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## **Irell, Quinn to Hike First-Year Salaries**

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LOS ANGELES — Irell & Manella will raise first-year associates' base salary to \$135,000 next year, a \$5,000 increase that is already sending ripples through the Southern California legal industry.

Upon hearing news of the hike, Quinn Emanuel Urquhart Oliver & Hedges quickly followed suit, lifting their first-year base by \$5,000 to match Irell.

"We'd have to be brain-dead not to consider what a primary competitor is doing," partner William Urquhart said. "There aren't very many elite law firms in America and even fewer in Los Angeles — Irell is one and we'd like to think we are also."

Irell's decision will likely make waves in an area that's remained relatively static since the dot-com crash. Recent gains in revenues and profits and the increased competition for legal talent are creating an environment more conducive to raises, recruiters say.

"It's been so flat for so long I would not be surprised, given the excitement in the market, if others followed suit," said Delia Swan, a recruiter with Swan Legal Search's Los Angeles office. "I am finding the market to be very buoyant and very competitive."

Another recruiter, though, said she would be surprised if Irell's increases are matched by the larger national and international firms. "There are already issues at these large firms with billing rates, and getting priced out," said Erin McClure, who recruits associates at McClure & Feuer in San Francisco. "If they raise the base salary, they have to raise the billing rates."

Irell's move is primarily motivated by its high profitability over the past several years, Managing Partner David Siegel said.

"We have a commitment to share our financial success with associates, and this is a modest effort to do this," Siegel said. "We want to be competitive and attract the best people."

While the base salary decisions for other classes will be made at year's end, it's likely that at least some classes will see similar increases, he said.

A jump of \$5,000 might not be a significant enough amount to sway an individual candidate's decision, but it does send a powerful message, said Bay Area recruiter Avis Caravello. When top recruits are checking out similar firms, it could tip the scales in one firm's favor.

"In and of itself, it wouldn't signal people to flock to that firm, but it shows the firm's confidence in its financial success and willingness to share with its associates," Caravello said. "It's more psychologically what it says to candidates: We're sharing."

That's true for Bret Chrisope, a second-year student at the University of Chicago Law School who is looking at Irell; Quinn Emanuel; Munger, Tolles & Olson; and O'Melveny & Myers.

Ultimately, salary will not be the determining factor, but it is something he looks at, Chrisope said.

"Whether firms can match the highest offer is a reflection on that firm's capabilities and how they see themselves in the legal market," he said.

California firms with a national or international presence might weigh different criteria when making salary decisions.

"For a global firm, the decision on the market for compensation is more complex than what happens in one law firm in one city," said Greg Nitzkowski, co-managing partner of Paul, Hastings, Janofsky & Walker, which like many national firms pays \$125,000 for first-year associates in California.

Recruiter Caravello said she's already heard a buzz from firms who are questioning whether it's time to think about a raise.

"If you're out of step, you lose your competitiveness," she said. "Irell's bump is a conservative bump but an indicator that firms will likely follow."

*contributed to this report.*