

Goodwin Procter Lays Off Attorneys and Staff Due to Decreased Demand

Goodwin Procter, a Boston-based law firm known for advising emerging companies, is laying off associates, paralegals, and other professional staff across its offices due to a slowdown in legal work following historic demand a year earlier. The firm has decided to reduce its staffing levels, which are currently "too high for our current and projected demand," according to an internal memo viewed by Bloomberg Law. According to the memo, the decision means a 5% reduction in the timekeeper and business operation population.

This move follows layoffs at other major and tech-focused firms, such as Kirkland & Ellis, Cooley, and Gunderson Dettmer, along with staff reductions and hiring freezes at major tech companies. Goodwin has invested in opening offices in new areas where tech-oriented companies, often startups, have set up shop.

The firm has made staff cuts unrelated to work performance, avoiding so-called "stealth layoffs." The firm wrote in the memo, "We are purposefully choosing to be transparent and conduct a reduction in force rather than engage in reductions through our performance management process."

Goodwin is one of several tech-gearred firms whose profits skyrocketed amid last year's unprecedented demand. The firm brought in roughly \$2 billion in gross revenue and nearly \$6 million in profits per equity partner in 2021, according to The American Lawyer.

Goodwin led an aggressive recruitment campaign to meet the historical demand in mergers and acquisitions and capital market work last year and hired nearly 300 lateral associates. However, the boom in capital markets and merger and acquisition work over the last two years cooled, leaving junior lawyers with less work in 2022.

Cooley trimmed 78 attorneys and 72 paralegals, and business personnel through its US offices, mirroring the cost-cutting moves taken by Big Tech clients the law firm is known for representing. Silicon Valley-based Gunderson Dettmer delayed start dates for its newest crop of incoming associates.

These layoffs and hiring freezes across law firms and tech companies reflect the current economic climate. The pandemic has decreased demand for legal services and a shift towards remote work. While the legal industry has seen a significant increase in profits over the past year, firms are now facing the reality of a slowdown in demand and are adjusting accordingly.

It is important to note that Goodwin Procter has chosen to be transparent and reduce force rather than engage in reductions through the performance management process. This approach allows the firm to make cuts without affecting the performance of its employees.

In conclusion, Goodwin Procter's layoff is a sign of the times, reflecting the current economic climate and the slowdown in demand for legal services. The firm has made a decision to reduce its staffing levels, which are deemed "too high for our current and projected demand," according to an internal memo. The layoff is a 5% reduction in the timekeeper and business operation population, and the firm has chosen to reduce force rather than reduce through the performance management process. This layoff follows similar cuts in other major and tech-focused firms, such as Kirkland & Ellis, Cooley, and Gunderson Dettmer, along with staff reductions and hiring freezes at major tech companies.

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REFERENCES:

Goodwin Procter Axes Lawyers, Staff Amid Demand Slowdowns (1)