



**LEGAL  
TRENDS  
REPORT**

PUBLISHED BY CLIO

State of the Industry:  
2021 Legal Trends Report



Rio Peterson

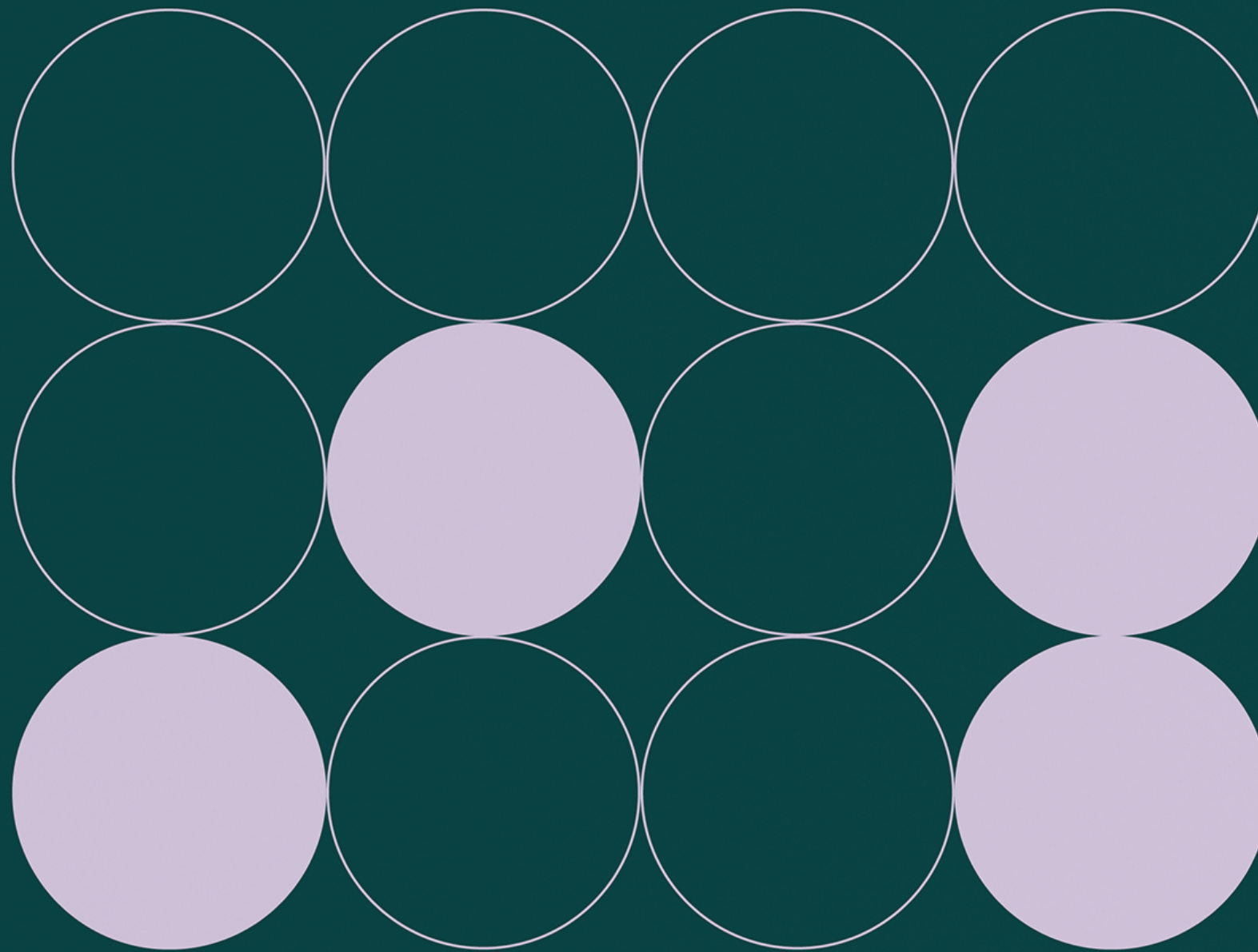
Senior Affinity Partnerships  
Manager

E: [rio.peterson@clio.com](mailto:rio.peterson@clio.com)

2021

# Legal Trends Report

Published by Clio





# Data Sources

- **Clio App Data**  
Aggregated and anonymized data from tens of thousands of legal professionals in the United States.
- **Legal professional and consumer surveys**  
We surveyed 1,056 legal professionals and 1,002 consumers in May and June 2021.
- **Longitudinal Study**  
This year's report includes a multi-year study of over 1,600 law firms grouped into three cohorts—growing, stable, and shrinking.



# Our sixth annual edition



# Areas of focus in 2021

What changes in client expectations are here to stay?

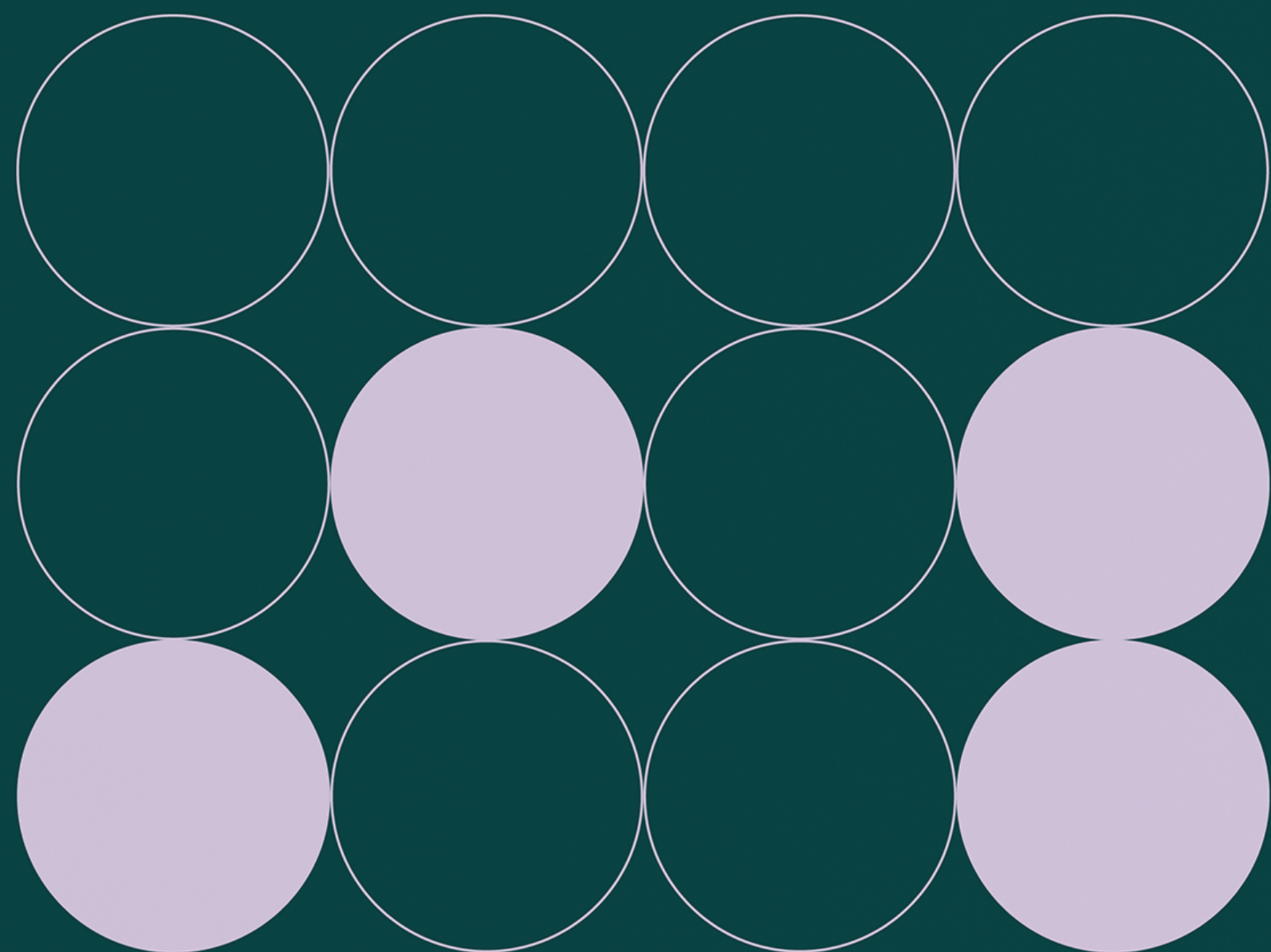
What advantages are successful firms capitalizing on?

What investments are firms make to adapt to these conditions?

2021

# Legal Trends Report

Published by Clio



# Download the 2021 Legal Trends Report

[clio.com/ltr](https://clio.com/ltr)



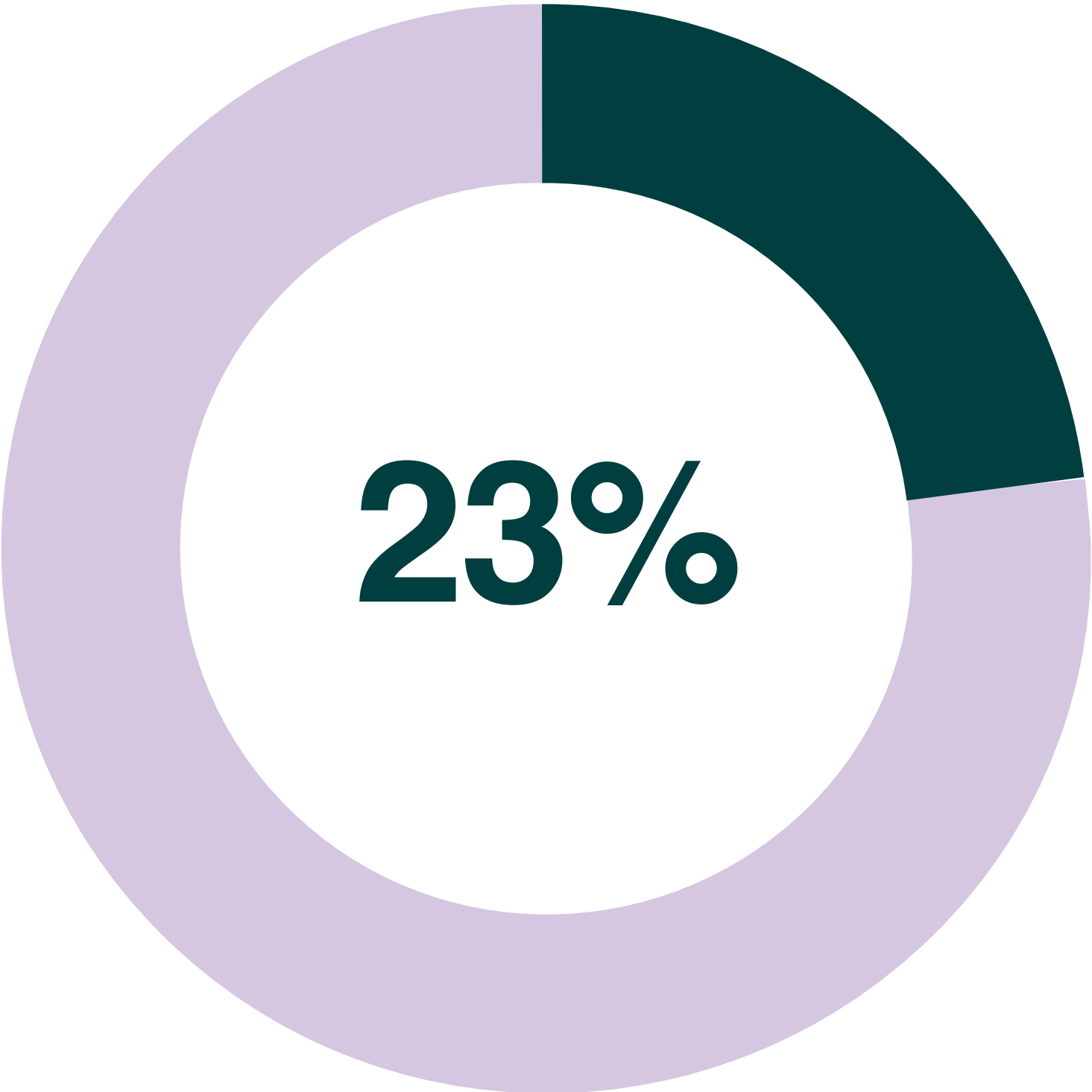
Part I:  
Changes in client expectations  
are here to stay.

“Resiliency is just learning how to change with the times, learning how to be okay.”

