

DATA REGARDING LAW SCHOOL GRADUATE NUMBERS AND OUTCOMES

In recent years, there has been concern expressed by a number of those in the legal profession about the growth in the number of law students and the job outcomes for law graduates. The Council of Australian Law Deans shares the desire of students and those in the profession to ensure high quality outcomes for law graduates. However, much of the commentary has been uninformed by accurate data, an understanding of broader trends for all graduates in a difficult economy, and the variety of careers for which a law degree prepares graduates.

This short paper outlines the best and most recent data on law graduate outcomes and compares this to outcomes for graduates from other disciplines, including in areas where growth in numbers is being encouraged. This data demonstrates that law graduate numbers remain modest, put a relatively small burden on government, and produce good graduate outcomes compared to many comparable degrees. The case for singling out law for additional regulation or cuts is therefore not made out.

How many law graduates are actually entering the market?

Contrary to news reports which suggest that the number of law graduates has reached close to 15,000, a recent survey conducted by the Council of Australian Law Deans of the 39 law schools across Australia revealed that the total number of Australian law graduates in 2015 was **7,583**.

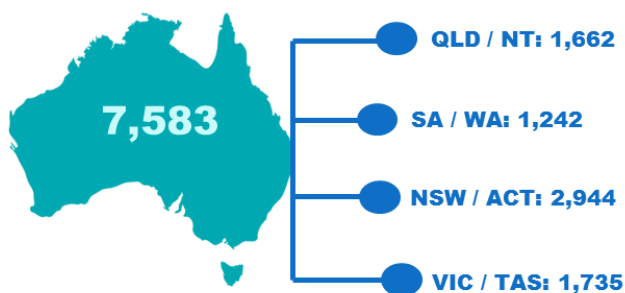


Figure 1: Total number of law graduates in Australia in 2015 with further breakdown based on state / territory pairings

Commonwealth supported places in law

Law students receive the lowest subsidy from the Government (\$2,059) and pay the highest student contribution for Commonwealth supported places (CSPs).

Further, in 2015, the number of CSPs in law formed only **4.75%** of the total number of CSPs across all disciplines (28,188.01 EFTSL in law with CSPs compared to 594,054.54 EFTSL in all disciplines with CSPs).

Job prospects for law graduates

There is very little data about job prospects for law graduates, particularly data on the number of entry level jobs in law. However, according to Graduate Careers Australia, around 74% of those who graduated from law school 4 months earlier and were available for employment were in fact employed. This outcome is higher than the national average for graduate employment which is a little under 69%.

Indeed, law graduates outperformed graduates in a number of STEM disciplines as illustrated in Figure 2.

Accordingly, reports in the media about the “bleak” job prospects for law graduates are overstated. All law graduates may not be employed in the legal profession but as the data suggests, a law degree places law graduates in good stead to secure employment across a variety of fields.

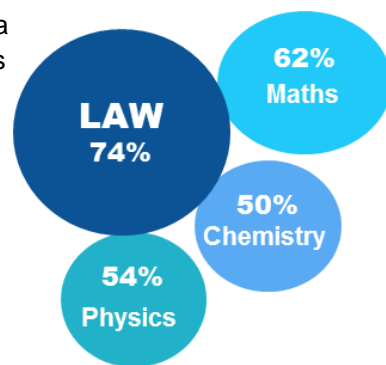


Figure 2: Rate of employment 4 months after graduation

Income earning capacity for law graduates

According to Grattan Institute analysis of the 2011 Australian census, law graduates have a high earning capacity over their lifetime. Figure 3 below shows the median graduate earnings premium – defined as the lifetime earnings premium for a median person with university education compared to a median person with no further education after Year 12 – across different disciplines. As is evident, the most lucrative disciplines for both genders, after income tax and the expenses of education, are medicine, dentistry and law.

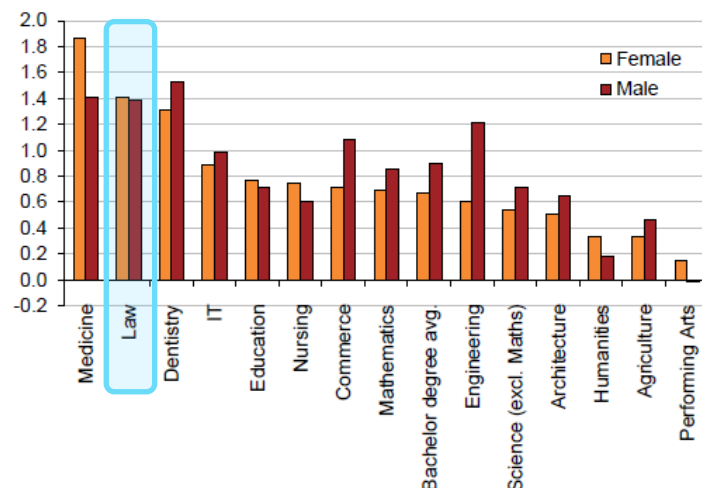


Figure 3: Median graduate earnings premium compared to Year 12 by discipline (\$ millions)
(Source: Grattan Institute Report No. 2016-11, page 82)

