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### **Law School Grads Face Worst Job Market Yet — Less Than Half Find Jobs in Private Practice**

According to Selected Findings from the Employment Report and Salary Survey for the Class of 2011 released today by NALP, the overall employment rate for new law school graduates is, at 85.6%, the lowest it has been since 1994, when the rate stood at 84.7%. In addition to an overall employment rate that fell two percentage points from that for the previous class, and that has dropped each year since 2008, the Class of 2011 employment figures reveal a job market with many underlying structural weaknesses. The employment profile for this class also marks a continued interruption of employment patterns for new law school graduates that had, prior to 2010, been undisturbed for decades.

The NALP Employment Report and Salary Survey for the Class of 2011 measures the employment rate of graduates as of February 15, 2012, or nine months after a typical May graduation. Analyses of these data reveal an employment rate that has fallen more than six percentage points since reaching a 23-year high of 91.9% in 2007 and marks the lowest employment rate since the aftermath of the last significant recession to affect the U.S. legal economy. The Class of 1994 was the last class with an employment rate lower than that for the Class of 2011, and since 1985 there have only been three classes with an overall employment rate below 85.6%. All of those occurred in the aftermath of the 1990-1991 recession: 83.5% for 1992, 83.4% for 1993, and 84.7% for 1994. (For information on trends in graduate employment going back to 1985, see [www.nalp.org/trends](http://www.nalp.org/trends).)

In commentary accompanying the Selected Findings, NALP Executive Director James Leipold noted, “For members of the Class of 2011, caught as they were in the worst of the recession, entering law school in the fall of 2008 just as Lehman Brothers collapsed, going through OCI in the fall of 2009, and summering in 2010 if they were lucky enough to secure a summer associate spot, the entry-level job market can only be described as brutal. When this class took their LSATs and applied for law school there were no signs that the legal economic boom was showing any signs of slowing, and yet by the time they graduated they faced what was arguably the worst entry-level legal employment market in more than 30 years.”

Indeed, low as it is, the overall employment rate of 85.6% of graduates for whom employment status was known actually conceals a number of negative trends in the job market that were first apparent for the Class of 2009 but have since become more prominent. For instance, of those graduates for whom employment was known, only 65.4% obtained a job for which bar passage is required. This figure has fallen over 9 percentage

points just since 2008 — when it was 74.7% — and is the lowest percentage NALP has ever measured. Conversely, an additional 12.5% 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 required (these are often described as law-related jobs). This compares with 10.7% for the Class of 2010 and is the highest since NALP began comparable tracking in 2001. The percentage of graduates employed in other capacities was 7.2%. The percentage of jobs reported as part-time stood at almost 12%, up from about 11% in 2009 and 2010, and in contrast to 6.5% for 2008 and about 5% in the years immediately prior to that. Almost 7% of jobs were both temporary (defined as lasting less than a year) and part-time. As was the case in 2010, 3% of 2011 graduates were continuing their academic studies full-time, leaving 12.1% who were neither working nor continuing their studies as of February 15, 2012. (It is important to note that a small but unknown portion of the 12.1% of graduates not reported as working have in fact secured a job but had not started working in that job as of February 15.)

Other key findings from *Jobs & JDs: Employment and Salaries of New Law School Graduates — Class of 2011*:

- Not quite half (49.5%) of employed graduates obtained a job in private practice, a drop from 50.9% for the Class of 2010, which in turn was a full 5 percentage point decline from 2009. In most of the 38 years for which NALP has collected employment information, the percentage of jobs in law firms has been in the 55-58% range and has been below 50% only once before 2011.
- Employment in business was 18.1%, the highest that NALP has measured, and up from 15.1% for the Class of 2010. The percentage of jobs in business had been in the 10-14% range for most of the two decades prior to 2010, except in the late 1980s and early 1990s, when it dipped below 10%. About 29% of these jobs were reported as requiring bar passage, and about 37% were reported as jobs for which a JD was an advantage. Almost 11% of these business jobs represent graduates working for agencies that place individuals in temporary legal, law clerk, or paralegal jobs, a figure that is up from about 8% in 2009 and 2010, and has returned to a level comparable to that for 2008.

“I am often asked if there are signs that the entry-level job market is recovering,” noted NALP Executive Director James Leipold. “Certainly the employment outcomes data for the Class of 2011 document a very distressed job market. This class may represent the bottom of the employment curve for this economic cycle. Our fall recruiting data from the last two years indicate that at least recruiting activity for the Classes of 2012 and 2013 increased, if somewhat modestly. Absent another significant national or international economic setback, I would expect to see some aspects of the employment profile for the next two classes begin to inch up, though there is nothing to indicate a rapid recovery or a likely return to pre-recession employment levels any time in the near future.

To read the full text of “Employment for the Class of 2011 — Selected Findings” go to [www.nalp.org/classof2011](http://www.nalp.org/classof2011). The findings of NALP’s Employment Report and Salary Survey for the Class of 2011 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 2011* — to be published in August 2012.

**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 ([jsollins@nalp.org](mailto:jsollins@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, 1220 19th Street NW, Suite 401, Washington, DC 20036-2405.