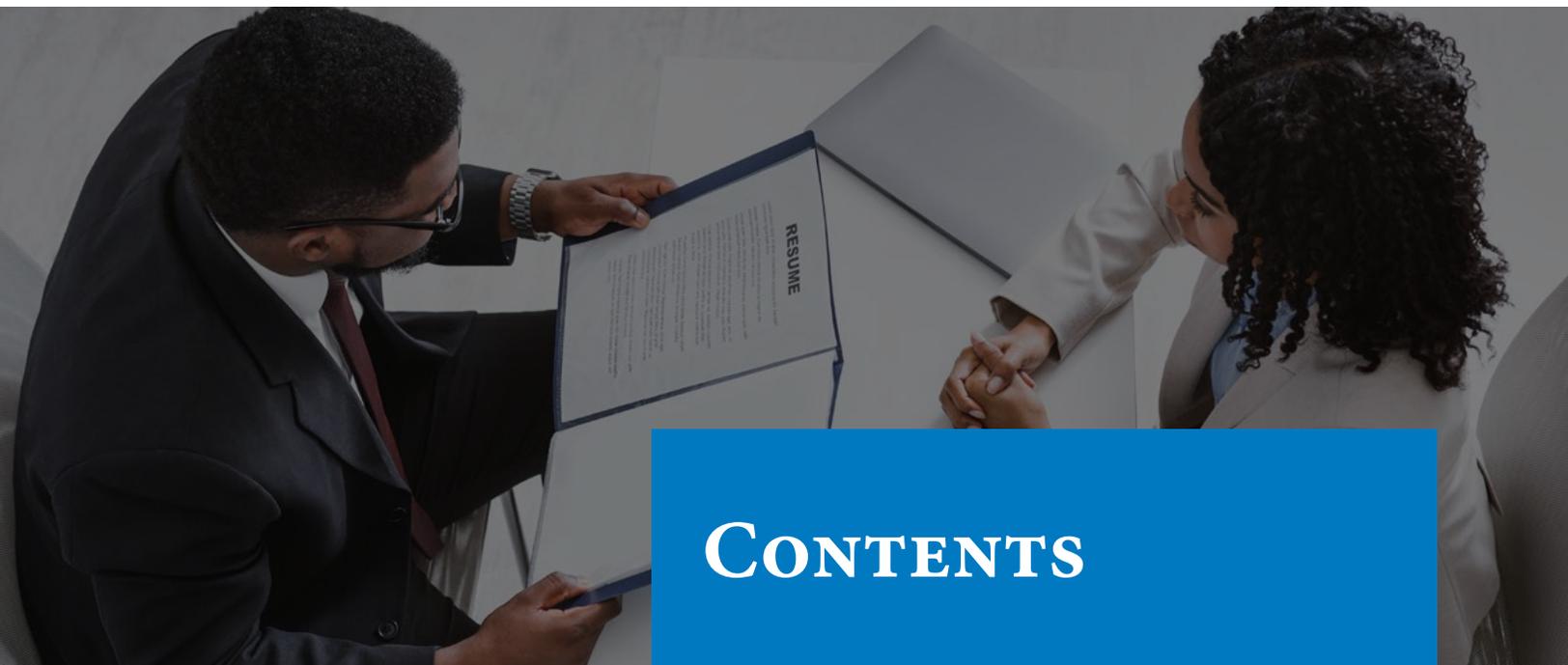




Jobs & JDs
Employment for the Class of 2022
SELECTED FINDINGS

Employment Market for Class of 2022 Law
Graduates Reaches 35-Year High



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Class of 2022 Employment and Salary Outcomes Shatter Records — Future Classes May Face a Tougher Market

Commentary and Analysis by Nikia L. Gray, Executive Director

Last year we remarked on the incredible rebound the legal market underwent in a single year, due to the pent-up demand for legal services after the COVID-19 pandemic shutdown that drove the Class of 2021 to the highest employment rates recorded since the Great Recession. This year's data demonstrates that the vigorous market recovery combined with the so-called "talent wars" propelled the Class of 2022 beyond even the impressive employment outcomes of the Class of 2021, in several cases shattering employment and salary records all together. As remarkable as the last two years of employment outcomes are, however, they should be viewed with a wary eye; 2023 has been marked with news of a cooling legal market, associate layoffs, and delayed start dates suggesting that we have been experiencing a brief market correction after the pandemic recovery and that future graduates may face a more challenging — or at least average — job market.

