Bright Insight: Shedding Light on the Challenges and Trends Facing Today's Legal Sector

Presented by
Sherry Cushman

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Firms are continually seeking creative ways to structure fees as well as leverage client services and talent to maintain their competitive stance. Evaluating how real estate components affect profitability, overall operations and client support, as well as the generations of lawyers that work within a law firm are just some key drivers in today’s decision making.

In response to these challenges, Cushman & Wakefield’s Legal Sector Advisory Group developed its proprietary National Legal Sector Benchmark Survey and National Associate Survey. Since 2013, over 4,700 law firm managing partners, decision-makers and associates across the country have responded to the surveys, providing key insights, statistics and trends about the business, financial and operational drivers affecting the legal sector.

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
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<tbody>
<tr>
<td>1.38 M</td>
<td>Employees in Legal Sector by 2022</td>
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<td>$303 B</td>
<td>Projected 2022 Gross Revenue of Legal Sector in the US</td>
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<td>5.8%</td>
<td>of Gross Revenue Being Spent on Real Estate</td>
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<td>800 SF</td>
<td>Current Average per Attorney Occupancy Ratio</td>
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<td>UNDER 600 SF</td>
<td>Future Target Ratios</td>
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<td>17%</td>
<td>of Respondents Have Moved to Single-Size Offices for All Attorneys</td>
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Firms that are able to be nimble and continually adapt are anticipated to be in the most competitive and profitable position for the years to come.
BRIGHT INSIGHT

15% amount of minority lawyers in 2017 (up from 12.6% in 2009)

Client-demanded diversity impact on business pursuits

- 41% Yes, we are working on improvement
- 33% Yes, we take it seriously
- 25% No, it does not affect business opportunities

Succession plan for retiring attorneys

- Kind of — we are working on a plan: 37%
- Yes, but the plan is not formal or mandated: 32%
- Yes, we have a formal plan that is closely coordinated: 17%
- No, we do not have a plan: 12%
- Other: 2%

32% of equity partners are at or approaching retirement age

Millennials currently make up the largest generational group among lawyers at large and midsize firms. This generation will soon take over the legal sector in sheer numbers, moving into partnership positions and leadership roles.

Top 10 important personal factors for associates

1. Collegial Work Environment
2. Compensation
3. Work/Life Balance
4. Mentoring by a Senior Attorney
5. Exposure to Clients
6. Flexible Work Schedule
7. Making Partner
8. Business Development Opportunities
9. A Private Office
10. State-of-the-art Technology