

LawBiz® TIPS

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Week of **October 6, 2009**

Learning the Law of Supply and Demand

Should Economics 101 be a prerequisite course for entering law school? It certainly seems like a good idea in light of a recent *New York Times* article that discussed how law students this fall are competing for half as many openings at big firms as they were last year in what is shaping up to be the worst job search season for new lawyers in more than 50 years. Some of the biggest law firms in the country have canceled or drastically cut back their law school recruiting at campuses like Georgetown, Northwestern and Yale - leaving students there wondering why they have gone \$200,000 or more into debt for a J.D. degree that suddenly appears to be less valuable.

Even for students that are hired, the rules of the game have changed dramatically. A large firm based in Kentucky publicly announced that its first-years will spend their first 1,000 hours learning on the job at lower pay and under strict scrutiny. New associates will earn \$80,000 and will be required to bill 1,000 hours (800 hours fewer than previously). In another example, a major Philadelphia-based firm announced that, rather than immediately assigning its September 2009 associate class to new matters, it will enroll them in an internal new training program where that involves coursework on taking depositions, writing briefs, and meeting client needs, and shadowing partners' client meetings and court appearances. The cost of the program is covered by a reduction in starting salaries to "only" \$105,000.

A further extension of this trend was reported in the *Boston Globe* this past summer. It reported that dozens of law clerk job offers in the Massachusetts judiciary have been postponed or taken off the table altogether at the same time that some major Boston law firms were offering to pay their new hires a reduced amount of compensation, but only if they get employed by a public interest entity. According to the story, some of the large law firms have offered these



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new lawyers to the judiciary to fill clerkship positions that are available because of the court's wage freeze. Setting aside the considerable ethical issues this involves, it's another example of how young lawyers are finding themselves doing less than the jobs they dreamed of.

There are more than 1.1 million lawyers licensed to practice in the United States. According to the ABA, in the 2008-09 academic year there were more than 150,000 students enrolled in the country's 200 accredited law schools, and those schools handed out more than 40,000 J.D. degrees. All this while corporate clients are dramatically cutting back the law firms and lawyers that they use, and while many individuals are postponing divorces, real estate sales and other reasons to call on a lawyer. Looks like some lessons in the law of supply and demand would be appropriate in the hallowed halls of those 200 law schools.

Our goal is to offer the value we provide to as many people and organizations as we can. Our business is 100% referral based, which means we rely on people like you to tell others about the types of results they can get from working with us.

If you have a colleague who could benefit from having a coach on their side or know of a law firm that could benefit from elevating their profits and effectiveness in these challenging times, [please let us know](#).

Personal Commentary

Congratulations to Anthony Bushnell of Minnesota, the winner of our first LawBiz® photo caption contest! Anthony will receive a free copy of *The Business of Law* (2nd ed.) and a 1/2 hour coaching session with me. We had a lot of creative entries submitted, and I look forward to hosting other contests, if not only to read funny entries. Thank you to everyone who participated – and keep your eyes open for more opportunities to win LawBiz® products!



"I thought I'd be a natural, but it turns out chasing ambulances is a lot harder than chasing cars!"

Best wishes,

What Readers Are Saying...

Secrets of The Business of Law® is the most insightful book I've read on this topic. It is written in an engaging, easy-to-digest style, and there was never a dull moment. I recommend it to anyone who runs a law firm and needs to turn a profit.

-CM, Massachusetts

Ed Poll

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