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Global In-House Counsel Market Conditions Report — Q2 2025

The global in-house legal market saw steady growth in Q2 2025, with legal departments prioritizing critical hires amid ongoing budget constraints and macroeconomic uncertainty. There is a marked shift toward hiring legal professionals who are not only technically proficient but also technologically fluent, as the integration of AI tools continues across all aspects of corporations and reshapes legal operations.

Key Market Trends:

- **Sector-Specific Hiring Activity:** Legal hiring was particularly robust in financial services, life sciences, technology, energy, biotech, and healthcare, with a notable surge in private equity and M&A roles. The Northeast and California saw increased demand for lawyers with cross-border transactional experience, while London reported a sharp rise in M&A "deal pod" hires at the junior-to-mid levels.
- **Budget-Conscious Growth:** Legal departments continue to operate leanly. Companies are prioritizing high-impact, strategic roles and often delaying or restructuring generalist and lower-priority positions to maintain flexibility and control costs.
- **Regional Dynamics:** Markets such as Boston, San Diego, New Jersey and London are particularly active in biotechnology and healthcare regulation, with India emerging as a key location for offshoring legal services.
- **Compliance and Regulatory Demand:** Regulatory, privacy, and trade compliance roles remain in high demand. Our teams in Chicago, New York, and Los Angeles report steady hiring, while Europe and China are prioritizing privacy professionals to address evolving AI, ESG, and data privacy regulations.
- **AI Integration:** Legal teams are experimenting with AI for contract lifecycle management, compliance, deal related due diligence and predictive analytics. London and Delhi lead in more advanced implementations, while New York and California are seeing increased demand for tech-proficient talent. AI governance is emerging as a niche legal specialty, and baseline AI literacy is increasingly expected of senior counsel.
- **Expanded Legal Skill Sets:** GCs now face cross-functional responsibilities, necessitating skills in project management, data literacy, and business acumen, particularly in markets like London and Amsterdam.
- **Impact of EU AI Act:** The upcoming EU AI Act will impose strict compliance requirements, prompting companies to hire lawyers well-versed in AI governance and data privacy. **Join our webinar on July 15.** EU AI Webinar Registration
- **Deputy GC Evolution:** The Deputy General Counsel role continues to expand, with many DGCs managing legal operations, leading cross-functional initiatives, and serving as potential GC successors. Companies are increasingly hiring DGCs who complement existing GC skill sets and bring operational savvy.
- **Economic Pressures:** GCs are being asked to do more with less. Many are delaying permanent hires, shifting work in-house, or engaging ALSPs. The result: heavier workloads for smaller teams, especially at the mid-level, and greater stress on talent retention and morale.

- **DEI in Flux:** DEI remains important, but U.S. companies are approaching it with greater caution. Public declarations have declined, and efforts are increasingly internalized. Meanwhile, London, Amsterdam, and Delhi continue to push forward with employee-led DEI initiatives.
- **Mid-Year Outlook:** Despite persistent cost pressures, most regions anticipate increased hiring in the second half of the year. GCs will remain central to business strategy and regulatory navigation, and we expect to see continued adoption of AI tools and internal promotions, including a wave of GC retirements.

Areas Seeing Robust Hiring Activity

Demand for legal talent remains uneven across geographies and industries, but several sectors are demonstrating resilience amid a challenging macroeconomic climate. Financial services is showing renewed strength, while life sciences, energy, biotechnology, healthcare, and manufacturing are also gaining momentum on a global scale.

After a few turbulent years, the private equity market has regained momentum. Deal activity is rebounding with vigor as PE-backed companies and strategic acquirers accelerate acquisitions.

Regional Highlights:

- **United States:**
  - › In Pennsylvania and California, there is growing demand for M&A and securities counsel.
  - › New York is experiencing increased hiring of General Counsels and Chief Legal Officers within PE portfolio companies to help manage complex deal pipelines and regulatory scrutiny.
- **Europe and Asia:**
  - › Legal hiring in London and Delhi is on the rise, with companies using both permanent and interim talent.
  - › London is seeing strong demand for junior to mid-level M&A and funds lawyers, and some organizations are building dedicated "deal pods" to support high transaction volume.
  - › Japan continues to see strong demand for legal roles across industries and expects this continue through the balance of the year.

