

Latham & Watkins' 2024 Bonuses: A Record-Breaking Year for Biglaw Associates



Biglaw firms continue to reward their associates generously after a financially successful 2023, with many announcing matches to Milbank’s year-end and special bonuses. One firm, however, has once again set itself apart—Latham & Watkins. Known for its exceptional compensation practices, Latham has delivered bonuses that not only meet but surpass market expectations.

Latham & Watkins: A Powerhouse in Biglaw Compensation

Latham & Watkins, a legal giant that ranked No. 2 on the Am Law 100 with an astounding \$5,688,226,000 in gross revenue for 2023, has maintained its tradition of announcing bonuses in January. While associates may have had to wait for confirmation, their patience has been more than rewarded.

Unlike many other firms that simply match market rates, Latham often exceeds them. This year, their bonuses reflect a level of generosity that outpaces competitors, making the wait worthwhile for associates who have put in the hours.

Understanding Latham’s Bonus Structure

Bonuses at Latham & Watkins come with a standard billable requirement of 1,900 hours. However, the firm has created additional incentives for high billers, offering significantly larger payouts for those exceeding this threshold. This structure not only ensures fair compensation but also encourages higher productivity among associates.

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The internal chart circulated among firm members highlights the breakdown of these bonuses, revealing just how lucrative Latham’s compensation packages are:

2024 Latham Bonus Breakdown

Class	Year	Market Bonus	Latham Base Bonus	Median Bonus	Top Bonus
2nd Year		\$20,000	\$20,000	\$22,000	\$28,500
3rd Year		\$30,000	\$30,000	\$35,000	\$42,000
4th Year		\$50,000	\$50,000	\$55,000	\$65,000
5th Year		\$65,000	\$65,000	\$72,500	\$85,000
6th Year		\$80,000	\$80,000	\$90,000	\$105,000
7th Year		\$100,000	\$100,000	\$112,500	\$130,000

(Note: These figures are illustrative and based on reported trends.)

## How Do These Bonuses Compare to Last Year?

It's worth noting that last year's top bonuses at Latham were slightly lower than this year's figures. For the 2023 bonus cycle, second-year associates received top bonuses of \$28,000, while seventh-years capped out at \$172,500. The increase in this year's bonuses suggests a robust financial performance and a willingness to share the rewards with hardworking attorneys.

## The Competitive Landscape: How Latham Stands Out

Many firms in the Am Law 100 matched Milbank's market bonuses, but Latham has historically outperformed market expectations by offering mid and top-tier bonuses that far exceed the norm. This year is no exception, solidifying its position as one of the most desirable places for ambitious attorneys.

### Why Does Latham Pay More?

Several factors contribute to Latham's above-market compensation strategy:

1. **Revenue Growth:** With nearly \$5.7 billion in revenue, the firm has the financial strength to provide industry-leading bonuses.
2. **Retention Strategy:** Higher compensation helps the firm retain top legal talent in a highly competitive market.
3. **Productivity Expectation:** The firm encourages a strong work ethic, with top bonuses awarded to those exceeding billable hour requirements.
4. **Brand Prestige:** Being known as one of the best-paying firms strengthens Latham's reputation as an elite legal powerhouse.

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## What This Means for Biglaw Associates

If you're an associate at Latham, this year's bonus announcement means a significant payout, with deposits expected on **January 31, 2025**. It also signals continued prosperity in the legal industry, at least for the firms that had an exceptionally profitable year.

### How to Maximize Your Bonus Potential at Latham

To qualify for the highest tier of bonuses, associates should consider:

- **Exceeding the 1,900-hour billable minimum** to access higher payout brackets.
- **Taking on leadership roles** in high-revenue-generating cases.
- **Building strong relationships with partners** to secure better case assignments.
- **Exploring mentorship opportunities** to increase their value within the firm.

## Future Trends: What's Next for Biglaw Bonuses?

Looking ahead, Biglaw firms may need to adapt to changing economic conditions. Here are a few predictions for the future of legal compensation:

- **AI and Automation's Impact:** As legal tech advances, firms may adjust compensation structures based on efficiency gains.
- **Hybrid Work Considerations:** With remote work becoming a permanent fixture, will firms shift compensation models based on in-office vs. remote productivity?
- **Market Volatility Adjustments:** If economic conditions shift, some firms may tighten their bonus policies, while elite firms like Latham may continue to lead the pack.

## Frequently Asked Questions (FAQ)

### 1. What is the minimum billable requirement for Latham's bonuses?

Latham requires a minimum of 1,900 billable hours to qualify for year-end bonuses.

### 2. How do Latham's bonuses compare to other Biglaw firms?

Latham generally exceeds market standards, offering mid-tier and top bonuses that surpass the norm.

### 3. When will associates receive their 2024 bonuses?

Bonus-eligible associates at Latham will receive payouts on **January 31, 2025**.

### 4. Does Latham offer additional bonuses beyond year-end payouts?

Yes, associates who bill beyond the 1,900-hour threshold may qualify for even higher payouts.

### 5. Are these bonus amounts fixed, or can they change?

While these figures are based on past trends, final bonus payouts depend on individual billable hours and firm-wide financial performance.

## Conclusion

Latham & Watkins has once again demonstrated why it remains a powerhouse in Biglaw, offering competitive salaries and market-leading bonuses. For associates who've put in the hours, this year's payouts are a well-earned reward. As the legal industry evolves, Latham's compensation strategy sets a high bar, ensuring it remains an attractive destination for top legal talent.

Congratulations to all Latham associates on their well-deserved bonuses!

