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Date: March 2, 2010

Entry-Level Recruiting Volumes Plunge, Some Start Dates Deferred

All of the markers that measure the strength of the legal employment market for new lawyers, such as law firm recruiting levels for summer programs and summer program outcomes, fell in 2009, continuing and accelerating the general downward trend in recruiting volumes that was measured in 2008. The drop-off in the numbers in the second year of the recession was steeper than the decrease in volume seen during the first year of the recession, as the recession continued to batter both the economy in general and the legal employment market specifically. Based on information provided by NALP members about fall 2009 recruiting, the market for entry-level legal employment shrank dramatically, especially for current second-year students (2Ls) seeking a position for summer 2010. This is according to *Perspectives on Fall 2009 Law Student Recruiting*, an annual report published by NALP on selected aspects of fall recruitment activity and the experiences of both legal employers and law schools.

The most dramatic impacts of the current economic situation on legal employment opportunities were on the numbers that describe fall recruiting of 2Ls for summer 2010 positions, and on the extent to which start dates for Class of 2009 graduates were deferred. Across employers of all sizes, the median number of offers extended for summer 2010 positions dropped dramatically to only 7 in 2009 following a previous drop from 15 in 2007 to 10 in 2008. At the largest firms, firms with more than 700 lawyers firm-wide, the median number of offers dropped from 30 in 2007, to 18.5 in 2008, and to just 8 in 2009. Similarly, the percent of callback interviews resulting in offers for summer spots fell precipitously to 36.4% in 2009, after falling to 46.6% in 2008 from a figure that had hovered at or above 60% for the three previous years. Not surprisingly, the offer acceptance rate also jumped. At 42.8%, it is the highest rate ever recorded.

With respect to deferrals, 85% of schools reported that the start date of at least one class of 2009 graduate was deferred beyond December 1, 2009. From the employer perspective, over half of the summer 2008 associates (class of 2009 graduates) accounted for in the survey were deferred beyond December 1, 2009. While it is impossible to determine the exact number of associates whose start dates were deferred, analyses of the survey data from law schools and law firms suggests that the number was at least 3,200 and could be as high as 3,700.

“This represents an enormous interruption in the usual recruiting and employment patterns that we have come to expect,” said James Leipold, NALP’s Executive Director. “For the class of 2009, the largest impact was the deferral phenomenon. By now, some of those who were deferred have actually started to work, but others remain deferred at this time. For the class of 2010, there were many fewer offers for full-time employment

coming out of summer programs, and many of those who do have offers at this time do not have start dates. We anticipate that some of those offers will end up being deferred. For the class of 2011 — those who went through the on-campus interview process last fall — there were many fewer 2010 summer positions available. That is a situation that we expect to persist for the class of 2012. I don't think anyone expects recruiting volumes to pick up significantly during 2010, though the worst does now seem, we hope, to be behind us."

On-Campus Activity

Almost without exception, schools reported fewer employers on campus. Over half of schools (54%) reported a decrease of 30% or more in the number of employers on campus in fall 2009 compared with fall 2008. About 38% reported a decrease of 5-29%. These figures varied somewhat by region, with schools in the Mid-Atlantic and West/Rocky Mountain regions most likely to have reported a decrease of 30% or more (70% of schools and 65% of schools, respectively.) Further, analysis by enrollment size shows that larger schools were most likely to report a decrease of 30% or more in the number of employers on campus.

On the employer side, most respondents visited fewer schools in 2009 compared to 2008; half decreased the number of schools visited by 40% or more. This includes one in five who did not go on campus after having done so in 2008.

The nationwide median number of schools visited by employers making visits was six. Offices in firms of more than 500 lawyers were most likely to have decreased the number of schools at which they interviewed by 40% or more. Over half did so, and about half of those did not go on campus at all in 2009. Offices in firms of 100 or fewer lawyers were much more likely to have at least maintained the number of schools visited — 44% compared with just 12-18% of offices of the largest firms.

Summer Program Outcomes

To some extent, employers had planned for and hired their summer 2009 classes before the full brunt of the recession became evident in late 2009. Thus the median class size for summer 2009 was 6 and the average was 12, not much different than those of recent years. However, the offer rate to these summer associates for entry-level associate positions fell by more than 20 percentage points, from 89.9% in 2008 to 69.3% in 2009. This is by far the lowest offer rate measured since NALP began collecting this data in 1993. Similarly and not surprisingly, the acceptance rate for these summer offers jumped by nearly five full percentage points, to 84.5%, which also marks the highest offer acceptance rate ever recorded. Moreover, almost 40% of summer 2009 associates who accepted an offer did so with a deferred start date.