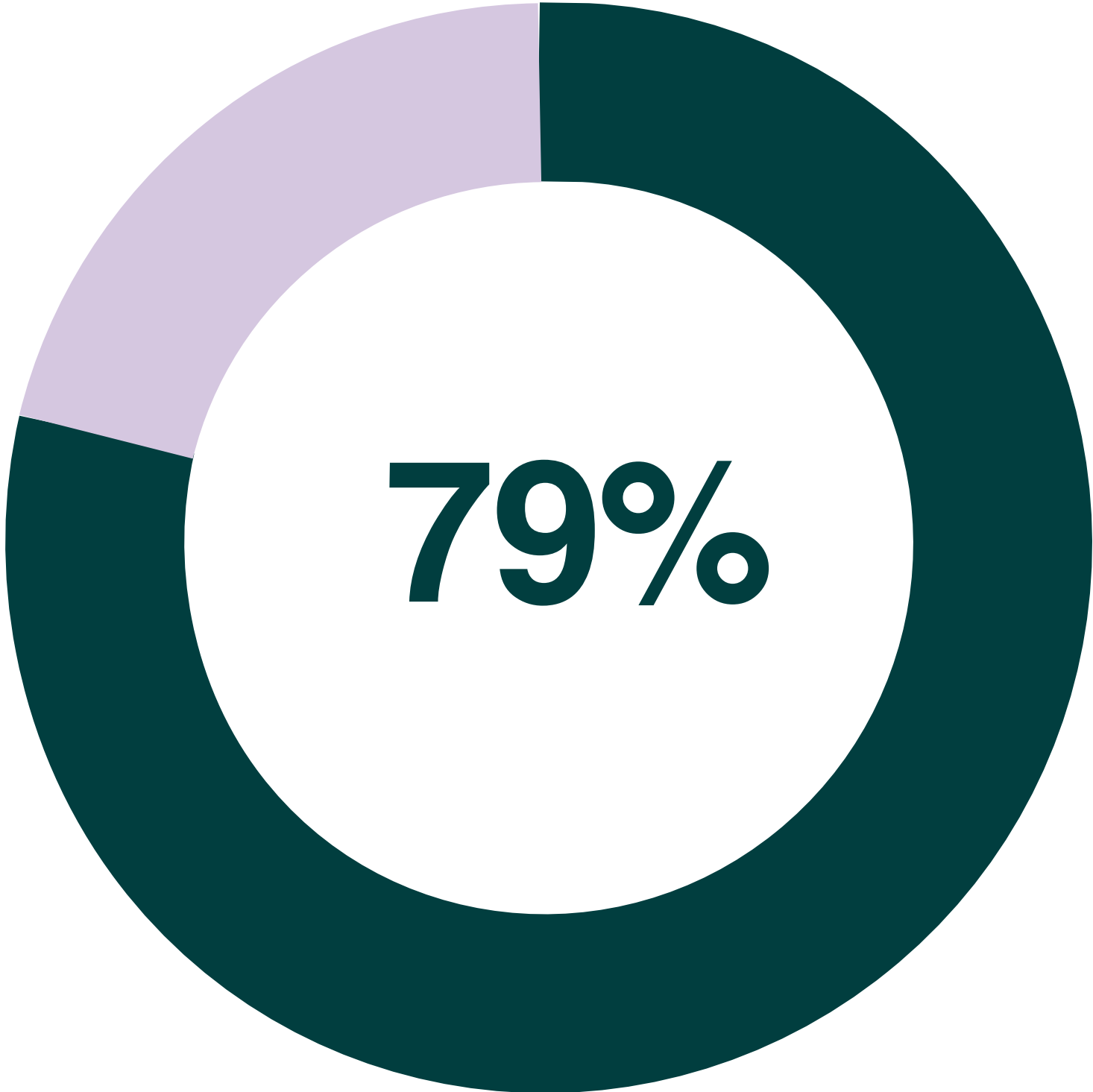
– Steven, Solo Family Attorney

# Clients look for more remote options today.

- Lawyers with remote options
- Lawyers with in-person options

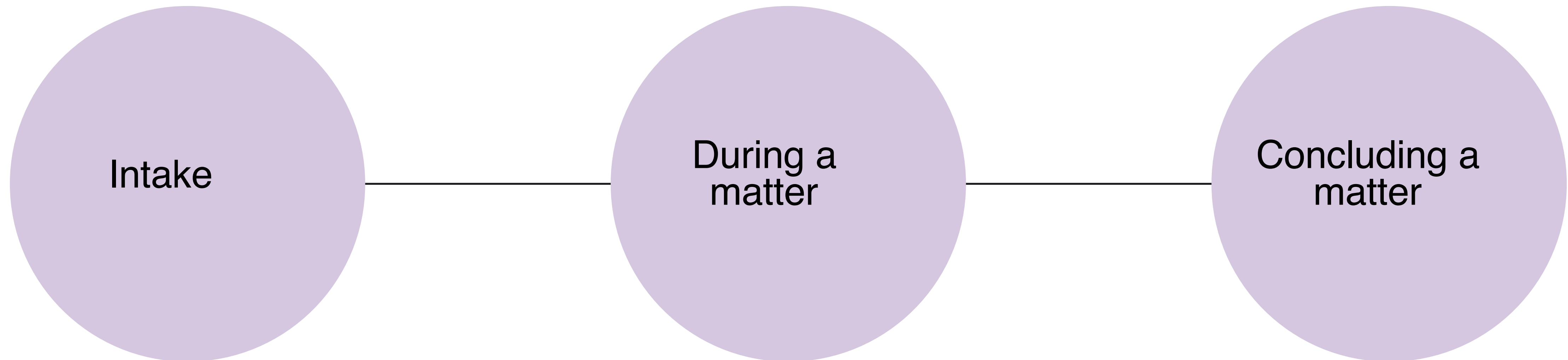


2018



2021

# The Client Journey

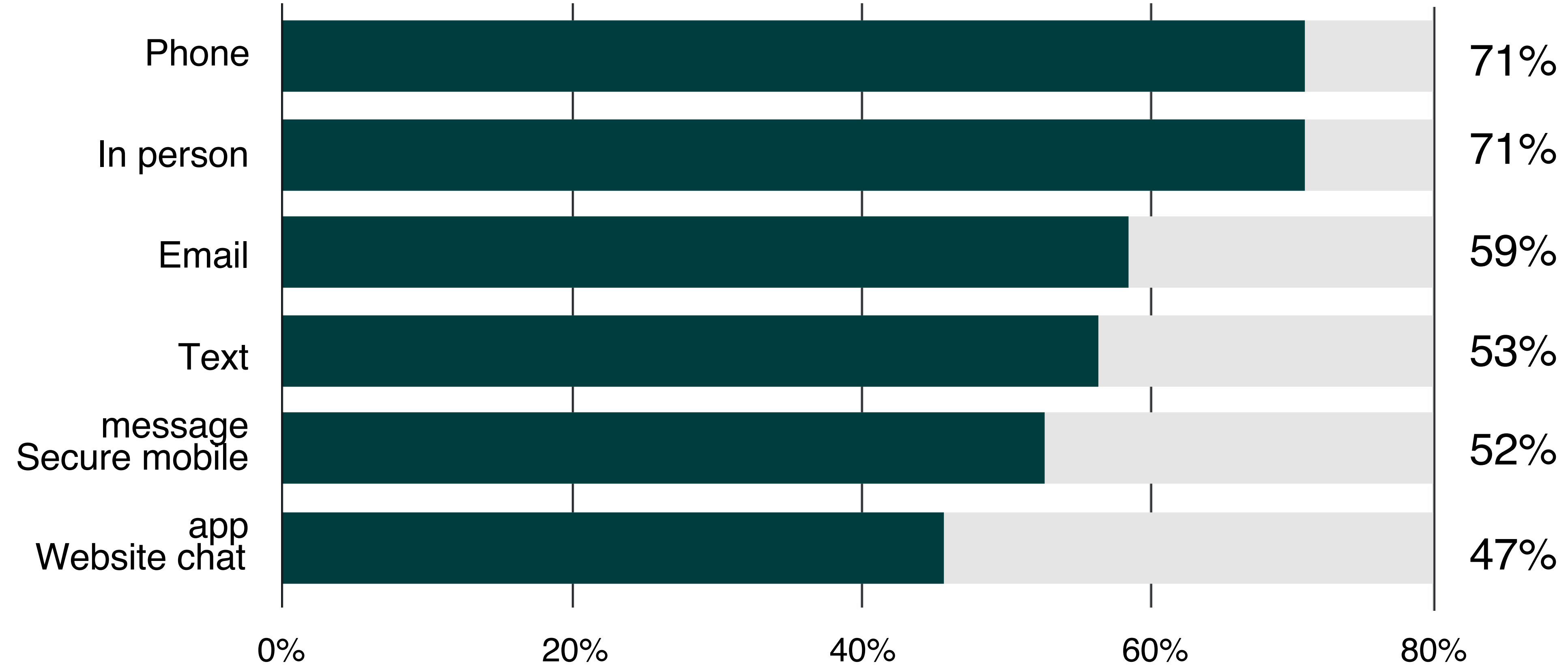


- Reaching out to a law office
- First meeting/consultation

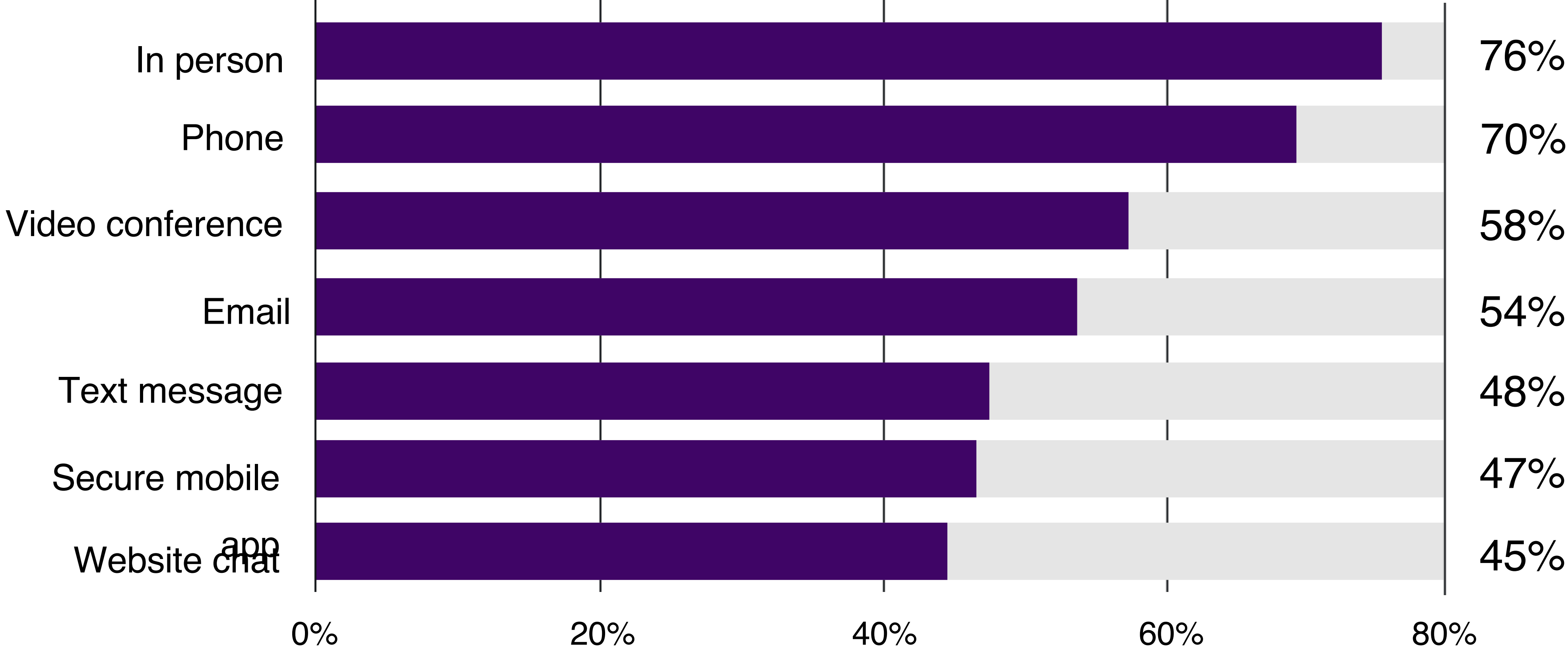
- Receiving status updates
- Communicating about key decisions
- Receiving reminders
- Viewing or sharing documents

