



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 5, 2015

Presenters:
Terry Galligan, President
James Leipold, Executive Director

The Current Market Landscape

- Legal industry stabilizing, but significant challenges remain
- 2014 showed increased demand for legal services, with additional increase likely in 2015
- Uptick driven largely by transactional work
- Continued longer term decline in litigation
- Increase in lawyer productivity, strong growth in associate productivity
- Midlevel associates in short supply in some markets
- Partner productivity continues to lag pre-recession levels
- Under performing partners remain vulnerable to forced exit
- Excess capacity in the market contributes to downward pricing pressure

Sources: Citi Hildebrandt 2015 Client Advisory and Georgetown/Thomson Reuters Peer Monitor 2015 Report on the State of the Legal Market



The Current Market Landscape

- Realization at historic low, with aggregate collections of just \$0.83/1.00
- Increasing segmentation and dispersion
- Law firms now competing with non-law firm entities
- Continued rapid growth of non-traditional legal services providers
- Technology will continue to drive commoditization of many legal services
- Fundamental shift in buying patterns of client corporations
- Increased disaggregation of legal work
- Increased amount of work staying in house
- Increased merger activity likely to persist

Sources: Citi Hildebrandt 2015 Client Advisory and Georgetown/Thomson Reuters Peer Monitor 2015 Report on the State of the Legal Market

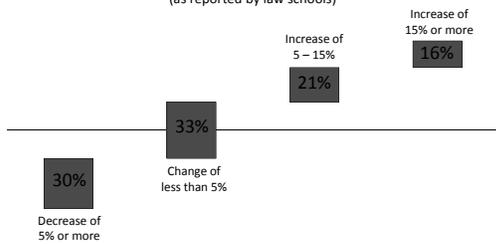




NALP Fall Recruiting Survey Results – Law Schools and Law Firms

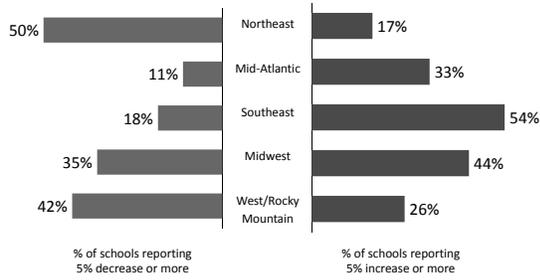
National Fall On-Campus Recruiting Levels

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



Source: NALP's Perspectives on Fall Law Student Recruiting, 2014. Based on 106 school responses.

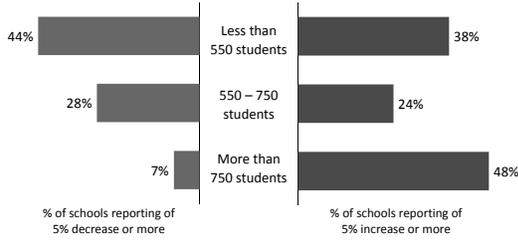
National Fall On-Campus Recruiting Levels by Region



Source: NALP's Perspectives on Fall Law Student Recruiting, 2014.

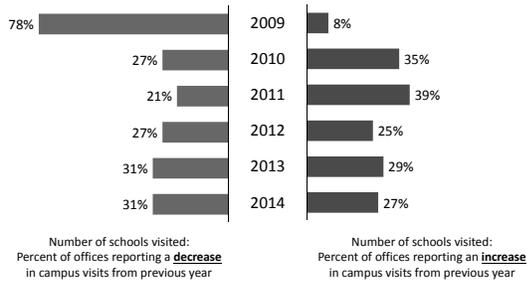
National Fall On-Campus Recruiting Levels by Enrollment Size

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



Source: NALP's Perspectives on Fall Law Student Recruiting, 2014.

National Fall On-Campus Recruiting Levels 2014 Trends as Reported by Employers



Source: NALP's Perspectives on Fall Law Student Recruiting, 2009 - 2014.

