

RESOLUTION 1YL**AMERICAN BAR ASSOCIATION
YOUNG LAWYERS DIVISION****RESOLUTION**

BE IT RESOLVED, that the American Bar Association urges all ABA-Approved Law Schools to report employment data in a manner that accurately reflects whether graduates obtain full- or part-time employment within the legal profession, both in the private and public sector, or employment in alternative professions, as well as whether such employment is permanent or temporary.

FURTHER RESOLVED, that the American Bar Association urges all ABA-Approved Law Schools to include this employment information data on their websites, in their catalogues, and in their acceptance notices sent to applicants for admission, or include in each of those locations a conspicuous notice of where such data can be obtained.

FURTHER RESOLVED, that the American Bar Association urges all ABA-Approved Law Schools to increase transparency regarding their graduates' salaries by displaying data regarding the salaries on their websites when such disclosures would not violate the confidentiality of graduates' salary information, and to similarly display the national median salary information, by employment type, for all law school graduates, and the median salary information for the schools' respective states and regions.

FURTHER RESOLVED, that the American Bar Association urges all ABA-Approved Law Schools to similarly publicize the actual cost of law school education, on a per-credit basis, and the average cost of living expenditures while attending law school.

FURTHER RESOLVED, that the American Bar Association urges the Section of Legal Education and Admissions to the Bar to consider revising the Standards for Approval of Law Schools to require law schools to provide on their websites, and in other reasonable methods of communication, additional data on employment and placement of graduates and collect more information from schools through the Section's Annual Questionnaires to be published by the Section as part of its consumer-information function.

FURTHER RESOLVED, that the American Bar Association urges the Section of Legal Education and Admissions to the Bar to consider using and adopting a model questionnaire created by the American Bar Association which will incorporate the various provisions of this resolution.

REPORT

It is incumbent upon the legal profession and law schools to provide each and every potential and current law student with information that will accurately reflect the employment and financial realities that they will face upon graduation from law school. The American Bar Association Young Lawyers Division (ABA YLD), as the home for young lawyers, believes that the Truth in Law School Education (TILSE) resolution is the first step towards achieving that goal. The ABA YLD strongly believes that there is a disconnect between law students' perception of their employment prospects upon completion of their law school education and the reality of what law students will realistically achieve. Those entering our profession should have an accurate understanding of the employment opportunities and salaries available to recent law school graduates. There is a greater need for publicly-available, accessible facts for prospective law school students, so that these individuals are able to make a more informed decision regarding their future careers.

Employment Information

From a historical perspective, in the 2005-06 academic year, 43,883 Juris Doctor degrees were awarded. This number increased from 37,909 for the 2001-02 academic year.¹ The total number of graduates in the class of 2009 was approximately 44,000, for which information regarding 42,330 graduates was reported to the National Association for Law Placement (NALP). NALP reported that a total of 192 ABA-accredited law schools participated in a survey, and provided known employment status information on 40,833 graduates, or 92.8% of all graduates from the class of 2009.² While the legal profession reflects the current economic times and has not seen significantly more law school graduates over the last several years, the reality is that there are fewer jobs available to law school graduates.

In the private sector, between 3,200 and 3,700 graduates of the class of 2009 who secured law firm jobs had their start dates deferred beyond December 1, 2009.³ A far higher percentage of this class reported that employment was temporary. Notably, 41% of all public interest jobs, 30% of all business jobs, and 8% of the private practice jobs were reported as temporary.⁴ Overall, nearly 25% of all jobs reported to NALP were temporary, a figure which includes

¹Efrati, Amir, "Hard Case: Job Market Wanes for U.S. Lawyers Growth of Legal Sector Lags Broader Economy; Law Schools Proliferate." September 29, 2007. Available at <http://online.wsj.com/article/SB119040786780835602.html>

²NALP, Class of 2009 National Summary Report. Available at <http://www.nalp.org/uploads/NatlSummaryChartClassof09.pdf>

³NALP Perspectives on Fall 2009 Law Student Recruiting. Available at <http://www.nalp.org/uploads/PerspectivesonFallRec09.pdf>

