

The Role of Professional Development in Managing Senior Partner Retirement

by Ida O. Abbott

Issues related to partner retirement are increasingly important to a firm's overall talent management process, and this is an area where PD can make major contributions with a relatively small amount of time and effort.

Demographic forces are finally catching up with law firms, as more and more senior partners move into their 50, 60s, and 70s. The 2019 Citi Hildebrandt Client Advisory reported that about 35% of equity partners are aged 55-69, and the rate of equity partner retirements is accelerating. On the other hand, many senior lawyers expect to keep working longer or not retire at all. [Data about lateral partners](#) shows that many lawyers are switching firms in their late 60s, 70s, and 80s. Faced with the prospect of too many senior partners leaving abruptly, or paradoxically, too few senior partners leaving, firms are beginning to take notice of retirement as an urgent management issue. Most senior partner retirements are handled by executive-level committees, but some firms are involving professional development personnel as well. Those firms recognize that legal talent management covers lawyers' entire careers, from recruitment to retirement, and that professional development has a vital role to play in the retirement process.

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Firms need to manage the pace of retirement among the senior ranks just as they try to manage the hiring and retention of associates and junior partners. It is important for firms to have at least an approximate idea of how soon senior partners will

leave so that they know what to expect in terms of succession planning, capital accounts, pension obligations, and space and technology needs. But most firms do not have clear, established procedures or even open discussions about retirement, and the topic of retirement remains shrouded in denial and distrust.

To ensure that retirement is managed like other career transitions, firms must normalize it, establish clear and consistent procedures, and support senior lawyers as they prepare to leave practice. Within the firm, the people best equipped to do this are those in professional development.

The Need for a Systematic Approach to Retirement

There is no age-specific "expiration date" for a lawyer's career. People are living longer, healthier lives. While some lawyers are eager to leave practice, others can't imagine it, much less deal with it. Many very senior lawyers remain productive, profitable, and competent and want to keep working as long as they can. They don't feel ready to retire, especially considering how many years they have ahead of them. Others want to slow down or stop practicing but have no idea what else they might do. They may not know what options they have, how to begin the transition, or even what questions to ask.

Senior partners who retire on short notice may disrupt firm operations and make it difficult to plan smooth transitions

of clients and leadership. Those who stay too long often hold tightly to their clients and leadership roles, frustrating the next generation of partners whose prospects for business growth, professional advancement, and leadership are blocked — causing many of those younger partners to leave. Some older lawyers “retire in place,” coasting along without exerting much effort, dragging down profits and further frustrating junior partners.

Retirement planning is seen as a partner’s own responsibility, and firms feel they have no obligation to provide structured help or support despite the perils such inaction may produce.

About half of Am Law 200 firms have some sort of age-related retirement policy. Most stipulate a retirement age, typically in the mid-60s, but even in firms with “mandatory” policies, what they mean by retirement varies. It may mean leaving the firm; scaling down your practice over a period of years; or moving from an equity position to counsel and giving up your leadership positions and much of your income. Whatever their policy says, few firms enforce it strictly; instead they make exceptions for rainmakers or other “special cases.”

This lack of clarity and consistency about retirement leads to avoidance. Lawyers simply don’t bring it up. Firm leaders are often reluctant to raise questions about retirement with senior partners because the conversations can be awkward and uncomfortable. Senior lawyers are unwilling to talk about their retirement plans until the last possible moment because they worry that they will be marginalized as soon as they do and that other partners will try to push them out quickly and lay claim to their client relationships and compensation.

Moreover, most firms do nothing to help lawyers prepare for retirement, although retirement is often an extremely stressful transition. Retirement planning is seen as a partner’s own responsibility, and firms feel they have no obligation to provide

structured help or support despite the perils such inaction may produce.

Firms plainly need to apply talent management expertise and processes to the farther reaches of their lawyers’ careers. This can be done by addressing the concerns, needs, and challenges that older partners face, and using a variety of methods to destigmatize, demystify, and rebrand the retirement process.

Why PD Should Be Involved

Professional development is focused on lawyers’ careers. By treating retirement as a normal and expected stage of career progress, PD professionals can help lawyers adopt a long-term view, with retirement as a natural next step toward a happy future rather than a frightening step into the unknown. For many people, retirement is associated with boredom, irrelevance, and oblivion. Unlike most law firm partners, professional development personnel are adept at being empathetic and supportive, and accustomed to managing lawyers through emotionally fraught career points and transitions.

To begin, you need to know how the firm currently manages retirement and what needs to be improved.

By using existing internal resources and providing personalized external support, PD can help senior partners create a vision and plan for moving on to new adventures, overcome the concerns that hold them back, and feel fully supported along the way. Normalizing retirement by including it in career discussions, processes, and programs can help partners feel safer talking about, planning for, and transitioning into retirement. When incorporated into the firm’s retirement and succession planning processes, conversations about retirement can become less painful and more fruitful, and partners can leave the firm with their client relationships, leadership roles, and legacy transferred comfortably to the next generation of firm leaders.

