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Career Opportunities for Economic Majors; Law School

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Introduction

A high LSAT score and a strong GPA are only part of the admissions process into law school. Law schools generally have few prerequisites in admissions, meaning that undergraduate students can pick whatever major they want to study. Being an economics major, however, is a degree that provides excellent training for success in law school (Wandrei, 2017). The skills developed by being an economics major are similar to those of law school students, making economics an intelligent major for those wishing to pursue law school. Economics emphasizes its assumption of rational decision-making, while law school is founded on the basis of objective and rational arbitration (Wandrei, 2017). By studying economics as an undergrad, you gain vital preparation in decision analysis, cost-benefit calculations, and rational choice theory. Courses like civil procedure and legal writing use these skills as they are similar to economics.

Behavioral economics focuses on how people make decisions in different ways. Understanding these decisions is helpful when making an argument in law school because it helps to know how you present something matters as much as what it is you present (Wandrei, 2017). An economics major also acquires the careful reasoning skills to succeed in law school. Those studying economics must consider the implication of tiny and minute changes in the marketplace. A slight environmental change could radically reduce the supply and demand for certain agricultural products. Recognizing the significant impacts of tiny changes encourages attention to detail (Wandrei, 2017). In law school and for those pursuing a legal career, close attention to the tiny details of an argument is a unique skill (Wandrei, 2017). Economic majors also understand the concept that money matters. Many law school students need to prepare to study legal concepts surrounding equities, securities, real estate, and insurance markets (Wandrei, 2017). Economic majors have an advantage over their peers because they understand

the theoretical and practical foundations of these economic issues. Topics in corporate and financial law make sense to economic majors in ways they do not apply to students with other undergraduate majors (Wandrei, 2017). Based on the courses and training required to study economics, those pursuing economics are better suited for the complex tasks that come from law school.

John Winters conducted a study showing which undergraduate majors are popular among practicing lawyers in the ACS. The 25 most popular majors are listed and ranked by size and the percentage of all lawyers completing each major. Political science is the most common major among practicing lawyers, accounting for 21.6 percent of all lawyers. Economics is fourth in size and accounts for 6.5 percent of the total (Winters, 2016). The top 25 majors collectively account for 84.7 percent of all practicing lawyers, and the top five alone account for 50.9 percent (Winters, 2016). This data shows that those who study economics account for a significant portion of the total population of lawyers.

This paper hopes to discover if economic majors perform better on the LSAT, what the market for lawyers is, if there is any salary evidence indicating that economic majors pursuing a legal career make more than other majors, and if there is any evidence that pursuing a JD is worth it. This topic is important to me as I am pursuing an undergraduate degree in economics with the hope of attending law school. I wanted to pursue this topic to see if I will be well suited to succeed in law school and the advantages I would have by being an economics major.

This research paper will contain the following sections: a general overview of economic majors heading to law school, the advantages economic majors have on the LSAT exam, the market for lawyers (demand and supply), salary evidence, and if there is evidence supporting that it is worth pursuing a JD. This research topic is essential to me as I finish my undergraduate

degree in economics, and I plan on going to law school after graduation. I wanted to see if the benefits outweigh the costs of going to law school, as the significant financial burden of law school is something to consider. This literature review explores economic majors' advantages when pursuing a career in law and the skills that make them more marketable.

General Overview of Economic Majors Heading to Law Schools

The skills learned in law school, such as analytical thinking, problem-solving, and communication, are highly marketable (Galarita, B., 2022). These are the skills that most economics majors find in their coursework through an undergraduate economics program. Not all who attend law schools end up becoming a lawyer. Some choose careers in alternative fields such as banking and finance, legal writing, consulting, human resources, and government or politics (Galarita, B., 2022). Networking is also another benefit of going to law school. Professors in law schools are likely connected to the local law community and beyond. Networking can help to lead to internships and full-time employment after graduation.

Many students considering law school believe that political science, history, or criminal justice majors can best prepare them for law school. This may be true, but law schools are increasingly admitting economic majors as economic issues are becoming more critical in legal circles (*Do Economists Make Better Lawyers*, 2013). There is a large amount of crossover between economics and a law degree. Contract law, torts, and assigning property rights all consider how legal decisions impact economic outcomes (*Do Economists Make Better Lawyers*, 2013).

