

[What Will Your Law Practice Be Like in March, 2013 and January, 2017?](#)

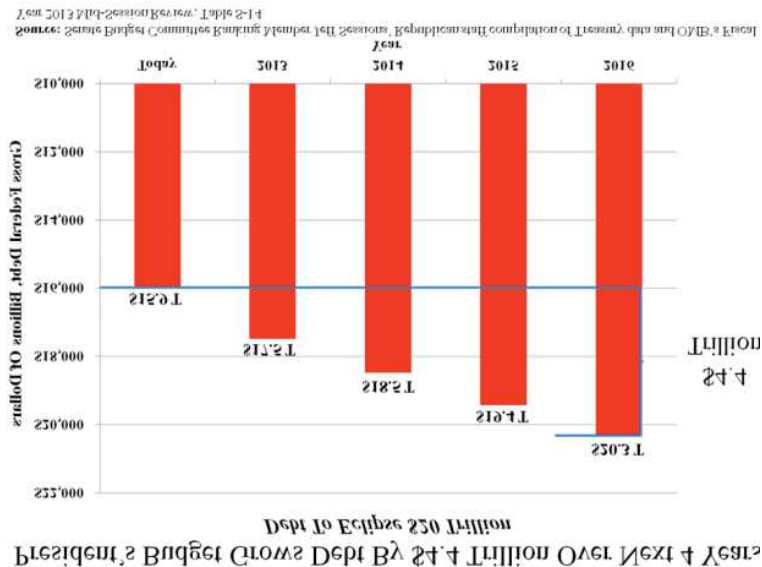
By [Cordell Parvin](#) on January 4th, 2013

Whew! An exhausted nation finally witnessed an agreement to avoid the fiscal cliff. As reported in [From NASCAR to rum, 10 weird parts of the 'fiscal cliff' deal](#), we, or I should say special interests, got even more than we thought. Even though the Dow rose 308 points on Wednesday, Moody's wasn't impressed. [Moody's Anticipates Further US Fiscal Action Following "Fiscal Cliff" Deal](#).

Has your law firm thought about what will happen in the next 90 days? How will your clients and how will your practice be impacted if the debt ceiling is not increased? Will the impact be any different if it is increased and spending cuts are put in place? Will the impact be any different if it is increased and no spending cuts are put in place?

After considering the next 90 days, does your law firm look beyond the current year? Do you? I always looked ahead and asked myself what my law practice would be like in the future. Consider looking ahead to what your law practice will be like at the end of President Obama's second term.

What will happen to your clients' business and your firm's practice if at the end of President Obama's second term our nation's debt exceeds \$20 Trillion, and God forbid, interests rates go up? If the interest rate is just 4%, interest on the debt will be a substantial part of the federal budget.



From The Weekly Standard

For those of you who think the debt will not rise to \$20 Trillion, I invite you to read New York Times opinion writer [Paul Krugman's That Terrible Trillion](#) to support your point of view. He argues:

Right now, given reasonable estimates of likely future growth and inflation, we would have a stable or declining ratio of debt to G.D.P. even if we had a \$400 billion deficit. You can argue that we should do better; but if the question is whether current deficits are sustainable, you should take \$400 billion off the table right away.

If you want a different perspective, read Forbes: [President Obama's Legacy: \\$20 Trillion in Debt for 2016 Victor](#), citing the CBO's projection:

If Obama gets his full wish list and avoids the fiscal cliff, the CBO's alternate fiscal policy projections yield a cumulated 2013-2017 budget deficit of \$4.5 trillion. In this case, the second Obama administration will run annual deficits of almost a trillion dollars a year.

Suppose for the moment that the debt does reach \$20 Trillion during President Obama's second term, what area of law practice will prosper? What areas of law practice will decline? I recently read: [Senate 'Cliff' Deal Would Push Debt to \\$20 Trillion by 2017](#). Here were some predictions:

- But Wall Street analysts say interest-rates could spike if world economies improve or if they worry that U.S. politicians and taxpayers are unable or unwilling to pay the interest payments.
- If interest rates reach five percent, taxpayers' annual interest-costs would reach \$1 trillion per year, or one third of the federal government' 2012 tax revenues.

What will be the hot practice areas in 2017? What areas of law will take a hit? What will be the impact on your clients's business?

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