

THE NEW ENTRY-LEVEL LEGAL EMPLOYMENT MARKET

by James G. Leipold

Editor's Note: This article is based on James G. Leipold's presentation, "An Update on the Legal Employment Market," during the session "Critical Issues Affecting Bar Admissions" at the 2013 NCBE Annual Bar Admissions Conference held on April 18–21, 2013, in Boston, Massachusetts.

Just how bad is it?

During the last two years, there has been an unprecedented amount of writing about the entry-level legal employment market, as well as extraordinary scrutiny of the employment outcomes data that law schools collect and publish. There have even been a number of class action lawsuits brought against law schools alleging that the schools fraudulently misrepresented their employment statistics. During the same time, the American Bar Association has brought further rigor to the consumer protection regulations that govern what employment information law schools are required to disclose.¹

All of this is to say that there is considerably more information available in the public domain about the employment prospects for law school graduates than there ever has been before, and yet at the same time—in part because of the proliferation of extensive Internet publishing, blog posting, and use of social media—there is a great deal of misinformation about the legal job market that persists and in many cases has gained ascendancy. Nonetheless, despite the hyperbole and half-truths that proliferate in the arguments about whether a legal education is still a worthwhile investment, there is broad agreement that the entry-level legal job market is tough—certainly tougher than it used to be. Words like *bleak* and *brutal* have even been thrown around to describe the job market faced by the class of 2012.

In fact the story about the entry-level legal employment market is a simple one, one that is explored in some detail in this article. The truth is that for graduates of many law schools, the job market has long been a scrappy one, and it continues to be a scrappy market for many law school graduates in general. Although many employment sectors continue to provide a predictable number of jobs for law school graduates despite the upheaval of the last few years, the one really dramatic change in the legal employment market has been the loss of private practice job opportunities at the largest law firms, disproportionately affecting a population of law school graduates from certain schools who had previously been destined for large-firm private practice jobs. As these graduates seek alternative employment opportunities, they often take jobs that would in the past have gone to other graduates, and as a result there is a cascading effect that has disrupted traditional employment patterns at almost every law school.

THE POST-RECESSION LANDSCAPE: HOW LAW FIRMS HAVE ADAPTED AND WHAT IT MEANS FOR NEW LAW SCHOOL GRADUATES

In the first half of 2013, we are in a post-recession period, although the recovery for the legal sector has been both slow and more than a bit bumpy. With the reporting of law firm 2012 year-end financial results

by the press, it became clear that some law firms were able to achieve substantial growth in revenue and profits in 2012, while others struggled to maintain level earnings.

In general, firms that have continued to produce growth in profits and revenues have done so by continuing to cut expenses—and, more specifically, by further reducing lawyer head count. While the recession saw many firms letting associates go, the post-recession period has been marked by reductions in equity partner head count. The point is, the business model for large law firms in particular remains in flux, and one result is an ongoing conservative approach to hiring new law school graduates.

THREE FORCES THAT HAVE CHANGED THE LEGAL INDUSTRY

It is important to understand that the changes facing the legal industry are not just the result of the recession but really are the result of three significant forces acting together.

The Recession

Certainly the recession had a dramatic impact. According to U.S. Bureau of Labor Statistics data, the legal sector lost about 60,000 jobs at the height of the recession, and almost 9% of all U.S. associates lost their jobs. While the market has recovered some of that lost ground, the legal sector is still down 50,000 jobs from its peak in 2007.²

The Impact of Technology

The second driver in the new or emerging normal is the impact of technology. Advances in technology continue to change the legal profession at a rapid pace. The Internet has made information of all sorts widely available, and information and expertise that were previously available only from lawyers are now readily available online. Also, many of the

routine jobs that new associates used to do, particularly document review, are now done much more efficiently and for a lower cost with the assistance of technology. In addition, sophisticated software and online tools are allowing lawyers to complete even complex tasks with greater speed and efficiency, cutting down on the number of lawyers needed on a team. Basically, the law industry, like so many other industries before it, is finding that routine and commoditizable work of all sorts is being automated, driving down costs and lowering head count.³

