



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.



An Update on the Legal Employment Market

Member Webinar

February 1, 2017

Presenters:

Mina Jefferson, President

James Leipold, Executive Director

The Current Legal Market Landscape

- The Impact of the Great Recession
 - More than 60,000 legal sector jobs lost 2008-09 (US BLS)
 - 8.7% of all US associates lost their jobs in 2009
 - Sector currently down more than 52,000 jobs from pre-recession high of 1.179 million in June 2007
- The Impact of Technology
 - Internet (Google, LegalZoom) has made legal info readily available
 - From technology assisted document review to smart contracts, blockchain, and artificial intelligence
 - Commoditizable work is being systematized, automated, lowering price
- The Impact of Globalization
 - Emergence of price sensitive global legal services supply chain
 - Disaggregation of legal services
 - Deregulation: e.g., UK, Australia, Canada, Washington State



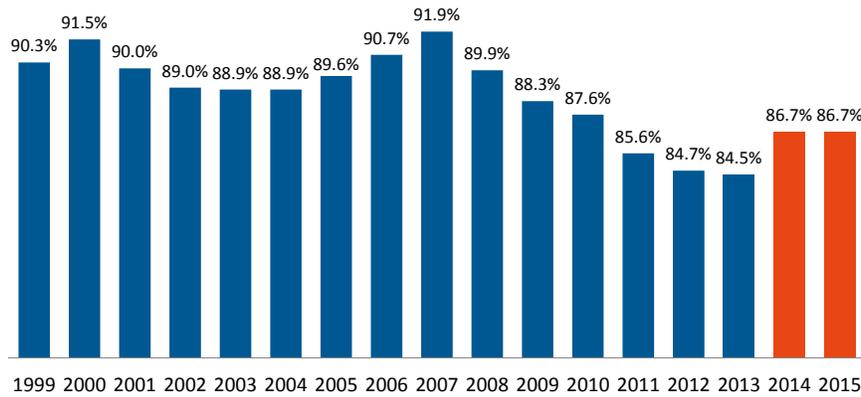
The Current Big Law Firm Landscape

- The market for corporate legal services is currently characterized by **modest revenue and profit growth** rates, in stark contrast to the robust growth of the pre-2008 period and the dramatic contraction during the recession itself.
- In addition, **dispersion in performance** among law firms and year-over-year **volatility in performance** for individual firms has increased.
- While the demand for traditional law firm services has remained relatively soft, **the supply of legal service providers has increased**, creating a hypercompetitive market and forcing firms to rethink how they deliver legal services.
- One overall impact of these market changes has been the **slow but steady erosion of the law firm share of clients' total legal spend**.
- The client demand for increased efficiency and value continues, leading large law firms to **increase leverage**, hiring more associates and other lower billing lawyers and further narrowing the pipeline to partnership.
- These market dynamics are **likely to continue into 2017** and beyond.



Source: Citi Hildebrandt 2017 Client Advisory

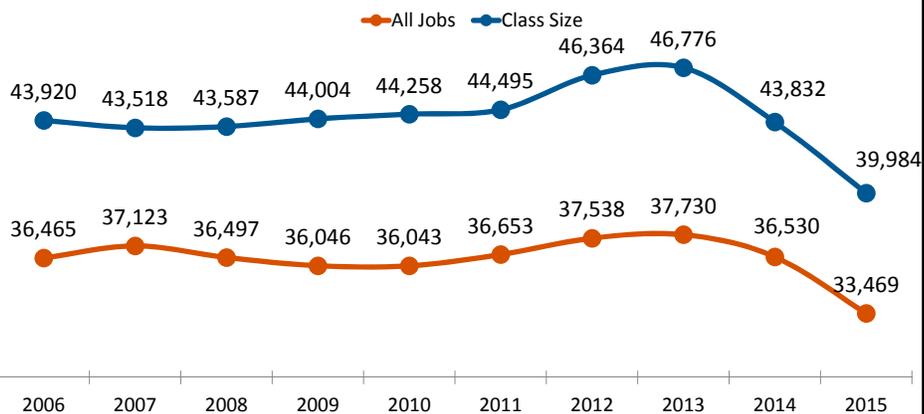
Law Graduate Employment Rate Nine Months After Graduation: 1999 – 2015



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.

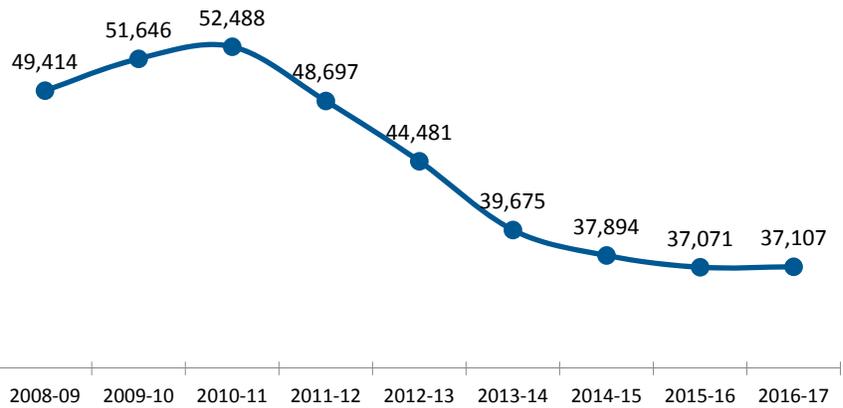
Source: NALP's Jobs & JDs, Classes of 1999 - 2015