Economics examines what choices people make given the various constraints they face. As constraints change, behavior changes as well, and some of the most critical constraints are

legal ones (*Do Economists Make Better Lawyers*, 2013). Changes in the law will alter people's behavior. Economics has been applied to criminal law as society develops laws and punishments that deter deviant behavior (*Do Economists Make Better Lawyers*, 2013). A strong background in economics can help someone with a law degree determine how legal decisions stem from economic considerations. This will provide those with a background in economics and a law degree with the necessary skills to determine how the court will likely rule.

LSAT Scores and the Economics Major

The LSAT (Law School Admissions Test) plays a vital role in acceptance into law school, and the test is scaled from a low of 120 to a high of 180. The LSAT is comprised of five sections of multiple-choice questions on logical reasoning, analytical reasoning, reading comprehension, and an unscored section. This type of testing shows academic preparedness for those wishing to continue to law school. Economic majors tend to score better on the LSAT than other undergraduate majors. The course material in economics applies to the type of deduction of reasoning tested on the LSAT. Economics examines people's behaviors and choices given certain constraints they face. Some of these constraints are legal ones. A strong background in economics can help understand how legal decisions stem from economic considerations (*Do Economists Make Better Lawyers*, 2013).

Getting into a top nationally-ranked law school requires a high LSAT score. The average score for all U.S. law school applicants in 2015-2016 was 152.8 (Nieswiadomy, 2017).

Economic majors have the highest average score of 158.8 among the 16 significant disciplines shown in Table 1a. (Nieswiadomy, 2017). Economics develops critical thinking skills and gives one a good sense of analysis. These are the areas that are tested on the LSAT and why economic

majors tend to do better than the majority of the other majors. These most major disciplines are those with more than 950 students applying to law school.

Table 1a. 2015–16 applicants’ mean LSAT® scores for the 16 largest major fields.

Rank	Major field	Mean score	n students
1	Economics	158.8	2,717
2	Philosophy	158.0	2,294
3	International relations	157.0	1,026
4	History	156.1	3,472
5	Engineering	154.6	2,629
6	English	154.4	3,549
7	Finance	154.0	1,468
8	Political science	153.4	12,693
9	Psychology	152.5	3,778
10	Accounting	151.5	962
11	Communications	151.0	1,809
12	Liberal arts	151.0	1,311
13	Sociology	150.2	2,055
14	Business management	149.1	1,085
15	Business administration	148.7	1,554
16	Criminal justice	145.8	3,857

Source: Law School Admission Council, “Data Services Group,” 2017, <http://officialguide.lsac.org>

Note: These data were for major fields with at least 950 students applying with LSAT® scores.

Table 1b shows the average mean LSAT scores of the same 16 most prominent disciplines for applicants across a 15-year period of 2001-2 to 2015-16 (Nieswiadomy, 2017).

The 15-year-average mean scores are 158.2 for economics, and this shows that economic majors have repeatedly performed better than the other 15 major disciplines.

Table 1b. 2001–2 to 2015–16 applicants’ mean LSAT® scores for the 16 largest major fields.

Rank	Major field	Mean score	n students per year
1	Economics	158.2	4,272
2	Philosophy	157.9	2,922
3	International relations	157.0	1,764
4	History	156.1	5,457
5	Engineering	155.3	2,919
6	English	155.1	5,810
7	Finance	153.9	2,876
8	Political science	153.8	16,794
9	Psychology	153.1	5,377
10	Accounting	152.4	1,757
11	Communications	151.4	2,798
12	Sociology	151.1	2,807
13	Marketing	151.0	1,768
14	Business administration	149.9	2,454
15	Business management	149.9	1,999
16	Criminal justice	146.3	3,938

Source: Law School Admission Council, “Data Services Group,” 2017, <http://officialguide.lsac.org>.

Note: These data were for major fields with at least 950 students applying with LSAT® scores.

Demand for lawyers in the U.S.

The employment of lawyers is projected to grow 10 percent from 2021 to 2031, faster than the average for all occupations (U.S. Bureau of Labor Statistics, 2022). About 48,700 openings for lawyers are projected each year, on average, over the decade (U.S. Bureau of Labor Statistics, 2022). Many of those openings are expected to result from the need to replace the workers who transfer to different occupations or exit the labor force, such as retiring.

