformation, marked by an unprecedented surge in hiring and shifting practice areas that are shaping the future of legal services. In recent years, the legal sector has witnessed a remarkable upswing in hiring and expansion. This surge can be attributed to various factors, including increasing demand for specialized legal services, heightened regulatory scrutiny, and the complexities of an ever-changing market and enhancements within varied industries.

As we navigate this evolving landscape, Larson Maddox is pleased to present our latest compensation guide, offering a comprehensive view of compensation structures across Big Law, and Am Law 100-200 firms. We also cover some of the hottest practice areas, compensation trends, and DE&I challenges and opportunities the industry faces.

Whether you're a hiring manager looking to build your legal team, or a legal professional benchmarking oneself, this mini market update on private practice salary structures is highly relevant and provides you with the insights you need to make informed decisions.





Hottest Practice Areas

At Larson Maddox, we are at the forefront of connecting exceptional legal talent with law firms and organizations that are embracing change and innovation. We are observing significant growth and demand in several key practice areas that continue to shape the legal landscape:



1. Energy & Renewable Energy Law

In an era of sustainability, the energy sector is at the forefront of change. Evolving US energy policies, such as President Biden's goal of achieving a carbon pollution-free power sector by 2035 for example, is continuing to drive up demand for legal professionals with experience in infrastructure and renewable energy.

Our regulatory and legal experts have been instrumental in facilitating the transition to renewable energy sources, ensuring compliance with environmental regulations, and navigating the complexities of clean technology investments.

2. Compliance and Regulatory Law

Increasingly complex regulatory frameworks across industries have intensified the need for compliance expertise. AI, cryptocurrency, and even social media are industries that could be facing more regulatory scrutiny in the coming years, increasing the need for regulatory and legal professionals to understand and navigate the changing business landscape.

Larson Maddox has played a vital role in placing top regulatory and compliance professionals who help clients mitigate risks and thrive in a tightly regulated business environment.



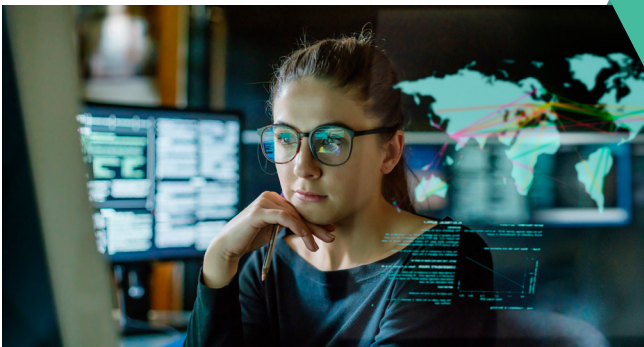
Hottest Practice Areas



3. Mergers and Acquisitions (M&A)

US M&A activities have continued to surge, reflecting business consolidation and expansion. This is interesting given the global economy and high interest rates impacting worldwide M&A activity. Cash-flush buyers however have cut through the noise and market conditions to make offers.

Here at Larson Maddox we have been instrumental in identifying and placing M&A experts who guide clients through complex transactions, from due diligence to post-merger integration.



4. Securities & Capital Markets

Capital markets have evolved significantly, presenting both opportunities and challenges. Larson Maddox has successfully placed legal professionals who specialize in securities law, enabling clients to navigate regulatory complexities and access global markets.



5. Restructuring

Economic uncertainties and market disruptions have given rise to restructuring needs. Our firm has been pivotal in matching experienced professionals with clients in need of expertise in restructurings, insolvency, and bankruptcy matters.



Hottest Practice Areas



6. Employee Retirement Income Security Act (ERISA)

Despite more Americans working into their 60s and 70s for a multitude of reasons, a large part of the workforce is heading into retirement. ERISA expertise is essential for effective retirement and benefits planning and will therefore skyrocket in demand as baby boomers leave the workplace. Larson Madox has placed many top ERISA professionals who provide guidance on pension and employee benefit plan compliance.



7. Tax Law

Tax regulations are in constant flux, with tax policy, regulations and challenges to the status quo rarely out of the news. Potential reforms therefore necessitate the need for top tax experts. We've successfully placed tax specialists who offer innovative corporate tax solutions and strategies tailored to our clients' unique needs.



Compensation Trends

At Larson Maddox, we understand that our success is intrinsically linked to the legal industry's evolution. We remain dedicated to identifying, attracting, and placing exceptional talent within these transformative practice areas.

Beyond the Cravath Scale, we acknowledge the significance of understanding compensation trends across Am Law 100-200 firms. These eminent firms, renowned for their diverse practice areas and geographical reach, collectively represent a substantial portion of the legal industry. Our report offers a comprehensive exploration of the average compensation structures observed across these firms, providing insights into trends that resonate with legal professionals across various stages of their careers.





