



NALP believes in fairness, facts and the power of a diverse community. We work every day to be the best career services, recruitment, and professional development organization in the world because we want the lawyers and law students we serve to have an ethical recruiting system, employment data they can trust, and expert advisers to guide and support them in every stage of their careers.

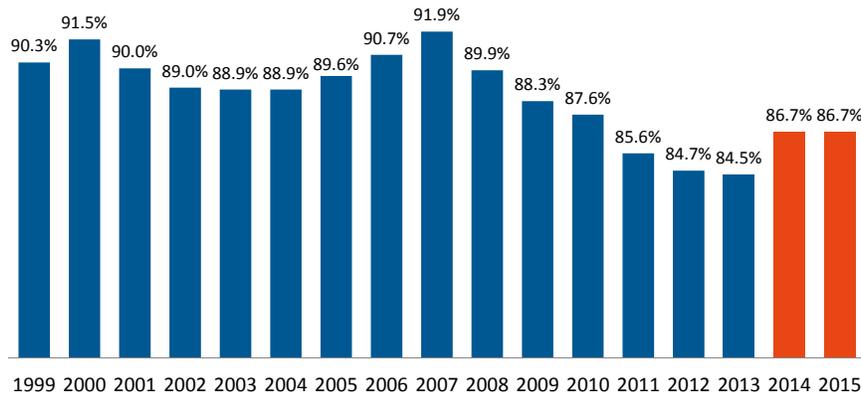


Legal Market Hot Topics: How the Legal Market Continues to Change After the Great Recession

NALP Annual Education Conference
April 19, 2017

Presenter:
James Leipold, Executive Director

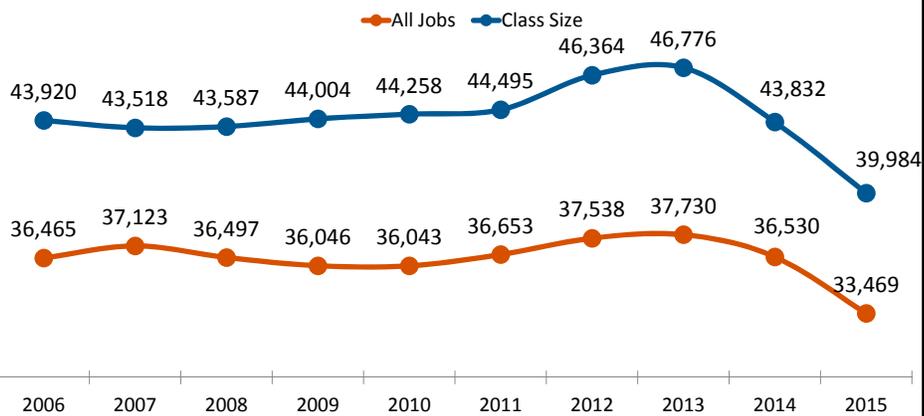
Law Graduate Employment Rate Nine Months After Graduation: 1999 – 2015



NOTE: Beginning with the Class of 2014, employment status information was collected as of March 15, rather than February 15, as it had been in prior years.

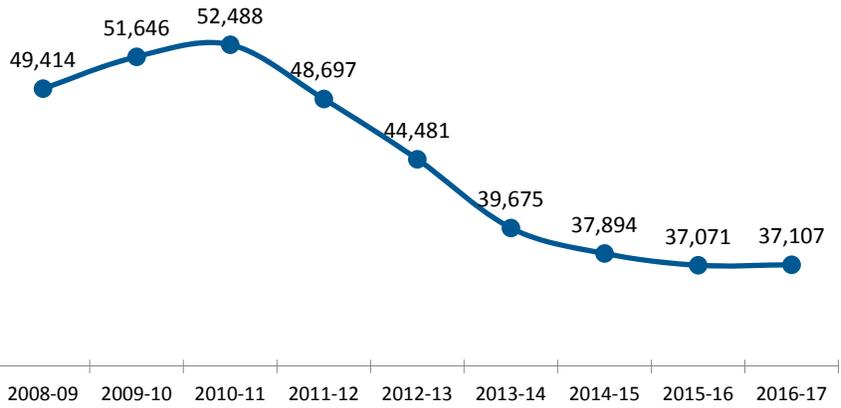
Source: NALP's Jobs & JDs, Classes of 1999 - 2015

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



Sources: All jobs figures come from NALP's Jobs & JDs, Classes of 2006 – 2015, Class size figures come from the ABA Section of Legal Education and Admissions to the Bar.

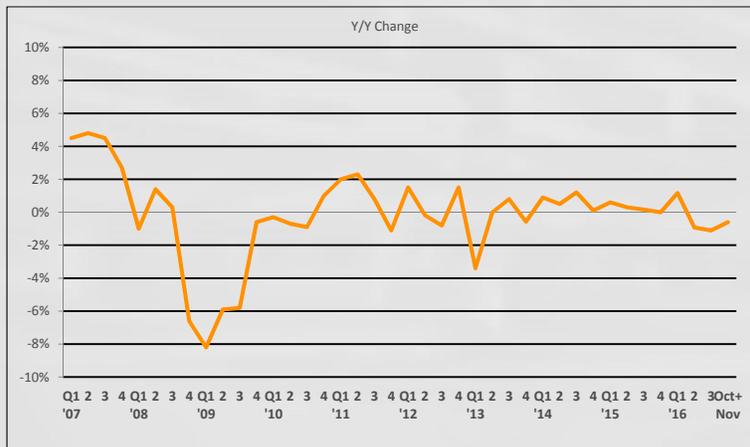
1L Enrollment at ABA Approved Law Schools



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

Demand Growth

Growth in Demand for Law Firm Services*



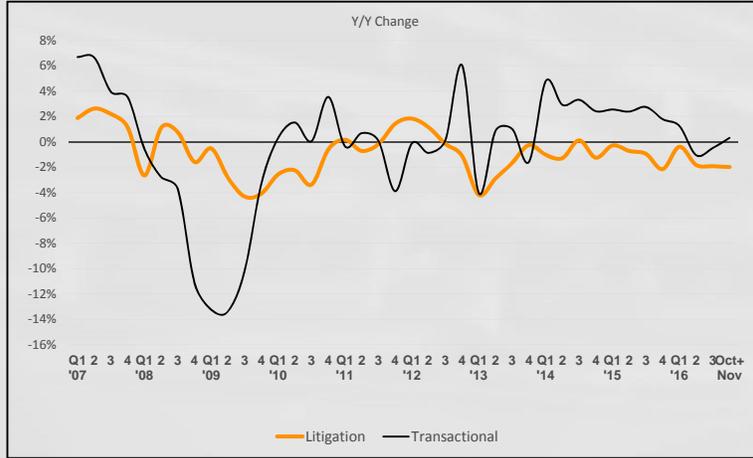
Source: Thomson Reuters Peer Monitor

* All timekeepers.
Billable time type, non-contingent matters.

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Demand Growth (cont.)

Demand Growth for Transactional vs. Litigation Services*



Source: Thomson Reuters Peer Monitor

*All timekeepers.
Billable time type, non-contingent matters.