The growth in population and general business activity is creating more legal transactions and generating an increased need for legal services in a wide range of areas, including health care, environmental issues, intellectual property, mediation, and antitrust (CareerExplorer, 2022). Besides this demand, the capacity of large accounting firms and paralegals are able to perform some of the same functions as lawyers. As a result, lawyers increasingly find work in less traditional roles for which legal expertise is valuable, even if not typically required (CareerExplorer, 2022). These roles include managerial, business, and administrative positions with banks, insurance, real estate companies, and government agencies (CareerExplorer, 2022).

The demand for lawyers is projected to grow as the Bureau of Labor Statistics has projected 9% from 2020 to 2030 (Mccamish, B., 2023). Law firms are the largest source of employers for those wanting to be attorneys, and Mccamish suggests that this could change over time. The Bureau of Labor Statistics has noted a shift in the industry as much larger companies try to cut costs by hiring in-house legal services instead of law firms (Mccamish, B., 2023). This may be seen as a negative, but there could be more job openings in new settings. This is suggested by the data provided by the American Bar Association (ABA) as it says that most get some work experience, as only 7.3% of the 2018 graduating class is unemployed (Mccamish, B., 2023).

The National Association of Law Placement (NALP) has released employment data for the class of 2021. Almost 92 percent of law graduates found full-time, long-term employment, tied for the highest rate in more than 30 years (Taylor, 2022). Seventy-eight percent of these graduates secured jobs that required a law license (Taylor, 2022). A critical question that could not be answered from the available data is whether the 22 percent who found jobs that did not require a law license could not find jobs as a lawyer. Unemployment in the “legal occupations” sector is practically always lower than the overall rate. Between 2007 and 2018, the average unemployment rate for the sector was 2.3 percent, about one-third of the overall average of 6.5 percent (Taylor, 2022).

Even though the latest employment numbers represent a significant victory for legal education, those not fortunate enough to enter the job market still face negative impacts (Taylor, 2022). Graduates who could not enter the job market are real-life examples of the potential perils of law within the latest employment numbers. If the interest in getting a law degree increases and larger classes are enrolled without regard to the job market, the market is at risk for a harmful market asymmetry (Taylor, 2022). Law schools may see higher demand for seats in their classes, but they should resist increasing enrollments without first attempting to tie those increases to the future legal job market (Taylor, 2022). This data suggests that the demand to become a lawyer is increasing, but the demand of law firms for these new lawyers is staying the same.

According to Sloan, law firms face a challenging climate due to falling demand, declining profits, and rising expenses. Law firms will likely face more layoffs as clients tighten their belts and move work to lower-priced firms. Profits per equity partner at large and midsized law firms fell 4.2 percent over the 12 months ending in late November (Sloan, 2023). After growing 3.7 percent in 2021, demand for law firm services fell 0.1 percent by November 2022

(Sloan, 2023). Declines in transactional work and general uncertainty about the economy's direction fueled this.

Lawyer productivity is also something that should be considered. Lawyer productivity hit a more than 20-year low, with attorneys at large and midsized firms billing an average of 119 hours per month, down from 122 in 2021 (Sloan, 2023). Law firms also have relatively high attorney headcounts following a 2021 hiring boom, driving more than a 10 percent year-over-year increase in direct expenses (Sloan, 2023). Large law firms that hired many lawyers in 2021 to meet demand are now laying off attorneys. This was a correction after many firms experienced an unprecedented boom in 2021 when profits hit historical highs and demand was robust (Sloan, 2023). Midsized law firms saw a smaller decline in demand than larger firms and were the only market segment with a demand increase in non-transactional practices (Sloan, 2023). One explanation is that clients are looking for lower-price options.

Overall, there is a growth in the population and general business activity, creating more legal transactions and generating an increased need for legal services in a wide range of areas. Since large accounting firms and paralegals can perform some of the same functions as lawyers, those who wish to become practicing lawyers are forced to find work in less traditional roles for which legal expertise is optional. This is essential information as law firms are the largest source of employers for those wanting to be attorneys, which could indicate that demand is shifting away from law firms. Those wanting to become lawyers should be cautious because even when law schools see a higher demand for seats in their classes, they should resist increasing enrollments without first attempting to tie those increases to the future legal job market. This shows that the demand to become a lawyer is increasing, but the demand of law firms for these new lawyers is staying the same.

