

Associate Atty Hiring, Attrition Up Sharply In '21

By **Hailey Konnath**

Law360 (April 26, 2022, 9:56 PM EDT) -- Associates left law firms in 2021 at a rate that reached a historic high, though firms also hired significantly more associates last year, according to an attrition report released Tuesday by the NALP Foundation for Law Career Research and Education.

In its annual **Update on Associate Attrition**, the NALP Foundation looked at data from 125 participating U.S. and Canadian law firms. The firms reported "radical increases" in both the levels of associate hiring and attrition, the foundation said in a statement Tuesday.

Attrition reached an average rate of 26%, up from **16% in 2020**, per the report. The average rate in 2021 was about the same no matter the location or size of the firm, the foundation said. Overall, firms reported 4,503 associate departures last year, jumping from the 2,876 who left in 2020.

"This was the highest average rate reported since the Update on Associate Attrition studies began in 2006," the NALP Foundation said in the report.

And the attrition rate for associates of color was even higher, at 34%, the foundation said. That's up from an attrition rate of 18% in 2020, according to the report.

There were large variations in the range of attrition rates reported to the NALP Foundation — with the largest firms reporting attrition rates between 17% and 74%, and the smallest firms reporting rates of 10% to 67%. "Notably," the organization said, "none of the participating firms reported having no associate departures during 2021."

Nearly half of departing associates went to another firm, and about a quarter left for corporate in-house legal positions, according to the report. Eight percent were listed as having an "unknown destination," the foundation said.

At the same time, associate hiring more than doubled from 2020, the NALP Foundation said, noting that lateral hires slightly exceeded entry-level hires at firms. In 2021, firms hired 7,278 associates, whereas just 2,772 were hired in 2020.

"2021 proved to be a robust year for associate hiring, after the sharp decline in 2020 due to COVID-19 and shutdowns at the height of the pandemic," the NALP Foundation said.

Last year, 3,839 of those hires were lateral, and 3,439 were entry-level, the foundation found. When it came to gender, men and women were hired at about the same rates, it said. And a slightly higher rate of associates of color were hired: 32% in 2021 as opposed to 2020's 30%, per the report.

The NALP Foundation said associates who left firms within one year of joining saw a high level of mobility, a finding it called "new and surprising." Mobility increased for both entry-level and lateral hires, according to the report. Specifically, about 10% of lateral and 6% of entry-level associates arrived at or departed from their firms during 2021.

NALP Foundation President and CEO Fiona Trevelyan Hornblower said in Tuesday's statement that "while law firms have certainly struggled with associate retention in a highly volatile employment environment, with 2021's special bonuses and salary raises, the year's extraordinarily high hiring levels outpaced these losses across the board, rendering it more of an overall talent tornado than a Great Resignation for law firm associates."

--Additional reporting by Lauren Berg. Editing by Rich Mills.

Clarification: This story has been updated to clarify that the report was issued by the NALP Foundation.