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Here Come the Big Law Millennials

MP McQueen, The American Lawyer

February 29, 2016



Illustration by Carlos Zamora

The millennials have landed.

The group, often defined as those adults who are 18 to 35 this year, became the largest age group in the workplace in 2015, overtaking both the much smaller Generation X and the baby boomers, according to the Pew Research Center. Millennials now make up more than a third of the U.S. workforce, and as much as 21.5 percent of lawyers in the U.S., according to the current population survey of the U.S. Bureau of Labor Statistics.

As millennials come to the fore at Am Law 200 law firms, senior partners and managers are bracing for a group that's already transforming the corporate world and the culture. Only about 2 percent of Am Law 200 partners were 35 years old or younger, according to our own ALI Legal Intelligence data collected late last year, but millennials are already well represented among associates.

Millennials are a different breed in many respects. Growing older and settling down probably will not make them conform as much their elders seem to think. The first generation of "digital natives" will change the firms

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they work for more than the firms will change them, experts say. They're already influencing law firm technology, office space, parental leave policies and legal career paths, and the changes are just beginning.

Succession to Generation X and millennial leadership already is occurring at the top of other businesses and organizations, surveys show. But power remains firmly in the hands of leaders in their 50s and 60s at many of the largest law firms: The average age of an Am Law partner last year was about 52, and nearly half of partners were 52 or older, available data suggests. And those figures count nonequity partners as partners, too; the equity partnership is usually older.

The big question is whether the law firm establishment will merely adapt to the coming wave of young lawyers, or be transformed by their technologies, behavior and worldviews, consultants and researchers say. Yet some firms are slow in coming to terms with the different concerns this age group presents for management.

"What I see all the time when I am doing speaking or training in the law firm environment is this sense among senior partners that their (millennials') behaviors will change as soon as they have a mortgage and kids, then they will become just like me," says Lauren Stiller Rikleen, president of the Rikleen Institute for Strategic Leadership and a former equity law partner in Massachusetts.

"If you look at the data and the research, nothing supports that the generational patterns you are seeing will be different because this particular cohort now has a home and children to raise," she says.

How they're different

Countless articles have depicted millennials as a spoiled "everybody gets a trophy," "special snowflakes" group reared by overly involved "helicopter" parents. Others think of them as the social media generation, who came of age with the web, Facebook (2004) and iPhones (2007). More than 80 percent of millennials are on Facebook, Instagram or another social media platform, Pew Research says. But studies and interviews indicate that millennials themselves resist the label, while boomers generally accept theirs: Only 40 percent of millennials identify with the tag. Here are some other ways they're different:

They're a big group. Millennials were projected to reach 75.3 million last year, surpassing the 74.9 million boomers, and the group will continue to grow from immigration. (Boomers peaked at nearly 79 million in 1999, according to Pew.) By contrast, Generation X, the "middle child," numbers only about 55 million.

Consequently, they're likely to be overtaken soon by millennials for leadership of companies and law firms. While Gen X is a small group in the labor force, they're a big presence at Am Law firms right now: Currently about half of Am Law 200 partners are members of Generation X, based on our estimates, but our data doesn't distinguish between equity and nonequity partners.

WHO ARE THE MILLENNIALS?

More than **33%**
of American workers

20% of lawyers
in the United States

2% of partners
in the Am Law 200

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They're diverse. Millennials are the most racially and ethnically varied U.S. age group, thanks to birth and immigration. Only 57 percent of adult millennials were non-Hispanic whites in the U.S. in 2014. By contrast, Generation X is 61 percent white, boomers were 72 percent white, and the Silent Generation born from 1928 through 1945 was 78 percent white, according to Pew. "The client pool is becoming increasingly more diverse than the outside counsel. We are already at the point where it is a huge concern," Rikleen says.

They're the most educated—and indebted for it—generation. Among The Am Law 200, it is not hard to find young lawyers with MBAs and M.D.s in addition to their law degrees. Many millennials went into tremendous debt for their schooling, however. A 2014 analysis of government data found 37 percent of households headed by adults under 40 had at least some college debt, according to Pew. The average J.D. graduated with \$167,000 in student debt in 2015, according to an analysis by Advisors Network released in last year. Seven years after graduating, almost two-thirds of respondents to a national survey of young lawyers were still carrying student loan debt, with blacks and Hispanics carrying the most.

They're mobile and entrepreneurial. The diminishing number of associates at big firms, the longer and chancier road to becoming a partner and the increased acceptance of lateral moves means that many millennials accept the idea of job-hopping after a couple of years, posing a problem for the firms that invest as much as \$250,000 in recruiting and training them. A third of lawyers already had changed jobs once only three years out of law school, according to the national longitudinal study "After the JD III," with lawyers at private firms especially likely to change settings. Joan Newman, a St. Louis-based lawyer and adjunct consultant with Altman Weil Inc., says, "They are risk takers and very entrepreneurial. If things aren't going their way in two or three years, they will pick up and leave."

