Planning for the Future

American Bar Association
Bar Leadership Institute
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Changing Nature of Legal Work

• **Shifting Market Expectations**
  – Globalization
  – Disaggregation
  – Technology
  – Commoditization
Changing Legal Department Expectations

• Unwillingness to pay for junior talent training
• Increased sophistication & pressure to disaggregate work
• Decreased willingness to pay high prices for all legal work
• Desire to share risk with law firms
• Expectation that firms will demonstrate value
• Need for predictability in fees & demands for budgets
• Expectation of flexibility, creativity & collaboration
• Expected alignment of associate experience & billing rates
• Lack of authority to increase headcount
• Shrinking headcount & budgets with increased work
Key Industry Challenges

• Need for fewer legal services
• Pipeline & Career Path Fallout
  – Where will junior lawyers get trained?
  – How to effectively manage the different lawyer tracks?
• Baby Boomers, retiring lawyers & succession planning
• Challenges of Determining Value
  – Measuring the value of associates – using a measure other than time
  – Measuring the value of a case or matter
  – Measuring the value & profitability of a law firm
Where do lawyers practice?

National

- 48% Solo
- 15% 2-5 Lawyers
- 7% 6-10 Lawyers
- 6% 11-20 Lawyers
- 6% 21-50 Lawyers
- 4% 51-100 Lawyers
- 14% 101 Plus Lawyers
Law School Admissions

• 2012 - 30,000 applicants to law schools
  – 20% decline from 2011; 38% decline from 2010
• Number of those matriculating in 2013 will be about 38,000
  – Lowest since 1977, when there were 24 fewer law schools
• 2013 - Likely to be 54,000 law school applicants
  – 2004 - There were 100,000 law school applicants

Jobs Following Graduation & Debt

• 9 months after 2011 graduation, only 55% of those who finished law school found full-time jobs that required passage of the bar exam
• 2012 – Average private law school tuition was $40,500 & public, $23,600
  – 2001, Average private law school tuition was $23,000 & public, $8,500
• 90% of law students finance their education by taking on debt
  – Among private law school graduates, average 2011 debt was $125,000
  – Among private law school graduates, average 2001 debt was $70,000
Baby Boomers & Gen Y

Baby Boomers (76 million born 1946–1954)
• 2007, ABA recommendation to end mandatory retirement
• Comprise 70% of law firm partners
• Challenging traditional retirement - phased retirement, over 5 – 10 years
• Formalizing succession planning
• Impact on lateral hiring & Gen X opportunities

Gen Y (80 million born 1980–2000)
• Different expectations in how they will work
• Largest demographic group
• Seeking flexibility, meaning, community, feedback, mentoring
• Making work/life issues gender & reason neutral – 2008, NYU Law
  – Male & female students’ #1 concern – work/life balance
  – 8 out of 10 law students would trade $ for time

Generational tensions among Gen Y & Baby Boomers

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Underutilization or Lack of Utilization of ½ the Talent Pool

- Women represent 40 – 50% of law school classes for 25 years
- Women represent only 15% of law firm equity partners
  - 26% non-equity partners; 35% counsel;
  - 46% of associates; 70% staff attorneys
- Women of color – 2.2% of equity & non-equity partners
- Women are 18% top legal officers of Fortune 500 Companies
- 31% of women lawyers leave the profession at some point
- Of the women law firm lawyers who leave:
  - 37% go in-house
  - 9% go to government
  - 8% go to non-profits
  - 24% work as non-lawyers
  - 22% are unemployed

Work/Life Balance & Lawyer Dissatisfaction

Work/Life Needs & Interests are High

• Lack of work/life balance in law firms
  – #1 reason why women left firms but remained employed
  – Among the top 3 reasons why men left firms but remained employed

• In-house lawyers increasingly work more hours but have more satisfaction due to increased control & predictability
  – Full-time lawyers often more satisfied but fewer work reduced hours
  – Face time issues - presence is proxy for contribution for internal clients

• Usage rates are Indicia of Work/Life Stigma
  – 6% reduced hour law firm lawyers, 70% are women
  – Among professionals, 14% reduced hour usage


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What will bar associations look like in 5 years?

