

Reports on Employment in the Legal Profession

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REPORT ONE: NATIONAL EMPLOYMENT

Introduction

This report is the first in a series of reports exploring the current status of the employment market for lawyers. Report One summarizes data produced by the U. S. Department of Labor, Bureau of Labor Statistics regarding national employment and unemployment for workers in legal occupations. Report Two will analyze data collected by the National Association for Law Placement (NALP) for recent graduates of the nation's ABA-accredited law schools who are about to enter this market. Report Three will explore compensation in the legal profession.

What follows is an executive summary of Report One, a study of the current employment situation for lawyers and for those who work in legal occupations. This is the national market into which this year's law school graduates will enter. All data in Report One was obtained from the U.S. Bureau of Labor Statistics (BLS or Bureau) Current Population Survey. The full version of Report One, including more detailed BLS data and BLS methodology, will be released soon.

The purpose of Report One is to insert the nation's most authoritative employment data into the public dialogue about the national legal employment picture. Since the onset of the recession and during the slow recovery, this public dialogue has been dominated by bloggers and a small element within the media. According to their posts and stories, lawyers are largely unemployed, law school graduates have no hope for employment, and the investment in law school is not worthwhile. They assert that attending law school is a bad decision because of the lack of jobs, given the cost of legal education. Most of these assertions are anecdotal, unbalanced, lacking in factual support, and as Report One reveals, contrary to official U.S. employment data. This report uses BLS data to explore three questions:

- (1) What is the status of legal employment?
- (2) How has the recession impacted legal employment?
- (3) How do legal occupations compare to other occupations?

The annual data produced by the Bureau of Labor Statistics shows that lawyers had among the lowest unemployment rates of all management and professional occupations in 2010. Unemployment among lawyers was 1.5% in 2010, far below the national unemployment rate of 9.6%. The BLS annual data also reveals that over the last ten years the employment rate for lawyers is among the most stable of all occupations, that the total number of workers employed in legal occupations has increased every year, and that lawyers are among the occupations least affected by the recent recession. These facts have been curiously absent in the public dialogue about the national legal employment picture.

What is the status of legal employment?

The most reliable source of employment data is the U.S. Bureau of Labor Statistics, which produces the national employment data and sets our national unemployment rate. BLS data used here describes the status of employment in legal occupations as of the end of 2010, as well as during the decade beginning in 2001.

National Unemployment Levels for Legal Occupations 2010 (See Charts 1 & 2)

The 2010 national unemployment rates in legal occupations were:

TABLE I	
Occupation	% Unemployed
All legal occupations	2.7%
Lawyers	1.5%
Judges, magistrates, and other judicial workers	2.0%
Paralegals and legal assistants	4.6%
Miscellaneous legal support workers	5.4%
All occupations (national unemployment rate)	9.6%

The current combined unemployment rate for all legal occupations is a modest 2.7%, well below the 2010 national unemployment rate of 9.6%. For lawyers, the 1.5% unemployment rate compares even more favorably to the national rate. Both rates contradict the claims of high unemployment in the legal profession asserted by the bloggers and media.

Employment Levels 2001-2010 (See Chart 3)

During the past decade, the job market supported an additional 123,000 positions for lawyers, as well as another 123,000 jobs in other legal occupations. [The minor discrepancies in BLS totals are due to their rounding large numbers.] Total jobs for the decade, including the year before the recession, were:

TABLE II				
Occupation	# Employed 2001	# Employed 2007	# Employed 2010	2001-2010 Net Change
All legal occupations	1,470,000	1,668,000	1,716,000	+246,000
Lawyers	917,000	1,001,000	1,040,000	+123,000
Judges, magistrates, other judicial workers	57,000	68,000	71,000	+14,000
Paralegals and legal assistants	287,000	347,000	345,000	+58,000
Miscellaneous legal support workers	210,000	253,000	259,000	+49,000

Employment in legal occupations during this decade grew, and all fields within the legal occupations grew at a modest rate over the decade:

TABLE III		
Occupation	% Increase in Number Employed 2001 to 2010	Avg. Annual Increase
All legal occupations	16.7%	1.9%
Lawyers	13.4%	1.5%
Judges, magistrates, other judicial workers	24.6%	2.7%
Paralegals and legal assistants	20.2%	2.2%
Miscellaneous legal support workers	23.3%	2.6%

Trends in Legal Employment 2001-2010 (See Charts 1 & 2)

During this decade, unemployment for legal occupations increased as follows, including during the recession which, according to the National Bureau of Economic Research, began in December 2007:

TABLE IV			
Occupation	% Unemployed 2001	% Unemployed 2007	% Unemployed 2010
All legal occupations	1.6%	2.3%	2.7%
Lawyers	1.0%	1.1%	1.5%
Judges, magistrates, other judicial workers	0.7%	2.9%	2.0%
Paralegals and legal assistants	2.9%	3.7%	4.6%
Miscellaneous legal support workers	2.6%	4.9%	5.4%
National unemployment rate	4.7%	4.6%	9.6%

In this decade nationally, the percentage of unemployed workers in all occupations more than doubled from 4.7% to 9.6%, an increase of 4.9%. The unemployment rate for lawyers increased a modest 0.5%. As the decade opened, unemployment among lawyers was 3.7% lower than the national unemployment rate; as the decade closed, this gap favored lawyers by 8.1%.

How has the recession impacted legal employment?

