

## How COVID-19 Impacts Law Firms

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As the world is reshaped by the 2019 novel coronavirus (COVID-19) pandemic, many industries will experience a transformation. Once the dust settles, the legal landscape will definitely look different.

### How COVID-19 affects the legal system broadly

COVID-19's influence on the practice of law can be felt most keenly in the courtroom. There are fewer cases overall, with hearings postponed, depositions canceled or rescheduled, and deadlines extended.

The urgency that usually drives the practice of law has been largely removed. So has the need for people to hire attorneys in the short-term. These delays and slow-downs pose a threat to income.

Cash flow has stalled and finances are in upheaval. Many people need access to other funds, including endowments, investments, structured payment plans, and more. In these circumstances, attorneys who help their clients with these types of financial activities should be prepared to act quickly.

### Court appearances and clients will be affected by COVID-19

The level of difficulty felt by firms as they make the switch to remote work during COVID-19 will depend upon two factors: court appearances and age of clients.

Many cases have been canceled or postponed, and [some courthouses have been shut down](#). Essential activities (like criminal bond hearings and family court cases involving child custody and visitation) are still occurring. Nonessential court cases (like evictions, workers comp, personal injury, etc.) have mostly been put on hold.

At the same time, firms will find that older clients require more face-to-face interactions. For estate planning, COVID-19 adds an extra layer of urgency as clients face difficult decisions in the face of potential incapacitation or death. For employment attorneys, clients who have been fired or laid off will require immediate assistance as they navigate unemployment, severance pay, non-compete clauses, and other challenges.

## **How COVID-19 will affect business law firms**

Business owners are likely to ramp up collections efforts in anticipation of defaults, forbearances, and alterations to short-term payment plans. Expect to see an uptick in non-compete litigation, especially from startups, as laid off or furloughed professionals seek out new employment opportunities.

## **COVID-19 will bring business law firms more clients**

The 2008 recession triggered the launch of new companies and entrepreneurs. A whole host of new business owners will emerge as a result of COVID-19. Lawyers will be in high demand to help companies emerge and evolve.

Between March 15-21, over 3.3 million people filed for unemployment – that's 1% of the country's population. As those individuals head back into the workforce, many will need to readjust their goals and expectations. Some of those jobs will never return or be fundamentally altered. This will provoke some to look outside their wheelhouse and explore other career avenues.

Business owners will seek attorneys to help them incorporate or legally protect their business. Lawyers will be tasked with helping business owners make decisions about tax status and deciding which entity they want to create, be it a sole proprietorship, limited liability corporation, or partnership. Clients will need help with operating and membership agreements for who's responsible for capital, P&L, stock, voting shares, and other concerns.

## **Use COVID-19 as an opportunity for your law firm to reassess and strategize**

Law firms should reassess and strategize during COVID-19. As a lawyer, I believe these adjustments and transitions from COVID-19 will ultimately leave organizations and attorneys in a better position. Firms will become leaner, agile, and adaptable.

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