

The truth about employment

Employment rates may be down,
but law is still a stable profession.
Does that make it OK that thousands
will graduate without a legal job?

BY TIERNEY PLUMB AND JACK CRITTENDEN

dan Breen is like a lot of recent law school graduates. He graduated in 2009 into one of the worst employment markets of the past few decades. Whereas classmates a few years ahead of him enjoyed a robust and — based on what we now know — inflated job market, Breen was faced with layoffs and hiring cancellations.

Not that Breen cared what happened at the biggest law firms. His long-term goal was to run his own solo practice, but he first wanted to gain experience and funding by working at a small firm.

“An ideal career path would have had me working in a firm for a few years, both for purposes of honing my legal skills and putting away some money to finance my operation,” said the graduate of **John Marshall Law School**, located in Chicago.

It was not to be. The hiring slowdown impacted almost every size firm, and Breen was forced to start his own practice right after graduation.

“I was able to create many mentor relationships with some professors and experienced attorneys,” he said. “Fortunately, I was able to work out an office share arrangement with a firm that I had a good relationship with. This arrangement was crucial, because it provided enough institutional support that I felt confident in taking the plunge.”

Breen is not alone in the legal world, and his story tells an interesting tale behind the numbers which legal organizations, law schools and critics bandy about.

On one hand, critics point out that this is the worst job market in years and law schools mask the depth of the problem with inaccurate or misleading job data. On the other side, some law schools point out that law has the lowest unemployment rate among professional professions and long-term career satisfaction.

So is it a horrible job market or a very stable profession? The answer, it seems, is ‘yes’ to both.

PHOTO BY PETER BARREKASA



DAN BREEN, a recent graduate of John Marshall Law School in Chicago, is like many lawyers who struggle to find employment and instead start their own practice. That has led to low unemployment, despite a dearth of jobs at larger firms.

A horrible job market

When two U.S. Senators get involved and law schools are getting sued over employment data, it seems something must be wrong. Both Sen. Charles Grassley (R-Iowa) and Sen. Barbara Boxer (D-Calif.) sent letters to the American Bar Association in mid-2011 demanding that the organization release more accurate employment data.

In response, the ABA agreed to report more detailed data, and will now collect employment numbers for individual schools.

But the battle continues on. A consortium of law firms, led by the Law Offices of David Anziska, have sued 14 law schools alleging that the schools falsely inflated graduate employment rates.

The National Association for Legal Placement (NALP), which has collected employment data for more than 20 years, reports that 68.4 percent of recent graduates obtained a full-time job for which bar passage is required within nine months after graduation. David Anziska said he believes the real number is far lower.

"I believe that with a proper accounting method, the real employment num-

ber would be 40 percent," Anziska said. "Law schools send out questionnaires and I think a good deal of graduates don't fill it out or say they are employed [when they are not]."

Anziska said his 40 percent estimate is based on the number of graduates who disclose their salary — reasoning that the others do not disclose that figure because they don't really have a job.

But James Leipold, NALP's executive director, stands by the integrity of his organization's data.

"We stand by our numbers. Our books are open and the data is good," he said.

Leipold said that salary data is hard to collect in any industry, as people are reticent to share it. He said that people with lower salaries are less likely to report it, but that his organization accounts for this with statistics and an adjusted salary mean.

Leipold has also made it clear over the past three years that law students face a tough job market. The unemployment rate for law school grads stands at 87.6 percent, the lowest it's been since 1996, and four percentage points lower than the 91.9 high in 2007.

Leipold points to the recession in 1991 as an indication of what to expect.

"Just as the biggest impact of the last significant recession was felt in the national economy in 1991, the legal employment market for new law school graduates did not hit its nadir until 1993, and the overall employment rate did not crest 89 percent until 1997," he said.

But whether those numbers get worse, the employment change still only represents a modest decline by most standards. With around 45,000 graduates a year, that would mean that 1,800 additional grads were unemployed nine months after graduation in 2010 compared to 2007.