The Force of Globalization

Finally, the third driver in the new legal economy is the force of globalization. Law firms in North America must now compete in a price-sensitive global market for legal services. This means that some legal work that used to be done in the United States and Canada is now being done elsewhere for less. Outsourcing to countries like India and the Philippines has become routine. Also, as the corporations that are the clients of the largest law firms see the value in disaggregating the pieces of big legal jobs, often the less sophisticated work is being done by non-law firm entities like legal process outsourcers (LPOs). These LPOs often operate outside of North America, but increasingly foreign- and domestic-owned LPOs are also opening operations in lower-cost locales within North America. Work done by LPOs can range from tasks such as legal coding and legal transcription to more complex projects involving legal research, litigation support, document review, contract drafting and management, legal publishing, and intellectual property-related services such as patent application preparation.⁴

CHANGES TO THE LEGAL INDUSTRY ARE PREDICTED TO BE PERMANENT

The impact of these three forces acting together has resulted in a net loss of private practice jobs for

lawyers and is driving law firms to grapple with a new business model in which value has emerged as the most important factor. For those who still believe that the current difficulties in the industry are all a result of the recession and that things will go back to “normal” once the economy recovers, two very powerful 2012 year-end reports by industry analysts argue strongly that there will be no return to the market that existed in the years leading up to the recession.

The 2013 Hildebrandt Consulting/Citi Private Bank Client Advisory, which highlights trends in the legal market and factors that these two institutions believe will impact the legal market in the near future, makes the case that the legal industry is not likely ever to return to the way it was before the recession, noting:

For the legal industry, the results in 2012, another turbulent year, were largely a repeat of trends that emerged over the prior three years. In fact, we think it is time to let go of any lingering notion that the industry will revert to the boom years before the Great Recession anytime soon. With profit growth and other financial indices reaching lower setpoints in the past four years, we anticipate that the current state of the industry will remain the norm for the foreseeable future.⁵

Another year-end advisory put out jointly by the Georgetown Law Center for the Study of the Legal Profession and Thomson Reuters Peer Monitor reached the same conclusion.⁶ Both reports argue that the growth in annual revenues, profits per partner, and billing rates are likely to be much lower going forward than they were prior to the recession.

PRIVATE PRACTICE JOB OPPORTUNITIES DWINDLE

The net result of these changes has been the erosion of private practice opportunities at large firms for new graduates. Law firms, in general, are sticking with smaller summer programs and reduced entry-level hiring. As firms continue to value experience, we have seen lateral recruiting volumes outpacing entry-level hiring. Going forward, law firms are revisiting how best to deliver first-year training in an environment where corporate clients continue to be unwilling to absorb those costs. With less live-client, on-the-job training available to new associates, large law firms are having to find ways to train new recruits using nonbillable time, making the hiring of new associates more expensive for firms. Additionally, hiring partners as a group have expressed their desire to see associates who are more “practice-ready,” which not only means being legally trained, but also arguably includes exposure to more experiential learning (both client-based and simulated); a basic understanding of the business of running a law firm; exposure to the modern technology tools that lawyers use; and exposure to the business school skill sets of problem solving, working in a group, project management, and understanding the client-service business model—as well as strong writing skills, public speaking skills, confidence, and initiative.

For recent law school graduates, the impact of these changes on the entry-level legal hiring market has been dramatic. Between 2008 and 2011, the National Association for Law Placement (NALP) has measured a 14% drop in private practice opportunities, with almost all of that erosion happening at large firms. Between 2009 and 2011, NALP has measured a 17% drop in mean salaries, again the result of

job erosion at the largest law firms.⁷ In broad strokes, we have seen much higher rates of unemployment and underemployment for law school graduates, fewer graduates working as lawyers and more graduates working in business and law-related jobs, more graduates seeking alternative careers of all sorts, and more graduates having to compete with displaced lawyers for jobs.

EMPLOYMENT RATE LOWEST SINCE THE EARLY 1990S

Along with the ABA, NALP measures the employment of each graduating class on February 15, approximately nine months following graduation, to allow time for the bar exam and licensing. At the time of writing this article, the class of 2011 is the most recent class for which we have data, and analyses for the class of 2012 are under way. Early snapshot data from the ABA on the class of 2012, however, suggest that its employment profile will not be much different from that of the class that preceded it.⁸

Nine months after graduation, only 85.6%⁹ of the class of 2011 for whom the employment status was known were employed in jobs of any sort, only 65.4% of the class had jobs for which bar passage was required, and 12.1% of the class remained unemployed. The class of 2011 had the lowest employment rate of any class since the last big recession in the early 1990s, when the nine-month employment rate for the classes of 1993 and 1994 was measured at 83.4%.