- Making payments

# Reaching out to a law office

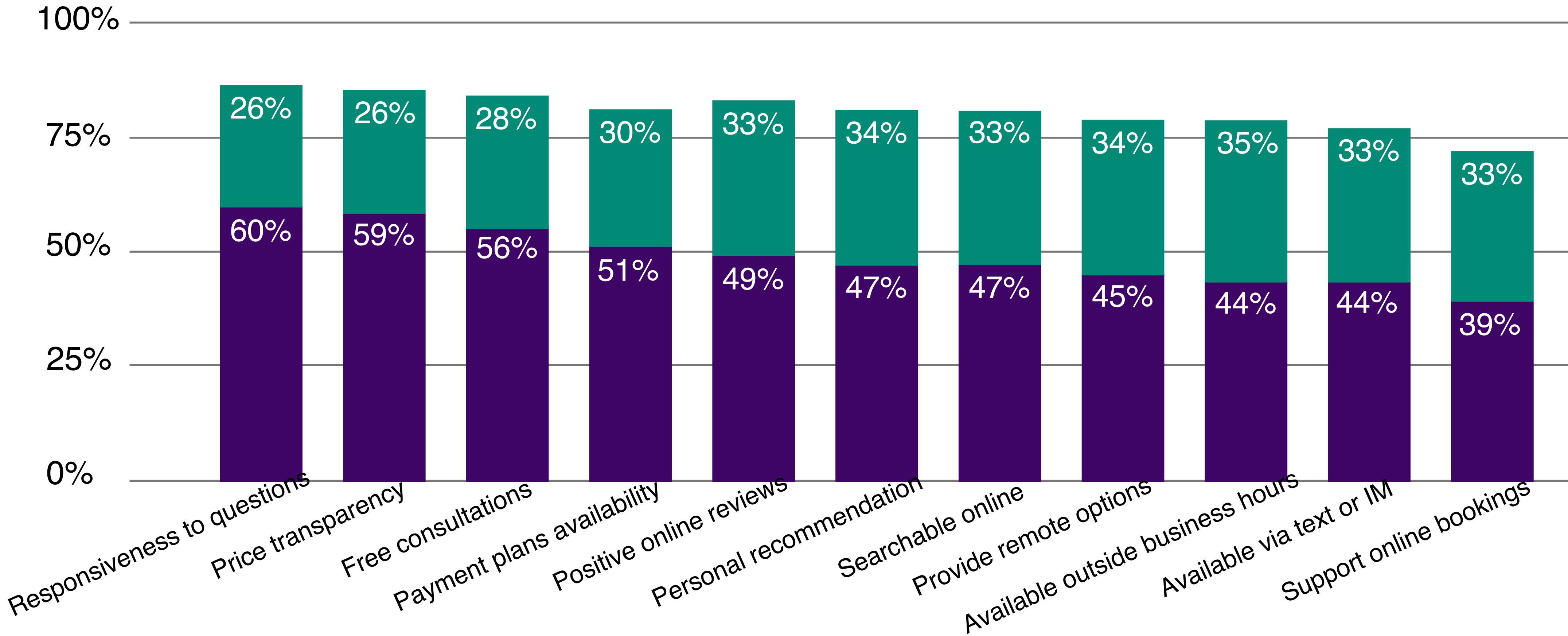


# First meeting or consult



# Factors influencing choice of lawyer

- Somewhat positive influence
- Very positive influence



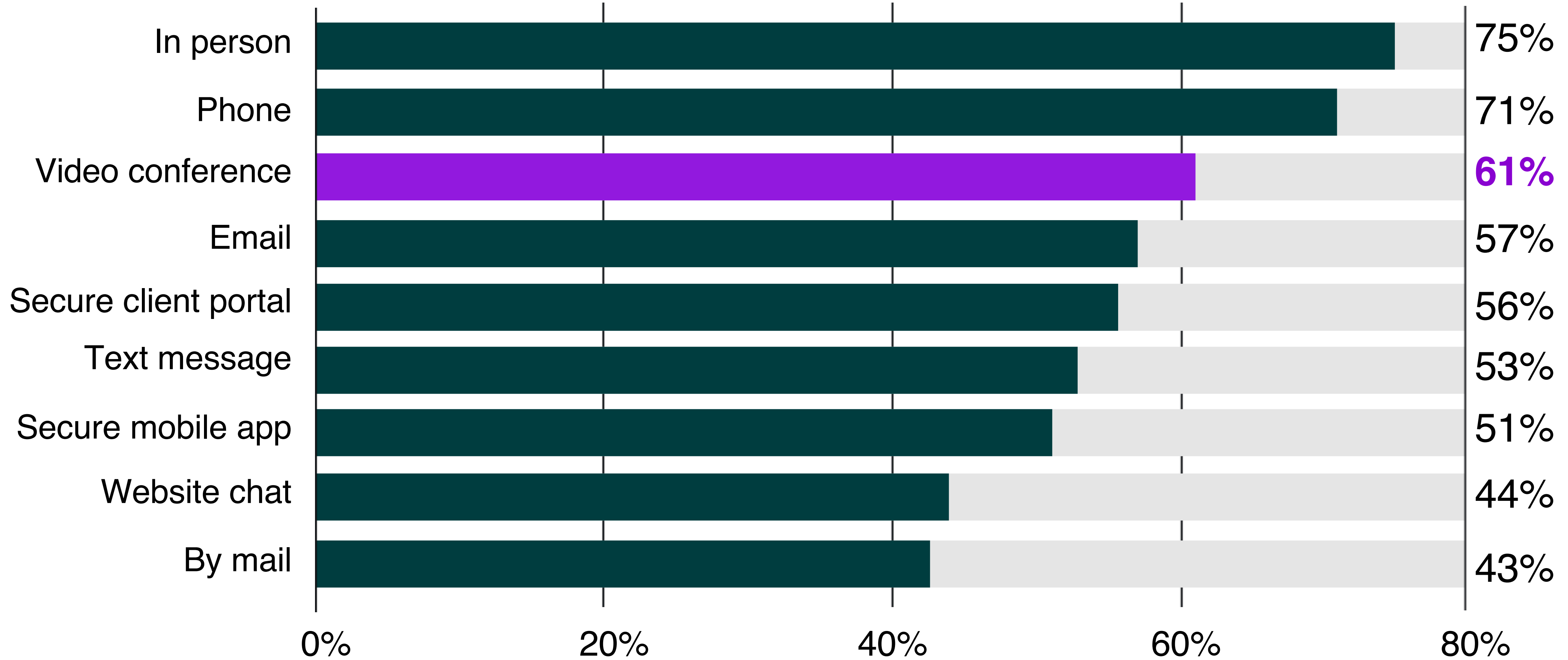
“That instant response expectation needs to be managed with clients, more than anything else.”

