



Division for Bar Services

Impact of Economic Downturn on State and Local Bars Survey

July 2009

Overview

The following report depicts the results of the economic survey distributed by the ABA Division for Bar Services earlier this month. This survey was a follow-up to the survey we conducted in March 2009 to determine the impact of the economic downturn on state and local bar associations. We asked many of the same questions in both surveys. Where applicable, the results of the March survey are included in this report for comparison purposes. The results of the March 2009 survey are on our economic resources page at <http://www.abanet.org/barserv/resourcepages/economy.shtml>.

Observations and Trends

Below are some observations and trends noted from the July 2009 results:

Membership numbers:

- Voluntary state bars - Twenty percent indicated in both March and July that their membership numbers had decreased.
- Large local bars - None indicated their membership had decreased in July – 30% indicated it had decreased in March.
- Small local bars - Thirty percent indicated their membership had decreased in March – in July, 24% indicated it had decreased.
- Overall, it appears that membership numbers are remaining stagnant or decreasing slightly as reported in both July and March. However, these results may be due to the timing of the surveys relative to the varying dues cycles of the respondents.

Member attendance/participation in events:

Almost one-fourth of respondents indicated their annual meeting attendance had declined in the July report. Fewer respondents indicated a downturn in attendance in CLE programming in July than March. The slower decline in CLE attendance is most likely due to the increase in offerings of CLE programming related to assisting members in dealing with the economic downturn. Also, several bars indicated that although attendance at live CLE programs had declined, utilization of online CLE and webcasts had increased.

Thirty-five percent of all respondents indicated that had instituted special promotions or pricing for meetings or social events. Almost all indicated those programs were reduced or special pricing on CLE.

Assisting members in dealing with the economic crisis

- Sixty percent of respondents indicated they had implemented a dues waiver or payment plan for members facing financial hardship.
- Another 40% have special membership rates or discounts.
- Almost half offer career counseling.
- One-fifth offer personal counseling or support groups.

Budget implications

In March, 36% of respondents indicated they had decreased their budgets. In July that number had increased to 51%. Areas most frequently mentioned as facing reductions include:

- Travel
- Training
- Small across the board cuts
- Publication and printing costs
- Hiring and salary freezes

Revenues

The revenue areas most frequently mentioned as experiencing a decline were print advertising (63%) and sponsorships (71%). Online advertising was only cited by 3% of respondent bars and royalties by 21%.

Salary/benefit adjustments

No respondents indicated they had instituted unpaid furloughs or leaves; however, 65% have instituted a salary freeze and 35% a hiring freeze. Only 4% have reduced salaries.

Impact on bar programs

Many respondents indicated their lawyer referral programs had experienced an increase in demand due to more attorneys seeking clients and more clients needing bankruptcy or mortgage foreclosure assistance.

CLE programming

The number of bars offering CLE programming to assist members in dealing with practice issues related to the economy increased from 49% in March to 71% in July. The most frequently offered programs are foreclosure training, marketing your firm, and bankruptcy.

Bar foundation funding

Almost all respondents indicated that funding to their foundations had either remained the same or decreased.



AMERICAN BAR ASSOCIATION

Division for Bar Services

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(includes comparison to March 2009 results where applicable)

All Responding Bars (65)

1. Please indicate your bar association type:

Bar type	March	July
Unified state bar	20%	28%
Voluntary state bar	9%	17%
Local bar with 2,000 or more members	36%	27%
Local bar with less than 2,000 members	35%	28%

2. How have your membership numbers been affected by the economic downturn?

Membership numbers	March	July
Increased	11%	23%
Decreased	15%	12%
Too soon to tell	24%	22%
Relatively static	51%	43%

3. Have you noticed a downturn in attendance at any of the following events?

Event	March	July
Annual meeting	14%	22%
CLE programming	28%	23%
Social events	17%	25%

4. Please indicate any other events at which you have recently experienced a change in attendance/participation:

Unified state bars:

- 2008 Annual Meeting attendance was lower for the Foundation events, but we are not responding for the association.

- Live CLE seminars have experienced some downturn - however, utilization of online, web cast and custom CLE have held even or have increased.
- Attendance at live CLE events has decreased, but utilization of online CLE, web casts CLE and custom CLE has remained constant or increased.
- We are \$430,000 ahead of where we were last year in dues collection. We think that is because people are wary of and want to avoid late fees.

