



## FOR IMMEDIATE RELEASE

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### **Market for Law Graduates Changes with Recession: Class of 2009 Faced New Challenges**

The *Jobs & JDs* report for the Class of 2009 just released by NALP marks the 36th consecutive year in which NALP has gathered information on the employment status and earnings of recent law school JD graduates, and the new report also introduces significant changes in the way NALP analyzes and presents the information gathered. New or different features of the report include the introduction of “adjusted” salary means; more reporting of the extent to which graduates took jobs that are part-time or temporary; and new and revised sidebars to provide historical perspective for certain measures.

As has been the case since its founding in 1971, NALP is in a unique position to report on the employment and earnings of recent law graduates. In an age when much analysis is based on small samples, NALP’s Class of 2009 *Jobs & JDs* report is based on information submitted by 192 ABA-accredited law schools on 96% of the graduates in the Class of 2009.

#### **Salary Findings**

The national median salary for the Class of 2009, based on those working full-time and reporting a salary, was \$72,000, unchanged from that for the Class of 2008, and the national mean was \$93,454. However, because some large law firm salaries cluster in the \$160,000 range while many other salaries cluster in the \$40,000–\$65,000 range, relatively few salaries were actually near the median or mean, as the *Jobs & JDs* report details. The national median salary at law firms based on those reporting a salary was \$130,000, compared with \$125,000 the prior year, and the national mean at law firms was \$115,254.

With the Class of 2009 report NALP introduces the concept of an adjusted mean as an additional way to provide a broad measure of salaries for full-time jobs as a whole and for full-time jobs in law firms. Essentially, the adjusted mean compensates for the fact that the distribution of reported full-time salaries is not the same as the distribution of reported full-time jobs, particularly when it comes to law firm jobs. Whereas salaries for most jobs in large law firms are matters of public record and reported, fewer than half the salaries for jobs in small law firms are reported. The calculation of adjusted means is accomplished by giving more “weight” to the mean or average salary in small firms and less “weight” to the mean or average salary in large firms to calculate the overall law firm mean and also the adjusted mean for all full-time jobs. In other words, adjusted means are based on estimates that account for the unreported salaries.

The adjusted mean for all full-time jobs reported was \$85,198 (in contrast to the unadjusted national mean of \$93,454), and the adjusted mean for full-time law firm jobs was \$102,959 (in contrast to the unadjusted mean of \$115,254).

According to James Leipold, NALP's executive director, "As a matter of consumer information, especially for students who are considering applying to law school, the adjusted mean provides a better benchmark than the unadjusted mean, because it accounts for the larger number of lower salaries that are not reported. Nevertheless, the overall mean for starting salaries, whether adjusted or unadjusted, is best used to measure the rise and fall of aggregate salaries over time, and not the likelihood of earning a particular salary when graduating from law school. As the distribution of starting lawyer salaries makes clear, very few new law school graduates earn anything close to the mean. Instead, many graduates will earn much more than the mean salary, and many more will earn much less." The bimodal salary distribution for the Class of 2009 can be found on the NALP website at [www.nalp.org/salarydistrib](http://www.nalp.org/salarydistrib).

Medians for government, judicial clerkships, and public interest jobs changed little from 2008 at \$52,000, \$50,000, and \$42,800 respectively — and because salary figures in these employment settings are much more homogenous and not particularly subject to disproportionate reporting, adjusted salary means are not calculated for these employer types.

The full *Jobs & JDs* report provides salary tables by state, region, city, employment type, firm size (within the section on private practice salaries), and more.

### **Overall Employment Rate**

The overall employment rate of 88.3% for Class of 2009 graduates for whom employment status was known represents a 3.6 percentage point drop from the recent historical high of 91.9% for the Class of 2007 and masks a number of weaknesses in the job market faced by this class. For example, separate research from NALP found that between 3,200 and 3,700 graduates who reported jobs in law firms had their start dates deferred beyond December 1, 2009. In addition, a far higher percentage of this class reported employment that was temporary, with 41% of public interest jobs reported as being temporary, 30% of business jobs being reported as temporary, 69% of academic 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 that includes judicial clerkships.