Other Hiring Dynamics:

- **Disciplined Growth:** Despite increased activity, most companies remain conservative with headcount growth. Legal departments are targeting only high-priority, strategic roles, opting for lean and agile teams over broad expansion.
- **Specialization Over Generalization:** The trend toward highly specialized legal talent continues. Roles perceived as lower-impact or overly generalist are often delayed, restructured, or eliminated in favor of flexibility and cost control.
- **Tech Sector Caution:** Legal hiring in tech remains sluggish. Markets such as Seattle, Amsterdam, and parts of China are experiencing a broader employment slowdown, influenced by geopolitical tensions, tariff concerns, and more cautious corporate spending.

Sector & Market Momentum:

- Legal hiring is particularly robust in Boston, San Diego, New York, Tokyo, and London, with notable activity in biotechnology, healthcare regulation, and PE portfolio support.

- Broader demand continues across Northern California and the Northeast U.S.
- European hiring is strong in cities such as London, Dublin, Amsterdam, Frankfurt, and Brussels, driven by growth in fintech, private equity, AI, manufacturing, and life sciences.
- India remains a key legal services hub, with U.S. and European multinationals increasingly relying on Global Capability Centers to offshore legal functions.
- High-growth industries, including electric vehicles, battery technology, pharmaceuticals, and renewable energy, are fueling legal demand across both EMEA and APAC.

Compliance, Privacy & Regulatory Outlook:

- Regulatory hiring remains a bright spot, though with regional nuance:
  - Chicago, New York, and Los Angeles report consistent demand for trade compliance and enterprise risk.
  - In Europe and China, data privacy hiring is accelerating due to new laws and AI- and ESG-related regulatory developments.
  - London and Delhi continue to see strong hiring in regulated industries such as finance and technology.

Pulse-Check on AI and Its Influence on Hiring

Legal departments continue to explore and adopt AI tools, though the pace and sophistication of adoption vary significantly by region. Based on our attendance at CLOC and from what we are hearing from our clients, the most common current applications center on improving accuracy during contract review, compliance monitoring, streamlining workflows, reducing costs and a growing interest in AI-driven efficiency tools across transactional and regulatory workflows.

- In New York, legal teams are increasingly seeking tech-proficient talent as AI tools become integrated into daily operations. According to a recent MLA/ACC Benchmarking Survey, AI powered tools are seeing a 40% adoption rate – up from 22% in 2023.
- In contrast, California and Chicago report a slower rate of adoption, with fewer visible hiring trends linked to AI fluency.

Innovation Hubs:

- In London and Delhi, legal departments are at the forefront of AI experimentation, piloting advanced capabilities such as multilingual contract review, automated compliance audits, and predictive litigation analytics.
- These markets are also seeing the rise of AI governance as a new legal sub-specialty. Companies are forming internal task forces or designating legal roles specifically responsible for shaping policies around responsible AI use.

Implications for Legal Leadership:

- Increasingly, General Counsels are expected not only to understand AI tools but to provide oversight for their ethical and compliant use. In some organizations, GCs are leading the development of AI governance frameworks.
- While deep AI expertise is not yet a universal requirement, baseline fluency is becoming a desirable asset—particularly in senior-level legal roles.

Shifting Team Structures:

- In regions like New Jersey and Pennsylvania, some companies are beginning to restructure legal teams by automating routine work traditionally handled by junior lawyers or paralegals. As a result, AI proficiency is becoming a differentiator in both hiring and retention.

Lagging Markets:

- Adoption remains cautious in China and parts of the United States, where legal leaders are still evaluating the utility and risks of various AI platforms. Skepticism, uncertainty, and lack of clear use cases are slowing down momentum.

- GCs in these markets are exploring how AI might support their legal teams but have yet to coalesce around a standard set of tools or approaches.