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

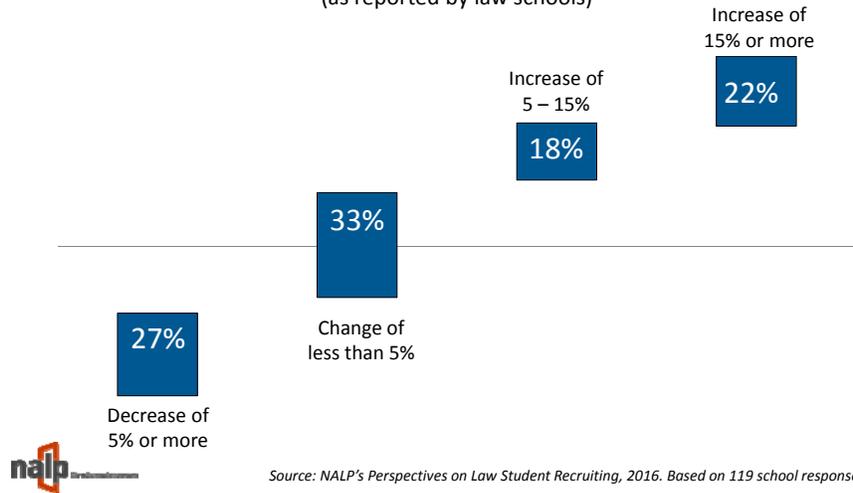


NALP Recruiting Survey Results – Law Schools

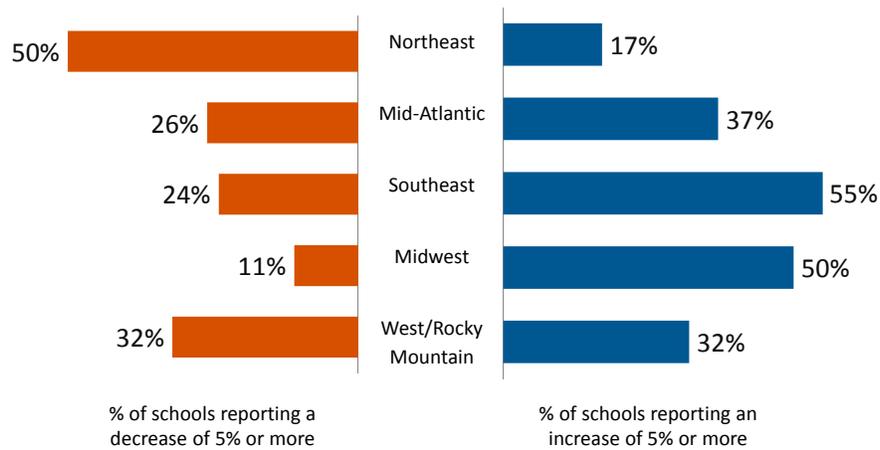


National Fall On-Campus Recruiting Levels

Percent of Change in the Number of Employers on Campus in the **Fall**
(as reported by law schools)



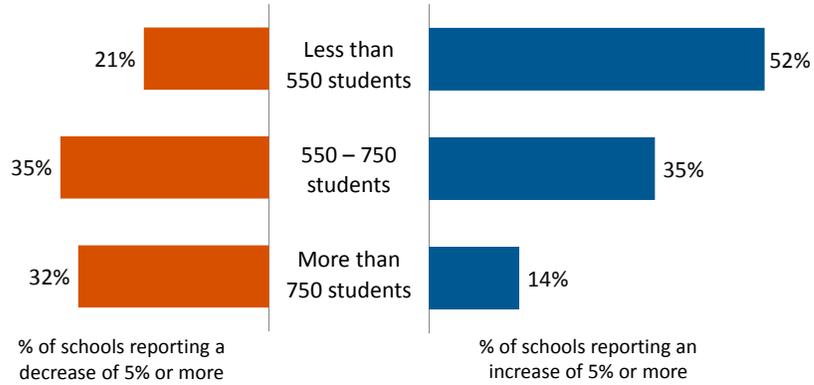
Fall On-Campus Recruiting Levels by Region



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

Fall On-Campus Recruiting Levels by Enrollment Size

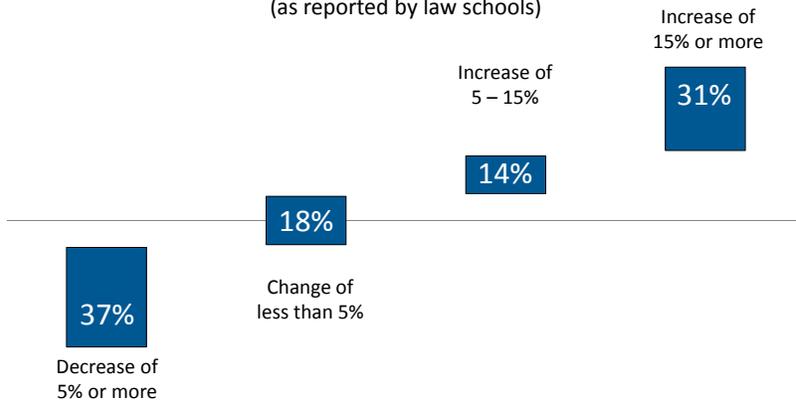
Change in Number of Employers on Campus in the Fall Compared to Previous Year by Enrollment as Reported by Schools



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

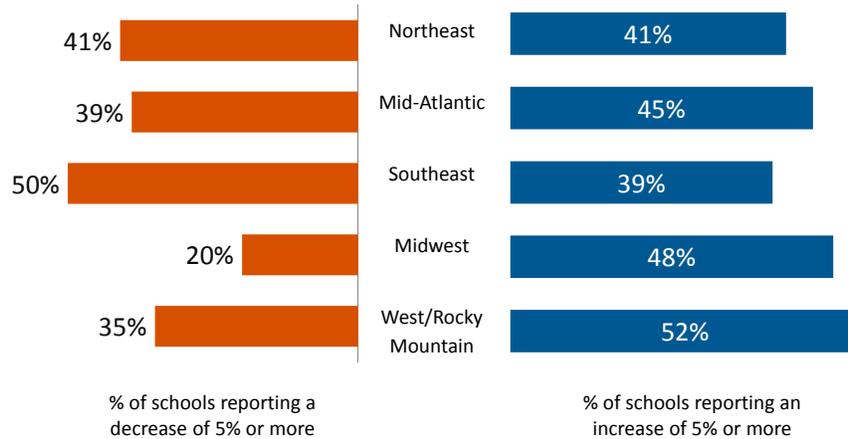
Spring On-Campus Recruiting Levels

Percent of Change in the Number of Employers on Campus in the **Spring** (as reported by law schools)



Source: NALP's Perspectives on Law Student Recruiting, 2016. Based on 111 school responses.

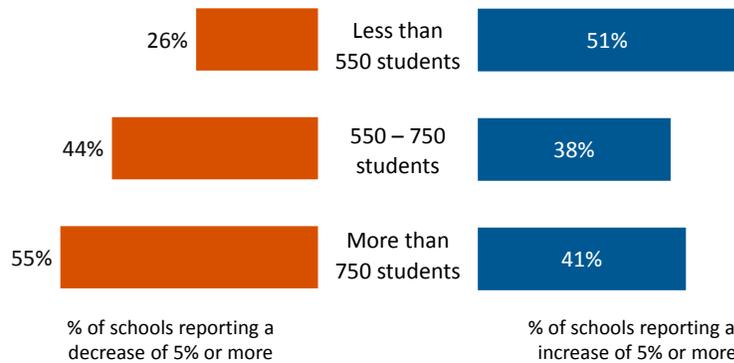
Spring On-Campus Recruiting Levels by Region



