

Thomas Jefferson Law

Earn a Master of Laws in one of seven concentrations. Apply Today.

Master of Law, TJSL.edu

AdChoices

REPORTING: Journalist Exposes Gun Grabbers' Pro-Gun Homes...

WITH LEGAL EDUCATION IN FREE-FALL, WE TURN TO THE IMPORTANT QUESTION: What Does It Mean For Women? ...

JANUARY 19, 2013

MEGAN MCARDLE: **Law School Enrollments Are Plummeting: What Happens Next?** "At the [Cato](#) Panel, Campos and Tamanaha argued that while lawyers from mid-ranked schools have actually been struggling for years, the last decade has seen a radical collapse in the fortunes of all but the very elite. Enrollments have expanded, and tuition has skyrocketed, even as the profession is contracting. Technology and outsourcing are taking over the most mundane tasks, leaving less work for lawyers. At the same time, they argue that federal student loans have allowed schools to ratchet up tuition. That means that the schools, rather than the graduates, are capturing more of the value of the degree . . . to the point where many schools are capturing more value than the degree actually confers."

Hence the term, **higher education bubble**. It's just hitting law schools first. Plus:

This will have a few knock-on effects worth thinking about. The first thing to consider is that law schools have opened at such a big clip in part because they are cash cows for the schools that operate them. You don't need a bunch of expensive labs, just some classrooms and some law professors. Yet students pay tuitions much higher than that of other graduate programs. Shrinking or closing law programs will put financial pressure on other departments.

Another thing to think about is what happens to departments like English and Political Science. When I was an English major, law school was the obvious backup plan if you couldn't get a job--indeed, more than a few kids chose it in order to ensure that they had the best possible GPA for their law school applications. If it becomes clear that this is no longer a sure-fire rescue plan, do kids start rethinking the interesting-but-non-remunerative departments?

I recommend studying welding. Big demand.

UPDATE: Some more hopeful thoughts from reader Robert Gaumont:

The changes are happening, but they might not be as dramatic as you say. They're subtle.

I am a lawyer. I spent most of my career at one of the largest international law firms. In 2006, as a mid-level associate, I was compensated about 340,000 which is huge for Baltimore and mostly attributable to a six figure bonus for killing myself at work.

In the glass ceiling in 2008. They were not promoting, I saw the writing on the wall and I moved into a nice regional firm. I've been performing well, but salary has been steady at 240,000 including a bonus that has one less zero on it. I expect to look at 2006 as my peak earning year, maybe for my lifetime or until I have such a significant direct client relationship to justify a higher salary.

Here are the trends as I see it:

1. There is a push to smaller, regional firms. We have the talent to win cases, the horses to staff cases appropriately if things start going sideways, but not much overhead in expensive places.

2. An older guy beard in my office said it's returning to the way it was. He was meaning the 80s, when lawyers did stuff. Our compensation was tied to production. Hourly rates, yes, but adjustments based on results and a big scrubbing of bills for inefficiencies before they are sent to clients. Hitting this new economy during the beginning of my peak (I'm 13 years out now) is actually pretty refreshing, to be honest. These changes have made our profession better. I wouldn't have it any other way.

3. You might be overstating the "bubble" in education, although I think your audience is sophisticated enough to grab the nuance. Some people who get four year degrees would be better with two year degrees and, my goodness, people should only go to law school if they want to practice law, even with less compensation. Definitely study hard sciences if you can--liberal arts schools are closing all over the place. With the number of professionals who will be retiring in the near future, however, I would still recommend incurring some debt for some college than incurring significant debt for, say, a house. Most homes don't have mortgages and, as retirees trade down and pass from this world there is no floor to that market. Our banks understand this--the gap between 15 year and 30 year mortgages is very wide despite all the fed easing. Our economy will still reward people who can really think plus you can do that work for longer.

4. Interesting times. This new generation of Americans might end up being as resilient and resourceful as those raised in the 1930s. We'll see. No one's ever gotten rich by betting against America.

The decline in legal pay and employment is survivable. However, I don't think we can charge students 2013 tuition rates when they're getting 1985 salaries.

Posted by Glenn Reynolds at 7:01 am