



NWSidebar

The Voices of Washington's Legal Community



Where's the Hurt? Part 1: The Financial Impact of Coronavirus & How to Survive It

April 21,
2020



Ann Guinn started to see the first signs of trouble in early March. As a solo/small law firm practice management consultant at G&P Associates, Guinn has a uniquely big-picture view of economic shifts in the legal profession—except in this case what the numbers told her wasn't matching what her clients were telling her.

"I was asking them, 'Are you seeing a change in your business?'" Guinn said. "They were going, 'Oh no, no.'"

Then the revenue for Guinn's consulting business began to dip—still, no one seemed all that concerned.

"I still had no clue the proportions of what was coming," Guinn said. What was coming, it turned out, was a complete economic meltdown.

Though it would be easy to mistake that series of events for the emerging economic crisis due to the ongoing coronavirus pandemic, it's actually what happened in the early days of the 2008 financial crisis. For Guinn, the parallels between what she's seeing now and what she saw then are hard to ignore.

“Part of the problem is lack of recognition that this is a problem,” Guinn said.

Everything about coronavirus seems to change almost daily, if not from one hour to the next, but as of this writing nearly 17 million people filed unemployment claims in the U.S. in just three weeks, as efforts to curb the virus’ spread led to mass layoffs and shuttered businesses, particularly in the service and hospitality industries.

But you already know that. What you probably don’t know, because no one really knows, is how it will all shake out elsewhere, particularly the legal profession.

What follows is based on interviews with legal professionals who responded to NWSidebar inquiries with section leaders and other experts. But it’s worth noting that it is not an exhaustive account nor definitive summary of the financial situation in Washington’s legal community. Based on interviews with a number of solo and small-firm practitioners, there are some concerns and a lot unknowns—but the sky doesn’t appear to be falling for the profession. In fact, lawyers in some practice areas are seeing a boon to their businesses, while others are experiencing more of a shift in the types of cases that make up their business.

Anthony Baxter, an attorney with the Monroe-based Baxter Legal Services, said his caseload effectively reversed from being nearly all business law with some occasional estate planning to almost entirely estate planning, while the phone has stopped ringing with work from small-business clients.

“I’ve never seen such a massive shift all of a sudden,” Baxter said.

The estate planning work hasn’t completely supplemented his drop in small business clients and Baxter said he and his paralegal are using the relative downtime to stay on top of federal and state programs and brush up on practice areas where they expect to be slammed in the near future.

“We’re trying to keep up on all that stuff so if someone calls up and says, ‘Hey we’re in financial crisis now, what are we going to do?’ to have the answers for them,” Baxter said. “Our focus right now is to ... be prepared for when society is reintegrated, if you will.”

Likewise, Shashi Vijay of VJ Law Firm reported a similar shift.

“I don’t say that it’s gone down; it’s just pivoted ... in terms of what kind of cases I see,” Vijay said.

And other solo and small firm practitioners have been sharing similar stories during a weekly roundtable organized by members of the WSBA Solo and Small Practice Section, and many are anticipating a wave of bankruptcies on the horizon that will dominate their caseload.

“I’m using the downtime to get prepared for that onslaught ...,” Vijay said. “I think really it comes down to the ability to pivot, especially for solos.”

Another solo attorney said in an email that “for certain practices, the virus crisis is actually *generating* business. That is certain in my experience as an employment lawyer who mostly represents employers.”

In the immediate aftermath of Gov. Jay Inslee’s stay-home order, Carol Johnson—whose practice areas include wills, trusts, probate, guardianships, estate planning, and real estate—said she hadn’t heard back from several clients “who were in the pipeline,” adding that she only gets paid after work is completed but that she also had no intention of hassling those clients or opening collection processes if they couldn’t pay. Asked what could help stabilize her business if it continued to slide, she joked “short of winning the lottery?”

“They put a moratorium on eviction, so fortunately if my business expenses can’t be covered I at least won’t be tossed out on the street,” Johnson said.

Podcast

Learn more about WSBA Chief Disciplinary Counsel Doug Ende by listening to his interview on the South Fork Law podcast.