The Class of 2022 surpassed recent records on all four of the primary markers that correlate with the strength of the legal employment market. At 92.1%, the Class of 2022 achieved the highest overall employment rate in 35 years — since the Class of 1987. A record-setting 79.9% of graduates were employed in positions for which bar passage was required, a figure that surpasses the record set by the Class of 2021 by more than 1.5 percentage points. This rate dropped a mere half a percentage point when adjusted for those working in part-time positions, making the rate of employment for the Class of 2022 in full-time, long-term positions for which bar passage was required 79.4%, a 2.1 percentage point increase from last year and another record high. Finally, at 58% of all jobs, employment in private practice was the highest in 20 years.

One notable change exhibited in the data is a post-pandemic shift in the industry segments in which graduates are obtaining jobs. Private practice employment, which has historically been the number one employment type for graduates and still remains so, has shifted away from small firms over the last two years and toward what is commonly referred to as "BigLaw." More specifically, the majority of graduates entering private practice have traditionally taken positions in the smallest law firms (1-10 lawyers) with the gap between the percentage employed at these smallest firms compared with the percentage employed at the largest firms (501+ lawyers) increasing during economic downturns and decreasing during economic booms.

However, last year the percentage of employed graduates in private practice who secured positions at the largest law firms actually exceeded the percentage who secured positions at the smallest law firms for the first time. That shift continued with the Class of 2022 with 32.8% of the private practice positions being in firms of 501+ lawyers and only 28.5% being in firms of 1-10 lawyers — the lowest recorded rate of employment at the smallest firms since 1989.

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The shift is even more prevalent when we look at the actual number of jobs. At 6,145, the number of first-year jobs at the largest law firms grew by nearly 21% since 2020. By comparison, the number of first year jobs at the smallest law firms shrank by over 2% during this same time frame. The data is of course reflecting the red-hot recruiting market seen in 2021 through the second quarter of 2022, and while that created a brief increased demand for talent in BigLaw that clearly affected the employment outcomes of the last two classes, that demand has now petered out, likely making this shift towards heightened employment in BigLaw a brief abnormality and not an ongoing trend. Current expectations are that we will see the private practice employment market realign with historic trends and that both the overall private practice employment figures and the rate of employment at the biggest firms will decrease with the next few graduating classes. That said, BigLaw employment figures are still likely to remain above their pre-Great Recession levels due to several law firm mergers and acquisitions that have increased the number of firms that now fall into the 501+ category.

Further post-pandemic employment shifts were also seen in the public sector. For the Classes of 2020 and 2021, the employment rate in public interest was 8.7%, a record high at the time. The Class of 2022 surpassed this, reaching a new all-time high in both percentage of all jobs (9.2%) and total number of jobs (2,983). While the data does not tell us why we seem to be tracking a renaissance in public interest work, much has been made about Gen Z's desire for meaningful work and their drive to do public service. Given that this cohort now makes up the majority of law school graduates, it is possible that we are seeing that interest reflected in the career choices of this group, suggesting that this positive trend could continue longer term.

The most dramatic shift has been in the rate of employment in business, although this change started pre-pandemic. Historically business has been the second most common employer type for graduates. In 2019 and 2020, however, business fell to fourth place. We saw it recover slightly in 2021 to come in at third place, but in 2022 it fell back to fourth place. At 9.8%, the Class of 2022 had the lowest rate of employment in business in 30 years – since 1992.

To put that further into context, in terms of number of jobs, there were only about 175 more jobs in business than for public interest. For comparison, for the Class of 2013, there were approximately 4,200 more jobs in business than in public interest. In fact, if the present downward trend continues, it is conceivable that the rate of employment in public interest will eclipse that of business in the next few years. It is too soon to predict, however, whether that is likely to happen; the rate of employment in business tends to trend upwards during recessions so much may depend on the outcome of the present economic volatility.

With such a large percentage of graduates heading into private practice and to the largest law firms specifically, the median salary for the Class of 2022 increased to \$85,000, up \$5,000 from the record high set by the Class of 2021. More impressively, the median law firm salary reached a new record of \$150,000 — up more than 14% as compared to the Class of 2021. Notably, median salaries increased across all firm sizes and all employer types, indicating that the multiple rounds of pay-raises and bonuses that defined the talent wars of

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2021 and 2022 cascaded through the industry at a highly accelerated rate, with all industry segments feeling the pressure to remain competitive. However, with the employment outcomes in the private sector expected to shift back to historic norms with the next few graduating classes, it would not be surprising to see the median salary figures trend downwards in the next few years.

