



## Division for Bar Services

### Impact of Economic Downturn on State and Local Bars Survey

December 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 surveys we conducted in March and July 2009 to determine the impact of the economic downturn on state and local bar associations. We asked many of the same questions in all three surveys. Where applicable, the results of the previous surveys are included in this report for comparison purposes. The results of the March and July 2009 surveys 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 December 2009 results:

##### Membership numbers:

- Voluntary state bars - Twenty percent indicated in March and July that their membership numbers had decreased. In December, 44% indicated the numbers had decreased.
- Large local bars - 19% indicated their membership had decreased in March and 27% indicated it had decreased in December.
- Small local bars - Thirty percent indicated their membership had decreased in March. In December the number of small locals indicating their membership had decreased was 13%.
- In March (and July) a significant number of bars reported that it was too early to tell if their membership had increased or decreased. By December no bar associations had indicated it was too early to tell and more voluntary and large local bars indicated a decrease in membership since the first survey in March. However, fewer small local bars indicated a decrease in membership than reported in March.

##### Member attendance/participation in events:

The percentage of respondents indicating their annual meeting attendance had decreased remained about the same in March (14%) and in December (16%). The number of respondents indicating a downturn in attendance at CLE programming decreased to 23% in December from the 28% reported in March.

Most respondents indicated there was either an increase in volunteerism or it had remained the same.

### **Assisting members in dealing with the economic crisis**

Almost all respondents (98%) indicated that newly admitted lawyers were having difficulty find a job and that unemployment among this group is a problem. Laid-off lawyers (61%) and deferred associates (45%) were also cited as issues. The following programs have been implemented to assist members in dealing with the crisis:

- Seventy-six percent of respondents indicated they had implemented a dues waiver or payment plan for members facing financial hardship (up from 60% in July).
- Another twenty-one percent have special membership rates or discounts.
- Eighteen percent offer career counseling.
- Fifteen percent offer personal counseling or support groups.

### **Role of ABA**

Eighty-four percent of respondents indicated they would like the ABA to provide resources on strategies for bar associations to address the needs of unemployed lawyers. Thirty-eight percent indicated they would like a national fellowship program matching unemployed lawyers with public interest programs. Thirty-one percent would like the ABA to serve as a clearinghouse of fellowship programs around the country.

### **Budget implications**

In both December and March, 36% of respondents indicated they had decreased their budgets. Most frequently in the following areas:

- 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 (66%) and sponsorships (71%). Online advertising was only cited by 5% of respondent bars and royalties by 13%.

### **Salary/benefit adjustments**

No respondents indicated they had instituted unpaid furloughs or leaves in July, 4% had in December. Seventy percent have instituted a salary freeze (up from 65% in July) and 15% (down from 35% in July) a hiring freeze. Only 4% indicated they had reduced salaries in both July and December.

### **Impact on bar programs**

Many respondents indicated their lawyer referral programs had experienced an increase in demand. More attorneys are seeking clients and more clients are 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 79% in July. The most frequently offered programs are marketing your firm, foreclosure training, and bankruptcy.

**Bar foundation funding**

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



# Division for Bar Services

## Impact of Economic Downturn on State and Local Bars Survey

**December 2009**

(includes comparison to March and July 2009 results where applicable)

### All Responding Bars (61)

#### 1. Please indicate your bar association type:

Bar type	March	July	December
Unified state bar	20%	28%	29%
Voluntary state bar	9%	17%	16%
Local bar with 2,000 or more members	36%	27%	27%
Local bar with less than 2,000 members	35%	28%	29%

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

Membership numbers	March	July	December
Increased	11%	23%	27%
Decreased	15%	12%	18%
Too soon to tell	24%	22%	2%
Relatively static	51%	43%	54%

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

Event	March	July	December
Annual meeting	14%	22%	16%
CLE programming	28%	23%	23%
Social events	17%	25%	19%

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

##### Unified state bars:

- Lawyer referral service has increased its membership.
- Attorneys are purchasing fewer new books. However, we are seeing an uptick in seminar registration because we recently instituted an Ultimate Pass that allows purchasers to attend as

many seminars as they wish. We also are seeing an uptick in non-Ultimate Pass holders, but not nearly as much as with Ultimate Pass holders.

- We have noticed a shift in our CLE from live to self-study programs.

**Voluntary state bars:**

- Some of our Section meetings are seeing a decrease in attendance.

