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## A Look Into the Future: An Introduction to the New Legal Employment Market

**LCLD Scholars Summit 2015**  
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**Presenter:**  
James Leipold, Executive Director

## What do you need to know?

- You will likely be entering the job market at a time when employment prospects for new law school graduates are improving, but it will still be a crowded and competitive market.
- You will need to stay informed about the job market and the ways it is changing in order to be able to take advantage of the opportunities that exist.
- You will need to be entrepreneurial, creative, flexible, and well-networked to find the best job for you following law school.



## The Forces Driving the Job Market

- The Impact of the Great Recession
  - Approx. 60,000 legal sector jobs lost 2008-09 (US BLS)
  - 8.7% of all US associates lost their jobs in 2009
  - Sector still down approximately 40,000 jobs from pre-recession high
- The Impact of Technology
  - Internet (Google, Legal Zoom, etc.) has made legal information available to everyone
  - Technology assisted document review: faster and better
  - Commoditizable work is being automated, lowering price
- The Impact of Globalization
  - Emergence of price sensitive global legal services supply chain (legal work flowing to India, other markets)
  - Disaggregation of legal services
  - Deregulation : e.g., UK, Australia, Canada, Washington State



## The Current Market Landscape

- Legal industry stabilizing, but significant challenges remain
- 2014 showed increased demand for legal services, with additional increase likely in 2015
- Uptick driven largely by transactional work, moderated by continued longer term decline in litigation
- Strong growth in associate productivity, with midlevel associates in short supply in some markets, but partner productivity continues to lag pre-recession levels
- Excess capacity in the market contributes to downward pricing pressure
- Realization at historic low, with aggregate collections of just \$0.83/1.00



Sources: Citi Hildebrandt 2015 Client Advisory and Georgetown/Thomson Reuters Peer Monitor 2015 Report on the State of the Legal Market

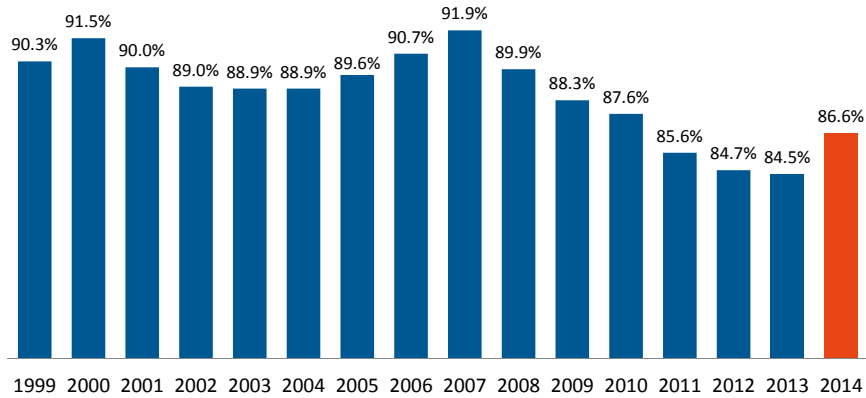
## What Does This Mean For You?

- You will be entering the job market at a time of significant change and evolution, even turmoil, but also a time of great opportunity.
- There will be fewer entry-level private practice jobs especially at large law firms than in the past.
- There will be fewer law grads working as lawyers and more grads working in business and law-related jobs.
- You will need more business skills and business-school skills than your predecessors.
- Technology will play a much greater role in your life as a lawyer than it did for your predecessors.



