

Hot Summer And Cool Legal Job Market

By: Vanessa Vidal

We are experiencing a hot summer and cool legal job market. What's the legal job market like? Clearly, we are not out of the woods, and may even be scaling back. With the headline unemployment rate ticking back up to 9.1 percent in May, the sense of alarm over the state of the economy is once again growing. And it's not helped by a slew of recent reports on everything from the continued high rate of foreclosures to the precarious position of the Greek debt crisis. Things are still incredibly tough in the job market with layoffs outnumber hiring announcements by a sizeable margin.

Where does legal stack up in this declining employment market?

The legal sector lost 2,600 jobs in June 2011 according to the U.S. Bureau of Labor Statistics report; making it the fourth consecutive month this year the industry has seen declining job prospects. Who is affected? Pretty much everyone in the legal sector: lawyers, paralegals, notaries, and the support staff needed to run law firms, such as secretaries and accountants according to the Wall Street Journal Blog. The fall in legal jobs this past month – the biggest decline so far this year – came on the heels of a hint of recovery in May, during which 200 jobs were added, according to the BLS report.

How is this decline impacting unemployed lawyers?

The Great Recession eliminated thousand of lawyer jobs, which never quite returned. This has left a huge hole in the marketplace, with thousands of well-qualified attorney still looking for employment – many hitting the 2-year mark. And there is no visible change on the horizon.

The long line of the unemployed is not comprised of lawyers that are unqualified or not well credentialed. This candidate pool, for the most part, is made up of experienced attorneys with more than 10 year of experience, who have had a solid record of employment, until the Great Recession. The majority never bounced back simply because the jobs never returned.

The change was profound in the legal industry, as both law firms and corporate legal departments have adjusted to doing "more with less." How does this work? Those that survived layoffs are working more, and firms and corporate legal departments are spending less by not hiring. If firms and corporate legal departments are hiring, it's most often for part-time and contract positions – and the competition for these jobs remains fierce.

What about the in-house legal market?

Companies, for the most part, are not hiring. Companies that are hiring lawyers are generally looking for general counsel-level candidates to take the legal work in-house and reduce outside counsel spending. They are looking for a "one man shop" to take on as much as possible in-house and curb legal spending. They are also hiring part-time and contract lawyers to fill in the gaps, and increasing their outsourcing whenever possible. In other words, they are hiring as a cost-saving measure.