Big Law Compensation Guidance

In a noteworthy development for the legal industry, the Cravath Scale saw yet another increase in 2023. For fourth-year associates, we witnessed an approximate 7% salary growth. However, for associates in their fifth through eighth years, the increase has been even more substantial, with raises ranging from approximately 11% to 12%. These upward adjustments reflect the legal market's response to evolving demands and competitive dynamics, reaffirming the Cravath Scale's enduring influence on associate compensation standards.

BIG LAW (CRAVATH SCALE)

USD

Associate Year	2023 Base Salaries	2023 Bonuses	Total Compensation
1st Year	\$225,000	\$20,000	\$245,000
2nd Year	\$235,000	\$30,000	\$265,000
3rd Year	\$260,000	\$57,500	\$317,500
4th Year	\$310,000	\$75,000	\$385,000
5th Year	\$365,000	\$90,000	\$455,000
6th Year	\$390,000	\$105,000	\$495,000
7th Year	\$420,000	\$115,000	\$535,000
8th Year	\$435,000	\$115,000	\$550,000

Am Law 100-200 Compensation Guidance

Larson Maddox's comprehensive analysis of compensation structures within Am Law 100-200 firms (non-Cravath) has outlined the starting base salaries across a spectrum of metro and non-metro areas. It's important to note that while specific regions may exhibit higher compensation packages to meet local market demands, the figures presented in our report represent a benchmark reflecting the national average. These starting base salaries offer a valuable point of reference for legal professionals and law firms aiming to navigate the nuanced landscape of compensation practices across the US.

AM LAW 100 - 200 FIRMS (NON-CRAVATH)

USD

Associate Year	Starting Base (Metro)	Starting Base (Non-metro)
1st Year	\$195,000	\$170,000
2nd Year	\$205,000	\$185,000
3rd Year	\$215,000	\$195,000
4th Year	\$230,000	\$200,000
5th Year	\$245,000	\$210,000
6th Year	\$255,000	\$225,000
7th Year	\$270,000	\$230,000
8th Year	\$280,000	\$240,000



DE&I Challenges & Opportunities

Diversity, Equity, and Inclusion (DE&I) represents ongoing and pivotal challenges, as well as opportunities within the legal profession. It is not a checkbox to be ticked, **explains Nesreen Ballut, Senior Vice President at Larson Maddox:**

“Diversity is a powerful force that brings together different perspectives, experiences, and ideas. Embracing ethnic & gender diversity and hiring with intention is not only important for creating a more just and equitable society, but it also leads to greater innovation, creativity, and productivity.”

Despite extensive dialogue and the implementation of targeted policies and programs, the legal industry remains predominantly homogeneous in terms of both race and gender composition. According to the ABA National Lawyer Population Survey, an overwhelming 86% of lawyers identify as white, and merely 37% are female. Genuine diversity transcends these facets, encompassing factors such as race, gender, disabilities, sexual orientation, and age. In response to this imperative, leaders within law firms are steadfastly prioritizing initiatives to augment diversity, foster inclusion, and promote equity for all.

At Larson Maddox, our commitment to advancing DE&I is exemplified by our substantial impact, with 70% of our placements in the past year aligning with our clients' DE&I objectives.

We can share insights on hiring trends and support organizations to ensure their processes meet the needs of the market, as **Jake explains:**

“Ultimately, we have a responsibility – as recruiters we are a critical part of this process. We’re presenting candidates to our clients, so it’s on us. If we’re not conscious of diversity, then how are we helping our clients improve their diversity? If a client makes a mistake or an oversight in relation to diversity, we need to be there to bring that to their attention and help them change or improve that message and reality.

“It’s about helping clients keep an open mind to interview individuals of all backgrounds and experiences. Whether clients tell us to do this or not, we need to be doing it.”





Summary

There is a growing demand for specialized legal services, which is driving an unprecedented surge for industry professionals. The legal sector has witnessed a remarkable upswing in hiring and expansion, shaped by shifting practice areas that are changing the future of legal services, such as renewable energy, tax, and ERISA. Clients require and will continue to need specialized legal expertise to navigate these complexities. Additionally, heightened regulatory scrutiny in the US has increased the demand for lawyers who can provide general strategic legal advice and support. New technologies, emerging business models, and evolving legal frameworks require lawyers who can stay ahead of the curve and provide innovative solutions.

As a leading legal talent partner, here at Larson Maddox we are at the forefront of this transformative change and we hope our latest salary guide offers valuable insights into the latest compensation trends, hottest practice areas, and DE&I challenges and opportunities that the legal industry faces.

By leveraging our comprehensive compensation data, law firms can make informed decisions about their hiring practices, ensuring that they are attracting and retaining top talent. And lawyers themselves can benchmark their salary to understand more about where to position themselves in the market if they're considering new career opportunities.

If you are looking to hire regulatory & legal talent or simply want to find out more about our research and services, get in touch with Larson Maddox. As a leading specialist talent partner, we are here to support hiring managers with finding top talent in their specific field and match industry professionals with exceptional opportunities at leading companies.





