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**New Lawyers Stuck in Holding Patterns**

SUZANNE PRATT: Like many businesses, law firms lately are cutting costs and employees to stay profitable. This year alone, 4,500 lawyers were laid off. Meanwhile, thousands of new lawyers have been hired, but their jobs are on hold. Anna Olson explains.

ANNA OLSON, NIGHTLY BUSINESS REPORT CORRESPONDENT: Darla Woodring has her dream job, kind of. She's fighting custody and adoption battles for needy families at the Children's Law Center of Washington, DC.

DARLA WOODRING, DEFERRED LAW ASSOCIATE: It's maybe been a blessing in disguise.

OLSON: A blessing because she didn't set out to be here. After graduating from Howard University law school in the spring, she planned to start a job at the law firm Dechert in Philadelphia and even signed an employment contract. Then her new bosses said, not so fast.

WOODRING: And I received a letter that said I'd be deferred for a year and it was my job to find a public interest placement.

OLSON: Woodring is among tens of thousands of newly minted lawyers who have spent months waiting for their careers to begin. Now, with the recession squeezing budgets, NBR has learned some associates may wait much longer. They've received new letters, offering what a handful of firms are calling voluntary departures. Some employees who willingly give up job offers can expect money in return, with firms offering as much as \$75,000 to departing associates. Others are revoking offers outright with no good bye payments. Still, others say they want to bring associates on board, eventually. George Washington University law Professor Charles Craver thinks law firms brought this on themselves. In good times, they hired freely and offered up to \$160,000 to their first year employees. Like their counterparts in the financial world, Craver says lawyers are hurting now because they were greedy. Some firms have even gone out of business.

CHARLES CRAVER, LAW PROFESSOR, GEORGE WASHINGTON UNIV.: Law firms paid the price, too. They kept expanding as if there would never be a cutback and now we've had a cutback. It just happens to have come quicker and more deeply than people thought it would.

OLSON: Woodring considers herself fortunate. All her friends have been deferred, but she's getting half her promised yearly salary and her firm is letting her work at the Children's Law Center until late next year.

WOODRING: This is a great year just to kind of seize the opportunity and just take advantage of being able to do public interest work for a year.

OLSON: American Bar Association President Carolyn Lamm says no one can predict exactly how long the situation will last and how many new attorneys will be affected. Her firm, White and Case, is trying to get associates to work as quickly as possible.

CAROLYN LAMM, PRESIDENT, AMERICAN BAR ASSOCIATION: We're taking over half, but not all of those who were deferred. And so, we're doing as best we can.

OLSON: But their best may not be good enough for lawyers who end up jobless. Many of them have already taken the bar exam or moved to places they were expecting to work. Woodring understands that some law firms may not financially be able to make good on their promises, but for the time being, she's hopeful.

WOODRING: God willing, everything will start on time.

OLSON: Anna Olson, NIGHTLY BUSINESS REPORT, Washington.