

Gunderson Associates Begins Operations Despite Layoffs and Delays

The legal industry is currently facing a difficult period of layoffs, but Gunderson Dettmer has some positive news for its incoming first-year associates. The job starts next week, according to a spokesperson for the firm. A group of new associates who had their start dates delayed by two-and-a-half months will begin their careers at the Silicon Valley-based firm on January 17th, despite the recent headcount cuts at other firms with deep technology roots, such as Cooley LLP and Goodwin Procter.

The Gunderson lawyers were initially supposed to start on October 31, 2022. Still, the firm announced in September that it was pushing back the start date to January, reportedly citing slowing demand as the reason for the delay. The past two years have seen significant activity in the legal industry, with record levels of deal activity and the SPAC boom leading to increased work and law firm profits. Some firms increased their associate ranks to handle the increased workload and combat burnout.

However, the engines that propelled much of that activity have slowed down in the past year, leaving some firms with too many associates and insufficient work. Overall legal services demand decreased by 0.1% on a year-to-date basis through November 2022, according to a recently published report by Thomson Reuters, in contrast to the 3.7% growth rate for all of 2021.

As a result, several law firms have had to trim their ranks, including Gunderson, Cooley, Goodwin, and Kirkland & Ellis. Cooley announced in late November that it would be laying off 150 attorneys and staff across its offices to adjust for slowing demand. Goodwin announced last week that it was laying off associates, paralegals, and other professional staff across its US offices, citing waning demand. On Monday, Stroock & Stroock & Lavan announced that it had laid off nine lawyers and 18 staff amid what it referred to as a "slowdown."

The legal industry is currently facing a difficult period, with many firms having to make difficult decisions regarding layoffs. However, Gunderson Dettmer is bucking this trend by starting a new crop of associates next week, despite the recent headcount cuts at other firms. This is good news for the incoming associates and a positive sign for the industry.

REFERENCES:

Gunderson Associates Set to Start After Delay, Amid Layoffs (1)

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