The ABA recently released a report on July legal trends. It covers 11 vital subject areas, including metrics on the job market, diversity, the impact of the pandemic and overall trends legal professionals should be out the lookout for. The report is very detailed, so we’re providing a brief summary of key points of the report.
COVID-19 and the legal industry

The pandemic has had a massive effect on the legal sector, potentially changing how lawyers work forever. But has it affected everyone equally? To measure the impact of the pandemic, the ABA surveyed over 4,200 members between September 30, 2020, and October 11, 2020. During this time, most lawyers were working from home approximately 100% of the time. Many of them were having trouble separating work and home life. And unsurprisingly, the majority of them missed the social aspect of the office.

Impact on women

The survey made an important distinction between men and women working remotely. It found that both did feel some level of disruption from family and household obligations. However, it was much worse for women.

Participating firms reported that female lawyers were 12% more likely to have children. As such, women were much more likely to be interrupted while working. So, it’s not surprising to find out they felt more overwhelmed and stressed.

The effect on senior lawyers

Older lawyers were side-swiped by the shift to remote working. Retirement was actually one of the most notable areas affected. Almost one-third of lawyers made some change to their retirement plan. The action taken was nearly 50/50. Just over half of the group surveyed postponed their retirement. The rest hastened it.

The reason for this is unclear and varied. However, it’s suspected that loss of income was a sizable contributing factor.

The post-pandemic job market

The July legal trends report showed the number of active lawyers has changed since the pandemic. Nationally, the total lawyer count dropped by only one-tenth of a percent. On the state level, the percentages are drastically different.

Each state performs its own count of active lawyers and the statistics told a shockingly different story. The surprising part is that state size played no sizable factor. Vermont reportedly had the highest drop in lawyers with a whopping 39% who left. Yet states like Utah saw an abnormal increase of 31% growth, making Utah the fastest and most dramatic active lawyer growth in the nation. This could be due to the frequency of remote jobs and adoption of legal technology opening the opportunity for lawyers to practice anywhere.

Diversity is top of mind

While it may be slow and steady, law firms are making progress in diversity. For the first time, law firm diversity is improving. More than a decade ago, minorities only made up 6% of law firm partners. But now, in 2021, that number has risen above 10%.
These numbers improve significantly when looking at law firm associates. Especially when looking at cities like Miami, where those numbers increase to 32% – proving that location can make a massive difference! However, there seemed to be no correlation between percentages and firm size.

**Revenue and salaries**

For the past 20 years, attorney wages have grown faster than inflation. But, from 2019-2020, the average lawyer's salary increased by 2.5%. This is the first time in decades that wages increased the same amount as inflation. What a lawyer makes is dependent entirely on where they practice. However, the national average is around $148,910.

Unsurprisingly, California boasts the highest lawyer wages in the nation.

**Associate raises**

According to the ABA report, associates received a 6.5% increase to their median salary. However, the size of the firm plays a significant role in deciding salary size. Firms with over 700 attorneys were paying the highest median income of $190,000. In contrast, firms with 50 or fewer lawyers paid an average salary of $85,000.

When comparing the average in all firms nationwide. We see an average lawyer salary of $148,910.

**Staying in the Know**

Despite the pandemic, 2020 saw a record increase in law school enrollment. A total of 1,600 new attendees registered for classes at ABA-accredited schools. So why are more students seeking law degrees? According to an ABA survey, there are two commonly cited reasons for law school enrollment. The first being public servitude, and the second is the high salary. The latter being cited by 1 in 3 people surveyed.

It seems as though men are turning away from law schools. Because for the fourth straight year, the number of female law students grew. In fact, in 2020, most students of ABA-accredited schools were female.

This is surprising because, for many decades, white male students were the majority on campus.

**Graduation and unemployment rates**

During the pandemic, 2% more new law grads were unemployed. For the class of 2020, that meant 8.3% remained unemployed ten months after graduation. And that’s with more graduates taking public interest law jobs than in 2019—meaning less than half of all law school grads had jobs within ten months.

**Bar passage rates**

3 out of 4 first-time test takers passed the bar in 2020. That number is the highest
pass rate since 2013’s 78%. The total headcount of students taking the bar dropped by at least 10%. So, the pandemic may have affected their participation in the bar exam.

The rate of passage among the 50 states showed a significant difference. Kansas scored the highest passage rate with 89% among first-time test-takers. Louisiana and Rhode Island had the lowest rate, with only 60% passing.

**An outlook on the July legal trends**

It’s undeniable that the pandemic threw a wrench in how the legal industry operated. However, it’s important to note that many milestones were achieved, longstanding barriers were broken, and many shortcomings of the industry were brought to light.

The outlook for the legal industry is bright. As more law firms reevaluate how they manage their practice, there will continue to be significant changes to the legal landscape.

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