National Fall On-Campus Law Firm Recruiting Levels Reported by Region

Change in Number of Schools Visited by Firms in 2014 Compared to 2013			
Region	Decrease	No Change	Increase
Northeast	33%	38%	29%
Mid-Atlantic	29%	43%	27%
Southeast	24%	43%	33%
Midwest	39%	37%	24%
West/Rocky	35%	45%	20%
Nationwide	31%	42%	27%



Source: NALP's Perspectives on Fall Law Student Recruiting, 2014.

City Fall On-Campus Recruiting Levels 2014 Trends as Reported by Employers

Number of Schools Visited by Firms in 2014 Compared to 2013			
City/Cities	Decrease	No Change	Increase
Boston	11%	67%	22%
Chicago	40%	40%	20%
Minneapolis Area	25%	38%	38%
New York	34%	32%	34%
Washington DC/ Northern VA Area	27%	42%	31%
Wilmington	20%	40%	40%



Source: NALP's Perspectives on Fall Law Student Recruiting, 2014.

City Fall On-Campus Recruiting Levels 2014 Trends as Reported by Employers

Number of Schools Visited by Firms in 2014 Compared to 2013			
City/Cities	Decrease	No Change	Increase
Atlanta	20%	60%	20%
Charlotte	25%	25%	50%
Dallas	33%	33%	33%
Houston	13%	63%	25%
Miami/ Ft. Lauderdale/ W. Palm Beach	14%	43%	43%



Source: NALP's Perspectives on Fall Law Student Recruiting, 2014.

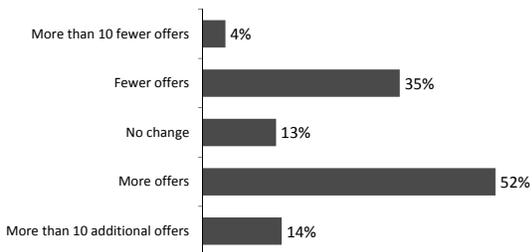
City Fall On-Campus Recruiting Levels 2014 Trends as Reported by Employers

Number of Schools Visited by Firms in 2014 Compared to 2013			
City/Cities	Decrease	No Change	Increase
Los Angeles & Orange County	29%	57%	14%
Portland, OR	40%	40%	20%
San Francisco	37%	50%	13%
San Jose Area	56%	22%	22%
Seattle	33%	33%	33%



Source: NALP's Perspectives on Fall Law Student Recruiting, 2014

Change in Number of Offers for Summer Associate Positions (2014 vs. 2013)



Source: NALP's Perspectives on Fall Law Student Recruiting, 2014.

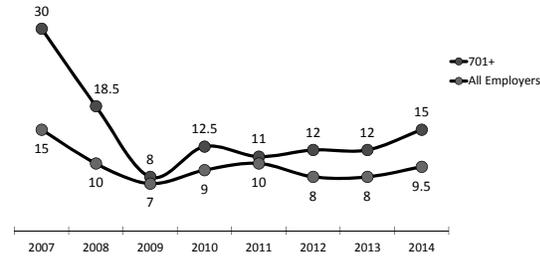
Offers Extended to 2Ls for Summer Positions

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



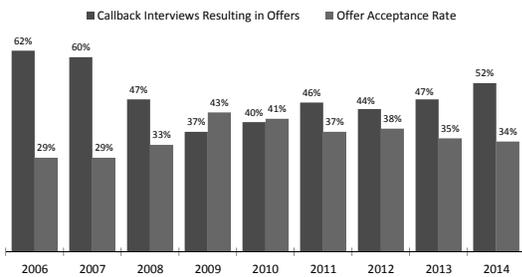
Source: NALP's Perspectives on Fall Law Student Recruiting, 2007 - 2014.

Median Number of Offers Extended to 2Ls for Summer Positions



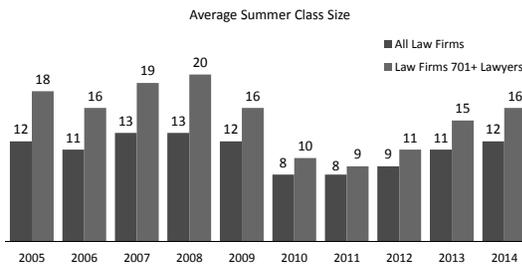
Source: NALP's Perspectives on Fall Law Student Recruiting, 2007 - 2014.