Recession and Employment 2007-2010

In 2007, the number employed in legal occupations hit its peak up to that point in the decade. The number of employed lawyers had also peaked, having just seen a 3.7% increase from 2006, the largest single-year % increase of the decade. Then came the recession, which had this effect on legal jobs:

TABLE V					
Occupation	# Employed 2007	# Employed 2008	# Employed 2009	# Employed 2010	2007-2010 Net Change
All legal occupations	1,668,000	1,671,000	1,710,000	1,716,000	+48,000 (+2.9%)
Lawyers	1,001,000	1,014,000	1,043,000	1,040,000	+39,000 (+3.9%)
Judges, magistrates, other judicial workers	68,000	54,000	73,000	71,000	+3,000 (+4.4%)
Paralegals and legal assistants	347,000	346,000	354,000	345,000	-2,000 (-0.6%)
Misc. legal support workers	253,000	257,000	240,000	259,000	+6,000 (+2.4%)

The recession has affected all occupational segments of the economy, including all legal occupations and lawyers. However, during the recession and recovery, the number of jobs in legal occupations increased in all fields except paralegals and legal assistants, which declined less than 1%. Despite the recession, since 2007 the number of employed lawyers has increased by 3.9%, an average of 1.3% per year.

Recession and Unemployment 2007-2010 (See Charts 2 & 4)

The recession had this effect on unemployment:

Occupation	# Unemployed 2007 (Rate)	# Unemployed 2008 (Rate)	# Unemployed 2009 (Rate)	# Unemployed 2010 (Rate)	2007-2010 Net Change (%)
All legal occupations	40,000 (2.3%)	44,000 (2.6%)	60,000 (3.4%)	48,000 (2.7%)	+8,000 (+0.4%)
Lawyers	12,000 (1.1%)	20,000 (1.9%)	24,000 (2.3%)	16,000 (1.5%)	+4,000 (+0.4%)
Judges, magistrates, other judicial	2,000 (2.9%)	1,000 (1.1%)	1,000 (1.3%)	1,000 (2.0%)	-1,000 (-0.9%)
Paralegals and legal assistants	13,000 (3.7%)	9,000 (2.5%)	16,000 (4.4%)	17,000 (4.6%)	+4,000 (+0.9%)
Misc. legal support workers	13,000 (4.9%)	15,000 (5.4%)	19,000 (7.2%)	15,000 (5.4%)	+2,000 (+0.5%)

While the total number employed increased during the past three years, so did the number unemployed. However, unemployment for legal occupations decreased from 2009 to 2010, while the overall national unemployment rate increased from 9.3% to 9.6%. From 2009 to 2010 the number of unemployed workers in all legal occupations fell from 60,000 to 48,000 or 20.0%. The number of unemployed lawyers fell from 24,000 in 2009 to 16,000 in 2010, a 33.3% decline. The number of unemployed miscellaneous legal support workers fell by 4,000 from 2009 to 2010 (21.1%), while the number of unemployed judges and magistrates remained the same. From 2009 to 2010, the only legal occupation that increased its number of unemployed was paralegals and legal assistants, which increased 1,000.

How do legal occupations compare to other occupations?

Legal Occupations Compared to other Management, Professional, and Related Occupations 2001-2010 (See Chart 5)

The blogs and the media present anecdotal observations focused solely on unemployed lawyers and law students. Here is how unemployment in the legal occupations compares to other management and professional occupations:

Occupation	% Unemployed 2001	% Unemployed 2007	% Unemployed 2010	# Unemployed 2010
Healthcare practitioner & technical	1.2%	1.3%	2.5%	203,000
Legal occupations	1.6%	2.3%	2.7%	48,000
Education, training, & library	2.0%	2.3%	4.2%	379,000
Life, physical, & social science	2.1%	2.0%	4.6%	69,000
Community & social services	2.0%	2.3%	4.6%	114,000
Management	2.1%	1.8%	4.8%	762,000
Computer & mathematical	3.6%	2.1%	5.2%	195,000
Business & financial operations	2.6%	2.4%	5.6%	355,000
Architecture & engineering	2.5%	1.6%	6.2%	173,000
Arts, design, entertainment, sports, media	4.4%	4.4%	8.9%	269,000

These ten categories established by the Bureau of Labor Statistics include the most likely alternatives for those considering a career as a lawyer, and are the most likely jobs to require some graduate level education. With unemployment rates well below the other occupations and more than three times lower than the national unemployment rate, the legal occupations and healthcare occupations are by far the best career alternatives. Legal occupations also had the smallest increase in the unemployment rate over the past ten years (1.1%).

Lawyers Compared to other Management, Professional, & Related Occupations 2001-2010 (See Chart 6)

Here is how unemployment for lawyers compares to unemployment for 53 detailed occupations within the BLS management and professional occupations category:

TABLE VIII				
Occupation	% Unemployed 2001	% Unemployed 2007	% Unemployed 2010	# Unemployed 2010
Dentists	0.3%	1.1%	0.8%	1,000
Physicians & Surgeons	0.4%	0.5%	0.9%	8,000
Veterinarians	1.2%	n/a	1.4%	1,000
Lawyers	1.0%	1.1%	1.5%	16,000
Judges, Magistrates, & Other Judicial Workers	0.7%	2.9%	2.0%	1,000
Physical Therapists	0.8%	0.5%	2.0%	4,000
Psychologists	0.6%	0.8%	2.1%	4,000
Registered Nurses	1.2%	1.0%	2.1%	62,000
Chemical Engineers	1.4%	1.7%	2.2%	1,000
Physician Assistants	0.8%	1.8%	2.2%	2,000
Chiropractors	n/a	1.4%	2.3%	1,000
Secondary School Teachers	1.0%	1.3%	2.5%	31,000
Chief Executives	1.9%	1.3%	2.8%	43,000
Special Education Teachers	1.0%	1.4%	2.9%	11,000
Librarians	1.2%	1.0%	2.9%	6,000
Astronomers & Physicists	n/a	5.0%	3.0%	< 1,000
Chemists & Materials Scientists	1.4%	1.3%	3.1%	3,000
Postsecondary Teachers	2.1%	2.5%	3.1%	42,000
Personal Financial Advisors	1.5%	1.4%	3.4%	13,000
Civil Engineers	1.9%	1.2%	3.9%	13,000
Medical Scientists	0.5%	1.2%	4.1%	6,000
Elementary/Middle School Teachers	1.8%	2.1%	4.1%	121,000
Biomedical Engineers	3.1%	n/a	4.2%	1,000
Mechanical Engineers	2.5%	1.5%	4.2%	13,000
Financial Managers	2.8%	2.0%	4.4%	52,000
Computer Software Engineers	4.2%	1.8%	4.6%	50,000
Paralegals & Legal Assistants	2.9%	3.7%	4.6%	17,000
Public Relations Specialists	6.4%	3.7%	4.7%	7,000
Management Analysts	3.0%	2.9%	4.8%	33,000
Computer & Information Systems Managers	3.3%	1.3%	5.0%	28,000
Accountants & Auditors	2.7%	2.0%	5.0%	86,000
General & Operations Managers	1.9%	1.8%	5.3%	57,000
Editors	3.3%	2.7%	5.3%	9,000

Social Workers	2.0%	2.0%	5.3%	43,000
Human Resources Managers	2.7%	1.7%	5.4%	15,000
Misc. Legal Support Workers	2.6%	4.9%	5.4%	15,000
Network & Computer Systems Administrators	2.1%	2.3%	5.4%	13,000
Electrical & Electronics Engineers	1.4%	0.9%	5.4%	17,000
Financial Analysts	0.8%	0.7%	5.6%	6,000
Computer Programmers	4.0%	2.2%	5.7%	28,000
Counselors	2.6%	3.1%	5.7%	43,000
Human Resources Specialists	4.0%	2.8%	5.8%	51,000
Computer Scientists & Systems Analysts	2.8%	2.2%	5.9%	50,000
Environmental Engineers	0.6%	n/a	6.3%	2,000
Agents/Mgrs of Sports, Arts, & Entertainment	0.3%	1.3%	6.9%	4,000
Marketing & Sales Managers	3.5%	2.2%	7.0%	72,000
News Analysts, Reporters, Correspondents	3.2%	4.8%	7.8%	7,000
Designers	3.5%	2.8%	8.1%	70,000
Athletes, Coaches, Umpires, & Related Workers	5.0%	4.0%	8.4%	24,000
Musicians & Related Workers	3.7%	5.1%	8.5%	17,000
Advertising & Promotions Managers	2.6%	2.0%	8.6%	7,000
Architects (except Naval)	1.1%	1.2%	10.4%	21,000
Actors	33.4%	23.5%	38.5%	16,000
National Unemployment Rate	4.7%	4.6%	9.6%	13,605,000

n/a: insufficient data collected by BLS

Comparing lawyers to these 53 common management, professional, and related occupations shows that only doctors, dentists, and veterinarians had lower unemployment rates than lawyers in 2010. All other comparable occupations had higher unemployment rates, and most other occupations had much higher unemployment rates than lawyers:

- Astronomers and physicists—double the rate of lawyers;
- Computer software engineers—more than three times the lawyer rate;
- Environmental engineers—more than four times the lawyer rate;
- News analysts, reporters, and commentators—more than five times the lawyer rate;
- Advertising and promotion managers—nearly six times the lawyer rate; and
- Architects—nearly seven times the lawyer rate.

The national unemployment rate is more than six times the unemployment rate of lawyers. Jobs requiring an advanced degree generally had lower unemployment rates than jobs not requiring that degree, which supports the conclusion that earning an advanced degree is an investment likely to lead to better employment opportunities over a worker's career.

The data also shows that from 2001 to 2010, only two occupations (veterinarians and computer software engineers) had a smaller increase in their unemployment rate than lawyers, and only two occupations matched that of lawyers (dentists and physicians). A full list of 2010 unemployment rates for all detailed occupations within the BLS management and professional occupations category will be included in the full version of Report One.

Conclusion

What is the status of legal employment? The answer is three-fold: the unemployment rate has been consistently low for both lawyers and legal occupations as a whole over the last ten years, the total number of workers employed in legal occupations has increased every year, and the recession has had less of an impact on lawyers and legal occupations than it has on other management and professional occupations.

The 2010 unemployment rate of 1.5% for lawyers is significantly lower than the national unemployment rate of 9.6%. The 2010 unemployment rate is only slightly higher than both the 2007 pre-recession rate of 1.1% and the 2001 rate of 1.0%. Low unemployment rates were maintained even in light of substantial growth during the 2001-2010 decade, during which the number of employed lawyers grew by 13.4% and the number employed in all legal occupations grew by 16.7%.