**Local bars with 2,000 or more members:**

- Attendance at our events has actually increased - we think our members want the added networking and cheap opportunity to get out socially.
- Attendance has increased for solo practice, foreclosure and bankruptcy seminars.
- Many of our substantive committees offer free monthly MCLE meetings. Attendance has increased.
- Everything is about the same as prior years - so far. I think next year will be more challenging

**Local bars with 2,000 or less members:**

- Regular monthly luncheons.
- Bench Bar Conference (late October) had 50% MORE attendance than we've ever had before. Holiday Party was better attended.
- Bench Bar Conference attendance dropped considerably.
- We have a Young Lawyers Holiday event in early December. Attendance has grown to 125 the last two years. This year's is 100.
- General membership meetings where we charge an admittance fee.
- We held a holiday party with a cash bar and appetizers, charging \$15 rather than a sit down dinner and had a huge turn out.
- increases in all
- Special CLE Nuts & Bolts series for new attorneys - only half the registrants this year as in past years.

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

**35% of all bars indicated yes in July 2009 – 27% of all bars indicated yes in December 2009.**

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

**Unified state bars:**

- Including more free and lower cost activities in our annual meeting.
- This is not a new promotion, but rather started about 6 years ago. New lawyers can come to the convention on a "2 for 1" package. It has been very successful.
- Reduced registration for annual convention to 2006 fee; reduced CLE fees and offering more low cost/free programs.

**Voluntary state bars:**

- The members have asked for more networking opportunities. We are holding happy hours in our building every six weeks and attendance has been excellent. We get a sponsor so we don't have to charge for the event.

**Local bars with 2,000 or more members:**

- Yes, holding more breakfasts in firms for CLE and having sponsors cover the low food cost so we can offer programs for free. Good response.
- A few free programs, very well attended.
- Could purchase a table at a major social event at a cheaper price because of fewer seats at the table
- We have had more requests for seminar scholarships/grants this past year.
- Offered discount of 20% on CLE programs to members.
- Discounts for public interest lawyers.

**Local bars with less than 2,000 members:**

- Potential members can attend one luncheon free before they join.
- We provide 12 credit hours of annual CLE (the State requirement) at no charge to Bar Association members.
- We recently opened up our membership and CLE Programs to law students
- We waive fees for unemployed attorneys on case by case basis

**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
<b>July 2009</b>				
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%

Area	Increased	Decreased	Remained the same	Too early to tell/don't know
<b>December 2009</b>				
Committee service	18%	11%	65%	5%
Pro bono	31%	14%	33%	22%
Public service	18%	6%	61%	14%
Leadership-board service	11%	5%	79%	5%

**8. Which of the following, if any, has resulted in a problem of unemployed lawyers in your legal community?**

Program	Percent
Deferred associates	45%
Laid-off lawyers	61%
Newly admitted lawyers unable to find jobs	98%

**Other:**

- Collection of fees
- Loss of banks

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

<b>Program</b>	<b>March</b>	<b>July</b>	<b>December</b>
Dues waiver, payment plans or other options for payment of dues for those facing financial hardship	70%	60%	76%
Special membership rates or discounts (i.e., 15 months at 12 month rate)	20%	40%	21%
Career counseling	33%	44%	18%
Personal counseling/support group	23%	20%	15%

**10. 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:**

- Online practice management resource center has focused on programs and services of particular value in a recessionary environment.
- We have always had a hardship waiver system in place. This year, applications were nearly triple of two years ago. Regarding personal counseling, our lawyer assistance program has seen a spike in use of the program. Due to demand, this program has been expanded to include judges. Our practice management program has seen a considerable increase in usage in the last six months, primarily due to new start-ups, whether they have been laid-off or have never been able to find a job.
- We have developed a "Lawyers in Transition" program that began with a free program at our annual convention in June and has followed through with website and list serve resources.

**Voluntary state bars:**

- Held a free CLE program on how to deal with the economic slowdown.
- We had a series of breakfast seminars around the state to help newly displaced attorneys - speakers were our Ethics Committee chair, a legal recruiter, and the Executive Director of Lawyers Concerned for Lawyers - Connecticut.
- Provide series of free CLE programs on how to cope with economic downturn.
- If the member contacts us we set up a dues payment plan. We have a placement service that is providing a lot of assistance even in providing contract work on a temporary basis for attorneys. Our placement service provides career counseling.

**Local bars with 2,000 or more members:**

- Offering programming on going out on your own, business development and marketing, ethics issues involved with taking / keeping cases which are not generally your area of expertise but attorneys are keeping more work in-house, trying to do more cooperative programming with other local bars and the state bar to expand networking opportunities and reduce costs for members. Also trying to expand the reach and availability of the LRS programs to develop business and offer great public service.
- Subscription of 12 hours of CLE for \$100
- Online resume bank, which receives in excess of 1,000 hits/month.

- We are a mandatory local bar so we can not offer discounted dues. We are offering CLE discounts and social event discounts.

