

Need-to-Know News - August 8th, 2010

The State of Employment in the Law Plus Tips for Job-Seekers

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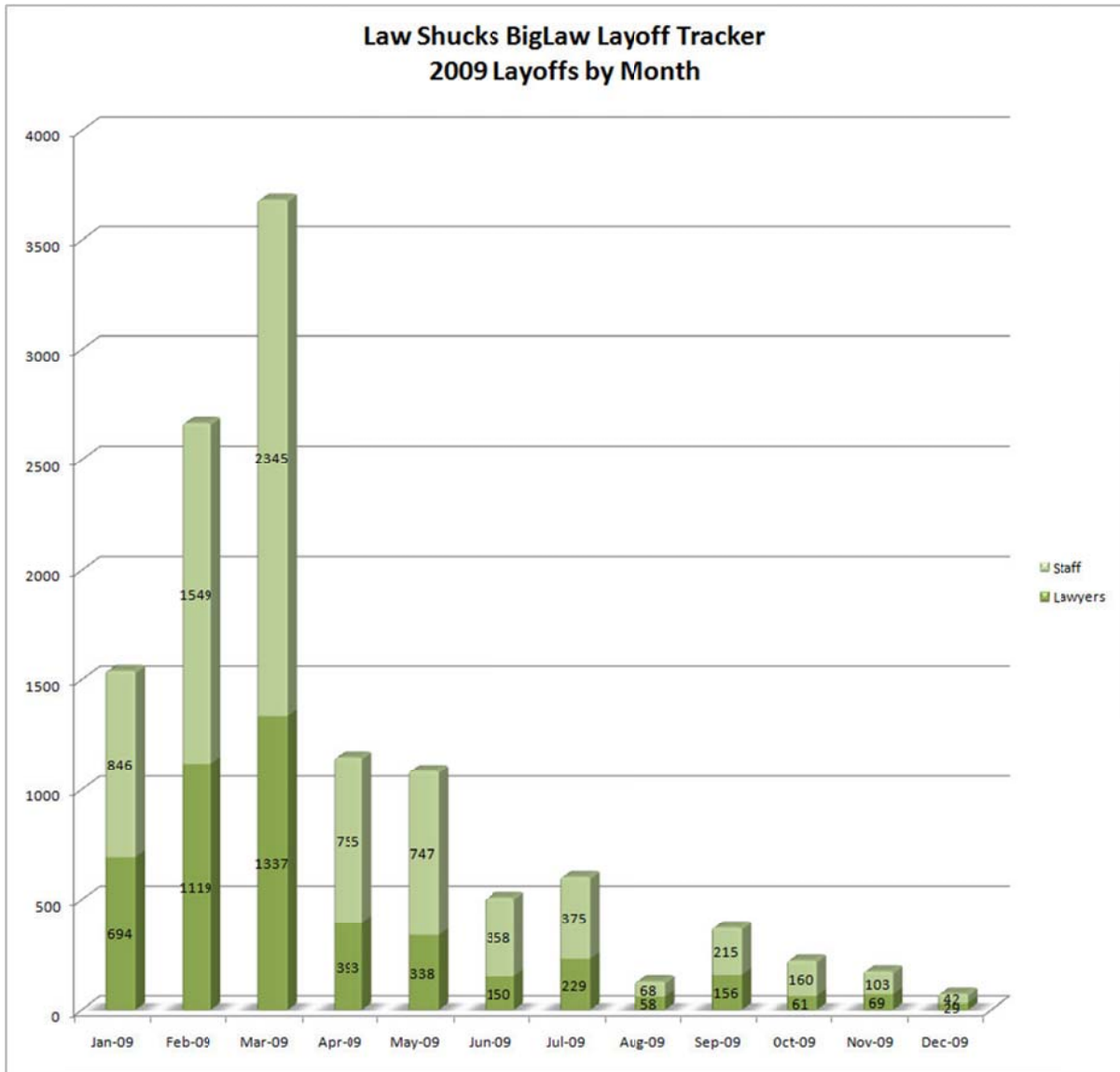
More than 5,000 attorney positions were eliminated last year — a downsizing greater than the legal profession has seen in the previous 30 years, according to a *National Law Journal* report on a survey of law firms throughout the country. Competition for the few jobs available has remained extreme as employers often receive resumes from hundreds of well-qualified attorneys for one position.

Attorneys at all levels were laid off from law firms across the country, from first year associates to equity partners whose firm management decided that they were **not bringing in their share of business**. Recent graduates have had to absorb a substantial blow as pre-existing law firm offers were delayed or rescinded, and those who would have been hired following graduation in a stronger market now continue to look for work.

The business model of large law firms has changed, so that — in contrast to prior downturns in the legal market — many predict that the legal **jobs eliminated in the last two years are not coming back**. When you do the math, it appears there will continue to be fewer positions available for an ever-increasing numbers of lawyers.

In addition to reduced demand due to the decrease in business activity across the economy, several forces have driven law firms to hire fewer attorneys. Clients have begun to object to legal fees increasing faster than other expenses. Some have refused to pay for hours billed to their matters by first and second year associates, and some are demanding fixed price services rather than the billable hour. In deciding how firms will operate in the new environment, firm management has been motivated to maintain or increase their profits per partner (which in fact increased for some firms in 2009), so **hiring of attorneys who do not have business to bring with them remains down** across firms.

In the past, unemployed lawyers often paid the bills by doing contract work through legal staffing agencies. The hourly rate for such work has dropped drastically—from \$75 or more to \$25 in many instances — as the market has been flooded with young attorneys out of work and members of each new graduating class. It remains unclear how many attorneys will pay off their debt in the current market, particularly as law school applications continue to rise.



