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If We Don't Take Care of Young Lawyers, Who Will?

At the American Bar Association annual meeting, incoming President S. Shepard Tate warned that "unemployment and underemployment among young lawyers is a serious problem."

"We have an affirmative obligation," Tate continued, "to warn young people that the juris doctor degree is not a guarantee of fortune or financial independence."

Most law placement officials would have to agree with President Tate. There are now more than 450,000 lawyers in this country, almost double the number of 20 years ago. The American Association of Law Schools estimates that the number of law student graduates averages about 34,000 a year. And the Bureau of Labor Statistics of the Department of Labor projects that there will be 26,400 new legal jobs each year until 1985. If law school enrollments stay at their current level, that would mean about 8,000 graduates each year would not be able to find a law-related job.

As early as 1971, Millard Ruud, then consultant to the ABA Section on Legal Education and Admissions to the Bar, raised the question of whether this nation's law schools were producing too many lawyers. There was criticism at the time that the council of that section was accrediting a number of new law

by Gary Munneke

*Chairperson, YLD Career Planning
and Placement Committee*



schools without regard to the prospects for employment upon graduation. Professor Ruud reasoned that although the number of law graduates appeared to be increasing dramatically, the supply of jobs was not.

And yet, in spite of these statistics, the National Association for Law Placement, in its annual employment survey, has consistently indicated that most graduates were getting jobs.

In 1977, NALP reported that over 93 percent of the graduates surveyed were employed approximately six months after graduation in law-related jobs. While only 53 percent of all graduates entered private practice (some self-employed), 17 percent were working for either federal, state or local governments; just over 10 percent joined corporations or other business enterprises; 9 percent accepted clerkships; public interest law and indigent legal services attracted 5.4 percent; 3.3 percent stayed in the academic community to study or teach; and 2 percent were in the military.

How serious a problem is the 6.4 percent unemployment figure reported by the NALP? Certainly not as serious as some newspapers have been saying in recent months. Part of the problem may be that the media has been using outdated projections. For example, in 1973 the Bureau of Labor Statistics estimated that from 1974 through 1980 the legal profession would have 16,500 jobs. The juxtaposition of this figure with the estimate that 34,000 law students would graduate each year, suggests that close to half would be unable to find jobs. While the bureau's figures for this past year represent a 60 percent difference in terms of current job openings, some organizations may not have updated their own files to reflect this difference.

In addition, law school placement officers have questioned the reliability of the comparison of projected openings to law school graduates on two grounds: (1) Many graduates do not take state bar examinations or fail the examinations if they do take them and thus should not be considered as part of the market of available new lawyers. (2) Slightly over 4,200 of the 1974-75 graduates have been in part-time or evening law school programs and these

graduates often intended to remain in the positions that they held while attending law school without entering the market for new lawyers. What the bureau does is to add projected openings caused by death, retirement or losses to other professions to the projected new openings inferred from an economic growth curve.

Since the Bureau of Labor Statistics attempts to predict legal job opportunities in the traditional job market of law firms, corporate law departments and agency counsels' offices, it is not clear that it even considers newly developing fields of law practice such as corporate management, estate and trust work with insurance companies or banks, educational and public administration, the communications industry and public accounting.

Tolly Besson, president of the California Young Lawyers Association, believes that one's conclusions about the problem of lawyer unemployment or underemployment have a great deal to do with one's knowledge and experience. The CYLA, in a recent survey, found that unemployment figures were just over four percent for all California lawyers out of school 10 years or less.

"Whether the survey findings are viewed... as discouraging or encouraging depends upon the person's preconceptions," Besson said. "Some will consider 4.1 percent unemployment very discouraging in the light of the employment experience of other professionals such as doctors or dentists. Others will view the figures as not as bad as might be expected especially in light of the levels of unemployment in the population at large, and the normal problems of establishing a law practice."

