

## NALP Reports Median Base Pay of \$200K for New Associates Due to Talent Wars



In the midst of a fiercely competitive recruiting market, median base salaries for new associates have skyrocketed to \$200,000, according to the latest report by the National Association for Law Placement (NALP). The executive director of NALP, Nikia L. Gray, highlighted the significant impact of talent wars on compensation trends in the legal industry.

The NALP report reveals that associate pay hikes have rippled across the legal landscape over the past two years, resulting in a remarkable 21.2% increase in median base salaries, amounting to a staggering \$35,000 jump since the previous survey conducted in 2021.

Traditionally, raising at the largest firms takes several years to influence the broader market. However, NALP's associate salary survey demonstrates that salary increases have permeated the industry at an accelerated pace, irrespective of firm size or geographic location. Gray emphasized this noteworthy development in a press release issued on May 10.

The 2023 Associate Salary Survey report draws on data provided by 694 law firms, with respondents including a diverse range of firm sizes. Law offices within firms comprising over 250 lawyers constituted approximately 81% of the total responses, up from 78% in the 2021 survey. It's important to note that the composition of the respondent pool can vary from year to year.

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When examining the percentage increases in pay, firms with 100 or fewer lawyers experienced the most substantial growth, with a remarkable surge of 29.2%. This led to a median base salary of \$155,000 in 2023 for this category of firms.

In terms of actual dollar value, the most substantial pay increase was observed in firms with 501 to 700 lawyers. Their median base salary soared from \$155,000 in 2021 to an impressive \$200,000 in 2023, representing a \$45,000 boost.

The median first-year salary for firms with over 1,000 lawyers settled at \$215,000 in 2023. Notably, this figure corresponds to the salary received by 75% of all first-year associates within this group of firms.

Among specific cities and geographic areas, eleven locations reported a median starting salary of \$215,000. These locations include Austin, Texas; Boston; Chicago; Dallas; Houston; Los Angeles/Orange County, California; New York City; San Diego; San Francisco; Silicon Valley in California; and the Washington, D.C., area.

The significant surge in associate pay reflects the intensifying competition for legal talent in the current job market. Law firms are increasingly compelled to offer more attractive compensation packages to recruit and retain top talent. The "war for talent" phenomenon has prompted a domino effect, as salary increases spread throughout the legal industry, creating a highly competitive landscape for associate positions.

The NALP report serves as a valuable resource for law firms and job seekers alike, providing insights into emerging trends and benchmarks for associate salaries. It underscores the need for both employers and prospective associates to stay informed about evolving compensation dynamics to make well-informed decisions in this highly competitive environment.

As talent wars continue to shape the legal job market, law firms will likely face ongoing pressure to reassess and elevate their compensation packages to attract the brightest legal minds. Meanwhile, aspiring legal professionals can leverage the NALP report to gain a deeper understanding of salary expectations and strategically navigate their career paths in pursuit of rewarding opportunities.