So, how exactly should professional development be involved in managing retirement? To begin, you need to know how the firm currently manages retirement and what needs to be improved. The next step is to understand what senior lawyers need and what resources the firm can deploy to address those needs. When you have that information, you can determine the kind of activities, programming, and support professional development can provide.

Be sure to consult other firm departments that will also have relevant information, authority, and insights, such as HR, diversity & inclusion, marketing, and alumni relations, as well as the compensation committee and executive committee. In addition to what you can learn from them, your efforts will generate information that will be important for them to hear.

How Does Your Firm Manage Partner Retirement?

Before you can develop any PD efforts, you have to gather data about partner retirement in your firm. Collecting some of this information is relatively straightforward. From recorded data or through conversations with firm management, it should be fairly easy to find out the answers to these questions:

- Retirement demographics:
 - Does the firm have a stated retirement age? If so, where is it stated?
 - What is the “average” age at which partners retire from your firm? Also, on average, after how many years in practice do partners retire?
 - How many lawyers (1) in the firm and (2) in each practice group are at or approaching either a particular seniority point (e.g., age 55), the “average retirement age” in your firm, or the “average” number of years in practice when partners in your firm retire?
- How much revenue is controlled by those partners?
- What does the Partnership Agreement state about retirement?
- Does your firm have a retirement policy? Is it mandatory or voluntary? Does it require leaving the firm? Losing equity status? Giving up leadership roles? How does it affect retiring partners’ compensation? What else does it provide?
- How much advance notice of retirement is a partner required to give?
- Who is in charge of discussing and negotiating retirement with senior partners (e.g., executive committee member, managing partner, practice group leader, HR director)?
- Does the firm follow the retirement policy’s mandates, procedures, expectations, and terms consistently for all senior partners? If exceptions are made, what are the reasons for them? What percentage of senior partners are treated as exceptions?
- Which aspects of the retirement policy are standard for all retiring partners and which are negotiated on a case by case basis?
- How do partners usually inform the firm of their intent to retire? Who usually raises the issue of retirement first — the senior lawyer or a firm representative (e.g., managing partner, practice group leader)?
- When (i.e., at what age or career point) does the firm ask about or otherwise communicate with partners about their retirement plans?
- How does the firm ask partners about their retirement plans (e.g., as a question in all partners’ annual business plans, conversations with all partners at a designated age, when partners are underperforming, on an ad hoc basis)?

- Does the firm have a written succession and/or client transition plan? Do those plans, or any other of the firm's written plans or policies, describe the expectations and obligations of both the partner and the firm in the period leading up to a partner's retirement regarding preparation of successors, transfer of client relationships, billing expectations, and partner compensation?
- How many partners does the firm expect to retire in the next five years? How will those anticipated partner retirements impact the firm's finances? For example, what would happen to the firm's client relationships, revenues, or capital accounts if several partners left at or around the same time?

What Are Your Lawyers' Perceptions and Needs?

In addition to knowing about retirement processes and patterns in your firm, it is important to understand lawyers' attitudes about retirement. This can be ascertained through surveys, interviews, or focus groups. Questions you might ask include:

- How do senior partners perceive the process of retiring from the firm? Do they understand it? Do they believe the firm will treat them fairly? What concerns do they have?
- What do senior partners believe the firm could do to improve its retirement policy and process, and to support and facilitate their retirement?
- What feedback has been collected about former partners' experiences in retiring from the firm? Do they feel they were treated fairly and respectfully? Did the firm meet their needs and expectations? What could the firm have done better?
- How do other partners behave when senior partners announce they plan to retire? For example, how do they handle the takeover of the retiring partners' clients or origination credits?

- What are the prevailing attitudes of other partners, especially junior partners, toward senior partners who retire? Is there any resentment toward senior partners who do not retire?
- How does the firm's compensation model impact the willingness of senior partners to groom successors and transition their clients to others?
- What concerns do firm leaders and practice group leaders have about anticipated partner retirements?
- What kind of training, assistance, or support would firm and practice group leaders like to receive to help them better manage partner retirements?