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

Spring On-Campus Recruiting Levels by Enrollment Size

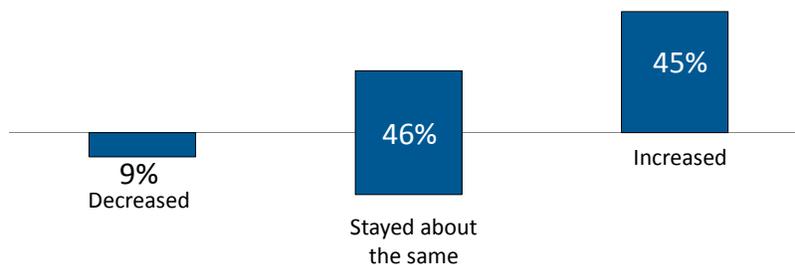
Change in Number of Employers on Campus in the Spring Compared to Previous Year by Enrollment as Reported by Schools



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

Job Postings from non-OCI Employers

Percent of Change in the Number of Job Postings from non-OCI Employers in 2016 compared with 2015 (as reported by law schools)



Source: NALP's Perspectives on Law Student Recruiting, 2016. Based on 116 school responses.

Pre-OCI offers as reported by law schools

- 84 of 120 schools reported some pre-OCI activity in 2016.
- Two-thirds of these schools reported an increase in the number of employers engaging in early outreach activities compared with last year.
- 50 schools reported that one or more of their students received at least one pre-OCI offer for 2L summer employment (up from 40 last year).
- The number of pre-OCI offers on each campus ranged from a low of 1 to a high of 65.
- On most campuses the number of pre-OCI offers was 10 or fewer.
- Only 12 schools reported no pre-OCI offers and 22 schools either were not tracking the data or did not know.



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

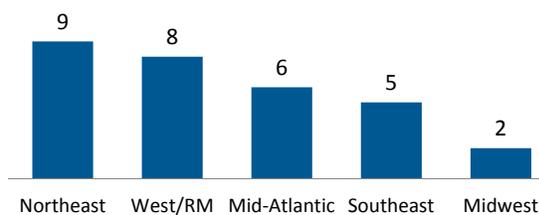
Post-OCI recruiting as reported by schools

- 58% of schools reported that one or more employer who participated in their OCI program returned to solicit additional 2L candidates for their 2017 summer program after the completion of OCI.
- Of the 67 schools that reported that employers returned post-OCI, the average number of employers who came back was 6 and the median number was 3.



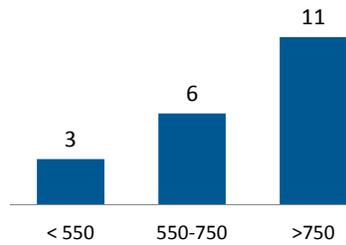
Source: NALP's Perspectives on Law Student Recruiting, 2016.

Average Number of Employers Returning to Campus Post-OCI, by Region



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

Average Number of Employers Returning to Campus Post-OCI, by School Size



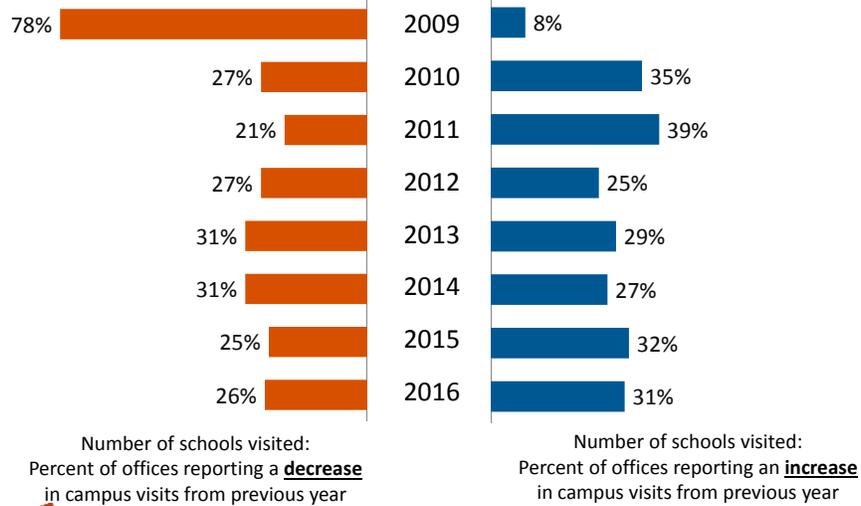
Source: NALP's Perspectives on Law Student Recruiting, 2016.



NALP Fall Recruiting Survey Results – Law Firms



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



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

Fall On-Campus Law Firm Recruiting Levels Reported by Region

Change in Number of Schools Visited by Firms in 2016 Compared to 2015			
Region	Decrease	No Change	Increase
Northeast	30%	51%	19%
Mid-Atlantic	25%	36%	39%
Southeast	22%	50%	28%
Midwest	21%	55%	23%
West/Rocky Mountain	30%	41%	30%
Nationwide	26%	43%	31%



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

Fall On-Campus Law Firm Recruiting Levels Reported by City

Number of Schools Visited by Firms in 2016 Compared to 2015			
City/Cities	Decrease	No Change	Increase
Boston	30%	70%	0%
Chicago	39%	39%	22%
Minneapolis Area	30%	50%	20%
New York	30%	45%	25%
Washington DC Metro	23%	40%	37%
Atlanta	29%	29%	43%



Source: NALP's Perspectives on Law Student Recruiting, 2015

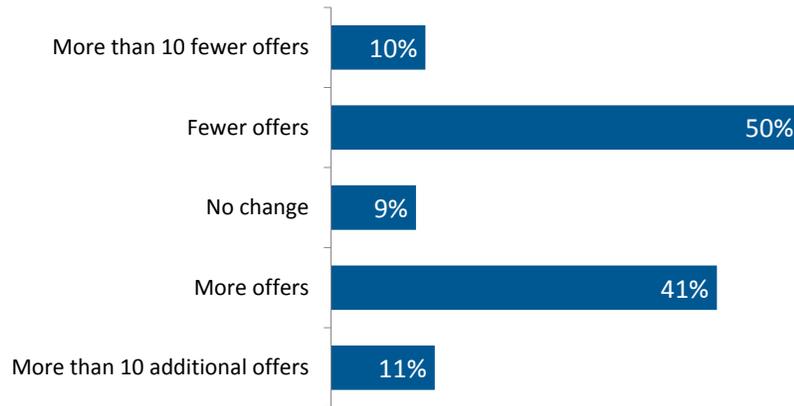
Fall On-Campus Law Firm Recruiting Levels Reported by City

Number of Schools Visited by Firms in 2016 Compared to 2015			
City/Cities	Decrease	No Change	Increase
Los Angeles Metro	35%	35%	30%
San Francisco	33%	56%	11%
San Jose Metro	22%	44%	33%
Dallas	25%	38%	38%
Houston	25%	42%	33%
Miami Metro	13%	75%	13%
Seattle	40%	40%	20%