⁴NALP, *infra* n.3

judicial clerkships. The number of solo practitioners was well over 1,000, and represented more than 5% of law firm jobs, which compared to 3.3% for the class of 2008.⁵

Of the 40,833 graduates from the class of 2009 whose employment status was reported, the statistics revealed the following:

- 70.8% of graduates (28,901) obtained a job that required bar passage;
- 9.2% of graduates (3,751) obtained a job for which a Juris Doctor degree was preferred, or may have even been required, but for which bar passage was not required;
- 7.2% of graduates (2,928) were employed in other professional or non-professional jobs;
- 1.1% of graduates (466) were employed, but the job type was unknown;
- 3.1% of graduates (1,247) were pursuing another degree full-time;
- 6.0% of graduates (2,430) were unemployed and seeking employment; and
- 2.7% of graduates (1,110) were unemployed and not-seeking employment.

The NALP overall employment rate of 88.3% is based on 36,046 employed graduates of 40,833 for whom employment status was known. Of those employed, 55.9% were in private practice, 13.5% were in business, 10.1% were working for the government, 8.7% were working as judicial clerks, 5.7% were working in a public interest setting, 3.5% were working in an academic setting, 1.4% were working in an unknown setting, and 1.3% were working for the military. A total of 8.7% were unemployed.

Given the economic downturn, among other factors, it is not surprising that law schools are awarding an increasing number of Juris Doctor degrees, and, consequently, fewer law school graduates are finding employment. The TILSE resolution reiterates the importance of ABA-Approved Law Schools reporting employment data in a manner that accurately reflects whether graduates are obtaining full-time or part-time employment, whether that employment is within the legal profession, and whether that employment was in alternative professions.

NALP statistics also revealed that law schools were actively trying to mitigate the impact of the recession on their graduates. In fact, 42% of law schools reported that on-campus post-graduate jobs were provided for law students. This may have been a reason for the increase in academic employment from 2.3% for the class of 2008 to 3.5% for the class of 2009. Notably, 69% of all jobs reported in the academic category were reported as being temporary jobs.⁶ Law schools also created employment opportunities for their graduates, including bridge programs, fellowships and grant programs for public interest work. For the class of 2009, these programs

⁵NALP, *infra* n.3

⁶NALP, *infra* n. 3.

provided an estimated 800 jobs, which was a full 2 percentage points in the employment rate.⁷ Lastly, NALP expects that the overall employment rate for new law school graduates will continue decline for the class of 2010, and likely for the class of 2011 as well.⁸

The TILSE resolution urges the Section of Legal Education and Admissions to the bar (the "Section") to consider revising the Standards for Approval of Law Schools to require law schools to provide this type of information on their websites, and to provide more accessible, and readily-available data on employment and placement of law school graduates. This can be accomplished by collecting more specific information through the Section's Annual Questionnaires distributed to law schools, and the answers to these annual questionnaires should be published by the Section to help educate prospective law students. The TILSE resolution also urges law schools to report whether the graduates' employment is permanent or temporary, because this data does not appear to be reflected in the class of 2009 data. Finally, the TILSE resolution urges the Section to consider using and adopting a model questionnaire created by the American Bar Association which will incorporate the various provisions of this resolution.

Salary Information

It has also been discovered that some law schools are reporting wages in an ineffective, misleading manner by citing unrealistic salary averages and full-time employment statistics of their own law school graduates. This salary data is being manipulated to provide a much rosier employment picture to prospective law students, which in turn may contribute to the increase in law school enrollment.