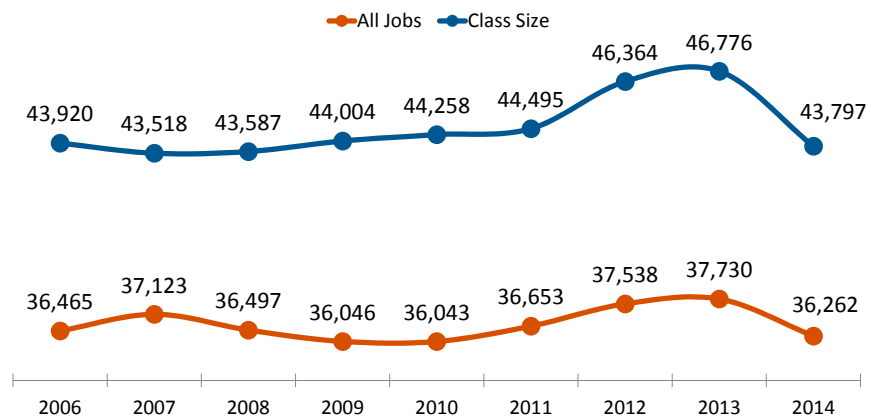
The National Association of Legal Professionals

## Law Graduate Employment Rate Nine Months After Graduation: 1999 – 2014



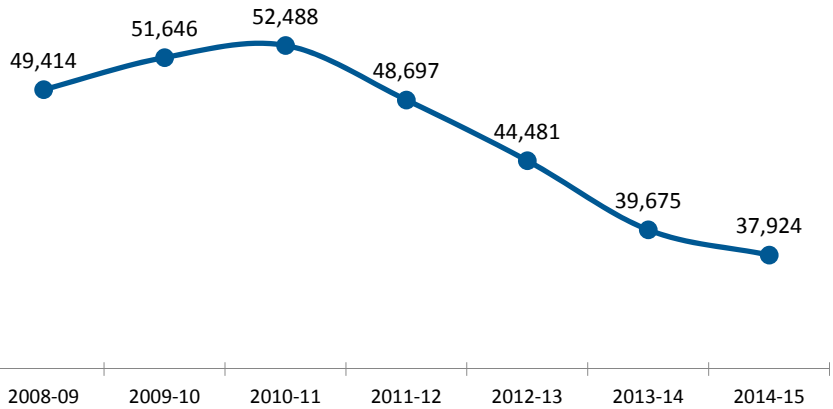
Source: NALP's Jobs & JDs reports for the Classes of 1999 – 2014.

## Total Number of Jobs Reported (Class Size vs. All Jobs)



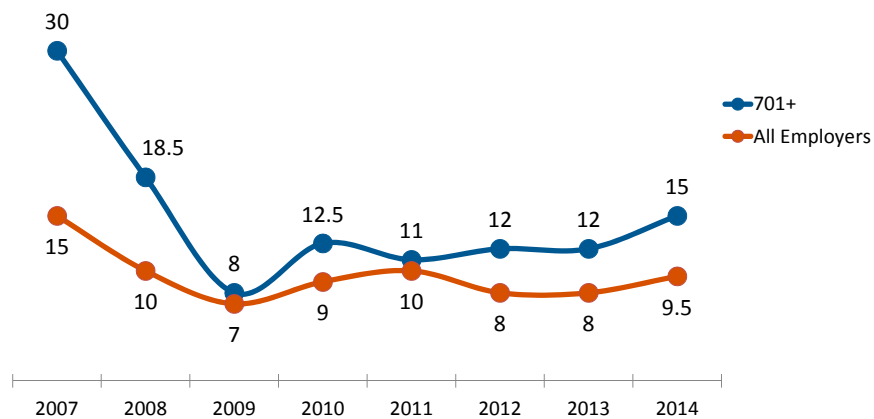
Source: NALP's Jobs & JDs reports for the Classes of 2006 - 2014.

