

From Nashville to New York, Demand for Law Services Gaining in U.S. Cities

Polsinelli's chair-elect Chase Simmons is spending more time in the air these days, jetting from city to city to meet clients and oversee the firm's growing network of offices. From Polsinelli's established strongholds of New York, Chicago and Silicon Valley, to its newest outpost in Seattle, Simmons manages rising demand from clients for the firm's services.

"It's not just the big coastal cities," he said recently while waiting to board a plane. "Denver, people love to come out there. Nashville, people are coming in."

After a post-recession trough, demand for lawyers is rising. It's happening not just in traditional coastal hotbeds, but in smaller cities in the Midwest and Northwest, academics, professionals and consultants say. Real estate, finance and technology are growing, boosting need.

That need helped big firms earn their highest profits ever last year, experts say, restoring them to financial health not seen since the 2008 recession. In Houston, the energy industry is creating a need; private equity and finance are igniting demand in New York City; tech and intellectual property issues are creating openings in San Francisco, Silicon Valley and Seattle. Simmons said Polsinelli is outgrowing its Silicon Valley office.

"Texas is booming, New York is booming. It's been a rising tide across the country," said Mark Weber, Assistant Dean for Career Services at Harvard Law School. "Companies are busy, law firms are busy."

With more job openings than lawyers, pay is rising, according to the Bureau of Labor Statistics, which forecasts an 8% gain in lawyers through 2026. Beginning lawyers are starting at \$180,000 a year, said said Tiffany Tucker, University of Houston Law Center Assistant Dean for Career Development.

The U.S. lawyer population surged 15% over the past 10 years to 1.34 million active, licensed attorneys, the American Bar Association says. Most of them are concentrated in the New York region, labor statistics show.

Recruiters are flocking to law schools to find recruits. The University of Houston Law Center took steps to help students connect with firms, adding a fifth day of on-campus interviews this August so recruiters can meet second-year students, or 2Ls, Tucker said.

The school boosted its budget that pays for continental breakfast, hot lunch and endless pots of coffee for recruiters. Representatives from 88 firms, a 20% increase over last year, came to the August sessions, she said.

"They are fighting for our students," she said. "Whatever time or money we put in is all worth it."

While Seattle isn't a top-10 city in population, Polsinelli saw it as the capital of the Northwest, a gateway to some Asian clients and a place they needed to be. The firm with Midwestern roots initially struggled to find space in a business district with 98% office occupancy, Simmons said, but they succeeded and in the spring opened their first office, bringing their U.S. total to 21. They have doubled their original staff of nine.

"Seattle is a very dynamic economy," said Simmons, speaking recently before boarding an airplane. Polsinelli, with 850 total lawyers and growing, has healthcare, real estate, intellectual property, technology, natural resources and financial services clients in the Seattle.

The city is also drawing younger lawyers for quality of life issues, Peter Zeughauser, of strategy firm Zeughauser Group, said. "Millennials like Seattle," he said. Northwestern companies like Amazon and its Web Services division, Microsoft and Starbucks are generating business for the legal profession, he said.

In Boston, big bets on biotechnology and life sciences are boosting the legal market, Harvard's Weber said. Kirkland & Ellis opened its Boston office in 2017, and Weber says the firm is growing in the city.

"Kirkland is a huge disruptor to the Boston market. They are paying more money to attract some of that talent and have forced competitors to provide retention bonuses," he said. "All of the associates in Boston can thank Kirkland for an increased standard in living."

Boston-based Bain Capital's dealmaking is also helping Kirkland, he said. Kirkland represented Bain in its \$1.2 billion purchase of Trimble Inc. in April. "No one is coming to Boston for the weather," Weber said.

Lower cost of living, in addition to demand spurred by energy, finance and infrastructure, is also making Houston and other markets not on the coasts attractive to lawyers. Firms don't pay lawyers differently based on office location, Tucker said, and lawyers, like her, who move away from New York find their salaries buying a lot more.

"It's unfathomable how well you can live here," she said. "You can live so much better and the salary is the same. You can pay your student loans off even faster."

John O'Neil, head of Kirkland's investment funds group said Houston is the company's fastest-growing office as energy and infrastructure work increase.

As much as the legal profession is growing in smaller towns, New York remains the biggest draw.

"New York is booming, it's number 1, unrivaled and growing. Investing, private equity, hedge funds — it's mainly money," Zeughauser said. The businesses in New York that have

traditionally fueled the legal profession — investing, private equity, finance — are still growing alongside newer technology firms, he said.

Polsinelli says for the future, the company has its eye on Florida, where real estate, a traditional area of expertise for the firm, is strong. And looking a little further out he sees a more mobile force, with lawyers setting up at home, in conference rooms or WeWork spaces — an expansion from the real world into the virtual.