About Larson Maddox

At Larson Maddox, we give essential guidance to leading firms by connecting them with the best talent for their regulatory & legal needs.

From data privacy and formalizing financial resilience, to ensuring umbrella companies are compliant and approving innovative technologies for use, a new regulatory landscape is emerging. Through an increasing amount of laws and governance comes the need to secure the right talent to scale for growth, but also to protect your organization best.

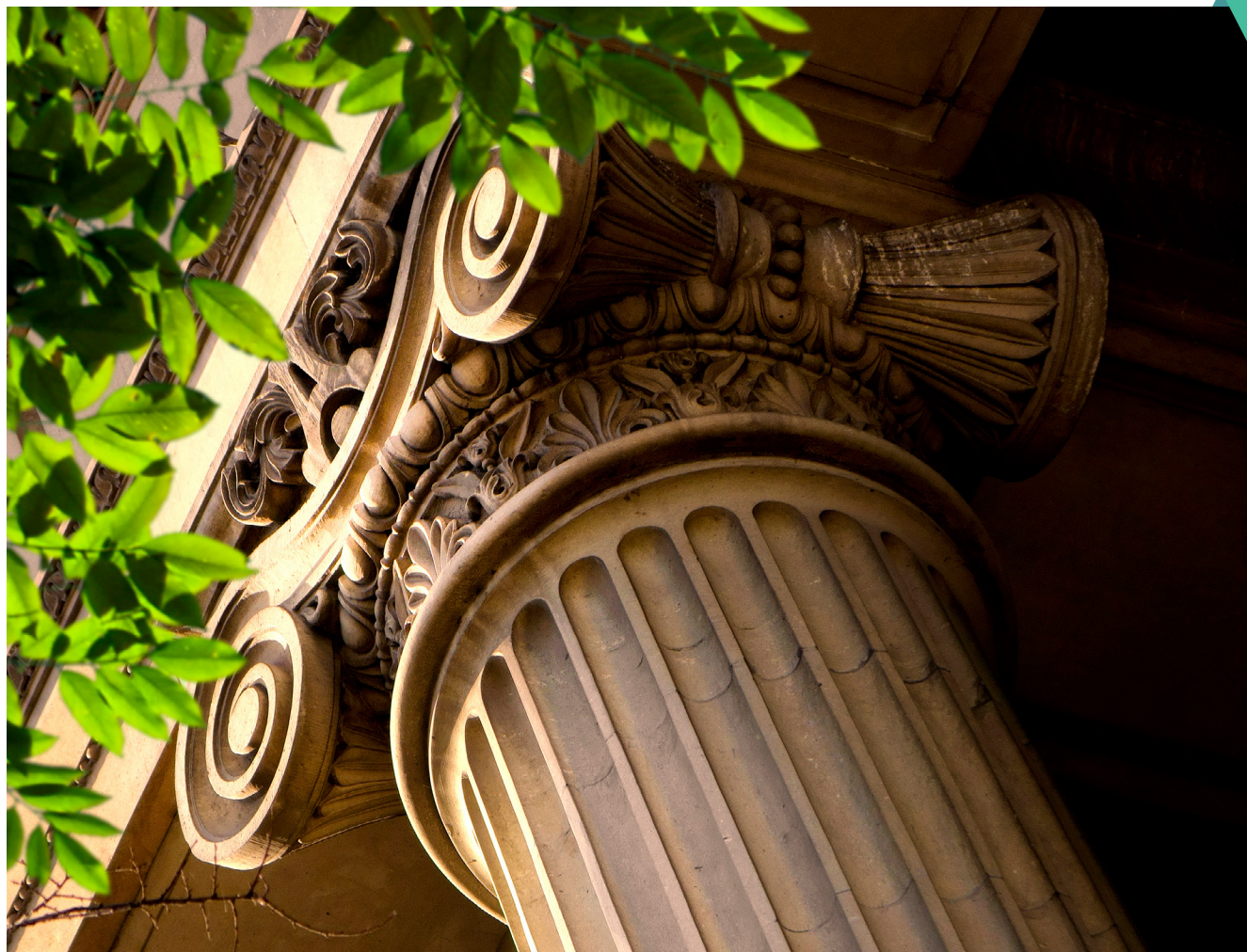
With Larson Maddox as your leading talent partner, you can rest assured that you have the expertise needed to succeed in a regulated market.

Our Specialisms

- In-house Counsel
- Legal Operations
- Contract Management
- Compliance
- Regulatory Reporting
- Government Affairs
- Regulatory Operations
- Data & Privacy

Our Industry Expertise

- Financial Services
- Life Sciences
- Technology, Media & Entertainment
- Manufacturing & Consumer Goods
- Energy, Construction & Infrastructure





Contact Larson Maddox

[UPLOAD YOUR RESUME](#)[SUBMIT A VACANCY](#)[NEW OPPORTUNITIES](#)

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