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Productivity

Billable Hours Worked per Lawyer*



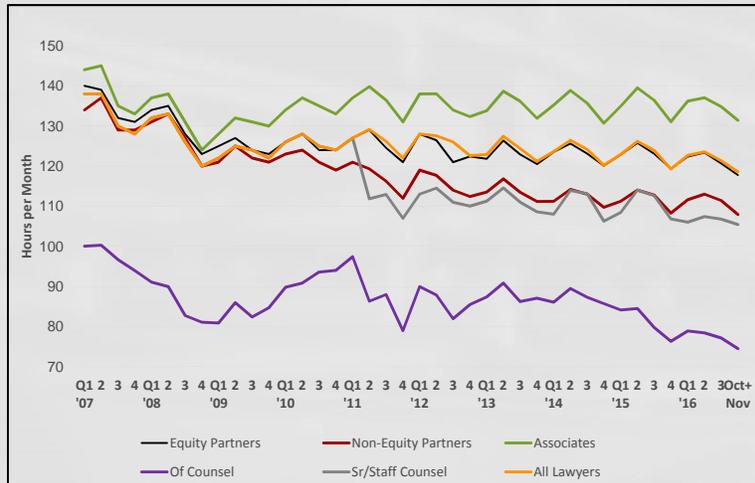
Source: Thomson Reuters Peer Monitor

* Lawyers only.
Billable hour type, non-contingent matters.

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Productivity (cont.)

Billable Hours Worked per Lawyer by Category of Lawyer*



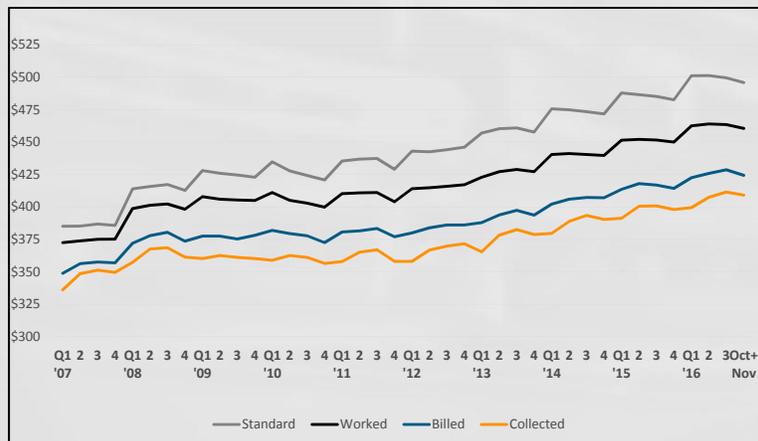
Source: Thomson Reuters Peer Monitor

• Lawyers only.
Billable time type, non-contingent matters.

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Rates and Realization

Rate Progression*



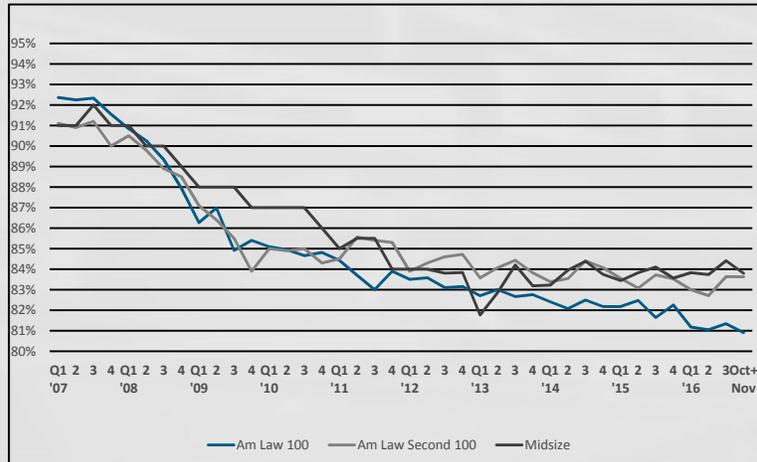
Source: Thomson Reuters Peer Monitor

• Lawyers only.
Billable time type, non-contingent matters.

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Rates and Realization (cont.)

Collection Realization against Standard Rates*



Source: Thomson Reuters Peer Monitor

* Lawyers only.
Billable time type, non-contingent matters.

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Rates and Realization (cont.)

Collection Realization against Worked (Negotiated) Rates*



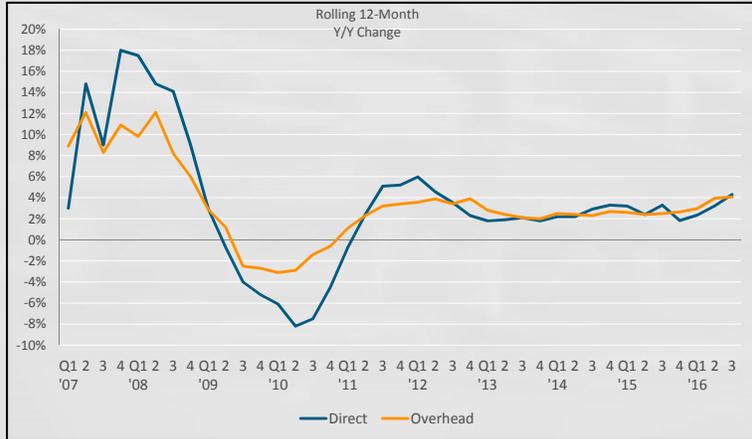
Source: Thomson Reuters Peer Monitor

* Lawyers only.
Billable time type, non-contingent matters.

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Expense Growth

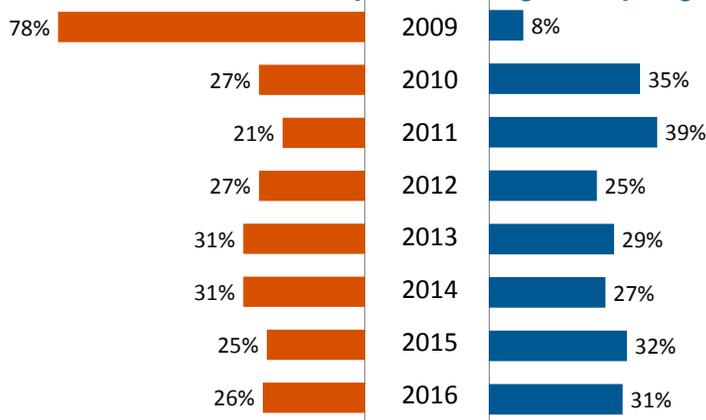
Growth of Direct and Overhead (Indirect) Expenses



Source: Thomson Reuters Peer Monitor

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National Fall On-Campus Recruiting Levels 2009-2016 As Reported by Employers



Number of schools visited:
Percent of offices reporting a **decrease**
in campus visits from previous year

Number of schools visited:
Percent of offices reporting an **increase**
in campus visits from previous year



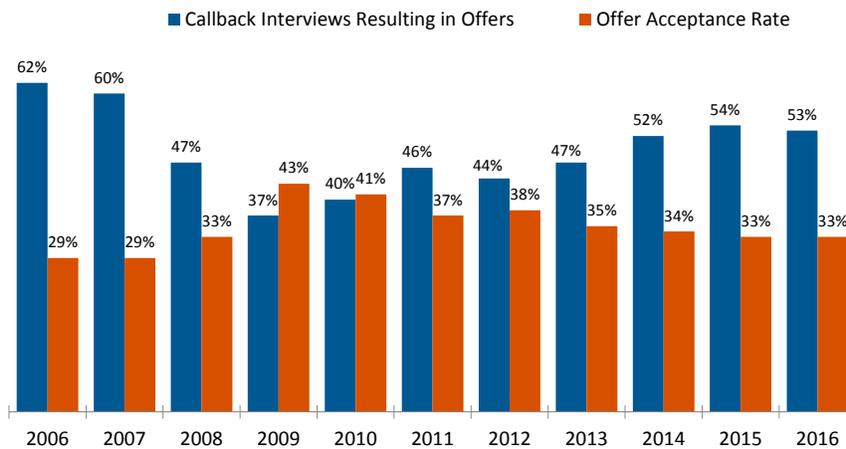
Source: NALP's Perspectives on Law Student Recruiting, 2009 - 2016.