Private sector legal jobs

Certain practice areas were particularly hard hit in the downturn, including **real estate, structured finance, and private equity**. Recently, other areas within the law have begun to pick up, and private employers—both firms and in-house — are in fact hiring lawyers to fill these needs. Recruiters identified the following areas as in demand, which make sense in light of recent events.

- 1) It will come as no surprise in light of widespread layoffs in numerous industries that employment law is fairly active.
- 2) Health care lawyers are actively being sought in a number of specific areas:
 - Healthcare investigations
 - Health insurance
 - Managed care
 - Healthcare contracts

- Healthcare regulatory
- Pharmaceutical regulatory regulatory

3) Technology transactional work is an area of need, and there is a fair amount of activity in patent prosecution with EE, CAS, or chemical.

4) Compliance generally is very active, especially in financial services, including:

- Bank regulatory
- Privacy
- Broker dealer
- Kyc (know your customer)
- FCPA
- Office of Foreign Asset Control
- Anti-corruption and gifts

A particular advantage of compliance work is that employers will often look at strongly credentialed attorneys who do not have previous compliance experience.

Federal government jobs

There has been much discussion of the growing need of the federal government for skilled employees over the next several years as the baby boomers begin to retire. Unfortunately, that has not translated into hundreds of available postings. Since the economic downturn, legal jobs in the federal government have become more competitive than ever. The Department of Justice and the Securities and Exchange Commission report that they have received hundreds of resumes for a single attorney posting.

Even in the best of times, applying for a federal government job can make you want to bang your head against a wall. The Obama administration recently announced changes to the federal hiring process to make it easier to attract top talent, but these changes have yet to be implemented, and their impact is already being questioned.

Effective November, 2010, the Office of Personnel Management (OPM) has decreed that federal agencies will accept private sector resumes and cover letters rather than requiring lengthy applications with required essays, known as KSA's for "knowledge, skills and abilities." Each agency will still have discretion to decide the next steps in their application process, however, including requiring essays of those who make the initial cut if they so choose.

The agency Human Resources staff who review federal applications will still be the ones to rate and rank application materials to determine who is "qualified" and therefore passed on to a hiring manager, with the criteria they have always used. This means that while you can apply with a private sector resume, your application will be ranked based on the "skills and competencies" identified in the federal posting (which even many lawyers find difficult to identify).

As a result, even if you are the best candidate in the world for a specific position, if a junior person outside of the legal field does not understand why, you will not be deemed "qualified" and cannot legally be considered by the hiring manager. The good news is that a broader referral process called "category ranking" will be in place so that—finally — more

than three candidates can be referred to the hiring manager, giving the person who will be supervising the new hire more options from which to choose.

Positions outside the practice of law

One might initially assume that employers would take the opportunity to snag smart, hard-working employees at a bargain price to fill a range of their positions, but that has not proved to be the case for many lawyers considering jobs outside the practice of law. For many employers, a JD is in fact a negative either because of an assumption that lawyers are argumentative or will condescendingly think the job is beneath them or because the employer thinks the lawyer is overqualified and will leave any job they get once the market picks back up.

Unfortunately, many attorneys who have worked in a firm assume that because they have commanded such a high billing rate in the past that any employer offering a lower salary would be thrilled to have them. Lawyers have to convince an employer that they have the skills necessary to do the job and that they will quickly become a significant asset to the organization.

Of course, identifying good career options outside the practice of law depends on the skills and experience of the individual. Below is a list of some jobs that people with law degree often hold:

- Policy positions in government or advocacy organizations
- State and local government positions
- Researchers in think tanks
- Financial analysts
- Social workers
- Non-profit management
- University administration
- Ombudsman
- Teaching (K-12)
- Editor
- Journalism (traditionally though fewer positions now)

Tips for job-seeking lawyers

As a DC-area attorney who is now gainfully employed after 18 months of unemployment explains: "Many attorneys need to be creative and perhaps look for work which is not strictly an attorney position — in other words, look for up-and-coming industries or businesses where they can perhaps transfer or use some of their legal skills — or retool altogether — and like so many other workers in the country, be prepared to work more years to try to make up the lost income and savings from their periods of unemployment."

Whether looking for a position within the practice of law, related to it, or outside of it all together, the tips below will help attorneys looking for a job maximize their chances of landing one.

1) **Cast a broad net.** Consider the range of:

- Employers who hire in a certain area

- Range of roles you would play
- Range of content area you would work in
- Temp to perm positions
- Doing pro bono to get specific industry experience and make contacts

2) **Figure out what is of genuine interest and why.** Genuine enthusiasm helps make an employer interested in you. Make it clear that you see the work as a longer-term career path for you — even if you have different iterations depending on who you're speaking to.

3) **Make the case for yourself in your resume and interviews.** Do the work for the prospective employer of identifying your transferable skills and then translate them into the language of the industry you're targeting. A resume does not need to include everything you have ever done. Make it clear to them that you have the skills that they are looking for in the position. If you were the employer, why would you hire you?

4) **Network *effectively*:** Networking means different things to different people. LinkedIn, Facebook and Twitter are fine and can add value in a job search, but there is no substitute for human interaction. Attending networking events with scores of people you don't know can help you expand your contacts, but one-on-one conversations can produce far more substantive results *if* you are prepared to both make a good impression as well as solicit information that you genuinely need.

- **Approach people appropriately**, the way you would want to be approached.
- **Do your homework in advance**, don't ask questions you could answer on the internet.
- **Articulate what you're interested in**, not just "Do you know of any jobs?" and not "I don't know what I want to do, maybe x, maybe y."
- **Provide a tailored narrative of your work to date**: pick and choose to describe your experience to highlight what is relevant.
- **Ask good questions**, analogize and demonstrate that you can anticipate issues.