Supply of Lawyers in the U.S.

Those taking the LSAT rose more than 35 percent between 2014 and 2020 (Koch & Gonzales, 2022). This wave accentuated an existing downward trend in the median real income of lawyers and supported the hypothesis that most states have more lawyers than they need. If there are too many lawyers, holding constant the demand of all lawyers, then this likely means that years earlier, an excessive number of individuals decided to sit for the LSAT (Koch, 2022). This shows a direct, although delayed, connection between the number of individuals who take the LSAT and subsequent labor market conditions for lawyers (Koch, 2022).

The LSAT provides more information than it lets on. When you can understand the role played by the LSAT, it allows one to predict the future supply of lawyers more accurately. James Koch and Barbara Blake-Gonzalez did an analysis showing that fewer individuals sit for the LSAT exam per capita than two decades prior (Koch, J. V., & Blake-Gonzalez, B., 2022). Their analysis suggests that economic conditions for lawyers make a difference in the number of LSAT takers, but less than one might think.

Current economic conditions rather than longer-term trends are most influential in determining the number of LSAT takers (Koch, J. V., & Blake-Gonzalez, B., 2022). This suggests that if there is an oversupply of lawyers, one reason is that those attempting to qualify for law school by taking the LSAT need to be more sensitive to long-term labor market conditions for lawyers (Koch, J. V., & Blake-Gonzalez, B., 2022) This also suggests that the declining real income of lawyers may have restrained the supply of lawyers less than I initially thought. This could indicate a possible oversupply and further declines in real income.

According to statistics from the Law School Admission Council (LSAC), nearly 71,000 people applied to law school for the 2021 enrollment year, roughly 13 percent more than the

prior year (Kuris, 2021). The total number of applications submitted rose roughly 27 percent, indicating that applicants hedged their bets by applying to more schools in response to heightened competition (Kuris, 2021). Even though many applicants may have fallen short of their hopes, most law schools did increase their class size to offset the influx partially. The total number of first-year students enrolled in law school increased by more than 10 percent from 2020 to 2021 (Kuris, 2021). This evidence shows that while law schools accept more applicants, the competition for law schools has dramatically increased.

Clifford Winston and Quentin Karpilow offer an interesting perspective on the legal market and suggest that the legal market should suggest that the United States eliminate entry barriers to law practice. They argue that states' requirements that lawyers obtain a license to practice law and American Bar Association regulations of legal practice form barriers to entry into the legal profession (Winston, C., & Karpilow, Q., 2016). State licensing requirements constrain the supply of lawyers, and the ABA regulations shield private law firms from competition. They have argued that notwithstanding their intended function, entry barriers in legal services have created inefficiencies that parallel those generated by entry regulations of the United States network industries (Winston, C., & Karpilow, Q., 2016). They are saying that entry barriers limit competition and raise prices. Eliminating entry barriers in legal services would generate benefits similar to those from network industry deregulation (Winston, C., & Karpilow, Q., 2016). Entry deregulations of legal services could increase competition and reduce prices. Consumers would benefit from new entrants, such as low-cost, foreign, and quasi-lawyers (Winston C., & Karpilow, Q., 2016). Deregulations of legal services would increase the supply and demand for low-cost lawyers because more people would have access to and the funds to

pay for legal services. If firms faced greater competitive forces and could operate in freedom, it would incentivize firms to produce innovations that would benefit the firm and the consumer.

Some have argued that the market for lawyers is noncompetitive because few people have the human capital to obtain a law degree, ensuring they master the complexity of legal matters (Winston, C., & Karpilow, Q., 2016). They argue that entry deregulation would allow consumers to benefit from new entrants, such as low-cost lawyers, foreign lawyers, and quasi-lawyers (Winston, C., & Karpilow, Q., 2016). These new entrants into the legal field would enhance competition and the quality of some legal services.

Deregulation could provide positive effects on economy-wide productivity. Winston and Karpilow argue that occupational licensing has distorted the allocation of labor in the legal industry because some lawyers attracted to the inflated salaries of the legal profession could have made more economically productive contributions to society by working in different occupations (Winston, C., & Karpilow, Q., 2016). If these lawyers who were in it for just the money could have provided services elsewhere or done something different that provided the economy with more significant contributions than the contributions they are providing as lawyers. Entry deregulation would reduce those distortions in individuals' choices to become a lawyer by (i) reducing most lawyers' earnings premiums and (ii) enabling individuals who are currently barred from practice to provide valuable services that require only modest legal training (Winston, C., & Karpilow, Q., 2016).