It is that figure that critics believe belies common sense. Adam Bevelacqua, a 2011 graduate of **Brooklyn School of Law**, said in early February that he knew no one in his circle of friends who was employed in a full-time legal job. Bevelacqua, who recently passed the bar exam, is a plaintiff in the lawsuit against his school over deceptive employment data. Brooklyn Law School has stated that the claims are without merit.

Leipold has been quick to point out that the current figures conceal a number of negative trends in the job market that were first apparent for the Class of 2009, but with the Class of 2010 have become more prominent.

First and foremost, the percent of graduates who had employment for which bar passage was required dropped from 74.7 percent in 2008 to 68.4 percent.

A stable profession

But many in legal education say this does not mean the other 31.6 percent of law school graduates made a poor choice.

"Law is a generalist education," said Susan Poser, dean at the **University of Nebraska College of Law**. "It teaches important critical thinking skills. All the ways you can be a lawyer is broader than what we've been able to articulate to the public."

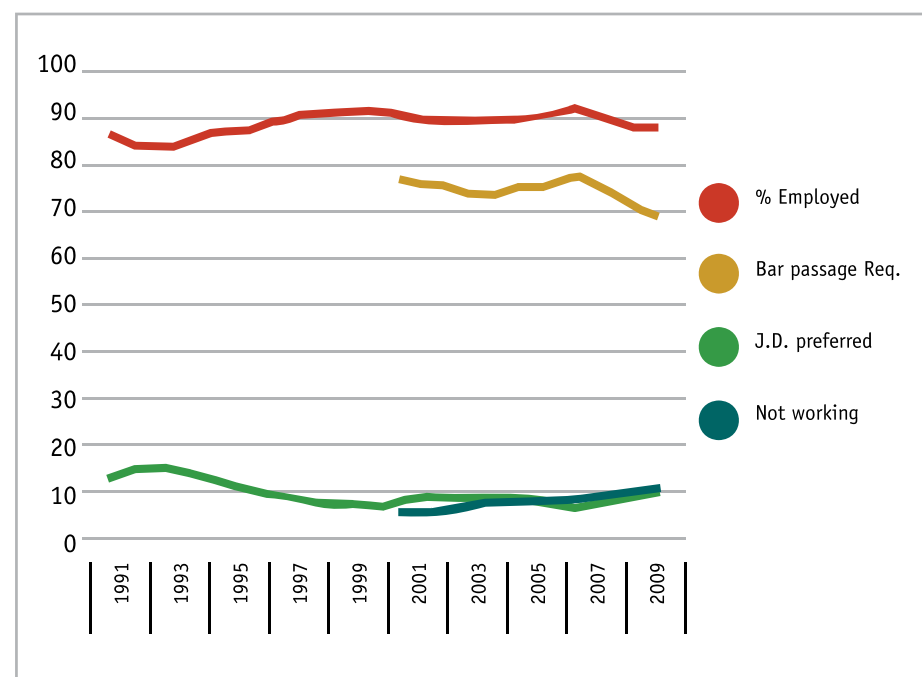
She points to one graduate of the Lincoln, Neb., law school who bought a trucking company and built it into a multimillion-dollar business.

Indeed, 15.1 percent of law school graduates landed a job in business, and only 32 percent of these jobs were reported as requiring bar passage, and about 29 percent were reported as J.D. preferred.

"You are more likely to get a job now if you go to law school than get a Ph.D. in history, where you'd be in worse shape,"

A stable profession

Employment for recent graduates has hovered between 83 and 93 percent over the past 20 years, and the percent of grads not working is lower now than it was in the early 90s.



she said. “It’s tough, but still, a very good bet.”

And that is the primary argument made by **Thomas Cooley Law School** in a report on employment that it released in August.

Using data from the Bureau of Labor Statistics, it points out that lawyers have an unemployment rate of only 1.5 percent, far lower than the national average of 9.6 percent. Financial managers (4.4 percent), accountants (5 percent), marketing and sales managers (7 percent) and architects (10.4 percent) all have far higher unemployment numbers.

The report also shows that the number of legal jobs has continued to increase despite the recession — growing from 1.668 million in 2007 to 1.716 million in 2010.