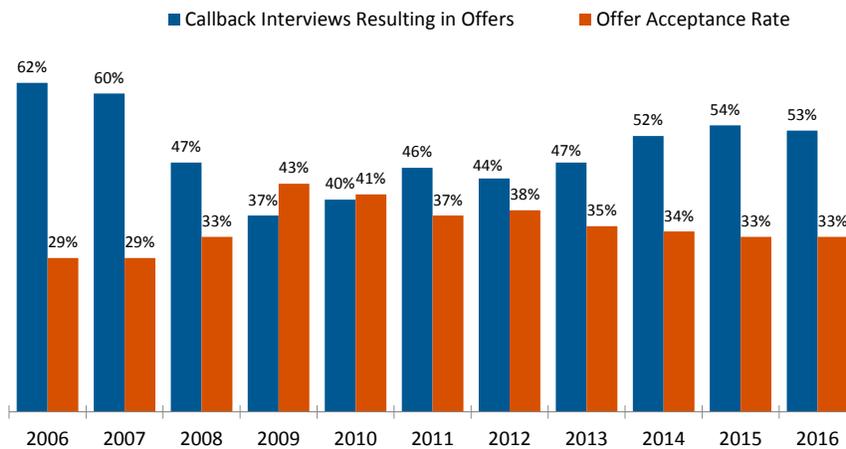
Source: NALP's Perspectives on Law Student Recruiting, 2015

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.

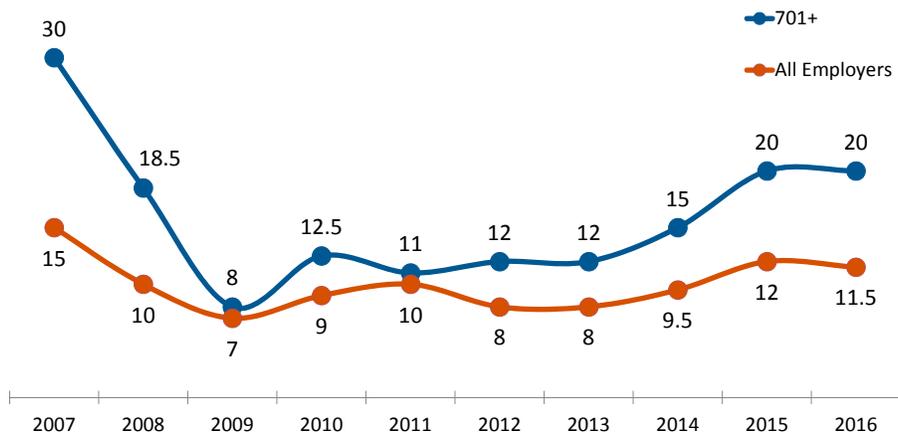
Offers Extended to Rising 2Ls for Summer Programs

Median Number of Offers Extended										
Firm Size	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
701+	30	18.5	8	12.5	11	12	12	15	20	20
501 – 700	16	11	19	19	13	13	18	23	17	31.5
251 – 500	19	8	9	10	14.5	8.5	11	11	16.5	7
101 – 250	17	12	6	9	8	7	7	7	6	8
100 or <	4	4	4	3	4.5	5	3	3	3	4
All Employers	15	10	7	9	10	8	8	9.5	12	11.5



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

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



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

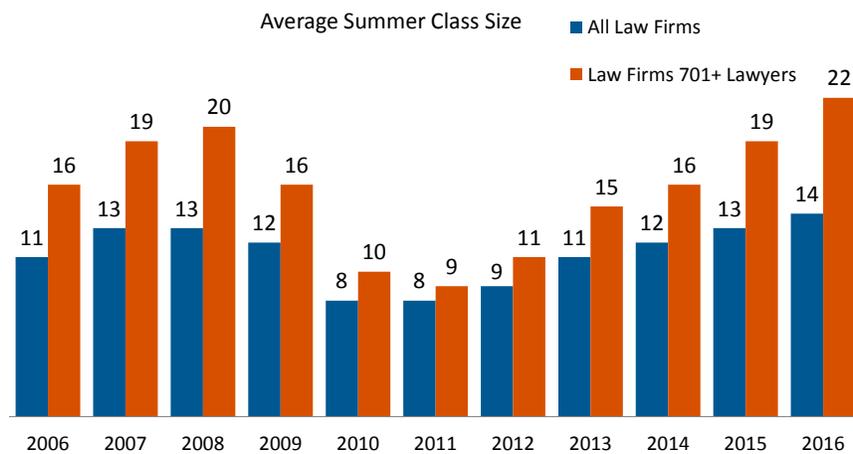
Range in Number of Offers Extended for Summer Programs, by Firm Size

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



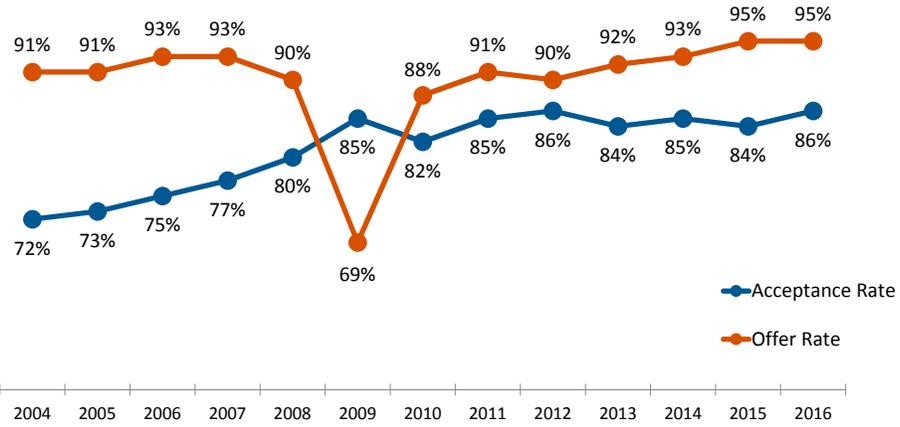
Source: NALP's Perspectives on Law Student Recruiting 2016.

