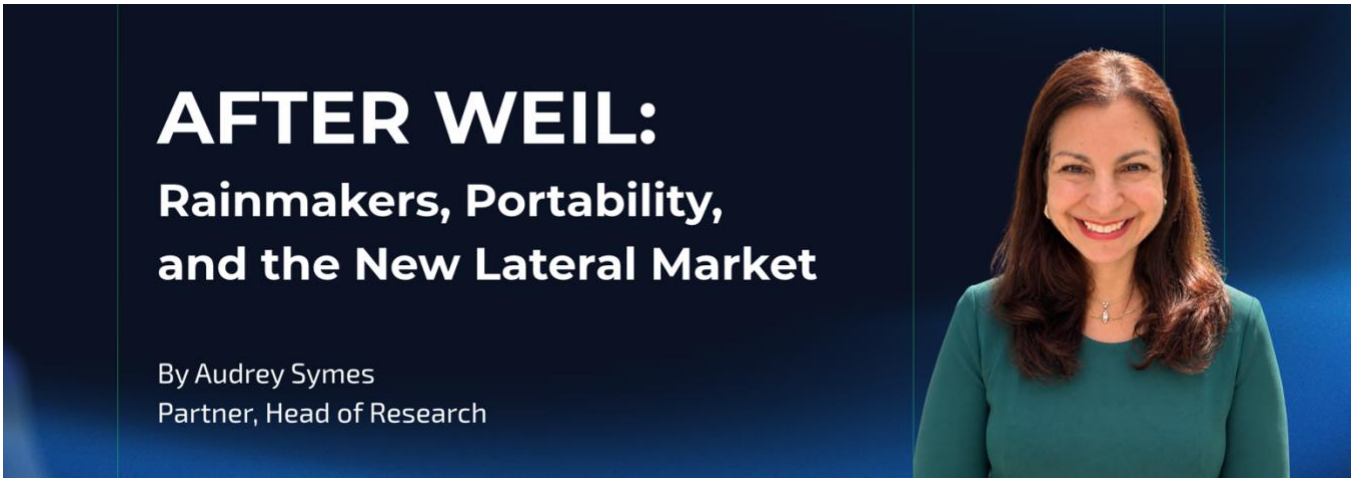


Weil, Gotshal & Manges is the most striking example yet of how a small group of top talent can make or break a firm. On October 28, the 95-year-old firm informed its partners it would pursue a wind-down. This was a shock, as Weil posted $2.08 billion in 2025 revenue, carried no debt, and achieved a #20 national ranking on profits per equity partner. However, a critical mass of rainmaker departures doomed the firm despite its healthy current balance sheet. When M&A chair Michael Aiello left for Cravath with five partners in September, practice leaders followed, merger talks failed, and the end came quickly. This is because, as in the banking VP market we described earlier this year, value is concentrated in a narrow tier of top talent; without access to this talent, firms cannot compete.

The Why: Portable Revenue, Fixed Costs

The reason rainmakers determine firm viability is because a law firm's revenue is portable, while its costs are not. Client relationships largely follow individual partners while leases, staff, and associate salaries stay fixed, and two ethics rules, Rule 5.4's ban on nonlawyer ownership and Rule 5.6's ban on noncompetes, mean partners are paid in profit shares and can join a rival the next day. Each departure therefore cuts the pay of everyone who stays, a dynamic Yale's John Morley calls a “partner run”: like a bank run, every exit makes the next more likely, and a firm can fail with no debt at all.

That is why profitability alone did not save Weil. A firm can be highly profitable in absolute terms and still lose the confidence contest. What matters to a portable partner is relative position: whether staying is worth more than the best available offer elsewhere, and whether the people who generate the firm's revenue are likely to stay too.

Three Forces Behind the Run

Driver 1: Falling Behind Is the New Failing

Though Weil's profits per equity partner (PEP) rose from $4.03 million in 2019 to $5.59 million in 2025, its PEP rank slid. In 2025 Weil grew PEP 4.1%, while nearly every other top-20 firm posted double-digit growth. The Wall Street Journal suggests that this is because many of its peer firms reinvested post-financial-crisis profits

in growth, while Weil did not. This means that within a few years, a top partner at Weil could earn materially more simply by switching firms.