And legal professionals in Washington are filing for unemployment. According to the state [Employment Security Department](#), 348 claims were filed by Washingtonians in the job category of lawyers, judges, and related workers (as of April 11) and another 1,281 claims were filed by legal support workers.

The vast majority of those claims, at least 467, were in King County, followed by Pierce (152) and Snohomish (120) Counties. (Note that some claimants' counties of residence were not disclosed.)

Guinn recommends that all legal professionals diversify their services and brush up on areas of the law that many people will likely need in the near and long term. Indeed, among more than a dozen members of the legal community NWSidebar interviewed about coronavirus-related impacts, all noted that they've been using some of their extra time to read, attend webinars, and sign up for CLEs in areas outside of their current specialties, notably estate planning, bankruptcy, and employment law.

Perhaps more importantly, Guinn said it's crucial to reach out to existing clients and offer assistance, even when there's no expectation for billable hours; in fact, especially when there's no expectation.

"What I've been doing is calling all of my [solo and small practice attorney] clients and encouraging them to basically forget about money right now," Guinn said. "To call their clients and just check in with them: Do you have everything you need; can I send you to a resource? But hear their story; find out what they're dealing with and then find a way to work around [it], and it may not be a workaround that will get you paid."

Yet Guinn is still worried that no one seems worried. It was the same in 2008 when Guinn developed a series of classes about surviving a recession, but only three or four people showed up on any given day—once she had only one attendee.

"The very first step has got to be recognition that this is going to smack you," said Guinn, noting that a firm should have six months to a year's worth of runway to cover expenses. "In all my years doing consulting, I probably can't even count on one hand the number of small firms that are financially prepared for any kind of business interruption."

In the next article in this series, we'll examine some of the new insurance risks that come with mandatory stay-at-home orders, and take a look at the financial landscape for medium and large law firms.

About the Author



Michael Cherry. Cherry is an attorney who helps clients address privacy and cybersecurity matters at his firm, Lexquiro PLLC. After working in technology for many years, Cherry attended the Seattle University School of Law where he attained a J.D. and an LLM in Innovation and Technology Law. Cherry uses Apple and Windows devices in his law firm. As Lexquiro PLLC is a virtual firm, without a physical office, Cherry works remotely with his clients every day.

Share this:

[Share 48](#)[Tweet](#)[Share](#)[Email](#)[Print](#)[More](#)

Like this:

Loading...

Featured, On the Docket, Practice Management, Recent

NWSidebar

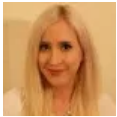
[< Zooming with Caution: Best Practices for Using Zoom and Other Videoconferencing Tools](#)

[Laid Off During COVID Crisis: What to do If You've Been Let Go >](#)

Search ...



RECENT CONTRIBUTORS



Sarah Burke



Marsha J. Naegeli



Rich Teraci



Felix Neals



ARCHIVES

Select Month ▼

SELECT A TOPIC

Select Category ▼

FOLLOW BLOG VIA EMAIL

Get new content delivered directly to your inbox.

Email Address

[Subscribe via Email](#)

LIKE US ON FACEBOOK





FOLLOW US ON TWITTER

Tweets by @WASStateBar



WA State Bar Assoc.

@WASStateBar

Please join us for our monthly free Legal Lunchbox CLE program today at noon!

Register now to secure your spot:

ow.ly/rvmz50BEFnp

	<p>WEBINAR Legal Lunchbox™ S...</p> <p>Product Code: LL200929WBR</p> <p>mywsba.org</p>
--	--------------------------------------------------------------------------------------------------------------------------------

2h



WA State Bar Assoc.

@WASStateBar

A Brief Legal History of Washington's Vote-By-Mail System ow.ly/9jV950BDwSy

	<p>A Brief Legal History of Washington's Vote-...</p> <p>For weeks, the national discourse has been em...</p> <p>nwsidebar.wsba.org</p>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Sep 28, 2020



WA State Bar Assoc.

@WASStateBar

We are excited to announce two new practice guides: "The Law Firm Guide to Document Retention" and "The Law Firm Guide to Disaster Planning and Recovery." Check both of them out on the WSBA website: wsba.org/guides

Sep 25, 2020

[Embed](#)

[View on Twitter](#)