Low as the employment rate was nine months after graduation, the number for the class of 2011 is higher than we might expect—and in fact the overall employment rate on its own masks a number of weaknesses in the entry-level job market faced by this class.

A CLOSER LOOK AT THE CLASS OF 2011 EMPLOYMENT RATE REVEALS ENTRY-LEVEL JOB MARKET WEAKNESSES

A Rise in Temporary and Part-Time Work

Of those members of the class of 2011 who did have jobs, 13% of all the jobs reported were temporary, lasting less than one year. In addition, 12% of the class reported working in part-time positions compared to only 6% three years ago. With these two factors combined, 7% of all jobs were both temporary and part-time (and only 82% of jobs were both full-time and reported as lasting one year or more). ABA analysis has suggested that only 54.9% of graduates reported jobs that were long-term, were full-time, and required bar passage, a number that has been widely reported in the press.¹⁰

Employed But Looking for Work

Another marker of the weakness of the job market is that a much higher percentage of the class of 2011 indicated that even though they were employed, they were still looking for work (25% compared to 16% in 2008), suggesting that graduates took jobs they may not have been satisfied with simply to be able to earn some money to offset their living expenses and begin paying their student debt.

An Increase in Solo Practitioners

And in yet another sign of the difficult job market, the number of new graduates entering private practice as solo practitioners has doubled in two years, with 6% of all private practice jobs for the class of 2011 identified as solo practices. This is twice the rate for solo practices that was measured before the recession, when the number was routinely about 3%. The change in that number suggests that when jobs are scarce, a higher percentage of graduates opt to

work as solo practitioners because they are unable to secure legal practice jobs elsewhere.

EXAMINING THE CLASS OF 2011 ENTRY-LEVEL JOB MARKET

There is reason to believe that the employment profile for the class of 2011 will come to be seen as the very bottom of the curve in terms of the decline in the job market following the recession. Certainly the class of 2011 in many ways was the class that experienced the worst of the recession. As members of this class were preparing to apply to law school, the legal economy was booming, and they had every reason to believe that it would continue to boom. During the fall of their first year of law school, Lehman Brothers collapsed. The summer after their second year of law school, the summer of 2010, was the summer that the largest number of law firms canceled their summer programs, and as members of the class graduated in 2011 they were facing a job market crowded with graduates and associates who had been deferred and/or displaced during the recession.

A Drop in Jobs for Which Bar Passage Is Required

There are several ways of describing the entry-level job market. Table 1 shows what jobs law school graduates for whom employment was known have taken for the last five years by *job type*, which means what

kind of jobs law school graduates held. The majority held jobs for which bar passage was required. This is a good proxy for practicing law. The second largest number held jobs for which a J.D. provided an advantage but bar passage was not required. These are usually law-related jobs. There were also smaller groups of graduates who found other professional and non-professional jobs. A very small percentage of the class continued with full-time studies of some sort, generally but not always pursuing an LL.M. degree, and the remainder of the class was still unemployed nine months after graduation, with a subset of those saying that they were not seeking a job.

While historically the distribution of the job types taken by new graduates has not changed much from year to year, over the last four years there have been some fairly significant changes. Most notably, of those graduates for whom employment was known, only 65.4% obtained a job for which bar passage was required. This compares with 76.9% for the class of 2007 and is the lowest percentage NALP has ever measured for this category. This means in general that fewer graduates found jobs actually practicing law. There were offsetting jumps in the percentage of graduates who obtained jobs for which a J.D. was an advantage, and of course big jumps in the

number who were still unemployed nine months after graduation.

Table 1: Employment Status: Initial Job Types for the Classes of 2007–2011
(as of February 15, 2012)

Job Type	2007	2008	2009	2010	2011
Bar passage required	76.9%	74.7%	70.8%	68.4%	65.4%
J.D. an advantage	7.7%	8.1%	9.2%	10.7%	12.5%
Other professional	5.1%	4.9%	5.4%	5.6%	5.3%
Other non-professional	1.3%	1.3%	1.8%	1.9%	1.9%
Continuing studies	2.3%	2.4%	3.1%	2.9%	2.3%
Seeking job	4.1%	5.4%	6.0%	6.2%	9.6%
Not seeking job	1.7%	2.3%	2.7%	3.2%	2.5%

Private Practice Jobs Drop, While Business and Industry Jobs Increase

Another way to look at the entry-level job market is by initial *employer type*—in other words,

who were the graduates working for? Here too, historically, despite fluctuations in the economy, the kinds of employers that law school graduates work for have been relatively constant over time. The majority of law school graduates, not surprisingly, enter into private practice, but for the first time ever that number fell below half of the employed graduates for the class of 2011. Table 2 shows that just 49.5% of the employed members of that class for whom employment was known obtained jobs in private practice.