Change in Number of Offers for Summer Associate Positions (Fall 2016 offers for Summer 2017 spots, compared to previous year)



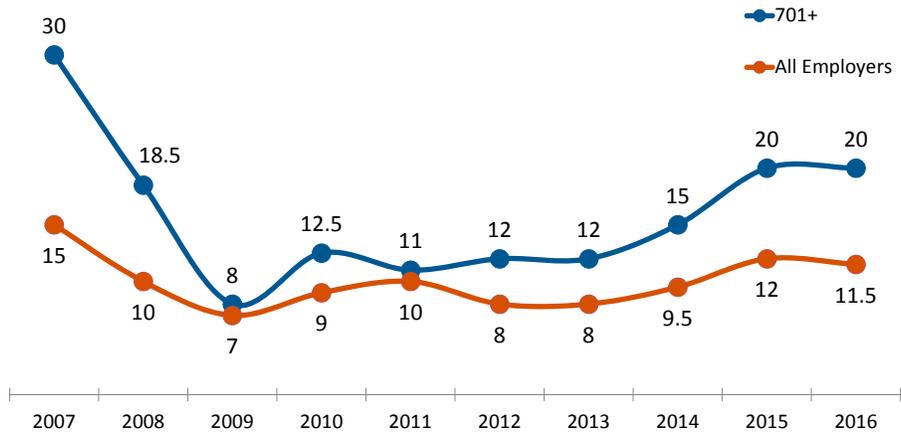
Source: NALP's Perspectives on Law Student Recruiting, 2016.

Offer and Yield Rates for Summer Programs for Rising 2Ls (Classes of 2008 - 2018)



Source: NALP's Perspectives on Law Student Recruiting, 2006-16.

Median Number of Offers Extended to Rising 2Ls for Summer Programs



Source: NALP's Perspectives on Law Student Recruiting, 2007 - 2016.

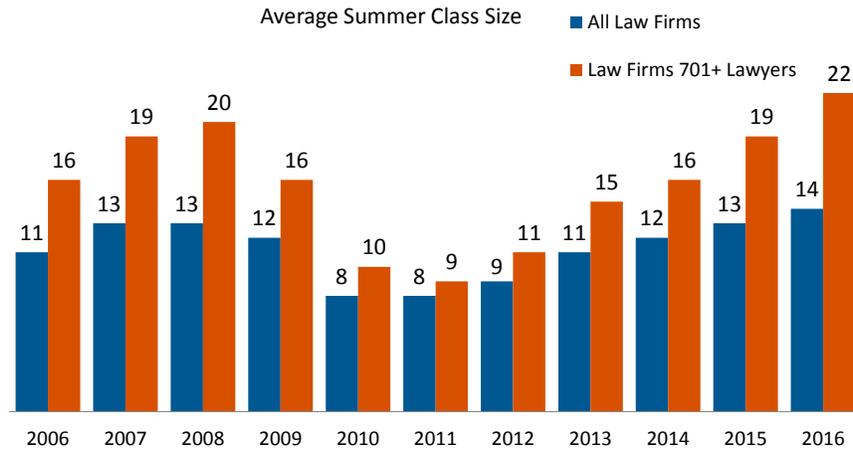
Range in Number of Offers Extended for Summer Programs, by Firm Size

| | |
|--------------|---------|
| 100 or fewer | 1 – 16 |
| 101 – 250 | 1 – 57 |
| 251 – 500 | 1 – 243 |
| 501 – 700 | 1 – 261 |
| 701 + | 1 – 565 |



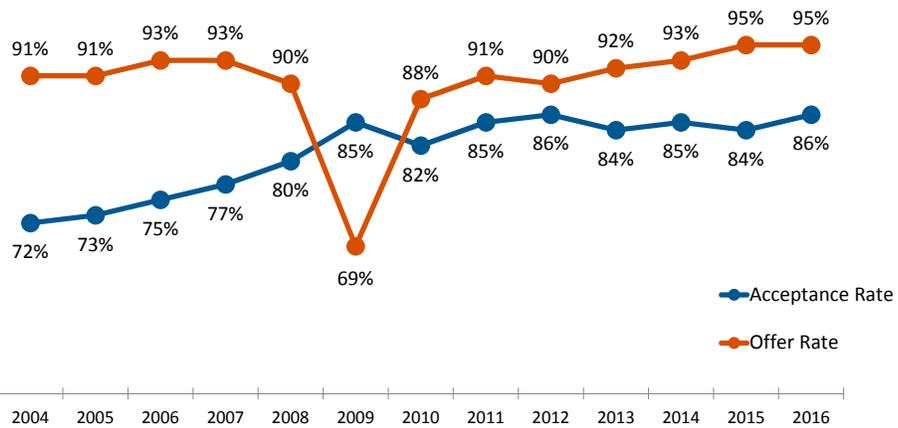
Source: NALP's Perspectives on Law Student Recruiting 2016.

Law Firm Summer Program Class Size



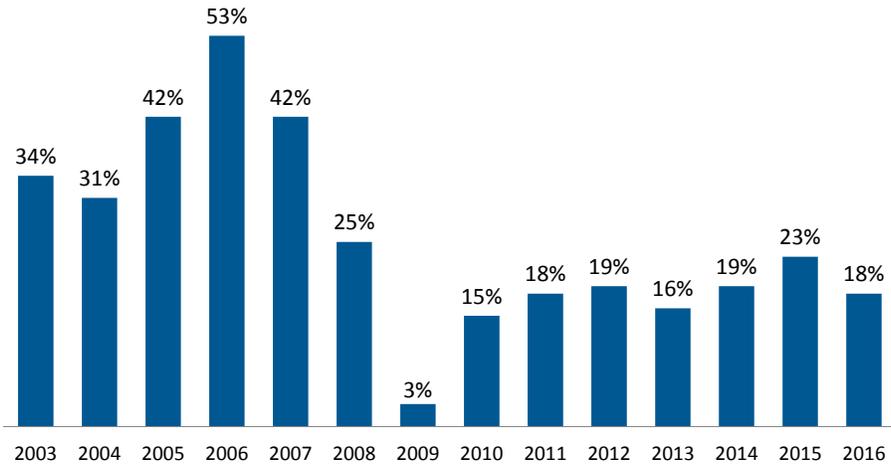
Source: NALP's Perspectives on Fall Law Student Recruiting, 2005 - 2016.

