

Hiring Law Firms Offer 'Reverse Signing Bonus' Instead of Guaranteed Minimums

Posted May 13, 2010 6:00 AM CDT

By [Debra Cassens Weiss](#)

The nation's most profitable law firms increased their lateral hiring of partners last year, even as they became choosier and stingier.

Lateral partner hiring [increased by almost 11 percent last year](#) at the nation's top 200 law firms, the [National Law Journal](#) reports, citing figures from its affiliate, the American Lawyer. But expectations for the new hires are increasing.

Most firms aren't interested in "investment hires" who have promising careers but insufficient books of business, the story says. Some firms don't hire laterals unless they can bring with them between \$3 million and \$5 million in business, according to Delia Swan, founder of Swan Legal Search in California.

Firms are also cutting compensation packages. Jon Lindsey, managing partner of the New York office of legal recruiter Major, Lindsey & Africa, told the NLJ that multiyear, guaranteed compensation is no longer in vogue. "The heyday of the three- and four-year guarantee deal has passed. Two or three years ago, that was seen as a great way to lock people in," Lindsey said. "But that money comes out of partners' pockets, and some ill-advised deals were made."

Some firms are offering a financial incentive that is akin to a reverse signing bonus, the story says. Lindsey gave an example. A law firm offers a lateral hire a \$1 million loan to come aboard. The firm might forgive \$250,000 of the loan for each year that the partner meets expectations, until it is fully forgiven.

Copyright 2010 American Bar Association. All rights reserved.