

To Place Graduates, Law Schools Are Opening Firms



TEMPE, Ariz. — When Douglas J. Sylvester, dean of the law school at Arizona State University, was visiting the Mayo Clinic in Minnesota a couple of years ago he mentioned the shifting job market for his students — far fewer offers and a new demand for graduates already able to draft documents and interact with clients.

The Mayo dean responded that his medical students and graduates gained clinical experience in hospital rounds closely supervised by attending physicians.

“I realized that was what we needed,” Mr. Sylvester recalled. “A teach-

ing hospital for law school graduates.”

The result is a nonprofit law firm that Arizona State is setting up this summer for some of its graduates. Over the next few years, 30 graduates will work under seasoned lawyers and be paid for a wide range of services provided at relatively low cost to the people of Phoenix.

The plan is one of a dozen efforts across the country to address two acute — and seemingly contradictory — problems: [heavily indebted law graduates with no clients](#) and a vast number of Americans unable to afford a lawyer.

This paradox, fed by the growth of Internet-based legal research and services, is at the heart of a crisis looming over the legal profession after decades of relentless growth and accumulated wealth. It is evident in the [sharp drop in law school applications](#) and the increasing numbers of Americans showing up in court without a lawyer.

“It’s a perfect storm,” said Stacy Caplow, a professor at Brooklyn Law School who focuses on clinical education. “The longstanding concerns over access to justice for most Americans and a lack of skills among law graduates are now combined with the problems faced by all law schools. It’s creating conditions for change.”

A [pilot program](#) at the University of California Hastings College of the Law will place some third-year students into offices like the public defender’s for full-time training on the understanding that the next year those students will be employed there for small salaries. The program is called Lawyers for America, a conscious echo of [Teach for America](#), in

which high-achieving college graduates work in low-income neighborhood schools. The hope, said Prof. Marsha Cohen of Hastings, is that other law schools will follow the model. Professor Caplow of Brooklyn Law said her school planned to be one of the first.

A dozen law schools, including City University of New York and Thomas Jefferson School of Law in San Diego, have set up incubators to train future solo practitioners in their first year out of school, offering office space and mentors. Pace Law School in White Plains, opened what it calls a [community law practice](#) last fall with four graduates serving the region.

“You can’t just hang out a shingle and expect clients to show up in droves,” said Jennifer C. Friedman, executive director of the Pace Community Law Practice. “We want to provide our graduates with the tools of success while serving low- and moderate-income clients.”

And the incoming president of the American Bar Association, James R. Silkenat, of New York, said his top priority next fall would be to establish a “legal job corps” to match lawyers who need jobs with clients who need legal assistance.

“We have these two issues running in opposite directions,” Mr. Silkenat said in an interview. “There are unmet legal needs because of money and geography that seem to be growing, and the question of how to make use of unemployed recent graduates.”

All law schools, including the elites, are increasing skills training by adding [clinics](#) and externships. Starting this fall, the University of Vir-

ginia will allow students to earn a semester of credit while working full time for nonprofit or government employers anywhere in the world. Law students at the University of Pennsylvania, starting in September, can earn a certificate of management from its Wharton School to improve management skills and accounting literacy. Many of the schools and plans mention medical education as their model.

The Arizona State approach, called the Alumni Law Group, appears to be the most ambitious because of the number of lawyers it will employ (30), its projected cost (a commercial firm of comparable size would cost \$5 million a year to run, according to the school's projections) and its hope to be self-sufficient in a couple of years by charging for its services and gathering donations.

The plan is to have four to five groups of lawyers each overseen by a full-time, salaried supervising lawyer serving a range of clients. The firm will do legal work for other parts of the university, including its high-tech innovation center. The aim is to charge \$125 an hour in an area where the going hourly rate is \$250. The school also says it wants to reach out to veterans, Hispanics and American Indians whose legal needs are not well met.

Other changes may help the program along. Arizona has just become the first state to allow law students to take the bar exam in their **third year** rather than after graduation. The school has announced the creation of the North American Law Degree, a three-year J.D. aimed at licensure in both Canada and the United States. Dean Sylvester, who is Canadian, said a big need for lawyers in Canada remained as well as for cross-border practice. The number of Canadians applying to Arizona

State for law studies has just risen, as a result.

Arizona's plan, mooted at bar meetings and within law school circles, is producing envy — but also skepticism. Some see a naked attempt to improve the school's ratings in U.S. News and World Report by increasing the percentage of its graduates who find work while doing little to address the access-to-justice problem.

Critics say that \$125 an hour is too high to serve those in need and too low to break even. Others say that Phoenix, a city of intense growth and few law students, could support such an operation but that others could not and that local law firms would resent the competition.

"We charge \$50 an hour, and I don't take any pay," said Dennis A. Gladwell, who runs a smaller firm at the University of Utah with a staff of five graduates started 16 months ago. "If you are going to charge \$125, you are not going to serve an underserved population." Mr. Gladwell, who retired as a partner from the big firm of Gibson Dunn & Crutcher, also said that despite having asked top local firms to send along cases they considered too small for themselves, none responded.

There are other obstacles. Teaching hospitals have a federal tax dispensation. For nonprofit law firms to qualify for an exemption, legislation is probably required. That seems unlikely at the moment. Arizona State is attaching its firm to its nonprofit alumni association to get around the problem for now.

Still, postgraduate training programs appear to be the way of the future for many of the nation's 200 law schools. The law dean of Rutgers Uni-

versity just announced plans for a [nonprofit law firm](#) for some of his graduates.

“I would love to blink and wake up in 10 years and see where all this ends,” said Ms. Friedman of Pace Law School. “We know about 10 to 15 programs opening in the coming years. That means there are 30 more behind them. Every faculty is talking about this.”