The employment outcomes for the Class of 2022 were remarkable, shattering many records, but the market reversal over the last 12 months suggests we are seeing the top of an employment curve that is now on its way down rather than an ongoing upward trend. While the Class of 2023 is likely to still have strong employment numbers, as many of those graduates secured their positions prior to the market flip, it's unlikely we'll continue to see record setting figures.

More concerning though is what will happen with the Class of 2024. With first-year enrollment for that class up 12% compared to the Class of 2023, we can expect the size of the graduating Class of 2024 to be the largest we have seen in recent years, raising the spectre of whether the job market will grow in tandem over the next year to absorb the additional graduates. As the present indications are not favorable, the Class of 2024 may face a tougher job market than seen in recent years. ■

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EMPLOYMENT MARKET FOR CLASS OF 2022 LAW GRADUATES REACHES 35-YEAR HIGH

A Summary of the Findings by Danielle A. Taylor, Director of Research

One year ago, the Class of 2021 achieved some of the strongest employment outcomes that NALP has ever recorded; however, the Class of 2022 entered an even more robust employment market for new law graduates, shattering many of the highs notched by the previous class. Among other benchmarks, the Class of 2022 attained the best employment rate in 35 years, a record share of graduates working in bar passage required jobs, and new highs in average and median salaries.

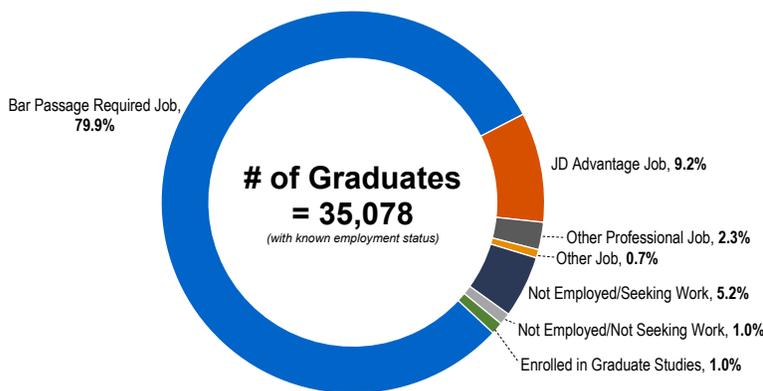
After a 3.5 percentage point increase for the Class of 2021, the employment rate improved by an additional 0.2 percentage point for the Class of 2022, to 92.1% of graduates for whom employment status was known. This is the best employment rate recorded since the Class of 1987, when

the rate was just slightly higher, at 92.2%¹, and marks an increase of 7.6 percentage points since the post-Great Recession low of 84.5% for the Class of 2013. The total number of jobs obtained grew for the second year in a row, increasing by approximately 450 jobs compared to the Class of 2021. This increase can be attributed to both the higher employment rate, as well as a Class of 2022 that was about 370 graduates larger than the previous class. This was the third consecutive year of increasing class sizes.

¹ With the Class of 2014, NALP began measuring the employment rate of law graduates as of March 15, or 10 months after a typical May graduation. From 1996-2013 employment status had been measured as of February 15 (9 months post-graduation), and prior to 1996 employment was measured as of 6 months post-graduation, an important distinction when making comparisons with employment rates prior to 2014.

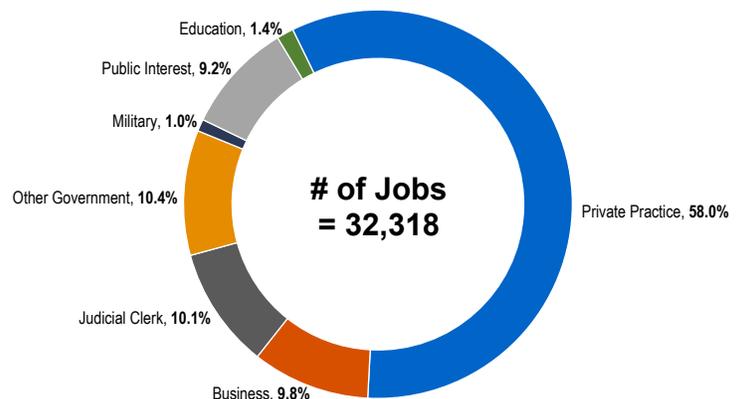
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Employment Status
Class of 2022 — as of March 15, 2023



Note: Jobs for which an offer has been accepted but for which the start date is deferred, and jobs for which type, e.g., bar passage required, was not specified account for 0.67% and 0.05% of graduates, respectively, but are not shown in the chart.

