

ABOVE THE LAW

The State of the Legal Profession in 2015

By STACI ZARETSKY

When writing about the state of the legal profession, journalists are sometimes accused of burying the lede. Law firm layoffs won't be mentioned until later paragraphs in favor of laudatory platitudes about increased revenue. Precise law school employment numbers wouldn't see the light of day but for footnotes. Here at Above the Law, we aren't fans of burying the lede when it comes to compelling stories about the legal industry writ large.



This piece on the current state of the profession, however, will be buried – inside of a legal industry time capsule set to ground today that won't be opened until 125 years from now.

Seward & Kissel LLP – a firm that's celebrating its 125th anniversary this September – and the New York City Bar Association (NYCBA) will bury the time capsule in the heart of Battery Park, New York, and it will contain a number of interesting items that illustrate the current state of the market, including a 2015 billing rate sheet, a BlackBerry, and more.

In the distant future, the lawyers of tomorrow (lawbots, perhaps?) will be able to unearth the capsule and discover exactly what the legal profession looked like in 2015. Additional items that will be buried in the time capsule include starting associate salaries and bonus structures, a listing of the current top law schools in the country, a copy of the National Law Journal 350 Guide to Law Firms, a map of the New York City subway, and the most important thing of all for lawyers who eat,

sleep, and breathe billable hours: money. Inside the time capsule, future lawyers will find documents from Fidelity outlining a \$1,000 trust, which is being set aside for the NYCBA to fund an event at the capsule's opening in 125 years. Estimating a 7 percent return rate, this account may well be worth more than \$4 million in 2140. If you're interested in taking a look, the full list of items that will be included in the time capsule is available on the next page.

As Above the Law has had a significant impact on the New York City legal community – as well as the legal community at large – we were selected to detail the current state of the legal profession for our future audience (of course we'll still be around 125 years from now). As it stands presently, the legal industry as a whole is in recovery mode.

The Great Recession began in December 2007, and with it came an unprecedented number of layoffs at just about every Biglaw firm in New York City. Due to this economic instability, college graduates were unable to find jobs, so law school enrollment surged (as did law school tuition); as part of this vicious cycle, those same students were unable to find jobs after law school graduation. The class of 2010 was the largest law school graduating class in history, but there were simply too many new lawyers and too few jobs.

Word spread about recent law school graduates' employment woes and student loan debt nightmares, and suddenly, the deluge of law students disappeared. Law schools are now faced with significantly smaller class sizes and have frozen or reduced tuition in order to entice students to enroll. Many law schools have also scaled back their admissions requirements, which some say has yielded previously unheard-of bar exam failure rates.

Joblessness continues to plague the profession to this day. Ten months after graduation, just 59.9 percent of the class of 2014 was employed in full-time, long-term jobs where bar passage was required. To assuage graduates' disappointment, Brooklyn Law School will be offering 15 percent partial tuition refunds to jobless graduates beginning in 2018.

The Great Recession ended in June 2009, and as far as Biglaw firms are concerned,

most have been able to salvage their practices and bounce back, despite conducting layoffs en masse. According to the American Lawyer, in 2014, 27 firms posted gross revenue of \$1 billion or more. Summer associate hiring has increased, and the super-rich firms have persevered and further separated themselves from the competition. One firm that wasn't able to make it out of the recession alive was Dewey & LeBoeuf. In 2012, the firm filed for bankruptcy; it was the largest law firm collapse in history. Today, the firm's former executives await word on whether they'll be convicted of financial crimes.

We can't be certain how much of an impact this century's happenings will have on the lawyers of the future, but we're hopeful that when they read this in 125 years, law school tuition will be lower, jobs will be plentiful, and law firms – including Seward & Kissel, which will be celebrating its 250th anniversary – will be more successful than ever.

(Go to the next page to see all of the items that will be included in the time capsule.)

Seward & Kissel LLP
125th Anniversary Celebration
Items Included in Time Capsule

<u>Number</u>	<u>Description</u>
1	George Seward's booklet on the Firm's History
2	A blackberry (NOTE: Without a battery)
3	List of current partners and employees
4	Schedule of 2015 billing rates
5	Listing of top 50 clients of the Firm
6	Copy of most recent memorandum related to associate base compensation and bonus structure
7	Listing of current top law schools
8	Business card
9	Deal toy from financing of World Trade Center construction project
10	Pictures related to the impact of Hurricane Sandy
11	NYC Metro Card
12	NYC Subway Map
13	Zagat 2015 re: NYC Restaurants
14	Listing of Alpha 100
15	Copy of "Basic Corporate Practice" by George Seward and John Nauss
16	125 th Anniversary flash drive with copies of Firm and practice group brochures loaded on it
17	Agreement related to use of proceeds of investment vehicle for which NYC Bar Association will be beneficiary
18	Nomination letters to the NYC Bar for Charles Robinson Smith and Newell Martin, founding partners of Seward & Kissel
19	Applications of George Seward (Filed in 1940) to NYC Bar
20	George Seward Obituary which appeared in The New York Times on February 19, 2012
21	Article which appeared in 2012 in an IBA publication regarding George Seward, Honorary Life President of the IBA
22	Article which appeared in University of Virginia School of Law publication related to George Seward's coming to the office after reaching his 100 th birthday
23	National Law Journal 350 Guide to Law Firms
24	Pictures of all Current Firm personnel
25	Bowling pin from summer associate event
26	Articles of Agreement of AW Jones & Co. (i.e., first hedge fund)
27	Article appearing in Above the Law on September 29, 2015 regarding Firm's 125 th anniversary
28	Crystal pencil holder to commemorate 125 th anniversary