## 1L Enrollment at ABA Approved Law Schools



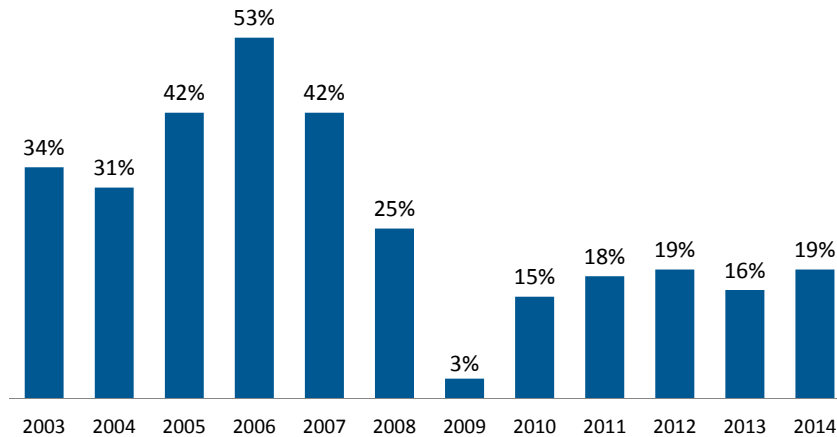
Source: ABA Section of Legal Education and Admissions to the Bar

## Median Number of Offers Extended to 2Ls for Summer Positions



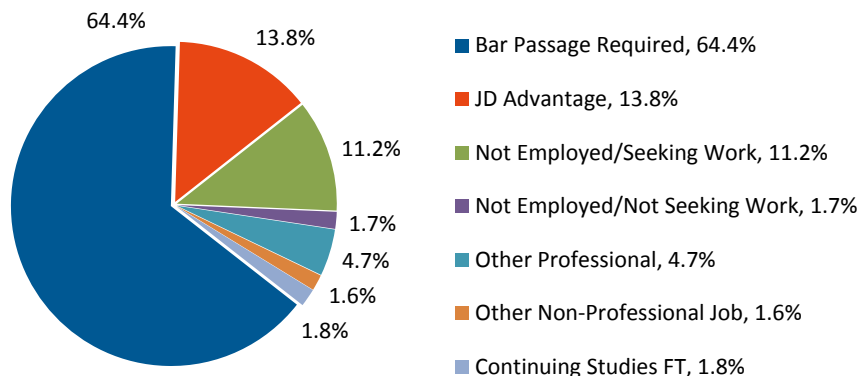
Source: NALP's Perspectives on Fall Law Student Recruiting, 2007 - 2014.

## Fall Recruiting of 3Ls As Reported by Law Firms



Source: NALP's Perspectives on Fall Law Student Recruiting, 2003 - 2014.

## Employment Outcomes for the Class of 2013: Employment Status

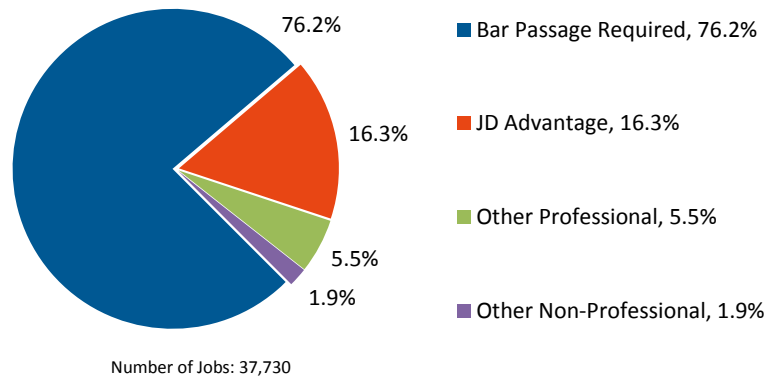


Number of Graduates: 44,637



Source: Jobs & JDs: Class of 2013. Data current as of February 15, 2014.