Voluntary state bars:

- Our Annual Meeting went up from 1,375 to 1,472.
- There has also been a slight decrease in section membership.

Local bars with 2,000 or more members:

- We have engaged in additional marketing to maintain attendance.
- Advertising has fallen off in our two publications: the monthly magazine and the annual membership directory.
- Annual foundation fundraising breakfast (April) down from 1,000 to 850 attendees. Annual association awards dinner (June) down from 410 to 375 attendees.
- Committee meetings
- Section luncheons are down.

Local bars with 2,000 or less members:

- Our sections are more active than ever this year, and attendance at MCLE and networking events has been strong.
- Our golf tournament was down slightly.
- Bench Bar Conference - 50 less registrants. Attendance has increased for CLE programs that are free to our members as well as networking happy hours that do not cost anything.

5. Have you instituted any special promotions or pricing for meetings or social events?

35% of all bars indicated yes.

6. If yes, please describe the promotion or program and its effectiveness:

Unified state bars:

- Last fall, prior to the economic downturn, we created an ultimate pass for CLE seminars where members paid a flat fee for admission to any and all CLE seminars.
- We had already reduced the fee for our annual meeting about three years ago.
- Low-priced CLE on surviving the recession. Well-received but low attendance.
- For our annual meeting, we went to the hotels and asked them to hold prices at last year's cost. They agreed.
- We're dropping prices and offering specials for everything, but still getting minimal turnout.

Voluntary state bars:

- Negotiated with resort hotel hosting annual summer meeting to offer 20% discount to meeting registrants for return visit to resort.
- We had success with keeping Annual Meeting cost the same for early online registration but it went up \$25 otherwise.
- Free CLE program in January entitled "Surviving the Crash"

- Reduced dues/reduced or free CLE and publications. Not as much as we had hoped.
- CLE discounts and free programs.
- Lower pricing; buy so much, get some "free"; mixed results, as not an overwhelming response
- A number of free/low cost CLE.

Local bars with 2,000 or more members:

- Major changes in pricing CLE. \$100 and you get 12 hours of CLE if you are a member.
- Prices for some CLE programs and other events have been reduced at the discretion of the sponsoring section(s).
- Some of our seminars are now free to display more value of membership
- Free CLE on coping in hard times.
- Discounted "group" rates for public service or government attendees for CLE programs.
- Discounts on dues, discounts on ticket prices if purchased by group or firm vs. individuals
- Free CLE events in July; pushing member benefit programs.

Local bars with less than 2,000 members:

- We are providing the opportunity for our members to obtain 12 CLE credits a year (their annual requirement) at no charge, as a new membership benefit.
- We are going to do a series of law office management/opening your own practice for no cost CLE.
- Our gala for 2010 will be less formal and at a less expensive venue. Ticket price will be \$75 per person instead of \$150 per person. If you have not been a member of the Association you can join for the rest of 2009 for \$60. For 2010, you can pay your dues in one lump sum or quarterly.
- Concerted effort to provide low cost events (e.g., brown bags) while maintaining quality of speakers.

7. Are you experiencing changes in volunteerism in any of the following areas?

Area	Increased	Decreased	Remained the same	Too early to tell/don't know
Committee service	10%	7%	69%	14%
Pro bono	11%	9%	45%	36%
Public service	2%	7%	52%	39%
Leadership-board service	8%	2%	77%	13%

8. Have you created any of the following programs to assist your members in dealing with the economic crisis?

Program	March	July
Dues waiver, payment plans or other options for payment of dues for those facing financial hardship	70%	60%
Special membership rates or discounts (i.e., 15 months at 12 month rate)	20%	40%
Career counseling	33%	44%
Personal counseling/support group	23%	20%

9. Please describe any other programs or services you have developed to assist your members in dealing with the economic crisis or provide further details on the programs listed above.

Unified state bars:

- The Oklahoma Bar Foundation has begun educational programs in conjunction with CLE presentations to educate members about what the Foundation does & ask the membership to become involved so that more can be served. We are also doing some PR work and promoting the update mission: "Lawyers Transforming Lives"
- A voluntary mentoring program for students who have taken the bar exam but have not yet received the results.
- Offered special pricing, online programming, etc. Brought in Dustin Cole.