Andrew Bruck and Andrew Canter provide insight into the large law firms and the supply and demand of legal services; the rapid expansion of elite law firms over the past three decades has created intense competition for exceptional legal work (Bruck, A., & Canter, A., 2008). Due to the rapid increase in firm size, law firms have become increasingly dependent on hiring an

alarming number of new elite law student recruits (Bruck, A., & Canter, A., 2008). The issue with this is that most prestigious law schools still need to increase their enrollment to meet the rising demand. Elite law schools may be reluctant to do this because it would reduce the size of the earnings premiums to the elite law school recruits. This has led to a scarcity in the labor market for new elite law graduates. Things have changed for new elite law school graduates. These new graduates seek more than well-paying jobs; they want positions at companies that maintain a diverse workforce and respect the balance between work and family (Bruck, A., & Canter, A., 2008).

This desire for a more diverse legal workforce may have started in earnest almost twenty years ago. In late 2003, Catherine Lamboley, the general counsel of Shell Oil, surprised the legal world by changing how Shell Oil hired outside counsel. Instead of doing what most large companies do in selecting firms based on the success rate of their practice areas, or the duration of a firm's relationship with the company, Shell Oil announced that it would also seek out counsel with a diverse workforce (Bruck, A., & Canter, A., 2008). Lamboley cut dozens of firms from Shell's roster, including Baker Botts, Houston's most venerable firm and one of the company's closest legal advisors (Bruck, A., & Canter, A., 2008). Even though this is an example from twenty years ago, it is still prevalent today as it shows that clients and students were beginning to exert their market power to push for reform in the legal field. This also shows that the growing demand for corporate legal services, increased transparency in elite firms, and the changing demographics in the legal labor market opened the industry to outside economic forces (Bruck, A., & Canter, A., 2008).

Overall, based on the data provided by my research, it was suggested that there is an oversupply of lawyers in the United States. This is indicated by the 35 percent increase in those

taking the LSAT between 2014 and 2020. Also, according to the LSAC, nearly 71,000 people applied to law school for the 2021 enrollment year, roughly 13 percent more than the prior year. This suggests an oversupply of lawyers as law schools increased their class size to offset the influx partially. This evidence shows that while law schools accept more applicants, the competition for law schools has dramatically increased. This also demonstrated an oversupply of those wanting to become lawyers. Besides the oversupply of lawyers in general, the labor market is scarce for new elite law graduates. These new graduates seek more than well-paying jobs as they want positions at companies that maintain a diverse workforce and firms that respect the balance between work and family.

Salary Information

The topic of income is essential as the cost of attending law school is so high. If new graduates cannot find jobs, they cannot pay off the massive debt they have accumulated while at law school. In most elite law schools today, tuition exceeds \$50,000. Students usually borrow to help pay living expenses as well as tuition. Since law school is typically three years, today's law students may borrow over \$200,000 to cover their expenses. This can be burdensome and may impact the decision to own a home, have children, and make other significant life choices.

Increasing tuition immediately results in rising debt levels for law students, about 90% of whom borrow to finance their legal education (Tamanaha, B. Z., 2013). Those lucky enough to get a job failed to earn enough to make monthly payments on their debts (Tamanaha, B. Z., 2013). Managing monthly payments from this debt would require a salary of \$100,000, an income obtained by less than 15% of graduates nationwide (Tamanaha, B. Z., 2013). This

evidence suggests that law school may not be worth the cost if lawyers' real income decreases, and tuition is expected to keep rising.

Michael Simkovich and Frank McIntyre discuss the economic value of a law degree in their research. Lawyers have always been among the highest-paid of all U.S. workers. That said, roughly one-third to one-half of U.S. residents with law degrees do not work as lawyers (Simkovic, M., & McIntyre, F., 2014). The economic value of a law degree is not on whether law graduates to practice law but instead on how much more readily they find work with a law degree than they would without and how much more they earn with a law degree than they would have without (Simkovic, M., & McIntyre, F., 2014).