Law Firm Summer Program Class Size



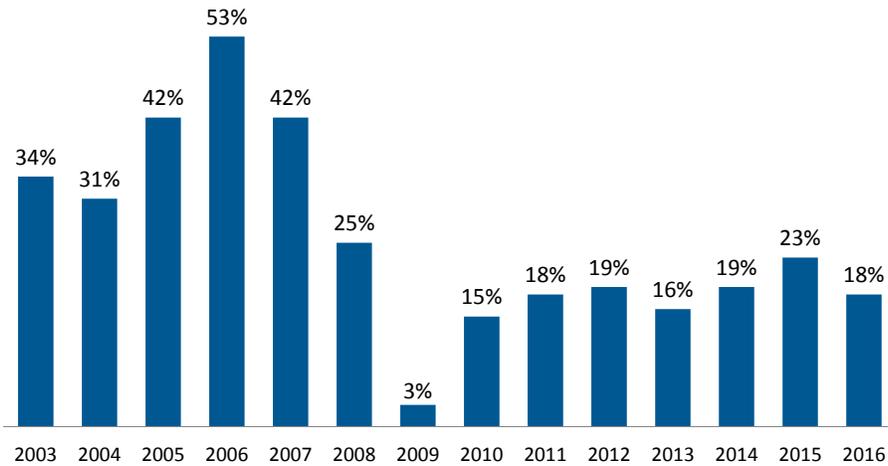
Source: NALP's Perspectives on Fall Law Student Recruiting, 2005 - 2016.

Outcomes of Summer Programs



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

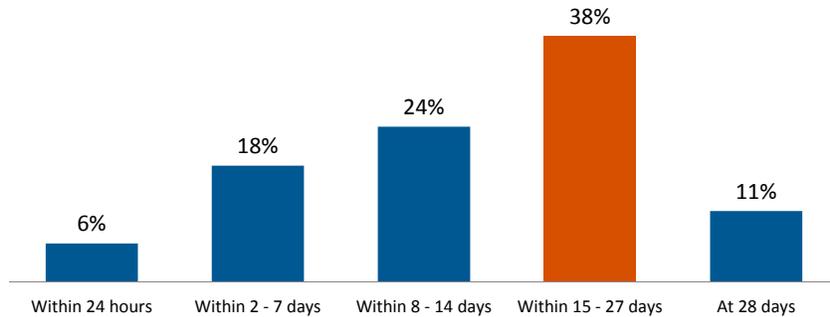
Fall Recruiting of 3Ls As Reported by Law Firms



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

Timing of Responses to Offers for Summer Employment

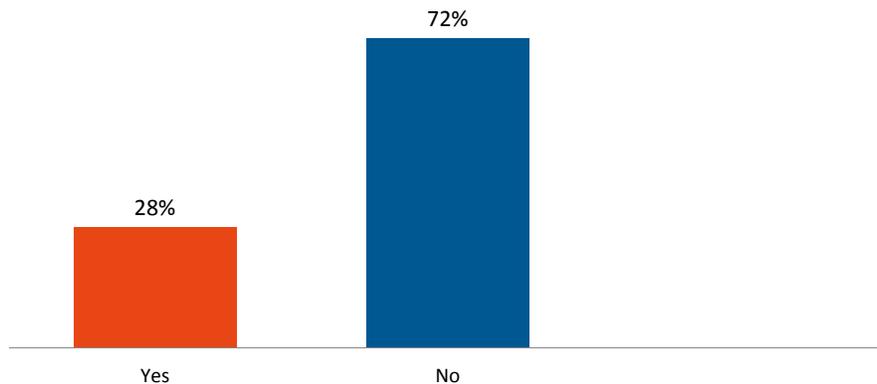
For offers made to 2Ls for summer 2017 positions, how quickly did candidates respond?



Note: Figures based on 10,792 offers for which the timing of the responses was reported, representing about 78% of all offers made by these firms' offices. For an additional 3% of offers, there was no response or the response was received after 28 days.

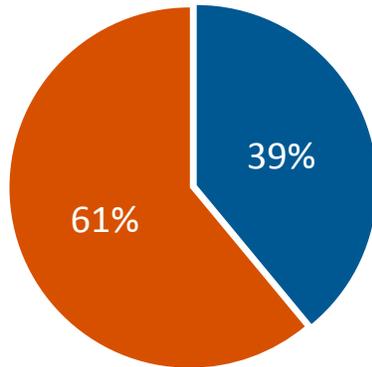


Did Your Firm Make Any Offers Before OCI Started?



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)

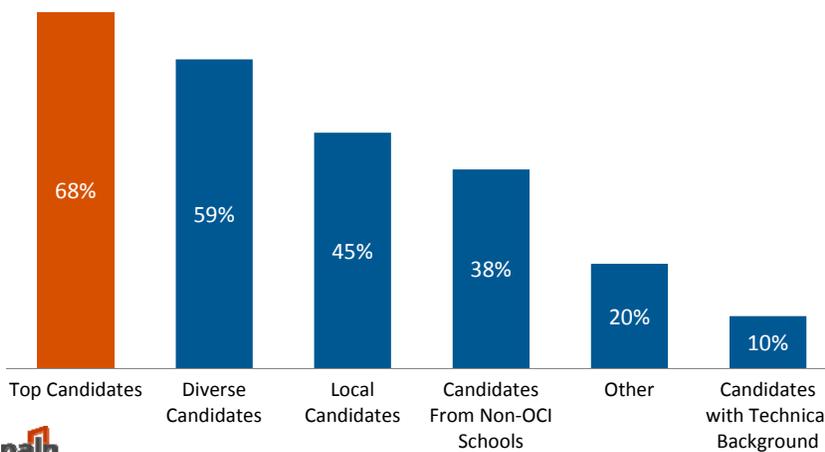
101 offices collectively reported 601 pre-OCI offers (up from 370 offers last year)



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).

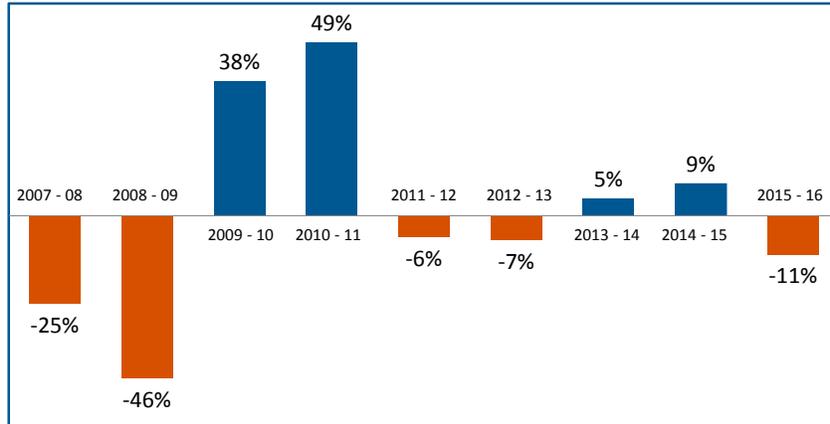
Offers Made Before OCI

To whom were these offers made?



