

Reports of Stealth Layoffs at Snell & Wilmer: Are Biglaw Firms Cutting Headcount Under the Radar?

Snell & Wilmer Denies Reports of Stealth Layoffs Amid Economic Downturn

What Are Stealth Layoffs in Biglaw and How Do They Affect Associates?

As the economic downturn continues to impact industries across the board, reports have surfaced of another biglaw firm engaging in stealth layoffs. Snell & Wilmer, an Am Law 200 firm, is said to have let go of some associates in recent months, with insiders reporting that the firm characterized these terminations as performance-based. However, many within the firm are skeptical of this explanation and believe that the terminations may be part of a larger trend of stealth layoffs in biglaw.

For those who may not be familiar, stealth layoffs are a particularly pernicious form of headcount management that biglaw firms may engage in during economic downturns. Essentially, firms will cut associates (who often had good performance reviews until the economy took a hit) while calling the cuts "performance-based." This allows firms to cut headcount without confirming that there were economic-based layoffs, and instead signal that the cuts were made for other reasons.

Snell & Wilmer, like many other firms, has been impacted by the economic downturn, previously cutting associate salaries by 10 percent and furloughing staff who can't work remotely. Now multiple tipsters from the firm are reporting that there has been some headcount management at the firm. Though they're being told the terminations are performance-based, many are skeptical of this explanation.

One tipster reported, "Snell Wilmer has laid off associates in LA and OC, for, supposedly, underperformance. Definitely BS... we all know they were stealth layoffs." Another said, "The firm is publicly stating that they are not doing layoffs, and has reduced all employees salaries as a way to 'avoid layoffs' but had secretly been conducting layoffs anyways."

In response to these reports, Matt Feeney, Chair of Snell & Wilmer, provided the following statement denying any associate departures resulted from layoffs: "Snell & Wilmer is not conducting layoffs, 'stealth' or otherwise. Out of respect for the privacy of our former employees, we do not provide details on departures."

While Snell & Wilmer denies that it is engaging in stealth layoffs, the reports from insiders and associates paint a different picture. The use of stealth layoffs in biglaw raises critical ethical questions about how firms manage their headcount during difficult economic times and how it impacts associates' livelihoods. It is important that firms are transparent about the reasons for terminations and that associates are treated fairly and respectfully during this difficult time.

It is a tough time for anyone who suddenly finds themselves out of work, especially during a pandemic. It is important to remember that it is not the fault of the individual but rather the result of larger economic forces at play. We wish the best for all those affected by these reports of stealth layoffs at Snell & Wilmer and hope that they are able to find new opportunities soon.