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Suite 1110
1025 Connecticut Avenue, NW
Washington, DC 20036-5413
Phone: 202-835-1001
Fax: 202-835-1112
Web: www.nalp.org

Contact: Judith Collins, Director of Research
or James Leipold, Executive Director

E-mail: jcollins@nalp.org or jleipold@nalp.org

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Class of 2009 Faced New Challenges with Recession: Overall Employment Rate Masks Job Market Weakness

According to Selected Findings from its Employment Report and Salary Survey for the Class of 2009 released today by NALP, the employment rate for new law school graduates has fallen nearly four percentage points in two years, an indication of the impact of the recession on the legal employment market. Nonetheless, the employment rate for the Class of 2009 — measured as of February 15, 2010 — is higher than many expected. It is clear that the impact of the recession on this class was moderated by a number of factors — and that the overall employment rate taken alone masks a number of weaknesses in the job market. A total of 192 ABA-accredited law schools participated in the annual NALP survey, submitting information accounting for 40,833 graduates — or 92.8% of all Class of 2009 graduates at ABA-accredited law schools in the U.S.

Analyses of the NALP Employment Report and Salary Survey for the Class of 2009 reveal an overall employment rate of 88.3% of graduates for whom employment status was known, a rate that has decreased for two years in a row, decreasing 3.6 percentage points from the recent historical high of 91.9% for the Class of 2007. The employment figure for the Class of 2009 also marks the lowest employment rate since the mid-1990s.

“There are dozens of reasons why the employment report for the Class of 2009 will be different than those that preceded it, and dozens of reasons why the data that has been gathered will require special explanation and analysis to make sense of it,” said NALP Executive Director James Leipold in commentary accompanying the Selected Findings. He noted that while the employment rate of 88.3% may seem stronger than expected, when the statistic is teased apart, it begins to reveal some of the fundamental weaknesses in the job market faced by this class. For instance, a different survey conducted by NALP found that between 3,200 and 3,700 graduates with jobs in law firms had their start dates deferred beyond December 1, 2009, with many deferred well into 2010. (See NALP’s *Perspectives on Fall 2009 Law Student Recruiting*, available at www.nalp.org/uploads/PerspectivesonFallRec09.pdf.)

In addition, a far higher percentage of this class reported employment that was temporary, with 41% of all of the public interest jobs reported as being temporary, 30% of all business jobs being reported as temporary, and even 8% of the private practice jobs being reported as temporary. Overall, nearly 25% of all jobs were reported as temporary, a figure which includes judicial clerkships.

Separate research conducted by NALP revealed that law schools were very active in trying to mitigate the impact of the recession for their graduates, with 42% of the law schools reporting that they provided on-campus

post-graduate jobs for their students. (See again *Perspectives*, as noted above.) This helps account for the fact that 3.5% of the jobs reported by the Class of 2009 were categorized as academic, compared to 2.3% for the Class of 2008. Overall, 69% of the academic jobs reported by the Class of 2009 were reported as temporary.

Law schools created a variety of employment opportunities for their graduates, and not all of them were on-campus or can be counted in the academic category (though many of the on-campus jobs are both part-time and temporary). Through a variety of bridge programs, fellowships, and grant programs for public interest work, in addition to true on-campus jobs, many schools have “jobs programs” of some sort for new graduates, and many of them predate the recession. For the Class of 2009, it is estimated that these programs provided over 800 jobs, accounting for a full 2 percentage points in the employment rate. At the high end, these jobs programs can account for up to 50 jobs on a single campus.

Members of the Class of 2009 were also working more often in part-time jobs than their predecessors, with 56% of the academic jobs reported as part-time, 20% of business jobs reported as part-time, and more than 10% of all jobs reported by the Class of 2009 being part-time — up from 6% for the previous class.

Another marker of the weakness of the job market is that a much higher percentage of this class reported that even though they were employed, they were still looking for work (almost 22% of the Class of 2009 compared to 16% of the previous class), suggesting that graduates took jobs they may not have been satisfied with simply to be able to earn money to offset living expenses and student debt.

Yet another marker bearing analysis is that a measurably smaller percentage of graduates from the Class of 2009 were working as practicing lawyers than their predecessors, with 70.8% reporting that they held a job for which a JD was required, compared with 74.7% of the Class of 2008. Of those who did report jobs in private practice, a far greater number reported that they were working as solo practitioners than in the previous year. For the Class of 2009, the number of solo practitioners reported is well over 1,000 and represents more than 5% of law firm jobs reported, compared with 3.3% for the Class of 2008. In raw numbers there were about 375 more solo practitioners reported for the Class of 2009 than for the Class of 2008, a jump that in itself accounts for nearly a full percentage point of the employment rate. Solo practitioners represent about 2.9% of all jobs reported for the Class of 2009 — compared with 1.9% for the previous class. This jump in the number of law school graduates reporting that they are working as solo practitioners is consistent with data that was reported during the recession of the early 1990s.

It is also important to note that members of the Class of 2009 who obtained jobs with large law firms would have received offers for summer employment in August or September 2007, participated in summer programs in 2008, and then received offers for post-graduate employment in August or September of 2008, before the worst of the recessionary collapses that occurred later that fall.

Additional key findings reported by NALP in “Employment for the Class of 2009 — Selected Findings”:

- As in all prior years that NALP has collected job information, most employed graduates (55.9%) chose private practice, compared with 56.2% in 2008. This figure has fluctuated only between 55% and 58% since 1993.
- Employment in business was 13.5%, essentially unchanged from 2008, and down from 14.1%

for the Class of 2007. The percentage of jobs in business has been in the 13-14% range for the past six years.

- Public service jobs, including military and other government jobs, judicial clerkships, and public interest positions, accounted for 25.8% of jobs taken by employed graduates, compared with 26.8% the prior year. This percentage has remained relatively stable for almost three decades.

To read the full text of “Employment for the Class of 2009 — Selected Findings” go to www.nalp.org/classof2009. The findings of NALP’s Employment Report and Salary Survey for the Class of 2009 will be reported in much greater detail — including salary detail and analyses of employment and earnings by geographic market — in *Jobs & JD’s: Employment and Salaries of New Law School Graduates — Class of 2009* — to be published in July 2010.

About NALP: Founded in 1971, the National Association for Law Placement, Inc.[®] (NALP) is dedicated to continuously improving career counseling and planning, recruitment and retention, and the professional development of law students, lawyers, and its members. NALP maintains an online archive of press releases at www.nalp.org — go to www.nalp.org/pressreleases. A full copy of “Employment for the Class of 2009 — Selected Findings” can be found at www.nalp.org/classof2009. For additional information about NALP research, contact Judith Collins (jcollins@nalp.org), Director of Research, or James G. Leipold (jleipold@nalp.org), Executive Director, at 202-835-1001. Mailing address: National Association for Law Placement, 1025 Connecticut Avenue NW, Suite 1110, Washington, DC 20036-5413.