

FROM THE BESTSELLING AUTHOR OF
NUMBERS RULE YOUR WORLD

HOW TO USE **BIG DATA**
TO YOUR ADVANTAGE

NUMBER SENSE

KAISER FUNG

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Excerpt from

PART 1

SOCIAL DATA

7. Law Schools Escaped the Recession

In May 2010, Paul Caron, a law professor at the University of Cincinnati, posted a startling chart on his *TaxProf Blog*, showing a steep upward line from 35 percent to almost 75 percent between the years 2002 and 2011. As the U.S. economy tanked, evidently more and more law schools no longer knew what their students were doing immediately after graduation. By 2011, three out of four law schools failed to submit this data to *U.S. News*. They therefore acquiesced to the magazine's mysterious, but publicly announced, formula to fill in the blanks: *Employment rate at graduation is taken to*

be roughly 30 percent lower than the employment rate 90 days after graduation, a number that almost all schools continue to supply, perhaps because it is an American Bar Association (ABA) requirement. Of the 200-odd accredited schools ranked by *U.S. News*, Caron found only 16 schools to have self-reported employment rates at graduation that were 30 percent or more below the rates after 90 days. Several of these schools could have gained appreciably in the rankings if they had just withheld the data. Every one of the honest 16 was ranked Top 80 or below, with the majority in Tier 3 (100–150 out of 200). No school in the top half of the table gave *U.S. News* an employment rate lower than what the editors would have imputed. Incredibly, the *U.S. News* editors responded to Caron's discussion by announcing they would henceforth change the method of imputation and withhold the revised formula from the public. Hiding information will not stop enterprising law school deans from reverse-engineering the formula; nor would it deter manipulation.

Astute readers of Caron's blog noticed that those 16 schools, mostly ranked outside the Top 100, claimed that 89 to 97 percent of their students found jobs within 90 days of graduation. Indeed, *U.S. News* told its readers over 90 percent of graduates found jobs within nine months in four out of ten law schools that are good enough to be ranked by the magazine in 2011. At nine schools, 97 percent or more found work. University of Southern California (*U.S. News* rank #18) reported, with a straight face, an employment rate at nine months of 99.3 percent, putting the top programs like Yale, Harvard, and Stanford to shame. Imagine you were the only one in the 200-strong Class of 2009 to remain jobless! Against these statistics, two Emory law professors evoked a reality that few people in the trenches could deny: "Since 2008, the legal profession has been mired in the worst employment recession—many would argue it is a depression—in at least a generation."

In April 2012, ABA released details of employment for newly-minted J.D.s. For the first time ever, accredited

schools broke down the jobs into categories, such as temporary or permanent positions, and whether the positions are funded by the schools themselves. ABA revamped the reporting guidelines under pressure from critics who guffaw at the dreamy employment rates that are turned in by law schools year after year, and gobbled up by *U.S. News* editors unsalted. The ABA data dump, assuming it could be trusted, revealed that only 55 percent of the so-called employed have full-time, long-term jobs requiring a J.D. The majority of the accredited law schools performed even worse than that level. Many of the jobs, especially those counted by lower-tier schools, do not pay enough to cover the student loans. Besides, a quarter of the schools created jobs for 5 percent or more of their graduating classes. Higher-ranked schools tended to be more eager job makers: Yale University (*U.S. News* rank #1), University of Chicago (*U.S. News* rank #5), New York University (*U.S. News* rank #6), University of Virginia (*U.S. News* rank #7), Georgetown University (*U.S. News* rank #13), and Cornell University (*U.S. News* rank #14) all featured in the top 10 percent, hiring between 11 and 23 percent of their own graduates. Since 2010, Southern Methodist University (SMU) Dedman School of Law (*U.S. News* rank #48) has paid law firms to hire its graduates for a “test drive,” basically two-month-long positions. About 20 percent of the class participates in this program. SMU considers these jobs funded by employers, even though they pay nothing out of pocket.

Beyond such inconceivable employment rates, the law schools delivered another remarkable feat by supplying placement data for 96 percent of all graduates. That rate of response is unheard of in any kind of surveys. Writing for the *Inside the Law School Scam* blog, Paul Campos, a law professor at the University of Colorado, Boulder, found that one in ten of those with missing data came from a single school, Thomas M. Cooley Law School (*U.S. News* Tier 4). Cooley’s website sheds light on how the ABA allows law schools to

invent job statistics. Every graduate is presumed to have full-time, long-term employment unless contradicted by evidence. Richard Matasar, Dean of New York Law School, once wrote about several “legendary” . . . “tricks of the trade” in the ratings game. One tactic involves “calling graduates, and leaving them messages that if they do not call back, you will assume that they are employed.” We also learn from Cooley’s disclosure that someone working for a legal temp agency is considered to be employed full-time and long-term.

In May 2012, Hastings College of the Law (*U.S. News* rank #44), a part of the University of California system, declared a plan to cut enrollment by 20 percent over a three-year period. Dean Frank Wu explained some of the benefits of this austere measure: “As a smaller school, we will have better metrics. Students will have a better experience, and obviously there will be better employment outcomes.” A rise up the ranking table is an expected result. In response to suspicion in some quarters, the Dean issued the following statement:

UC Hastings takes rankings seriously and intends to do everything we can to improve ours, and we’ve shown our ability to analyze the statistics and then take action; however, we will do only what is academically beneficial and ethical.

Within months of Hastings’s announcement, George Washington University also said it would reduce the class size of its law school (*U.S. News* rank #20). Others will no doubt follow suit.

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