

### EMPLOYMENT RATE FOR NEW LAW SCHOOL GRADUATES REMAINS FLAT AS THE OVERALL NUMBER OF JOBS, CLASS SIZE, CONTINUE TO SHRINK

— Commentary and Analysis by James Leipold, Executive Director —

The employment outcomes findings for members of the Class of 2015 depict an entry-level legal employment market that is remarkably flat by almost every measure, and, with a few notable exceptions, in most aspects looks exactly like the employment profile of the previous graduating class. One of the things that sets this class apart is that they secured fewer private practice jobs than any class since 1996.

At 86.7%, the employment rate is exactly the same as the one measured for the Class of 2014, and is two full percentage points higher than it was for the Class of

2013, the class that had the lowest overall employment rate following the recession. (Importantly, the employment data for the last two classes were collected as of March 15, approximately ten months after a typical May graduation, and therefore these figures are not directly comparable with the employment rates for the classes that immediately preceded them, as those data were collected as of February 15.)

An important piece of the jobs picture for the Class of 2015 is that the class was substantially smaller than the two classes that preceded it. Indeed the size of the graduating class has fallen by nearly 7,000

graduates over the last two years, from 46,776 for the Class of 2013 to just 39,984 for the Class of 2015. Perhaps not surprisingly, this smaller class found fewer jobs than the class before it. The actual number of jobs found by this class was down by more than 3,000 compared with the Class of 2014.

In fact the actual number of jobs obtained went down in every sector except the largest law firms of more than 500 lawyers. Members of this class secured just 17,168 jobs in law firms of any size, down by nearly 3,500 since the number of those jobs peaked for the Class of 2007. And

*continued on page 4*

### SALARIES RISE WHILE EMPLOYMENT RATE REMAINS UNCHANGED

— A Summary of the Findings by Judith N. Collins, Director of Research —

The overall employment rate for the Class of 2015 was unchanged from that for the Class of 2014, at 86.7% of graduates for whom employment status was known, even though the number of jobs found by graduates was down by more than 3,000 compared with 2014. However, the number of graduates declined for the second year in a row after reaching a record high in 2013, and was down by over 3,800 according to the ABA. Thus the employment rate remained steady even as the number of jobs declined. The greatest change is in the realm of salaries, where medians across most sectors were up after being largely flat in 2014 compared to 2013.

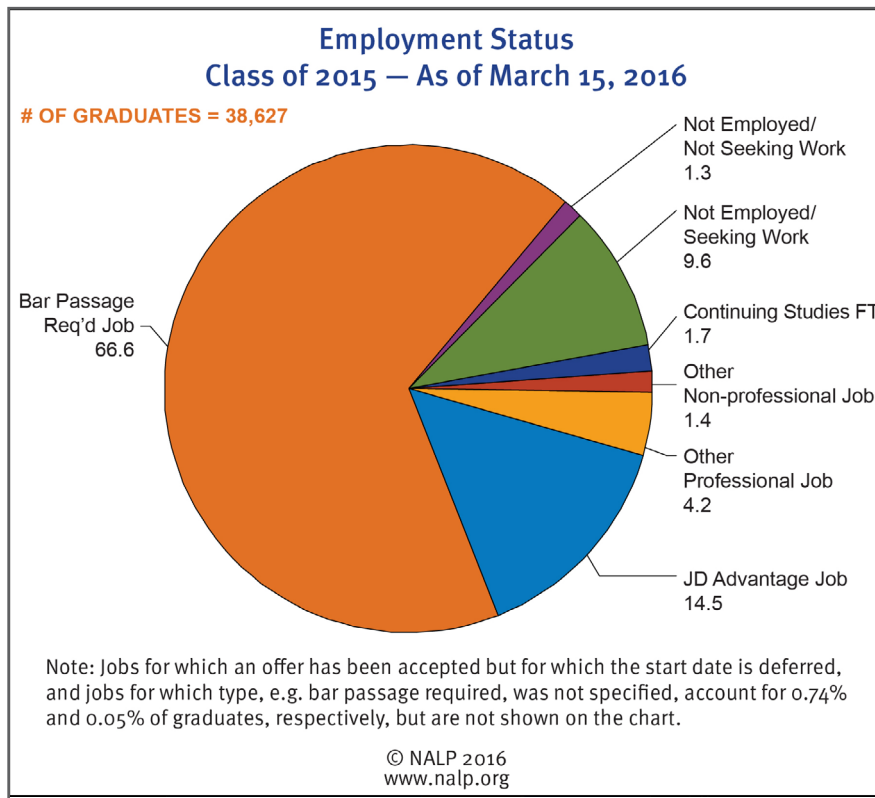
With the Class of 2014, NALP began measuring the employment rate of law graduates as of March 15, or ten months after a typical May graduation. Previously employment status had been measured as of February 15, an important distinction when making comparisons with employment rates prior to 2014. Analyses of these data for the Class of 2015 (measured in March of 2016) reveal an employment rate that was unchanged after finally recording an increase in 2014; the six prior years saw a steady decline following a 25-year high of 91.9% in 2007. Nonetheless, since 1985, and a change in timing notwithstanding, there have only been a half dozen classes with an overall employment rate below 86.7% — three years in the aftermath