Outcomes of Summer Programs



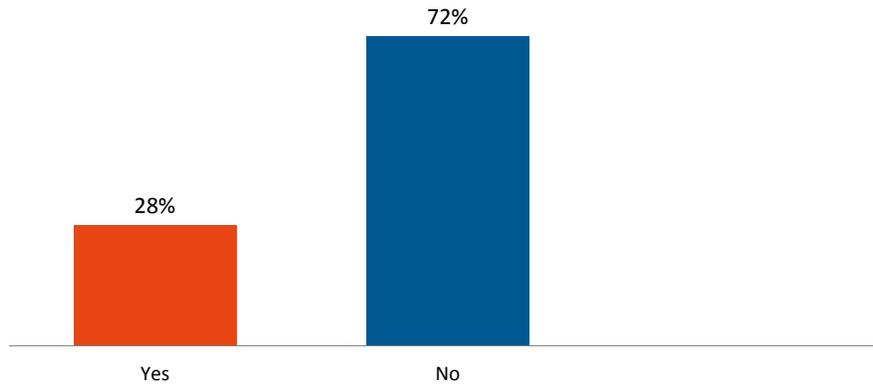
Source: NALP's Perspectives on Law Student Recruiting, 2004 - 2016.

Fall Recruiting of 3Ls As Reported by Law Firms



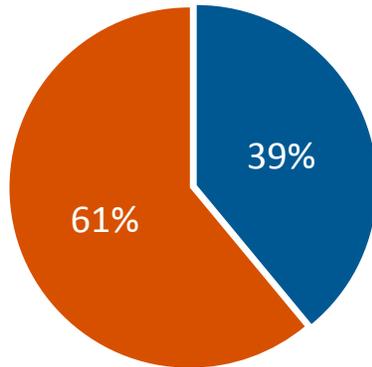
Source: NALP's Perspectives on Law Student Recruiting, 2003 - 2016.

Did Your Firm Make Any Offers Before OCI Started?



Source: 2016 Survey of Legal Employers on Recruiting.
Based on 365 total responses (104 offices reported making early offers, up from 88 last year).

Offers Made Before OCI



■ Accepted, 39%

■ Declined, 61%

This compares with an overall acceptance rate of 33%

Median Number of Offers: 2
Average Number of Offers: 6 (up from 4)

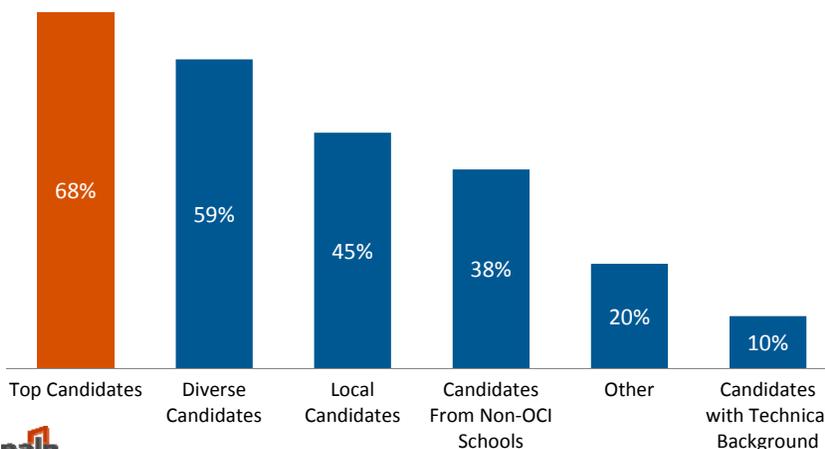
101 offices collectively reported 601 pre-OCI offers (up from 370 offers last year)



Source: 2016 Survey of Legal Employers on Recruiting.
Based on 365 total responses (104 offices reported making early offers, and 101 reported the number of offers made).

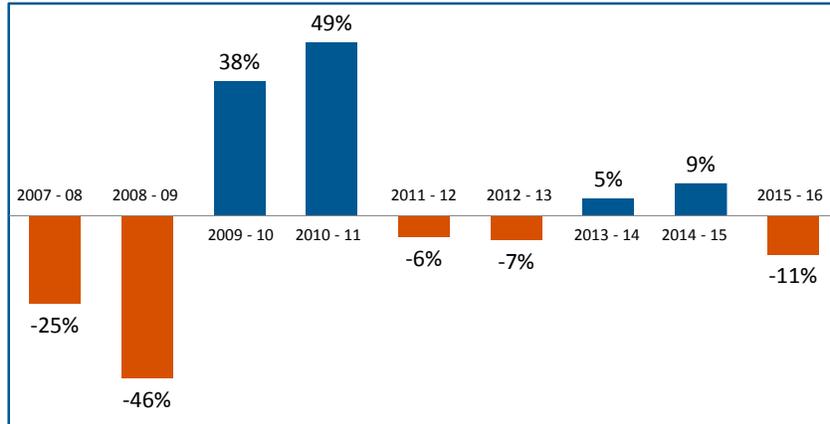
Offers Made Before OCI

To whom were these offers made?



Source: 2016 Survey of Legal Employers on Recruiting. Based on 104 responses.

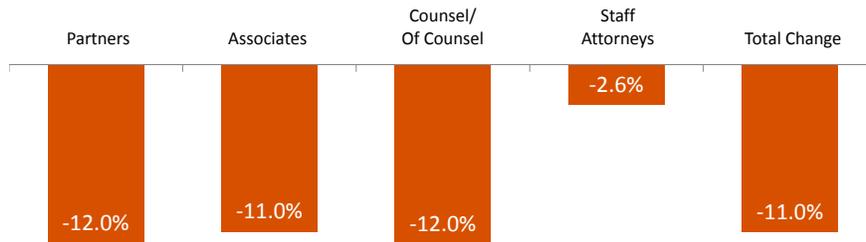
Lateral Hiring Volume (Change From Previous Year)



Source: 2008-2016 Survey of Legal Employers on Recruiting.

Lateral Hiring Volume (Change from 2015 to 2016)

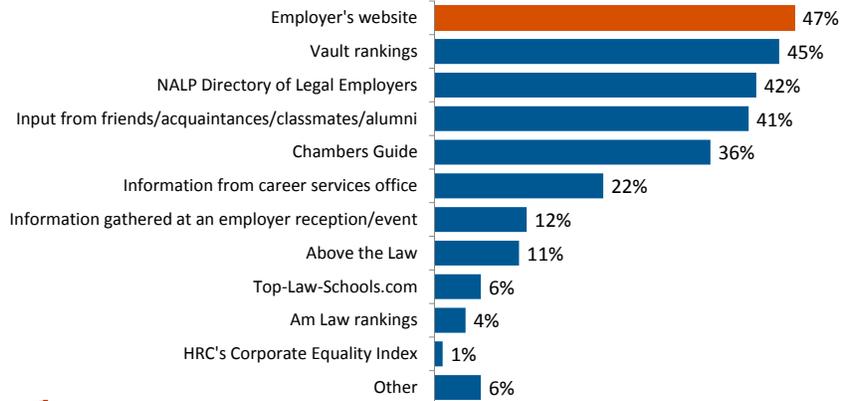
Change in the number of lateral lawyers hired by lawyer type



Source: 2016 Survey of Legal Employers on Recruiting.