– Constance, Solo, Estate Planning &  
Probate



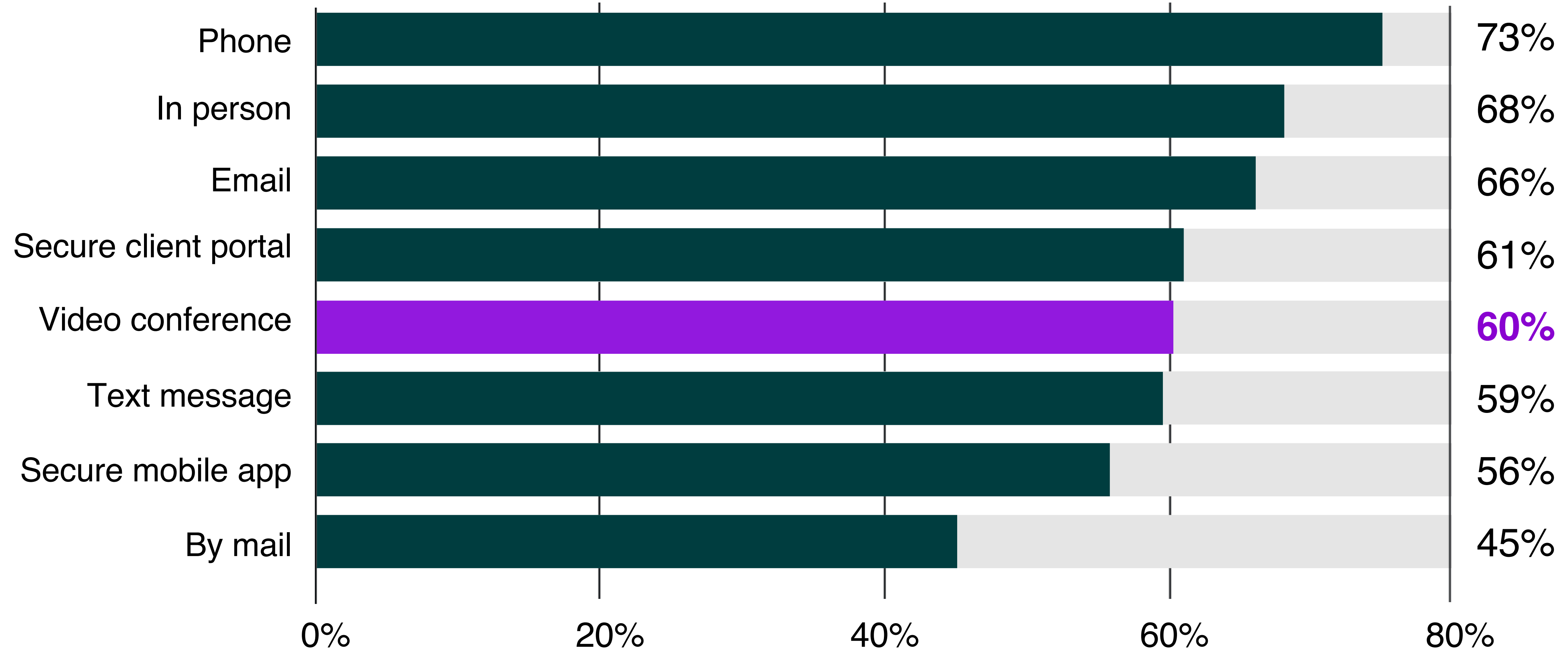
# During a Matter

## Communicating about key ideas



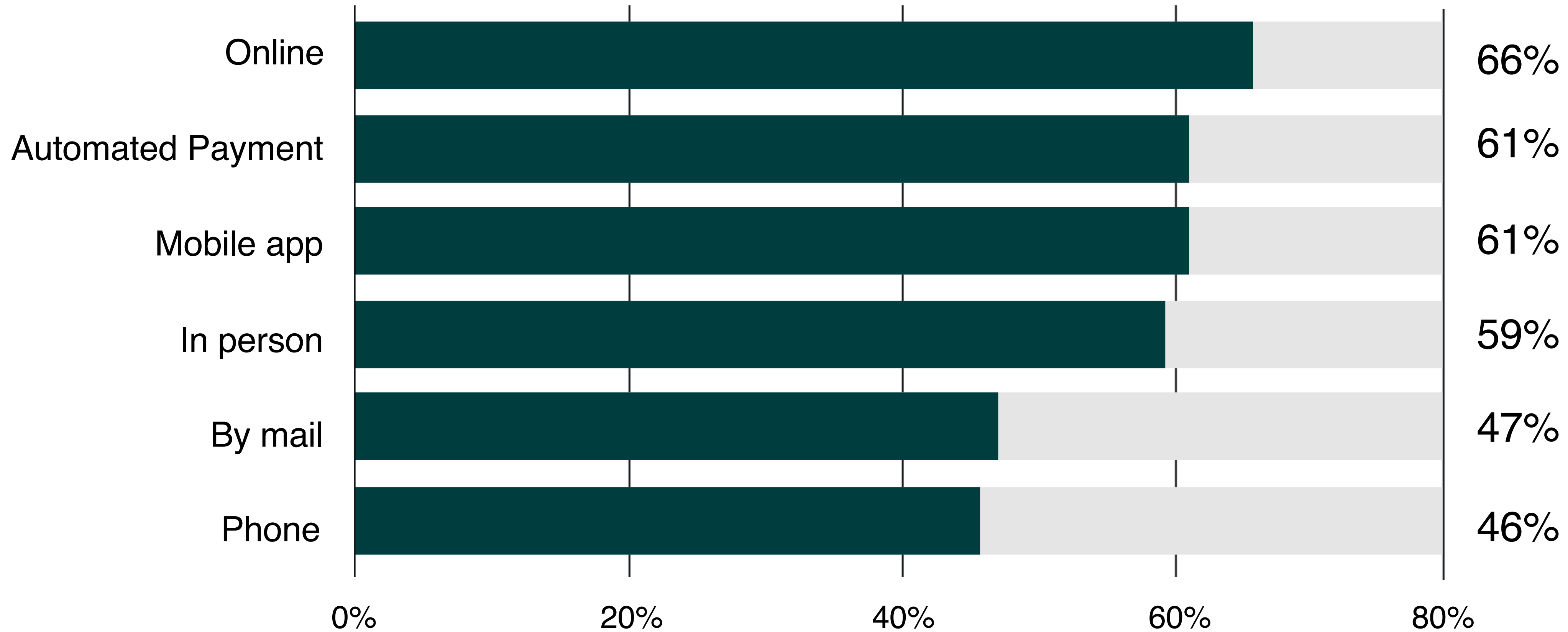
# During a Matter

## Receiving status updates

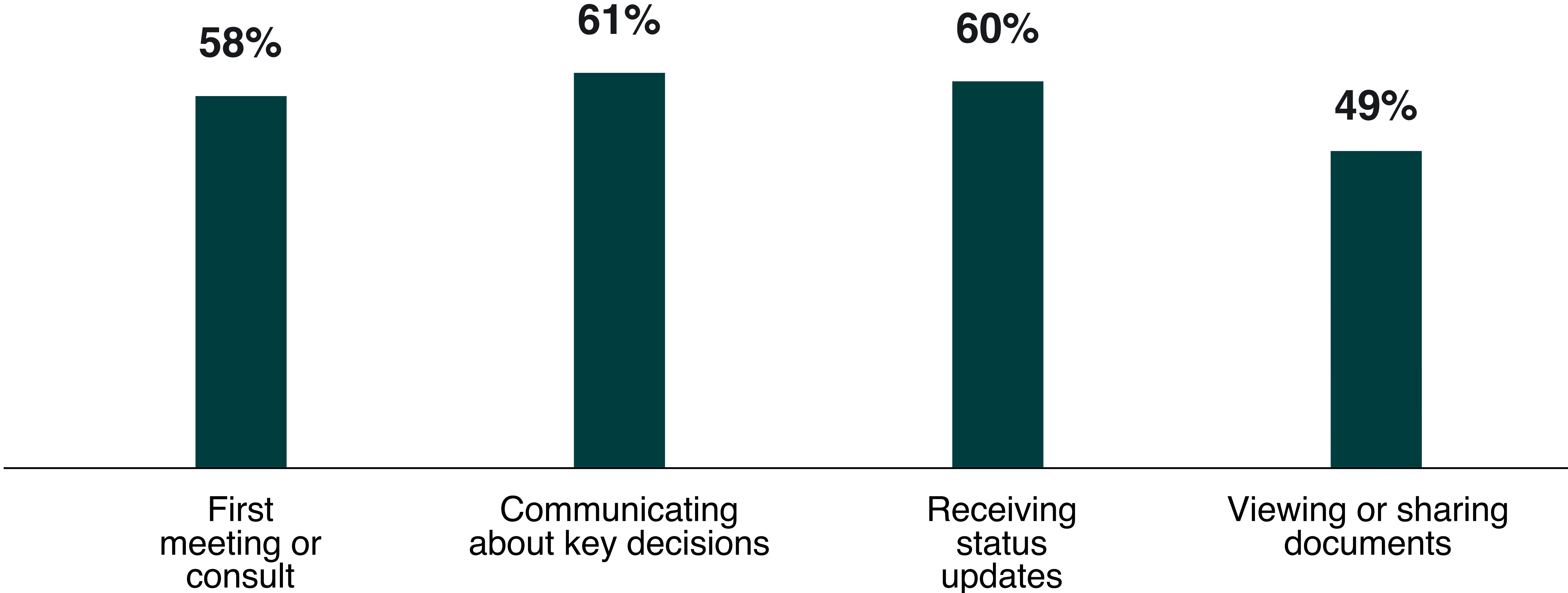


# Concluding a Matter

## Making payments



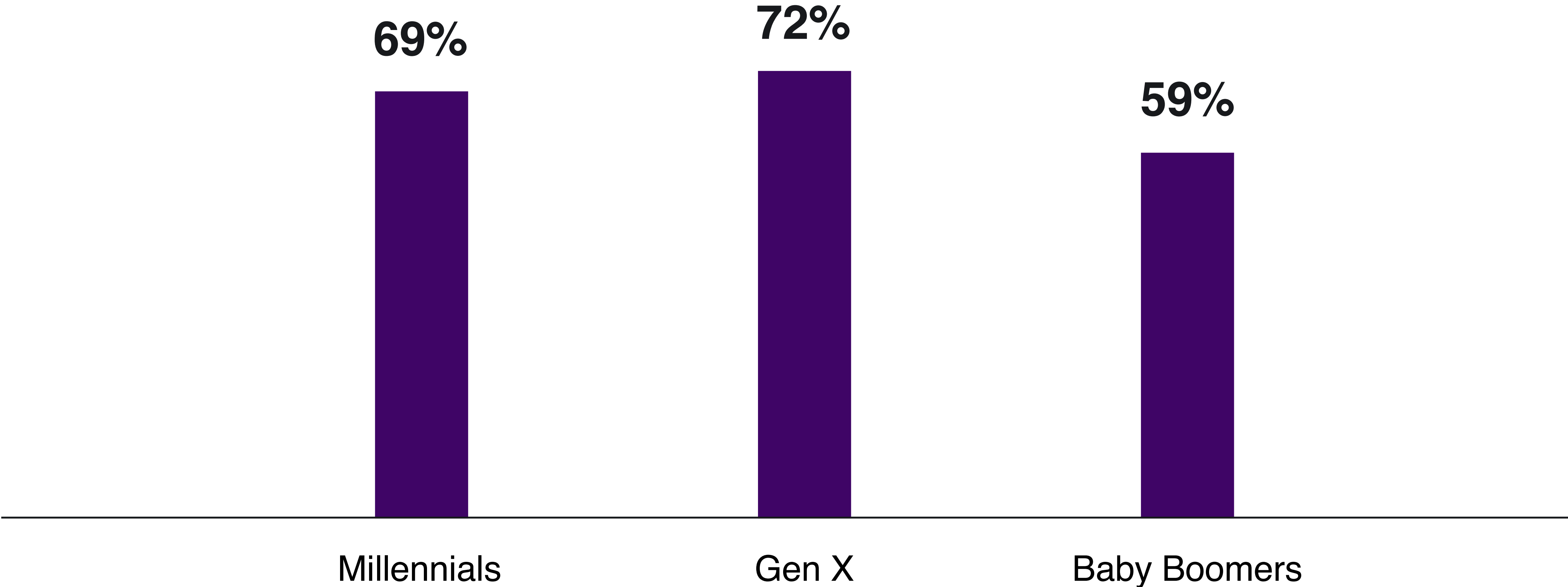
# Consumer preference for video conferencing



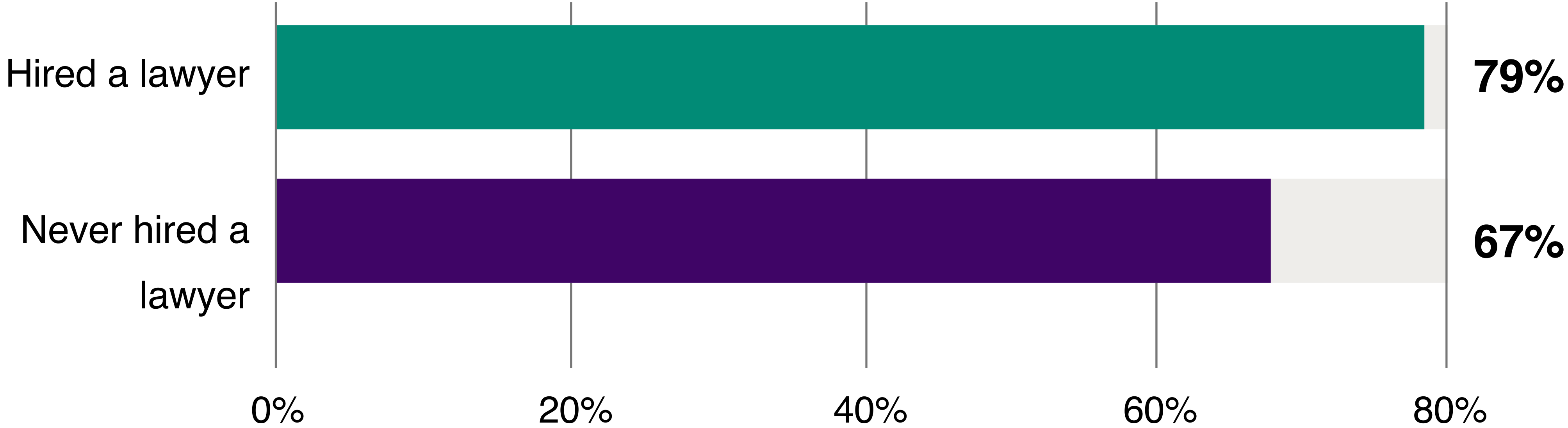
“As much as we appreciate more electronic communication features and video chat, the clients do too. They don’t have to take off a half day of work to drive over here to sign paperwork.”

– Melissa, Senior Paralegal

# Expectations of remote options vary based on age



# Consumers expect both in-person and remote options from lawyers






**79%**

of consumers are more likely to hire a lawyer who offers the option to communicate remotely





67%

of consumers expect  
lawyers to offer the  
option of a completely  
remote client experience

# Client expectations: takeaways

A **sea change** has happened with expectations around remote options

Going remote is not all-or-nothing—meet clients where they **expect** to be met

Client expectations can also be **learned behaviours**—set and meet them



Part II:  
Growing firms have advantages  
driven by technology

“We couldn't let the pandemic stop the mission. So we had to adapt and luckily our files were all in our Clio document management.”

