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# Starting Out: Changing Patterns of First Jobs for Michigan Law School Graduates

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# **Starting Out:**

# **Changing patterns of first jobs for Michigan Law School graduates**

By Terry K. Adams and David L. Chambers

#### Introduction

n the early 1950s, the typical graduate of Michigan Law began his career working as an associate in a law firm with four other lawyers and earned about \$5,000 in his first year. Surprising to us today, in his new job he would have earned slightly less than other classmates whose first jobs were in government.

Fifty years later, in the early 2000s, the typical graduate still started out as an associate in a law firm, but the firm she worked for had more than 400 lawyers. She earned about \$114,000 in her first year, about three times as much as her classmates who began their careers in government.

These and other fundamental changes in the beginnings of legal careers are findings from the University of Michigan Law School's Alumni Survey. For 40 consecutive years, from 1967 through 2006, the Law School surveyed its graduates 15 years after graduation about their law school experiences and their careers. For more than 30 years (from 1973 through 2006), the survey included the graduates five years out, and for 10 years (from 1997 through 2006), the graduates 25, 35, and 45 years out.

During the 40-year period, nearly 17,000 persons were asked to complete a questionnaire, with all classes except the five-year graduates of 1992–2001 surveyed more than once. On average, 67 percent of the surveyed graduates responded each year, an extraordinarily high rate for a mail questionnaire.

Here is some of what we've found. Professor Laylin James and placement secretary Elizabeth Bliss (later the director of the office) review documents in the Place-

## FACULTY VIFWS

### **Judicial Clerkships**

Over the years, increasing numbers of graduates have begun their careers working for a year or two as a clerk for a state or federal judge. Table 1 shows the growth—from about 5 percent of the graduates in the 1950s to about 20 percent since the 1990s. The growth is probably due to several factors: the increasing academic caliber of the Law School's graduates, the increasing number of clerkships available, and the increased efforts of the Law School to encourage students to consider a clerkship after graduation.

**TABLE 1**Percentage of Graduates with Judicial Clerkships, by Decade Classes of 1952–2008

1952–59	1960s	1970s	1980s	1990s	2000–08*
5%	8%	10%	14%	22%	18%

<sup>\*</sup> The data from 2002–2008 came from the records of the Office of Career Services.

Total Cases = 11,512

In charts 1A and 1B, we display the proportions of women and men taking first jobs in private firms and in public service. (Data are provided for women only for the class years 1970 and after; in earlier years, there were too few women to make reliable estimates.) In the early 1970s, women were far less likely than men to begin their careers in a law firm. Indeed, during these years more women took initial jobs in public service than in a firm.

By the late 1970s, however, the pattern had changed dramatically. Both women and men were increasingly taking jobs in private

firms, but the women's rate of increase was greater than the men's and the gap between men and women began to shrink. During the late 1980s and 1990s, the proportion of men and women taking initial jobs in law firms leveled off, with women only slightly less likely than men to take law firm positions.

The pattern with regard to public service is nearly the reverse: In the early years, many more women than men took first jobs in public service, but over time, fewer and fewer women and men took such jobs. During the late 1990s (but not the early 2000s), slightly more men than women entered public service.

### First Job (After Any Judicial Clerkship)

Throughout the years of the Alumni Survey, a majority of Michigan Law graduates have started their careers after law school (and after any judicial clerkship) in the private practice of law, nearly always as a junior attorney in a law firm. While this has been true in every decade, the proportion of graduates entering private firms has not remained at a steady level over time.

Table 2 shows the pattern of initial jobs across the decades since the 1950s—with a modest rise during the 1960s and 1970s in the

proportion choosing private firms, and then a huge rise in the 1980s. Correspondingly, the numbers of graduates entering business (either working as an attorney or otherwise) or entering public service fell by half over this period.

The jump in the proportion of graduates entering private firms that occurred in the early 1980s seems to have been due in large part to the availability to Michigan students of high-paying jobs in the growing number of very large law firms. (More on the sizes of firms below.)

The rise during the 1980s is particularly striking because it occurred despite the fact that the 1970s and 1980s marked a period when substantial numbers of women and minority students entered the Law School for the first time, and, during both these decades, women and minorities were substantially less likely than white men to choose to enter firms.

Essentially the same pattern that we report for men and women repeats itself for white and minority graduates. (Again, data are provided for ethnic minorities only in the years 1970 and after, because numbers of ethnic minorities were too small for reliable estimates prior to that date.) Ethnic differences in first jobs were great in the 1970s, with far fewer minorities than whites entering law firms and far more entering public service. By the early 2000s, however, those differences had disappeared.

**TABLE 2**First Post-Law School Job (After Any Judicial Clerkship)
Classes of 1952–2001

	1952–59	1960s	1970s	1980s	1990s	2000-08**
	n=1,925	n=3,049	n=3,644	n=3,715	n=3,816	n=2,610
Private law firm	59%	62%	67%	84%	81%	82%
Business	17%	12%	7%	3%	3%	4%
Public service*	13%	19%	20%	10%	12%	9%
Other	11%	7%	6%	4%	4%	5%
Total	100%	100%	100%	100%	100%	100%

<sup>\*</sup> Public service includes government, legal services, public defenders, public interest organizations.