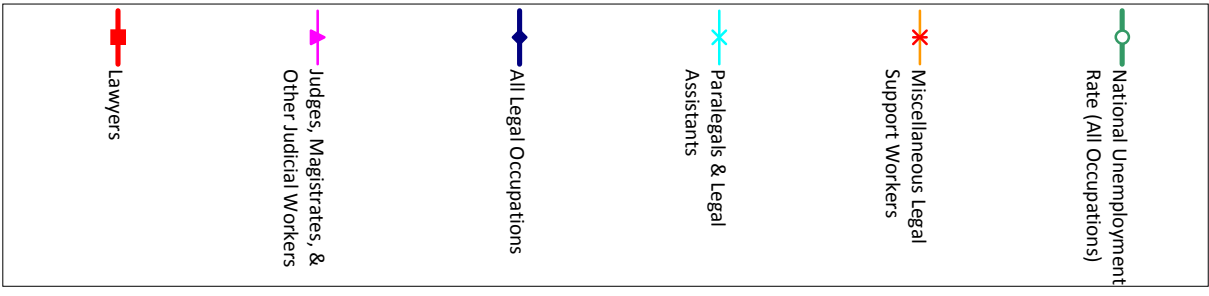
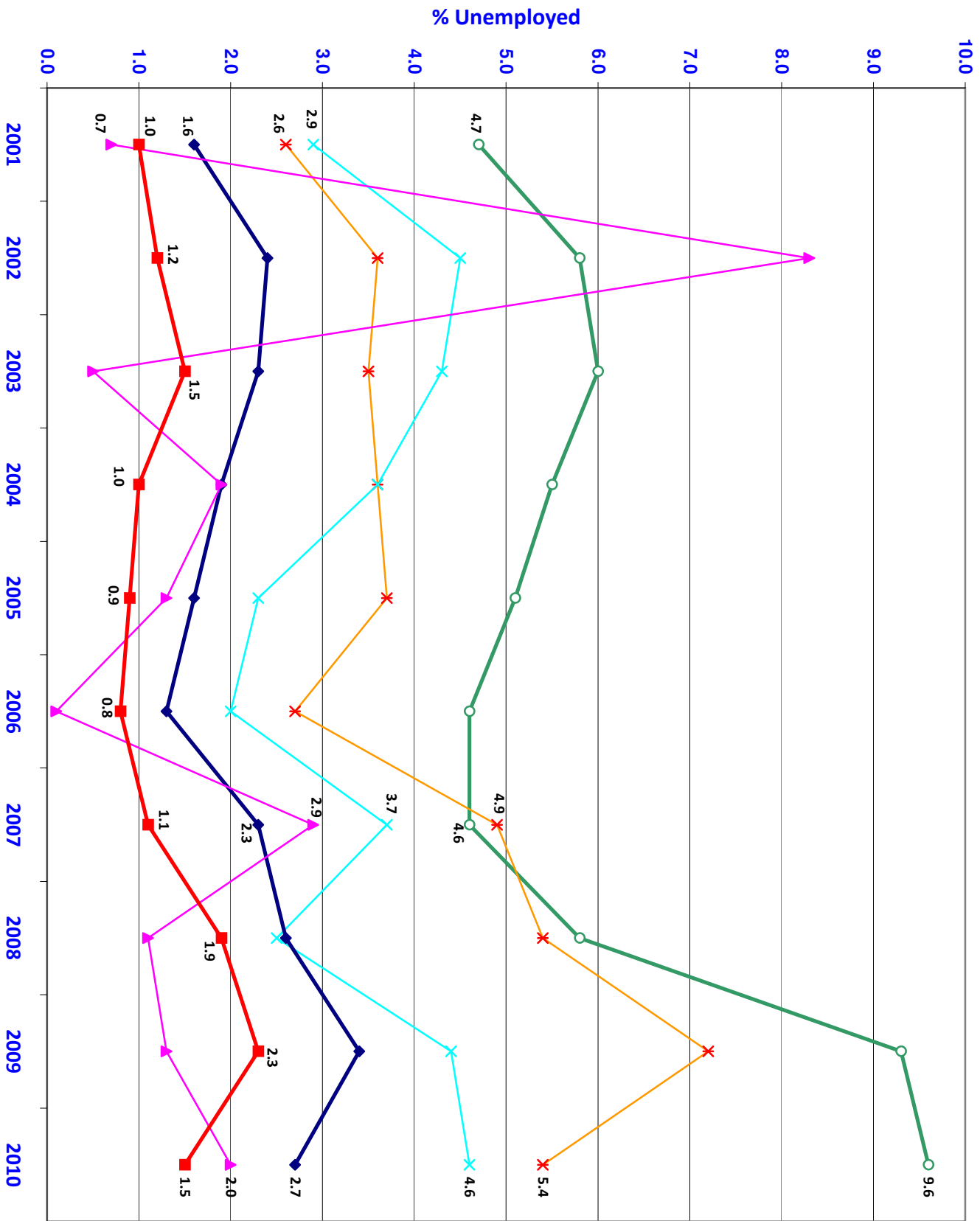
Contrary to the assertions of the bloggers and media, who tend to rely heavily on anecdotal information about the world of the large law firms, the legal occupations and lawyers in particular have been considerably less affected by the recession than other management and professional occupations. Of the ten management and professional occupation categories identified by the Bureau of Labor Statistics, legal occupations had the smallest increase in unemployment rate both from 2001 to 2010 and from 2007 to 2010. Among the more detailed management and professional occupations most likely to be career options for potential lawyers, only a handful had lower unemployment rates than lawyers at the end of the decade.

Furthermore, the national unemployment rate for all occupations increased five percent from 4.6% in 2007 to 9.6% in 2010, while the rate for legal occupations increased less than half of one percent from 2.3% to 2.7%. All of the other BLS management and professional occupational categories showed double or nearly double increases in their unemployment rates over the same period. Before the recession, the unemployment rate for legal occupations ranked sixth lowest among the ten BLS management and professional occupational categories at 2.3%. By 2010 legal occupations had improved their rank to second lowest among those ten categories.

