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On behalf of the faculty and graduates of Columbia Law School, it is my pleasure to welcome all of you. You are a truly remarkable group. We were fortunate to receive a record number of J.D. and LL.M. applications this past year, so there are literally thousands of people who wanted to sit where you are sitting now. Your talent and hard work have earned you the right to be here, and we are very pleased to have you with us.

This is both an inspiring and a challenging time to come to law school. It is inspiring because the world needs you more than ever. We live in troubled times, and many of the great issues of our day are inextricably tied to law. Our financial system has foundered, and we need to respond with more effective corporate governance and wiser regulation. Innovation, competition, and free trade need to be encouraged in order for our economy to flourish. Because of the significant demands on our public sector, our tax system needs to collect revenue efficiently and fairly. Our dependence on imported fuel jeopardizes our national security, and our emission of greenhouse gases places our environment at risk. Terrorists threaten our national security, and our responses need to be effective and faithful to our core values. Social issues such as same-sex marriage, affirmative action, and abortion continue to divide our society.

Each of these challenges demands the creativity and rigor of first-rate lawyers. Indeed, members of our faculty are making vital contributions on each of these issues, and in your time with us, you will work with them on the intellectual cutting edge.

Yet although the world needs the intellectual contribution of our profession more than ever, the economic downturn has had a profound impact on the bar. Public interest organizations are facing a challenging fundraising environment, while governments are experiencing a sharp decline in tax revenue. This means that their budgets are tight, and many are cutting back on hiring.

The numbers at the nation's leading law firms also are not encouraging. The bread and butter of corporate departments, securities offerings and mergers and acquisitions, have dwindled. Equity offerings in the first quarter of 2009 were off by 74 percent compared to the first quarter of 2008. M&A was down by nearly a third, the lowest level in five years. Litigation usually is counter-cyclical, and thus is expected to offer law firms some much-needed diversification. Unfortunately, though, this crisis has been different, prompting cash-strapped corporate clients to pare even their litigation budgets. In addition, with the demise of several storied financial institutions, some of the most sought-after clients have disappeared. Other clients are moving some business from the best-known (and most expensive) firms to smaller firms, including firms in smaller cities. Some types of work are moving to contract lawyers overseas.

As a result, profits per partner at the 100 firms with the most revenue (the so-called "Am Law 100") dropped 4.3 percent in 2008. Further declines are expected for 2009. Indeed, many analysts expect revenue to fall by 10 percent. If the number of lawyers at these firms remains constant, then profits per partner in 2009 will drop by 28 percent.¹ Alternatively, to keep profits per partner constant at this reduced level of revenue, firms will have to cut 10 percent of their lawyers.

¹ Profits, which were at \$1.26 million in 2008, would decline by \$360,000 to \$900,000.

It is also significant that, in renegotiating their fees, many clients are refusing to pay for the time of the most junior lawyers. Clients are taking the position that this is a training cost, which the firm should bear instead of the client. If this trend accelerates, junior lawyers will yield a much-reduced revenue stream. In response, firms are likely to hire fewer junior lawyers, and to pay them less.

Indeed, many law firms are trying to shrink. Since associates are no longer leaving voluntarily for other jobs, many firms are compensating with layoffs. Approximately 5,000 lawyers have been laid off so far. In addition, the start date for many new lawyers has been deferred. Summer programs and entering classes are shrinking.

All this, obviously, can affect you. So now that I've gotten your attention—and possibly raised your blood pressure a bit—I'd like to spend the rest of our time today explaining why the clouds that I have described are actually filled with silver linings.

To continue with the weather metaphor for a moment, the worst of the storm is likely to pass soon. The legal profession responds to macroeconomic trends, and recessions are a fact of life. This is a particularly severe one, to be sure, but there have been downturns before, and then we bounce back. Indeed, the financial sector is showing signs of life again, and this is often a harbinger of better economic times.