Voluntary state bars:

- Offered selected discounts for members and dues credits for referrals from existing members.
- We are in the process of developing a program to provide six months worth of benefits and services to non-members facing economic hardship.
- Formed Economic Task Force which is promoting free/low cost CLE; support programs; counseling; social networking; info on dues waivers, etc. TF was meeting weekly, now bi-weekly.

Local bars with 2,000 or more members:

- Website offering career help.
- We had a pre-existing, but not highly advertised, dues waiver program, which remains in place. More attorneys are taking advantage of it. We revitalized our jobs bulletin board and created an open list serve for unemployed attorneys, employers and those who can assist unemployed attorneys in various aspects of the process of getting a new position. This list serve also furnishes personal counseling and support in a public forum. We also have sponsored many programs on this topic.
- Offering a Solo & Small Firm seminar outlining the steps to open and operate a law firm. Instituting a bench/bar conference for attorneys to better know and understand what the judges expect in their courtroom.
- We will be sending reminders to members who don't renew to explain our income-based dues option. Surveys tell us most members who don't belong citing cost don't know about this option.
- We have the hardship scholarship for members attending our CLE programs.
- A reduced price "package deal" for all attorneys in a government agency to join. This means in effect that the agency is paying the group rate as part of their budget, rather than the attorneys paying as individuals.
- We have provided members with the option of quarterly installment payment of dues via bank draft or credit card.
- We have waived partial or all dues for many years for members with special circumstances, on an individual basis. I ask for a short email explaining their special circumstances and rarely turn people down. Very few people will try to take advantage, but then our dues are only \$100 per year! In return, we ask them to volunteer for a committee or during Community Law Week.
- Extended delinquent date by one month.

Local bars with less than 2,000 members:

- We are starting a mentor/mentee program not only for the new lawyers but for the lawyers who have lost their jobs and are thinking of starting their own practice and/or changing their area of practice.
- More just personal help or limited dues assistance on a person-to-person basis.

10. What adjustments, if any, have you made to your budget as a result of the economic downturn?

Budget adjustments	March	July
Increased budget over last year	11%	19%
Decreased budget over last year	36%	51%
Budget has remained the same	53%	31%

11. If you have decreased your budget, in what areas did you make those reductions?

Unified state bars:

- Travel and training.
- Added medical insurance co/pay for staff, no salary increases.
- Our budget decreased by over \$400,000. We have trimmed in all areas, but particularly in IT and cut out funding for any unfilled positions.
- Cut out staff travel for 2009; reduced all budgeted spending; unspent funds for the remainder of 2009 require review.

Voluntary state bars:

- Small decreases in multiple areas.
- We decreased printing costs and ceased printing a small quarterly publication.
- Salary freeze, reduced staff travel, cut back on committee budgets.
- A little everywhere
- Generally across the board, but more was done in CLE and memberships.
- Budgeted for lower dues total.

Local bars with 2,000 or more members:

- CLE, publication advertising, publication sales, placement service
- Staff salaries have been frozen and retirement contributions reduced to the minimum allowed by law. Out of state travel has been banned, and staff positions are frozen as they become vacant unless a strong case can be made for filling them. So far, we have neither reduced services nor laid off any staff.
- Have reduced personnel and cut-back hours for part-time employees.
- Pro bono staff, Operations staff (accounting & mailroom), Diversity/Special Programs
- We reduced dues income. We were conservative in revenues and liberal in expenses.
- Low interest on our reserves has been our biggest budget issue and I see that continuing for at least a couple more years. Fortunately we have about six months' reserves and can weather a net loss - our first since I've been here 7 1/2 years. We reduced one staff position from 40 hrs to 30 when someone left last year and we budgeted very conservatively on the income side. I think the 2010 budget will be more challenging because our firms are now laying off lawyers, not just support staff as was happening 4-6 months ago. Oregon has an unemployment rate of 12.4% - the second highest after MI. We conducted a member survey in April and our members hadn't

been badly affected yet, but we believe the demand on their work is reducing and the economy is affecting them more now.

- Membership dues, courthouse security badge income, legal placement service
- Staffing freeze on vacant positions, also considering travel restrictions
- General and administrative expenses and facility expenses.
- Staff – laid-off one staff person. Fundraising events - not doing one this year. Community Service Projects - only if they can support themselves.