Finally, the 2010 data also indicated signs of recovery in the legal occupations, particularly among lawyers, where the number of unemployed lawyers fell by one-third from 2009 to 2010. The total number of employed lawyers has increased by 39,000 (3.9%) since 2007.

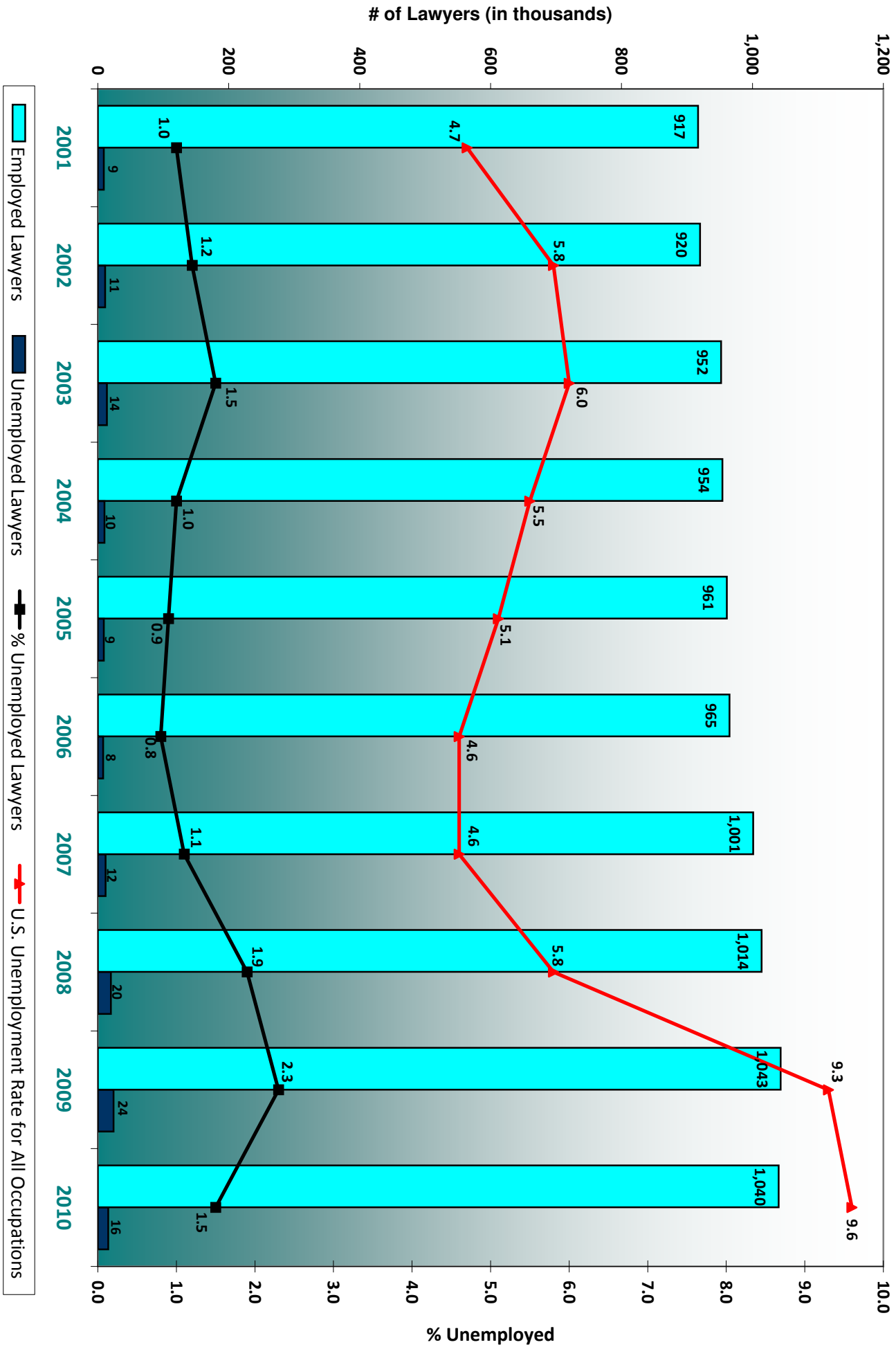
In sum, the data shows that the blogs and media segment have it almost completely wrong. Unbiased national data from the past ten years establishes that the legal profession has one of the lowest unemployment rates, one of the most stable job markets, and is one of the least susceptible to the effects of economic recession, making the legal profession one of the best career choices.

CHART 1: U.S. Bureau of Labor Statistics
 Unemployment Rate for Legal Occupations vs. National Unemployment Rate
 2001-2010



