

## Layoffs and Legal Recruiters Confirm Associates' Hunch: It's a Buyer's Market

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The job market got a bit colder this week when word broke that [Sonnenschein Nath & Rosenthal had laid off 37 lawyers as well as dozens of staff](#). Those lawyers will join a job market that recruiters say is requiring more patience from laterals -- especially junior associates with out-of-favor specialties.

According to California legal recruiters, firms are spending more time now filling fewer open associate positions.

"A little bit more thought goes into the hiring process now, and I think consequently it's more competitive for associates," said Delia Swan, of Los Angeles' Swan Legal Search. "Where, normally, we'd see an offer in a week or two, sometimes it takes months."

In some cases, firms are dragging their feet by expanding the interview process.

Scott Dubin, a San Francisco recruiter, said he had a senior associate candidate interview at the Silicon Valley offices of two top California firms. She got into late stages of the process with both, but one began asking her to interview at other offices -- something Dubin said is pretty unusual. Ultimately, the other firm made an offer and she took it.

"Firms are a little skittish given the economic slowdown," Dubin said.

And they're in a good position to take their time. "From May of '07 to May of '08, the market has changed from a seller's market to a buyer's market, with the buyers being the firms," Dubin said.

"We've even had some firms that had given us positions to work on let us know a couple weeks later, 'Never mind,'" said Valerie Fontaine of Seltzer Fontaine Beckwith in Los Angeles.

The market is worst for junior associates, recruiters said. Where they have had an easier time than senior associates finding jobs in the past, now firms are hiring associates with more experience.

"Right now firms are being conservative and they're making do with the summer associates and the associates they're hiring in the fall," said Fontaine. There are more midlevel to senior associate openings than junior ones, she added.

But there are a couple of silver linings for California job seekers.

Fontaine noted that while fewer associate positions are available locally, lawyers elsewhere may be worse off. "We've had some people who have left New York ... [and] they were surprised at how many opportunities we have here."

And with tech companies doing relatively well in the current economic downturn, some recruiters said the Bay Area market today isn't as bad as it was in the early 2000s.

"It's a lot shallower than the last market downturn, which was really led by Silicon Valley," Dubin said. "And this one is Silicon Valley being dragged down a little bit by the economic slowdown nationwide."

In addition to Sonnenschein, a smattering of other firms have announced or confirmed lawyer layoffs this year, including Cadwalader, Wickersham & Taft; Dechert; Sutherland Asbill & Brennan; and Thelen Reid Brown Raysman & Steiner.

Earlier this month, a fired San Francisco Paul, Hastings, Janofsky & Walker associate created a fury on the Internet with an e-mail claiming she was part of a clandestine layoff. [The firm denied to Recorder affiliate \*The American Lawyer\* that it had conducted layoffs](#), with a spokeswoman saying some associates had been let go, but only as part of the firm's performance evaluation process and in numbers similar to last year.

Firms that have confirmed layoffs claim that being proactive with their news may at least minimize the damage to those who are suddenly unemployed.

Otherwise, "the danger ... is that you injure the people who are affected," said Gregory Markel, the head of the litigation department and a member of the management committee at Cadwalader, which laid off 35 attorneys in January.

"If we were to do what we did in effect below the radar screen, in the dead of night or a few at a time, the perception would be that these individuals would be let go for performance rather than economic reasons," Sonnenschein Chairman Elliott Portnoy said Wednesday.

Of course, in the Internet age, keeping it quiet might not have been much of an option. "In this period of time, I can't imagine much that any firm does stay private or undisclosed for very long," Portnoy said.