Recruiting for Entry-Level Lawyers Edges Up Slightly

Most 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, rose slightly in 2010, a change in course following the general downward trend in recruiting volumes that was measured in 2008 and 2009. While entry-level recruiting volumes and summer program sizes have not returned to anything like the levels measured before the recession, the information provided by NALP members about summer programs in 2010 and fall 2010 recruiting show a modest rebound in recruiting volumes. This is according to Perspectives on Fall 2010 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 offer rate from summer programs for entry-level associate positions rebounded just over eighteen points, to 87.4%, after plunging from 89.9% in 2008 to 69.3% in 2009. Not surprisingly, the acceptance rate for these offers fell slightly, from 84.5% to 82.7%, as students had incrementally more options on the table. A small increase in recruiting volume for the summer 2011 program was also seen in the 2L market. Across employers of all sizes, the median number of offers extended bumped up to 9, from an all-time low of 7 in 2009. (This compares with medians of 10 in 2008 and 15 in 2007.) Similarly, the percent of callback interviews resulting in offers for summer spots rose slightly to 40.6%, having fallen precipitously to 36.4% in 2009, this 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 fell slightly, to 40.4% from a high of 42.8% in 2009. These recent acceptance rates, however, remain the highest recorded.

The one marker that fell in 2010 was the size of summer programs. After having been caught in the middle of the recession with larger summer programs than they would have liked, law firms in general brought in much smaller classes this past summer. The median class size dropped to 4, after being at 6 for most years since 2001. These smaller summer classes are likely one reason that the offer rates coming out of them were as high as they were. At the same time, however, it is evident that, after a summer in which about 17% of offices did not have a program, most will pick up with a summer program in 2011. Fewer than 5% of offices reported that they did not have a program in 2010 and will not again in 2011.
Some law firms are still deferring associate start dates, but based on reports from both schools and employers, the extent to which Class of 2010 graduates were deferred is far less than that experienced by the Class of 2009. Based on these surveys and other NALP research on graduate employment, the number of deferrals for this class is estimated to be roughly half of what it was for the Class of 2009, an estimated 1,600 – 1,800, compared with 3,400 – 3,700 estimated for the Class of 2009.

“These numbers describe a soft bounce in the market,” according to James Leipold, NALP’s Executive Director. “Clearly, from a recruiting perspective, the most dramatic impact of the economic downturn has passed, and law firms are beginning to return to the market for new law school graduates with more confidence than they had at the height of the recession. But it is important to keep these numbers in perspective,” Leipold noted. “The recovery we are seeing in the legal economy is nascent, and the jump in recruiting levels is small. Most of the data collected through our fall recruiting surveys document recruiting levels that are still well below the recruitment levels measured prior to the recession. My expectation is that this slow growth in entry-level recruitment activity will continue, but it will be some years yet before we see a return to the sort of robust recruiting levels we saw in 2006 and 2007. And as for summer associate class size, we may never see those numbers return to what they were before the recession.”

**On-Campus Activity**

One-quarter of schools reported an increase of 5% or more in the number of employers on campus in fall 2010 compared with fall 2009. Nearly one-third reported steady numbers and 43% reported a decrease of 5% or more. Regional differences were evident, with schools in the Midwest most likely to report an increase of 5% or more. Schools in the West/Rocky Mountain region were most likely to report relatively steady numbers, and schools in the Southeast were most likely to report decreases.

On the employer side, just over one-third of employers each increased or maintained the number of schools visited, while 27% reported visiting fewer schools. The nationwide median number of schools visited by employers was six. Large firms of more than 500 lawyers were most likely to have increased the number of schools at which they interviewed, with about 42% doing so. Firms of 100 or fewer lawyers were much more likely to have maintained the number of schools visited — 67% compared with about 30% of offices of large firms.

**Summer Program Outcomes**

The median class size for summer 2010 was 4, a considerable shrinkage from the median of 6 in 2009, and the smallest since NALP began collecting this information in 1993. Just over 87% of participants received an offer for an associate position, up considerably from the 69% recorded for the summer 2009 program, and much more in line with offer rates documented in most, though not all, of the prior 15 years. The acceptance rate for these summer offers was not quite 83%, a decrease from 84.5% the previous year, but still high by historic standards. Moreover, though the rate is down compared with the previous summer, about 12% of summer 2010 associates who accepted an offer did so with a start date deferred beyond December 1, 2011.
Summer programs were largest in New York City, with a median size of 8, and an average size of 10, and smallest in south Florida, North Carolina, San Francisco, and Seattle, where both median and average sizes were between 2 and 3.

Summer programs were typically 8 or 10 weeks long. Almost three-quarters of offices reported summer programs of either 8 or 10 weeks, although the lengths reported ranged from 4 to 14 weeks. About 62% of offices reported that their summer program in 2010 was two or more weeks shorter than in 2008. Among firms of 251-500 lawyers 72% did so. On a regional basis, 8-week programs are more common in the Southeast. On the other end of the spectrum, 12-week programs were most common in smaller firms and offices as well as in Boston and Michigan. Ten-week programs remained the norm in much of the Midwest.

**Fall Recruiting**

Employers issued a median of 29 and an average of 57 callback invitations to current second-year students for summer 2011 programs. Nationwide, 81% of these callback invitations were accepted. Overall, 41% of callback interviews resulted in an offer, with a median of 9 offers per employer, up from 7 in 2009. About 40% of the offers made to Class of 2012 students for 2011 summer programs were accepted, down somewhat from 43% in 2009, but still much higher than figures that had ranged from 29% to 33% between 2002 and 2008. The overall level of activity for 2010 was similar to that of 2009, when the average and median numbers of callback invitations were 30 and 53, and still well below those in 2008 and 2007, with 2007 being the last year of a 6-year upward trend.

As has typically been the case, acceptance rates were higher at firms of 100 or fewer lawyers, about 66%, compared with less than 40% at 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 42 offers to second-year students for summer 2011. Acceptance rates were lowest at offices in Boston, New York, Chicago, and San Jose, where fewer than one-third of offers were accepted. Acceptance rates were highest in Michigan, Ohio, and Portland, at over 60%.

Third-year hiring remained severely constricted, with just 15% of offices reporting any activity at all, and with those that did typically making 1 or 2 offers. Because 40% of those offices that did interview 3Ls ultimately made no offers, the 290 accepted callback invitations resulted in only 110 offers. Most of those offers — 85% — were accepted.

**Deferrals of Class of 2010 Graduates**

About 60% of schools reported that at least one Class of 2010 graduate was deferred beyond December 1, 2010; the median number deferred was 4 and the average was 13, both figures about half of what schools
reported for their class of 2009. Deferrals were most widespread at schools in the Northeast and Mid-Atlantic regions.

Based on the employer survey, just over one-third of 2009 summer associates who accepted their offer did so with a start date deferred beyond December 1, 2010. For those offices that did defer associates, the median number was 3 and the average was 9.

Not surprisingly, deferrals were generally more likely at the largest firms, where over 40% of summer 2009 associates who accepted an offer were deferred. This figure was lowest in small firms and in the Southeast and Mid-Atlantic regions. The median number of deferred associates ranged from 1 in the Southeast to 7 in the Northeast, figures that also reflect variations in typical summer program size.

Just under one-third of deferred associates were working for pay or a stipend. The most common work setting was government, at 35%, followed closely by public interest organizations, at 31% of those working. About 60% of employers deferring associates provided a stipend, and about 59% of those providing a stipend reported that it was unconditional. For those who did put conditions on the stipend, nearly all 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 (or go directly to www.nalp.org/uploads/Perspectives_Fall_2010.pdf).

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