Impact of EU AI Regulations

Starting August 2, 2025, major provisions of the EU's landmark Artificial Intelligence Act will take effect for all companies operating in the EU. This will bring strict compliance requirements and significant penalties for those who are unprepared. Not surprisingly, our European teams are seeing clients add new roles to address the impact of the EU AI Act and other emerging regulations. They seek lawyers who can advise on classification, compliance, incident response planning, technology governance, data privacy, AI ethics, and ESG. Some companies have created AI governance committees. In London, legal teams are bringing in tech-fluent legal ops professionals to support collaboration across legal, IT, and procurement. Join our upcoming webinar on the New AI Regulations in EMEA that will affect US companies. Join our webinar on July 15th to learn more. **EU AI Webinar Registration**

Shifting Skill Sets of In-House Teams

Across global markets, in-house legal teams are undergoing a notable evolution. General Counsels and their departments are increasingly stepping beyond the boundaries of traditional legal work to take on cross-functional responsibilities. In addition to oversight of AI, many legal leaders are being asked to weigh in on complex and fast-changing topics such as tariffs, immigration, diversity initiatives, and ESG reporting. In-house counsel are also spending more time on regulatory compliance, privacy, trade, and sustainability – functions once handled separately or outside the legal team.

In markets like London, Delhi, and Amsterdam, skills such as data literacy, project management, and business acumen are in demand, as legal teams evolve into strategic advisors rather than purely legal advisors. In China, data privacy has become a key focus, with legal teams assigning dedicated counsel to handle these matters amid a rapidly developing regulatory environment.

In the United States, we're seeing a similar shift, particularly in sectors like healthcare, tech, manufacturing, and financial services. In-house teams are increasingly expected to serve as connectors across risk, compliance, ESG, and strategy functions. GCs are being asked to navigate politically charged regulatory issues, engage more deeply in public affairs, and act as internal advisors on business ethics and reputational risk.

While foundational areas like M&A, intellectual property, and corporate governance remain vital, companies are placing increasing emphasis on adaptability and cross-disciplinary fluency. Several legal departments are now investing in upskilling initiatives, training lawyers in areas like:

- Project and change management

- Financial literacy and commercial negotiation

- Internal communications and stakeholder engagement
- Risk assessment and scenario planning

Legal departments are also becoming more matrixed, with team members embedded in business units or cross-functional working groups. The most sought-after lawyers are those who can operate in ambiguity, communicate with clarity, and contribute meaningfully to enterprise-wide decision-making.

Continued Growth of Deputy General Counsel Role

The Deputy General Counsel (DGC) role continues to gain prominence, evolving well beyond its traditional support function. Increasingly, DGCs are stepping into positions of strategic leadership and operational oversight, often serving as the de facto head of the legal department in day-to-day matters.

As General Counsels expand their remit across broader business functions – ranging from corporate strategy and public affairs to ESG and enterprise risk – the DGC is assuming critical responsibilities, including:

- Managing legal teams and departmental operations
- Leading cross-functional initiatives, including AI and compliance transformation
- Participating in board-facing work and high-stakes corporate governance
- Driving talent development and mentoring within the legal function

In many organizations, the DGC is being explicitly positioned as the successor to the GC or CLO, with companies seeking candidates who bring complementary skill sets, executive presence, and leadership potential. This has led to heightened demand for DGCs with a unique mix of legal acumen, team management experience, and business fluency.

Impact of the Economy on Legal Spend and Legal Teams

Economic headwinds continue to shape how legal departments allocate resources. General Counsels are under mounting pressure to control legal spend while maintaining high-quality outcomes. As a result, many are:

- Delaying non-essential hires
- Retaining more work in-house rather than outsourcing to external counsel
- Relying on smaller legal teams to handle expanding workloads
- Leveraging tenured, high-value interim counsel and compliance consultants as subject matter experts to help ensure both deadlines and budgets are met while maintaining area expertise.

This cautious approach to long-term hiring has put significant strain on in-house teams, particularly at the junior and mid-levels, where broad responsibilities are increasingly common without a corresponding increase in support or resources.

To address these pressures, some GCs are turning to legal technology solutions and alternative legal service providers (ALSPs) to drive efficiency and fill resource gaps. However, the cumulative impact of "do more with less" is becoming harder to ignore. Burnout, decreased morale, and eroding work-life balance are recurring themes among in-house legal professionals.