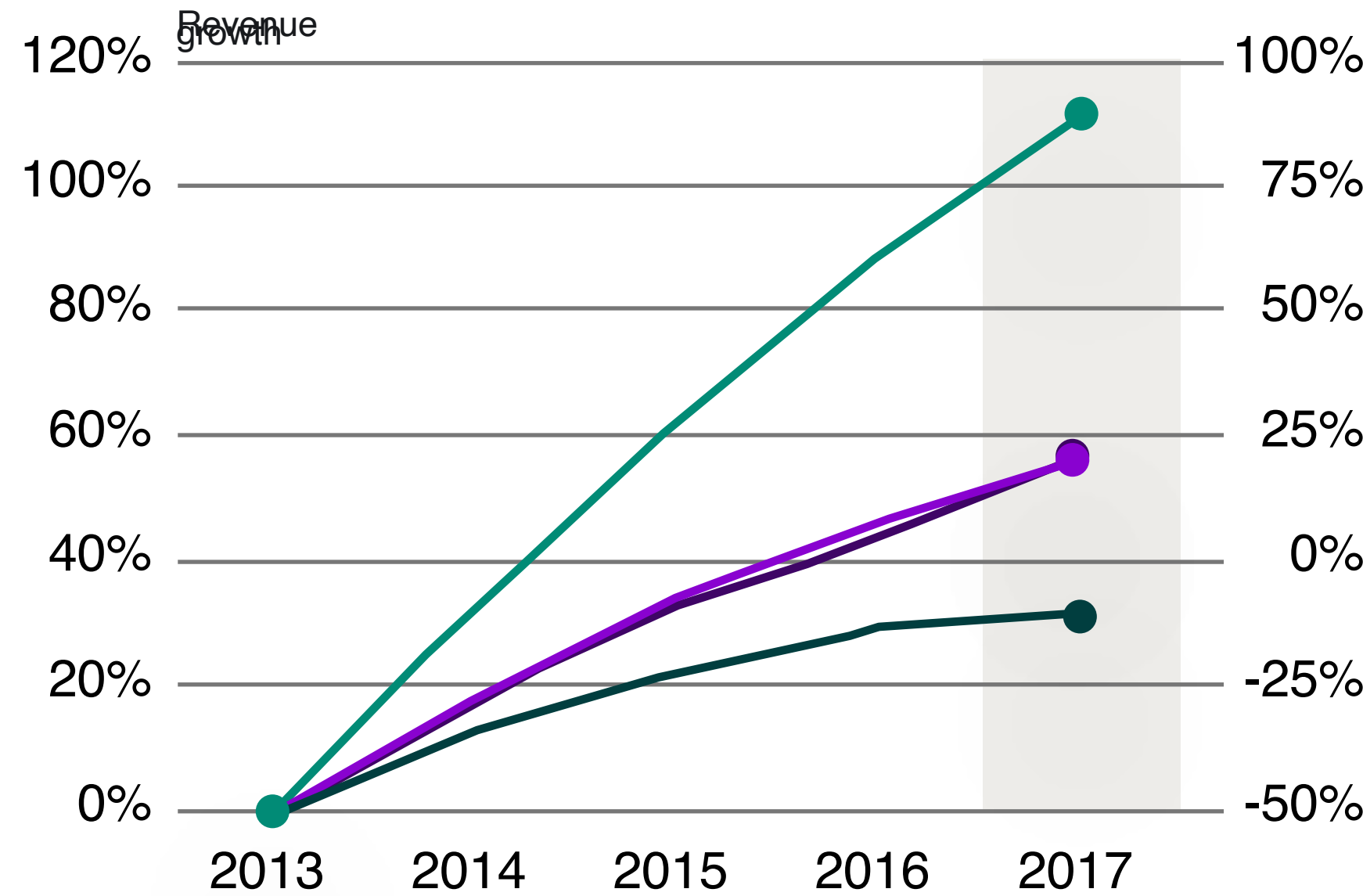
– Melissa, Senior Paralegal

# Revenue growth between firms

● Revenue ● Clients ● Matters ● Lawyers

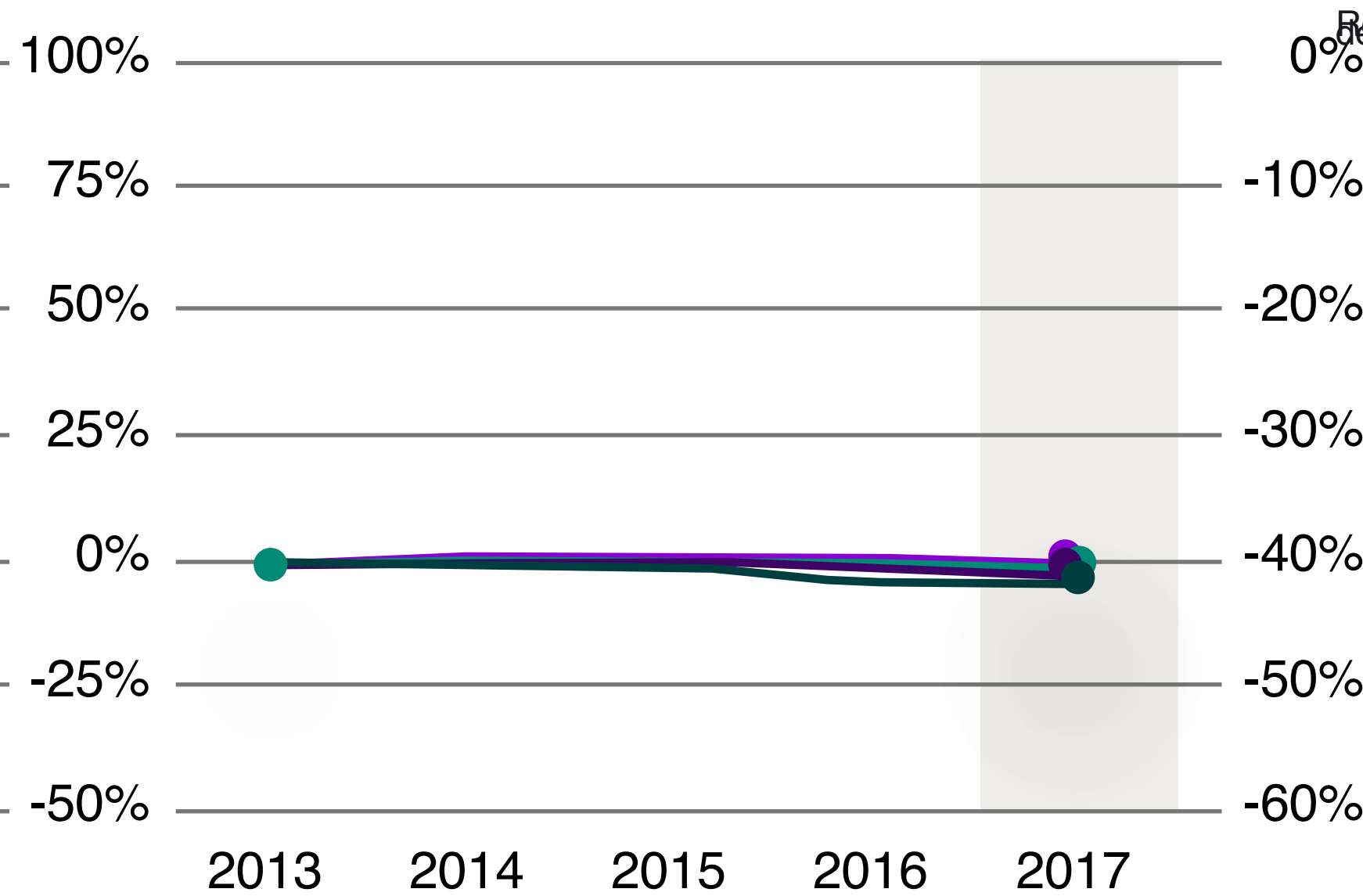
## Growing Firms

**112%**  
**57%** Client growth **57%** Matter growth **32%** Lawyer growth



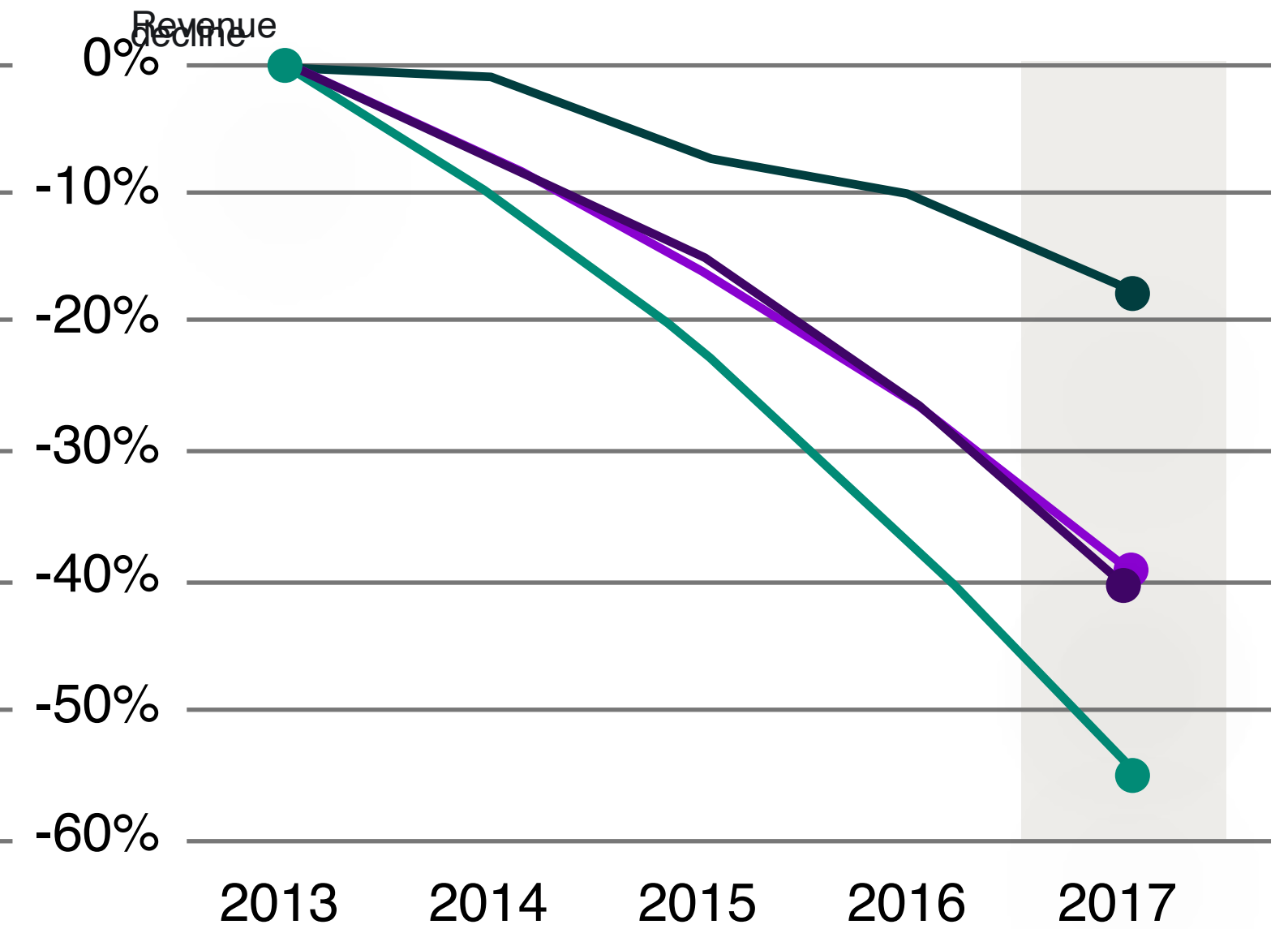
## Stable Firms

**0%** Revenue **1%** Client growth **-1%** Matter decline **-5%** Lawyer decline

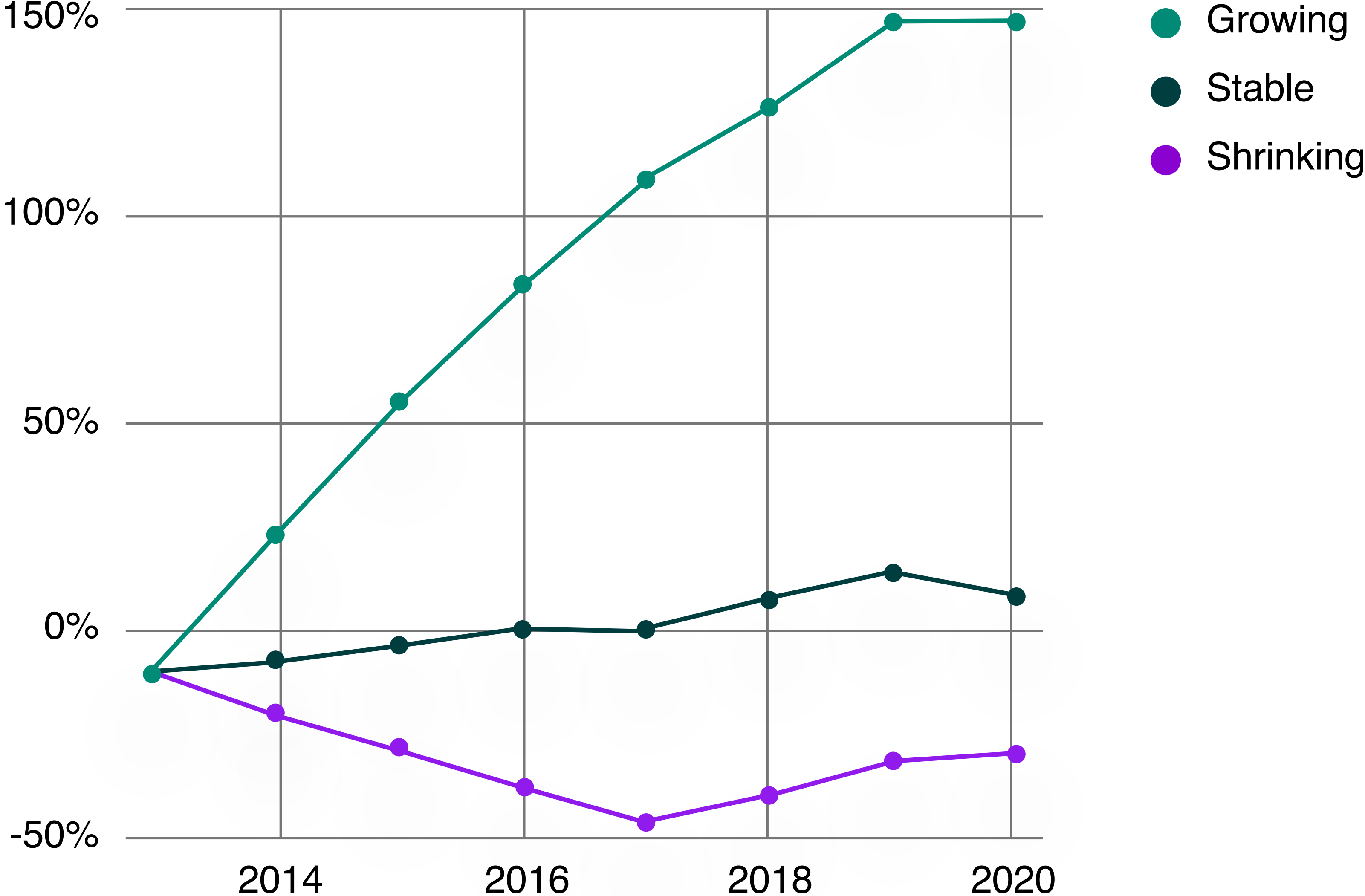


## Shrinking Firms

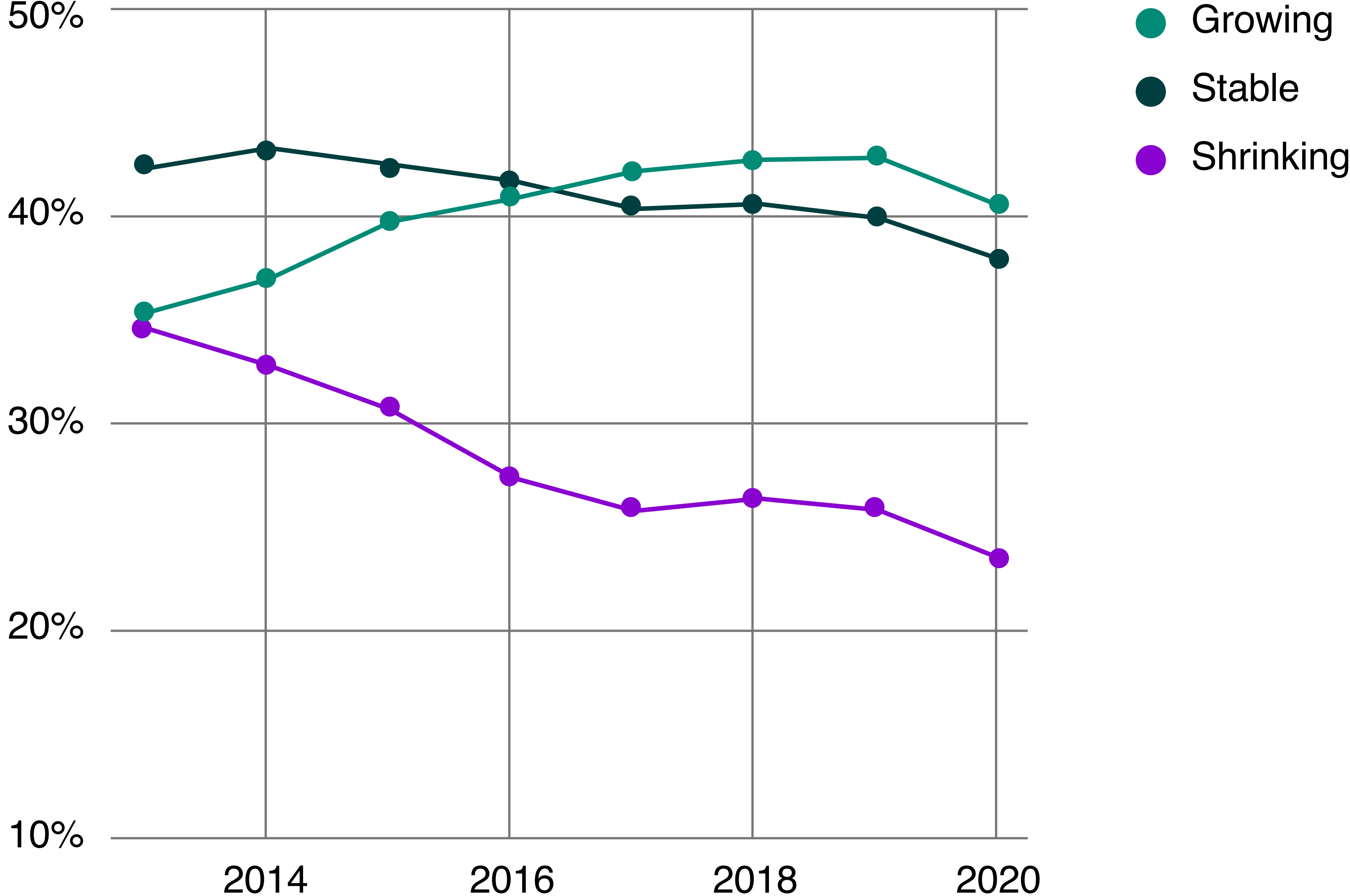
**-54%** Revenue **-39%** Client decline **-40%** Matter decline **-17%** Lawyer decline