## Employment Outcomes for those with Jobs from the Class of 2013: Job Types



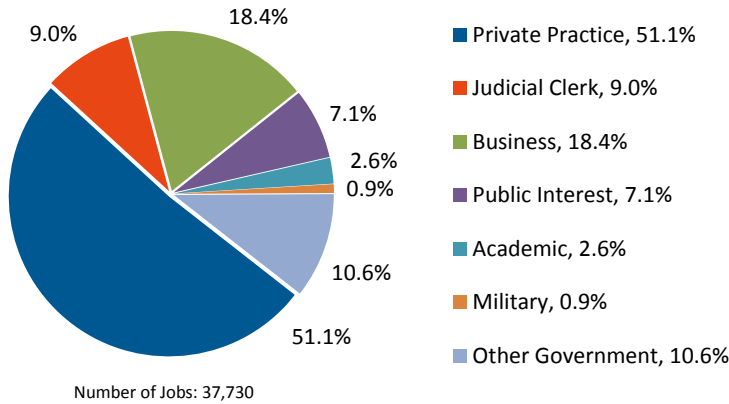
Source: Jobs & JDs: Class of 2013. Data current as of February 15, 2014.

## Full-time, long-term, bar passage required

- Class of 2008: 68%
- Class of 2009: 62%
- Class of 2010: 60%
- **Class of 2011: 57%**
- Class of 2012: 58%
- Class of 2013: 59%
- **Class of 2014: 60%**



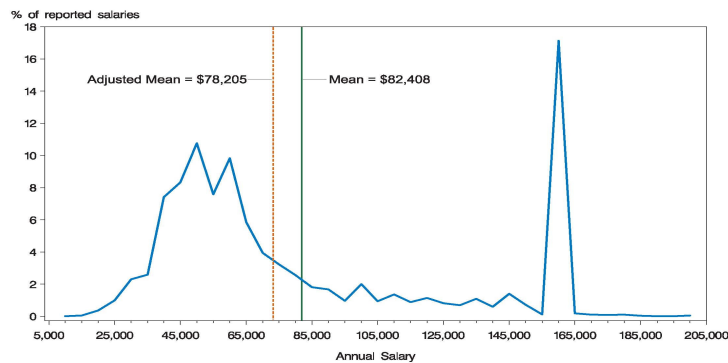
## Employment Outcomes for the Class of 2013: Employer Type



Source: Jobs & JDs: Class of 2013. Data current as of February 15, 2014.

## Bimodal Starting Salary Distribution for the Class of 2013

Distribution of Reported Full-Time Salaries



Note: Graph is based on 21,545 salaries reported for full-time jobs lasting a year or more. A few salaries above \$205,000 are excluded from the graph for clarity, but not from the percentage calculations. The left-hand peaks of the graph reflect salaries of \$40,000 to \$65,000, which collectively accounted for about half of reported salaries. The right-hand peak shows that salaries of \$160,000 accounted for about 17% of reported salaries. However, more complete salary coverage for jobs at large law firms heightens this peak and diminishes the left-hand peaks — and shows that the unadjusted mean overstates the average starting salary by just over 5%. Nonetheless, as both the arithmetic mean and the adjusted mean show, relatively few salaries are close to either mean. For purposes of this graph, all reported salaries were rounded to the nearest \$5,000.





## Private Practice Employment Class of 2013

Employment in Law Firms by Size of Firm		
Size of Firm	Percent of Private Practice Jobs	Subtotals
Solo	4.8%	
2 – 10	<b>42%</b>	
11 – 25	10%	
26 – 50	5.6%	62.4%
51 – 100	4.5%	
101 – 250	5.4%	
251 – 500	5.5%	
501+	<b>20.7%</b>	36.1%
Unknown	1.5%	

Source: NALP's Jobs and JDs, Class of 2013



## Starting Salaries in Private Practice Class of 2013

Median Starting Salaries by Size of Law Firm	
Firm Size	Starting Salary
2 – 10	\$50,000
11 – 25	\$65,000
26 – 50	\$72,000
51 – 100	\$85,000
101 – 250	\$110,000
251 - 500	\$150,000
501+	\$160,000

Source: NALP's Jobs and JDs, Class of 2013



## Government Employment Class of 2013

### Distribution of Jobs by Level of Government

Federal	27%
State	38%
Local	34%

### Starting Salaries by Level of Government

Government Level	25 <sup>th</sup> %	Median	75 <sup>th</sup> %
Federal	\$51,500	\$62,000	\$75,000
State	\$40,000	\$45,000	\$55,000
Local	\$45,000	\$53,000	\$59,500

