

DAILY BUSINESS REVIEW

SPECIAL REPORT New associates

A BUYER'S MARKET

Cutbacks in law firm hiring and smaller salaries make job hunting a hard slog for many new associates.

by Noreen Marcus
Special to the Review

South Florida law students facing a shrunken job market aren't all that preoccupied with whether their starting salaries will conjure up 2007 — before the recession froze or trimmed compensation.

They're more concerned about snagging any kind of law job right out of school. In a market where supply outstrips demand so dramatically it can jolt even an academic superstar, how is the average third-year law student supposed to compete?

"Law students are impressionable and, when we see numbers from a writer, we believe it, and if we hear that the firms are cutting back, we become even more nervous," said Christian Sanchelima, 24, a 3L at Florida International University in Miami. "If we hear starting salaries are being cut back, we get even more nervous."

Legal recruiters agree students have a right to be jittery. The recruiters note excesses starting in the 1990s, when big national firms set the pace by boosting starting salaries by \$10,000 or more every year, helped drag the entire legal industry into recession.

Now there's a buyers' advantage, to the disadvantage of sellers. "I think it's a slight market correction, unfortunately, to the chagrin of recent graduates," said Abbe Bunt, a Hollywood-based legal recruiter.

Joe Ankus, president of Ankus Consulting in Weston, said prospects for new graduates have worsened in the past year.

"It's not impossible to get a job, but the trend remains consistently difficult, and I still haven't seen any reason for it to change," he said. "The magic number, the sweet spot

for demand and hiring, is always the same thing — laterals with three to five years of experience, partners with significant books of business."

STARTING PAY

Nationally, the average starting salary for the class of 2011 dropped to \$78,653, representing a 15 percent decline over two years, according to a survey released in June by NALP, formerly the National Association for Law Placement. The numbers include full-time jobs requiring law degrees in all sectors, not just law firms.

For graduates who manage to land jobs at law firms in South Florida, the pay is generally above that average.

"Salaries may have dropped in other parts of the country, but we're doing better," Bunt said. She said the national numbers are skewed by the fact that major firms, though still paying top dollar, have cut back on hiring.

Surveys by the Robert Half Legal recruiting firm and by Amy Levin, president of the Legal Group in Fort Lauderdale, support Bunt's assertion about South Florida compensation.

They report these 2011 average starting salaries: \$53,000 to \$78,000 for the smallest firms with up to 10 lawyers, \$60,000 to \$88,000 for small-to-midsize firms with 10 to 49 lawyers; \$78,000 to \$110,000 for midsize-to-large firms with 50 to 70 lawyers and \$114,000 to \$141,000 for larger firms.

Debbie Montero, Miami division director for Robert Half, said she has seen a slight drop this year with salaries averaging \$50,000 to \$70,000 at the smallest firms and \$55,000 to \$80,000 at the small-to-midsize firms. She said she did not have data on this year's salaries at larger firms.

"The large firms no longer need to draw attorneys to their practice by offering glorified salaries," Levin said. "The market has become humbled as a result of the prior four years."

FIRMS REAPING BENEFITS

While the market contraction is bad news for graduates, it's an opportunity for many law firms to hire top-notch newcomers who likely would have gone to the name brands a few years ago.

David Levine, founding partner of a 16-lawyer commercial litigation and insolvency boutique in Miami, is "thrilled" with his hires since Levine Kellogg Lehman Schneider + Grossman opened its doors in January 2010. Levine and the four other name partners came from Tew Cardenas.

Last year, the firm hired Brandon Thompson, a 2010 University of Miami law graduate, (See related story on page) and Andrew Brown, a 2011 University of Florida law grad, as associates. Stephanie Hauser, a University of Miami graduate who had been clerking for Senior U.S. District Judge James Lawrence King, came on board last month.

"We benefitted by some of the big firms either retrenching or pulling offers," Levine said. "We were able to take advantage of that, and happily so."

Levine said he and his partners look for talented young lawyers who will guarantee a strong succession and, in the near term, quickly develop to fulfill clients' needs and expectations.

"We want them to be well-rounded lawyers, to be poised, to be able to go to court," he said. "The full package is very important to us and to our clients."