Employment Types
Class of 2022 — as of March 15, 2023



Note: Figures in this chart reflect all job types — both legal and other. For clarity, the category for unknown employer type, representing, 0.11% of jobs, is not shown. Overall, 97.5% of jobs were reported as full-time.

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Beyond the improvement in the overall employment rate, another historic high obtained by the Class of 2022 was the percentage of graduates taking jobs for which bar passage is required or anticipated. Following a 3.6 percentage point increase for the Class of 2021, this percentage grew by an additional 1.7 percentage points to 79.9% for the Class of 2022 — reaching a new all-time high for the period since 2001 when NALP began using the current job classifications. Overall, the percentage of jobs for which bar passage is required or anticipated has increased by 15.5 percentage points since reaching a low of 64.4% for the classes of 2012 and 2013. A major factor contributing to this increase has been employment growth in the largest firms of more than 500 lawyers, both in percentage terms and overall job numbers.

The record overall employment rates persist even when full-time, long-term positions are considered separately from short-term or part-time positions. The percentage of 2022 graduates employed in full-time, bar passage required jobs was 79.4%, a 2.1 percentage point increase over the Class of 2021. Further, the percentage employed full-time in jobs requiring bar passage and lasting at least one year was 78.9%, up 2.2 percentage points compared to 2021. This percentage has grown by 22 points since the Class of 2011.

An additional 9.2% of graduates obtained jobs for which a JD provides an advantage in obtaining the job, or may even be required, but for which bar passage is not necessary. (These are often described as law-related

jobs.) This figure fell by 1.4 percentage points in comparison to the Class of 2021, and is at its lowest level since the Class of 2009, when it was also 9.2%.

The percentage of graduates employed in other capacities was 3.0%, unchanged from last year. The unemployment rate, counting both graduates still seeking a job and those not seeking, inched down slightly for the Class of 2022, decreasing from 6.3% for the Class of 2021 to 6.2%. This is the lowest unemployment rate recorded since the Class of 2007, when it was 5.8%. Of the remaining graduates for whom employment status was known, 0.7% had accepted a job as of March 15, 2023, but had not yet started that job, and 1.0% were enrolled in graduate studies.

The percentage of jobs reported as part-time fell to 2.5%, down from 3.1% for the Class of 2021. Just 0.9% of jobs this year were both temporary (defined as lasting less than one year) and part-time, down from 1.1% for 2021. This compares to figures of 2.7-2.8% observed for the classes of 2013-2016.

Employment in Private Practice at a 20-Year High, Powered by Continued Job Growth in the Largest Firms

For the Class of 2022, 58.0% of employed graduates obtained a job in private practice, an increase of 1.0 percentage point over 2021, and the highest this percentage has been since 2002 when the figure was 58.1%. For most of the nearly 50 years in which NALP has collected employment

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78.9%

Of graduates* were employed in a full-time, long-term bar passage required job.

**with known employment status*

97.5%

Of jobs were full-time.

32.8%

Of law firm jobs were in firms of more than 500 lawyers.

\$85,000

National median salary for employed graduates reporting salary information.

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information, the percentage of jobs in law firms has been in the 55-58% range and has been below 55% during only two time periods — prior to 1981 and from 2010-2018.

In addition to the growth in the percentage of law firm jobs, the overall total number of jobs in the sector rose for the fifth year in a row, after declining from 2014-2017, but still remains below pre-Great Recession levels. Specifically, the number of private practice jobs for the Class of 2022 increased by more than 660 jobs compared to 2021, however it is still down by approximately 1,860 total jobs when compared to the Class of 2007.

This rise in the total number of law firm jobs for the Class of 2022 can be attributed to an increase in job numbers across all firm sizes of more than 10 lawyers. However, the bulk of this growth can be credited to increasing entry-level employment at the largest firms — those with more than 500 lawyers — which increased by 400 jobs, pushing their share of law firm jobs up from 31.8% in 2021 to 32.8% for the Class of 2022. This

figure is more than double the 16.2% of all law firm jobs in the largest firms in 2011 and is even higher than the pre-Great Recession levels of over 25% in 2008 and 2009. In addition, the nearly 6,150 jobs taken by the Class of 2022 in the largest firms is a new all-time high and is also more than twice the number recorded for the Class of 2011.