of the 1990-1991 recession: 83.5% for 1992, 83.4% for 1993, and 84.7% for 1994; and three years after the recession that officially began in late 2007: 85.6% in 2011, 84.7% in 2012, and 84.5% in 2013. (For information on trends in graduate employment going back to 1985, see [www.nalp.org/0815research](http://www.nalp.org/0815research).)

Beyond the unchanged overall employment rate most markers point to a market whose general contours remain largely unchanged compared with 2014. Of those graduates for whom employment status was known, the percentage of graduates taking jobs for which bar passage is required/anticipated increased for the second year in a row, but the increase, from 66.3% to

*continued on page 2*

*continued from page 1*

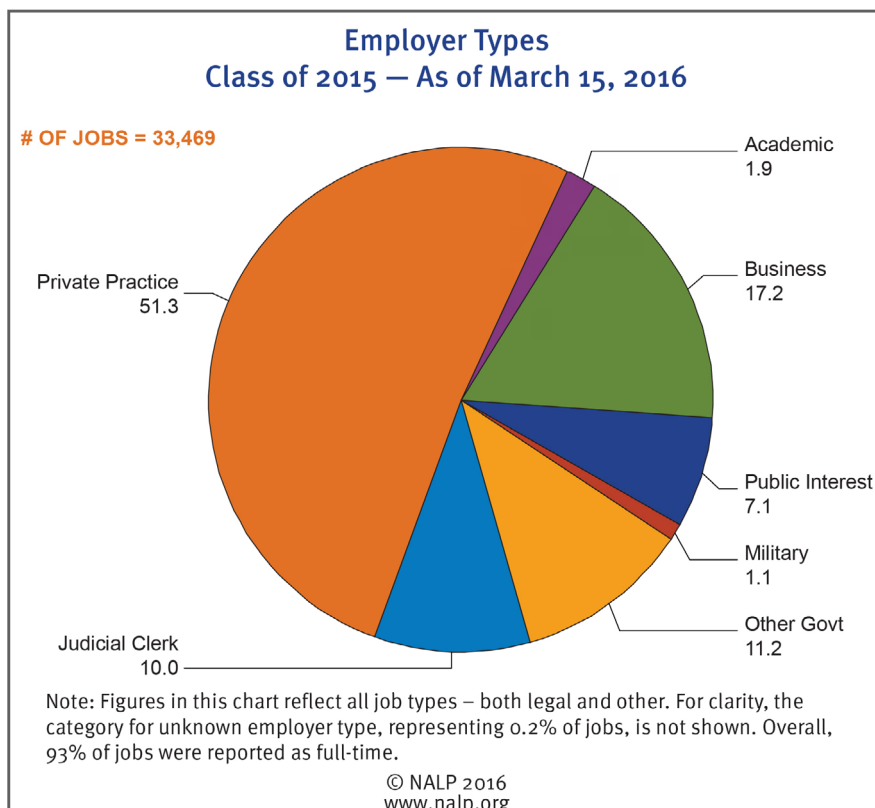


66.6% of graduates, was much smaller than the nearly two percentage point increase from 2013 to 2014, and only the second increase since 2007. An additional 14.5% of graduates obtained jobs for which a JD provides an advantage in obtaining the job, or may even be required, but for which bar passage is not required. (These are often described as law-related jobs.) For the first time since 2007, the percentage of graduates taking such jobs decreased, but again the change was small, from 14.8% to 14.5% of graduates for whom employment status was known. The percentage of graduates employed in other capacities was 5.6%. The unemployment rate, counting both graduates still seeking a job and those not seeking, also edged down for this class, and stood at 10.9%, compared with 11% for the Class of 2014. Of the remaining graduates for whom employment status was known, 0.74% had accepted a job as of March 15, 2016, but had not yet started that job, and 1.7% of the 2015 graduates were continuing their academic studies full time.

The percentage of jobs reported as part-time declined again and for the fourth year in a row. But at 6.7% compared with 7% in 2014, the decline was small compared to decreases from 8.4% in 2013, 9.8% in 2012, and over 11% in 2011. The figure is now edging close to the 6.5% figure measured for 2008 but is still above a figure of about 5% in the years immediately prior to that. About 2.7% of jobs were both temporary (defined as lasting less than a year) and part-time, the same as in 2014, halting a decline starting in 2011 when the figure was over 7%.

Of the 66.6% of graduates for whom employment status was known who obtained a job for which bar passage was required, some of these jobs were reported as part-time so that the percentage employed in a full-time job requiring bar passage is just 64.3%. Because some of these jobs will last less than one year, the percentage employed full time in jobs requiring bar passage that will last at least a year is just 62.7%. These figures are small improvements over the 2014 figures, which were 63.8% and 62%, respectively. However, they are much smaller improvements than in 2014, when these markers increased by 2.5 and 3 percentage points, respectively.