Public service jobs, defined broadly, are the next most likely destination for recent graduates. If we total military and other government jobs, judicial clerkships, and positions with public interest organizations, these public service positions combined accounted for about 29% of all jobs taken. The third mostly likely destination was business and industry. Over 18% of the jobs taken by the class of 2011 were in business and industry, a rate that has more than doubled since 1989 (and is the highest level of business-sector employment measured in the 35 years that NALP has been collecting this data) and that indicates the only real growth area by employer type. And of course a very small percentage of the class of 2011 took academic jobs of some type—these could be jobs of any type with a law school, a college, or a secondary or primary school of some sort.

In looking at the five-year spread of these numbers, what is particularly noteworthy is the drop in private practice jobs by almost seven percentage points since 2008 and by five percentage points in a single year, from 2009 to 2010. This figure had previously fluctuated only between 55% and 58% since 1993, and only in 1974 was this number lower, at a time when NALP data were less comprehensive. This drop in private practice jobs was absorbed by incremental increases in some of the other employer types, but notably in business and industry. Business and industry is a broad category that represents all kinds of non-law firm private-sector work, and for the class of 2011 employment in this category reached a historic high.

HOW THE EROSION OF PRIVATE PRACTICE JOBS HAS AFFECTED LAW SCHOOL GRADUATES

The net erosion of private practice jobs and the growth of jobs in business and industry are part of a larger historical change in the job market, the origins of which precede the recession but which was accelerated by the recession. As noted earlier, the change is the result of a competitive global market for legal services, the growth of foreign and domestic legal process outsourcers, and the downward pressure on rates by corporate clients. And again it is important

to emphasize that nearly all of this private practice job erosion happened at the largest law firms.

Offers Fall for 2L Summer Associate Positions in Large Law Firms

The result of private practice job erosion is starkly illustrated by looking at the median number

Table 2: Employment Status: Initial Employer Types for the Classes of 2007–2011 (as of February 15, 2012)

Employer Type	2007	2008	2009	2010	2011
Private practice	55.5%	56.2%	55.9%	50.9%	49.5%
Business and industry	14.1%	13.4%	13.5%	15.1%	18.1%
Government and military	11.7%	11.8%	11.4%	12.8%	11.9%
Judicial clerkships	9.8%	9.6%	8.7%	9.3%	9.3%
Public interest	5.8%	5.4%	5.7%	6.7%	7.5%
Academic	1.8%	2.3%	3.5%	3.7%	3.0%

of offers for 2L summer associate positions by law firms differentiated by firm size. (See Table 3.) The most dramatic changes have happened at the largest firms of more than 700 lawyers, where median summer offer rates fell from 30 in 2007 to just 8 in 2009 and now have hovered in the 11 to 13 range for three years. By contrast, mid-sized firms of 251 to 500 lawyers actually made more offers than larger firms in 2011, coming in at a median of 14.5, but in the summer of 2012 that number fell somewhat precipitously to 8.5 for the class of 2014. That drop affected the overall median number of offers, which fell back to 8 in 2012, after rising for two consecutive years following the recession. While most of the large firms remain very conservative in the number of offers

that they are extending in this climate, by contrast, the number of offers made by the smallest firms has actually grown in the period following the recession.

Private Practice Employment Shifts to Smaller Firms

Another way to illustrate the loss of large law firm jobs is to look at the distribution of law firm jobs taken by the graduating class differentiated by law firm size. (See Table 4.) Despite the publicity surrounding large law firms, very small firms of 2 to 10 lawyers have long been the most common destination for those entering private practice. For the class of 2011, more than 65% of those who entered private practice took jobs at firms of 50 lawyers or

fewer, and almost 43% of all private practice jobs were with firms of just 2 to 10 lawyers. Note that only just over 16% of law firm jobs were at firms with more than 500 lawyers. While it has always been true that small firms provide many jobs for new law school graduates, this shift from employment with larger firms to employment with smaller firms has been particularly dramatic over the last two years. Prior to the recession, jobs with firms of 500 or more lawyers made up about 25% of all private practice jobs for new graduates.

