

Corporate Legal Hiring is on the Rise

State Of The Market Report: Fall 2005

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Following the conservative markets of 2003 and 2004, the first half of 2005 has proved to be a busy market for corporate legal departments. Hiring is once again on the rise, and with an 18% increase over last year's numbers, there are sure signs of an active and recovering market. Primarily responsible for this upswing in hiring has been the rise in activity in the corporate sector, especially in the areas of investment, finance, and mergers and acquisitions.

Another factor that has contributed to a rise in in-house legal hiring has been the promulgation of new regulations in the wake of the Enron scandal and the enactment of the Sarbanes-Oxley Act of 2002. As a result, public companies have been faced with an increase in regulatory and litigation activities, and as a result, attorneys with compliance and securities litigation experience have been actively courted by companies trying to meet increasingly demanding and complex regulatory requirements.

The first half of 2005 has also seen a marked rise in the activities of the biotech, health care, and pharmaceutical sectors. Consequently, there has been a greater demand for health care, corporate, and IP attorneys (patent and IP litigation attorneys), as well as hybrid corporate/IP practitioners. In addition, as corporations continue to look for cost-reduction measures with respect to their legal expenditures, intellectual property legal work, especially in the area of patents, has continued to grow. Patent attorneys with backgrounds in electrical engineering, mechanical engineering, and advanced biology degrees (Ph.D.'s)

continue to be in great demand.

Finally, hedge funds and investment companies in general have also been very busy, with the increase of venture capital and investment activities in the first half of 2005. As a result, they have been aggressively seeking talented transactional/finance attorneys to join their ranks.

The main trend of 2005 has been towards the hiring of specialized attorneys. As a result, we are seeing very few positions available for generalists-which unfortunately make up most of the in-house counsel population. Instead, active positions for attorneys with specialized experience in banking, finance, corporate governance, securities, investment, health care, pharmaceutical, intellectual property (patent), and real estate continue to dominate the in-house legal market.

Another interesting trend is the rise in demand for hybrid corporate/intellectual property attorneys. As companies are being exposed to technological advances or seek to move into new technological fields, the need for attorneys with a strong grasp of technology in the areas of intellectual property, security, privacy, e-discovery, and digital media is on the rise.

Compensation rates for 2005 seem to be holding steady, although we have seen slight increases in base salaries for in-house attorneys--between 2-5%--depending on the market, demand, level, and specialization.

As the economy continues to improve, and corporate legal departments are becoming increasingly busy, we forecast a strong second half for 2005, with a continued demand, especially in specialty areas.