*continued on page 3*



continued from page 2

### SHARE OF EMPLOYED GRADS IN PRIVATE PRACTICE LARGELY UNCHANGED SINCE 2012

Additional analyses of the jobs data for the Class of 2015 reveal that just over half (51.3%) of employed graduates obtained a job in private practice. The percentage of jobs in private practice has wavered in a small range of 50.7% to 51.3% of jobs in the past four years. So, though there has been recovery since the percentage of jobs in firms dropped to a historic low of 49.5% for the Class of 2011, there has not been close to a return to the 55.9% figure for 2009. For most of the more than 40 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 55% only before 1981 and since 2010. Despite a somewhat higher percentage of jobs in law firms, the smaller number of jobs overall means that the number of law firm jobs actually decreased by about 7.6%, a percentage decrease twice as large as that from 2013 to 2014, which was 3.5%, and in contrast to a cumulative increase of about 9% in 2012 and 2013 after the low point in 2011.

However, the number of jobs taken at the largest firms—those with more than 500 lawyers—increased modestly to push their share of law firm jobs up by two percentage points, from 21.3% of law firm jobs to 23.3%. This compares with only 16.2% in 2011 and 19.1% in 2012. Despite the small increase in jobs at the largest firms, the number of law firm jobs overall was off by about 1,400, and the number of jobs taken in the largest firms still remains at about 77% of the levels reached in 2008

and 2009. 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 39.5% of law firm jobs, down from 41.3% in 2014, and declined in raw numbers from somewhat less than 7,700 to not quite 6,800. Though the number of jobs in the smallest firms is now close to what it was in 2009, the share of jobs in those smallest firms remains higher, and the number still exceeds the number of jobs in the largest firms by almost 70% compared with 25-30% in 2008 and 2009.

### SMALL INCREASE IN MEDIAN STARTING SALARIES

Salary information was reported for about 70% of the jobs reported as full-time and lasting at least a year. The national median salary for the Class of 2015 based on these reported salaries was \$64,800, up from \$63,000 for the Class of 2014, the largest year-over-year increase in the overall median since 2008, when the median increased to \$72,000. The national mean for the Class of 2015 was \$83,797, compared with \$82,292 for the Class of 2014.