Their study found that a law degree is associated with an approximately 73 percent increase in the expected median monthly earnings, a 65 percent increase in hourly wages, and a reduced risk of unemployment or underemployment (Simkovic, M., & McIntyre, F., 2014). They estimated that the mean lifetime value of a law degree in 2013 dollars as of the start of law school to be approximately \$1,030,000 before taxes and \$720,00 net of taxes. This suggests that for those worried about the cost of law school, the value of a law degree typically exceeds its cost by a large margin. Their results suggest that attending law school is generally a better financial decision than stopping one's education with a bachelor's degree. The critical part of their research suggests that even for relatively low earners, a law degree will typically be more than able to pay for itself throughout a lifetime (Simkovic, M., & McIntyre, F., 2014). This information may be a couple of years old, so it may be as accurate today, particularly if real incomes are declining and tuition is not reduced.

That said, the median real incomes of lawyers have been declining. In 2001, the median real income of lawyers in the 50 states plus the District of Columbia was \$129,389. In 2020, this

number fell to \$126,930, 1.90% less than in 2001 (Koch, J. V., & Blake-Gonzalez, B. 2022). This is surprising data as the median real income of workers in all occupations has risen by 3.93% between 2001 and 2020 (Koch, J. V., & Blake-Gonzalez, B. 2022).

The median real income of lawyers in the 50 states plus the District of Columbia peaked in 2010 at \$134,005 (2020 prices) and has gradually declined to \$126,930 in 2020 (Koch, J. V., & Blake-Gonzalez, B. 2022). This data suggests that lawyers' 2020 real median income was 5.57% below its 2010 peak. Based on Koch's empirical study, the median real incomes of lawyers have deteriorated relative to most other workers and occupations. This is due to an oversupply of lawyers, a declining demand for lawyers' services, or a combination of both (Koch, J. V., & Blake-Gonzalez, B. 2022).

Lawyers can charge any price for their service and provide pro bono work without raising concerns about anti-competitive behavior (Maheshri, V., & Winston, C., 2013). Given how many law firms there are, those who charge a higher price for their legal service may need help maintaining business. Maheshri and Winston argue that the states' protection of lawyers from various potential sources of competition has significantly raised the price of legal services offered by all lawyers regardless of their earnings and the size of the firm that employs them (Maheshri, V., & Winston, C., 2013). Empirical evidence provided by their study suggests that, in general, occupational licensing has had little effect on reducing the dispersion of wages for individuals in licensed jobs. By restricting entry and the number of competitors, occupational licensing may increase the dispersion of prices.

Most rational decision-makers will choose a major field of study that will offer them the highest expected utility. One of the most important benefits offered by various majors is expected future earnings, and economics has consistently been shown to be a financially

rewarding major (Winters, 2016). Economic majors have one of the highest mean earnings across different majors. In the study done by John Winters, he reports both the mean and median earnings and finds that economic majors have exceptionally high earnings among practicing lawyers (Winters, 2016). He found the mean and median earnings by examining the differences in earnings of practicing lawyers by undergraduate college major using the combined 2009-13 ACS (American Community Survey) data from the Integrated Public Use Microdata Series. Annual earnings in the ACS are reported to reflect the earning in the previous 12 months.

Economic majors have the third-highest median salary of \$130,723 and the second-highest mean salary of \$182,359 in the legal field (Winters, 2016). Business-related fields do well in different areas of law because of the undergraduate knowledge they obtained that helps them perform better at their job. A business background helps lawyers do their job, especially if they are working in mergers and acquisitions (Winters, 2016). Based on this information, economics is a valuable undergraduate major for those who want to practice law and overall good preparation for a legal career.

Kim Craft and Joe Baker used nationally representative cross-sectional data, examining preprofessional education's effects on lawyers' and judges' earnings. Their evidence indicated that lawyers with undergraduate training in economics tend to earn more than other lawyers (Craft, R. K., & Baker, J. G., 2010). The evidence suggested that those who obtained an undergraduate degree in economics earned approximately 12.7% more than others (Craft, R. K., & Baker, J. G., 2010). This was the only undergraduate discipline associated with earnings that differed significantly. This evidence suggests that training in economics can increase a lawyer's human capital compared to other undergraduate majors. If you are considering a career in law and going to law school, this evidence highly suggests majoring in economics.