Table 3: Median Number of Summer Offers Extended to 2Ls, 2007–2012

Firm Size	2007	2008	2009	2010	2011	2012
701+	30	18.5	8	12.5	11	12
501–700	16	11	19	19	13	13
251–500	19	8	9	10	14.5	8.5
101–250	17	12	6	9	8	7
100 or fewer	4	4	4	3	4.5	5
All Employers	15	10	7	9	10	8

Table 4: Employment in Law Firms by Size of Firm for the Class of 2011 (as of February 15, 2012)

Size of Firm	Percent of Private Practice Jobs	Total
Solo	6.0%	
2–10	42.9%	
11–25	10.5%	
26–50	6.1%	65.5%
51–100	5.0%	
101–250	5.7%	
251–500	5.0%	
501+	16.2%	31.9%
Unknown	2.6%	

STARTING SALARIES FALL FOR THE CLASS OF 2011

Another result of the turmoil in the entry-level legal employment market has been a significant drop in aggregate starting salaries. This has happened not so much because any individual employers began paying less

than they had in the past (though some large law firm salaries did drop from \$160,000 to \$145,000), but rather because the loss of jobs has happened mostly at the highest end of the pay scale, so there have been fewer relatively high-paying jobs and more relatively low-paying jobs for recent graduates. As a result, the median starting salary for new law school graduates fell 17% over two years (from 2009 to 2011), and the mean salary fell 15% over that same period. The median salary for the class of 2011, based on those working full-time and reporting a salary, was \$60,000, down from \$72,000 for the class of 2009. (See Table 5.)

Similarly, the reported median salary at law firms was \$85,000 for the class of 2011, compared with \$130,000 for the class of 2009 (falling a whopping 35%), again reflecting the shift in the distribution of law firm jobs from larger firms to smaller firms, as well as salary adjustments on the part of some firms. Although salaries of \$160,000 still prevail at the largest firms, their share of jobs has dropped, creating further downward pressure on the median. Finally, the mean salary at law firms was \$97,800 for the class of 2011, compared with \$115,000 two years ago, having fallen 15% over that same two-year period.

Starting salaries for law school graduates distribute themselves in a peculiar way. Rather than the ordinary bell curve that might be expected, starting

salaries for law school graduates occur along a bimodal distribution, creating an inverted bell curve. See Figure 1, with its two distinct peaks. The left-hand peak of the graph reflects salaries of \$40,000 to \$65,000, which collectively account for about 52% of reported salaries. The right-hand peak shows that salaries of \$160,000 account for about 14% of reported salaries. By contrast, for the class of 2008, 23% of all salaries reported were \$160,000, and for the class of 2009, 25% of all salaries reported were \$160,000. The loss of \$160,000 starting salaries corresponds of course to the loss of the entry-level jobs at firms of more than 500 lawyers.

The mean salary is also indicated in Figure 1, marked by the solid vertical line. For the last five years or more, the mean has tended to fall in the valley between the two peaks, reflecting a salary that not many graduates make. With the recession, however, the mean has drifted to the left, bringing it closer to predicting salaries students are likely to make but still overstating prospects for many students.

The dotted vertical line to the left represents the adjusted mean salary. Because not every graduate reports a starting salary, and because unreported salaries tend to be at the lower end of the scale, the mean of the reported salaries will always overstate the true mean to some extent. NALP uses a statistical weighting methodology to calculate an adjusted mean, which approximates what the true mean

Table 5: Starting Salaries for the Classes of 2009–2011

	2009	2010	2011	Percentage Decrease from 2009 to 2011
All Employment Types				
Median salary	\$72,000	\$63,000	\$60,000	17%
Mean salary	\$93,000	\$84,000	\$78,650	15%
Employment at Law Firms				
Median firm salary	\$130,000	\$104,000	\$85,000	35%
Mean firm salary	\$115,000	\$106,000	\$97,800	15%

