

Big Law Firm Launches Voluntary Associate Deferral Program



The financial turmoil caused by the pandemic that had shaken the legal world has raised a lot of concerns among incoming associates who rightfully worry about the future of their legal career.

Apart from the furloughs, salary cuts, and layoffs, many law firms delayed first-year start dates until the beginning of 2021.

Ropes & Gray has announced a voluntary one-year deferral program for its current associates and its incoming first-years making it the first big law firm to offer an option of a full deferral year.

The decision made by the AM 100 law firm with \$1,903,616,000 in gross revenue in 2019 could pave the way for other law firms to follow suit and offer similar programs.

The firm who was also among the first to announce a virtual and reduced summer associate program stated that the decision was not a result of a financial crisis.

Peter Erichsen, the firm's hiring partner, said in a memo the firm decided to offer associates the chance to spend a year working in the public interest or on sabbatical in response to the "uncertainty and turmoil."

"This year has truly been one like no other, and we certainly would understand if its developments have prompted a temporary rethinking of your professional priorities," Erichsen said in the memo.

Ropes & Gray with around 880 associates firmwide and 169 incoming associates who have until October 1 to decide whether they want to take the offer. The firm will pay an \$80,000 stipend to those who choose to participate in the fellowship program who can choose to work for a public interest organization, a nonprofit, or an approved government entity. And a pretax \$38,800 stipend or 20% of first-year starting pay—to take a year off, except for practicing law at a law firm.

"We recognized that in the current climate, some people might want to switch gears and focus on public service, and the program is designed to help them do that," the spokesperson said. "We have heard from some associates that this is something they have been wanting to do, and we have heard from public service organizations that they need help."

"Perhaps you are looking for ways to contribute your knowledge, talent and time to public service work in a variety of areas—fighting racial injustice, addressing housing crises and other needs arising out of the COVID pandemic, or supporting political causes important to you, to name just a few," he continued.

The fellowship is "completely voluntary," and the firm has "no plans for any actions like furloughs or layoffs," a firm spokesperson said in a follow-up statement, adding that Ropes & Gray reassured associates on those points in a Thursday firm meeting.

"Ropes & Gray got good feedback from current associates on the time-away opportunity, so management chose to offer it to incoming associates as well," the memo said. "Business is strong," and lawyer activity levels are on pace with 2019, the spokesperson said, adding that the health care, life sciences, asset management, and capital markets groups have stayed busy all year, and M&A activity has picked up "meaningfully in the third quarter."

Associates who decide to participate in the program will get health insurance through Ropes & Gray from October 20 through their start date with the firm.