At the other end of the spectrum, jobs in the smallest firms of 1-10 lawyers (which includes graduates working for a solo practitioner) accounted for 28.5% of law firm jobs, down from 30.7% for the Class of 2021. The percentage of jobs in the smallest firms is now at its lowest level since 1989, when it was 24.0%. This was also the second year in which the number of jobs taken in the largest firms of more than 500 lawyers surpassed the number of jobs in firms of 1-10 lawyers. This large firm advantage grew from about 200 jobs for the Class of 2021 to approximately 800 jobs for the Class of 2022. By contrast, from 2011 to 2013, the number of jobs in firms of 1-10 lawyers was more than double the number of jobs in the largest firms.

Private Practice Salaries Soar, But Salaries Rise Across All Employment Sectors

Salary information was provided for 69.9% of the jobs reported as full-time and lasting at least one year. The national median salary for the Class of 2022 based on these reported salaries grew to an all-time high of \$85,000, up 6.3% compared to the median of \$80,000 for the Class of 2021. This is the fourth year in a row in which the median salary has risen. In the aftermath of the Great Recession, median salaries fell, and it took until the Class of 2019 for the median to surpass its pre-recession peak of \$72,000 for the classes of 2008 and 2009. The national mean, or average, salary for the Class of 2022 was \$116,398, also up 6.3% when compared to \$109,469 for the Class of 2021.

In the latter part of 2021 and early part of 2022, there were several publicly announced salary increases by large firms — with some firms in major cities now paying entry-level salaries of \$215,000. This resulted in three distinct peaks on the right-side

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Table 1. Median Starting Salaries by Class Year, 2008-2022

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Change 2021 – 2022
Overall Median	\$72,000	\$72,000	\$63,000	\$60,000	\$61,245	\$62,467	\$63,000	\$64,800	\$65,000	\$70,000	\$70,000	\$72,500	\$75,000	\$80,000	\$85,000	+6.3%
Law Firm Median	\$125,000	\$130,000	\$104,000	\$85,000	\$90,000	\$95,000	\$95,000	\$100,000	\$104,000	\$117,000	\$120,000	\$125,000	\$130,000	\$131,500	\$150,000	+14.1%

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of [NALP's salary curve](#) for the Class of 2021 at \$190,000, \$205,000, and \$215,000, which in total accounted for 22.3% of all full-time, long-term salaries. These salary increases have further worked their way through the market for the Class of 2022, with the \$190,000 peak almost disappearing, a remaining small peak at \$205,000 accounting for 5.3% of reported salaries, and a much larger peak at \$215,000 comprising 17.2% of salaries.

For the Class of 2022, median law firm salaries increased across every firm size, contributing to a 14.1% increase in the overall law firm median salary, which grew from \$131,500 for the Class of 2021 to \$150,000. By firm size, median salaries ranged from \$70,000 in firms of 1-10 lawyers to \$215,000 in firms of more than 500 lawyers.

This is also the eighth consecutive year in which law firm median salaries have increased over the previous year. (See Table 1.) For the Class of 2022, salaries of \$215,000

accounted for 28.3% of all law firm salaries, while salaries of \$205,000 comprised an additional 6.3% of law firm salaries. Combined, these salaries represented more than one-third (34.6%) of all reported law firm salaries.

Median salaries in all other employment sectors increased for the Class of 2022, although salary growth was strongest within private practice. In dollar amounts, improvements in median salaries across all other employer types ranged from approximately \$1,600 for judicial clerkships to \$7,500 for business employment. In percentage growth, median salaries grew by 2.6% for judicial clerkships as compared to 9.3% for jobs in business. (See Table 2.)

Other Key Findings from Jobs & JDs: Employment and Salaries of New Law School Graduates — Class of 2022:

- Overall, 2.5% of jobs were part-time and such jobs were found in all employment sectors, but were

especially prevalent in education settings where 13.7% of all jobs were part-time, followed by business at 8.9%. Just 2.0% of public interest jobs were reported as part-time, a figure that has trended downward in recent years, as fewer of these jobs are short-term or part-time opportunities funded by law schools.

- Both the number and percentage of jobs reported as funded by the graduate's law school were at record lows for the Class of 2022, down to 347 jobs (1.1% of all jobs). This is a decline of 80 jobs compared to the Class of 2021, when there were 427 funded jobs (1.3% of all jobs.) As compared to the Class of 2022, figures for the Classes of 2011 and 2013 were approximately five times as large. For the Class of 2022, nearly two-thirds (65.7%) of these jobs were

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Table 2. Median Salaries by Employer Type, Classes of 2021–2022

Employer Type	Class of 2022 Median Salary	Class of 2021 Median Salary
Private Practice	\$150,000	\$131,500
Business	\$88,500	\$81,000
Government	\$70,000	\$65,000
Judicial Clerkships	\$62,605	\$61,000
Public Interest	\$62,000	\$58,000
Education	\$60,000	\$58,000

28.3%

Of all law firm salaries were reported as \$215,000.