Fall Recruiting Outcomes for 2Ls



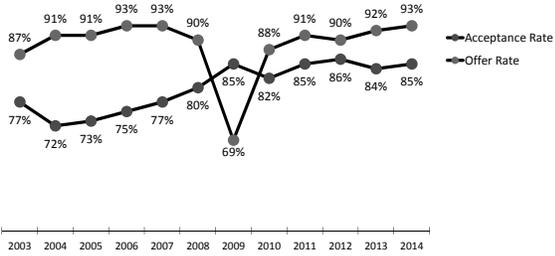
Source: NALP's Perspectives on Fall Law Student Recruiting, 2006-2014.

Law Firm Summer Program Class Size



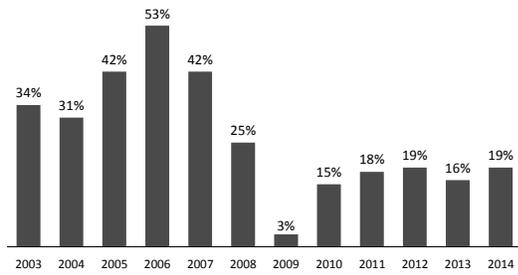
Source: NALP's Perspectives on Fall Law Student Recruiting, 2005 - 2014.

Outcomes of Summer Programs



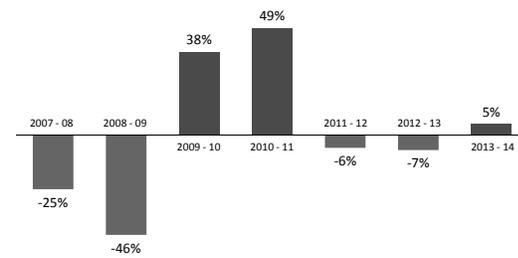
Source: NALP's Perspectives on Fall Law Student Recruiting, 2003 - 2014.

Fall Recruiting of 3Ls As Reported by Law Firms



Source: NALP's Perspectives on Fall Law Student Recruiting, 2003 - 2014.

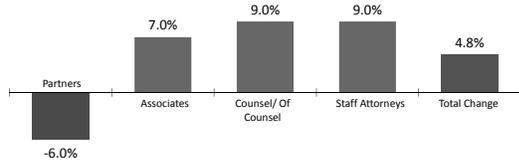
Total Lateral Hiring Volume (Change From Previous Year)



Source: 2014 Survey of Legal Employers on Fall Recruiting.

Lateral Hiring Volume (Change from 2013 to 2014)

Change in the number of lateral lawyers hired by lawyer type



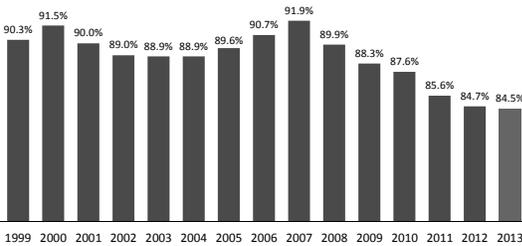
Source: 2014 Survey of Legal Employers on Fall Recruiting.



NALP Employment Report and Salary Survey Results for the Class of 2013

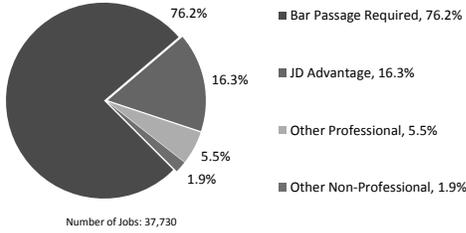


Law Graduate Employment Rate Nine Months After Graduation: 1999 – 2013



Source: NALP's Jobs & JDs reports for the Classes of 1999 - 2013

Employment Outcomes for those with Jobs from the Class of 2013: Job Types



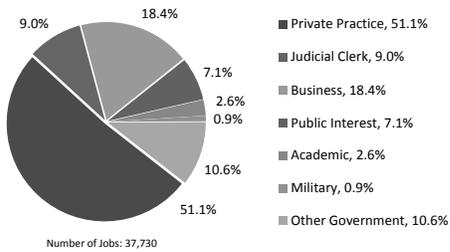
Source: Jobs & JDs: Class of 2013. Data current as of February 15, 2014.