# Revenue growth

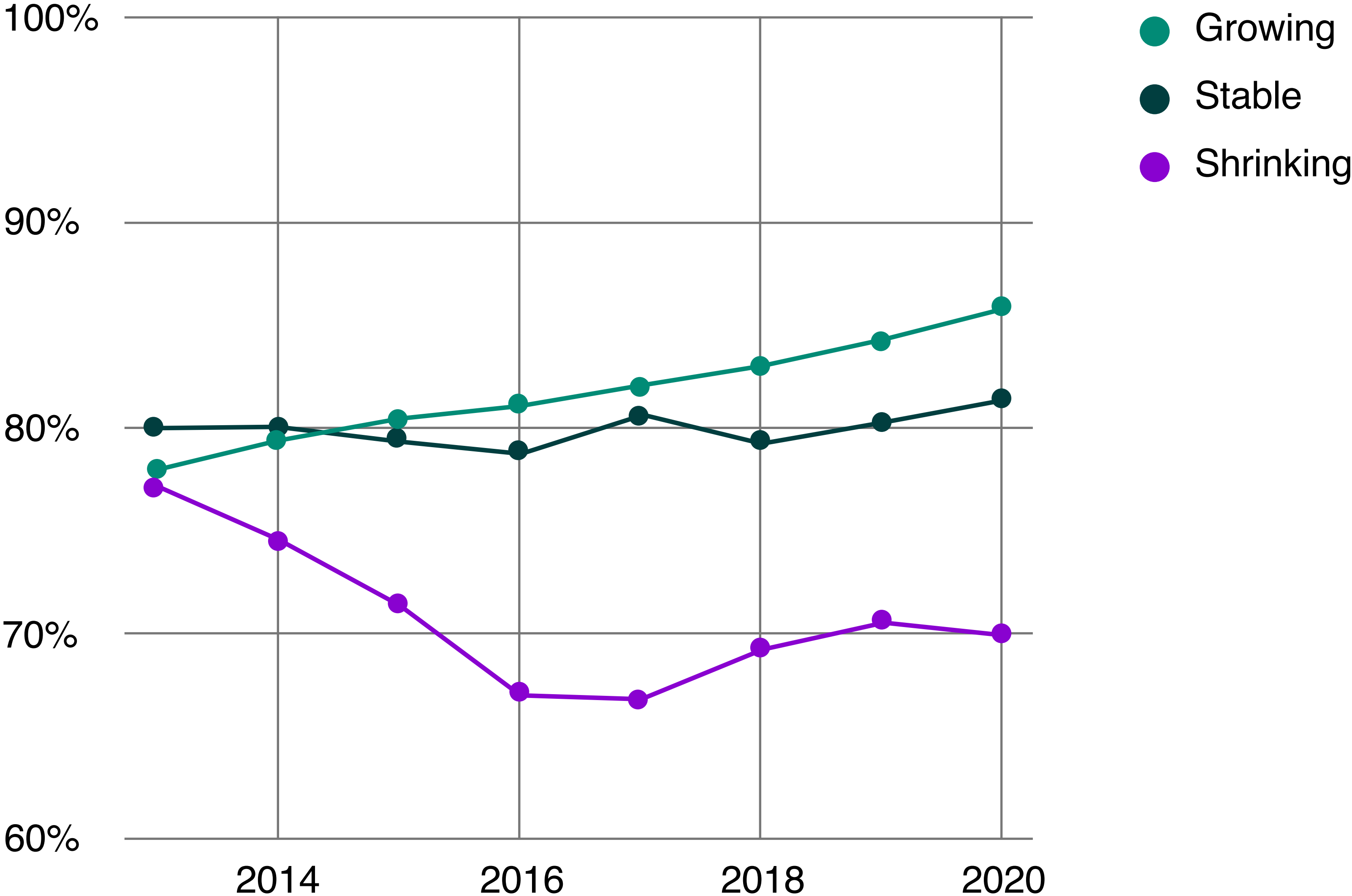


# Utilization rate among firms

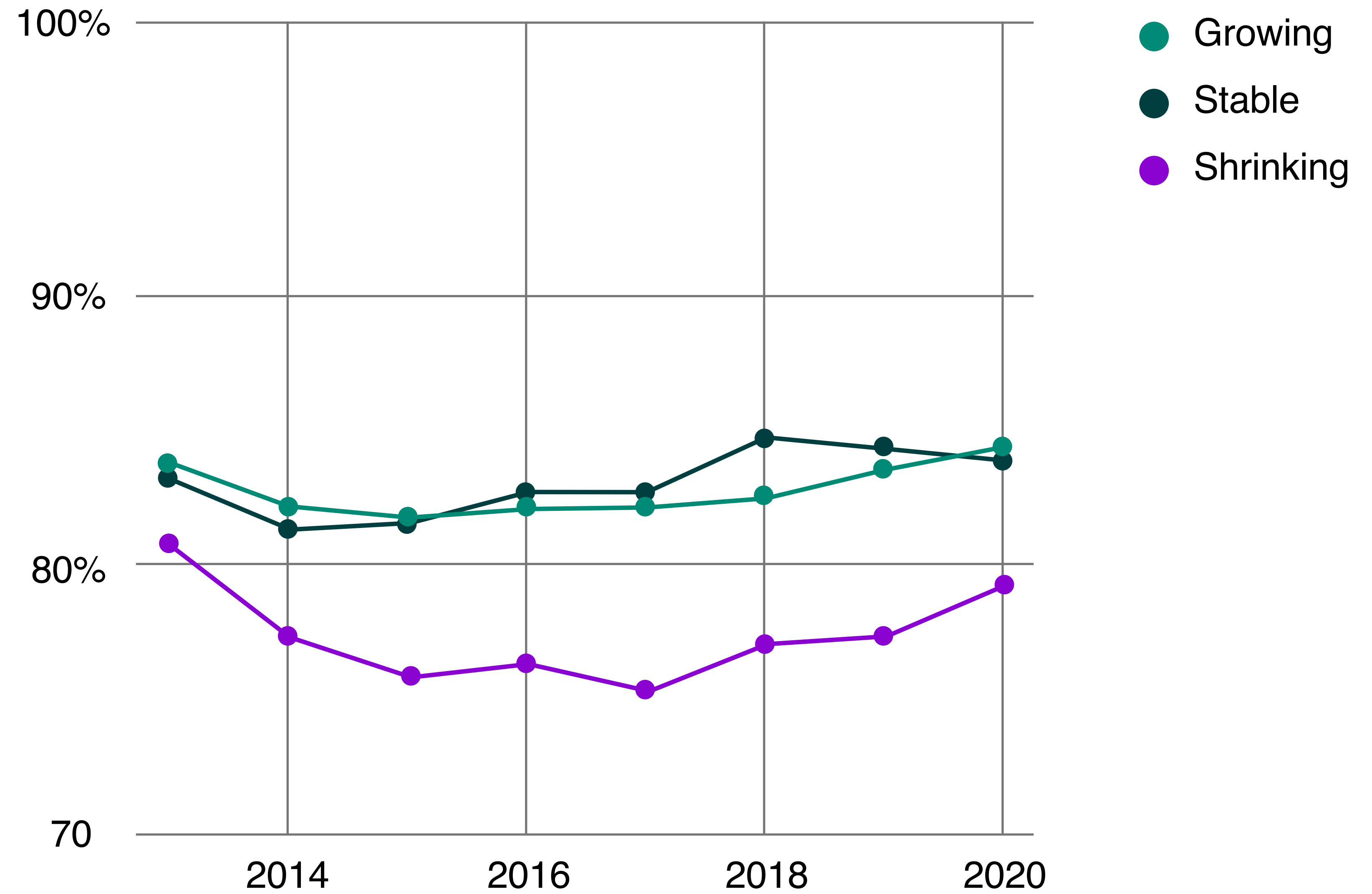




# Realization rate among firms

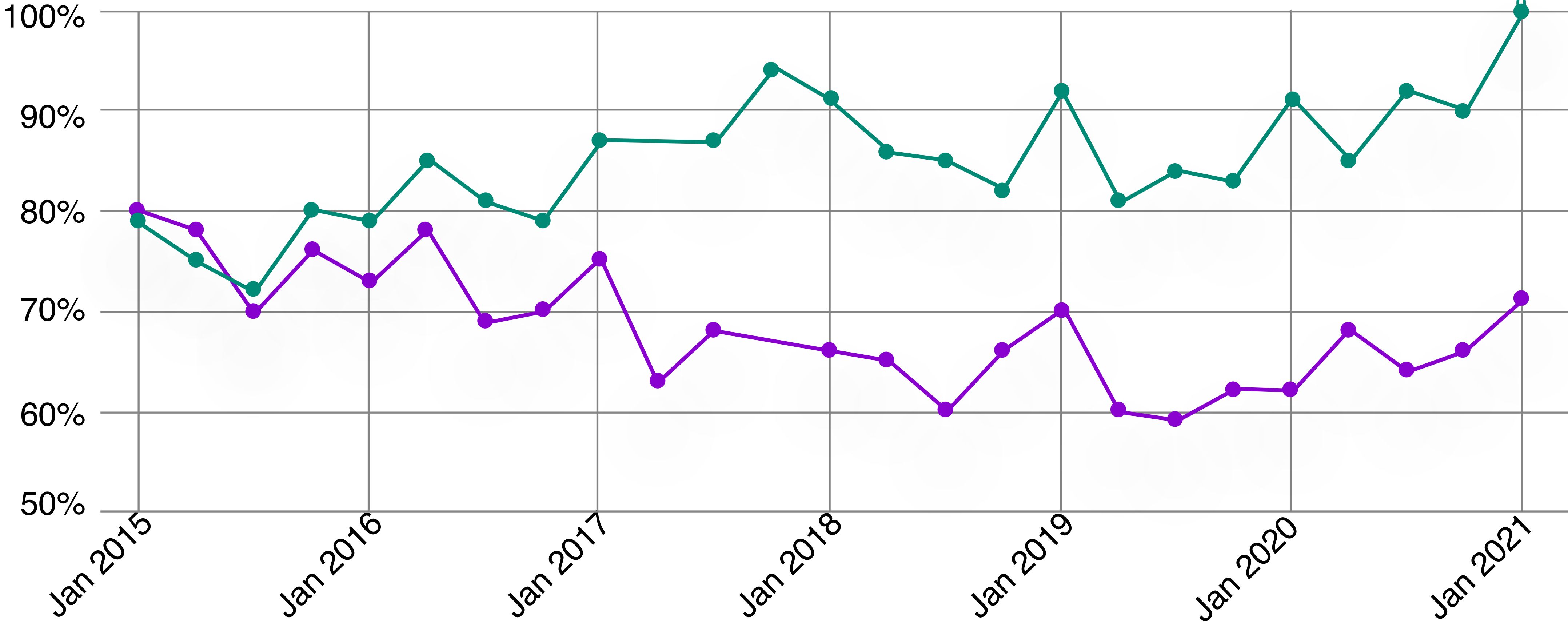


# Collection rate among firms



# Rate of client portal adoption\*

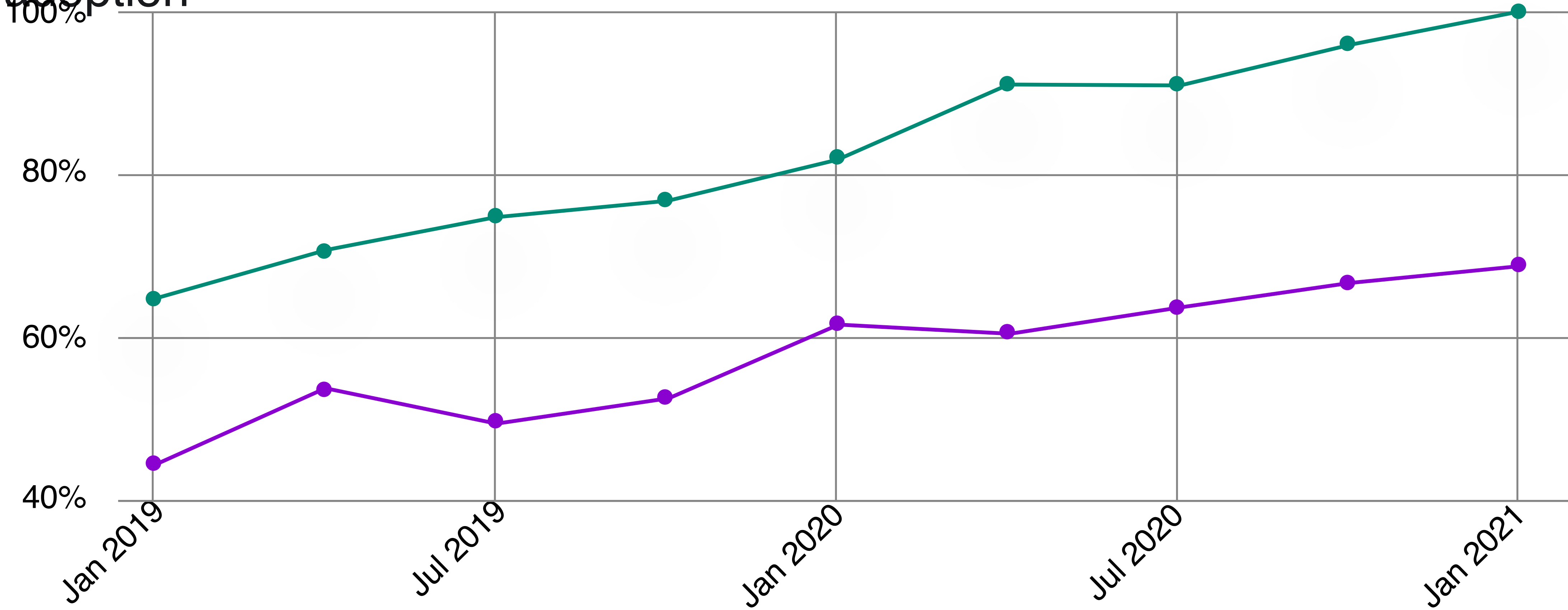
● Growing ● Shrinking



\*Normalized based on total adoption among growing firms

# Rate of client intake and CRM adoption\*

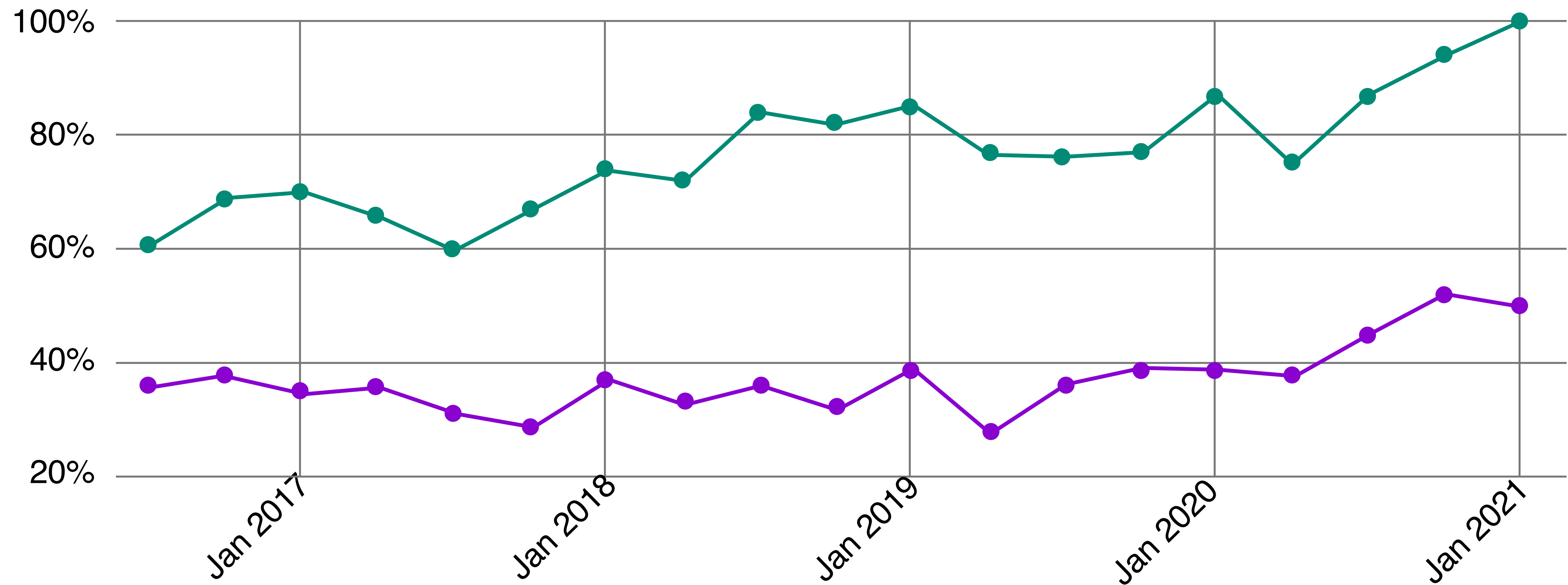
● Growing ● Shrinking



\*Normalized based on total adoption among growing firms

# Adoption rate of firm reporting tools\*

● Growing ● Shrinking



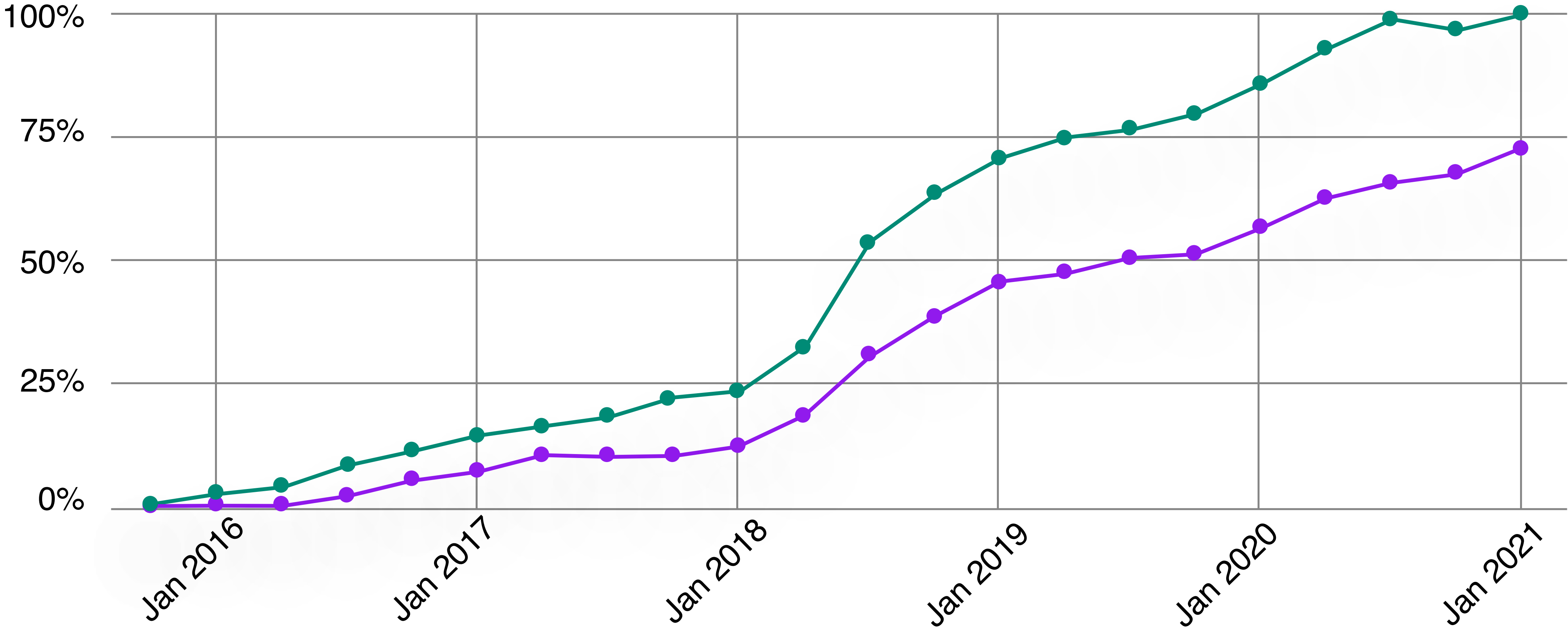
\*Normalized based on total adoption among growing firms

# 44%

of law firms report the most common reason for clients not paying their bills is that they lack the funds to pay a bill all at once.

# Rate of online payments adoption\*

● Growing ● Shrinking



\*Normalized based on total adoption among growing firms