I should add that I was starting law school at the bottom of the last severe downturn in the legal profession, which took place in the late '80s and early '90s. So I know, from personal experience, what you are feeling. It's like arriving at a party after they already have served dessert. For what it's worth, though, my generation did quite well. It was harder to get a job at first. Yet because employers hired leanly, they were short of people when the economy picked up. As a result, my classmates and I ultimately were in a great demand. In time, the same thing could happen to you.

This is all the more likely because you are at Columbia. Our Law School consistently places a higher percentage of our graduates than any other law school at the nation's leading law firms. When you walk into an interview, you bring Columbia Law School's reputation with you. That reputation, forged by the talent and energies of our faculty and graduates, could not be stronger. As the bar shrinks, there will still be room for you. Indeed, 30 years ago, when leading law firms were a fraction of their current size, and our school was only a bit smaller than it is today, our graduates were in great demand. Of course, since then firms began casting a wider net and hiring from more schools. Going forward, they will focus again on fewer schools, and Columbia will be high on everyone's list.

You should know that your professional futures are very much on our minds. We have formed a faculty committee to develop enhancements for our counseling services and our curriculum in response to the changes taking place in the legal profession. We have brought in a dynamic new head of career services, Petal Modeste, and we are planning a series of events to educate our community about new trends within our profession. In addition, I will be holding a series of sessions throughout the year in which I am inviting students to join me to discuss the student experience at Columbia Law School. I hope you will come to some of these sessions. The bottom line is that we are committed to helping each of you chart a successful and satisfying professional future.

So if your ambition is to practice at a leading law firm, there will be opportunities for you. I spent three very happy and fulfilling years at such a firm, and for me it was a great experience. It would be a good fit for many of you as well, but it is not right for all of you.

This brings me to the main point that I wanted to share with you today, one that has always been true, but seems all the more

important to emphasize in the current economic environment: An extraordinarily broad range of opportunities are open to you. We are all different, and you should take this opportunity to think expansively about what would be most fulfilling for you. I can promise you that, whatever your dream turns out to be—whether it involves public interest litigation, academia, entrepreneurship, politics, private practice, or something else—we will prepare you for leadership in any sector, anywhere in the world.

Your goals should be success and happiness, of course, but the challenge in the coming years is to define what this means for you. As you try to figure this out, keep two fundamental truths in mind. First, excellence is its own reward. You have been blessed with extraordinary ability. You should appreciate what a glorious gift that is, and you should savor it. At the same time, remember that excellence is measured in many different ways—in the pride you take in your work, in the reputation you develop among your peers and, more importantly, in the eyes of the people you have helped. But to my mind, excellence should not be measured in dollars.

The second fundamental truth to remember is that integrity is the bedrock of any successful career. It is a great source of satisfaction to know that you have earned your successes, that you didn't cut any corners, and that people trust you.

As for the specifics of what career choices to make, you are just beginning that journey. Most likely, there will be twists and turns along the way, many of them unplanned. The most impressive careers often involve a number of moves—for instance, from the government to the private sector, and back again. Eric Holder, Class of 1976, was a prosecutor, a judge, and a lawyer in private practice before becoming Attorney General. Likewise, the new U.S. Attorney in Manhattan, Preet Bharara, Class of 1993, has also worked in private practice and, most recently, on Capitol Hill. Of course, Eric and Preet would both tell you how fulfilling

it is to work for the government and be the people's lawyer, and this is a goal that many of you will pursue.

I should add that Preet and I have something important in common: We are both fans of Bruce Springsteen. I am not going to ask any of you whether you are Springsteen fans. The last time I asked a student that question, the response was: "No, but my father is." I'm still recovering from that blow.

In one of my favorite songs, *Thunder Road*, Springsteen says: "Well, the night's busting open, these two lanes will take us anywhere." This is an (admittedly strained) transition to my next point, which is that it is a wide world out there, and your talent, imagination, and ambition, paired with the training that you will receive here, can take you wherever you want to go.