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%



Employment Outcomes for the Class of 2013: Employer Type



Source: Jobs & JDs: Class of 2013. Data current as of February 15, 2014.

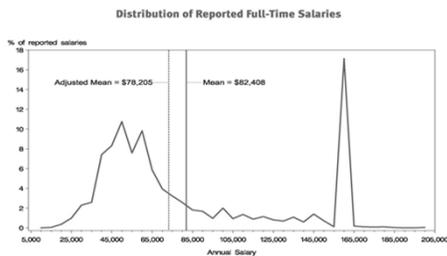
Law Graduate Employer Type 2007 - 2013

Employer Type	2007	2008	2009	2010	2011	2012	2013
Private Practice	55.5%	56.2%	55.9%	50.9%	49.5%	50.7%	51.1%
Business	14.1%	13.4%	13.5%	15.1%	18.1%	17.9%	18.4%
Government, inc. military	11.7%	11.8%	11.4%	12.8%	11.9%	12.1%	11.5%
Judicial Clerkships	9.8%	9.6%	8.7%	9.3%	9.3%	8.9%	9.0%
Public Interest	5.8%	5.4%	5.7%	6.7%	7.5%	7.2%	7.1%
Academic	1.8%	2.3%	3.5%	3.7%	3.0%	2.7%	2.6%



Source: NALP's Jobs and JDs, Classes of 2007, 2008, 2009, 2010, 2011, 2012, & 2013

Bimodal Starting Salary Distribution for the Class of 2013



Median & Mean Starting Salaries 2009 – 2013

Salary	2009	2010	2011	2012	2013
Median Salary	\$72,000	\$63,000	\$60,000	\$61,250	\$62,470
Mean Salary	\$93,000	\$84,000	\$78,650	\$80,800	\$82,400

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



Source: NALP's Jobs and JDs, Classes of 2007, 2008, 2009, 2010, 2011, 2012 & 2013

Private Practice Employment Class of 2013

Employment in Law Firms by Size of Firm		
Size of Firm	Percent of Private Practice Jobs	Subtotals
Solo	4.8%	
2 – 10	42%	
11 – 25	10%	
26 – 50	5.6%	62.4%
51 – 100	4.5%	
101 – 250	5.4%	
251 – 500	5.5%	
501+	20.7%	36.1%
Unknown	1.5%	

Source: NALP's Jobs and JDs, Class of 2013



Starting Salaries in Private Practice Class of 2013

Median Starting Salaries by Size of Law Firm	
Firm Size	Starting Salary
2 – 10	\$50,000
11 – 25	\$65,000
26 – 50	\$72,000
51 – 100	\$85,000
101 – 250	\$110,000
251 - 500	\$150,000
501+	\$160,000

Source: NALP's Jobs and JDs, Class of 2013



Government Employment Class of 2013

Distribution of Jobs by Level of Government	
Federal	27%
State	38%
Local	34%

Starting Salaries by Level of Government			
Government Level	25 th %	Median	75 th %
Federal	\$51,500	\$62,000	\$75,000
State	\$40,000	\$45,000	\$55,000
Local	\$45,000	\$53,000	\$59,500

Source: NALP's Jobs and JDs, Class of 2013



Judicial Clerkships Class of 2013

Distribution of Clerkships by Level of Government	
Federal	37.8%
State	52.5%
Local	9.2%

Starting Clerkship Salaries by Level of Government			
Government Level	25 th %	Median	75 th %
Federal	\$57,400	\$60,000	\$63,000
State	\$43,000	\$46,000	\$53,000
Local	\$35,000	\$42,000	\$45,000