Top Influences For Selecting Employers

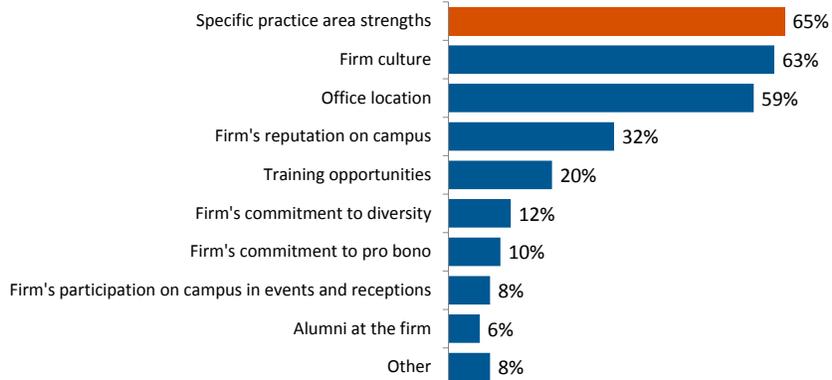
What **resources** most influenced your decision about which employers to apply to for screening interviews for a 2L summer 2017 job during Fall 2016 OCI?



Multiple responses permitted. Based on 796 responses.

Top Influences For Selecting Employers

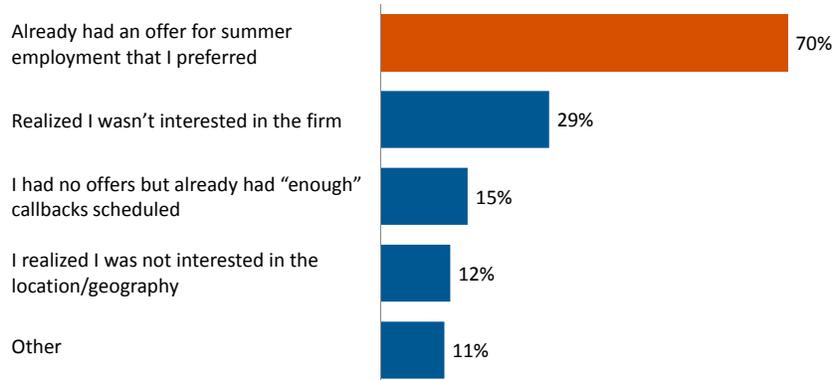
What **factors** most influenced your decision about which employers to apply to for screening interviews for a 2L summer 2017 job during Fall 2016 OCI?



Multiple responses permitted. Based on 796 responses.

Declining Callback Invitations

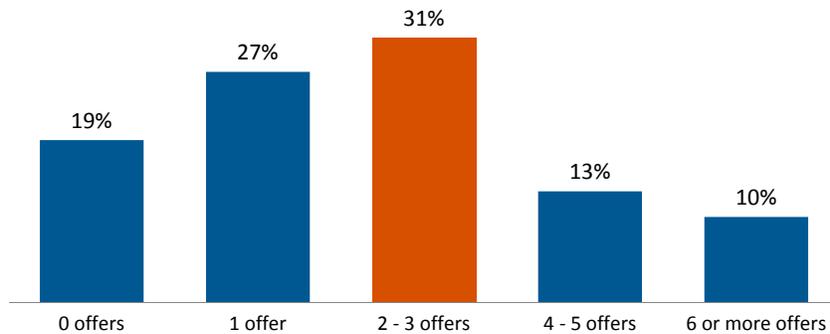
If you declined one or more callback invitation(s), why did you decline it/them?



Multiple responses permitted. Based on 430 responses.

Summer Associate Employment Offers

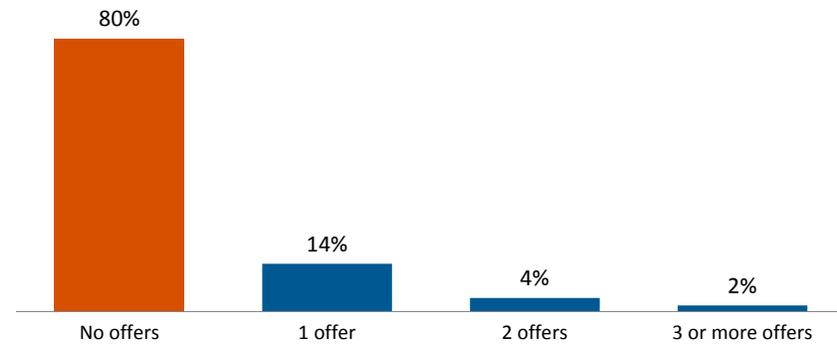
How many offers for summer associate employment did you receive?



Based on 781 responses.

Summer Associate Employment Offers

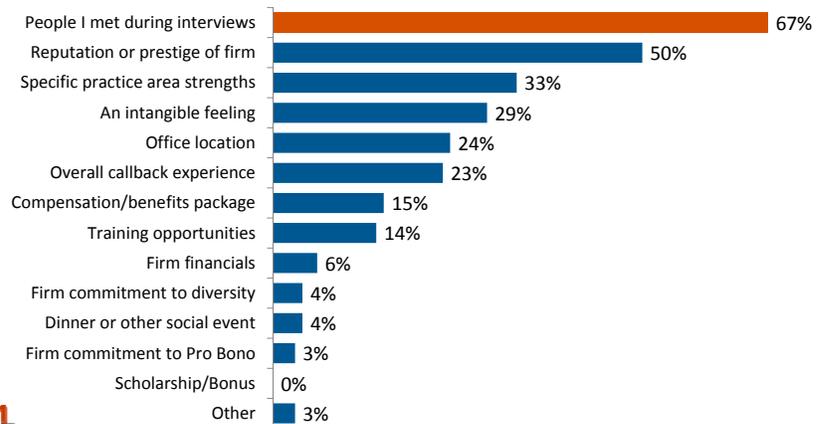
How many offers, if any, were extended prior to the start of the OCI program at your school?



Based on 636 responses.

Top Influences For Offer Acceptance

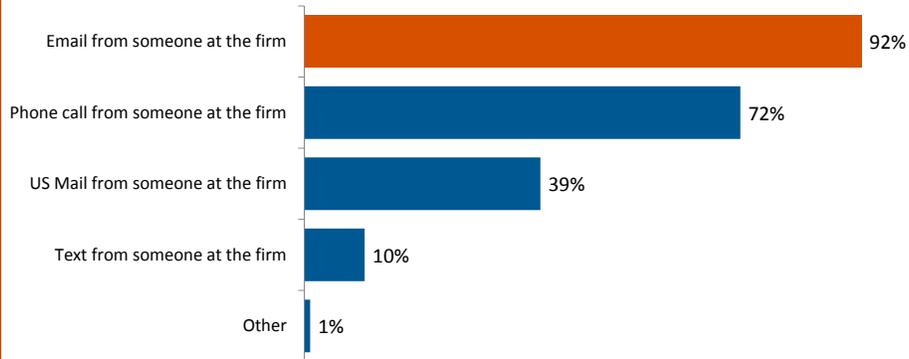
If you received multiple offers, what most influenced your decision about which offer to accept?



Multiple responses permitted. Based on 474 responses.

