



Feature

## A Look at the Economy and its Effects on the Business of Law and Law Schools

*This article talks about how the economic crisis has hit across the board in the auto industry, the banking industry, retail market, and real estate market. The economic downturn has also found its way through law firms and into law schools. Law schools are gearing up to survive the sluggish economy.*

In the past year plus we have seen large layoffs at many law firms as a result of the economy. There have been clever plans to sustain the incoming law student hires by farming them out to do pro bono work for the firm's clients the first year. The firms were hoping to buy some time for a recovery within the year. Some plans included hiring experienced lawyers and cutting out the two to three years training that law school graduates need just to become profitable to the firm.

The following is a list of changes happening in the Business of Law and Law Schools:

- University of California law schools are taking a 10% cut in pay at the beginning of the fall semester of 2009 in response to the economy.
- The faculty and staff of the UC system are still expected to do the same work despite pay cuts involving over 108,000 people.
- Law school staff member pay will also be lowered for library workers and the administrative jobs that also include assistant dean positions. "Time off" will be taken by staff during the holidays when school is dismissed for breaks.
- The new law school at the University of California in Irvine will open and the faculty will teach the assigned schedules with no cuts for the first year that would affect the quality of the law school. Cuts will be made in other places as a result of the economy.
- The law school at UC Davis will be making pay cuts but the school is not expecting to discharge any faculty. The school will definitely slow down its recruiting campaigns.
- Large law firms have been deferring employment to law graduates up to a year and a half after graduation due to the slow economy. Some graduates are getting a lump sum payment less than their full salary per month. Smaller law firms are just not hiring the graduates that are coming out of law school.
- Law schools are considering a change in law school curriculum in expectation of new skills that will be required in law firms in future years. The two possibilities being considered are employing graduates from business school who can handle the new business needs or have the law schools teach business law in their new curriculum.
- Also, the questions of the length of law school have come into discussion. Should law school be shortened to two years or be extended to four years? Extending the program to four years would increase the financial burden on students. Shortening the program two years has more votes at this time during the sluggish economy.

With a sluggish economy the law firms have experienced more complaints from the client base about the "billable" hour. The clients no longer want to pay for the training of new hires. In response some law firms began hiring lawyers who got



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their training in other law firms. The effect of this change in hiring practice makes the market more competitive for new law graduates. Law school graduates are expanding their

opportunities to enter other markets after law school and some are even working pro bono for reduced pay to get their experience.

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