

Lane Powell Raises Salaries, Lowers Billable Demands

By Emma Cueto

Law360 (January 24, 2022, 4:07 PM EST) -- Pacific Northwest firm Lane Powell PC has unveiled a new associate compensation plan that raises associate base pay while reducing the annual billable hours requirements, saying that the move is part of an effort to avoid burnout and make work more sustainable for associates.

Under the new plan, which was publicly announced Wednesday, base pay for first-year associates in the firm's Seattle office has increased to \$165,000 per year, up from \$160,000 previously, with the base pay scale maxing out at \$230,000 for eighth-year associates. The firm did not provide numbers for attorneys in its Portland, Oregon, or Anchorage, Alaska, offices.

In addition, the mandatory billable hours for associates has been reduced from 1,850 to 1,750 hours. The firm will, however, offer bonuses to associates who hit the old target hours, with those attorneys earning an additional \$20,000 to \$40,000 depending on their year, based on the numbers provide to Law360.

The firm will also allow associates to count up to 100 hours of pro bono, shadowing and diversity, equity and inclusion work toward their billable hours.

"The pandemic brought additional emphasis on preventing burnout in our employees, and we have been working hard over the past several years to implement new programs and approaches to reflect that," Lane Powell President Barbara Duffy told Law360 Pulse in an email.

She added, "We decided that this change was entirely consistent with our values and our view that we invest in our people. We want more from our associates than billable hours. We want them to build a practice, a reputation, and a career. They need time to do these things and we want them to have that time."

During the pandemic, demand for legal work has driven a huge demand for talent, including associates. Many firms have raised salaries to attract and retain associates, with Milbank LLP recently setting a new standard by bumping the starting salary for first year associates to \$215,000, and several in BigLaw already following suit.

The scramble for talent has left Mid-Law firms vulnerable to poaching, with firms raising their own salaries but largely unable to match BigLaw dollar for dollar.

Simultaneously, demand has driven concerns about associate burnout, with many working even longer hours during the pandemic.

Duffy said that she believes that Lane Powell's increased salary and lowered billable hour requirements will make the firm stand out among its peers

"Firms across the industry are making increases to their associate compensation, but we are seeing many increase their billable hours requirement in tandem with that," she noted. "We are not aware of many (if any) that have taken a similar approach to ours, where we are both increasing salaries and reducing the billable hours requirement. Our new model results in a total compensation package exceeding those of many peer firms for associates who exceed our billable hours requirement."

She added that the new compensation plan is one of several programs at the firm to foster and retain talent, including an associate mentoring program, a revamped professional development and feedback model for associates, a coaching program for new shareholders, and a strategic three-year DEI plan.

"Our firm vision is driven by our commitment to our clients," she said. "By investing in a diverse and exceptional workforce, we're able to best understand our clients' businesses and industries so that we may anticipate their needs and provide them with the highest level of service. Investing in our talented people will allow us to maintain that commitment for many years to come."

Lane Powell is a full service firm with offices in Seattle, Portland, and Anchorage. It has about 160 attorneys, according to the latest Law360 400 rankings.

--Editing by Alyssa Miller.