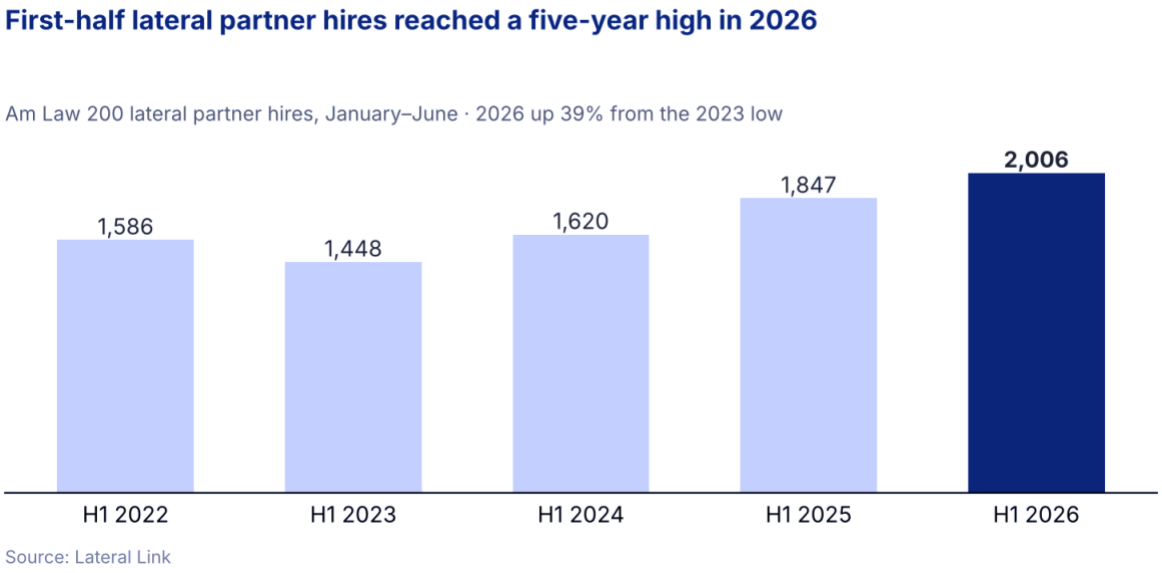
Driver 2: Revenue and Pay Are Concentrating at the Top

Partner compensation is bifurcating the same way VP pay did in banking. Major, Lindsey & Africa's latest survey shows average partner compensation rose 10% in 2025 to $1.55 million, while the median rose just 3% to $825,000. The gap is driven by originations, not hours billed.

Weil was a concentrated version of that pattern. Aiello and chair Barry Wolf were each reportedly earning more than $20 million a year, and Wolf's pay was contractually tied to the firm's top earner. When so much revenue and so much compensation sit with a handful of people, the firm's stability depends on their personal decisions.

Driver 3: A Buyer's Market That Pays to Make Laterals Whole

Given the competitiveness of corporate law and the huge rise in M&A over the past year, top legal talent can increasingly command a premium; this is evident in the fact that Am Law 200 firms made 2,006 lateral partner hires in the first half of 2026, the highest first-half total in at least five years. First-quarter partner hiring alone hit a six-year high.



The market is so competitive that even in the fourth quarter, top talent can demand to be compensated for forfeited year-end payouts, which firms, flush with record profits, are able to cover. Compensation guarantees that once ran two years now run up to four at some firms, alongside larger starting equity shares and faster retirement vesting. This makes the decision to leave easier than ever before at the partner level.

What This Means for the Industry

The lesson most partners are drawing is simple: if Weil was not safe, no one is. One Weil partner put it nearly that way to legal journalist David Lat. That sentiment will shape behavior at every firm outside the top tier of profit growth.

We expect three consequences over the next 12 to 18 months:

1. **Stability becomes a recruiting variable.** Partners will now diligence a target firm's PEP trajectory, revenue concentration, and leadership succession as carefully as their own offer. Firms that cannot answer those questions credibly will pay a premium to recruit.
2. **Retention tools get heavier.** Clawbacks, longer deferred-compensation vesting, and stricter withdrawal terms will continue to rise alongside make-whole offers.
3. **Mid-tier consolidation accelerates.** Firms with slower profit growth and a few concentrated books of business will look for merger partners while they still have leverage, rather than after a run begins.

What This Means for Hiring

The legal talent market now looks a lot like the banking VP market: bifurcated, fast, and unforgiving of slow offers. Top performers field multiple bids with make-whole terms attached, while solid but less portable lawyers find the market far less generous. The clients who win in this market will be the ones who move quickly, price offers against what candidates are actually leaving behind, and treat platform stability as part of the pitch. Benchmarking against last year's lateral packages will understate the market.



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