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Milbank Ups First-Year Associate Pay to $190,000

Summary: Milbank is increasing its associate salary pay scale by $10,000-15,000, effective July 1, 2018.

On Monday, Milbank, Tweed, Hadley & McCloy potentially disrupted the legal market when it announced it was offering starting associate salaries at a higher rate. According to Law.com, Milbank will increase its salary scale, giving first-year associates $190,000, which is $10,000 more over market.

“What we’re trying to do is set fair, market-leading compensation for our associates. We’re not in a race with other firms, but at the same time, we thought this was an appropriate time for an increase, and we want our associates to know how much they’re valued,” Milbank chairman Scott Edelman said to Law.com in an interview.

In 2016, Cravath, Swaine & Moore announced it would pay a starting associate salary of $180,000, and this raise caused other Big Law firms to also change their pay scale, including Milbank. The first-year associate salary was previously $160,000.

Milbank said that its recently announced pay increase will take effect July 1, 2018. First, second, and third-year associates will get $10,000 more while fourth through eight-year associates will get a boost of $15,000.

Edelman said that Milbank tries to lead the market and did not want to wait for another firm to boost its salary scale.

“We try to lead the market in terms of associate development and training,” Edelman said. “We didn’t see the need to wait for somebody else to make an increase that we think is appropriate.”

The Milbank Scale

1st year — $190,000
2nd year — $200,000
3rd year — $220,000
4th year — $250,000
5th year — $275,000
6th year — $295,000
7th year — $315,000
8th year — $330,000

Milbank's pay increase will also affect summer associate salaries but not counsel compesnsation.

“Our people are our greatest assets. We’ve been working hard, we’ve been very busy,” Edelman said. “We’re committed to offering compensation at the top of the market.”

In his interview, Edelman acknowledged that increasing the expense of salary will affect partner profits but that it would not have a "material effect on firm finances."

Milbank has almost 700 attorneys and its profits per equity partner last year was $3.46 million, according to ALM. Its gross revenue in 2017 was $916.54 million, and its per lawyer revenue was $1.33 million last year.

According to Lawcrossing, "A leading international law firm, Milbank has helped shape the legal landscape since its founding in New York City in 1866. Influential industrialists, financiers and entrepreneurs turned to us for the strategies that empowered the economic development of the US and the world. They still do. Around the world, in industry after industry, Milbank’s outstanding record of making great things happen for clients has earned us consistently high rankings and myriad top awards."

- Firms Follow Cravath's $180,000 Base Pay Scale
- Milbank Moves Its Headquarters

What do you think of Milbank's pay increase? Let us know in the comments below.