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Law graduates and repayment of HECS-HELP debt

Consistent with the finding that law graduates have relatively high earning capacity over their lifetime, the Grattan Institute Report entitled “Doubtful debt: the rising cost of student loans” (April 2014) uncovered that law graduates are among the most likely – along with medicine and dentistry graduates – to repay their HECS-HELP debt.

As Figure 4 illustrates, law graduates overwhelmingly fully repay their HECS-HELP debt and only a very tiny percentage do not make repayments compared to other disciplines. This trend in HECS repayment suggests law graduates are more successful notwithstanding the change in the mix of law graduate employment destinations.

The success of law graduates post-graduation is fortified in Figure 5 which shows that people with bachelor degrees in law have a rate of professional and managerial employment above 80%. In contrast, people with bachelor degrees in humanities, science, creative arts, management and commerce or agriculture all have professional or managerial employment rates below two-thirds.

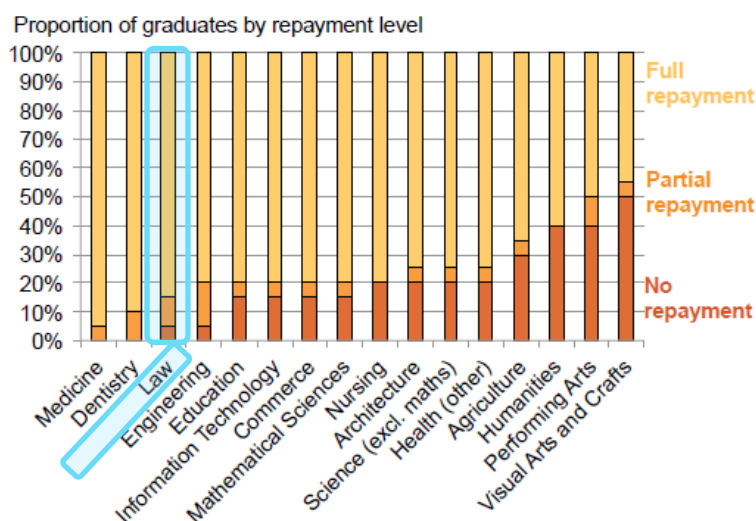
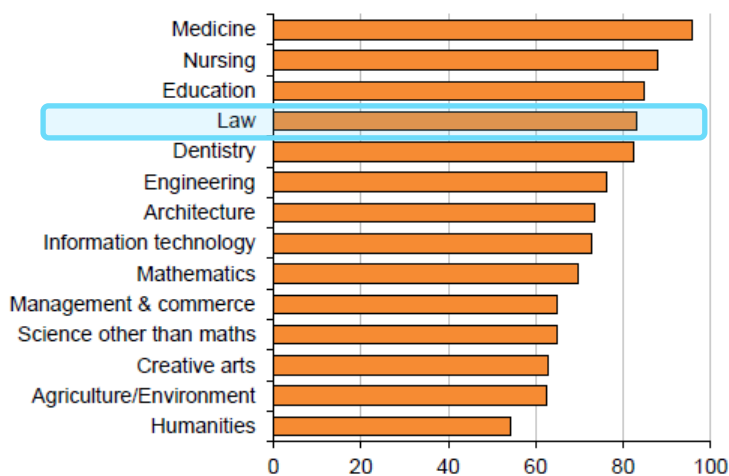


Figure 4: Proportion of bachelor degree graduates by their expected repayment level, 2011 census data (Source: Grattan Institute Report No. 2014-7, page 13)



Per cent of bachelor degree graduates employed as professionals or managers
 Note: Excludes graduates not in work and graduates currently enrolled in education.
 Source: Grattan calculations from ABS Census 2011 using ABS (2012)

Figure 5: Rates of professional and managerial employment by bachelor degree, 2011 census data (Source: Grattan Institute Report No. 2016-11, page 80)