

Law Professor Explores the Impact of Alternative Licensure on Lawyer Labor Supply



A recent study conducted by Kyle Rozema, an associate professor at the Washington University School of Law in St. Louis, examines the potential effects of alternative licensure on the labor supply of lawyers. According to Rozema's findings, if jurisdictions were to eliminate the bar exam as a requirement for attorney licensure, the labor supply of lawyers could increase by as much as 16%. The study, titled "How Do Occupational Licensing Requirements Affect Labor Supply? Evidence From the Legal Profession," delves into the data collected from the American Bar Association, specifically the Survey on Lawyer Discipline Systems (SOLD), as well as bar exam statistics from the years 1980 to 2019.

Rozema's research sheds light on the potential impact of different bar exam policies on lawyer labor supply. The study reveals that if states adopt more lenient bar exam policies, the labor supply of lawyers would increase by approximately 8%. Conversely, if the strictest policies were to be implemented, there could be a decrease of 14% in the labor supply of lawyers. To determine the levels of leniency and strictness, Rozema utilized a 200-point scale outlined in the Comprehensive Guide to Bar Admission Requirements, a publication by the National Conference of Bar Examiners and the ABA's Section of Legal Education and Admissions to the Bar.

Furthermore, the research also explores the potential impact of eliminating the requirement for a law degree on lawyer labor supply. Specifically, Rozema analyzes the concept of "law office study," where aspiring lawyers engage in supervised study under the guidance of an experienced lawyer or judge. However, the study reveals minimal effect of eliminating the law degree requirement on lawyer labor supply. This is partly due to the difficulty of finding a lawyer or judge willing to supervise law office study.

Additionally, the study examines the time period between taking the bar exam, receiving the results, and being admitted to practice law. According to the working paper, the average lawyer can obtain a law license approximately five months after graduating from law school. Although this delay may seem temporary for recent law school graduates, Rozema emphasizes that considering the occurrence of this lag each year for subsequent cohorts, policy changes aimed at eliminating the lag could increase labor supply by up to 3%.

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The implications of this research highlight the potential for alternative licensure pathways to significantly impact the labor supply of lawyers. By eliminating or modifying traditional licensure requirements, jurisdictions have the opportunity to reshape the legal profession and expand access to legal services. However, it is crucial to consider the potential consequences and weigh the benefits against the potential risks associated with alternative licensure policies.

Rozema's study contributes valuable insights to the ongoing discussions surrounding licensure requirements in the legal profession. As the legal landscape continues to evolve, policymakers and legal professionals alike can benefit from a deeper understanding of the potential effects of alternative licensure on lawyer labor supply. By leveraging empirical evidence and comprehensive data analysis, informed decisions can be made to shape the future of attorney licensure in a way that aligns with the changing needs and dynamics of the legal industry.