Winter 2012 Transparency Index Report

January 2012

Authors

Kyle McEntee, Esq., Executive Director Patrick J. Lynch, Esq., Policy Director

Contributors

Derek Tokaz, Esq., Assistant Research Director Lauren Ramos, LST Advisory Board Member Alec Denton, Esq., LST Advisory Board Member Justin McCallon, Esq. Christa Boyd

Executive Summary:

As a new year unfolds and the debate about legal education reform continues, efforts in furtherance of law school transparency remain critical. While transparency of law schools' post-graduation employment data will not solve all of legal education's problems, it can put pressure on the current law school model and thereby act as a catalyst for broader legal education reform. This is true whether it occurs through the process of seeking transparency or because of the information that such disclosure ultimately reveals.

Having had their long-standing practice of withholding basic consumer information called into question, law schools have responded with new attempts at disclosure in advance of the ABA's new requirements. Adequate disclosure should be easy to achieve; law schools have possessed ample information, in an easy publishable format, for many months. But as the findings of this report show, the vast majority of U.S. law schools are still hiding critical information from their applicants.

This report reflects LST's analysis of the class of 2010 employment information available on ABA-approved law school websites in early January 2012. The Winter 2012 Index reveals a continued pattern of consumer-disoriented activity. Our chief findings are as follows:

- ✤ 27% (54/197) do not provide *any* evaluable information on their websites for class of 2010 employment outcomes. Of those 54 schools, 22 do not provide any employment information on their website whatsoever. The other 32 schools demonstrate a pattern of consumer-disoriented behavior.
- 51% of schools fail to indicate how many graduates actually responded to their survey. Response rates provide applicants with a way to gauge the usefulness of survey results, a sort of back-of-the-envelope margin of error. Without the rate, schools can advertise employment rates north of 95% without explaining that the true employment rate is unknown, and likely lower.
- Only 26% of law schools indicate how many graduates worked in legal jobs. 11% indicate how many were in full-time legal jobs. Just 1% indicate how many were in full-time, long-term legal jobs.
- 17% of schools indicate how many graduates were employed in full-time vs. part-time jobs. 10% indicate how many were employed in long-term vs. short-term jobs. 10% of schools report how many graduates were employed in school-funded jobs.
- 49% of schools provide at least some salary information, but the vast majority of those schools (78%) provide the information in ways that mislead the reader.

Taken together, these and other findings illustrate how law schools have been slow to react to calls for disclosure, with some schools conjuring ways to repackage employment data to maintain their images. Our findings play into a larger dialogue about law schools and their continued secrecy against a backdrop of stories about admissions data fraud, class action lawsuits, and ever-rising education costs. These findings raise a red flag as to whether schools are capable of making needed changes to the current, unsustainable law school model without being compelled to through government oversight or other external forces.

Contents:

- **Consumer Information Transparency** Ι.
- **II.** Law Schools Possess Enough Data to be Adequately Transparent
- **III. Methodology and Usage**
- IV. Findings
- V. LST's Take

Appendix A: TIQ Criteria Appendix B: TIQ Raw Data

Winter 2012 Report:

Consumer Information Transparency I.

Though our mission has evolved slightly, we founded Law School Transparency in 2009 to spotlight and reform the presentation of law school employment information. In no trivial sense, the people charged with educating and training new attorneys were not fulfilling their responsibilities. Law schools were failing to adequately inform prospective students. The ABA's Section of Legal Education was failing to adequately protect those applicants, maintaining inadequate accreditation standards that law schools were more than happy to hide behind as accepted practice. To make matters worse, the section and law schools were actively or passively engaged in a variety of consumer-disoriented behavior.

Over the past two years, several strides have been made on the law school transparency front. The Section of Legal Education has revised its annual questionnaire and plans to distribute better employment information in its Official Guide. It also plans to use its accreditation standards to require law schools to share more transparent employment information on their websites. While the changes are insufficient,¹ and in some ways evidence a captured agency, the section has done far more in furtherance of law school transparency than the law schools themselves. Nevertheless, prospective students are still waiting (as well as asking) for the latest employment information so that they may choose whether to apply to and attend various law schools.