Based on the findings in the research conducted, it can be inferred that lawyer salaries are generally declining for those who did not go to an elite law school. However, lawyers with an economics degree tend to do better. Managing monthly payments from tuition debt would require a salary of \$100,000, an income obtained by less than 15% of graduates nationwide. This evidence suggests that law school may not be worth the cost if lawyers' real income decreases, and tuition is expected to keep rising. This is problematic as data suggested that lawyers' real median income was 5.57 percent below its peak in 2010. This is due to an oversupply of lawyers, a declining demand for lawyers' services, or a combination of both. Those seeking to go to law school should be cautious as it is harder today to pay back law school debt as tuition keeps rising and the median income of lawyers is decreasing. Those with economic degrees who attend law school may have an easier time paying back this debt but should still be cautious about the burden of debt they take on.

Pursuing a J.D

Someone considering law school can expect to spend seven years in school. They will have to spend four years obtaining an undergraduate degree and three years obtaining a law degree. Law students can expect to dedicate approximately forty hours weekly to reading, writing, and studying (Galarita, B., 2022). Someone considering attending law school should weigh the time investment needed to attend and succeed in law school. The opportunity cost of going to law school is that they are giving up the ability to start making a salary right out of undergrad and start paying off debt to gain a higher degree of education with the implications of getting a better job and salary.

A large amount of debt can be offset by looking into organizations and foundations at the local, state, and national levels offering to fund based on recipients' financial needs, academic merit, and ethnicity, among other factors (Galarita, B., 2022). If you are forced to take out loans, the individual should prioritize federal over private loans. Federal loans have lower interest rates and various income-driven repayment plans (Galarita, B., 2022). These are ways to reduce the opportunity cost of going to law school. Law school could be seen as beneficial if the amount of debt taken on is reduced.

Law school can be expensive, and some graduates may regret pursuing a Juris Doctor (J.D.) degree. Forty-eight percent of all J.D. holders strongly agreed that their degree was worth the cost (Tretina, 2023). A law degree's value differs for different people and depends on multiple factors, including career goals and location. Cost should be taken into consideration when pursuing a J.D. The average in-state tuition for law school is \$28,186; for out-of-state, it is \$41,628; and for private universities, it is \$49,312 (Tretina, 2023). You must plan for three years of tuition, textbooks, room and board, and other living expenses.

How much your law degree will cost depends on your location, whether you choose a private or public university and the school's rankings. Law schools are divided into tiers, with tier one being the most prestigious and expensive. Attending one of these tier-one schools can help your employment and earning prospects, especially if your goal is to pursue a career with a top law firm (Tretina, 2023). You should consider attending tier two or three schools if your main priority is keeping your education costs low. Lower-ranked schools may not offer higher-paid positions unless you do well in law school. Ninety percent of American Bar Association's Young Lawyers Division survey respondents had some student loan debt (Tretina, 2023).

Dropout rates, challenges of the bar exam, the university-offered job assistance, and financial aid should also be considered when pursuing a law degree. Law school is so challenging that the dropout rate for first-year students can be pretty high; some schools reported a dropout rate as high as 38 percent (Tretina, 2023). If you drop out of law school, you will still have to repay any student loans you took out without the benefits or career prospects that someone with a J.D. has. If you make it through law school, you will still have to pass the state's bar exam before you begin your career. The exam fee can cost \$1,000 or more (Tretina, 2023). While you prepare for the exam, studying materials and covering your living expenses can add thousands of dollars to your costs. The pass rate for first-time test takers was 82.83 percent in 2020 (Tretina, 2023). If you do not pass the exam the first time, you must start the process again.

About two-thirds of those who responded to the Gallup and AccessLex Institute study said their schools helped them get jobs (Tretina, 2023). Some schools have career programs to help students secure jobs, and some universities have loan repayment programs for law graduates working in public service. You should find out what career resources are available at the university you want to attend law school (Tretina, 2023). You may also be eligible for law school scholarships or grants that offset or even completely cover the cost of tuition. However, most law school students must take out student loans to pay for school. Law school student loans have higher interest rates than undergraduate student loans, making it more challenging to pay the balance (Tretina, 2023). Before you attend a law program, you should understand the total cost of attendance and consider how student loans and interest will affect your repayment.