Summer programs were largest in New York City, with a median size of 19.5 and an average size of 27, and smallest in Northern New Jersey, Atlanta, and the Miami area, where both median and average sizes were between 3 and 4.

This year's report also provides information on the length and ending dates for summer programs. Summer programs in 2009 were typically 8, 10, or 12 weeks long. Over three-quarters of offices reported summer

programs of these lengths, although the lengths reported ranged from 6 to 19 weeks. However, almost two-thirds of offices reported that their summer program was at least one week shorter than in 2008.

On a regional basis, shorter programs, especially 6-week programs, are more common in the Southeast. Some offices hold two 6-week sessions. On the other end of the spectrum, 12-week programs were most common in the Midwest and West/Rocky Mountain regions, and in Michigan and Ohio specifically. Ten-week programs remained the norm in Northern New Jersey, Minneapolis, Missouri, and Portland, OR. Most programs ended in late July and early August, and although about half of offices ended within a week of their 2008 end date, for fully 45% the end date was a week or more earlier, consistent with shorter programs.

Fall Recruiting

Employers issued a median of 30 and an average of 53 callback invitations to current second-year students for summer 2010 programs. Nationwide, 84% of these callback invitations were accepted. Overall, not quite 36% of callback interviews resulted in an offer, with a median of 7 offers per employer. About 43% of the offers made to Class of 2011 students for 2010 summer programs were accepted, a figure that rose considerably from 33% in 2008. The level of activity is far lower than in 2008, when the average and median number of callback invitations were 86 and 40, which in turn were lower than in 2007, the last year of a 6-year upward trend. In addition, a number of offices, about 17% of responding offices, opted not to have a summer program in 2010 after having had one in 2009. Some offices had not completed hiring for the summer as of December 31, 2009. Figures are based on offices that had interviewed at least one 2L, even if the process ended with no offers being made, or none had been made as of December 31, 2009.

The percentage of callback interviews resulting in an offer was somewhat lower in firms of less than 700 lawyers, and higher — almost 41% — in the largest firms. However, acceptance rates were higher at firms of 100 or fewer lawyers, almost 60%, compared with about 40% in firms of more than 500 lawyers.

Analyses at the city level revealed wide variations. For example, employers in New York City, not surprisingly, reported by far the highest level of activity in callback invitations and interviews of second-year students, making an average of 33 offers to second-year students for summer 2010. Acceptance rates were lowest at offices in New York, Chicago, and San Jose, where about one-third of offers were accepted. Acceptance rates were highest in Northern New Jersey, the Miami area, and in Missouri, at over 60%.

Third-year hiring all but dried up, with just a handful of offices reporting any activity at all; those that did typically made 1 or 2 offers. Of the more than 300 survey respondents, only ten employers made offers to 3Ls, conducting 76 callback interviews and making a total of 21 offers.

Deferrals of Class of 2009 Graduates

Most schools reported that at least one Class of 2009 graduate was deferred; the median number deferred was 7 and the average was 24. Virtually all schools in the Northeast and Mid-Atlantic regions reported deferred graduates.

Based on the employer survey, just over half of 2008 summer associates who accepted their offer were deferred. For those offices which did defer associates, the median number was 5 and the average was 12.

Not surprisingly, deferrals were generally more likely at the largest firms, where over 60% of summer 2008 associates who accepted an offer were deferred. Deferral rates, measured as either the percent of offices deferring or the percent of associates deferred, were lowest in small firms and in the Southeast and Midwest. The median number of deferred associates ranged from 3 in Atlanta to 19.5 in New York, figures that also reflect variations in typical summer program size.

About half of deferred associates were working for pay or a stipend. The most common work setting was public interest, accounting for 44% of those working. Employers deferring associates overwhelmingly provided a stipend, and almost two-thirds of those providing a stipend reported that it was unconditional. For those who did put conditions on the stipend, most — almost 80% — conditioned the stipend on taking a position with a public interest or government office.

To read the full report including all of the data tables (free PDF download) visit NALP's website at www.nalp.org. Click on *Research & Statistics > Recruitment & Hiring > Perspectives on Fall Recruiting*.

About NALP: Founded in 1971, the National Association for Law Placement, Inc.[®] (NALP) is dedicated to facilitating legal career counseling and planning, recruitment and retention, and the professional development of law students and lawyers. NALP maintains an online archive of press releases at www.nalp.org — click on *Research & Statistics > Press Releases*. For additional information about NALP research, contact Judith Collins (jcollins@nalp.org), Director of Research, or James G. Leipold (jleipold@nalp.org), Executive Director, at 202-835-1001. Mailing address: National Association for Law Placement, 1025 Connecticut Avenue NW, Suite 1110, Washington, DC 20036-5413.