Student Expectations

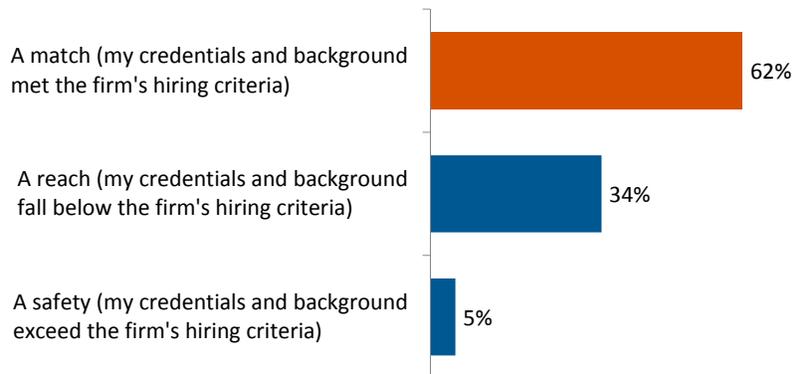
Following an offer, what sort of communication and/or follow-up from the firm would be welcome or expected?



Multiple responses permitted. Based on 632 responses.

Calculated Odds Prior to Acceptance

For the employer with which you ultimately accepted an offer for summer associate employment, did you previously perceive that employer to be:



Based on 624 responses.

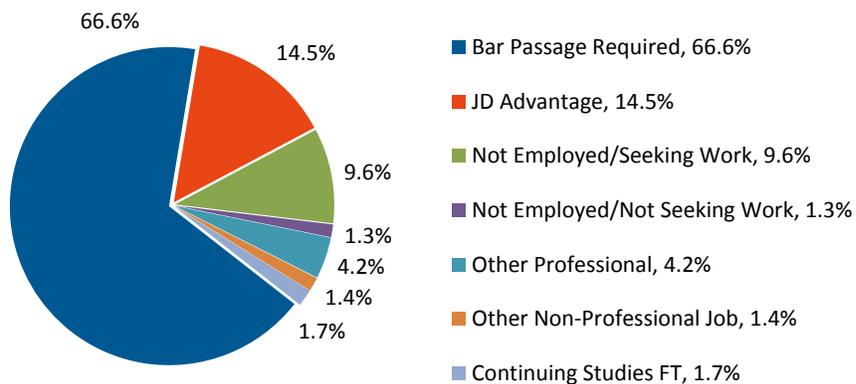
Employment Outcomes for the Class of 2015

- After rising in 2014 for the first time since the recession, **the employment rate for this class was absolutely flat at 86.7%.**
- The **actual number of jobs obtained went down** for the second year in a row.
- Only **BigLaw job numbers were up.**
- School-funded jobs were **down.**
- Bar Passage Required jobs were **up** slightly, and JD Advantage jobs were **down** slightly.
- The class found **the smallest number of jobs in private practice of any class since 1996.**



Source: NALP's Jobs & JDs, Class of 2015

Employment Outcomes for the Class of 2015: Employment Status, All Graduates



Number of Graduates: 38,627



NOTE: Jobs for which an offer has been accepted but for which the start date is deferred, and jobs for which job type, e.g. Bar Passage Required, was not specified, account for 0.74% and 0.05% of graduates, respectively, but are not shown on the chart.

Source: NALP's Jobs & JDs, Class of 2015

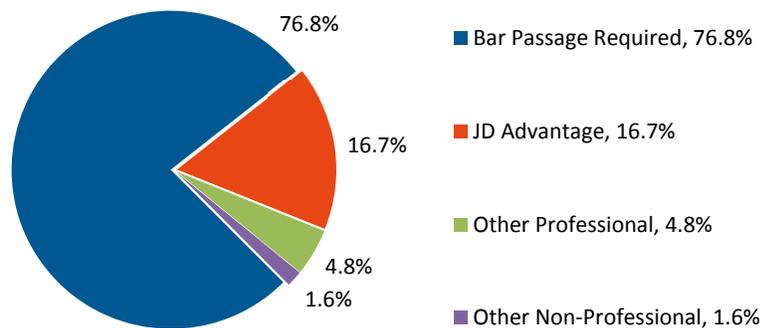
Law Graduate Employment Status: 2007 - 2015

| Job Type | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Bar Passage Req'd | 76.9% | 74.7% | 70.8% | 68.4% | 65.4% | 64.4% | 64.4% | 66.3% | 66.6% |
| JD Advantage | 7.7% | 8.1% | 9.2% | 10.7% | 12.5% | 13.3% | 13.8% | 14.8% | 14.5% |
| Other Professional | 5.1% | 4.9% | 5.4% | 5.6% | 5.3% | 4.9% | 4.7% | 4.2% | 4.2% |
| Other Non-Prof. | 1.3% | 1.3% | 1.8% | 1.9% | 1.9% | 1.8% | 1.6% | 1.4% | 1.4% |
| Continuing Studies | 2.3% | 2.4% | 3.1% | 2.9% | 2.3% | 2.1% | 1.8% | 1.6% | 1.7% |
| Seeking Job | 4.1% | 5.4% | 6.0% | 6.2% | 9.6% | 10.8% | 11.2% | 9.7% | 9.6% |
| Not Seeking Job | 1.7% | 2.3% | 2.7% | 3.2% | 2.5% | 2.1% | 1.7% | 1.3% | 1.3% |



Source: NALP's Jobs & JDs, Classes of 2007 - 2015

Employment Outcomes for the Class of 2015: Job Types of those Employed



Number of Jobs: 33,469

NOTE: Jobs for which job type, e.g. Bar Passage Required, was not specified account for 0.06% of jobs but are not shown on the chart.



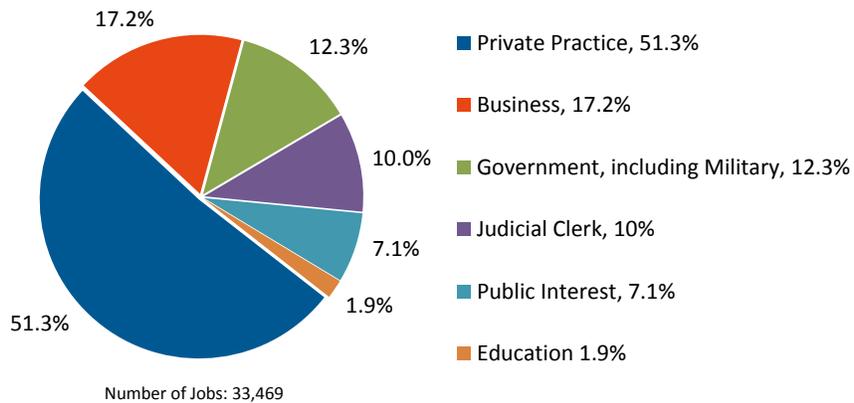
Source: NALP's Jobs & JDs, Class of 2015

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: 62%
- **Class of 2015: 63%**



Employment Outcomes for the Class of 2015: Employer Type



NOTE: The category for employer type unknown, accounting for 0.2% of jobs, is not shown.

