

On Tax—Carrie Galloway of JPMorgan

Len Teti: Welcome to On Tax—A Cravath Podcast. I'm Len Teti, a partner in the Tax Department of Cravath, Swaine & Moore, a premier U.S. law firm based in New York City.

On each episode of On Tax, I talk to professionals in the Cravath network about their life and work in the world of tax. We focus on the human side of tax law, highlighting the people, connections and stories that make the space such a fascinating and dynamic area of practice. I hope you enjoy this episode.

Today we're joined by Carrie Galloway. Carrie is a Managing Director and the Head of Advice Lab for JPMorgan's Private Bank. Carrie, welcome to the podcast and thanks for coming.

Carrie Galloway: Thanks for having me, Len.

Len: So, Carrie, you and I met when you were you were a tax associate at Cravath, but I wanted to know if your interest in the law or the particular part of the law in tax goes back further than that?

Carrie: It does, and I can't tell you exactly when I decided I wanted to go to law school. I think it was like most people, who didn't know exactly what they wanted to do, but enjoyed the practice of negotiating and debating—those of us who are voracious readers. It just seemed like a natural fit. I come from a family of doctors and engineers, so I was a bit of a pariah in the family going to law school. I was a psychology major at the University of Virginia. So, liberal arts background, and took a year off between college and law school, lived in Miami, worked at a law firm. After working in a law firm for a year in their insolvency practice, I still wanted to go to law school. And I'm glad I did. I got to Cravath. Fortuitously, there were some UNC law grads who worked at Cravath and so they happened to recruit at UNC Law. And I knew I wanted to go to New York.

Len: You summered at the Firm, didn't you?

Carrie: I did.

Len: So, do you remember what those first early days were like when you showed up as a summer associate at Cravath, and how you felt and what sorts of tasks you were doing then?

Carrie: Yes. I split my summer between litigation and tax. Like a lot of other law students, I thought I wanted to be a litigator, because that's what I knew of the law with Hollywood, TV shows and books. I remember my first few days as a summer. I was proud. I was elated. I felt so wonderful, because I knew how hard I worked in law school to get this job at the most prestigious law firm in the world. And it felt great. There was a lot of research. There was a lot of reading. In litigation there was much more writing. And I liked tax better, because it involved problem solving. In my free time I enjoy—this is the dork coming out of me—but I enjoy solving logic games and puzzles. And tax fulfilled that desire of mine and that need for problem solving.

Len: And we were chatting just before we started recording, but you started at Cravath in September of 2008 with a pretty large group of tax associates, as I recall. That class was eight or nine people. And it was a really tough time in the world, tough time in the economy, tough time in the New York business economy. Can you remember what you felt in those early days and how you experienced, on a personal level, the economic downturn and recession that we were all facing at a macro level?

Carrie: Yes. It was scary because job security was up in the air. And many of us who go to law school, go to law school thinking, "Oh, we're going to have job security."

Len: Right.

Carrie: And it didn't feel that way. When I was practicing as a junior associate—as a first-year, second-year associate during the great financial crisis—it was tough because we were all hired when the economy was at a zenith.

Len: Right.

Carrie: And we started practicing at the nadir. And it was tough because there wasn't enough work for us to go around, given the M&A deal flow at the time. That said, it was a phenomenal learning experience—learning the way to think like a lawyer, the way to communicate with others on the opposite side. And, so, I certainly don't regret those years. It's probably unlike the experience of a junior associate in today's world.

Len: And how were you thinking about your next steps? What you're doing now is, in some ways, very similar to the way we think about problems in our work at Cravath still, but it's also quite different. How did you start thinking about what transition you wanted to make in your professional life? And how did you do that?

Carrie: I realized the practice of law felt too solitary to make me happy for the extended period, at least as an associate. I actually enjoy the business development side of things that I engage in at the bank. But early on, I knew I wanted to continue practicing. I didn't want to throw away how hard I'd worked to get where I was. But I wanted to try something different than tax, because I wanted to help individuals and families. Because as a tax associate, you're talking to other attorneys who represent entities, and I really wanted to represent families. So a headhunter gave me the idea, after about three years of practicing at Cravath, to explore the option of practicing trusts and estates. And actually at that time, I also went on about 40 informational interviews with everybody I knew who had a J.D., but did not practice tax law. Some of them worked in-house. Some of them had left the law to pursue careers starting their own businesses or in finance. Some of them practiced law, but not tax law. Some of them had gone from a big firm to a small firm. I ended up ultimately deciding to pursue trusts and estates law. And I got an offer, and accepted that offer, at Patterson Belknap, and I realized immediately that I much preferred the practice of trusts and estates law to tax law.