of lawyers plan to  
accept online payments  
beyond the pandemic



Based on online payment data we see that when collecting fees via secure online credit card payment platform, firms get paid

**39%**

faster than by other means.

When it comes to payment plans,

**72%**

of consumers would prefer to pay their legal fees via a payment plan, while

**53%**

of law firms are equipped to offer payment plans.

# Growing firms: takeaways

Technology-enabled firms are winning by adapting to client expectations

The performance bar is shifting—what was once innovative is now a basic expectation

Flexibility is key—throughout the client journey

# Part III: How law firms are investing



**40%**

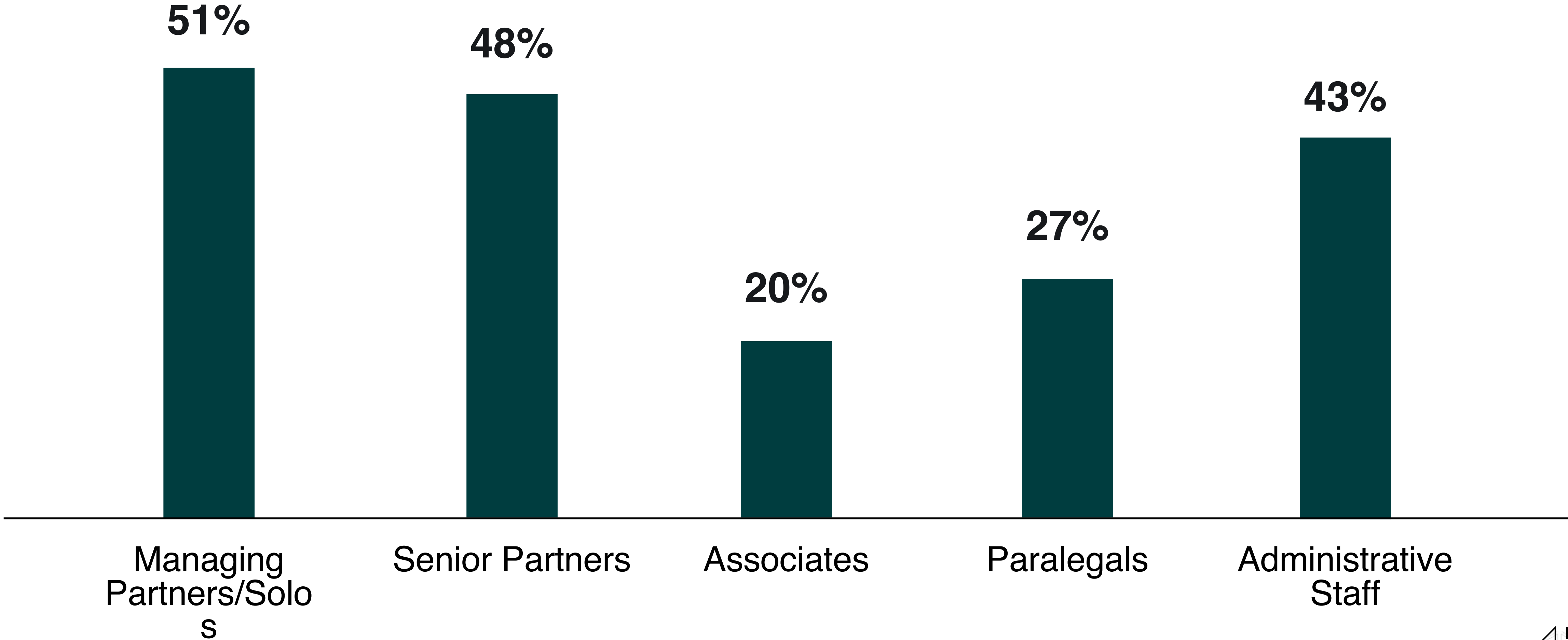
of attorneys were  
very confident in  
their knowledge of  
their annual revenue



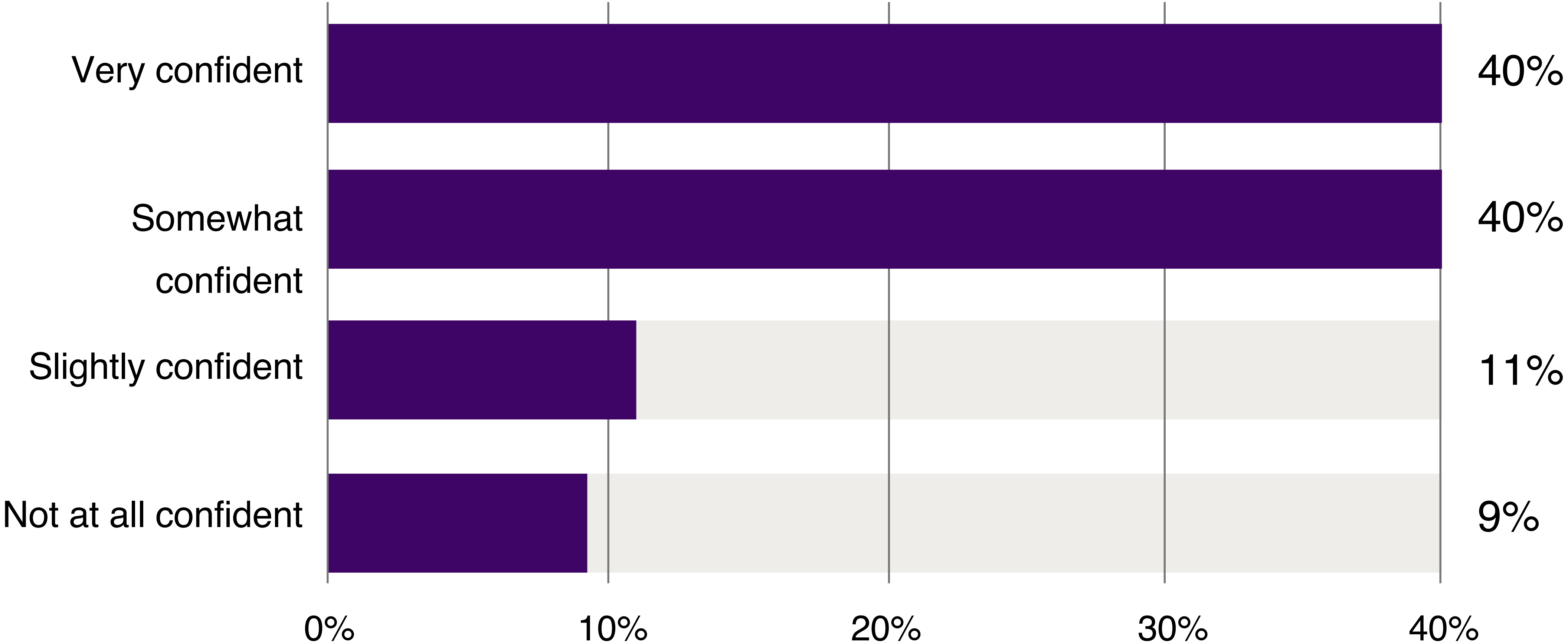
**51%**

of firm managers  
were very confident  
about knowing their  
firm's revenue in the  
previous year