Job hunting is hard work and there is limited access to positions which are most prestigious and remunerative. Former NALP President Dick Badger has said: "Although the market for new law school graduates is not as bleak as recent articles have suggested, it is clear that many students will have to search actively for positions and consider a variety of opportunities and locations."

One factor working in favor of current students is that the number of law graduates has leveled off at around 34,000, and the ABA is ex-

tremely wary of approving new law schools. It is important that the line be held on increasing the number of law schools or students. However, in a few states, graduates from unaccredited law schools comprise a significant portion of the bar exam applicants. Although there is a high failure rate among these graduates, those who do pass the bar compete with graduates of accredited law schools for available jobs. Since the ABA cannot control the number of graduates from these unaccredited law schools, it cannot control the number of new admittees to the bar. There is a notion that the law of supply and demand in the free marketplace should apply to the job market, and those least fit to practice law will be selected out, while the best and the brightest will find the jobs.

Because of the great investment of time and money required to obtain legal education and the highly specialized nature of legal training, it is unreasonable to expect bright people to invest three years in a program and then find that there are no opportunities in their chosen profession. This is not to suggest that many law graduates do not accept nonlegal jobs. Many in fact choose not to practice law, and many law graduates elect not to take the bar exam because they have found employment in a field for which the bar exam is not required. However, potential students should not be deluded into thinking that if they graduate from an unapproved law school, the opportunities for them are unlimited.

An exacerbating fact is that law schools make money. It costs less to educate lawyers than other professionals. Many universities have, in recent years, used surplus tuition from the law school to bail out financially troubled programs elsewhere on campus. Colleges without law schools want to start them, and proprietary law schools are forming in many parts of the country. These proprietary schools make up the bulk of the nation's unaccredited law schools, and the ABA Section on Legal Education has voiced a concern that many of these schools are more interested in profits than in upgrading the quality of their education.

If there is to be any control of the unaccredited law schools, it will have

to come from the various states, by limiting the right to take the bar exam to graduates of ABA approved schools. The alternative is to let everyone take the bar exam and limit the number of persons who pass.

Suggestions to arbitrarily limit admissions to the bar through the bar exam have met with stiff opposition. Even if bar examiners could predict the needs of a given state for lawyers

and then admit only the required number with the highest scores, there would still be a pool of otherwise qualified persons who would be denied their only ticket to the job market—a law license. Some of the "failures" would probably already have jobs waiting, pending favorable bar results. Ultimately it makes better sense to have a set standard and apply it evenly from test to test, and to concentrate on controlling the pool of applicants who are eligible to take the bar exam.

It has been suggested that the problem with the job market is not that there are too many people passing the bar or too few jobs, but that both jobs and applicants are poorly distributed. The bulk of today's law students come from large cities and they are inclined to seek practices in urban settings. Many graduates choose nonlegal employment in a city over private practice in a rural area. This "Last Picture Show" syndrome is precipitated in large part by a perceived isolation and provincialism inherent in small town life. Many students fail to recognize the advantages of small town practice and fail to carefully weigh them against such disadvantages they perceive.

There are wide geographical differences in the availability of jobs as a result of differences in regional economies. There are also employment differences based on the type of law practice, and these will fluctuate. For example, real estate practice depends heavily on the building industry and a depressed building industry (as existed in 1974-75) will affect real estate lawyers' practices. This in turn means that fewer new positions will be available, for like any business, new associates are added by growth capital from profits.

The preceding discussion suggests a few approaches to the problem of what is sometimes referred to as the oversupply of lawyers: (1) persuading more graduates to settle in small towns and rural areas where the employment outlook is better; (2) directing more students to alternative careers in those geographic markets already saturated with attorneys; and (3) limiting access to the legal profession through the law schools.

Unfortunately, identifying the major problems and achieving solutions to them are two different matters. Everybody wants to do something to help the placement situation—the government, the organized bar on both national to local levels, the law schools, legal employers, private consultants, not to mention the job-seekers themselves. There are more placement committees started, more well-intentioned plans prepared, and more new ideas that never get off the ground than one could imagine. Information is fragmented and inaccessible. Programs are not adequately publicized. Professional jealousies keep these various entities from coming together to solve the problems.