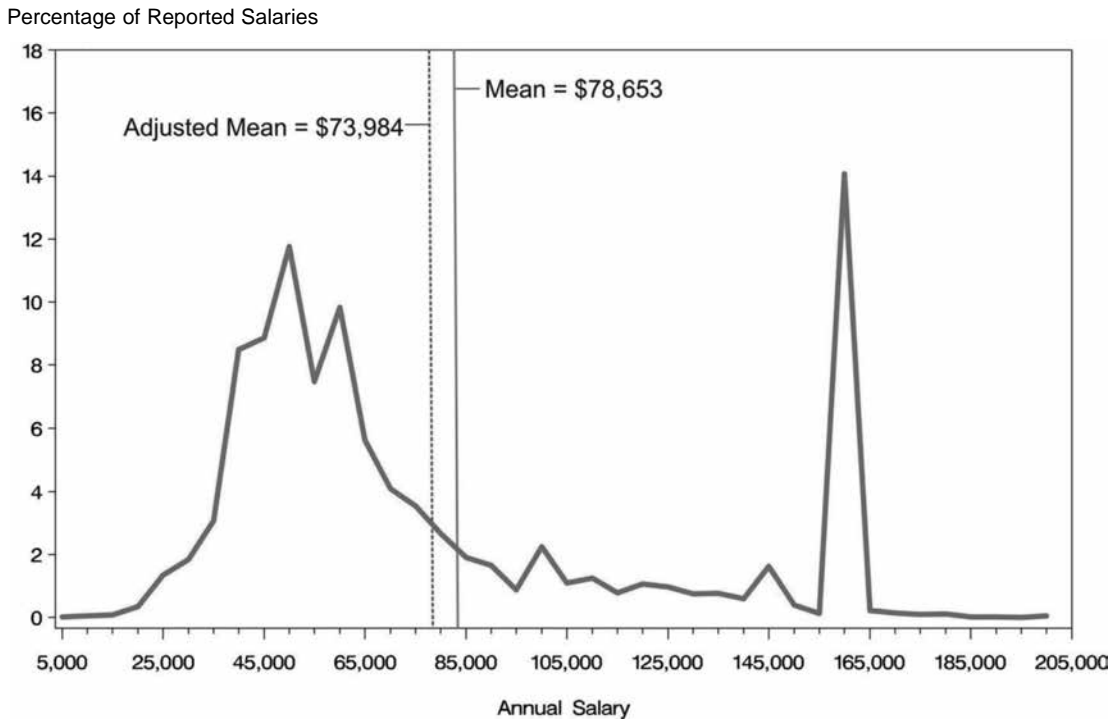


Figure 1: Distribution of reported full-time salaries for the class of 2011

would be if every job reported had a reported salary to go with it. As indicated in Figure 1, the reported mean is \$78,653 for the class of 2011, and the adjusted mean is somewhat less, at \$73,984. Remember, however, that as Figure 1 makes plain, graduates are more likely to make either more or less than either of these means than they are to make a salary close to the mean itself.

Starting Private Practice Salaries by Firm Size

When we look at starting private practice salaries by firm size, we can easily see why the salary distribution in Figure 1 looks the way it does. See Table 6, which shows median starting salaries by size of law firm. In fact, 46% of all private practice jobs pay \$75,000 or less. There are exceptions of course, but salaries of more than \$100,000 are largely confined to firms of more than 100 lawyers (only about 27% of all private practice jobs), and only those at the very biggest firms are making \$160,000 (only about 16% of all private practice jobs).

Starting Salaries by Other Main Employment Sectors

The range and distribution of starting salaries in each of the other main employment sectors are quite compressed compared to private practice, and in general the medians are lower.

Government Jobs, Judicial Clerkships, and Public Interest Jobs

Government jobs, which account for about 12% of all jobs taken by class of 2011 graduates, are distributed fairly evenly between federal, state, and local set-

Table 6: Median Starting Salaries by Size of Law Firm

Number of Lawyers in Firm	Median Starting Salary
2–10	\$50,000
11–25	\$65,000
26–50	\$75,000
51–100	\$88,000
101–250	\$110,000
251–500	\$145,000
501+	\$160,000

tings, with corresponding median starting salaries of \$62,500 (federal), \$44,000 (state), and \$50,000 (local). Judicial clerkships, which account for about 9% of all jobs taken by class of 2011 graduates, are most prevalent at the state level, accounting for more than half of all clerkships, with the fewest opportunities to clerk occurring in local courts, which provide less than 9% of all clerkships. Highly coveted federal clerkship opportunities have declined a bit for recent graduates over a longer arc of time and currently account for about 38% of all clerkship opportunities. Federal clerkships pay the most, with a median starting salary of \$60,000; they are followed by state court clerkships, with a median starting salary of \$45,000; and local court clerkships pay the least, with a median starting salary of \$42,000. More than 7% of the class of 2011 went directly into public interest employment, which pays the least of all, with a median starting salary of just \$45,000.