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

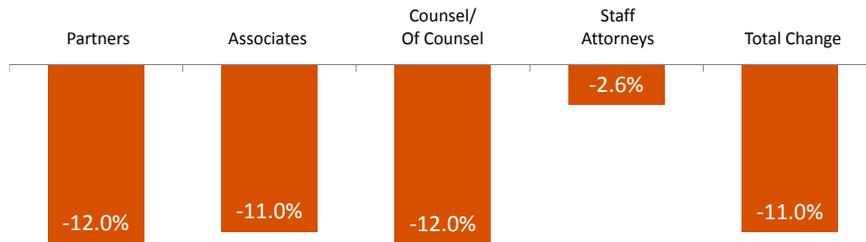
Lateral Hiring Volume (Change From Previous Year)



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.



Survey for Law Students Who Interviewed With Law Firms for Summer 2017



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?

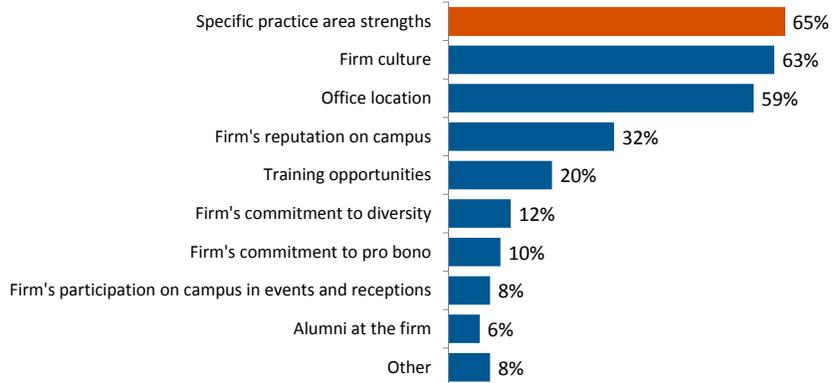


Multiple responses permitted. Based on 796 responses.



Top Influences For Selecting Employers

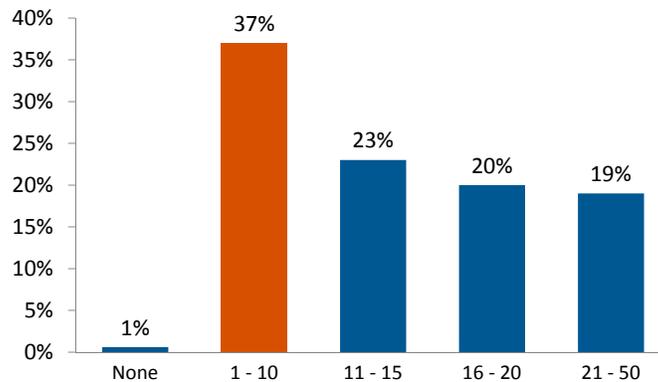
What **factors** most influenced your decision about which employers to apply to for screening interviews for a 2L summer 2017 job during Fall 2016 OCI?



Multiple responses permitted. Based on 796 responses.

Total Number of Screening Interviews

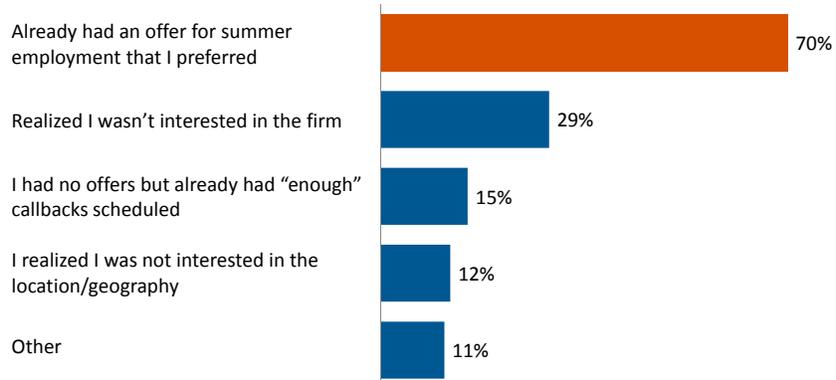
How many screening interviews did you have in total?



Based on 796 responses.

Declining Callback Invitations

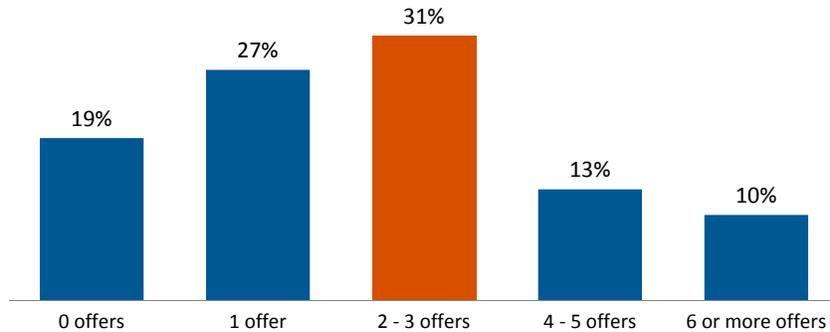
If you declined one or more callback invitation(s), why did you decline it/them?



Multiple responses permitted. Based on 430 responses.

Summer Associate Employment Offers

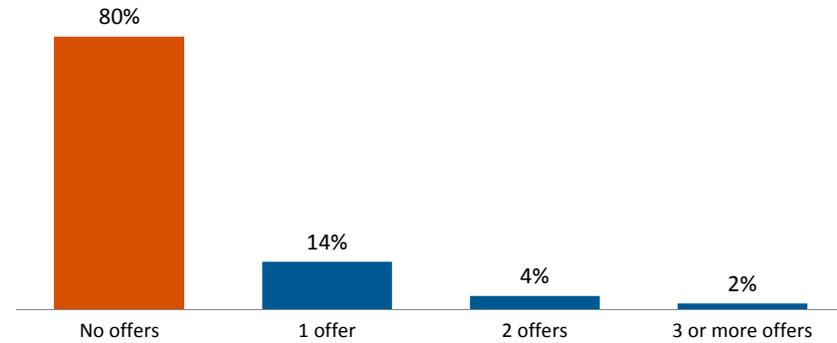
How many offers for summer associate employment did you receive?



Based on 781 responses.