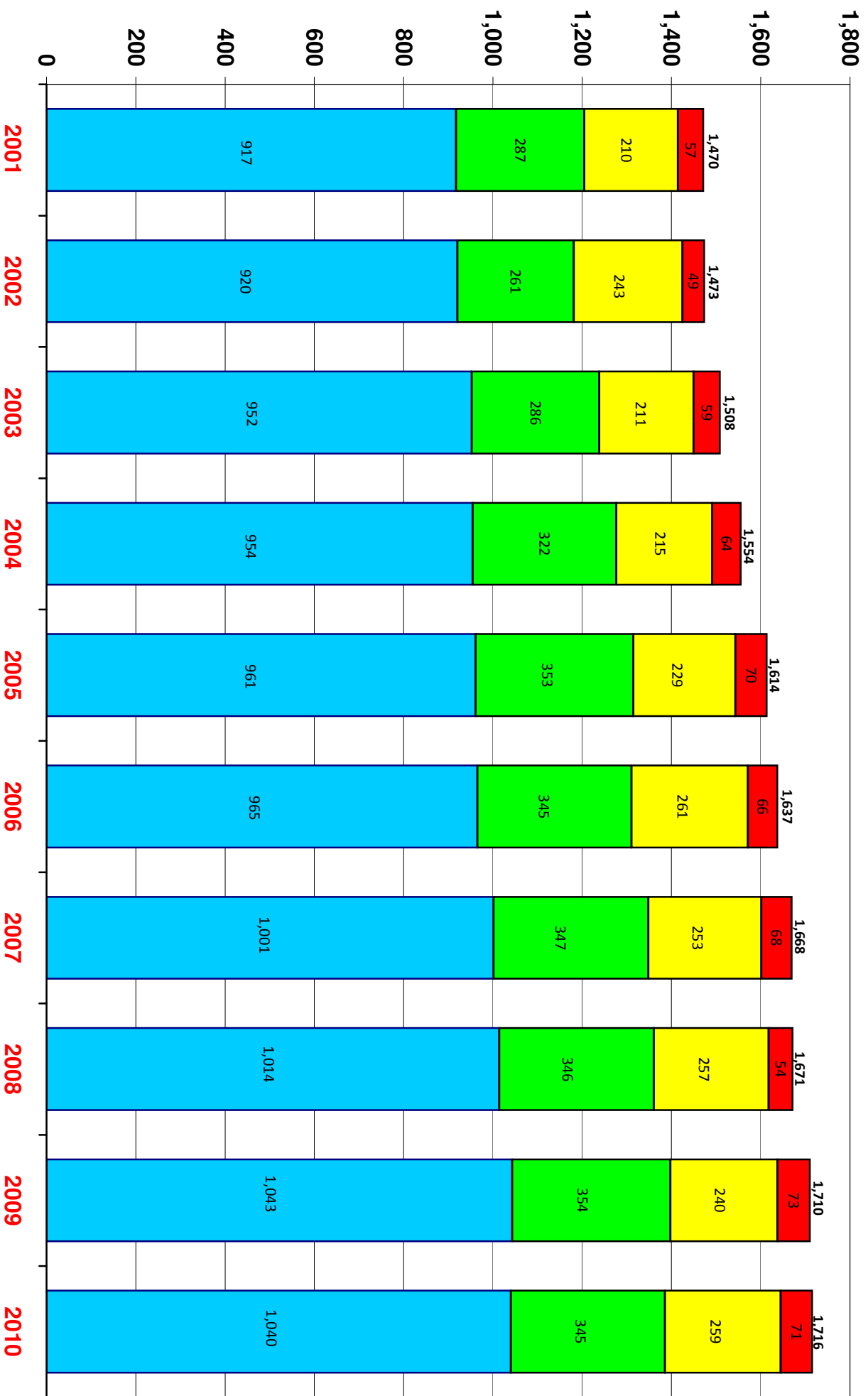
Source: U.S. Bureau of Labor Statistics, Current Population Survey 2001-2010