Business Sector Jobs

It is less easy to generalize about the broad business sector, where more than 18% of employed graduates from the class of 2011 found jobs (the highest level of business-sector employment measured in the 35 years that NALP has been collecting this data, and a figure that has more than doubled in the last 24 years). This is the most diverse category of employment and includes both those people working as lawyers directly for industry and, much more commonly, those working in non-lawyer capacities in every possible kind of job. It includes jobs working as consultants for firms like McKinsey and Wall Street jobs with firms like Goldman Sachs at one end of the spectrum and, at the other end, lower-paying jobs in service-oriented or retail settings. This category also includes jobs working for legal temporary placement agencies, a job category that represented 11% of all jobs in business and industry

for the class of 2011. Only 29% of the jobs in the business and industry category required bar passage. The aggregate salary information for this category is less meaningful because of the diversity of salaries reflected in the wide range of jobs taken in this sector, from service jobs paying an hourly wage to high-level management positions taken by graduates with extensive prior work experience. For the class of 2011, the median starting salary for business and industry jobs was \$65,000.

Academic Jobs

The last sector worth noting is academia. This is also a broad category and represents jobs of every sort in education—whether with a law school, a college, or a secondary or primary school of some sort. One significant difference between the recent recession and those that preceded it is that this time law schools have taken on a very active role in employing their own graduates. Startlingly, law school-funded jobs represented 5% of all jobs for class of 2011 graduates, and many jobs in this academic category are law school research assistantships or other law school-based temporary positions. The other jobs in law schools are admissions jobs, career services jobs, and other full-time professional roles in the law school, including law school teaching of any sort. Salaries for this sector were also fairly low and fairly compact in range, with a median of just \$45,000, the same as public interest job salaries.

THE ROLE OF LAW SCHOOLS AS EMPLOYERS: A DRAMATIC INCREASE IN BRIDGE-TO-PRACTICE PROGRAMS

It is worth saying something more about the role that law schools are currently playing in employing law school graduates. Since the recession, law schools have been very active in trying to mitigate the impact of the tough job market for graduates by


creating both on-campus and off-campus postgraduate jobs for their students. One of several ways that law schools have employed their own graduates is through bridge-to-practice programs. Bridge-to-practice programs provide law school graduates with funding for some sort of temporary employment with a third party that will give them an opportunity to enhance their practical legal skills as they transition into the practice of law. While some of these fellowship programs are long-standing, the incidence of these programs and the level of funding have both increased fairly dramatically as a result of the recession. Bridge-to-practice employment opportunities are found with public interest organizations, government agencies, members of the judiciary, and even private employers.

Survey research conducted by NALP in 2012, to which about 40% of all law schools provided a response, revealed that 55% of the responding law schools reported having some sort of bridge-to-practice program for the class of 2011. These programs were most common in the largest schools and in schools in the largest metropolitan areas. The research showed that fellowships were most often for a period of six months or less. Monthly stipends for these fellowships ranged dramatically from \$417 to \$3,666 per month, with a median stipend of \$1,225 and a mean stipend of \$1,558. Total per-school funding ranged from \$8,400 to \$1,463,700, with median funding of \$175,000 and mean funding of \$265,359. The number of fellowships per school ranged from 1 to 111, with a median number of fellowships per school of 30 and a mean of 38. Forty-eight percent of fellowship placements were with public interest organizations, 30% with government, 12.5% with courts, and 7% with law firms (the remainder were in corporate or other settings).¹¹

CONCLUSION

The job market for new law school graduates remains extremely competitive, and the widespread press attention paid to the poor job market likely accounts, at least in part, for the recent dramatic downturn in law school applications. (Data from the Law School Admission Council suggest that law school applications are down more than 30% over the two most recent years.) There are no indications that a quick turnaround is in sight. Law firm recruiting volume for the class of 2014 bobbled a bit, suggesting that recovery for law firms is not unfolding along a smooth upward curve.

