

Law School: Buy Low, Sell High

By Jameson Rehm

We've all seen the headlines and the talking heads discussing how the legal field is saturated and in a serious downturn. The numbers are not good. Law school students are graduating with serious debt, can't find a job to pay off that debt, and are losing jobs to paralegals or out-sourced labor that is much cheaper than a new associate. Admissions are down, law schools are losing money, and those who choose to go to law school in the next few years are idiots. Right? Wrong.

First, the bad news. In 2010, there were 602,300 applications sent to law schools nationwide. In 2013, there were only 385,400. According to a Kaplan Test Prep survey, 54% of law schools are cutting their law school classes for the 2013-2014 year, while an additional 25% are making additional cuts in 2014-2015. With the cuts to class sizes, law schools are losing money. According to University of Colorado law professor Paul Campos, 80-85% of the law schools are losing money. This has led to an increase in tuition costs, and fewer scholarship funds to be divided among students.

But what about after law school? After all, the discussion is about the lack of jobs, not people's inability to enter and complete the schooling. At this moment, full-time legal work is difficult to come by for newly minted attorneys. For last year's graduates, nationwide only 56.2% are working full time using their Juris Doctorate. The numbers are even worse for Ohio graduates, with only 51.2% working full time in JD positions. With law school costing more than it has in a long time, law school graduates are having to pay off triple digit student loans using part time work just to get by.

But I thought you said that this was a good time to go to law school? Friends, allow me to introduce you to the light at the end of the tunnel. As Ben McManus, a second-year law student at the University of North Carolina put it, "The entire job market is tough, so it would be hard to find a job in any profession. I might as well struggle to find a job I will like."

First of all, the drop in admissions and applicants to law school. With applications down, students have a better chance of getting into their first choice law school. Law schools have reduced requirements due to the lack of applications, allowing students a chance to get into their first choice law school they may not have in the mid-2000s. Additionally, fewer students means smaller classes, allowing students more one-on-one time with the professors.

While the total scholarship money is down, fewer students means larger financial assistance for those who qualify and less competition for the scholarships that are available. This allows students a bigger slice of an albeit slightly smaller pie, now that fewer students are interested in attending law school.

But what about the issues with jobs? It's great that I can get into law school, but what happens when I graduate and have to pay off the school debt without a full-time legal job? There is good news on this front as well.

At the Miller Becker Seminar in October, we learned that currently there are around 13,000 attorneys in Ohio that are 55 years old or older. This represents 37% of the total attorneys practicing in Ohio according to the Ohio State Bar Association. The average retirement age is 65. This means that in the next five to ten years, 13,000 attorneys in the state of Ohio alone will be retiring, leaving a gap for young up and coming attorneys to fill in. The three to four-year schooling process will mean there are jobs available for those who go to school now, as opposed to five years down the line when the jobs are already available.

Think of this as a "buy low, sell high" situation. When the market is up, everything is hunky dory and there is nothing bad anyone can say about it. However, when the market is down, it is all doom and gloom. But a bear market is where the real money is made. There is no question that the legal market is down. The legal field is down but not out, and it appears that its resurgence is right around the corner. Buy low, sell high.

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Jameson Rehm
Jamie@cbalaw.org

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Walt Eckert, CPA, CVA
Linda Johnson CPA, CVA
(614) 336-1950

Info@valuation-analysts.com
www.valuation-analysts.com