**CHART 2: U.S. Bureau of Labor Statistics
of U.S. Lawyers with Unemployment Rate
2001-2010**

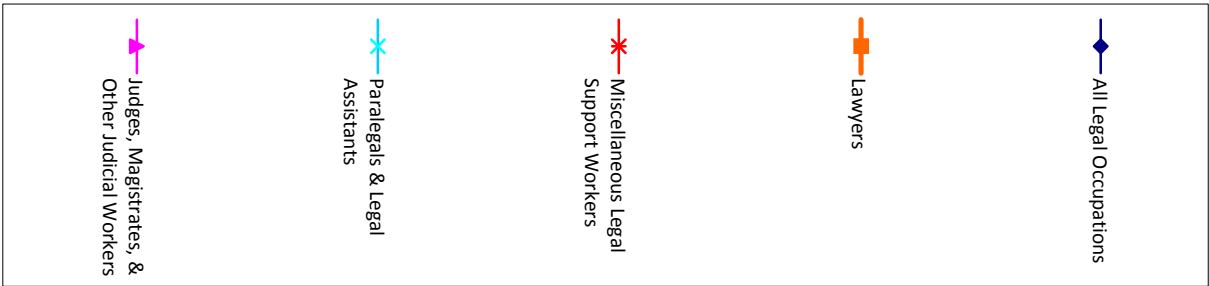
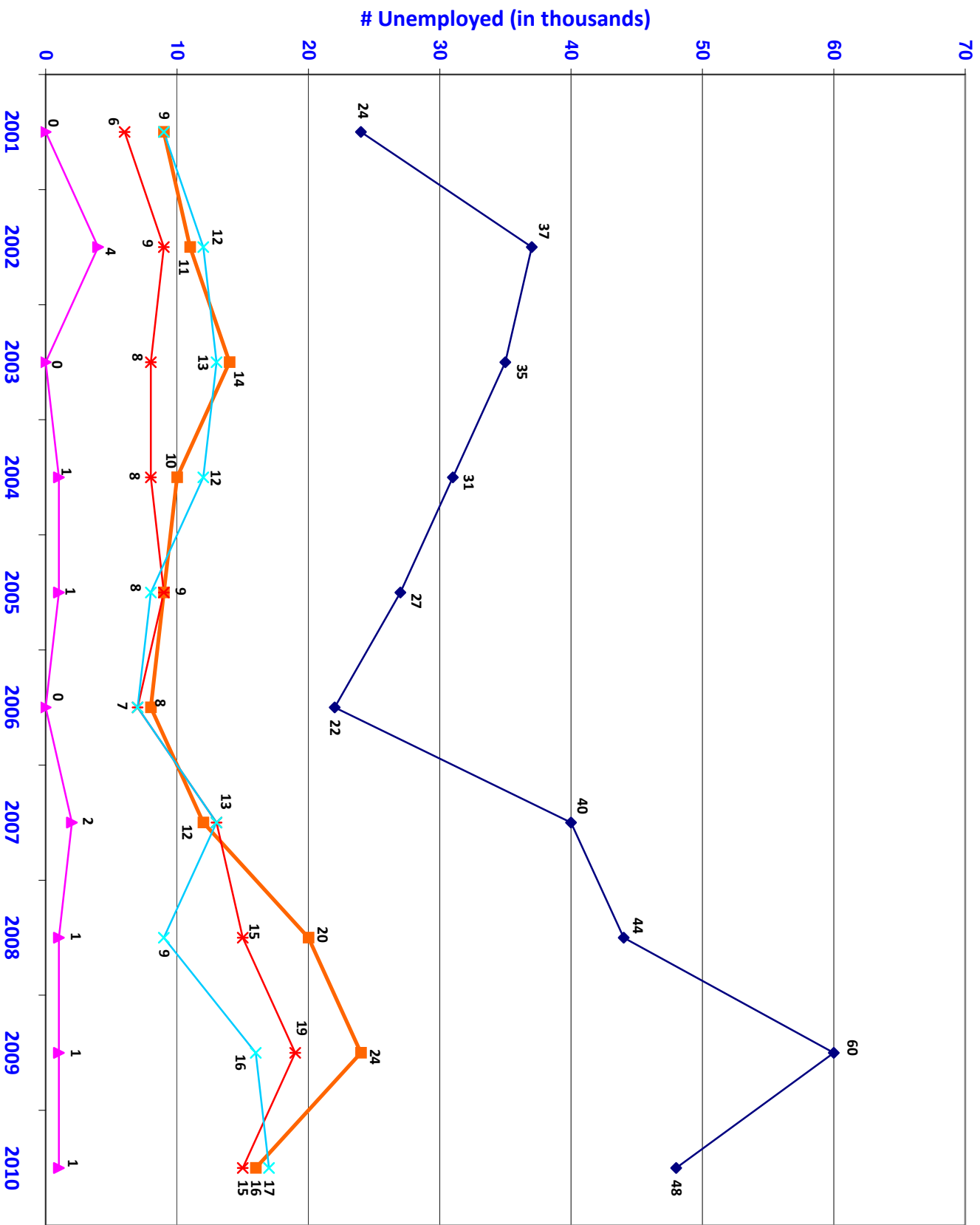


Source: U.S. Bureau of Labor Statistics, Current Population Survey

CHART 3: U.S. Bureau of Labor Statistics
Legal Occupations
Employed 2001-2010 (in thousands)