Source: NALP's Jobs and JDs, Class of 2013



Public Interest Employment Class of 2013

Distribution of Jobs in Public Interest	
Public Defender	28%
Legal Services	30%
Policy/Advocacy	21%
Community Organization	6%
Other Public Interest	15%

Starting Salaries for Public Interest Jobs		
25 th %	Median	75 th %
\$40,000	\$45,000	\$52,000

Source: NALP's Jobs and JDs, Class of 2013



Employment in Business Class of 2013

- 18.4% of all jobs taken by law school graduates
 - 28% Required Bar Passage
 - 42% Reported as JD Advantage
 - 20% Reported as "Other Professional"
 - 10% Reported as "Non-professional" or Unknown

Starting Salaries for Jobs in Business and Industry		
25 th %	Median	75 th %
\$51,000	\$65,000	\$85,000

Source: NALP's Jobs and JDs, Class of 2013



Employment in Academia Class of 2013

Job Type	Percentage
Law School Fellow/Research Assistant or Other Temporary Position	34.4%
Other Law School	11.0%
College/University Administration	20.7%
Other College/University	13.4%
Elementary/Secondary Teacher	11.6%
All Other	9.0%

Starting Salaries for Academic Jobs		
25 th %	Median	75 th %
\$40,000	\$50,000	\$60,000



Source: NALP's Jobs and JDs, Class of 2013

Geography and Employment Class of 2013

Top 10 Cities for Jobs by Percent	
City	Percent of all Jobs
1. New York City	9.68%
2. Washington, DC	5.09%
3. Chicago	3.88%
4. Los Angeles	2.35%
5. Houston	2.16%
6. Boston	1.99%
7. Atlanta	1.67%
8. San Francisco	1.56%
9. Philadelphia	1.34%
10. Miami	1.33%



Source: NALP's Jobs and JDs, 2013

Timing of Employment Offers Class of 2013, Nationwide Figures

Employer Type	Before Graduation	After Graduation
All Employers	53.7%	46.3%
Academic	37.8%	62.1%
Business	39.1%	59.9%
Government	45.5%	54.5%
Judicial Clerkships	80.1%	19.9%
Private Practice	58.6%	41.4%
Public Interest	39.9%	60.1%



Source: NALP's Jobs and JDs, 2013

Job Sources, Nationwide Figures

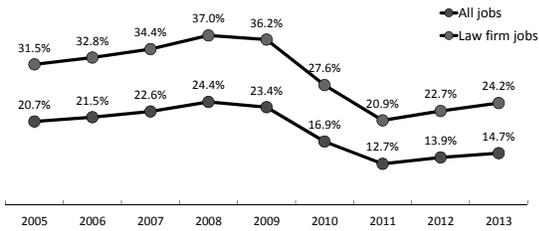
Job Source	Percent
Self Initiated	18.8%
Fall OCI	14.7%
Referral	19.5%
Job Listing	15.1%
Pre-Law School Employer	6.5%
Self-Employed	4.6%
Job Fair/Consortia	2.6%
All Other	18.2%

Source: NALP's Jobs and JDs, 2013



Decline in Jobs via OCI

Percentage of Jobs Obtained through Fall OCI, 2005 - 2013



Source: NALP's Jobs & JDs reports for the Classes of 2005 - 2013.



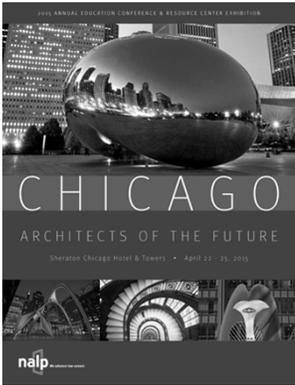
2015 and Beyond?

- Graduates will be entering the job market at a time when employment prospects are improving, but it will still be a crowded and competitive market.
- Within law firms there will be fewer equity track associate positions and more alternate track jobs.
- There will be fewer law grads working as lawyers and more grads working in business and law-related jobs.
- Graduates will need more business skills and business school skills than their predecessors.
- Technology will play a much greater role in the lives of graduates than it did for their predecessors.



NALP in Chicago!

April 22- 25!



Be there!