The national median salary at law firms based on reported salaries was \$100,000, the first increase since 2013. (See Table 1 below.) Salaries of \$160,000 accounted for almost 32% of reported law firm salaries, compared with almost 31% in 2014.

Median salaries in other sectors increased some as well after being relatively flat for a number of years. The median salary for government jobs was \$55,000, up from \$52,700 in 2014 and finally a measurable increase after stagnating at or near \$52,000 since 2008. The median salary at public interest organizations, which includes legal services providers and public defenders,

was \$47,000 in 2015, finally moving up after being essentially steady at \$45,000 since 2011. The median salary for judicial clerkships was just over \$54,000, little changed from 2014 and up just over \$2,000 since 2010.

### Other key findings from *Jobs & JDs: Employment and Salaries of New Law School Graduates — Class of 2015*:

- Overall, 6.7% of jobs were part-time and were found in all employment sectors, but were especially prevalent in academic settings, at 27% (down from 31% in 2014), followed by business at 12%. Almost 8% of public interest jobs were reported as part-time, compared with about 9% in 2014.

- Information collected on funding for jobs with a fixed duration reveals that both the number and percentage of jobs reported as funded by the graduate's law school were down compared with the Class of 2014, at 2.8% of jobs and 955 jobs, compared with 1,445 jobs and 4.0% of jobs for the Class of 2014. Four out of five of these jobs were reported as bar passage required; 22% were reported as part-time, and 39% were reported as lasting less than a year. Since 2011, when NALP began tracking such funding, these jobs have increasingly become bar passage required, full-time, and long-term (at least a year). For 2015 two-thirds of funded jobs fell into this category compared with less than 8% in 2011. Most funded jobs were in public interest, government, and academic settings. The total number of public interest jobs, which includes jobs in public defender and legal services offices, remains higher than it was prior to 2009, in no small part because of the presence of law school-funded jobs in this sector. More than one in five public

continued on page 4

**Table 1 - Median Starting Salaries 2008 – 2015**

	2008	2009	2010	2011	2012	2013	2014	2015	Change 2014 – 2015
<b>Overall Median</b>	\$72,000	\$72,000	\$63,000	\$60,000	\$61,245	\$62,467	\$63,000	\$64,800	+ 2.9%
<b>Law Firm Median</b>	\$125,000	\$130,000	\$104,000	\$85,000	\$90,000	\$95,000	\$95,000	\$100,000	+ 5.3%

© NALP 2016  
www.nalp.org



*continued from page 3*

interest jobs taken by the Class of 2015 were law school-funded. Although the number of academic jobs has drifted down closer to the 2007 level, school-funded positions still account for over one-quarter of these jobs, with the vast majority being research assistant/fellow positions.

- Employment in business stood at 17.2%, down from 18% in 2014 and the second decline since reaching a historic high of 18.4% in 2013. The share of jobs in business has exceeded 15% since 2010. About 26% of these jobs were reported as requiring bar passage, and about 49% were reported as jobs for which a JD was an advantage.

- About 6.6% of these business jobs represent graduates working for agencies that place individuals in temporary legal, law clerk, or paralegal jobs, compared with just over 5% in 2014. The number of graduates taking these kinds of jobs has varied considerably since NALP began tracking this kind of job in 2006. The percentage for 2015 translates to about 380 jobs, a number that is a bit larger than in 2014. However, it is still far below the 700 reached in 2011, and the 2014 and 2015 numbers remain the lowest recorded.

- Public service jobs, including military and other government jobs, judicial clerkships, and public interest positions, accounted for 29.4% of jobs taken by employed graduates, compared with 28.7% in 2014, 27.6% in 2013, and 28.2% in 2012. Fluctuations in this figure notwithstanding, this percentage has remained relatively stable for more than 30 years, at 26-29%. Public interest organizations, including public defenders, accounted for 7.1% of jobs, compared with 7.3% in 2014, 7.1% in 2013, 7.2% in 2012, 7.5% in 2011, 6.7% in 2010, and 5.6% in 2009. The increases are partly attributable to school programs to provide fellowship and grant opportunities in a variety of settings, including public interest. Although the percentage of jobs accounted for by judicial clerkships has fluctuated somewhat, and reached 10% in

2015, the number of clerkship opportunities has remained relatively steady since 2010, with between 3,300 and 3,400 jobs reported.