Source: NALP's Jobs & JDs, Class of 2015

Law Graduate Employer Type: 2007-2015

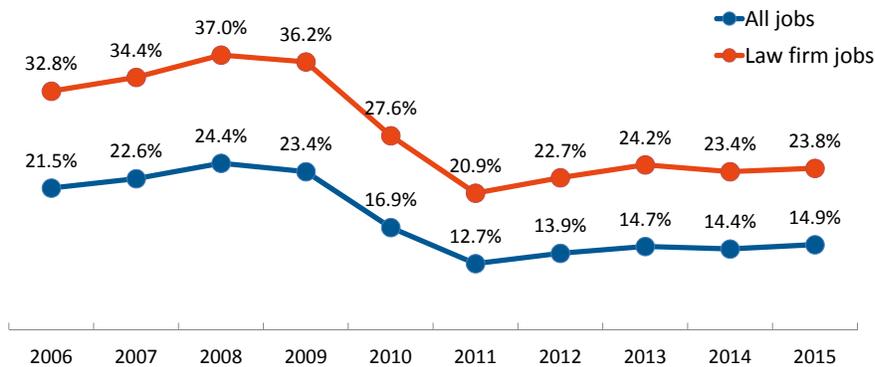
| Employer Type | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Private Practice | 55.5% | 56.2% | 55.9% | 50.9% | 49.5% | 50.7% | 51.1% | 50.9% | 51.3% |
| Business | 14.1% | 13.4% | 13.5% | 15.1% | 18.1% | 17.9% | 18.4% | 18.0% | 17.2% |
| Government, including military | 11.7% | 11.8% | 11.4% | 12.8% | 11.9% | 12.1% | 11.5% | 12.2% | 12.3% |
| Judicial Clerkships | 9.8% | 9.6% | 8.7% | 9.3% | 9.3% | 8.9% | 9.0% | 9.2% | 10.0% |
| Public Interest | 5.8% | 5.4% | 5.7% | 6.7% | 7.5% | 7.2% | 7.1% | 7.3% | 7.1% |
| Education | 1.8% | 2.3% | 3.5% | 3.7% | 3.0% | 2.7% | 2.6% | 2.1% | 1.9% |



Source: NALP's Jobs & JDs, Classes of 2007 - 2015

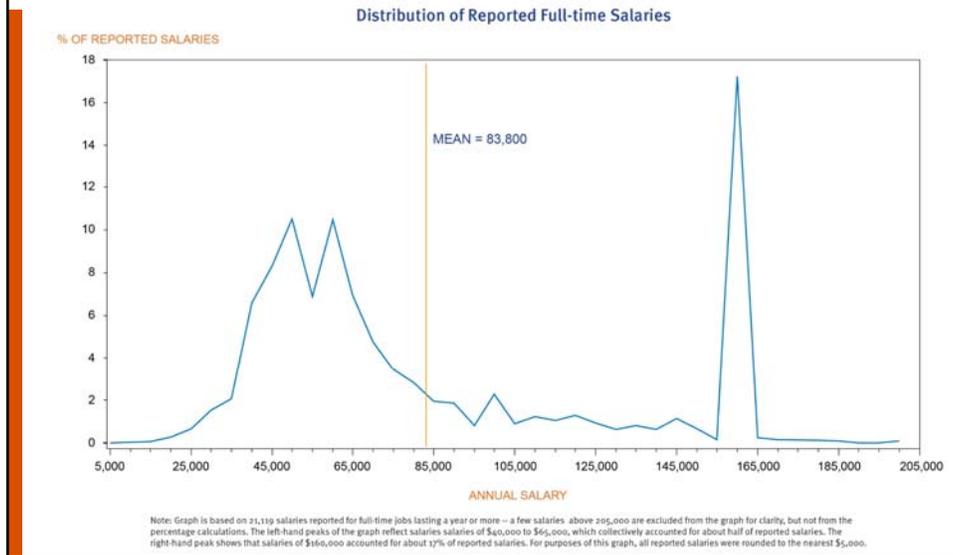
Decline in Jobs via OCI

Percentage of Jobs Obtained through Fall OCI, 2005 - 2015



Source: NALP's Jobs & JDs reports for the Classes of 2006 - 2015.

Bimodal Starting Salary Distribution for the Class of 2015



Median & Mean Starting Salaries: Classes of 2009 - 2015

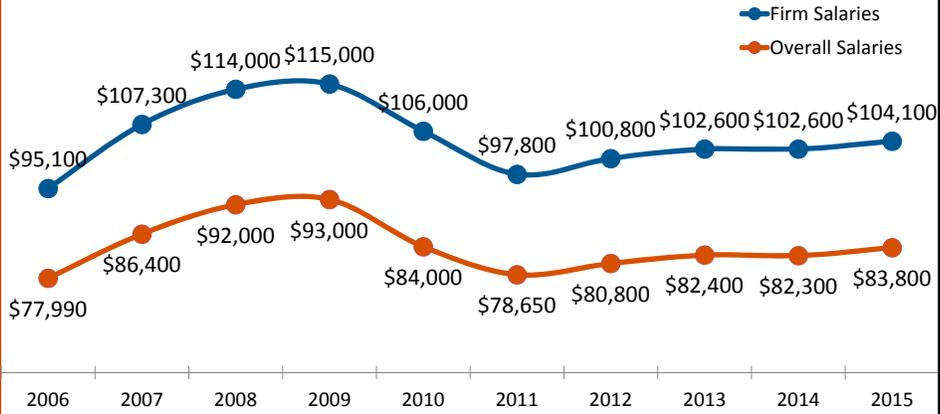
| Salary | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------|----------|----------|----------|----------|----------|----------|----------|
| Median Salary | \$72,000 | \$63,000 | \$60,000 | \$61,250 | \$62,470 | \$63,000 | \$64,800 |
| Mean Salary | \$93,000 | \$84,000 | \$78,650 | \$80,800 | \$82,400 | \$82,300 | \$83,800 |

| Salary | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------|-----------|-----------|----------|-----------|-----------|-----------|-----------|
| Median Firm Salary | \$130,000 | \$104,000 | \$85,000 | \$90,000 | \$95,000 | \$95,000 | \$100,000 |
| Mean Firm Salary | \$115,000 | \$106,000 | \$97,800 | \$100,800 | \$102,600 | \$102,600 | \$104,100 |

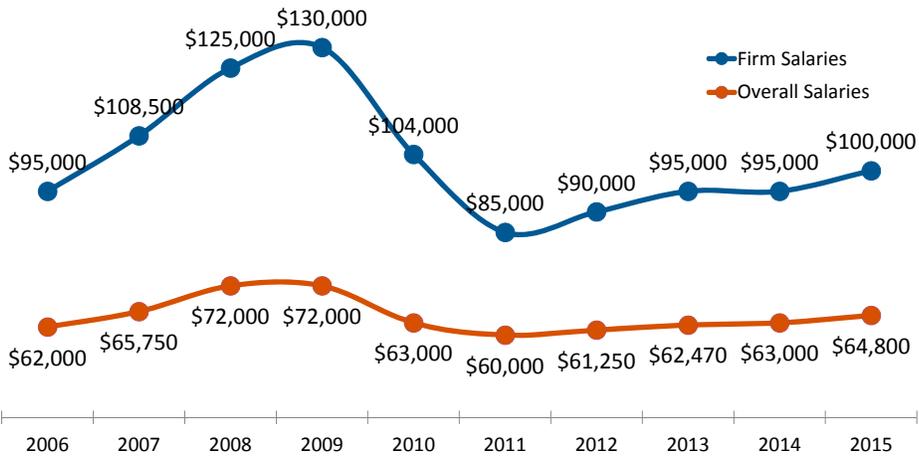


Source: NALP's Jobs & JDs, Classes of 2009 - 2015

Mean Salaries (Overall vs. Firm)



Median Salaries (Overall vs. Firm)