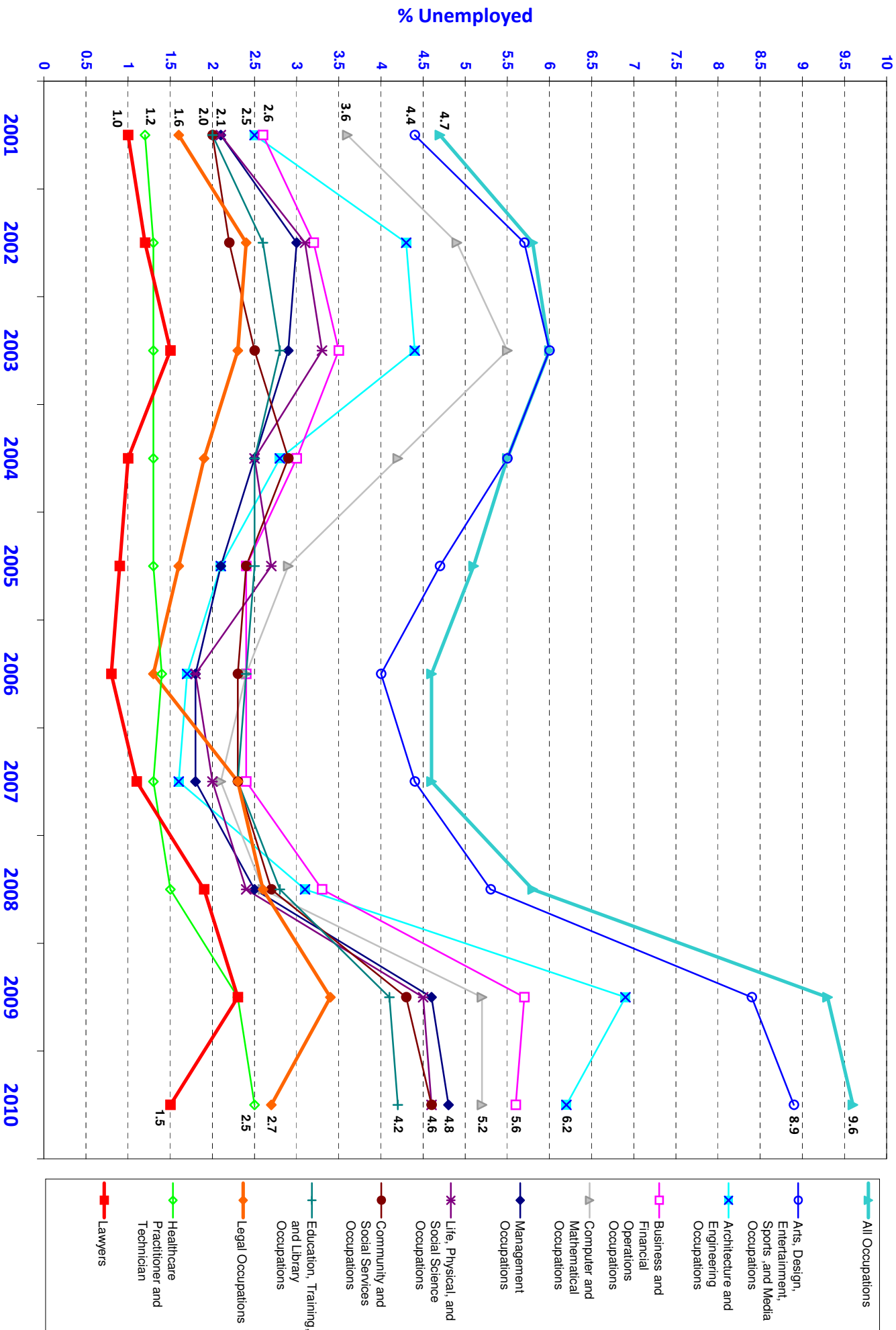


**CHART 4: U.S. Bureau of Labor Statistics
Unemployed in Legal Occupations
2001-2010**



Source: U.S. Bureau of Labor Statistics, Current Population Survey 2001-2010

**CHART 5: U.S. Bureau of Labor Statistics
Unemployment Rate by Job Category
2001-2010**



Source: U.S. Bureau of Labor Statistics, Current Population Survey 2001-2010

% Unemployed

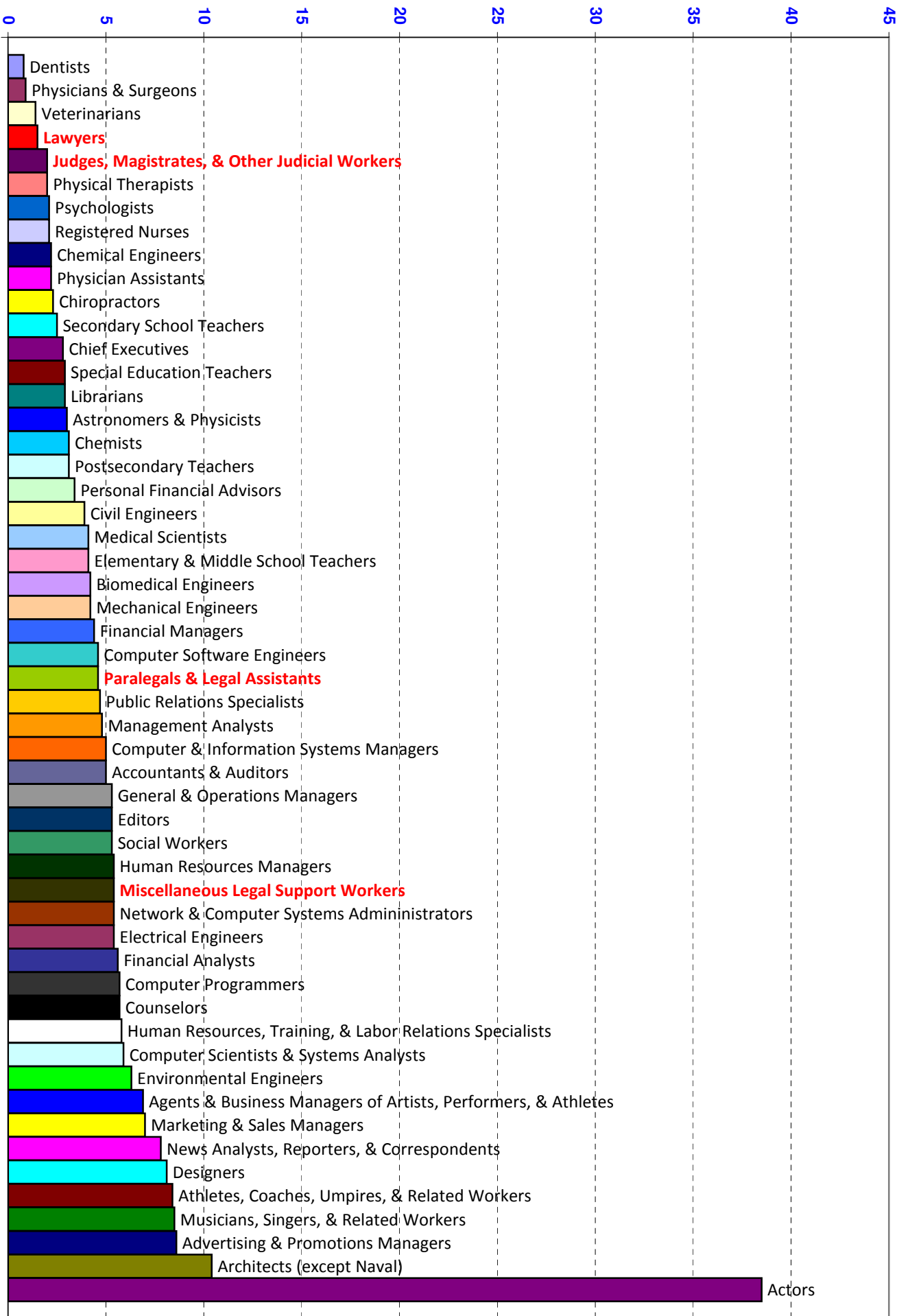


CHART 6: U.S. Bureau of Labor Statistics
2010 Unemployment Rate for Select Management, Professional, & Related Occupations

2010

Source: U.S. Bureau of Labor Statistics, Current Population Survey 2010