**Local bars with less than 2,000 members:**

- We have paid for mental health counseling for our voluntary bar members for years, but have not actively publicized this until recently. Usage has spiked, which makes the effort appear to be worthwhile. The bar public-service committee has created a series of clinics targeted at "the public." These are clinics in which attorneys (who have received prior training from a committee chairperson) to counsel the public in areas such as foreclosure, expungement, and small business management. It appears that some attorneys are also participating in order to understand how these services and processes may apply to their own situations.
- 1st year out of law school membership is free -- we contact young lawyers in the area as the bar exam results are published and invite them to join. We have a mentoring program and offer the mandatory 4-hour Bridge-the-Gap program free for members (\$125 for non-members). We promote the value of networking and encourage new lawyers to attend events and get involved. Our retention rate is extremely high.
- Expanded Find-a-Lawyer to help them find clients.
- Increased opportunity, variety of CLE so they can satisfy requirements locally, and more economically than travel.
- Our annual "Law Day for Lawyers" program, and our section MCLE programs, many of which have focused on practice areas and subjects that are impacted by the economic downturn.

**11. What role, if any, can the ABA play in helping to address the issue of unemployed lawyers in your community and nationally?**

Program	Percent
Develop a national fellowship program matching unemployed lawyers with public interest programs	38%
Serve as a clearinghouse of other fellowship programs available around the country	31%
Provide resources on a wide range of strategies bar associations can undertake to address the needs of unemployed lawyers.	84%

**Other:**

- Information like this survey
- Some members believe the ABA could help the profession by restricting the number of new lawyers, as do dentists, CPAs, and doctors.

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

Budget adjustments	March	July	December
Increased budget over last year	11%	19%	25%
Decreased budget over last year	36%	51%	36%
Budget has remained the same	53%	31%	38%

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

**Unified state bars:**

- Frozen salaries; reduced travel, teambuilding, etc. for now.
- Reduced travel; reduction/elimination of overtime; position elimination.
- We reduced travel, staff did not receive pay raises, we did not replace computers last year.

**Voluntary state bars:**

- Reduced staff by four (two executive positions, one member services, one part-time certification staff)
- Mission was to maintain core member services while still supporting active section/committee structure. There were some program cuts and changes in reimbursement policy.
- Our Annual Meeting and Dinner was traditionally free for our members. This year we are charging a modest price. Also, starting January 2010 we will no longer have a print monthly publication. Our monthly publication will be sent electronically.
- There were no raises or bonuses this year. We also did some very serious cost cutting for various programs, etc.

**Local bars with 2,000 or more members:**

- Cancelled postage meter and other contracts -- using other services for free or lower rates; freeze on salaries; limits on refreshments at committee and board meetings as well as cutting back on print media and using mass email and website more to market events, etc.
- Although our overall budget is similar to last year's we needed to cut some board and board retreat expenses and curtailed staff travel to NABE conferences just to keep our budget break-even as other expenses over which we have no control have increased. Staff will receive very modest pay increases this year and no bonuses for 2009. We have been putting money away and have over 6 months of our budget in reserves.
- Primarily dues income, and we fortunately have exceeded expectations. We receive substantial nondues income which helps tremendously.
- Travel to ABA meetings, reduction in employee benefits, reduction in committee expenses.
- Salaries
- Pro bono, finance, diversity, and administration

**Local bars with less than 2,000 members:**

- Cut web site cost in half, reduced YLD support, reduced budget for social events, changed newsletter to e-only.
- Executive director's education and travel budget

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

Area	July	December
Print advertising	70%	66%
Online advertising	0%	5%
Sponsorships	70%	71%
Royalties	40%	13%

**Other areas of decline:**

- Dues – hard to get folks to pay on time
- Sponsorship dollars are more targeted; narrow, specific venues are seeing an uptick in sponsorship while general venues are seeing a decrease.

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

<b>Salary/benefit adjustments</b>	<b>July</b>	<b>December</b>
Unpaid furloughs or leave	0%	4%
Salary reductions	4%	4%
Salary freezes	65%	70%
Hiring freeze	35%	15%

**Unified state bars:**

- Health insurance co-pays

**Local bars with 2,000 or more members:**

- Termination due to RIF
- Modest increases, no bonuses.

**Local bars with less than 2,000 members:**

- Lower percentage increase than usual.

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

<b>Programs impacted</b>	<b>March</b>	<b>July</b>	<b>December</b>
Law-related education	21%	23%	43%
Pro bono	43%	36%	52%
Lawyer referral service	25%	59%	48%
Lawyer assistance program	11%	18%	10%

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

**Unified state bars:**

- Three areas noted are handled by our Foundation for Legal Services and Education, which is a separate organization. They have suffered from decrease in IOLTA funding which has impacted these programs.