# Confidence in knowing their firm's revenue performance



# Confidence in knowing firm revenue

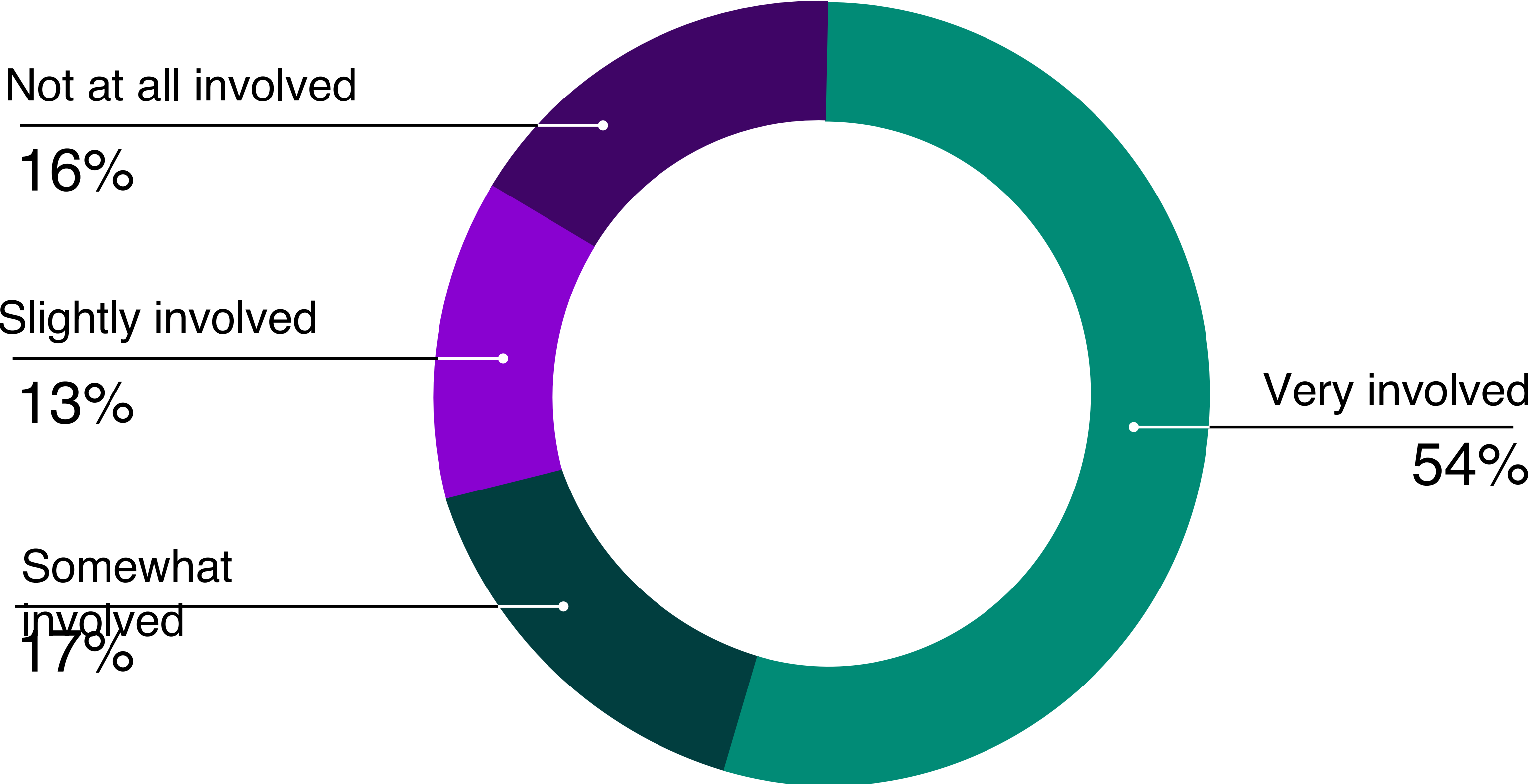




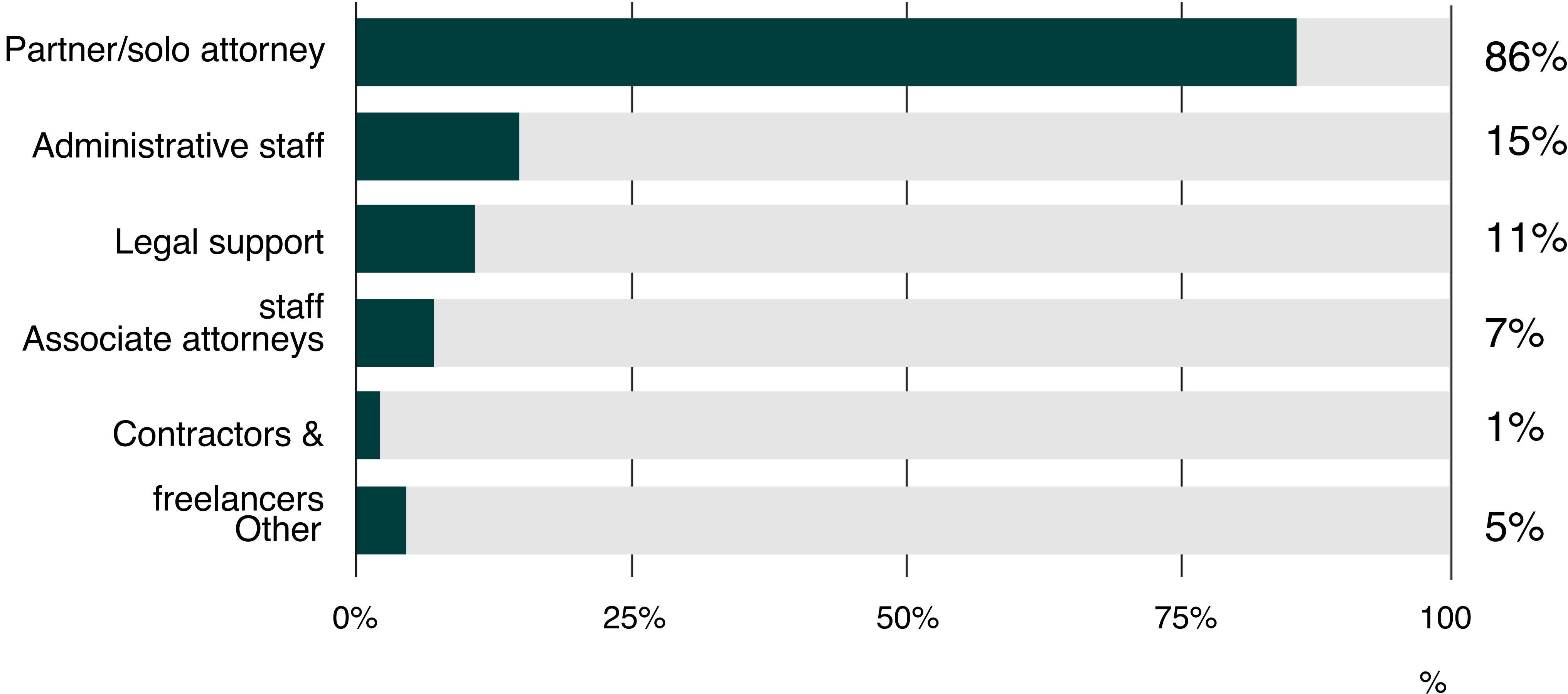
“Basically it's the client objectives, demands, or requests that drive our spending.”

– Terry, Partner Attorney

# Involvement in firm finances



# Financial involvement by role





42%

of attorneys reported  
low confidence  
in their knowledge  
of firm spending

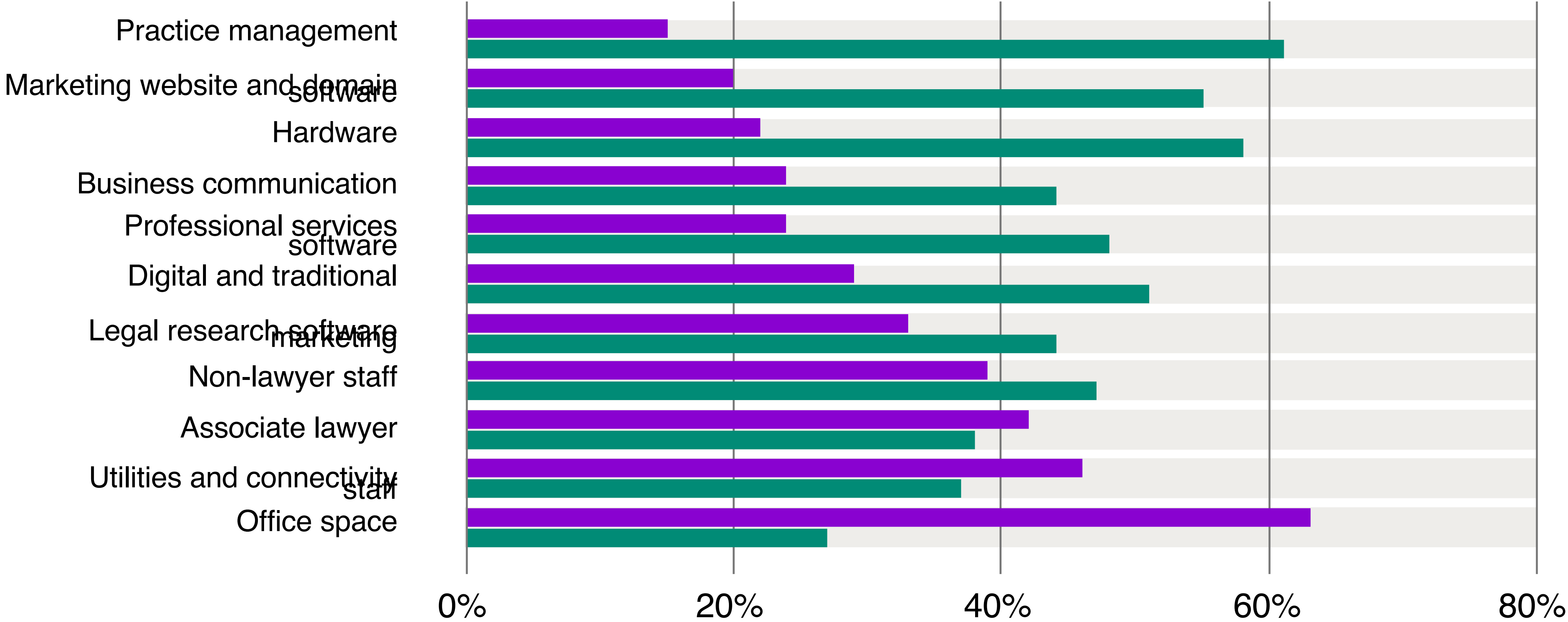


**80%**

of attorneys believed  
their firms *did* spend  
strategically

# Where law firms would spend additional funds\*

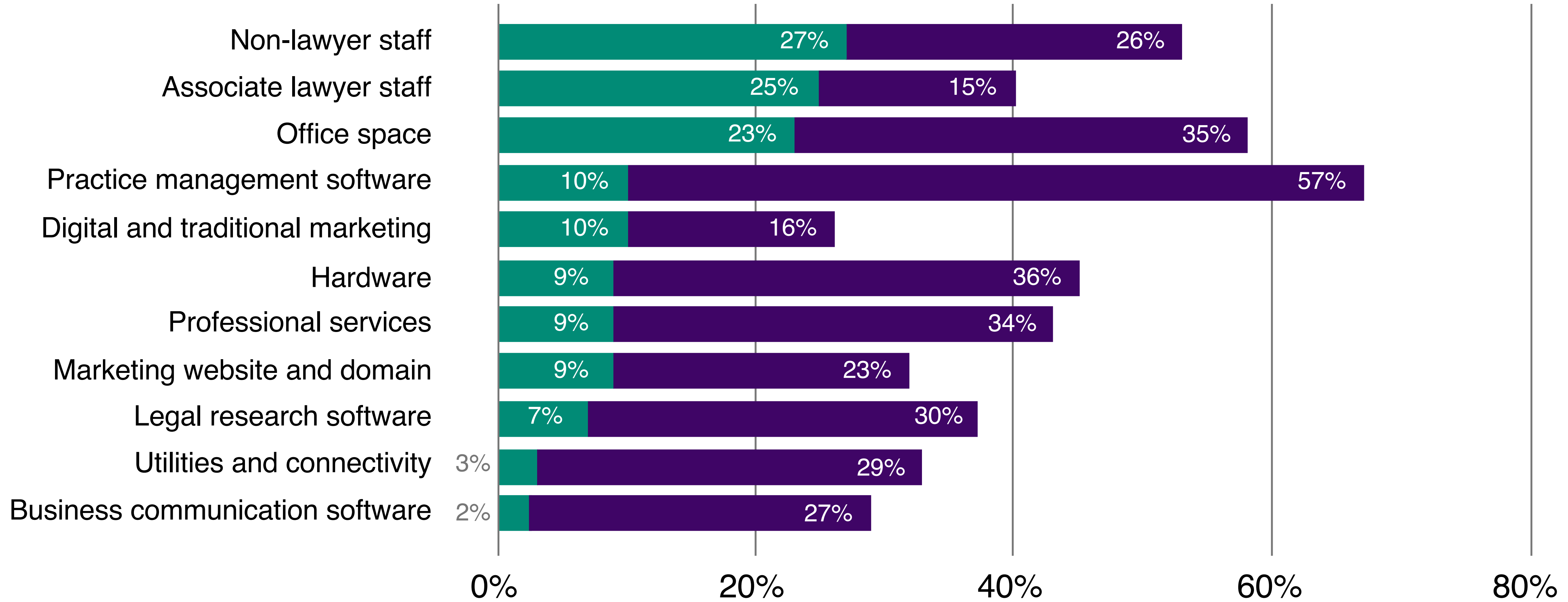
- Would not spend on
- Would spend on



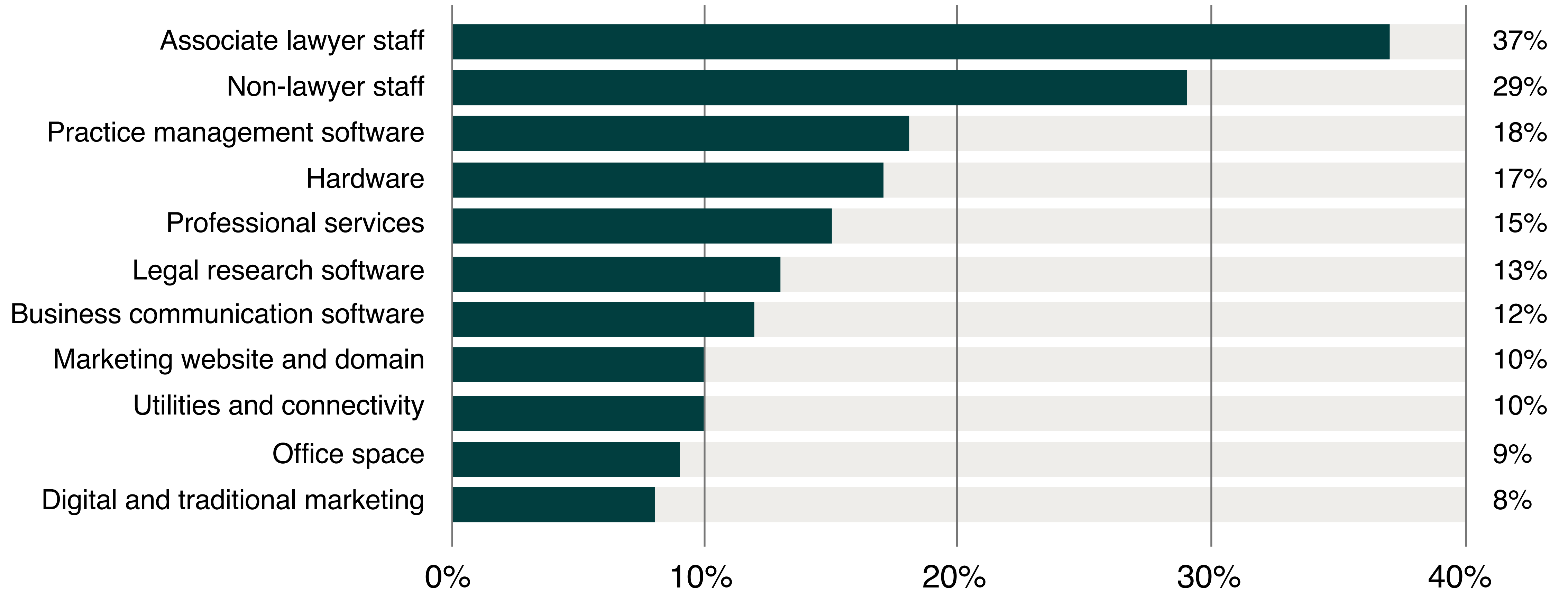
\*Based on the availability of \$5,000 in funds

# Expenses among lawyers who are very involved in finances

- Large expense
- Moderate expense



# What legal professionals say should be a large firm expense





“I don’t need to be spending time traveling and I don’t need to be spending this amount of money. So the office went.”

– Rose, Solo Attorney

# Law firm investments: takeaways

Law firms struggle to know their business performance **well**.

Client expectations are driving incremental investments into **remote experiences** and away from office spaces.

There is a clear opportunity: firms report differences in what they **actually** spend on vs what they **want** to spend on.

# Part IV: Conclusion

# Change is a client-side force.



**“The products of modern science are not in themselves good or bad; it is the way they are used that determines their value.”**

– Marshal McLuhan





Thank you.

**Rio Peterson**

E: [rio.peterson@clio.com](mailto:rio.peterson@clio.com)

T: [@RioFromClio](https://twitter.com/RioFromClio)