Summer Associate Employment Offers

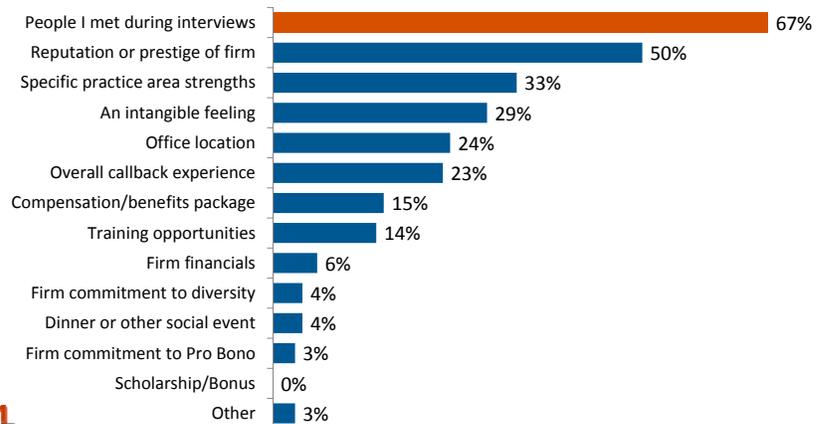
How many offers, if any, were extended prior to the start of the OCI program at your school?



Based on 636 responses.

Top Influences For Offer Acceptance

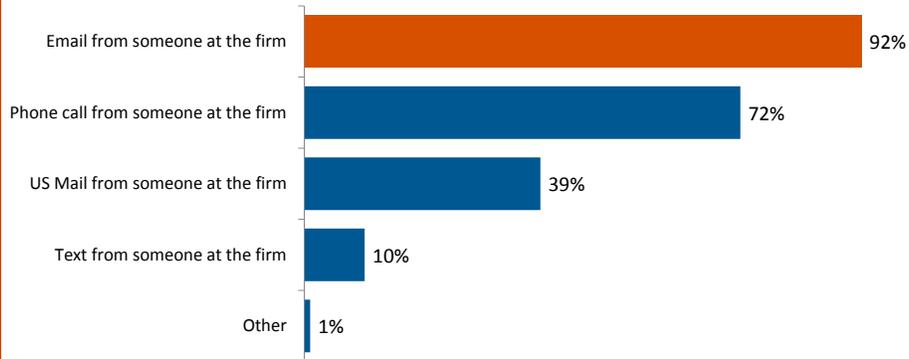
If you received multiple offers, what most influenced your decision about which offer to accept?



Multiple responses permitted. Based on 474 responses.

Student Expectations

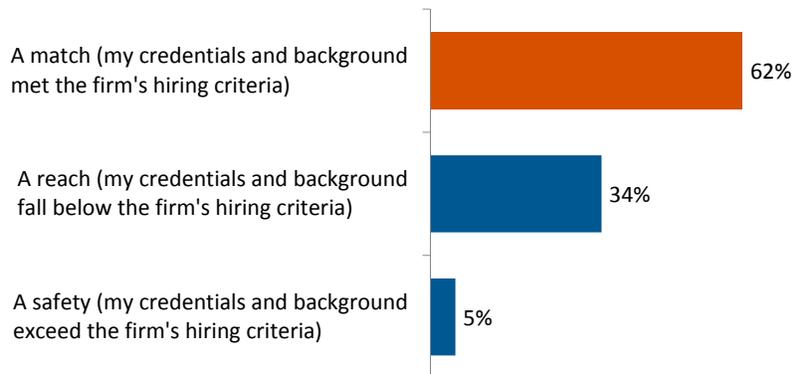
Following an offer, what sort of communication and/or follow-up from the firm would be welcome or expected?



Multiple responses permitted. Based on 632 responses.

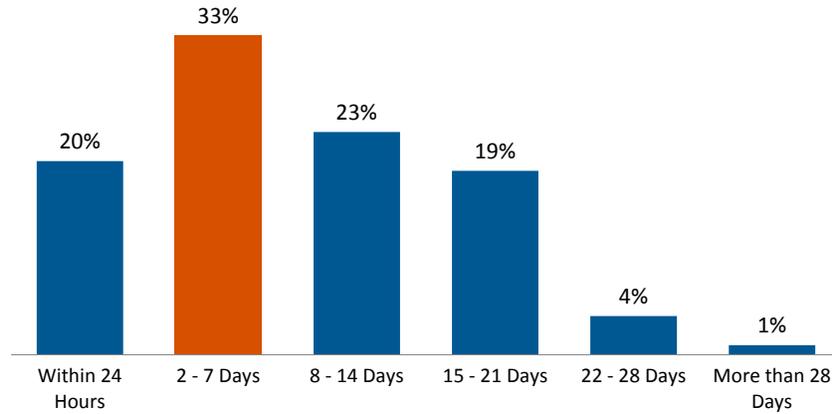
Calculated Odds Prior to Acceptance

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



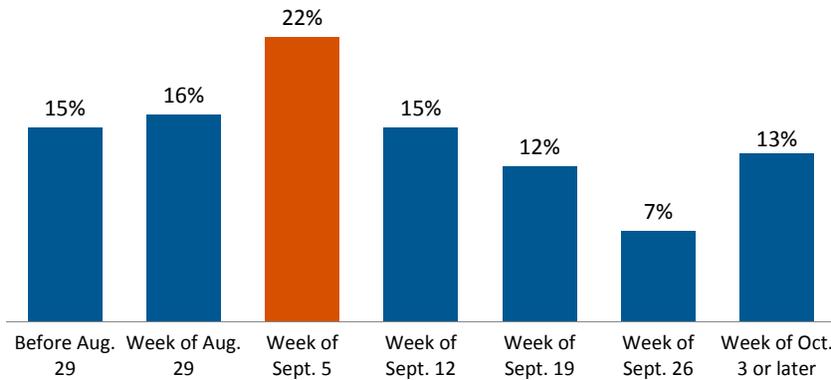
Based on 624 responses.

How Quickly Did Students Respond to the Offer Which They Accepted?



Based on 628 responses.

When Was the Offer Accepted?



Based on 866 responses.