NALP also found that 21.6% of Class of 2009 graduates who reported being employed were seeking a different job. NALP first started collecting information on the search status of employed graduates with the Class of 1994, which also faced a challenging market, and found that almost 23% of Class of 1994 graduates were seeking a different job. The rate dropped from 23% to about 11% in 2000, but has risen since and took a particularly sharp upturn for the Class of 2009, after hovering in the mid-teens for a number of years.

"The job market for the Class of 2009 was very different than it was for the classes that immediately preceded it," according to Leipold, "and we have gone to great lengths to try to measure and describe some of those differences. Members of this graduating class were more likely to be working part-time, working in a

temporary job, working in a job that does not require a JD, working as a solo practitioner, or working but still looking for another job, than their peers who graduated in the classes before them. This volume of *Jobs & JDs* describes those differences in great detail.”

### **Employment Settings**

As in all prior years that NALP has collected job information for new graduates, the most common employment setting was that of private practice at law firms, reported by 55.9% of the members of the Class of 2009 who provided employment information. This figure has fluctuated only between 55% and 58% since 1993. Over one-quarter (25.8%) of Class of 2009 graduates who reported being employed on February 15, 2010, were working in public service positions, including government jobs, the military, judicial clerkships, and public interest positions. This percentage has also remained relatively stable for almost three decades. Employment in business was 13.5%, essentially unchanged from 2008, and still within the 13-14% range reported for the last six years. At 3.5%, the percentage of jobs in academia was the highest ever recorded by NALP, with the number of jobs up by over 400 compared with the Class of 2008. Although not tracked specifically, information reported on these jobs suggests that much of the increase may be accounted for by schools’ efforts to provide post-graduate job opportunities in a tight job market. Some of these efforts predate the recession but may have expanded in light of the recession.

The full *Jobs & JDs* report for the Class of 2009 offers analyses of the number of jobs within the various employment types that were “bar passage required” or “JD preferred” — another important factor in understanding what the overall employment rate for the Class of 2009 represents.

### **Additional Findings**

As in past years of NALP’s annual survey of recent law school graduates, the *Jobs & JDs* report for the Class of 2009 also presents analyses showing how employment experiences varied by race/ethnicity, gender, and age. Findings based on law school characteristics are also presented, as well as extensive geographic analyses not only of salaries but also of supply and demand.

Other factors analyzed include the timing of job offers by employer type, the sources of jobs by timing of offers, and the search status of employed graduates by employment type and by demographic characteristics of the graduates.

“There is not a single legal employment market for new law school graduates,” NALP’s Leipold concludes. “Instead, there are many micro job markets that vary greatly by geography, sector, and size of the employer. Each of these markets varies as to starting salary, the timing of hiring, and the profile of the graduates who find work in them. Just as an average starting salary cannot describe the likelihood of a particular starting salary for any one law school graduate, there is no single set of statistics that can predict employment opportunities for a single graduate. Consumers of legal education and those who study the legal employment market need to consider the broad array of factors that influence the initial employment outcomes for new lawyers. NALP’s annual employment report remains the most comprehensive source of data and information about the entry-level market for law school graduates, and this latest edition is particularly helpful as it describes many of the changes in the job market that have come about as a result of the recession.”

A full copy of *Jobs & JDs: Employment and Salaries of New Law Graduates — Class of 2009* is available from the NALP bookstore at [www.nalp.org](http://www.nalp.org), and a summary of selected findings entitled “Employment for the Class of 2009 — Selected Findings” can be found at [www.nalp.org/classof2009](http://www.nalp.org/classof2009).

**About NALP:** Founded in 1971, the National Association for Law Placement, Inc.<sup>®</sup> (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/pressreleases](http://www.nalp.org/pressreleases). For additional information about NALP research, contact Judith Collins ([jcollins@nalp.org](mailto:jcollins@nalp.org)), Director of Research, or James G. Leipold ([jleipold@nalp.org](mailto: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.