Len: I want to stop here and focus on a couple things. First, I remember when you came into my office—I think I was still an associate—and you said you were leaving to work at Patterson to do trusts and estates work. And I'm sure I must have said something like, "Wow, this is an awesome idea for you. It really plays to your strengths and it matches what I think your real interests are." So it made a lot of sense to me at the time. Did I say something like that?

Carrie: You did. I also remember Steve Gordon saying early on, "You have to do something where you are doing some type of sales." I remember he said that. It was 2010 or so, and, of course, I didn't listen to him initially, because I wanted to continue practicing law. And I think he had mentioned, "Oh, you should try working at a hedge fund," and I should have listened to him in retrospect.

I decided to pursue trusts and estates because of what you said. What makes me really happy, and what's fulfilling to me is working with people. I'm an extreme extrovert in that regard.

Len: So, let's talk about what lessons we can draw from this, because I think for a lot of young lawyers, particularly law students, I think there's an impulse to think that lawyers are one way. I mean the only lawyers you see when you're a law student are your law professors and the lawyers who come through for law firm interviews, and they're all sort of the same. I mean they all kind of dress the same; they all have similar experiences within the area of big law and big law firms. And I think for a lot of people, they look down the road 15 or 20 years and they're like, "Okay, well this is what it means to be a lawyer. I can be a law professor or I can be one of these people." And that's really wrong. There's no particular fault in seeing the world that way, but there has to be an understanding that what you're really thinking about when you're leaving law school is the first three to five years of your legal career.

And the question for you at that point when you're interviewing as a 2L is: "What do I want the first three or four years of my professional lawyer life to look like? What kind of people do I want to be working with? What kind of environment do I want to be in? What kind of a city do I want to be in? What kind of tasks do I want to have?" And the questions you want to ask the firms you're looking at should really focus on those sorts of questions, and that kind of exploration, because after three or four years, and this is perfectly true in your case, Carrie, you're going to have a lot more information to know whether you want the next three or four years to look like a law firm, or whether you want the next three or four years to be something different. And so, I think for someone like you to be able to understand relatively early on you wanted to use your skills in a different way and give some comfort to young folks who are struggling to figure out whether they belong in their particular place in the law where they start out.

Carrie: I think a lot of young people, also, have a really hard time with the sunk cost theory. They know that they've devoted X number of years to getting their law degree and, for many who practice tax, an LL.M. And they think, "Oh, I have to keep doing this, because this is the natural path, and I spent so much of my energy and financial resources investing in this career." It doesn't have to be that way and, in fact, you don't know what that next chapter is going to be like unless you take the risk, and you have to just take the risk if you have that intuition.

Len: The other thing I wanted to focus on was I think you just said that you had 40 or so different meetings with people you knew who had J.D.s, but weren't working in law.

Carrie: Yes.

Len: That proves your extreme extrovert self-assessment. Talk to me about that. What is that? That's calling up people relatively cold, friends, family friends, going out to breakfast or lunch and, kind of, good old-fashioned networking. Tell me what that was like.

Carrie: All of those things. I will just say that the only job where I got the job out of meritocracy is Cravath. Every job since then, every step of the way has been through people I know.

Len: Wow.

Carrie: We can get into that a little bit deeper later, but I mention that because, regardless of what field you're in, networking and maintaining relationships is paramount. It's paramount. When I was going on these informational interviews, I did just that, and it required some bravery. There was some cold calling, there was utilizing LinkedIn.

I went to connections and I requested meetings, or requested phone calls. For people who are listening, who are unsure about how to go about this, don't think too much; just do it. The worst that can happen is somebody ignores you or says, "No, I don't have time for you," and then you just forget about it and move on. And I think it's also important when you are reaching out to people, particularly those who you don't know, who are strangers or cold calls, just focus on gratitude because they're doing you a huge favor. Yes, it feels good to give people advice, but people don't forget how you make them feel. That's a Maya Angelou line, but it really is true. If you're gracious and, and thankful of somebody's time, insight and advice, it really goes a long way.

