



# A Tight Market for Top Talent Means Peers Will Fall in Line With Milbank's Associate Salary Increases

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Credit: ThongSam/Adobe Stock

## What You Need to Know

- Milbank raised associate base salaries for the first time since 2023, with McDermott Will & Schulte and midsize firm Hueston Hennigan quickly matching Milbank's new scale.
- Record-breaking financial performances are supporting the salary increases, although firms are also likely seeking a recruiting edge to bring in talent to key practices.



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Am Law 100 firm McDermott Will & Schulte and litigation boutique Hueston Hennigan have already matched Milbank's latest [associate salary increases](#). Now, the market is waiting with bated breath to see who will be the next to match—or possibly exceed—Milbank's new salary scale.

At Milbank, McDermott and Hueston, first through fourth years are set to receive an increase of \$10,000 to their salaries, while fifth years and above will earn an additional \$20,000 once the increases go into effect on July 1. Big Law associates have gone without bumps in their base [salaries since 2023](#), when Milbank and Cravath Swaine & Moore set the current standard for associate comp.

Despite the relative silence from the rest of the market as of publication on Wednesday, sources expect other top firms to eventually fall in line with Milbank's salary bump, although there is still the possibility that a competitor will look to set a new market standard as was the case across the board [with Davis Polk & Wardwell in 2021](#) and for midlevel and senior associate compensation [with Cravath in 2023](#).

Naturally, record-breaking law firm financial performances have provided the backbone to support the salary increases. Rainmakers and partners have earned astronomical pay packages in recent years. One Am Law 100 managing partner, who spoke on condition of anonymity, said that firms are currently modeling the impact of their increases on their finances and will likely match soon, noting that it's hard to pay partners "unbelievable amounts" and then not deliver associate salary hikes.

Strong financial performance aside, however, recruiters pointed to the talent wars as a key driver of the salary bump, with competition for top associates only becoming more intense.

"I wouldn't be surprised if someone goes over the top [of Milbank's increase] in the next few weeks," predicted Thomas Hanlon, executive director of recruiting firm Buchanan Law. "Attracting talent at the top end is so vital, and being seen as the firm who's capable of boosting associate compensation across the board—the firm that's moving the market—is just such a big notch on the belt when it comes to the talent fight."

Hanlon and Major Lindsey & Africa associate recruiting partner Stephanie Biderman both framed the associate salary bump as an advantage for recruiting. Hanlon speculated that intense demand across the Am Law 100 for associates in corporate and transactional practices will prompt other firms to raise salaries, while Biderman added that the salary increase could help provide a marketing and recruitment edge during the early stages of on-campus interviewing.

"My understanding is now OCI is starting really, really early. The fact that we're seeing this come out now does have a helpful marketing and recruiting angle," Biderman said in an interview.

Biderman also highlighted another element of timing behind the salary bump, as some firms, notably Hueston Hennigan and fellow litigation boutique Selendy Gay, have started announcing summer or special bonuses. Milbank has offered summer bonuses in [both 2024 and 2025](#), although it's unclear if Milbank plans to offer an additional bonus outside of its associate salary increase.

"Milbank's decision to raise salaries as opposed to giving another bonus has a far bigger impact because it impacts so many associates over the long run," Biderman said. "The bonus is really, theoretically, meant for exceptional years—this is going to be more impactful than any bonus would have been."

That doesn't mean that there's no chance other summer or special bonuses pop up, Biderman said. Hanlon framed the potential summer bonuses as retention bonuses, noting that intense competition for associates in the lateral market has helped drive up individual retention bonuses and spurred more aggressive counter-offers for individuals looking to make a lateral move.

Biderman also observed that the increase in associate compensation is contributing to segmentation in the legal market.

"Whenever we have these raises and bonuses, where is the line drawn for the firms who decide not to do this?" she asked, referencing firms whose rates and profitability won't support increases. "It's just further separation of some of the top firms in the market that really have sustained this type of raise and possibly this type of extra bonus."

However, Biderman noted, another point of interest has been how boutiques are competing with Big Law in terms of compensation and special bonuses. In previous years, firms such as [Dunn Isaacson Rhee and Wilkinson Stekloff](#) have exceeded Big Law's end of year bonuses; others, such as Axinn, Veltrop & Harkrider [and Ahmad, Zavitsanos & Mensing](#), made earlier bumps to associate salaries and exceeded the previous BigLaw scale established in 2023.

"We've seen a lot of the small boutiques give bonuses that didn't necessarily spread across the market, and that's happened [a number of years](#). They're not really seen as leading the charge in creating the market because they pay above market and they're uniquely situated," Biderman said.



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