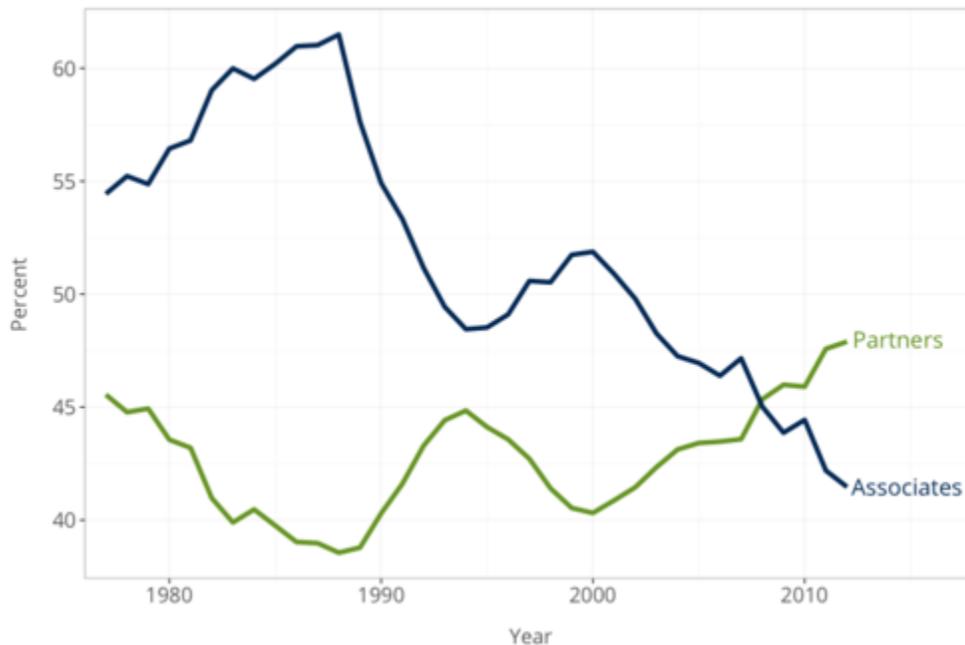


Sunday, December 8, 2013

## [Did the Market for Law Firm Associates Peak 25 Years Ago?](#)

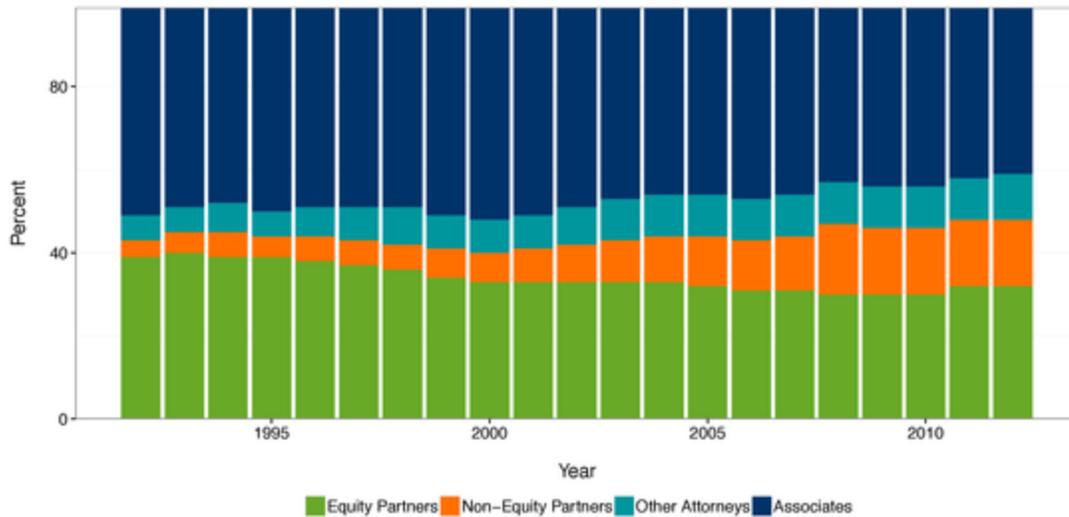
By [Bill Henderson](#)

Based on the chart below, which reflects 35 years of large law firm data, the answer appears to be yes. The chart enables us to compare two very simple trendlines: the percentage of lawyers in NLJ 250 law firms who have the title of Associates versus the percentage with the title of Partner.



The chart above was generated by my colleague, [Evan Parker-Stephen](#), who is Director of Analytics at Lawyer Metrics. I asked Evan to crunch these data after some of research I was working on revealed a 50% decline in Summer Associate hiring between 2002 and 2012 at the ~600 law firms listed in the NALP Directory (11,302 to 5,584). In other words, 2008 is the wrong reference point. See [Sea Change](#), NALP Bulletin (Aug 2013). Something more substantial was (is) happening.

Indeed, the 35-year graphic above provides a true wide-angle view, which in turn reveals an absolutely remarkable story. Associates were most integral to the large law firm model over 25 years ago. Although large law firms went on a hiring spree at various points during the 1990s and 2000s, the firms themselves were simultaneously adding a new layer of human capital that was neither associate or partner/owner. And in the process, associates were gradually being marginalized. The graph below (also NLJ 250 data) reveals the growing middle section of the so-called Diamond Model:



So what does all this mean?

My best analysis is set forth in a short research monograph I wrote with Evan, entitled "[The Diamond Law Firm: A New Model or the Pyramid Unraveling?](#)" The punchline is that large law firms appear to be chasing short-term profits at the expense of longer-term sustainability. It would not be the first industry sector to lose its competitive advantage through myopic strategy -- as the saying goes, nothing fails like success. See Henderson, *Three Generations of U.S. Lawyers: Generalist, Specialist, Project Manager*. Large firms are not going extinct. But as a matter of demographics, they are greying. If BigLaw were trading on the Nasdaq, the analysts would be very critical of this trend.