Len: It's great advice and, for somebody who's as extroverted as you are, it comes naturally, even though it feels uncomfortable sometimes. And you're, sort of, comfortable to do it. Other people will feel differently about that. But I think the basic point still stands, right? Even shy people can stay in touch with contacts; even shy people can make outreaches. If you send out a 100 requests or emails, and you get back five appointments, that's only a 5% acceptance rate, right? It's not that high, and it's still probably more than most people can fit into their calendar, so you're not looking for a high hit rate; you're looking for some responses and real engagement, and it only takes a couple to really give you direction.

Carrie: Absolutely, and there's no one-size-fits-all box for networking. For me, I prefer in-person meetings, or phone calls. But others prefer emails and text messaging. You have to do it with what feels natural to you because you're going to be more likely to do it, and you're going to be more successful if you're doing what works for you.

Len: That's great. And I think the real lesson for young folks is to figure out what works for you. Try different things; reach out to people; shoot some emails out for people in your address book over the course of a week and see if you can get responses back.

Okay, so now, it's 2011 or '12 and you've left Cravath, you've gone to start working as a trusts and estates lawyer, so it's still within the architecture of a law firm. Tell me about how you experienced the law and legal practice then. What sorts of things did you see and learn?

Carrie: My first matter that I worked on was so exciting. It was a lost will case. It was a combination of trusts and estates law and litigation. And frankly, it was the only taste of litigation that I got at Patterson Belknap, because they wanted me to focus on the planning side, but it was really exciting. I enjoyed the subject matter. I liked the fact that I was still using the knowledge that I had amassed working at Cravath and understanding the Internal Revenue Code. But I liked the practice. I liked that fact that we were working with individuals and families, and I could see the effect of all of our efforts on people's lives.

Len: One of our earliest podcast guests was Larry Pasini and one of the points he made was he's dealing with individuals working on securing their legacy for their families, their personal compensation packages—I mean, sometimes very large, sometimes very small, but important to them. And that aspect of legal practice really spoke to him as he developed his career. It sounds like similar things for you. So, at a certain point in your career, you need to, kind of, make a decision, I guess. You need to decide if you're going to be a trusts and estates lawyer and become a partner at a large law firm, or whether you're going to do something else. Do you remember stopping and thinking about those questions, or talking to people inside or outside of your firm?

Carrie: I actually remember the moment when I decided that I wasn't ultimately going to practice law, and it was the fall of 2013, so not so long after I left Cravath. I was working at Willkie Farr, where I spent about five years before joining JPMorgan. I had a phone call with a wealth advisor, who is now the head of wealth advisory at the JPMorgan Private Bank. A wealth advisor at JPMorgan, in plain English, is a former practicing trusts and estates attorney, who acts as a consultant, and is a liaison between the bank and the banker and the trusts and estates attorney. And I remember having the conversation. I was the trusts and estates attorney at the time. Was speaking to the wealth advisor, and I thought, "He has a really cool job. He's talking to clients all day. That's what he's doing all day. He's not drafting. He's doing a lot of reading, but it is client meeting after client meeting after client meeting." And I remember that moment, talking to him. I continued to practice for five more years. But fast forward, I wasn't even looking, when one of the senior bankers here suggested that I pursue a career at JPMorgan as a wealth advisor. So again, through the network.

Len: Wait, so this person suggested to you, "Hey, I've been working with you in a certain capacity, but I really think you ought to be doing something on sort of the wealth advisory side of that business"?

Carrie: Yes, yes. He called me up. It was July 2017, and actually his office is now next to mine. So we've come full circle. He called and suggested that I interview. I talked to some people at the bank. One of those people was that wealth advisor who I had had a conversation with back in 2013. And it felt right. It was my dream job in my gut. When I was talking to JPMorgan, I happened to interview at a couple of other places as well just to see what my value of seat was, and that was a good experience. JPMorgan was a different echelon in terms of the prestigious firm and a place where I wanted to work. So that was a no-brainer. And I knew these opportunities don't come up very often. They don't hire wealth advisors very often at JPMorgan. It's a career where people stay for 20, 30 years. And I made hay when the sun shone. And I took a job and I'm really happy that I did.