**Voluntary state bars:**

- Increased awareness and willingness to provide pro bono and community service.
- Our volunteers for LRE have not been impacted but the programs themselves have been. For example, our court visitation program is free to students, but schools do not have funding for buses. Our adult education programs are declining because towns don't want their buildings open as late.
- Fewer attorneys paid dues to belong to the LRS panel. Number of calls from the public looking to actually hire an attorney have dropped significantly, most callers are seeking pro bono assistance.

- There are fewer referrals. Many people do not have the money to pay for attorneys right now.

**Local bars with 2,000 or more members:**

- Pro bono staff reduced from 14 to 12 FTE. LRS seeing less fee sharing after initial referral.
- Actually our lawyer referral service increased and is the best we have had in recent years.
- Greater need for LAP.

**Local bars with less than 2,000 members:**

- We are seeing more members attending our CLE programs because they are local, pertinent to the needs of the local members and less expensive (and less time consuming because most attorneys can just walk to our headquarters) than going elsewhere.
- Volunteerism is down generally.
- Increases in both CLE attendance and Income and LRS participation and income.
- Contributions to our BAR FUND have decreased substantially.

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

**17% of all bars indicated yes in both July and December.**

**Unified state bars:**

- Eliminated some CLE programs with low return on investment.

**Local bars with 2,000 or more members:**

- Shifting some larger events like out of town conferences to an every other year schedule.

**Local bars with less than 2,000 members:**

- Trying to get some of the money-losing events off the calendar.
- We have reduced community service that required funds and volunteers. We have taken on community programs that only require volunteers, not funding.
- We provided a copier at the Court of Appeals that only 20 or so attorneys used. We got rid of it, saving at least \$20,000 a year and a lot of aggravation.

**19. 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 and 79% in December.**

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

Types of CLE offered (July only)	July	December
Going solo	48%	48%
Transitioning to another specialty	24%	33%
Marketing your firm	57%	67%
Foreclosure training/mortgage crisis issues	69%	64%

Alternate careers	14%	17%
Bankruptcy	52%	55%

**Voluntary state bars:**

- A financial crisis CLE which has several bank representatives as speakers.

**Local bars with 2,000 or more members:**

- Ethics of changing practices and payment/billing
- Career guidance, common legal issues and employment and nonprofits in a down economy and finding work
- Job search
- Optimization of websites; managing partners meeting quarterly over breakfast to discuss trends, tips, solutions

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

Foundation contributions	March	July	December
Remained about the same	49%	55%	50%
Decreased	46%	39%	42%
Increased	5%	6%	8%

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

**Unified state bars:**

- Actually, we have experienced a slight increase in donations to the bar foundation, although not statistically significant (about 4%)
- Staff in our lawyer referral program are experiencing more stressful calls from the public, which makes their job more difficult and stressful. There is a stronger sense of urgency from our members in finding solutions through our practice management program. Members who contact our lawyer assistance program are in greater need when they call than in the past.
- We have been pretty fortunate with the economy. It has not hit Oklahoma as hard as many parts of the country.

**Voluntary state bars:**

- We are trying to increase benefits to help solo attorneys get more value out of their low cost membership which is based on an income based scale.

**Local bars with 2,000 or more members:**

- While there have been some significant changes, the economy has offered the Bar an opportunity to do some serious soul searching and change some tired and stale programs, invigorate its marketing efforts and determining how and why the local bar can and should be relevant. We have seen some increase in membership in so far as solos and others are looking for more ways to connect and comparatively, local bar membership is affordable. However, getting some existing members and firms to pay without being chased down has been a challenge.

- We are very lucky even though there is a lot of unemployment for new lawyers and some for experienced lawyers in Oregon. Some firms have cut associates' salaries and some have budgeted with a zero strategy - such as asking everyone if they need to attend their annual conference or other discretionary spending even though some partners have viewed it their right to have the perks.
- We are trying to keep relevant and do anything and everything possible to help members with the practice of law. We are communicating to members more and more and our staff is "kicking it up a notch" when it comes to delivering member service. All of which seems to be appreciated by members in that we did not lose many this past year (other than relocations, the usual).

**Local bars with less than 2,000 members:**

- Because we have three law schools within eight miles of our city center, we have a huge number of unemployed, newly minted graduates. Most of them are hanging out a shingle in order to have something "to do," but are not really bringing in business to support themselves, and don't have the basic practical skills which they would accumulate by working in a firm for a couple of years.
- They seem serious, focused and grateful for the business that they have. Certain specialties are up, others down. I think that in some ways the economic downturn has helped our bar. Lawyers are looking for affinity, for referrals, support, etc.

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