Early ABA data for the class of 2012 indicate both increased unemployment but also an increase in the number of graduates finding full-time employment working as lawyers.¹² Law schools continue to be active in providing funding for initial employment, with the new ABA data showing that one large law school provided employment of some sort for 23% of its graduates from the class of 2012.¹³ Updated NALP data for the class of 2012 will be available online soon after publication of this article.¹⁴

It is likely that the class of 2011 will come to be seen as representing the nadir of the employment curve, and smaller graduating classes and a gradually improving economy are likely to boost the employment prospects for future classes—at least gradually. NALP will continue to measure the employment of law school graduates and will continue to provide detailed aggregate reporting on the employment outcomes for each graduating class for use by all those with an interest in legal education. 

NOTES

1. [Editor's Note: See David Yellen, *Advancing Transparency in Law School Employment Data: The ABA's New Standard*

509," 81:4 THE BAR EXAMINER 6-13 (Dec. 2012), available at http://www.ncbex.org/assets/media_files/Bar-Examiner/articles/2012/810412beYellen.pdf.]

2. See, e.g., *The American Lawyer's* recent parsing of the legal sector jobs numbers from the U.S. Bureau of Labor Statistics: Tom Huddleston, Jr., *Legal Sector's April Flowers: 2,100 New Jobs*, THE AM LAW DAILY, May 3, 2013 ("The recent gains have pushed the total number of professionals employed in the legal industry to 1.13 million—10,000 more than in April 2012 and the highest number since the same month four years ago. Overall, though, there are currently some 50,000 fewer people employed in the legal industry than there were at its peak in May 2007."), available at <http://www.americanlawyer.com/PubArticleALD.jsp?id=1202598653932&slreturn=20130410095441>.
3. For an excellent overview of the force of technology at work, see the first chapter of RICHARD SUSSKIND, *TOMORROW'S LAWYERS* (Oxford University Press 2013).
4. See Mayer Brown, *Is Legal Process Outsourcing Right for Your Company?*, 12 February 2010, available at <http://www.mayerbrown.com/publications/is-legal-process-outsourcing-right-for-your-company-02-12-2010/>.
5. Hildebrandt Consulting LLC & Citi Private Bank, 2013 Client Advisory (2013), available at http://hildebrandtconsult.com/uploads/Citi_Hildebrandt_2013_Client_Advisory.pdf, at 1.
6. Georgetown Law Center for the Study of the Legal Profession & Thomson Reuters Peer Monitor, 2013 Report on the State of the Legal Market (2013), available at <http://www.law.georgetown.edu/continuing-legal-education/executive-education/upload/2013-report.pdf>.
7. To briefly define the terms *mean* and *median* used in this article: The *mean* is the average value of a set of numbers and thus can be affected by unusually high or low numbers. The *median* is the middle value in a list of numbers ranked from high to low, or the point at which half the numbers are at or above that value and half are at or below. The median, therefore, provides a summary measure that is not affected by extremely low or extremely high values.
8. ABA Now, ABA Releases Class of 2012 Law Graduate Employment Data, <http://www.abanow.org/2013/03/aba-releases-class-of-2012-law-graduate-employment-data/> (last visited May 13, 2013). See also posting of Mark Hansen to ABA Journal, <http://www.abajournal.com/news/article/>

barely_half_of_all_2012_law_grads_have_long-term_full-time_legal_jobs_data_/ (Mar. 29, 2013, 11:50 CDT).

9. The 85.6% figure includes 0.5% of employed graduates who did not specify type of job held. These graduates are therefore not represented in Table 1 on page 10, which shows initial job types for the classes of 2007–2011.
10. ABA Now, *supra* note 8. See also posting of Debra Cassens Weiss to ABA Journal, http://www.abajournal.com/news/article/only_55_percent_of_2011_law_grads_had_full-time_long-term_legal_jobs_analys/ (June 19, 2012, 6:33 CDT).
11. See NALP, Bridge to Practice Survey Report, http://www.nalp.org/bridge_to_practice_report.
12. ABA Now, *supra* note 8.
13. *Id.*
14. See NALP, Class of 2012, <http://www.nalp.org/classof2012>.



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