Len: I think this is probably the right time to start talking about how you transitioned from that first job you had at JPMorgan to the thing you're doing now at Advice Lab. But why don't you talk to us about what your first job at JPMorgan entailed, whether it was sort of as exciting as you expected—I assume it was—but then how this new opportunity developed for you?

Carrie: Absolutely. I was a wealth advisor for three years and, as I said earlier, the job is meeting with clients, as a former practicing trust and estates attorney. Giving them advice on planning on trust-structuring, and on gifting, both to the next [generation] and to charity. And I loved my job. I represented a regional market in New York. So I was mainly based in the tri-state area, met with clients, mostly in person, obviously pivoted with the pandemic to doing Zoom meetings and phone calls.

I loved my job. I wasn't looking to leave it. I thought I was going to be one of those people who was a wealth advisor for 20 or 30 years. The fall of 2020, the CEO of the Private Bank, who I had a relationship with because we happened to sit on the same floor when he had his former job, called me and he said, "This job opening is coming up and I think you should consider applying." And my first reaction was "But I love working with clients. In this next job I'm not going to be working with clients." And he said, "No, that's not true. You can still work with clients. You won't be working as often or as much with clients, but you absolutely have the agency to create what you want to create."

So I went through the process. I interviewed with 15 people, because at JPMorgan we don't knight people. You have to go through a process. We interview both internally and externally a diverse slate. But I remember the CEO, again, called me and offered me the job. The job is Global Head of Advice Lab. So what is Advice Lab? Advice Lab sits in the U.S. Private Bank, although we have a global footprint and we're a team of subject-matter experts. We advise our most sophisticated and wealthiest clients of the Private Bank on everything from executive compensation, to business succession planning, to philanthropy, cyber security, tax. It's a group of disparate pillars, but we go very deep with our most sophisticated clients.

We are a team now of 38 people. We had 20 when I started back in February. But another way I describe Advice Lab is if you were going to build a family office and hire all the intellectual capital that you need to hire to meet all of your needs, that's Advice Lab, [except] your CIO. So everything non-investment, that's the advice that we're giving.

And we're really lucky. Most of our pillar heads do have J.D.s. Not all of them, but, for example, the head of tax advisory, the head of executive compensation advisory are attorneys and they practiced.

Len: So if you're a family out there and you don't have the vision or the need or the resources for a full-blown family office, you can come to Advice Lab and your pillars, right, your team, will essentially function as a family office. And then you said you don't have an investment function, but JPMorgan certainly does. And so you would use the JPMorgan investment folks to do that work for the family too. So it's sort of an out-of-the-box family office architecture for people to use.

Carrie: Absolutely. It is. It is. And I tell people I have the best job, because I get to do what I did in private practice. I still give trust and estates advice to clients, and I still go to client meetings. But I think I have the best job because I get to do what I love, yet the clients don't resent me for billing by the hour.

Access to Advice Lab is part of being a Private Bank client. Obviously, we limit the one-on-one deep engagements to our wealthiest clients, but even our less wealthy clients have access in the form of our thought leadership. We produce white papers. We produce lots of newsletters. We hold and host webinars. So there are a lot of ways to have access to Advice Lab. And it's part of being a client here.

Len: One of the things that strikes me about this particular role is that you are now supervising a staff, and it sounds like maybe you didn't have a lot of experience supervising in earlier parts of your career. Am I right on that?

Carrie: That's right.

Len: What's your sense about that as you developed?

Carrie: Well, I remember when Dave Frame called me. Dave is our CEO of the private bank. He called me and offered me the job in February. He said, "One thing we're all concerned about—and we still are so just know this—is that you have no managerial experience."

And little did he know that nothing motivates me more than when somebody doubts me. So I was very motivated to excel at the managerial side of things. And it is hard, Len. It is the most difficult aspect of my job, and I've had a number of HR curve balls this year. But it happens with people. We're human beings. So it's been challenging. There's been a steep learning curve, but I thoroughly enjoy it. And the benefits certainly outweigh the negatives. And the benefits are leading a team that, as cheesy as it sounds, it's like a second family for me. I come to the office every day. I've been coming physically to the office since July of 2020. And my team comes too. We have this really wonderful culture, where we are hungry. We're all intellectually curious. We have strong work ethics, and we're building a team that had a problem two years ago, major problem with attrition, with morale.