If you are unwilling to spare the expense and dedication required to complete law school, you should not attend. Deciding to go to law school should depend on your career aspirations, the debt you must take on, and the university you choose. You can improve your law degree's

return on investment by minimizing the need for student loans and exhausting all your available financial aid options, including law school scholarships, grants, and work-study programs (Tretina, 2023).

Conclusion

Based on the findings in this research paper, it can be inferred that economic majors perform better on the LSAT and in law school because of the knowledge and skills they obtain while getting an undergraduate degree in economics. Economics emphasizes its assumption of rational decision-making, while law school is founded on the basis of objective and rational arbitration. By studying economics as an undergrad, you gain vital preparation in decision analysis, cost-benefit calculations, and rational choice theory. Courses like civil procedure and legal writing use these skills as they are similar to economics. Data has shown that the average score for all U.S. law school applicants in 2015-2016 was 152.8. Economic majors have the highest average score of 158.8 among the 16 significant disciplines. This demonstrates that the skills developed while pursuing an economics degree is transferred into the performance of students taking the LSAT.

The demand for lawyers is growing as the Bureau of Labor Statistics has projected a 9 percent growth from 2020 to 2030. This could be due to the employment of lawyers projected to grow 10 percent from 2021 to 2031. Many of these openings are expected to result from the need to replace workers who transfer to different occupations or exit the labor force. Even with this expected growth, the capacity of large accounting firms and paralegals to perform some of the same functions as lawyers has increased. This is causing lawyers to find work in less traditional roles for which legal expertise is valuable but optional. Based on the data reported in this paper,

it can be inferred that the demand to become a lawyer is increasing. However, law firm demand for these lawyers is staying the same or decreasing, and the demand for those with legal education outside law firms is increasing.

The number of people who took the LSAT rose more than 35 percent between 2014 and 2020. This, along with an already existing downward trend in the median real income of lawyers, provides evidence for the hypothesis that most states have more lawyers than they need. According to statistics from the LSAC, nearly 71,000 people applied to law school for the enrollment year, roughly 13 percent more than the prior year. Due to this increase in applicants, most law schools did increase their class size to offset the influx. This further demonstrates a potential oversupply of those wanting to become a lawyer. Law firms will likely lay off more lawyers because clients tighten their belts and move to lower-priced firms. This suggests that the oversupply of lawyers has caused a decline in the real wages of lawyers.

Even though job placement is essential, the type of legal job one gets determines your salary. The field of practice you go into, such as becoming a tax attorney, family law, criminal law, civil cases, real estate, etc., plays a significant role in how much you can make as a lawyer (Mccamish, B., 2023). You will also want to consider location when deciding on the type of salary you want. According to the Bureau of Labor Statistics, the states with the highest salaries are the District of Columbia, California, New York, Massachusetts, and Connecticut (Mccamish, B., 2023). These are also the states with the highest cost of living, so it is unclear whether someone is better off practicing law in these states.

You want to get a high-paying legal job out of law school, as the cost of law school puts many in a great deal of debt. This is troublesome because the median real income of lawyers in the 50 states plus the District of Columbia peaked in 2010 at \$134,005 (2020 prices) and has

gradually declined to \$126,930 in 2020 (Koch, J. V., & Blake-Gonzalez, B. 2022). This data suggests that lawyers' 2020 real median income was 5.57% below its 2010 peak. Managing monthly payments from law school debt would require a salary of \$100,000, an income obtained by less than 15% of graduates nationwide. In order to mitigate some of the financial burdens of debt, one should look into scholarships, grants, or working part-time. Most law schools will not let their students work during the first year of law school, so the focus should be on scholarships or grants. It would be best if you also looked into student loan forgiveness for lawyers.

It can also be concluded from the section on pursuing a J.D. that you must be willing to spare the expense and dedication required to complete law school to attend. It would be best if you decided to go to law school based on your career aspirations, the debt you must take on, and the university you choose. You can improve your law degree's return on investment by trying to minimize the need for student loans which can be done by getting law school scholarships for having a high GPA and doing well on the LSAT. Economic majors score better than most majors on the LSAT, so it could be said that economic majors get more scholarships to attend law school than other majors. It would be interesting to see if this paper was extended how many scholarships economic majors get to attend law school compared to other majors.

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