The results of this fragmentation are obvious. There is no comprehensive national effort to find solutions, and there is a tremendous amount of duplication.

Perhaps the coordination problem can be understood more clearly by reviewing the placement/recruitment system as it currently exists in the United States. The heart of the process is the law school placement office.

The placement office's services might include advising students as to career options, teaching job seeking techniques such as interviewing and resume writing, scheduling on-campus interviews, posting and maintaining information on job openings, referring students and alumni to possible openings, providing information and resources (such as library materials) for research on careers and jobs, conducting programs on various career alternatives, and gathering data and other statistics to be used in the process of analyzing job opportunities. Some placement offices have experimented with other techniques to find their students jobs. Some placement offices do very little to assist the average law graduate, and to combat this the Young Lawyers Division and the Section on Legal Education and Admissions to the Bar recently submitted a resolution to the ABA House of Delegates that would require law schools to maintain adequate placement facilities. This resolution was passed in August 1978 at the Annual Meeting.

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vate employment services, all contribute to the legal placement system. There are programs, services and operations which supplement the work of law schools. Bar association activities include: clerkship programs, resume referral services, counseling programs, job fairs and research. In recent years, many law firms have trained paralegals to manage their recruiting programs, and have become much more professional about their recruitment activities. However, many other employers approach recruiting and hiring in a decidedly haphazard fashion.

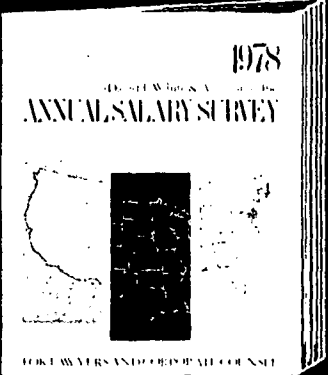
Private employment agencies, whether they call themselves employment agencies, personnel services, placement consultants, or executive search firms, are in the business of making money from matching applicants with jobs. While there are some very competent personnel agencies, there are many unscrupulous ones that are more interested in making money than satisfying clients. There is no regulation of such firms or individuals except the various federal laws prohibiting discrimination in hiring.

All the groups described above spend a substantial amount of money on the placement and recruitment of lawyers. Few people realize that recruiting is a multimillion dollar business. If the cost to hire one law graduate were \$1,000 to a legal employer, the recruiting of 30,000 law graduates would cost \$30 million. In fact, the average cost per hire may be considerably more. It is estimated that most of the law firms in the country with over 50 lawyers spend over \$100,000 every year on recruiting. There is no way to calculate the fees paid to private employment agencies or "headhunters." Law schools in the United States may spend as much as \$8 to \$9 million collectively on career planning and placement. And 30,000 law graduates whose median starting salary is \$15,000 will be paid \$450 million in the next year. Although not a recruiting cost, these salaries represent a substantial investment not only by the bar, but by all employers of law graduates. To the extent that the placement system does not work, and the right people are not put in the right jobs, some

portion of that investment is wasted, and the new lawyer's salary is only a portion of the loss to an employer when an employment arrangement does not work out.

Money is needed, and ironically the money is there. However, ways must be found to reallocate a portion of annual recruitment expenses into the funding of national cooperative efforts. At current levels the problem can be discussed endlessly, but no solutions are likely to be forthcoming. In terms of money, a national attack on the problem would involve hundreds of thousands of dollars. It is unlikely that any group involved in the placement process will be able to allocate sufficient resources to finance a comprehensive national plan.

The Young Lawyers Division has already made a commitment to do its share. Since younger lawyers are either going through the placement process or have done so fairly recently, this commitment is a natural outgrowth of the needs of the membership of the division. The stakes are not small. Effective placement is integral in the effective delivery of legal services. Recent debates on that subject seldom consider placement, but ultimately placement is the vehicle by which the right people are put in the right places to meet various legal needs of society.



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