So it's exciting, but nobody has a rule book on managing. Somebody has to start somewhere. What was interesting in my case is I went from managing zero people in a formal capacity. I did a lot of informal mentoring, because I enjoy it so much, but I had no experience. And I went from managing zero people to having 10 direct reports. Now I have 12 direct reports and a team of 38 and we're building. So the strategy side of things is also something. It's a muscle I didn't exercise in my prior role. Having to present to our operating committee on the strategy for Advice Lab, both near term, long term and extended long term. It's challenging, but I love it because it's something new.

Len: Yeah. I mean, it sounds like a real expansion of your skill sets. It sounds like an opportunity for you and real growth. One of the things I learned as I was growing up as an associate was part of my job was managing you and the sort of generation a couple years behind me, and helping you to develop, but also developing my own skills. I tell people every day, "It's part of my job to supervise you. It's part of my job to make sure I understand what you're working on. It's part of my development, my personal growth to practice that." And so, I ask people to bring me their issues, the things they're struggling with, because it helps me to develop. I'm not fully formed. And that's an important part of growing up in the professional world, is learning skills like that.

Carrie: No. I mean, we're never fully formed.

Len: Right.

Carrie: I said earlier, I went to UVA as, as you did too. Thomas Jefferson said you can never be a senior in learning. You always want to be in that learning phase, not the knowing phase.

But, Len, I want to go back to what you were saying about development. Something I noticed when we worked together at Cravath is early on when you were an associate, you took a lot of opportunities to teach CLEs and to engage in public speaking. That is something that I regret not doing more of when I was younger. It's something that does not come naturally to me, something that I still don't enjoy, but I have to do it all the time now. And just something I noticed that you did early on that was impressive. You did a lot of it.

Len: Well, thanks. You know, in much the same way that your being an extrovert doesn't make it that unusual for you to call 40 people and network, I came to the law from a tradition of, I don't know, some high school mock trial, high school drama, college musical performance, college theatrical performance. And so, I came to it with a sense of presentation, right?

Carrie: Yes.

Len: And I think a lot of people might expect, "Oh, tax lawyers. They're going to go sit in a stuffy office with a big stack of books, and they're going to research and answer, and they're going to email back whatever the answer is." And that happens sometimes, but more to the point—and this is a theme that's come up on our podcast—being able to present your advice in a way that is engaging, not so much entertaining, but that gets the point across, is a very useful skill. And so I found that my public speaking and presentation skills were very helpful.

I've been able to try and impart that on people and to try and pass that down. But it's all part of communication. It gets me to a question I wanted to ask you, Carrie, which is you can draw a line, and we have in this podcast, from your career as a tax lawyer to what you're doing now. But I wonder what particular skills or experiences as a very young tax lawyer with us, do you think are translating to what you're doing now? Because on a day-to-day basis, you're not advising on corporate tax problems.

Carrie: Correct.

Len: How do you reflect on the middle of your career, how the early part of your career set you up for this? And maybe it didn't in a direct way.

Carrie: No, it does. I come to this role with the advantage of being able to speak the parlance of what attorneys speak, particularly those with a tax focus. And a lot of the themes of advice that we give in Advice Lab are related to tax. So that is very helpful. The woman who ran Advice Lab before me is not an attorney, didn't have a tax background. I'm grateful. I think the team members had an instant, I guess, respect for the work that I had done in the past. And so I came into this with that advantage.

I think that the discipline and the work ethic, the long hours that you put in practicing law makes any subsequent job or industry feel luxurious. And going from billing hours to not billing hours, I can't imagine doing the reverse. But I'm grateful for having the experience of learning resilience and dealing with a lot of difficult people. It's something that we don't talk about too often, but you have to deal with a lot of difficult people in every industry. It just can sometimes be directed at you more aggressively when you're the attorney.