- Of employed graduates from the Class of 2015, about 18.5% were seeking a different job, a figure that has fallen each year from the record high of 24.6% for the Class of 2011. However, the percentage of employed graduates continuing to seek remains higher than the 15.9% figure reported for the Class of 2008. The extent to which employed graduates are seeking a different job varies by the kind of job held. For example, about 39% of graduates with a job for which a JD was an advantage were seeking a different job, compared to 11% of those with a job requiring bar passage.

- The number of graduates setting up their own solo law practice after law school declined considerably, accounting for 3.4% of law firm jobs and 1.7% of all jobs, compared with 4.4% and 2.2%, respectively, for the Class of 2014. In fact the number of graduates setting up a solo practice has returned to about its pre-recession level, though as a percentage of jobs, solo practice levels are still higher than the 2.8% of law firm jobs in 2007.

There is much more to discover about the most recent developments in law school graduate employment. How did women and minorities from the Class of 2015 fare? What 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 2015* 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 2015* report, to be published in October 2016, email, fax, or mail a copy of the form on page 6 of these findings to the NALP office.

### Commentary by James Leipold, Executive Director

*continued from page 1*

while the largest law firms of more than 500 lawyers hired more law school graduates than at any time since the recession, the number of entry-level jobs at those firms is still off by almost 1,200 positions compared with the peak hiring achieved with the Class of 2008. By contrast, the number of judicial clerkships has varied from only 3,300 to 3,400 since 2010. For this class, though the actual number of clerkships was slightly smaller than the previous year, because the class size was so much smaller the percentage of jobs that were judicial clerkships actually went up. Government has also been a remarkably steady source of jobs for law school graduates before, during, and after the recession. By contrast, academic jobs more than doubled during the recession and are now back down to pre-recession levels. Similarly, the number of graduates starting out as solo practitioners nearly doubled following the recession, and those numbers too now are back down to the much lower levels routinely measured prior to the recession.

Other notable characteristics of the employment profile for this class include a slightly higher percentage of graduates taking jobs that were classified as Bar Passage Required, and for the first time, a slightly smaller percentage of graduates taking JD Advantage jobs. This does not necessarily presage a continued falloff in these kinds of jobs, but it does interrupt what had been a constant upward trend in the percentage of graduates taking JD Advantage jobs. Interestingly, and not surprisingly, law school-funded jobs were down by more than 35% in the wake of the ABA decision to change the way that such jobs are reported

*continued on page 5*

## Commentary by James Leipold, Executive Director

*continued from page 4*

and counted, and over the last two years, school-funded jobs have come down by 45%. (This change is reflected in the drop in the percentage and number of jobs in the academic and public interest sectors that were reported as law-school funded.)

In addition, the number of graduates who report that they are working in jobs that are short-term and/or part-time also continues to decline, and the overall percentage of graduates who reported jobs that were full-time, long-term, and bar passage required continues to rise from its historic low of just 57% for the Class of 2011 and was almost 63%. However, it still remains far below the 68% measured for the Class of 2008.

After being completely flat for two years, mean and median starting salaries for the Class of 2015 did see some modest growth. The overall median starting salary grew by almost three percent, from \$63,000 to \$64,800, and the median law firm starting salary grew by five percent, from \$95,000 to \$100,000. It is important to note that this salary growth was measured well before the recent run-up of starting salaries to \$180,000 for entry-level associates at the largest firms, and it is therefore all but certain that for the Class of 2016 the means and medians will jump again, and likely by a larger percentage. And, while aggregate salaries have come up somewhat from the lowest post-recession figures measured in 2011, the earning power of the class as a