For the class of 2009, 17,699 of the 28,901 graduates (approximately 61%) who obtained employment where bar passage was required reported salary information to NALP. The median salary for these graduates was \$77,000, with a mean salary of \$96,330. Notably, the 25th percentile salary was \$51,000, and the 75th percentile was \$160,000. Many prospective law students focus on the "mean" or "75th percentile salaries, and do not believe that they will fall into the "25th percentile." However, very few lawyers actually receive the "median" salary upon graduation.⁹

Furthermore, of the 3,751 graduates from the class of 2009 that were employed in Juris Doctor preferred jobs, only 1,062 (or 28%) reported salary information. The median salary for these graduates was \$52,000, with a mean salary of \$61,755. For other professional and non-professional jobs, the median salaries were reported at \$60,000 and \$39,000, and mean salaries

⁷NALP, *infra n. 3.*

⁸NALP, *infra n. 3.*

⁹NALP, *infra n. 2.*

of \$73,306 and \$48,538, respectively.¹⁰ Those law school graduates who obtain “other professional” or “non-professional” jobs could find themselves earning between \$30,000 to \$45,000, after graduation, much less than the “average” of \$48,538 to \$73,306, and significantly less than what is required to pay back their law school debt. This type of information should be made easily available to prospective law students, should be prominently displayed on law school websites, and should be included with notices of acceptance to law school.

According to the NALP data, those lawyers responding to the survey that earn approximately \$160,000 in salary, represent only 8.37% of the entire graduating class of 2009. Those lawyers earning \$160,000 are typically in the top 10% of the “top 10” law schools. Of the remaining 90% of graduates from law schools outside of the “top 10”, their law school debt could be in excess of \$200,000. Law students are graduating with historically high debt, and there are not enough opportunities for employment that would allow law school graduates to satisfy these increasing student loans.

The TILSE resolution urges all ABA-Approved Law Schools to increase transparency regarding graduates’ salaries. Among other ways, this can be accomplished by displaying data regarding the salaries on their websites, and including the national median salaries for certain types of employment, and the medians for the state and region for graduates of all law schools, when such disclosure would not violate the confidentiality of graduates’ salary information.

Cost of Law School Education

Additionally, The TILSE resolution urges all ABA-Approved Law Schools to include the actual cost of law school education, on a per-credit basis, and the average cost of living expenditures while attending law school, which will assist law students during the decision-making process of applying to law school. The ABA has also addressed this issue in a document entitled *The Value Proposition of Attending Law School*, which can be found at: <http://www.abanet.org/lcd/legaled/value.pdf>.

¹⁰*NALP, infra n. 2.*

Conclusion

It is vitally important to the future of the legal profession that law schools accurately report employment and salary information of their graduates. It is equally important that prospective law students realize the actual cost of a law school education, and the ABA YLD strongly believes that the TILSE resolution will help to achieve these goals.

Respectfully submitted,

Jacqueline Epstein, Delegate
ABA Young Lawyers Division
February 2011

**ABA/YLD RECOMMENDATION
GENERAL INFORMATION FORM**

Submitting Entity: Young Lawyers Division

Submitted By: Jacqueline Epstein, Delegate

1. Summary of Recommendations:

The recommended resolution will enable the ABA to continue its long tradition of supporting law students and young lawyers as they enter the legal profession. They will help to facilitate reasonable post-graduate salary expectations and prevent young lawyers from incurring debts they cannot repay timely.

2. Date of Approval by Submitting Entity:

February 10, 2011

3. Has this or a similar recommendation been submitted to the Assembly or ABA previously?

No

4. Are there any Division or ABA policies that are relevant to this recommendation and, if so, would they be affected by its adoption?

No

5. Does this recommendation require immediate action at the next Assembly? If so, why?

Yes. If passed, it will be brought before the ABA House of Delegates at the 2011 Annual Meeting in Toronto, Ontario, Canada.

6. Status of Legislation (if applicable):

Not applicable.

7. Cost to the Association:

None.

8. Disclosure of Conflict of Interest (if applicable):

None.

9. Referrals:

None.

10. Contact Persons (Prior to the meeting):

Carlos A. Escurel, YLD Assembly Speaker
(313) 465-8892
carlos_escurel@hotmail.com

David B. Wolfe, YLD Chair
(973) 232-2986
dwolfe@skoloffwolfe.com

11. Contact Person (Who will present the report to the Executive Council and/or Assembly)

Jacqueline Epstein, Delegate
jmp82@law.georgetown.edu