How Professional Development Can Help Manage Partner Retirement

After getting a clear picture of the current retirement process and areas where improvement is needed, PD can begin to design retirement-focused support. Keep at the forefront what you learn about lawyers' needs and concerns, and what you can accomplish in light of the firm's culture and systems. PD alone cannot address some retirement issues (e.g., compensation), but PD can make valuable contributions in many areas, including the following:

- Designing a systematic, fair, and uniform retirement process
- Providing individualized support for senior partners
- Including retirement in career management programming
- Offering training and support for firm leaders
- Providing wellness and family support
- Creating a library of retirement resources
- Supporting post-retirement engagement with the firm

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Designing a systematic, fair, and uniform retirement process

Working with firm management, PD can help design a systematic process that applies fairly and uniformly to all lawyers who reach a certain milestone. It can be an age or a certain career point (e.g., 30 years in practice), so long as it is automatically triggered for everyone who reaches that point. It can be initiated as a question to be answered in partners' annual business plans or self-evaluations, or as a discussion with the partner's practice group leader or managing partner. And it may simply ask where the partner is in terms of preparing the next generation to succeed them, what their plans are for their practice over the next two to five years, or how much longer they expect to practice.

A systematic retirement process should provide guidelines, timetables, examples, and discussion points.

Although the retirement policy should be uniform for all partners regarding the process (e.g., when retirement discussions will be initiated), the terms and conditions of each partner's transition plan must allow for flexibility and customization. Each partner's workload, firm responsibilities, and client base are unique, and their personal history and stature in the firm must be respected. The firm should work with them to design transition plans that are suited to the individual partner.

A systematic retirement process should provide guidelines, timetables, examples, and discussion points. It should cover issues such as changes in partners' work responsibilities during their transition period, including billable work and possible multi-year phase-downs; changes in client responsibilities, including how and when clients will be prepared for the transition; the impact of different transition scenarios on compensation; and options (if any) for partners who desire to continue working part-time or to stay on at the firm in a different capacity.

Using these guidelines, senior partners can be asked to submit transition plans or exit strategies to designated firm leaders for discussion and negotiation. Explaining and discussing the process framework well in advance informs everyone about how the transition to retirement takes place and what can and cannot be negotiated, and it allows time to resolve any differences over retirement terms.

This transparent approach takes much of the apprehension out of retirement discussions. All partners understand that at a designated age or career point the firm expects to discuss both their short- and long-term career plans. Knowing that all other partners of their seniority are having similar discussions can reduce partners' anxiety that they are being targeted or pushed out. Set against a context of stated retirement guidelines and uniform procedures, these conversations give partners a chance to express any concerns they may have and receive assurance that their interests will be considered and protected. And the process and framework together enable the firm to more effectively manage the impact and pace of senior partner retirements.

Individualized support for senior partners

Senior partners need to feel that the firm supports them. Many senior partners see retirement as a threat; they don't know where to look for help and are reluctant to seek it in any case. PD can make it available to them through personal outreach, coaching, and mentoring initiatives.

a. Personal outreach

PD normally reaches out to lawyers to discuss their career progress and plans. PD can also contact senior partners who have announced their intentions to retire to ask about their current thinking, plans for the future, what their needs are, and how PD can help them. PD can also inform them about the support and resources that are available to them through the firm.

b. Coaching

Coaches skilled in retirement transitions can help senior partners deal with tough questions and difficult planning challenges. Coaches tailor their support to meet each partner's particular needs, provide opportunities for reflection about past accomplishments and future possibilities, use exercises to stimulate a lawyer's thinking about retirement planning, and serve as resources to answer questions and provide guidance on retirement.

Some firms have in-house career coaches who work with their lawyers. If your firm has coaches on staff, consider whether they are qualified to address senior partners' needs and whether those partners will feel comfortable working with them. Given the complex and emotional concerns older partners may have, as well as concerns about confidentiality (no matter how much safety the firm promises), partners may prefer to talk with an outside expert who is sensitive to retirement issues and trained to discuss them. Some firms set up a panel of outside coaches who are made available to support senior partners on a confidential basis in planning for retirement or during their retirement transitions.

c. Mentoring

Some of the best resources to help partners plan for retirement are partners who have already retired. They can share their own experiences, help current partners understand what questions to ask themselves and others, and remind them that retirement is the beginning of a new path, not the end of the road. You can recruit retired firm alumni who might be willing to serve as mentors to senior partners. You can also make senior partners aware of how they might reach out to those alumni or other retired friends or contacts to ask for the kind of support a mentor can provide.

Another option is group mentoring. If colleagues feel comfortable enough to share their thoughts and feelings openly, they can form an enormously valuable support group for each

other. The firm could sponsor a peer group mentoring initiative directed at partners within a certain age group or at the same stage of practice or transition. Alternatively, it could host an affinity group around the subject of retirement and make it open to lawyers at any age. Cross-generational discussions can help to normalize the subject and broaden everyone's perspectives about retirement.

Including retirement in career management programming

Just as associates are advised to plan ahead early in their careers, PD can urge senior partners to plan for the later stage of their careers. Emphasizing retirement as a process that requires long-term planning also encourages partners to allow sufficient time for identifying and grooming successors, and transferring their wisdom, contacts, and institutional knowledge to other firm lawyers.

