Recession-Proof Practice Areas — Do They Exist?

It’s a question worth pondering in light of today’s economic climate: is there such a thing as a recession-proof practice area?

I would imagine if you are in real estate right now, you are really keeping an eye open. Mergers and acquisitions too, I hear. This is particularly true after the bloodbaths at prominent firms recently, plus who knows how many yet to come. Yet not very long ago, those areas were all the rage.

So what practice areas can you pretty much guarantee yourself continual employment in, regardless of the economy?

This is an interesting question, oddly enough. I think it’s one of the few areas where small practices have an advantage over the big firms.

Why? Well, let’s think about this for a minute. What makes a recession-proof anything? Why, it would be services that people always need. Think of the food industry — people always need to buy food, regardless of whether the economy is doing well. But even food is not immune: people buy the cheap food and rely on storage more. And the restaurants can really feel the effects of an economic downturn. But it’s certainly better than being a luxury boat manufacturer, no doubt about that.

What about legal services, instead of food? Well, of course the first practice area that springs to mind is bankruptcy. That area, of course, would be expected to thrive during an economic downturn. And indeed, it does. But bankruptcy suffers from the same effect — it’s slow during the good times. Which is just a twist on the same problem: it is still fairly vulnerable to economic conditions.

The same logic applies to other industries closely related to company failures. That said, right now if you are in the bankruptcy field or a related field, you are probably being envied by some of your colleagues.

So let’s look elsewhere, shall we? What else do people keep on doing? Well, committing crimes, divorcing each other, and croaking. Oh, and paying taxes.

Criminal practices and divorce practices tend to be the province of the smaller firms or the solo practitioners. This is where the smaller guys have a leg up on the big boys. People are always getting divorces in good times and bad, but financial difficulties usually presage even more divorces. So if you focus on divorce, you probably can ignore recessions for the most part or even welcome them — as long as your prospective clients can pay your fees, that is.
Crime is similar: it always happens, and people need to be defended. Crime also tends to go up during a recession as well. But unless you have the public defender contract, well, recessions probably make your prospective clients less likely to pay. After all, isn't the aphorism "Crime doesn't pay"? Many times criminals don't either. Still, it's solid, steady work, plus you get to meet some real characters — more flamboyant than most other attorneys' clients, no doubt about it. Unless you solely do white-collar crime, I suppose.

Death and taxes are the two things no one can avoid — they come during a recession just as they do during the good times. And while probates are, again, primarily a feature of the small, local solicitors more than the 1,000-lawyer-member big boys, tax law is both.

Probate practices are great, once you've gotten them well established. A nice safe full of clients' wills with a bunch of old clients — that can keep you quite busy. Especially when the poor old dears get their tax bills, perhaps, and keel over.

Tax law is always there. Taxes are pervasive, and so, of necessity, are tax lawyers. Until the day the mythical flat tax exists, individuals and companies will always want tax advice. You can be a tax attorney as a small-firm guy or a big-firm powerhouse. The only caveat for most attorneys? It can be dull. I personally find the tax regulations make a great cure for insomnia. You can read them, or as a last resort, they are thick enough to just hit yourself over the head...but I digress. There's no denying that it's a pretty secure practice area, though. When downturns come, companies want to save taxes even more.

The employment law area and insurance law likely have good, steady work as well. I'll confess I don't know much about those areas, but it makes sense. Insurance claims and accidents happen all the time. And employment law probably picks up during a downturn.

There probably are other areas of law as well that have pretty steady streams of work, regardless of the economic situation. Why not mention some in the "Comments" section below? Of course, what's the biggest problem in a downturn like we may be starting? Getting into one of those practice areas! Good luck!