Source: NALP's Jobs & JDs, Classes of 2006 - 2015

Private Practice Employment Class of 2015

| Employment in Law Firms by Size of Firm | | |
|---|----------------------------------|-----------|
| Size of Firm | Percent of Private Practice Jobs | Subtotals |
| Solo | 3.4% | |
| 1 – 10* | 39.5% | |
| 11 – 25 | 10.2% | |
| 26 – 50 | 5.6% | 58.7% |
| 51 – 100 | 4.7% | |
| 101 – 250 | 5.6% | |
| 251 – 500 | 6.2% | |
| 501+ | 23.3% | 39.8% |
| Unknown | 1.5% | |

** Includes graduates whose employer is a solo practitioner.



Source: NALP's Jobs and JDs, Class of 2015

Private Practice Employment by Law Firm Size: 2009 - 2015

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------|--------------|-------|--------------|--------------|-------|-------|--------------|
| Solo* | 5.3% | 5.7% | 6.0% | 5.1% | 4.8% | 4.4% | 3.4% |
| 1 – 10** | 33.5% | 39.1% | 42.9% | 43.0% | 42.0% | 41.3% | 39.5% |
| 11 – 25 | 7.6% | 8.9% | 10.5% | 9.9% | 10.0% | 10.1% | 10.2% |
| 26 – 50 | 4.7% | 5.3% | 6.1% | 5.7% | 5.6% | 5.6% | 5.6% |
| 51 – 100 | 4.5% | 4.2% | 5.0% | 4.5% | 4.5% | 4.3% | 4.7% |
| 101 – 250 | 7.0% | 5.6% | 5.7% | 5.5% | 5.4% | 5.9% | 5.6% |
| 251 - 500 | 7.3% | 6.0% | 5.0% | 5.3% | 5.5% | 5.9% | 6.2% |
| 501+ | 25.6% | 20.5% | 16.2% | 19.1% | 20.7% | 21.3% | 23.3% |
| Unknown | 4.6% | 4.9% | 2.6% | 1.9% | 1.5% | 1.4% | 1.5% |

*Graduates who started their own practice

** Includes graduates whose employer is a solo practitioner



Source: NALP's Jobs & JDs, Classes of 2009 - 2015

Starting Salaries in Private Practice Class of 2015

| Median Starting Salaries by Size of Law Firm | |
|--|-----------------|
| Firm Size | Starting Salary |
| 1 – 10 | \$53,000 |
| 11 – 25 | \$65,000 |
| 26 – 50 | \$75,000 |
| 51 – 100 | \$88,000 |
| 101 – 250 | \$110,000 |
| 251 - 500 | \$160,000* |
| 501+ | \$160,000* |

*\$160,000 is also the prevailing salary and the 75th percentile salary for both law firm size categories and for the largest firms of more than 501 lawyers it is also the 25th percentile salary.



Source: NALP's Jobs and JDs, Class of 2015

Government Employment Class of 2015

| Distribution of Jobs by Level of Government | |
|---|-----|
| Federal | 27% |
| State | 36% |
| Local | 36% |

| Starting Salaries by Level of Government | | | |
|--|--------------------|----------|--------------------|
| Government Level | 25 th % | Median | 75 th % |
| Federal | \$52,000 | \$63,000 | \$72,200 |
| State | \$41,000 | \$48,500 | \$58,000 |
| Local | \$48,000 | \$57,000 | \$62,000 |

Source: NALP's Jobs and JDs, Class of 2015



Judicial Clerkships Class of 2015

Distribution of Clerkships by Level of Government

| | |
|---------|-----|
| Federal | 37% |
| State | 55% |
| Local | 8% |

Starting Clerkship Salaries by Level of Government

| Government Level | 25 th % | Median | 75 th % |
|------------------|--------------------|----------|--------------------|
| Federal | \$58,000 | \$61,000 | \$64,000 |
| State | \$46,000 | \$48,000 | \$54,500 |
| Local | \$37,000 | \$45,000 | \$49,000 |

Source: NALP's Jobs and JDs, Class of 2015



Public Interest Employment Class of 2015

Distribution of Jobs in Public Interest

| | |
|------------------------|-----|
| Public Defender | 30% |
| Legal Services | 30% |
| Policy/Advocacy | 19% |
| Community Organization | 6% |
| Other Public Interest | 15% |

Starting Salaries for Public Interest Jobs

| 25 th % | Median | 75 th % |
|--------------------|----------|--------------------|
| \$41,300 | \$47,000 | \$55,000 |

Source: NALP's Jobs and JDs, Class of 2015



Employment in Business Class of 2015

- 17% of all jobs taken by law school graduates
 - 26% Required Bar Passage
 - 49% Reported as JD Advantage
 - 17% Reported as “Other Professional”
 - 8% Reported as “Non-professional” or Unknown

Starting Salaries for Jobs in Business and Industry

| 25 th % | Median | 75 th % |
|--------------------|----------|--------------------|
| \$55,000 | \$70,000 | \$89,500 |

Source: NALP's Jobs and JDs, Class of 2015



Employment in Business Class of 2015

Employer Type

| | |
|---------------------------|-------|
| Banking/Finance | 13.6% |
| Technology (non-law) | 7.0% |
| Legal Temp Agency | 6.6% |
| Accounting | 6.1% |
| Insurance | 5.7% |
| Management Consulting | 3.5% |
| Entertainment/Sports Mgt. | 3.3% |
| Legal Technology | 2.2% |
| Legal Process Outsourcers | 1.4% |
| Other | 50.6% |



Source: NALP's Jobs and JDs, Class of 2015

Employment in Business Class of 2015

Job Type

| | |
|---------------------|-------|
| In-House | 14.4% |
| Compliance | 10.0% |
| Management | 8.0% |
| Temporary Legal | 5.8% |
| Consulting | 5.7% |
| Marketing/PR | 4.8% |
| Tax Associate | 4.0% |
| Self-employed | 3.7% |
| Law Clerk/Paralegal | 3.0% |
| E-discovery | 1.1% |
| Other | 39.5% |



Source: NALP's Jobs and JDs, Class of 2015

Employment in Education Class of 2015

| Job Type | Percentage | |
|--|------------|--------------------|
| Law School Fellow/Research Assistant or Other Temporary Position | 25% | |
| Other Law School | 7% | |
| College/University Administration | 21% | |
| Other College/University | 16% | |
| Elementary/Secondary Teacher | 18% | |
| All Other | 13% | |
| Starting Salaries for Academic Jobs | | |
| 25 th % | Median | 75 th % |
| \$41,300 | \$50,000 | \$60,000 |



Source: NALP's Jobs and JDs, Class of 2015

Law School Funded Jobs: 2011 - 2015

| All Jobs | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------|-------|-------|-------|-------|------|
| Total Jobs | 1,735 | 1,575 | 1,701 | 1,445 | 935 |
| Percent of all Jobs | 4.9% | 4.2% | 4.5% | 4.0% | 2.8% |

| FT, LT, Bar Passage | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|------|-------|-------|-------|-------|
| Total Jobs (Full-time, Long-term, Bar Passage Required) | 132 | 420 | 743 | 800 | 628 |
| Percent of All School Funded Jobs (Full-time, Long-term, Bar Passage Required) | 7.6% | 26.7% | 43.7% | 55.4% | 65.8% |



Source: NALP's Jobs & JDs, Classes of 2011 - 2015