Local bars with less than 2,000 members:

- Income has decrease greatly for the Foundation & we have cut general & administration as much as possible and grant awards are projected at 50% to 60% of the 2009 level.
- Staff salaries
- We decreased all income accounts by about 5%.
- We anticipated a possible decline in membership this year, so adjusted our budget projections in that category by 5%. However, we are slightly ahead of where we were at this time last year. Our ED (me) has also opted not to attend two regular annual conferences this year as a simple economic precaution.
- Across the board.
- We recently had a lengthy budget meeting where we shaved about \$10,000 off of our projected 2009 budget to provide more "cushion" in case we experience a downturn in our annual Bench Bar Conference or CLE by the hour programs. In my 9 years as the director we have never adjusted down our budget once it is approved by the Board. Board members are concerned that we do not overspend and are really zoning in on their fiduciary responsibilities which is positive.
- Staff - One staff position was changed to hourly/no benefits. Some travel cut. Did away with buying tables at community events.
- In process of drafting FY'10 budget. Have reduced most nondiscretionary items, such as travel, marketing, catering, etc.

12. Are you experiencing a revenue decline in any of the following areas?

Area	Percent experiencing decline
Print advertising	70%
Online advertising	0%
Sponsorships	70%
Royalties	40%

Other areas of decline:

Unified state bars:

- Convention trade show booth sales
- Desk book sales
- IOLTA and Investment
- Interest

Voluntary state bars:

- Mailing list sales

Local bars with 2,000 or more members:

- Interest on health insurance premiums
- Dues income down currently

13. Have you instituted any of the following salary/benefit adjustments? (Check all that apply.)

Salary/benefit adjustments	Percent instituted
Unpaid furloughs or leave	0%
Salary reductions	4%
Salary freezes	65%
Hiring freeze	35%

Unified state bars:

- Fewer hours for hourly workers
- We will probably freeze salaries next year.

Local bars with 2,000 or more members:

- 401k employer paid reduction
- Cut bonus in half; salary increase at 2% as opposed to 4 or 5% in previous years.

Local bars with less than 2,000 members:

- We will not get a raise in 2010.

14. Has the economic downturn had an impact on any of the following programs?

Programs impacted	March	July
Law-related education	21%	23%
Pro bono	43%	36%
Lawyer referral service	25%	59%
Lawyer assistance program	11%	18%

15. If any of the above programs have been affected, please indicate how:

Unified state bars:

- Calls are up in both programs.
- 40% staff reduction; some schools cannot participate.
- Large impact on demand for lawyer referral services in foreclosure and credit-related matters, but no increase in panel size.
- Reduction in IOLTA and Legal Service funding
- Reduced participation in pro bono programs. Reduced membership in LRIS.

Voluntary state bars:

- We decreased our support to independent LAP.
- Have seen increased interest in each of the above, although on the whole, about the same level of volunteers signing on for each. LRS numbers, interestingly, have stayed about the same, while the expectation would be that it would increase to offer the members another potential source for clients--committee is working to increase the visibility of that program.

Local bars with 2,000 or more members:

- LRS has had a very GOOD year as has our online lawyer finder service.
- Our lawyer referral service is up as more attorneys are seeking clients through it.
- Increase in need for our pro bono programs, and increase in volunteers who are out of work. Lawyer referral cases are down from prior year.
- The demand has increased - too soon to tell if our funding will be cut.
- Clients are reluctant to pay the \$50 client referral fee, even though that price for half an hour with an attorney is generally less than on the open market.
- We are arranging for LAP intervention training.
- Placement income has been down but appears to be rebounding.
- Fewer attorneys are agreeing to take pro bono cases.

Local bars with less than 2,000 members:

- Although the number of consultations we are scheduling has increased, several of our LRIS panelists have been unable to collect attorneys' fees, which, in turn, impacts us. If they don't get paid we don't get paid.
- Low attendance in CLE classes.
- Increase in calls for pro bono assistance.
- We have seen an increase in assistance through our lawyers assistance program.
- Calls have been down, with the exception of clients needing bankruptcy or mortgage loan modification assistance.
- Find a Lawyer increased by about 15% after marketing it as "now more than ever"
- Our percentage fees are down 25%.

16. Were you able to capitalize on the opportunity to sunset any ineffective programs as a result of the economic downturn?