But many worry that even this tepid growth could stall.

Thomas Morgan, a law professor at **George Washington University Law School** who has written extensively about legal education, said the legal profession has changed for the long haul.

“The signs of trouble were there before the recession,” he said at the recent Association of American Law Schools (AALS) conference in Washington D.C. “But when our best students could not get jobs, we could not deny there were more serious issues. The jolt to the legal profession was real, and the world will not go back.”

Morgan said there are major changes impacting the legal profession. First, technology is beginning to transform the intellectual work for lawyers. Clients can use standardized forms, discovery is shipped overseas or handled by non-lawyers and there are virtual firms and virtual negotiations.

Second, law has become more substantively complex than ever before. And work is more national or international in scope. Students today need to focus their practice. He said these two trends combined mean that clients will need better, but fewer lawyers in the future.

Finally, the demand for legal work has shifted from 50 to 66 percent for individuals. He said organizational clients have options that allow them to use foreign lawyers or non-lawyers to help cut costs — all at the expense of U.S. law graduate jobs.

Morgan said that while the growth in the legal market has mirrored the country’s GDP — growing by about 4 percent

a year — recent GDP has been 1-to-3 percent. Law schools have thus produced more graduates than are needed in the last three years.

“There is a clear reason that students have had a hard time getting jobs,” he said. “We are a long way from equilibrium.”

Bryant Garth, dean at **Southwestern Law School** in Los Angeles, said that data

ment review on a part-time basis. Finally, he landed a full-time legal job in August 2011. He is now one of the plaintiffs suing his school over employment data.

But even when law grads struggle to find a full-time legal job, they can still find employment by hanging their own shingle. And that is a large reason that lawyer unemployment figures are so low.

Rather than be unemployed or work

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shows that law school graduates are happy with their career choice, even when job prospects are not as good and debt is high.

He said the After the J.D. study, which tracks law grads over a long period of time, shows overwhelming satisfaction with law as a career. This is even true for graduates with high debt loads.

“There is no evidence that law is a bad career,” he said at the AALS conference. “There are [just] a lot of disgruntled people that did not get a job in a recession.”

Critics, however, point out that the After the J.D. study tracked graduates from a different era who had lower debt loads and better employment prospects.

Today, law school graduates are more likely to work part-time or in non-legal jobs. NALP data shows that 10.7 percent obtained jobs for which a J.D. is preferred, or may even be required, but for which bar passage is not required. The rate of part-time employment stood at almost 11 percent, six points higher than for classes prior to 2008. Over 8 percent of jobs were both temporary and part-time.

Corey Bennett, who graduated from the **University of San Francisco** in 2009, is perhaps the poster child for these numbers. He passed the bar exam on his first try but still struggled to find a legal job. Six months after graduation he took a \$10-an-hour retail job at Macy’s, which he feels his school counted toward “employed” in its official stats. He then was hired by a small firm to work on a contract basis for \$12 an hour. When that ended, he started handling docu-

part-time, recent graduates like Dan Breen start their own business. But it is not easy.

Right out of the gates, Breen was hit with a fair share of challenges, including properly pricing his services, keeping his skills sharp for the kinds of cases he wanted, and knowing where the next place is that he wants to invest time, money and resources.

John Broderick, dean of the **University of New Hampshire School of Law**, said more law schools need to prep students for various scenarios in the real world. His school’s mission is to keep costs as affordable as possible, especially since many grads end up in smaller firms of 10 or less.

“The law school model is often designed to prepare students to work at White & Case, where that’s not in fact where they are going,” Broderick said. “If they are going to a small or large firm, they need to understand what it is to be a lawyer.”

Breen credits a long list of mentors and peers, who offered up their time, resources and referrals, to where he is today.

“Without such a great network of support, my office probably would not have sustained,” he said.

While two of his fellow classmates are suing John Marshall over deceptive employment data, Breen knows he made the right choice.

Once solo practitioners have a solid business underneath them, studies show they have the highest levels of job satisfaction among attorneys. It’s just a struggle to get there. ■