

Senior opportunities overseas PART III: United States



Appeal of the Big Apple

The US is growing in popularity for Australian and New Zealand lawyers wanting an overseas stint

London has traditionally been the preferred destination for many Australian and New Zealand lawyers, but more recently the US has become an increasingly viable and popular alternative.

Gaining entry

The US legal market has traditionally had a reputation for being a bit of a closed shop for Australian and New Zealand lawyers. Ben Carter of Hays Recruitment says that New York firms in particular were very insular and difficult to get into. "They were only interested in locally qualified people – tending to recruit laterally from other New York firms," he explains. Added deterrents, such as the competition for a limited number of visas, have meant that places like London are viewed more favourably. "London firms are ... very welcoming and the salaries are still huge," says Carter.

Charles Robinson, currently a partner at Freshfields Bruckhaus Deringer in New York, moved from Sydney to New York

in 1996 to take a 'one-year visiting lawyer position' with Sullivan & Cromwell. He says that at that stage there were very few Australian lawyers in New York and that the one-year visiting programs "used to be the only real way to get to the US".

Cameron Thomson of recruitment agency Naiman Clarke, estimates that 95% of those interested in working in the US want to go to New York, but San Francisco, Los Angeles and Chicago are also becoming popular. He believes that the introduction of the E3 visas, reserved exclusively for Australians with 'specialty occupations', has been one of the principal reasons for the trend.

Prior to their introduction in 2005, Australian lawyers had to compete for the highly sought after H-1B visas. While up to 10,500 E3 visas can now be issued to Australians each year, only 900 Australians were successful in obtaining a H-1B visa in 2004. An additional benefit is the automatic right of the spouse of the holder of an E3 visa to work in the US.

In contrast, the US market is becoming less accessible for lawyers from places such as Europe and Asia.

Talent shortage

A shortage of talent in the US has pushed firms towards hiring overseas. "The US

TOP 10 MOST PRESTIGIOUS US LAW FIRMS – 2006

1. Wachtell, Lipton, Rosen & Katz – New York, NY
2. Cravath, Swaine & Moore LLP – New York, NY
3. Sullivan & Cromwell LLP – New York, NY
4. Skadden, Arps, Slate, Meagher & Flom LLP – New York, NY
5. Davis Polk & Wardwell – New York, NY
6. Simpson Thacher & Bartlett LLP – New York, NY
7. Cleary Gottlieb Steen & Hamilton LLP – New York, NY
8. Latham & Watkins LLP – Los Angeles, CA
9. Weil, Gotshal & Manges LLP – New York, NY
10. Kirkland & Ellis LLP – Chicago, IL

market has become much more open and Australians are viewed very favourably,” says Robinson. The demand is not for junior lawyers where the market is “close to its fill”, says Thomson. It is for lawyers with at least five years’ post-admission experience and particularly those in finance and corporate, he continues.

Carter agrees that the demand is higher for more experienced lawyers and that the US is a different market to London. “A lawyer with two year’s experience would have difficulty getting a position in a New York law firm, whereas in London it would be comparatively easy.”

However, while the demand is certainly there, top US firms have high standards. “Even for someone up at partner level, achievement in your undergraduate studies does matter,” says Thomson. Work experience is also important. People with experience at well-known, top-tier firms will be highly regarded, says Carter.

Beatrice O’Brien, founder of recruitment agency Attorney Placements International, is of the view that for more senior lawyers, it is particularly important to find a good fit between the person and the firm. She says that while junior lawyers are more flexible, it is important that there are synergies between the firm and a more senior lawyer who has an established specialty area of practice. A few US law firms still insist on meeting the candidate in person.



Beatrice O'Brien,
Attorney Placements

Making the decision

What motivates experienced Australian and New Zealand lawyers to make the move to the US? For Dominic Hodson, who has been living in the US for over four years, it was the experience and the career opportunities. Hodson started with Minter Ellison in Sydney and had been working as special counsel in Minter Ellison’s London office for approximately six months when the opportunity arose for him to move to the US. He is now a partner at Seyfarth Shaw in San Francisco, specialising in international employment and labour law.

One of the drawbacks of legal practice in the US is the sheer size of the market and the opportunities this presents for greater specialisation, says Hodson. He believes that although the competition for making partner in a US firm is undeniably tough, there are more avenues open for getting there. “If you’re a sixth or seventh year

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CHARLES ROBINSON, FRESHFIELDS

lawyer in Australia and begin to realise that partnership opportunities in your practice area in your firm might be tight, there aren’t so many alternatives,” Hodson says. In the US, however “it’s possible to shift the focus of your legal expertise slightly” in order to move into a niche market, he adds.

For many, the prospect of a top US law firm salary, combined with lower tax rates, will certainly appeal. Even taking into account the discount that is often applied to an Australian or New Zealand lawyer’s salary in a US law firm, the Australian/New Zealand lawyer working in the US comes out well on top.

However, working at the top US law firms often means keeping long hours, few holidays and an intense working environment. The expectations in regards to billable hours are generally higher than in Australia, Hodson says. For some senior lawyers, particularly those who have experienced the late nights and weekend work at more junior levels, priorities have shifted. However, working for a top US firm does not necessarily mean returning to that environment.

Kevin Evans, originally from the UK and now a senior associate at Atanaskovic Hartnell in Sydney, specialising in corporate M&A and private equity, is moving to New York later this year to take up a position with Gibbons PC. As he has previously worked at the London office of a large New York firm and experienced what he describes as “the billable hours culture”, a drawback of Gibbons PC was its emphasis on maintaining a sensible work-life balance. “With two young children, my desire to bill 100+ hours a week has somewhat diminished,” Evans says.

International presence

Another attraction of US law firms is their growing international presence and the opportunities for working on large, international transactions with international clients. The scale of the US legal market means that US firms have been able, and willing, to invest in new areas of practice, and they have been far more aggressive than Australian firms in expanding into Europe and Asia, says Hodson.

One of the attractions of Evans’ position at Gibbons PC was the role that he will be playing in “increasing the amount of work they do for foreign companies investing into the US”, says Evans. He

continues that “running transactions for their existing European clients” was also a factor in his decision.

However, Mark Chapple, Baker & McKenzie’s managing partner in Sydney, says that in other respects legal practice in US firms is fairly similar to Australia (with litigation perhaps being the exception). They have similar practice group structures and the adaptation process for an Australian or New Zealand lawyer is relatively smooth.

An important consideration for senior lawyers, particularly those at partner level, is the likelihood that they will have to leave their clients and established practice behind and start afresh. Additionally, while it is relatively easy for a junior lawyer to pack up and go overseas for a two- or three-year stint, for a more senior lawyer, with an established practice and possibly a family, going overseas is a much bigger investment.

While the US will not be replacing London as the destination of choice for Australian and New Zealand lawyers in the foreseeable future, it presents an increasingly attractive alternative for those wanting an overseas experience. **ALB**



Mark Chapple,
Baker & McKenzie

OPPORTUNITIES IN THE US

- increasing number of Australian and New Zealand lawyers heading to the US
- high demand from US firms for talented Australian and New Zealand senior lawyers, particularly in corporate or finance
- the scale of the US legal market provides opportunities for greater specialisation
- US firms have a strong international presence and are involved in large international transactions

US SALARY COMPARISON

The average salary at a top US firm for a lawyer with six years’ post-qualification experience is US\$230,000 (and US\$270,000 in New York). The same lawyer can expect to earn an average of A\$140,000 in a top-tier Australian firm and NZ\$110,000 in a top-tier New Zealand firm, equating to around half of what their US counterpart earns.