

## In The News

# For Second Year in a Row, Large Firms Continue to Bring In More Baby Lawyers

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Warren Knull says his first three weeks as a new corporate and securities associate with Andrews Kurth were "business boot camp" training. Knull and the firm's other baby lawyers went through a course the firm purchased called The Fullbridge Program, during which the associates formed teams to solve a case study.

"We were tasked with deciding whether or not to build from scratch an air taxi business or acquire one of the major players already in the market," says Knull, a 2013 graduate of the University of Texas School of Law. "Then, we had to analyze it from both a financial/business perspective and the legal issues that come along with acquiring a company like that."

Each team presented its findings to the firm's management committee and practice heads. Knull also earned an MBA while in law school and says, "It was a good experience, presenting in front of that kind of group. It was definitely a great experience and really great to build that rapport with the incoming class."

Like the majority of the 306 first-year associates at 20 of the state's 25 largest firms, Knull is male, Caucasian and a graduate of a Texas law school who is in either the litigation or corporate practice areas, began his full-time job in September and has a starting annual salary of \$160,000. And like most of his fellow baby lawyers, Knull was a summer associate with his firm while still a law student. *[See chart: New Associate Statistics 2013]*

Since the financial crisis of 2008, this is the second year in a row that the large firms participating in Texas Lawyer's New Associate Hires survey have brought in a larger entering class than the previous year. This year's class is 26.5 percent larger than the 242 associates in the 2012 class at the same firms. Houston-based Andrews Kurth hired 18 first-year associates for its Texas offices in 2013, compared with eight in 2012.

"We've always been financially conservative and weathered the recession well," says hiring partner Tammy Brenig. "Coming out of the recession and looking at the firm's needs, we're bringing the recruiting program back to where it was before the recession."

The firms are filling in their associate ranks to make up for smaller or nonexistent first-year associate classes since 2008, says firm consultant William C. Cobb of Houston.

"I can see that maybe there is enough business growth there that will allow them to hire that many people [recent graduates]," Cobb says.

But not all of the firms with large operations in Texas have been upsizing their associate ranks this year. For example, New York City-based Weil, Gotshal & Manges in June announced the layoffs of 60 associates firmwide. *[See "Update on the Exodus from Weil in Dallas," Texas Lawyer, Oct. 21, 2013, p.1].*

### LATERAL HIRES

"There have been a lot more lateral moves of first, second and third-year associates in the last three or four years," Cobb says.

While firms have been filling their midlevel associate ranks with lateral hires, they now need younger lawyers handling entry-level tasks at entry-level billing rates, lie says.

"They [firms] need younger associates in there to use lower rates," Cobb says,

Although Munsch Hardt Kopf & Harr also hired more first-year associates this year than last-four baby lawyers rather than none the firm traditionally fills its associate ranks through lateral hiring, says Glenn Callison, chairman and CEO of the firm. He agrees that the last few years have been particularly robust for recruiting experienced associates, and Munsch Hardt has hired seven associates laterally this year.

"It was a good strategy to be able to go in and hire, laterally, associates who were able to come in and hit the ground running," Callison says.

The Dallas-based firm had no first-year associates in 2012 because it decided to take a year off from recruiting on campus, he says

The firm pays a \$140,000 starting salary to new associates, which is an increase of \$5,000 from the \$135,000 salaries the firm paid in 2011. With most large firms paying \$160,000 starting salaries, Callison says Munsch Hardt has lost some entry-level candidates the firm wanted to hire, particularly those with crushing debt loads.

"But, at the end of the day, we have to have a structure that makes sense, so we can continue to offer good value to our clients," he says.

Dallas-based Thompson & Knight hired 14 new associates for its Texas offices in 2013, compared with 13 new associates last year. The firm had eight new Texas associates in 2010 and seven in 2011, says hiring partner Dave Schulte.

"Since 2010, our summer classes have been growing just a little bit, and, based on that, new associate hires have been growing a bit," he says. "It's just steady and conservative, and I imagine we'll probably continue along the same course for a while."

Six of Thompson & Knight's new associates are women, and four are minorities, making up 42.9 and 28.6 percent of firm's first-year class, respectively. That compares with the overall makeup of first-year associates at the large firms of 44.1 percent women and 25.8 percent minorities.

"I think our firm's commitment to diversity and inclusion is something that students read about," Schulte says. "Students nowadays are studying the firms. A significant amount of work is done by the students. So, much as we are interviewing them, they are interviewing us."

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