There is an important distinction to keep in mind, though. Associates are in the early years of their career; when they do career planning, they are looking ahead with anticipation and excitement. Senior partners are facing the downside — or possibly the end — of their career arc. Rather than excitement, many of them feel anxiety, fear, and dread. Contemplating and planning for retirement requires them to answer the question, "When you leave here, what are you going to do for the rest of your life?" Senior partners may not be able to answer that question. Despite the fact that retirement may last as long as their entire career has, many haven't really given it much thought until now, and some have no clue what they would do if they weren't practicing law.

Senior lawyers need time, support, and opportunity for serious thought about their future. Once they are committed to planning for the future, they will be more willing to let go and move on. PD can provide the tools and guidance to help them.

Retirement and succession considerations can be included in career management programs and discussions at all career

stages, with brief mentions for lawyers beginning their careers and more in-depth attention at subsequent stages of seniority. This does not require stand-alone programs on retirement but rather can be covered within the context of other professional development programs about career management. For instance, classes on networking tend to focus on business development, but speakers could also stress how and why networking skills are vital in retirement planning.

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As the stages of a lawyer's career progress, retirement and succession should be given more prominence. For example, senior associates and partners should be taught and encouraged to mentor and support the lawyers they supervise with an eye toward who might be their successors. Experienced partners should be taught and expected to focus on identifying and grooming those who will replace them when they retire, and they should be encouraged to consider how their outside interests and activities might be leveraged into board positions, volunteer work, or other pursuits when they leave practice.

You can also provide specific programming to help partners plan for and transition into retirement. Programming should address how to envision what they will do in retirement, what their days and lives will look like; the practical aspects of retiring from the firm (e.g., maintaining a law license and insurance, setting up a virtual or home office, routes to new opportunities); and the emotional challenges of retirement (e.g., fears, feelings of loss, impact on home life). Possible formats for addressing these issues include expert-led classes, facilitated group discussions, and sessions where retired firm clients and alumni are invited to share their retirement experience.

Training and support for firm leaders

Conversations about retirement can be difficult and uncomfortable for firm leaders who broach and negotiate retirement with senior partners. PD can help prepare these leaders to handle such conversations respectfully, constructively, and without (or with a minimum of) defensive or emotional reactions. Through workshops, personal coaching, and consultation on an as-needed basis, PD can help firm leaders make those conversations less fraught and more productive.

Wellness and family support

Because retirement is a significant and highly stressful life change, it is also important to anticipate and address the impact it will have on lawyers and their families. Firms have become mindful of the potentially harmful impact of lawyers' intense schedules, high-stress work, and time demands on their well-being and that of their families. Firms are helping lawyers cope with these problems in various ways, such as work flexibility and family-related leave. PD can apply similar efforts in retirement management by:

- Supporting flexible or reduced hour schedules during retirement transitions
- Hosting facilitated discussion groups for partners and/or spouses that deal with adjustments at home when one or both retire
- Inviting spouses to firm programs about retirement
- Offering coaching services to spouses of retiring partners or to both parties as a couple

Creating a library of retirement resources

The easiest way to support retiring partners is to offer a variety of retirement resources. Examples of possible resources include a dedicated webpage that contains information about firm

policies, procedures, and forms; information about Social Security, Medicare, and other key government programs; lists of retirement-related books, newsletters, websites, and organizations; interviews or videos featuring retired firm partners; names of retired partners willing to serve as mentors to retiring partners; a list of retirement coaches and therapists; sources of estate, financial, and tax planning assistance; and retirement planning tools and exercises. You might also consider posting a list of organizations and associations that people in the firm, especially other lawyers, are involved with. For partners looking for ideas about future activities, having such a list and access to contacts can be an enormously useful resource.

Supporting post-retirement engagement with the firm

Working on its own or in collaboration with other departments, like marketing and alumni relations, PD can include retired partners in many activities that can mutually benefit the partners and the firm. Some of the ways retired partners can continue to stay engaged with the firm include:

- Mentoring senior partners and leaders
- Serving as CLE program faculty
- Training and mentoring junior lawyers and teams
- Playing a role in leadership development initiatives
- Participating in client relation activities (e.g., client interviews)
- Participating in and supervising pro bono matters
- Representing the firm in community and public service activities

Conclusion

Professional development personnel are probably not looking for more work, and dealing with retirement issues is not an area that has historically been within their purview. But because these issues are increasingly important to a firm's overall talent

management process, this is an area where PD can make major contributions with a relatively small amount of time and effort.

About the Author



Ida O. Abbott, President of Ida Abbott Consulting, promotes and supports career development and advancement from the beginning of a lawyer's career through retirement. Her new book, *Retirement by Design*, is being published this month. Ida has long been a leader in the field of talent management, particularly mentoring, leadership, and sponsorship, and she is an elected Fellow of both the American Bar Foundation and the College of Law Practice Management. To learn more about Ida, see www.idaabbott.com.