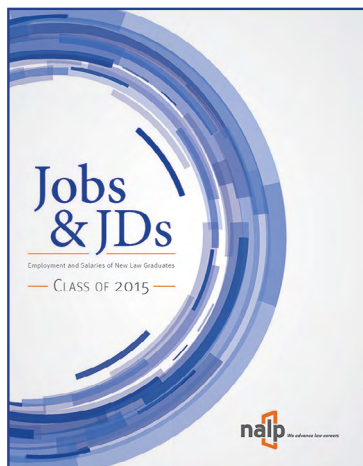
whole is still well below what it was in 2009 when the law firm median starting salary stood at \$130,000, the highest figure ever measured. The main reason for this is that despite the recent growth in recruiting by large law firms, the number of entry-level associate positions at large law firms still remains well below what it was in 2011.

So what is the lesson in all of this? While we might have expected the overall employment rate for this class to go up, it did not. Certainly we have seen over the last two years that a smaller group of law school graduates will secure a smaller number of jobs. Most jobs are not in fact earmarked for new law school graduates, and graduates will continue to compete with other junior lawyers for most jobs other than entry-level associate positions at large law firms, some judicial clerkships, and some government honors programs. In the law firm environment, for law firms of every size, growing efficiencies created by technology and business systems, and increased competition from non-traditional legal services providers will both likely continue to put downward pressure on overall law firm lawyer headcount in the coming years and even decades. For the time being, public sector legal jobs continue to provide a relatively stable and steady though certainly limited source of jobs for new law school graduates.

It is also clear that the overall jobs profile for the Class of 2015 has improved

considerably from that for the Class of 2011, the class that faced the worst overall post-recession job market. Nonetheless, in this flat jobs market there is no evidence that the entry-level legal job market will continue to improve, or at least there can be little confidence that it will return to what it was before the recession. Certainly the members of the smaller graduating classes expected over the next few years will face somewhat less competition amongst themselves for the jobs that do exist, but the ongoing changes facing the industry make it all but certain that the job market will continue to change for new law school graduates in the years ahead.

*NALP is an association of over 2,500 legal career professionals who advise law students, lawyers, law offices, and law schools in North America and beyond. 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.*



*Coming in October 2016*

Pre-order by September 16 using this form  
and save!

The market for recent law graduates is changing, and *Jobs & JDs* is the most comprehensive source of information on those changes. How are law firm opportunities changing for new law graduates? Which geographic markets provided the most jobs? Where did the graduates who are not practicing law find jobs? How do employment findings vary by gender and race/ethnicity?

- **Back up decisions with facts** and statistics about the current legal employment market.
- **Become the expert source** of information within your organization on the legal market and recent trends.
- **Have a wealth of information** at your fingertips when you counsel law students, talk with your dean or hiring committee, or speak with others about the legal market for recent law graduates.

Order your copy today using the form below.

Order your copies of *Jobs & JDs — Class of 2015* by September 16, 2016, and save if you are a NALP member!

**Pre-Order Pricing (By September 16, 2016):**

NALP Member — \$75

**Regular Order Pricing (After September 16, 2016):**

NALP Member — \$85

Non-Member — \$120

*Please add \$9 for ground shipping within the U.S. or \$15 for shipping to Canada; call or email NALP to inquire about costs of expedited delivery and about costs of shipments to locations outside of the U.S. and Canada.*

Fax your order to (202) 835-1112; email your form to [orders@nalp.org](mailto:orders@nalp.org); or mail it to NALP at 1220 19th Street NW, Suite 401, Washington, DC 20036-2405.

After its release, *Jobs & JDs — Class of 2015* will also be available through NALP's Bookstore at [www.nalp.org](http://www.nalp.org).

**Order Date:** \_\_\_\_\_

**Number of Copies:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Organization:** \_\_\_\_\_

**Address (full):** \_\_\_\_\_  
\_\_\_\_\_

**Phone:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Payment Method:**

Invoice Me (only available to NALP members)

Purchase Order # (if required by your organization)  
\_\_\_\_\_

Payment Enclosed

Charge to:

Visa      MasterCard      American Express

Card #: \_\_\_\_\_ Exp: \_\_\_\_\_

Name on Card: \_\_\_\_\_