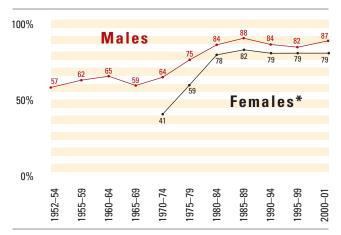
Total Cases = 18,759

<sup>\*\*</sup> The data from 2002–2008 came from the records of the Office of Career Services.

## FACULTY VIFWS

CHART 1A

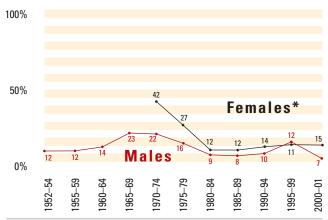
Percentage of Women and Men Taking First Jobs in Law Firms



\*During the period 1952–1969, there were too few women graduates to compute reliable means.

#### CHART 1B

Percentage of Women and Men Taking First Jobs in Public Service\*

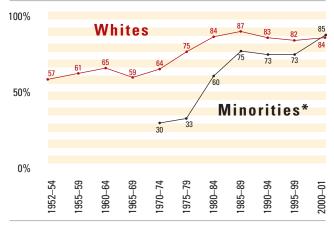


\*Public service includes government, legal services, public defenders, and public interest organizations.

CHART 2A

Percentage of White and Minority Graduates Taking
First Jobs in Law Firms

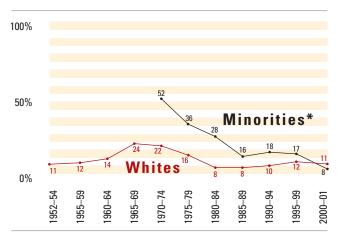
Classes of 1952–2001



\*Includes African Americans, Latinos, Native Americans, and Asian Americans. During the period 1952–1969, there were too few ethnic minority graduates to compute reliable means.

CHART 2B

Percentage of White and Minority Graduates Taking
First Jobs in Public Service\*



\*Public service includes government, civil legal services for the poor, public defenders, and public interest and nonprofit organizations.

During the period 1952–1969, there were too few ethnic minority graduates to compute reliable means.

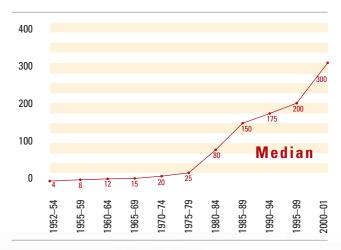
#### Law Firm Size

Our earlier tables and charts track the increasing entry of Michigan's graduates into private law firms, but fail to convey the true extent of the changes that occurred. Chart 3 (page 26) displays the transforming increase that has taken place in the size of the law firms the graduates were entering.

Ever since the early years of our surveys, the numbers of attorneys in the first law firm jobs of our graduates have grown steadily, doubling in almost every decade. The median reached 300 in the early 2000s.

# FACULTY VIEWS

CHART 3
Number of Other Attorneys at First Job (Private Law Firms Only)



Total cases: 8,243

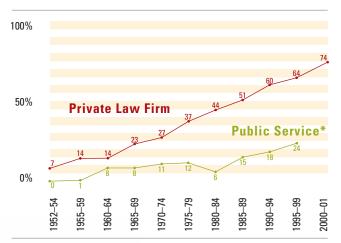
The changes in the private practice settings our graduates entered can be conveyed dramatically in another way not visible in the chart: In the early 1950s, among those entering private practice, two-thirds joined firms of 10 or fewer other lawyers. By the early 2000s, fewer than 5 percent began their careers in firms that small. Conversely, as recently as the early 1970s, fewer than 3 percent of those entering private firms began in firms of 200 or more lawyers, but by the early 2000s, two-thirds of those beginning in firms were entering firms that large. The median Michigan Law graduate who takes a first job in a law firm now has 75 times as many colleagues as his predecessor 50 years ago.

# Second Summer Jobs as a Conduit to First Permanent Jobs

Across the classes we've studied, yet another huge change has occurred with regard to first jobs, this one in the path our graduates take to that job: More and more of our graduates begin their careers with an employer for which they worked during the summer after their 2L year.



CHART 4
Was First Job (After Any Clerkship) with Same Employer for Which
Respondent Worked During Second Summer of Law School?



Total cases: 11,308
\*During the period 2000–01, there were too few public service
graduates to compute reliable means.

What explains the huge growth of first jobs following from second-summer jobs? In part the answer is that law firms have always been more likely than other employers to make permanent offers to summer employees and, over time, increasing percentages of our students have taken summer jobs in firms. During the period from 1972 to 2001, for example, the proportion of graduates taking second-summer jobs with law firms increased from around 60 percent to more than 90 percent. But the shift toward working for their second-summer employer seems also to reflect an apparent increased reliance by firms on hiring their first-year associates from their pool of summer associates.