Source: NALP's Jobs and JDs, Class of 2013



## Judicial Clerkships Class of 2013

### Distribution of Clerkships by Level of Government

Federal	37.8%
State	52.5%
Local	9.2%

### Starting Clerkship Salaries by Level of Government

Government Level	25 <sup>th</sup> %	Median	75 <sup>th</sup> %
Federal	\$57,400	\$60,000	\$63,000
State	\$43,000	\$46,000	\$53,000
Local	\$35,000	\$42,000	\$45,000

Source: NALP's Jobs and JDs, Class of 2013



## Public Interest Employment Class of 2013

Distribution of Jobs in Public Interest	
Public Defender	28%
Legal Services	30%
Policy/Advocacy	21%
Community Organization	6%
Other Public Interest	15%

Starting Salaries for Public Interest Jobs		
25 <sup>th</sup> %	Median	75 <sup>th</sup> %
\$40,000	\$45,000	\$52,000

Source: NALP's Jobs and JDs, Class of 2013



## Employment in Business Class of 2013

- 18.4% of all jobs taken by law school graduates
  - 28% Required Bar Passage
  - 42% Reported as JD Advantage
  - 20% Reported as “Other Professional”
  - 10% Reported as “Non-professional” or Unknown

Starting Salaries for Jobs in Business and Industry		
25 <sup>th</sup> %	Median	75 <sup>th</sup> %
\$51,000	\$65,000	\$85,000

Source: NALP's Jobs and JDs, Class of 2013



## Employment in Academia Class of 2013

Job Type		Percentage
Law School Fellow/Research Assistant or Other Temporary Position		34.4%
Other Law School		11.0%
College/University Administration		20.7%
Other College/University		13.4%
Elementary/Secondary Teacher		11.6%
All Other		9.0%
Starting Salaries for Academic Jobs		
25 <sup>th</sup> %	Median	75 <sup>th</sup> %
\$40,000	\$50,000	\$60,000



Source: NALP's Jobs and JDs, Class of 2013

## Geography and Employment Class of 2013

Top 10 Cities for Jobs by Percent	
City	Percent of all Jobs
1. New York City	9.68%
2. Washington, DC	5.09%
3. Chicago	3.88%
4. Los Angeles	2.35%
5. Houston	2.16%
6. Boston	1.99%
7. Atlanta	1.67%
8. San Francisco	1.56%
9. Philadelphia	1.34%
10. Miami	1.33%



Source: NALP's Jobs and JDs, 2013

## Timing of Employment Offers Class of 2013, Nationwide Figures

Employer Type	Before Graduation	After Graduation
<b>All Employers</b>	<b>53.7%</b>	<b>46.3%</b>
Academic	37.8%	62.1%
Business	39.1%	59.9%
Government	45.5%	54.5%
Judicial Clerkships	80.1%	19.9%
Private Practice	58.6%	41.4%
Public Interest	39.9%	60.1%

Source: NALP's Jobs and JDs, 2013



## Employer Type by Gender – Class of 2013 – as of February 15, 2014

	<u>Men</u>	<u>Women</u>
<b>Private Practice</b>	<b>52.7%</b>	<b>49.2%</b>
<b>Government</b>	<b>11.3%</b>	<b>11.8%</b>
<b>Business/Industry</b>	<b>20.0%</b>	<b>16.6%</b>
<b>Clerkships</b>	<b>8.2%</b>	<b>9.8%</b>
<b>Public Interest</b>	<b>5.1%</b>	<b>9.4%</b>
<b>Academic</b>	<b>2.4%</b>	<b>2.9%</b>