You come from all over the world and, while some of you will want to spend some or all of your careers in New York, there are many other exciting places to practice law. Indeed, going home has been an extremely successful career choice for many graduates. For example, after Rob Walton graduated in 1969, he went to work in the family business, a small retail operation called Wal-Mart. Through years of service in various executive posts, including as General Counsel and, now, as Chairman of the Board of Directors, Rob has helped transform Wal-Mart into one of the most profitable and influential companies in the world. Returning home was also a winning strategy for Wei Christianson, Class of 1989. She left a law practice in New York to become a securities regulator in Hong Kong, and then an investment banker. Wei is now the head of Morgan Stanley's operations in China. The journey home has also been good to Steve Bullock, Class of 1994, who returned from Washington, D.C., to his home town of Helena, Montana. Before long—and at the relatively young age of 42—Steve became the Attorney General of Montana. And, of course, there are many other such success stories.

However you decide to contribute to the profession and to society, you will find a broad range of settings in which to practice. For example, you may choose to be a solo practitioner, or to practice in a boutique law firm. This setting is ideal for certain types of practices. For instance, Nina Shaw, Class of 1979, founded a successful entertainment law practice in which she represents Laurence Fishburne, Jamie Foxx, James Earl Jones, and other prominent actors. The firm founded by Max Berger, Class of 1971, has five of the largest securities fraud recoveries in history, including the \$6.15 billion settlement in WorldCom.

Some of you will leave the law entirely, but your legal training will serve you well wherever you go. Our graduates run nonprofits and businesses in every sector. For example, how many of you used to read *Seventeen* magazine (or maybe still do)? Gerry Lenfest, Class of 1958, left the practice of law to run the business that published *Seventeen*, and then moved on to found one of the most successful cable TV companies in the U.S. When he sold his business in 2000, Gerry's personal stake was worth \$1.4 billion, and since then he has given more than \$800 million to charity.

We have a number of other extremely successful graduates in media and entertainment. When my five-year-old daughter, Evie, watched *The Lord of the Rings* movies with me this past summer, she said, "I wish I could meet the people who made them." You can imagine her surprise when I told her that I could arrange it. Bob Shaye and Michael Lynne, both from the Class of 1964, produced the films when they ran New Line Cinema. Meanwhile, how many of you saw the new *Transformers* movie this summer? Our graduate, Philippe Dauman, Class of 1978, is the CEO of Viacom, which netted more than \$200 million in the first five days of the movie's release. Another of our graduates, Tom Rothman, Class of 1980, is co-chairman and CEO of Fox Filmed Entertainment. Tom achieved a new level of eminence, in my book, by recently making a cameo

appearance on one of my favorite shows—the HBO series, *Entourage*. But we’ve only scratched the surface of those who work in media and entertainment, and we could easily assemble comparably impressive lists in a range of other sectors—from finance and real estate to academia and public interest law.

Indeed, if the world pushes you to take risks and move out in new directions—in part because the more familiar paths are harder to navigate than they used to be—you may find yourself even more fulfilled, and more successful, because you charted a course that was best suited to you. The bottom line, then, is that you have many exciting choices ahead of you. By virtue of your talent and the training you will receive here, you will each be able to make important contributions to the world.

But I realize that I have spent the last few minutes focusing on the next 50 years of your life, while you are probably more focused on the next few days. You have many people to meet, some of whom will become lifelong friends. You have cases to read and new skills to master. You have the delights of New York City to explore. In this spirit, I want to conclude by quoting Eleanor Roosevelt, the wife of Franklin Delano Roosevelt, Class of 1907. As Mrs. Roosevelt famously said: “Yesterday is history, tomorrow is a mystery, and today is a gift.” So I would encourage you to enjoy your time with us at Columbia Law School, and to appreciate the remarkable gift that we all have been given by being together at this exciting time and in this wonderful place.

Welcome to the Columbia family!