NALP Employment Report and Salary Survey Results for the Class of 2015



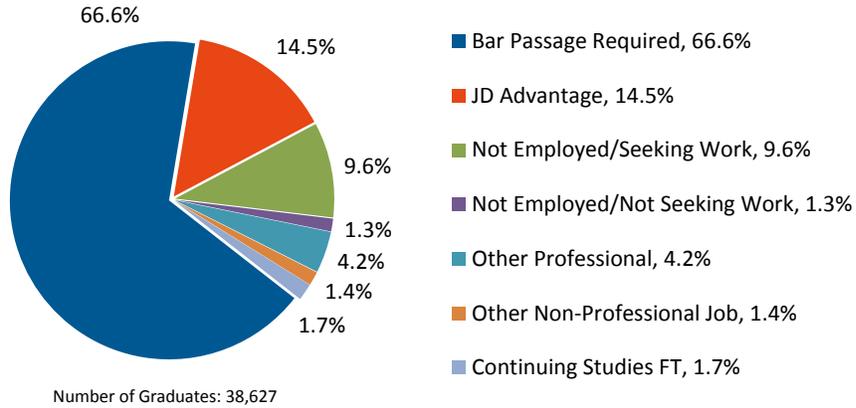
Employment Outcomes for the Class of 2015

- 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



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

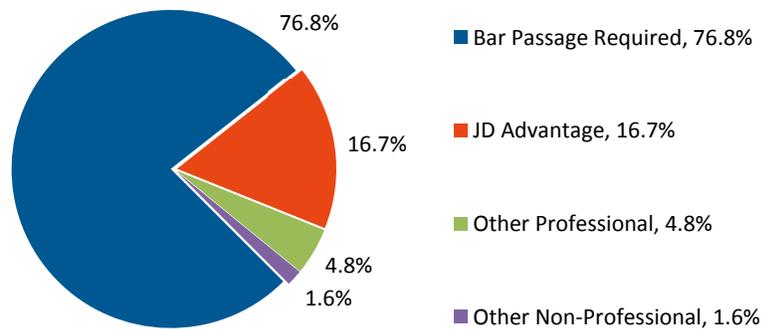
Law Graduate Employment Status: 2007 - 2015

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.

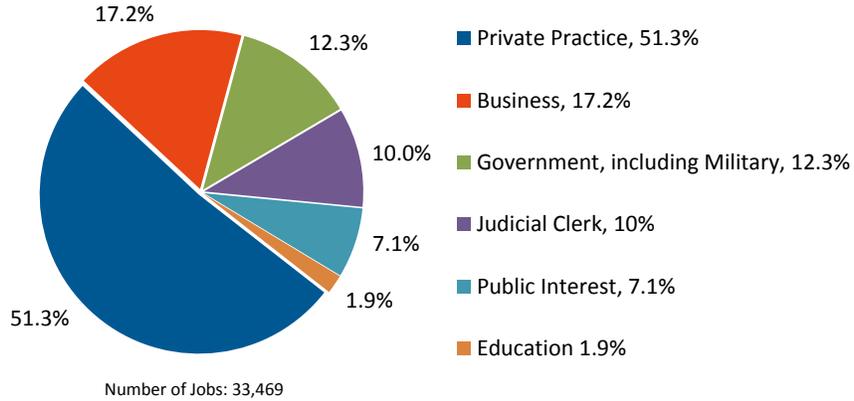
Source: NALP's *Jobs & JDs*, Class of 2015

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

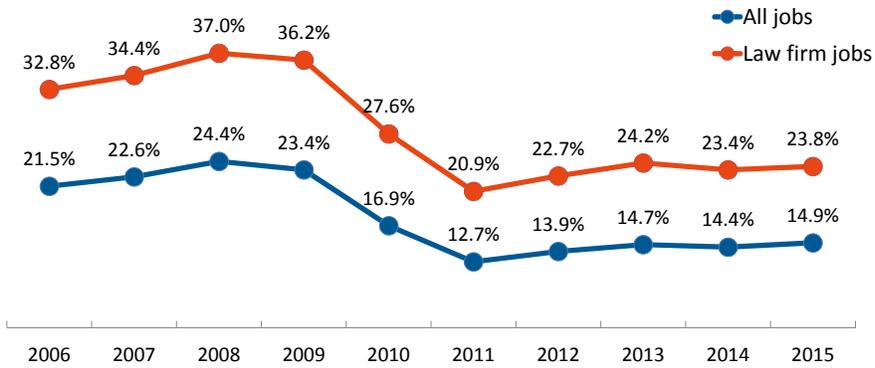
Employer Type	2007	2008	2009	2010	2011	2012	2013	2014	2015
Private Practice	55.5%	56.2%	55.9%	50.9%	49.5%	50.7%	51.1%	50.9%	51.3%
Business	14.1%	13.4%	13.5%	15.1%	18.1%	17.9%	18.4%	18.0%	17.2%
Government, including military	11.7%	11.8%	11.4%	12.8%	11.9%	12.1%	11.5%	12.2%	12.3%
Judicial Clerkships	9.8%	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

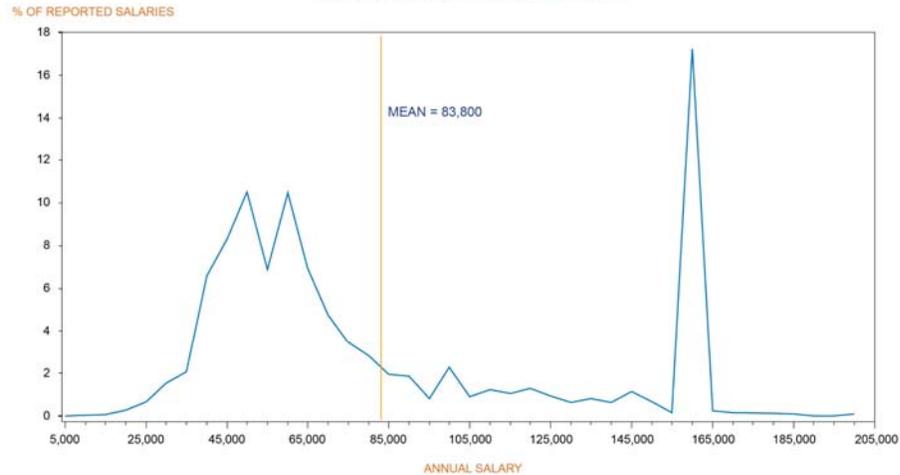
Percentage of Jobs Obtained through Fall OCI, 2005 - 2015



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

Bimodal Starting Salary Distribution for the Class of 2015

Distribution of Reported Full-time Salaries



Note: Graph is based on 21,119 salaries reported for full-time jobs lasting a year or more -- a few salaries above 205,000 are excluded from the graph for clarity, but not from the percentage calculations. The left-hand peaks of the graph reflect salaries of \$40,000 to \$65,000, which collectively accounted for about half of reported salaries. The right-hand peak shows that salaries of \$160,000 accounted for about 17% of reported salaries. For purposes of this graph, all reported salaries were rounded to the nearest \$5,000.

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

Geography and Employment Class of 2015

Top 10 Cities for Jobs by Percent	
City	Percent of all Jobs
1. New York City	9.97%
2. Washington, DC	5.00%
3. Chicago	3.89%
4. Los Angeles	2.53%
5. Boston	2.03%
6. Houston	1.92%
7. San Francisco	1.63%
8. Atlanta	1.43%
9. Philadelphia	1.31%
10. Miami	1.29%

Source: NALP's Jobs and JDs, 2015



