

Legal Fee Tracker: A \$24 mln-a-year partner? Billing rates propel historic pay gains

Published by Reuters on October 24, 2024, 14:00 MDT

Ramped up billing rates are helping drive what looks like an unprecedented surge in compensation for U.S. law firm partners.

Many big firms are simply making more money. Law firm revenues increased by an average of 11.4% during the first six months of 2024 compared with the same period last year, driven by billing rate and demand growth, according to data from Wells Fargo's Legal Specialty Group. Some high-performing firms are on track to see a 15% year-over-year increase in profits and revenue by the end of 2024, said Zeughauser Group legal industry consultant Kent Zimmermann. "Attracting and retaining the best lawyers in a firm's areas of focus is the whole ballgame for a law firm that aspires to market leadership in its chosen areas of focus," Zimmermann said.

Some of the largest U.S. law firms have also raised associate salaries multiple times amid a fierce market for junior legal talent, with senior associates at top firms now making well over \$400,000. That creates a higher floor for junior and non-equity partner pay, said Bruce MacEwen of law firm consultancy Adam Smith Esq.

— In other legal fee news, a group of plaintiffs' attorneys in UFC litigation against TKO Group Holdings Inc are seeking \$115.2 million in fees after reaching a \$375 million settlement with the mixed martial arts promoter earlier this month.

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