• Is the number of lawyers going to decline?
• With the large law firm model changing, who will be the future supporters of bar membership?
• Will aging lawyers continue to use the bar?
• Will young attorneys join & how will you attract them?
• How are you going to deliver CLE in five years?
• Will there be more part-time & non-linear attorneys?
• Can the bar be more engaged with JDs in alternative jobs?
• Can the bar be a better resource to unemployed graduates?
• Are there better ways to engage out-of-state members?
Big Idea: Core Competency Training & Partnership with Law Schools & Employers

• Significant need – training junior lawyers
• Engage in law school reform, make law school 2 years
• Bar partners with law schools to develop students’ public service internships to replace 3rd year
• Bar becomes the “NITA” trainer of supplemental outsourced core competency training, partially funded by law firms
Bar Associations Helping Young Lawyers

- Use of technology to create social media bar networks
  - Facebook, Twitter, LinkedIn, Four Square, etc.
  - Committee work
  - Job postings
- Host networking events
- Provide bar membership & CLE discounts for unemployed
- Programming on changing legal market & opportunities
  - Practical skills CLEs for junior lawyers
  - Educate on shifting market & employer needs
  - Train on how to job search & network effectively
- Business & entrepreneurship education
Bar Associations Supporting Retiring Lawyers & their Employers

• Lawyers in Transition Committee
  – Programming, website resources of events, articles, etc.
  – Creating a network & community for lawyers in transition

• Bar facilitating externships & re-entry programs

• Programming & materials for attorneys & employers:
  – Strategies to transition to flexible & reduced hours
  – Exit strategies for aging attorneys
  – Facilitating Encore careers
  – Creating Specialist, Advisor & Sponsor roles
  – Strategies for succession planning
    • Paving the way for Gen X attorneys to step up
    • Programs on the effective transfer of business & information
    • Financial incentives to hand over client relationships
Bar Associations Helping Solos & Small Firms

• Mentoring & sponsoring
• Practical CLEs - how to expand & run a business
• Marketing tools
• Blogs/social media
• Website development – technology resource
• Branding
Bar Association Strategies to Improve Diversity

• Women
  – Committee/Externships focused on getting women back to work
  – Provide discounts on bar membership & CLEs for unemployed lawyers
  – Host women-related programming
  – Partner with local & national women’s lawyers associations

• Lawyers of Color
  – Host minority recruiting events for all regional law schools
  – Appoint a diversity director
  – Create a mentoring across differences network
  – Host diversity programming
  – Partner with local & national minority bar associations
Bar Associations Enhancing Lawyer Satisfaction

- Subcommittee focused on work/life & satisfaction
  - Gender & reason neutral focus (not just women & not just parenting)
- Programs & materials for attorneys
  - Panels showing range of representative success stories
  - Programs demonstrating variety & alternative ways to practice
  - Resources on how to start your own law firm
  - Programs on work/life strategies & time management
  - Family friendly events
- Programs & materials for employers
  - Designing a women-friendly employer
  - Designing a work/life friendly employer
  - Family and/or women friendly awards
Identify bar & community leaders who qualify as sponsors
Identify high potential protégés, including women, men & people of color
Provide programming/ training of lawyers
   - Educate about the value & importance of sponsorship & how to ask
   - Train on how to cultivate sponsorship relationships effectively
   - Train on receiving & acting on constructive feedback
Provide programming for employers on facilitating sponsorship
   - Ways to make one-on-one sponsorship safe, no romantic speculation
   - Get men comfortable with sponsoring women
   - Strategies to coach & incentivize leaders to be sponsors
Bar Association Opportunities to Facilitate Leadership

• Provide leadership opportunities through the bar
  – Target 30% as the critical mass magic number for women’s leadership

• Provide programming for employers & lawyers
  – Create greater transparency & openness in the leadership pipeline
  – Groom high potential candidates for key roles & representation
  – Provide opportunities for shared leadership roles
  – Provide leadership training

• Help promote leaders in the legal community

• Partner with outside organizations to provide leadership opportunities
Bar Associations Focusing on Technology & New Legal Models

• Task Force on the Future
• Examples of New Model Firms:
  – Secondment
  – Virtual
  – Secondment/Virtual
  – Alternative Fee Firms
  – Alternative Hour / Flex-Time
  – Hybrid
    • Blended Professional Services – law & business
    • Publishing/Subscription
  – NAMWOLF - Minority & Women Owned
  – Legal Process Outsourcing (LPO)
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Bar Innovations, Examples

- Technology – E-Journal, Michigan; Mobile App Case Summaries, Ohio
- Rural Practice Projects – South Dakota, Iowa, Nebraska
- Incubator Programs – Columbus & Chicago
- Safe Harbor – Oakland County
- Retiring with Dignity – North Carolina
- Metro Bar & Law School Collaboration – Kansas City & Univ. of MO Kansas City Law School; Washington & state law schools
- Business School Collaboration – Indiana & Butler University
- Networks – Indianapolis
- Solo Practice Support – Maryland, New York, Boston & Minnesota
- Limited license for legal technicians - Washington
- Task Forces of the Future – New York, North Carolina
- Lawyers in Transition – New York, Massachusetts
Concluding Themes
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