June 2011 should have marked a shift in law school behavior. By this point, the Section of Legal Education had acknowledged its failure to properly regulate schools, two U.S. Senators had begun weighing in on the lack of law school transparency, and one law school had been sued for consumer fraud. Meanwhile, attention from legal and national media was in full swing.

But instead of a shift, June 2011 marked more of the same. At the time, the vast majority of law schools did not provide class of 2010 employment information on their websites, even though schools had already received their annual, school-specific NALP employment report for the class of 2010 (the "NALP Report").² This pattern of secrecy continues seven months later for many schools. Despite—or

¹LST's Op/Ed in the National Law Journal: ABA should make law schools provide better job statistics now, Sept. 22, 2011, available at http://www.lawschooltransparency.com/2011/09/oped-in-the-nlj-aba-should-make-law-schools-provide-better-<u>job-statistics-now/</u>.² This tidy, ready-to-share report provides a wealth of useful consumer information; but, as in past years, schools kept the

information to themselves. We have requested these NALP Reports, which NALP provided to nearly every ABA-approved

perhaps because of—widespread criticism, 28% of all ABA-approved law schools still do not voluntarily release class of 2010 employment information on their websites in any form. The results are far more discouraging when we add to that 28% all the law schools that are sharing class of 2010 information in a way that still misleads readers. This report catalogues how each school was presenting its class of 2010 employment data as of the first few days of 2012.

As we begin another year, it is critical that the discussion about legal education reform not be led astray by false claims of adequate transparency. Last month, the University of Chicago Law School received widespread acclaim for its decision to provide improved consumer information about the class of 2010.³ We believe Chicago received acclaim because the job outcomes for Chicago's 2010 graduates appear to be strong relative to other law schools' outcomes. The positive responses confused the unexpected quality of outcomes, which for Chicago graduates remained strong despite the retraction in attorney hiring, with actual quality of disclosure. Chicago coupled tabular data with language about the need for transparency, leading people to claim that Chicago has set the market. But if every law school disclosed employment data according to Chicago's incomplete methodology, most would still continue to mislead prospective law students.⁴

In order to document how each school portrays the job stats of their graduates, we decided to renew our research into school disclosure policies. This report illustrates what law school applicants are up against in their attempt to enter the legal profession. It also suggests that law schools are continuing to value their own image above accountability, ethics, and fairness to the consumer.

II. Law Schools Possess Enough Data to be Adequately Transparent

Prospective law students still lack the information they need to make a meaningful decision about whether and where to earn a J.D. In contrast, law schools have this information at their fingertips. For the past 37 years, NALP has collected detailed post-graduation outcome data from its member schools using its proprietary survey. In 2011, 192 schools provided NALP with data about each 2010 graduate based on their status on February 15, 2011. These data form the basis for almost all of the employment information available to prospective students.

NALP annually publishes the aggregate and average information for all reporting law schools. That is, NALP only reports publicly about the entry-level hiring market as a whole, not about schools' comparative performances. While NALP is bound by confidentiality agreements and cannot release

law school, in order to share the information with consumers. *LST Requests Class of 2010 Employment Information From Law Schools*, Dec. 14, 2011, <u>http://www.lawschooltransparency.com/2011/12/lst-requests-class-of-2010-employment-information-from-law-schools/</u>. Thirteen schools have provided the NALP Reports to LST as of this report's publication. ³ Above The Law had the exclusive interview with Dean Michael Schill about Chicago's new approach to reporting employment information. David Lat, *The University of Chicago Law School Offers Detailed Employment Data; Will Other Schools Follow Suit*?, Above the Law, Dec. 14, 2011 <u>http://abovethelaw.com/2011/12/the-university-of-chicago-law-school-offers-detailed-employment-data-will-other-schools-follow-suit/</u>.

⁴ The Chicago methodology does not distinguish between full- and part-time jobs, between long- and short-term jobs, or whether positions are funded by the law school. Nor does it indicate the numerator for the salary figures. For Chicago, this is a relatively minor oversight because it collected salary data from 94% of employed graduates. But the further the response rate moves away from 100%, the more important it is that the rate be disclosed for every category that a school provides salary information for. Few, if any, other schools have a response rate above 90%. That said, even Chicago's efforts are worthy of applause when you compare what they did to the status quo. The problem is that the bar has been set so low by law schools and the Section of Legal Education that being slightly less misleading has caused even usually-critical corners of the legal media to celebrate.

any school-specific data or information, the same is not true for the schools. Law schools are free to share their NALP Reports at any time. As the Winter 2012 Index (enclosed) shows, some already do.

