



In-House Career Paths in the Financial Sector

This article highlights the discussion at “In-House Career Paths in the Financial Sector,” a program hosted by the City Bar’s Career Advancement and Management Committee on March 25, 2014. The program was moderated by Andrew Gurman, Managing Director at Michael Lord & Company, LLC, and featured panelists Jill Simeone, General Counsel and Chief Compliance Officer at KCAP Financial Inc.; Michael Sternhell, Vice President and Associate Counsel at OppenheimerFunds; Carl McCarthy, General Counsel and Chief Compliance Officer at ACA Financial Guaranty Corporation; and Andrew Dominus, General Counsel and Chief Compliance Officer at Seer Capital Management.

Panelists described their own transitions into in-house roles at financial companies, the type of work they do in their in-house roles, and the skills used and developed in these roles. Following this preliminary discussion, the panelists tackled the following questions and offered their advice and insight:

What can you do now (as an associate) to better position yourself for an in-house transition?

- Talk to people around you (partners, clients, colleagues, and friends) about your interest in moving in-house. Be specific about your goals and interests.
- Request to work on deals and take on assignments that will broaden and grow your skill set in the direction you want to move.
- Make networking your job – stay in touch with everyone, and keep your network warm. Don’t wait until you start your job search to begin networking, as it often will take 6 months to a year for a new network to become fully active.
- Gain exposure by working with business people – it is important to learn their language, tone, and sensitivities.
- Consider volunteering or consulting with startup companies – this can give you marketable industry or business knowledge that you can then leverage in an in-house position.

What does the day-to-day work of an in-house lawyer consist of, and how does it differ from that of law firms?

- In-house legal work is generally interesting and varied – you can participate in creating and implementing business strategy, dealing with regulators, overseeing litigation, etc.
- It often includes tasks that are more business-related than legal in nature, which keeps you involved in the business decision-making. In the words of one panelist, you have to be a “business person wearing a legal hat.”

- In-house attorneys are often expected to be more flexible than law firm attorneys. You will need to have sensitivity to the business, understand the business needs, and work creatively to advance the business goals.
- As one panelist stated, good in-house attorneys are more than just service providers – they are trusted advisors.

What should I consider when deciding whether to go in-house?

- Consider what sector you want to go into – for example, working in-house at Google is going to be very different from working in-house at JP Morgan.
- Ask yourself whether you are interested in the actual business of your clients – reading financial statements, understanding annual reports, etc. The business component of in-house legal positions should not be underestimated.

How does the compensation of in-house positions compare to that of law firms?

- Compensation will vary greatly depending upon the industry, size of company, and experience level. However, for senior level associates in particular, you should be prepared for a decrease in your base salary.
- In-house salaries generally have a larger component of bonus / equity compensation rather than base salary.
- As a result of a higher bonus / equity component, there is more variability in compensation for in-house positions – it depends not just on your performance, but also on the performance of the company as a whole.

How would you describe the work / life balance of in-house positions?

- Although the hours between 8 am and 5 pm may be extremely busy, unless there is something extraordinary going on, nights and weekends are usually less intense than in law firms.
- You typically have more control over your work flow when you go in-house, because you are the client, which leads to greater predictability.
- Sources of stress are different than in a law firm – although you may not have to deal with multiple deals / projects and being overloaded in that regard, your battles may include fighting for resources, justifying your budget, or presenting to the board of directors.

When should I think about moving in-house?

- In-house legal departments usually seek attorneys who have several years of law firm experience, rather than recent graduates.
- The “sweet spot” for attorneys to move in-house is usually after 4 to 8 years of law firm experience.
- However, the timeline will vary – some attorneys move in-house after only 2 or 3 years, and other experienced attorneys make the move after they have become partner.

How do compliance roles at financial institutions fit into this?

- Although the financial industry itself is shrinking, the number of compliance roles is growing dramatically as a result of an increasing regulatory framework.
- Compliance positions are often available to recent graduates, and can sometimes be parlayed into an in-house legal position. However, it is important to understand where the compliance department is situated within the company – some combine it with legal, but others have it as a stand-alone department, which can make crossing over more challenging.

Review written by Colleen Harp, Associate Director, Career Planning Center, Fordham University School of Law and member of the Career Advancement and Management Committee. April 2014.