Going forward, we expect successful legal departments to prioritize targeted hiring, operational agility, and investments in scalable solutions to maintain performance without overburdening core teams.

The 2025 ACC Law Department Management Benchmarking Report highlights some of these observations, particularly as it relates to technology adoption, internal legal staffing, outside counsel spend, and changes to fee arrangements.

Click here to download the full report: **2025 MLA/ACC Benchmarking Report**, and join our webinar on July 22nd. **Click here to register.**

Current State of DEI Initiatives

While many U.S. companies remain committed to DEI, the approach has become more measured and discreet in today's polarized political and regulatory environment. Public-facing DEI declarations have been scaled back, and in some cases, companies have deprioritized or gone quiet on formal DEI programs altogether. In contrast, markets such as London, Amsterdam, and Delhi continue to show strong internal commitment to DEI. However, the focus has shifted toward employee resource groups, mentorship programs, and internal inclusion efforts, rather than high-profile external initiatives. Overall, DEI remains a core value for many organizations, but the strategy, tone, and visibility of related efforts have shifted considerably over the past 12–18 months.

What GCs and Legal Teams Can Expect in 2025

Despite ongoing uncertainty in global markets, our teams anticipate a resurgence in legal hiring in the second half of 2025, particularly in regions less impacted by geopolitical volatility. While markets like China may remain constrained, improved confidence in the U.S., EMEA, and parts of APAC could fuel stronger demand - with certain parts of APAC already experiencing increasing investment seemingly as a hedge against perceived uncertainty in the U.S market.

However, cost pressures will continue, and legal departments will be expected to operate leanly while delivering business value. GCs will remain deeply involved in corporate strategy and play a key role in helping organizations navigate economic, regulatory, geopolitical, and technological disruption.

Key 2025 expectations:

- Increased GC retirements, potentially triggering internal promotions and leadership reshuffling.
- Continued integration of AI and legal tech to streamline operations and reduce outside counsel spend.
- Expanded involvement of legal departments in public policy, government affairs, and enterprise risk.
- Elevated focus on value demonstration, especially in resource-constrained environments.

Interim Legal Talent: Market Overview and Outlook

The interim legal talent market continues to show strength globally, with distinct regional dynamics shaping demand.

U.S. Market Trends:

- Across nearly all major markets—including Atlanta, Chicago, DC, New York, and the Bay Area—there is sustained demand for interim counsel with expertise in commercial, products, technology, and data privacy contracts.
- New York is seeing increasing momentum in FinTech and Health Tech, fueling demand for legal professionals in the software and AI sectors. Meanwhile, Chicago is experiencing renewed interest in securities and privacy specialists.
- Clients are increasingly replacing costly law firm partnerships and secondments with interim counsel. One notable example: an Atlanta-based client replaced 33 law firm secondees, resulting in projected savings of $30 million annually.

Europe & Asia-Pacific:

- Amsterdam is rebounding from regulatory slowdowns and expects high interim demand across life sciences, tech, and contracting roles.
- In London, corporate interim hiring is picking up pace in areas such as employment law, tech contracts, and company secretarial, while financial services roles face delays due to budget constraints and extended vetting.
- Singapore is especially active for niche regulatory and commercial counsel, with interim hiring buoyed by ongoing restructurings and a growing supply of senior lawyers open to contract work.

AI & Legal Tech in Interim Hiring:

- In the Southwest U.S., some clients are using AI tools to screen interim resumes, accelerating time-to-hire.
- In Singapore, while AI experience is viewed as valuable, it is not yet a prerequisite.
- Tech proficiency expectations are role dependent. In Atlanta, legal operations contractors skilled in tools like Ironclad and Icertis are in high demand. In Amsterdam and Singapore, general tech fluency is expected, though specific platform requirements vary.

Outlook:

- Momentum is expected to build through the second half of 2025, especially in tech-focused markets with deep software, finance, healthcare, energy sectors in addition to growth across APAC.
- Restructurings will continue to delay permanent hiring, and a focus on budget flexibility is likely to sustain Interim demand across multiple regions and sectors.