III. Methodology and Usage

In this age of information, a school website is a major public face for universities and law schools. These sites have become key means for distributing information, whether about educational offerings or career placement. Today, a school's failure to include critical information on its website is not a mere oversight. School websites are one of the first places potential applicants search for

consumer information. It is no surprise, then, that 100% of schools utilize their websites to encourage applicants to invest in their legal education.

From January 1, 2012 to January 3, 2012, the LST team analyzed the class of 2010 employment information found on every ABA-approved law school website. To do this, we devised the Transparency Index Questionnaire ("TIQ") with 19 criteria ("TIQ Criteria"). The TIQ Criteria are attached to this report in Appendix A. The result is an index that sheds light on how well law schools provide access to employment information. The links to the Winter 2012 Index and live Transparency Index are attached to this report in Appendix B.

We determined the TIQ Criteria by contemplating what matters to a prospective law student looking to invest three years and a lot of money in a professional degree. How many graduates obtained legal jobs? How many worked in part time or temporary positions? Where did graduates work? How much did they make? When did they get the jobs and how did they find them? Are any of the jobs school-funded? These are not difficult questions for the law schools to answer. Every school collects the data necessary to answer these questions, and doing so requires minimal costs.

LST's Transparency Index is not a ranking system. It would not be very meaningful to rank a school by the number of criteria met because different criteria vary in importance. In other words, just because one school meets more criteria than another school does not mean that the first school is more transparent than the second. However, the index does show how individual schools stack up against four presentation standards: the NALP Report, the current ABA Official Guide, next year's edition of the Official Guide, and the proposed ABA Standard 509. In addition, the aggregate statistics for each TIQ Criteria are useful metrics for showcasing the challenges prospective students face when they scour the internet for answers to their basic consumer questions.

It is also important to note that law school websites are fluid and that schools may respond to external stimuli by improving their web disclosure policies. In fact, some schools may have improved public employment information shortly after our data collection dates. We will update the index on our website, at <u>www.lawschooltransparency.com/transparency-index</u>, as we find out about these updates. Meanwhile, we encourage law schools to learn from the index, to update their websites with the TIQ Criteria in mind, and to alert us when they do so.

IV. Findings

The raw data for all of these findings may be located via the links provided in Appendix B. Unless otherwise specified, every percentage was calculated with 197—the total number of ABA-approved law schools as of early January 2012—as the denominator.

Legal Employment Rates Still Not Ascertainable

Only 26% of law schools (51/197) indicate how many graduates worked in legal jobs. 11% indicate how many are in full-time legal jobs. Just 1% indicate how many are in full-time, long-term legal jobs.

A Lack of Basic Consumer Information

27% (54/197) do not provide *any* evaluable information on their websites for class of 2010 employment outcomes. Of those 54 schools, 22 do not provide any employment information on their website whatsoever. The other 32 schools demonstrate a pattern of consumer-disoriented behavior. One recurring pattern includes providing breakdowns of where graduates found work based on the kind of workplace without describing the kind of jobs or even how many were actually employed. One school only provides employment information about the class of 2005. Some schools merely provide a blended rate from the past few years, despite major changes to the entry-level hiring market. And one school's employment statistics link is currently broken.

60% of schools do not offer sufficient data to deduce the employment status of every graduate, whether employed, unemployed, pursuing a degree, or unknown.

56% of schools did not provide any information about the kind of employers their graduates worked for.

51% of schools fail to indicate how many graduates actually responded to their survey. Response rates provide applicants with a way to gauge the usefulness of survey results, a sort of back-of-the-envelope margin of error. Without the rate, schools can advertise employment rates north of 95% without explaining that the true employment rate is unknown, and likely lower.

49% of schools provide at least some salary information, but the vast majority of those schools (78%) provide the information in ways that mislead the reader. The most common misleading tactics are (1) not indicating the response rates (which risks significantly overstating salary outcomes) and (2) providing mean salaries without an adequate indication of how salaries are distributed.⁵

48% of schools fail to describe the geographic locations of their graduates' jobs.