17% of all local bars with over 2,000 members indicated yes.

Unified state bars:

- We are constantly reviewing programs from year to year.
- Went from Opt Out IOLTA to Mandatory
- We sunsetted our Advertising Committee and folded the responsibilities into our Ethics Committee.
- Some YLD programs phased out for lack of volunteers

Voluntary state bars:

- Publication

Local bars with 2,000 or more members:

- Several projects that had been introduced by a former president have now faded into the sunset.

17. Have you offered CLE programming to assist members in dealing with practice issues related to the economy? (i.e., bankruptcy, foreclosures, etc.)

In March 2009, 49% of responding bars answered "yes". The percentage increased to 71% in July.

18. If yes, what types of CLE have you offered?

Types of CLE offered (July only)	Percent offered
Going solo	48%
Transitioning to another specialty	24%
Marketing your firm	57%
Foreclosure training/mortgage crisis issues	69%
Alternate careers	14%
Bankruptcy	52%

Unified state bars:

- Serving the Military
- Business Torts; Suing and Defending Banks and Other Financial Institutions; Collecting Attorneys Fees and Damages; Labor Issues When Businesses Fail; Tax Issues in the Stimulus Package; Doing Business with the Govt: the Regulatory Response to the Financial Crisis; Mortgage Fraud; many others
- Financial planning

Voluntary state bars:

- Pro bono training in new areas

Local bars with 2,000 or more members:

- We plan to offer a series of programs dealing with some of these topics, as well as financial planning.

Local bars with less than 2,000 members:

- Women's CLE

19. If you have a bar foundation, please indicate how contributions to the foundation have been affected:

Foundation contributions	March	July
Remained about the same	49%	55%
Decreased	46%	39%
Increased	5%	6%

20. Please provide any additional comments or information on how the economic downturn has affected your members and your bar association.

Unified state bars:

- Our situation in North Dakota is abnormal. Our economy has not declined, our unemployment has not increased, and our housing never bubbled, so there was nothing to burst. Our very conservative legislature was so embarrassed trying to cope with our revenue surplus this session, they finally all just went home in disgust.
- IOLTA revenues down, which means grants to Bar cut

- The Foundation struggles to find new income sources and gain new Fellows enrollment to help maintain law-related charitable programs funded through OBF grant awards because IOLTA interest is so low, bank fees are increasing and investment income suffers.
- Because of the substantial decrease in interest revenue for the Texas IOLTA program, the Bar has increased its efforts to assist that program (e.g., sponsoring of fund raising activities; calling on all lawyers to increase their provision of pro bono or reduced fee services)
- With the drastic decrease in interest rates, the IOLTA program in Texas suffers. The Bar is exploring ways to help in this crisis - e.g., sponsoring fund raising activities; calling on all lawyers to provide more pro bono and reduced fee services, etc.
- Anecdotally I have heard that Virginia has been very hard hit with law firm layoffs.

Voluntary state bars:

- Our state has experienced numerous layoffs in the legal community, with one large metropolitan firm completely closing. This has affected our members in that they are in need of placement services and additional benefits, such as law practice management. We expect to see more attorneys opening their own law practices instead of working in larger firms or corporate settings.

Local bars with 2,000 or more members:

- The bar's overall revenue has decreased 13% from last year to this year, the bulk of which comes from a pass-thru IOLTA grant to fund our pro bono programs.
- Our fiscal year ended 6/30/2009, and we are in the process of dues renewal. So far, the rate of renewal seems about the same as last year, but we may yet see a slowdown.
- I am very concerned about the newest lawyers in our county. In the past two years, it is my impression that a good third remain unemployed, or are finding positions outside of law.
- We did not increase our dues and decreased our budget by 20%; reduction of a staff person; reduction in travel for national meetings (NABE & NCBP); reduction in community service projects since the Association will not be hosting a fund raising event. The Foundation will now take the lead in all community service projects and fund raising for those projects.

Local bars with less than 2,000 members:

- We have had focus groups and people are more positive than we have expected and they want more networking events. So we are doing more events to accommodate their wishes.
- While our local bar is not in a crisis situation everyone is being very cautious regarding spending and we are counting every penny. We do not want to get to the end of the year and not be able to meet our projected revenue either. It is very tight.
- Giving is down for our charitable projects.