Len: That's true, and I think by difficult you might mean difficult personalities, but you also might mean just difficult in the sense that they have a different perspective on the thing you're working on. They might be really focused on finance or really focused on accounting or really focused on just operations and all this tax stuff sort of tends to feel in their way. And sometimes we can bear the brunt of particular frustrations that are arising in light of that.

One of the other things I learned from a young age, and I think it's very useful for folks in a law firm, particularly a complicated practice like tax that is confusing is watching senior people ask questions when something doesn't make sense. Steve Gordon taught me this lesson. He said, "If something doesn't make sense on a call or in a meeting, look, it's possible that you're not getting it. But most of the time it just doesn't make sense or there's some issue with the logic or issue with the reasoning that is worth pursuing."

And so it's an important skill actually, in a polite way, of asking, "Why is it this way?" or "Can we go back a couple of points because I don't think I'm following?" In some ways it can make you feel like you're looking weak. "Why aren't I getting this? Why do I have to ask this question and nobody else is?" But most of the time other people have the same confusion and are nervous about asking. And so one really important skill for young people to develop is a comfort reviewing that they're not following all the time.

Carrie: Absolutely. It also shows that you're engaged and that you're curious.

Len: Right.

Carrie: And you're right. And that actually never goes away. That feeling of fearing appearing weak and being vulnerable. But it's the only way you become a stronger attorney or you become a stronger banker.

Len: That's absolutely right.

Carrie: That brings up something that Steve taught me that I still use all the time, and Steve said, and this had to do with public speaking, "There is this tension between accuracy and clarity." So the more accurate you are, you're going to be very technical, cerebral, more difficult to understand. Whereas the clearer you are, you're going to leave out some of the technical nuances. But you will resonate more with your audience. And I still use that because there is that tension, and it just really stuck with me. So Steve obviously has a lot of nuggets of advice to give young people.

Len: I've heard this a lot. This is absolutely right. So Carrie, in the few minutes we have left, I wonder if we could pivot and talk about aspects of your life that don't revolve around tax or the sort of professional skills that you've developed over time. We like to ask our guests what you do in your spare time. What keeps you busy when you're outside of work?

Carrie: Absolutely. So we have two small children. We have a seven-year-old daughter and a five-and-a-half-year-old daughter. So that's what keeps us busy. My husband and I and the girls live on the Upper East Side in Manhattan. So we spend a lot of time playing with them. We like to go to zoos. We like to go to the movies. We like hiking together. We like reading together.

Personally what makes me lose track of time is physical exercise. So I love running, and, again, hiking with my family. I love yoga. And I also enjoy cooking. I don't have as much time for that these days, but I try to cook at least once a week and that's actually a family activity because my daughters enjoy it too. It's time that we spend together.

Len: Do you have particular recipes that you like to cook? What are you exploring right now?

Carrie: Yes. Everything. I cook what I like to eat, but I'm southern by background. I'm from North Carolina, so you can't take the South out of the girl. So I still cook some southern recipes. I love collard greens, barbecued chicken, spoon bread. I still do that and for me it's nostalgic, but it also introduces my children to the culture that—actually my husband and I both grew up in North Carolina—so it's something that's important to us and our identity.

Len: That's great. And as you mentioned running, I recall—I haven't thought about this in a long time—but I think you and I and another group of Cravath people all ran the JPMorgan Challenge together many years ago in Central Park, right?

Carrie: Yes.

Len: Three-and-a-half miles around Central Park?

Carrie: Yes.

Len: I'm remembering that.

Carrie: Yes, yes. And I don't run in races anymore these days. Really I'll take anything I can get, so usually it's just a 20-minute loop around the reservoir at 5:30 in the morning. But I remember that very fondly, Len.

Len: It's after work one day. There's thousands of participants. I remember it pretty fondly. It was a nice afternoon. Well, Carrie Galloway, Managing Director and the Head of Advice Lab for JP Morgan Private Bank. Thanks so much for joining us. It's been a pleasure to catch up with you.

Carrie: Oh, likewise. Thank you so much for having me.

Len: That's all for this episode of On Tax—A Cravath Podcast. You can find us online at cravath.com/podcast, and don't forget to subscribe on Apple Podcasts, Google Podcasts or Spotify.

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I'm your host, Len Teti—thanks for listening.