For instance: two former attorneys at Orrick, Herrington & Sutcliffe, Chris Field, 43, and Darby Wong, 31, in Menlo Park, left in 2011 to start Clerky.com in Burlingame, California, a company that automates the incorporation process for startups. John Bautista, head partner of the technology companies group at Orrick, is an adviser.

Faiza Rahman, 35, a new partner in the capital markets group at Weil, Gotshal and Manges, says, "I think there is more of an entrepreneurial bent because there has to be. There isn't the stability in the workforce." They're for gender equality. Sixty-three percent of millennial women ages 18-33 were in the labor force in 2014, and at the same age, 69 percent of Gen X women worked. (The smaller percentage of millennials reflects the fact that many of the youngest millennials are still in school.) That compares with 60 percent of boomer women at the same age, according to a 2015 Pew report.

Surveys show that a majority of millennial women and men support gender equality, which portends significant changes ahead for big business and Big Law, many observers believe. Heather Asher, 33, executive director of Ms.JD, a group that advocates for women early in their legal careers and a former senior associate at Alston & Bird in Atlanta, says, "There is no line between the genders as far as what they are seeking in the workplace."

They work differently. Millennials are more collaborative than their elders, experts say. To accommodate them (and high rents) more law firms, such as Latham & Watkins, are creating open spaces where lawyers can bring laptops, tablets and smartphones. They're also more likely to multitask and feel they can work as efficiently elsewhere as in the office. They value transparency in decision-making and dislike hierarchy. And, as Loeb & Loeb's deputy chairman Kenneth Florin, 49, says, they also often seek a "broader purpose or charitable element" in their work.

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They think globally. Compared with their elders, millennials tend to have a more global outlook. Josh Pollick, 31, a senior associate at Orrick in Santa Monica, California, says the firm's global reach is part of what attracted him to Orrick. To date, he has worked out of the firm's New York, Los Angeles, Silicon Valley, San Francisco and London offices, and also actively works on deals with attorneys in Paris, Munich and China. "I think our generation has been fortunate to travel globally, more so than prior generations, and that has led us to want to work on global cross-border deals," he says.

They may not want your corner office. Perhaps most worrisome for Big Law, there appear to be more millennials who don't aspire to become a partner, either because they don't like the Big Law lifestyle of round-the-clock labor and availability or—in the case of many women and minorities—they don't think they have much of a chance of promotion anyway. Associates reported working an average of 2,208 hours in 2010 at the largest firms in the National Association for Law Placement's most recent report, published in 2012.

Rikleen, the author of a book on managing millennials in the workplace, says, "I hear over and over that I am in this firm because I need to pay down my debt, but I don't see myself having a future here." She says that when questioned, associates are split between those who don't choose to stay, and those who feel the firm doesn't want them to stay.

Intergenerational conflicts

The fact that large law firms have as many as four generations working together may be viewed as a testament to a profession where experience and wisdom still account for something, but may also highlight the reluctance of some of its most accomplished practitioners to retire. Just over 3 percent of Am Law 200 partners were 71 to 88 years old, a larger proportion than are millennials, according to our ALI estimates. But all those groups working together aren't friction-free. Here's where some of the sparks fly:

Boomers vs. Gen X: Boomers bucked tradition by starting families later and divorcing more often than previous generations. Now they aren't retiring as expected. This presents a challenge for firms that must contend with succession issues at the one end and younger lawyers hungry for advancement at the other. At some firms, Generation X members, the oldest of whom are now 50 or 51, are chafing at what they feel are blocked opportunities and inequitable compensation. "Generation X is the Prince Charles of the workplace," says Michelle Silverthorn, 33, a former associate at two Am Law 200 firms who runs programs on bridging the generational divide as diversity and education director for the Illinois Supreme Court Commission on Professionalism.

As a result, Gen Xers are jumping to other firms for more opportunity, or they're starting boutique firms of their own, sometimes taking promising millennials with them. Litigation partner Beth Wilkinson, for instance, recently left Paul, Weiss, Rifkind Wharton & Garrison to establish her own boutique, specifically saying that she intends to "train the next generation of trial lawyers," according to The Am Law Daily.

Noah Heller, CEO at Katten Muchin Rosenman and, at 40, possibly the youngest chief executive in The Am Law 200, says the interests of partners and their firms diverge as lawyers approach traditional retirement ages. Heller, who was appointed CEO at age 37, says, "If you don't manage that issue, all the young partners with the most potential are going to get frustrated and leave if they don't feel management of the firm is giving them opportunity."

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Gen X vs. millennials: Relationships between Generation X and millennials aren't always cozy, either. Millennials reared in affluent families had extremely structured childhoods (playgroups, tutoring, etc.) compared with children of previous eras, including Generation X, the so-called "latchkey" kids of a high-divorce era.

In general, millennials crave constant, detailed feedback and clear guidelines for promotion; annual performance reviews aren't enough for them, consultants say. Gen X members, however, tend to be more autonomous. They may not give as much direction and support as associates and junior partners want.