Source: NALP's Jobs and JDs, 2013



## Employer Type by Minority Status – Class of 2013 – as of February 15, 2014

	<u>Minorities</u>	<u>Non-Minorities</u>
<b>Private Practice</b>	<b>47.7%</b>	<b>52.2%</b>
<b>Government</b>	<b>12.8%</b>	<b>11.2%</b>
<b>Business/Industry</b>	<b>20.2%</b>	<b>17.9%</b>
<b>Clerkships</b>	<b>6.5%</b>	<b>9.8%</b>
<b>Public Interest</b>	<b>9.1%</b>	<b>6.3%</b>

Source: NALP's Jobs and JDs, 2013 (not all employer types shown)



## Employer Type = Private Practice by Race/Ethnicity Class of 2013 – as of February 15, 2014

<b>White:</b>	<b>52.2%</b>
<b>Black:</b>	<b>35.8%</b>
<b>Hispanic/Latino:</b>	<b>54.8%</b>
<b>Asian/PI:</b>	<b>51.0%</b>
<b>Am. Indian:</b>	<b>48.8%</b>
<b>Multi-racial:</b>	<b>49.5%</b>

Source: NALP's Jobs and JDs, 2013



## Representation (%) of Women and Minorities at Major Law Firms

**2014**

Women Partners	21.05%
Women Associates	44.94%
All Women Attorneys	33.48%
Summer Associates	46.33%

from the NALP Directory of Legal Employers 2014



## Representation (%) of Women and Minorities at Major Law Firms

**2014**

Minority Partners	7.33%
Minority Associates	21.63%
All Minority Attorneys	13.83%
Summer Associates	30.27%

from the NALP Directory of Legal Employers 2014



## Representation (%) of Women and Minorities at Major Law Firms

	<b><u>2014</u></b>
Minority Women Partners	2.45%
Minority Women Associates	11.51%
All Minority Women Attorneys	6.74%
All Minority Women Summer Associates	16.63%



from the NALP Directory of Legal Employers 2009 - 2014

## Women and Minorities at Law Firms in 2014 — Nationwide by Type of Attorney

	<b>ASIAN</b>		<b>BLACK</b>		<b>HISPANIC</b>	
	Total %	% Women	Total %	% Women	Total %	% Women
Partners	2.74%	0.99%	1.72%	0.63%	2.16%	0.60%
Associates	10.80%	5.81%	4.01%	2.31%	3.95%	1.89%
Counsel	3.71%	1.92%	1.90%	0.82%	2.12%	1.04%
Staff Attys	7.66%	4.91%	6.47%	4.72%	4.56%	2.52%



Source: NALP Directory of Legal Employers 2014 - 2015



## Tips for a successful summer!

- Make work your first priority.
- If in doubt, ask.
- Listen and take notes.
- Other student employees are your colleagues.
- Every support staff member is your colleague.
- Return phone calls and emails promptly.
- Always give your best effort.
- Attend all social events
- Everything in moderation.



## Summer work case study for small group discussion

It is Thursday afternoon and Summer Sam has just had a supervising attorney walk into his office and ask him to complete a research memo on a novel legal question for Monday morning. He is a bit confused about the assignment but agrees to take it on. Meanwhile Sam was already feeling behind on another assignment that is due for another attorney on Monday. Tonight there is a legal department cocktail party and dinner that he has been invited to and has indicated that he will attend. This weekend he is supposed to attend his sister's high school graduation party out of town. Summer Susan walks into Sam's office and says "I'm feeling overwhelmed. I need to get out of here for a few minutes. Do you want to go for coffee?" Sam agrees immediately, feeling overwhelmed himself. We follow them into the corner Starbucks.



## Summer work case study for small group discussion

From the vantage point of the table next to theirs, talk about the conversation that you are likely to observe.

1. How can Sam and Susan help each other?
2. What issues and challenges does Sam face?
3. Imagine the most positive and helpful conversation Sam and Susan can have. What does that look like?
4. Imagine the most negative conversation Sam and Susan can have. What does that look like?
5. What are the most helpful things that Susan can say to Sam to help him get through the next five days in the most productive way possible?