⁵ Starting salaries follow a bimodal distribution. *Salary Distribution Curve*, NALP, <u>http://www.nalp.org/salarydistrib</u>. For the Class of 2010, there is one peak from \$40,000 to \$65,000, accounting for nearly half of reported salaries, and another distinct peak at \$160,000. This bimodal distribution means that very few graduates make the mean salary of \$84,111.

Good Actors Are Few and Far Between

17% of schools indicate how many graduates were employed in full-time vs. part-time jobs. 10% indicate how many were employed in long-term vs. short-term jobs. Only 8% make both distinctions.

15% of schools provide a sample list of employers, but less than 2% offer samples that are truly representative of the entire class.

10% of schools report how many graduates were employed in school-funded jobs. While it is not yet possible to know whether the other 90% of schools fund graduates' jobs, next year's edition of the ABA Official Guide will make this distinction and provide greater context for evaluating this figure.

6% of schools share when graduates got their jobs. 5% share how their graduates found their jobs.

V. LST's Take

It is troubling that even after two years of immense pressure to be more transparent, law schools still provide such little help to prospective law students trying to make informed decisions. It is discomforting that the institutions tasked with educating tomorrow's lawyers do not exemplify the values the ABA Standards require them to teach. Schools hold their students to strict standards of honesty and integrity through enforceable school honor codes, but they are making no effort at upholding these same values in their own recruiting process.

The Winter 2012 Index produces simultaneously shocking and predictable results. The postgraduation employment information schools provide is surprisingly shallow in light of the pressures they face, including congressional scrutiny, the very real threat of class action lawsuits, and the deluge of media attention. But a lack of honest disclosure has also come to be what's expected of American law schools—the result of a severe crisis in confidence.

It bears repeating that schools have the capacity to be much more forthcoming than our findings show. With minimal costs and effort law schools could share valuable employment statistics with their prospective students, using data already in their possession. They have chosen not to. The collective failure of law schools to be transparent indicates a problem that goes deeper than the appearance of indifference. It shows intent. Certainly, law school decision makers do not intend to harm students. Many law school employees genuinely believe that they are doing students a favor with their brand of legal education. Specifically, they believe law school will pay off for their enrollees in the long run, notwithstanding first-job employment outcomes. Instead, law school decision makers intend to protect the perception that their JD programs are worth the investment of time and money because they believe they know better than transparent statistics would show.

Law schools appear to be exploiting what they know about the people who apply to their programs. Prospective students are still attending law school by the tens of thousands, despite the fact

that as a financial decision it will not make sense for many. In part, this is occurring because the achievements of being admitted into, attending, and graduating from law school remain status symbols. ABA-approved law schools are also aware of the stranglehold they have on entry to the legal profession. The ABA certification signals how successful lawyers got their start, augmenting the already-significant pressure to follow the professional norm, even if there are rumors that those schools are not providing enough value.

The Winter 2012 Index shows that few schools are ready to move past their own need for selfpreservation. Keeping critical employment information from prospective students, while claiming to be transparent, hinders structural changes to the legal education model that could actually realign perception with reality. A school's information asymmetry strategy works because of the widely-held view that law school is a ticket to financial security. This belief aids internal bargaining by law school decision makers, whose jobs are tied to long-term value derived from the education and training they provide. It also provides comfort to prospective students who want to believe that their decision is responsible. Admitting that something is amiss with the current law school model requires that both sides of the transaction reconcile these strongly embedded beliefs with the now-obvious shortcomings of legal education.

Viewed broadly, widespread consumer-disoriented behavior shows a misplaced concern for maintaining the model's current status and structure. Our hope is that when law schools claim to be transparent and claim to care about being open and honest with prospective students, the Transparency Index will provide a check on those claims. It will be easier to understand what exactly the schools are doing (or not doing) with their graduates' employment information, as well as allow people to compare school disclosure policies and perhaps wonder why certain schools choose opacity. Once we acknowledge the capability to do a much better job *right now*, it becomes harder to applaud schools for barely exceeding the minimum ABA standards.

Transparency is a catalyst for broader legal education reform. Whether through the process of seeking disclosure in the face of immense resistance, or through the information transparency ultimately reveals, it fosters productive pressure on the current law school model. Either way, holding schools accountable for their actions rather than taking them at their word appears to be the only way to keep things honest and create enough space for meaningful reform.