"Millennials expect more structured leadership," says Ursula Furi-Perry, a lawyer and author of a book on millennial lawyers. Firm leaders should clearly spell out expectations and limitations and provide transparency in decision-making for millennial lawyers, she says.

Boomers vs. millennials: Many boomers paid heavy dues in hierarchical organizations at a time when working meant schlepping into an office every day. Now that they're in charge at many firms, they often expect younger lawyers to do it their way, but that's not likely to happen, experts say.

Digital technology and the Internet—which are like breathing to millennials and second nature to Gen X—are disrupting industries and handing an advantage to lawyers who are completely comfortable in that world. Corporate counsel are already younger than many firm leaders, according to a soon-to-be updated study by legal marketing specialists Heather Morse and Jonathan Fitzgarrald. Conflicts may appear in such routine matters: A boomer client may prefer being telephoned to being texted; a millennial client would rather Skype than meet with his boomer lawyer. That can be a problem for business development and succession.

Loeb & Loeb corporate lawyer Steven Hurdle, who was promoted to partner in November 2014 at age 32, asserts that younger lawyers can form strong bonds with clients they know only online. "Prior to my time at Loeb, I had a client whose office was a block away, and I knew multiple people on the team and had multiple transactions—and I never met them face-to-face," he says. But deputy chairman Florin says, "I still think it's important to chat and see people face-to-face."

Skeptical older partners and younger ones also clash over the need for marketing, especially on social media such as LinkedIn and Twitter. Partner John Delaney, 51, who heads Morrison & Foerster's social media practice and founded the Socially Aware blog, says, "General counsel increasingly make decisions based on LinkedIn, and if you are not on it, you may miss out on the next big case."

Work-life balance continues to be a flashpoint. Most millennial families are dual-income, Newman says, "so right there it plays into work-life balance tensions that you see in law firms." Boomer and older partners may not understand that millennial male partners have responsibilities at home.

Relations between boomer and millennial women lawyers at big firms can be remarkably tense, female lawyers and consultants say. Powerful boomer and Silent Generation women lawyers had to fight hard and sacrifice a lot in male-dominated firms to earn their careers, and they can't always relate to the youngest generation of female lawyers, who take hard-won benefits such as maternity leave or part-time status for granted. On the other hand, younger women lawyers don't necessarily want to emulate their predecessors' gave-it-all-at-the-office approach.

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"The No. 1 thing I hear from senior lawyers is that they don't understand how to approach millennials, because they don't have the same goals as when they started out. They don't want to be them, or follow in their footsteps," says Heather Asher, 33, a former senior associate at Alston & Bird in Atlanta. "A lot of millennials do want to work hard, but they don't want to spend 95 percent of their time at work in the office like they may see a senior attorney doing. They want to figure out a way to achieve similar things in a different way."

Not everyone is convinced that pressure from millennials will effect permanent changes in Big Law. Sabina Lippman, partner and co-founder of placement firm Lippman Jungers LLC in Los Angeles, says there are limits to how accommodating Big Law can be as the industry becomes ever riskier and more demanding. While more firms are adding paternity leave and similar benefits, "I am not seeing a lot change from where I sit."

What's Ahead

Other observers feel change will be permanent and profound.

Patricia Gillette, counsel and former partner at Orrick, contends that the situation for law firms "is far more dire than the industry realizes. We have to have a big influx of people every year," she says, "and if they start leaving after the third or fifth year, that is really problematic for the model, which is why the model has to change." [see Dicta, page 78].

Automation is increasing; corporate law departments are expanding; and virtual law firms such as Bliss Lawyers and Axiom Global are staffed with a significant share of well-credentialed female and millennial lawyers who were either forced into such work by necessity, or chose it because of the flexible schedules. Combined with other external pressures, they could disrupt the traditional law firm model by providing new alternatives, Gillette says.

Marcie Borgal Shunk, a senior consultant with LawVision Group who specializes in data-driven strategic planning, says she believes that the traditional law firm partnership model more likely will evolve into something resembling professional services consultancies, with a much smaller group of shareholders, more leverage and more contract, staff lawyer and counsel jobs. "Law firms that are going to come out ahead are those that can build these alternatives into their models and eliminate that stigma" of nonpartner posts, she says. The risk of such alternative career tracks is that they will prove unsatisfactory if lawyers balancing family responsibilities are disproportionately shunted into nonpartner positions, says Silverthorn, from the Illinois Supreme Court's Commission on Professionalism.

Law firms may see client relationships suffer as millennials take over from boomer and Gen X leadership, says Joan Newman, the adjunct consultant with Altman Weil. Skeptical of the younger generations' reliance on digital communication, she believes their client development skills are not on a par with their predecessors. "As baby boomers retire, I am not sure the next two generations have the interpersonal skills to continue those relationships," she says. Whether millennials will revolutionize the profession or merely influence it, law firms will probably change more in the next 20 years than they have in the last two decades.

Source: <http://www.americanlawyer.com/id=1202749825654/Here-Come-the-Big-Law-Millennials#ixzz41bZJ29gB>