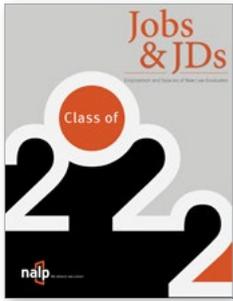
7.8%

Of employed graduates continued to seek another job.

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- reported as bar passage required; 12.7% were reported as part-time, and 17.9% were reported as lasting less than one year. Since 2011, when NALP began tracking such funding, these jobs have become increasingly bar passage required, full-time, and long-term (lasting at least one year), though this figure may have peaked in 2015, at nearly two-thirds of law school funded jobs. For 2022, 61.4% of funded jobs fell into this category. This compares with less than 8% of law school funded jobs in 2011. Most funded jobs were in public interest, government, and education settings.
- The total number of public interest jobs, which includes jobs as public defenders and in legal services offices, was at an all-time high for the Class of 2022. Law school-funded jobs accounted for 6.7% of all public interest jobs. The total number of jobs in education increased slightly to 451 jobs, compared to 437 in 2021. However, this year's figure is about one-third of the total number of education jobs reported during the peak years of 2009 and 2010. School-funded jobs accounted for 17.7% of all education jobs, with research assistant/fellow positions comprising the majority of such jobs (57.5%).
 - For the Class of 2022, jobs in business accounted for 9.8% of all jobs, the lowest this percentage has been in 30 years. Business has typically been the second most popular employment sector for new law graduates, but since the Class of 2019, government has overtaken it as the second most common destination, and business and judicial clerkships have fluctuated between the third and fourth spot. For the Class of 2022, business was in the number four spot. Less than one-third (31.2%) of business jobs were reported as requiring bar passage, and slightly less than half (47.5%) were reported as jobs for which a JD degree was an advantage.
 - Just 0.8% of these business jobs represent graduates working for agencies that place individuals in temporary legal, law clerk, or paralegal jobs, a new all-time low. The percentage for 2022 translates to just 25 jobs, far below the 700 temporary jobs in this category reached in 2011. Investment banking/financial institutions were the most common type of business employer reported, representing 11.4% of all business jobs.
 - In-house lawyers were the most widely reported job in business. They accounted for 21.1% of all business job types.
 - Public service jobs, including military and other government jobs, judicial clerkships, and public interest positions, accounted for 30.7% of jobs taken by employed graduates, up slightly from 2021 when they comprised 30.5% of all jobs. Although this percentage had remained relatively stable for nearly four decades at 26-30%, the percentage has been above 30% for the last five years. While the share of judicial clerkship positions declined this year, jobs in government and public interest were both up, with public interest at record highs in terms of both percentages and overall job figures.
 - Although the percentage of jobs accounted for by judicial clerkships has fluctuated, and stood at 10.1% in 2022, the number of clerkship opportunities has remained relatively steady since 2010, with between 3,200 and 3,450 jobs reported.
 - Of employed graduates from the Class of 2022, just 7.8% were seeking a different job, an all-time low. Except for 2020, this percentage has declined each year since reaching an all-time high of 24.6% for the Class of 2011. The extent to which employed graduates are seeking a different job varies by the kind of job held. For example, 27.0% of graduates with a job for which a JD was an advantage were seeking a different job, compared to just 4.4% of those with a job requiring bar passage.
 - The number of graduates setting up their own solo law practice after law school also reached a new low for the Class of 2022. Solo practitioners accounted for just 0.9% of law firms jobs and 0.5% of all jobs, compared with 1.2% and 0.7%, respectively, for the Class of 2021.
- There is much more to discover about the most recent developments in law school graduate employment. How did graduates of color, women, and first-generation college students from the Class of 2022 fare? Which cities and states offer the most employment opportunities, and where should graduates look for the best paying jobs? NALP's comprehensive *Jobs & JDs: Employment and Salaries of New Law School Graduates — Class of 2022* will answer these questions and more about the employment experiences of new law graduates and serve as a valuable resource and planning tool. This report is the only resource of its kind. To order a copy of the full *Jobs & JDs — Class of 2022* report, to be published in October 2023, use the form on page 10 of these findings. ■

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