We infer this from the fact that in the 1970s, about 45 percent of our graduates who worked in a law firm for the summer reported starting out in the same firm after graduation. By the 1990s, that percentage had risen to nearly 70 percent. This practice of summer associates joining the firms where they had worked during the summer indicates an increasingly cautious approach to employment offers and acceptances on the part of both employers and students.

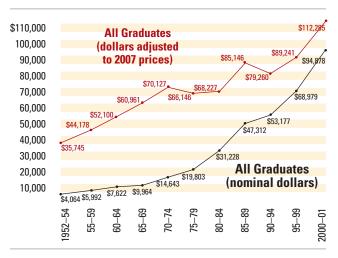
The practice of making permanent offers to summer clerks is also self-reinforcing: Any firm, knowing that other firms are making permanent offers to their summer associates (and that the offers are being accepted), may conclude it needs to adopt the same practice, fearing that few highly desirable students will still be on the market during the hiring season in the third year.

### First-Year Earnings

We asked our respondents for their approximate earnings in their first year after law school. Charts 5A and 5B display the trends in first-year earnings, in the dollars they were actually paid and in dollars adjusted by the 2007 Consumer Price Index to reflect inflation.

Paycheck earnings show a reasonably steady rise from about \$4,000 in the early 1950s to about \$95,000 in the early 2000s. Inflation-adjusted earnings have an upward slope but a more irregular pattern. What remains particularly striking, however, is the stark difference between inflation-adjusted earnings at the beginning and end of the period we studied. After taking inflation into account, real earnings of Michigan's graduates increased more than threefold in the half century between the early 1950s and the early 2000s.

CHART 5A
Earnings in First Year after Law School



Total Cases = 12,326

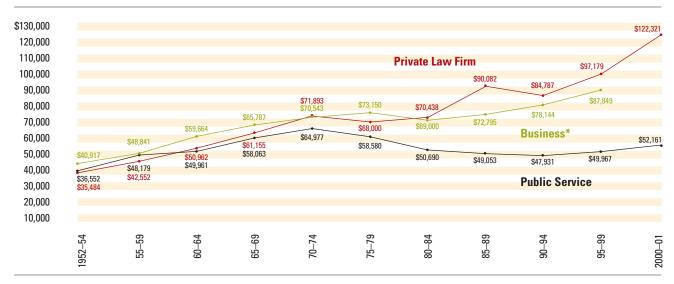
The pattern of changes in inflation-adjusted income was greatly different across job sectors. Chart 5B (page 28) shows inflation-adjusted income for those who took first jobs in private firms, in business, and in public service. In the 1950s, starting earnings were, on average, higher in public service than in private practice. Not until the mid-1970s did average earnings in private firms significantly exceed those in public service.

The gap has widened ever since as inflation-adjusted earnings have risen in private practice but fallen in public service. The situation for those in public service has become particularly discouraging. In inflation-adjusted dollars, average starting earnings in public service jobs in the early 2000s were about 20 percent lower than they had been in the early 1970s.

## FACULTY VIFWS

CHART 5B

Earnings in Law Firms, Business, and Public Service in First Year after Law School; Dollars Adjusted to 2007 Prices



<sup>\*</sup>During the period 2000-01, there were too few graduates in business to compute reliable means.

Total Cases = 11,305

#### Comments on the Survey

Over the 50 years of surveys of Michigan Law graduates from the classes of 1952–2001, more and more of them chose to start their careers in private firms, and particularly in firms with large numbers of attorneys.

Increasing numbers of them also took their first post-Law School job with the employer for which they worked in the second summer of law school, particularly those with second-summer jobs in a law firm but also, to a lesser extent, those with summer jobs in public service.

Earnings in the first year after law school have also risen dramatically for persons in the private law firm and business sectors, even after adjusting for inflation, but real earnings in the public service sector have been stagnant at best. Our information ends with the class of 2001. Since then the economy expanded rapidly then went into a deep recession. The trends we observed through 2001 will surely be altered substantially by the unsettled period through which we are passing now.

#### The Role of the Law School

Throughout the years on which we have been reporting, the Law School has provided assistance to students in their efforts to find employment, but the scale of the Law School's efforts has grown greatly over time. Fifty years ago, the placement office had one full-time staff member, Elizabeth Bliss, the "placement secretary."

Miss Bliss is pictured on page 23 with Professor Laylin James, who oversaw her work. At the time, two rooms near Miss Bliss's office were used for interviews.

Miss Bliss eventually became the placement office's first full-time director. Since then, there have been only four others, one of whom, Nancy Krieger, served in the position for more than 20 years. The placement staff is much larger now. Seven full-time members of the staff organize the interviewing process and provide advice to students. Susan Guindi, '90, assistant dean for career services, directs the placement process, along with Carla Sally, assistant director of career services. The Office of Career Services has four attorney-counselors who are all members of the bar.

Since 1995, the Law School also has had an Office of Public Service, now directed by MaryAnn Sarosi, '87, assistant dean of public service. Amy Harwell Sankaran, '01, is pro bono manager and attorney adviser at the Office. In addition, Joan Larsen, counsel to the associate dean for student and graduate activities, each year oversees the efforts to place students in judicial clerkships.