Appendix A: TIQ Criteria

Class of 2010: Is there class of 2010 information to survey? We answered "Yes" liberally. We answered "No" without comment if there was no employment information at all. We answered "No" with comment to indicate what was there. Of note, however, is that if the school published only the types of employers for whom employed graduates worked, without an employment rate, we answered "No" with comment.

Ease of Access: Is the information found through intuitive link titles in intuitive locations? *E.g.*, About, Admissions, Prospective Students, Career Services, and Statistics.

Employment Status: Can we tell the Employment Status of every graduate? The minimum categories are: employed, FT graduate degree, unemployed, and unknown.

Percentage Unknown: This percentage reflects the proportion of the class for whom the school was unable to learn the Employment Status. Without this datum it is impossible to tell how meaningful the information is, unless the information is accompanied by raw data and the graduating class size. For example, if a school claims a 95% employment rate, but did not know the employment status of 20% of the class, we really only know that 75% of the class is employed.

Employer Type: Can we tell the Employer Type of every employed graduate? The minimum categories are: law firm, gov't, clerkship, public interest, business, and unknown. A "Yes" requires the exact # or exact % of ALL grads employed, which requires that reporting rate is known unless the raw data for class size and the category are reported.

Law Firm Size: For every graduate employed by a law firm, can we tell the size of that law firm? Requires exact # or % of ALL grads employed in law firms.

Law Firm Size+: For every graduate employed by a law firm, can we tell the size of that law firm plus at least one other job characteristic?

FT/PT: Can we tell the distribution across all employed graduates among FT and PT jobs? Unknowns are ok if their existence is noted. Requires exact # or exact % of ALL grads employed, which requires that reporting rate is known unless the raw data for class size and the category are reported.

LT/ST: Can we tell the distribution across all employed graduates among long-term (permanent) and short-term (temporary) jobs? Unknowns are ok if their existence is noted. Requires exact # or exact % of ALL grads employed, which requires that reporting rate is known unless the raw data for class size and the category are reported.

School Funded: Can we tell how many graduates are employed in school-funded positions? Requires exact # or exact % of ALL grads employed, which requires that reporting rate is known unless the raw data for class size and the category are reported.

Legal Employment Rate: Can we tell how many graduates are employed in jobs that require bar passage? Requires exact # or exact % of ALL grads employed, which requires that reporting rate is known unless the raw data for class size and the category are reported.

Full-time Legal Employment Rate: Can we tell how many graduates are employed in full-time jobs that require bar passage? Requires exact # or exact % of ALL grads employed, which requires that reporting rate is known unless the raw data for class size and the category are reported.

Full-time, Long-term Legal Employment Rate: Can we tell how many graduates are employed in full-time and long-term (permanent) jobs that require bar passage? Requires exact # or exact % of ALL grads employed, which requires that reporting rate is known unless the raw data for class size and the category are reported.

Location: Can we tell, to some degree of specificity, where almost every employed graduate is working? We used no strict requirements for this category.

Location+: Can we tell where every graduate is working, combined with any other job characteristic? For example, job location plus employer name; or job location plus employer type; or job location plus job type. We used the +characteristic requirements where applicable.

Timing: Can we tell when each employed graduate obtained their job offer? We used no strict requirements for this category.

Source: Can we tell how each employed graduate found their job? We used no strict requirements for this category.

Employer Lists: Does the school provide an employer list that is representative based on other available information? We highlighted a "No" yellow if there is the list that is not representative.

Salary Information: Does the school provide employment information that does not mislead readers? If the school provides information that misleads readers, we highlighted "No" yellow. Salary information can mislead readers in a number of ways. For every category of salary information provided, it misleads readers if the school does not indicate the response rate for individuals in that category. It is also misleading to indicate a median or mean salary without any other information about salary distribution. Ranges created by the minimum and maximum salaries for a category insufficiently indicate salary distribution.

Last: This date marks the last time an LST staff member checked a law school's website for employment information.

Site: A link to the school's website where employment information was found.

Appendix B: TIQ Raw Data

View Winter 2012 Index on LawSchoolTransparency.com: http://www.lawschooltransparency.com/documents/Winter2012/TIQ/data.xlsx

View the live version, with updates, here: http://www.lawschooltransparency.com/transparency-index