2024

Legal Trends for Solo and Small Law Firms

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Introduction

Solo lawyers and small firms play a critical role in the wider market for legal services. Whether serving their communities with a range of legal services or specializing in niche practice areas that help them stand out from competitors, these firms are often defined by the tailored experiences they provide for their clients. At the same time, solo and small firms enjoy the flexibility that comes with practicing on their own or amongst a smaller team with less overhead and organizational oversight.

But these benefits don't come without challenges. Developing close relationships with clients and the community at large can also mean having to prioritize client expectations at the expense of overall firm performance. And, with greater flexibility and less overhead comes increased responsibility for managing all aspects of a firm's operations—and with it, the burden of handling routine tasks that would otherwise fall to dedicated staff members in larger firms.

These challenges are evident in solo and small firm performance. While solo and small firms are opening more new matters and billing and collecting more than ever, looking at this performance within a larger context indicates that solo and small firms are only making modest gains in overall performance—and, in some cases, being outpaced by larger firms in performance areas previously dominated by solo and small firms.

Invoicing and collecting payments present another challenge for many solo and small law firms. While we see many solo and small firms performing well when it comes to invoicing and collecting payments early on, many others still struggle to bill or follow up on outstanding payments in a timely manner. These challenges, for those who recognize them, present an immense opportunity to harness the power of payment and collection solutions that help law firms get paid faster.

Artificial intelligence offers another potential opportunity for solo and small firms seeking ways to automate their processes. Perhaps unsurprisingly, there is significant appetite amongst these firms to adopt AI technology—and, for those who do so quickly, the potential for transformative impact.

The *Legal Trends for Solo and Small Law Firms* report looks at what distinguishes solo and small law firms from larger practices. Since no one-size-fits-all measure of success exists, this report provides insight into key trends across multiple perspectives—including financial performance, productivity, and client expectations regarding online payments.

By analyzing these insights, we identify where solo and small law firms often face their greatest challenges and how they can work toward overcoming them.

SOLO AND SMALL FIRMS VERSUS LARGER FIRMS

This report defines solo law firms as those with one lawyer, and small firms as those with two to four lawyers and legal professionals. To distinguish trends characteristic of small businesses in legal, we compare them to a pool of law firms with larger headcounts, referred to as "larger firms" throughout the report. These are broad groups to compare, but in doing so, we've been able to shed light on important trends distinguishing these cohorts. While no firm size is objectively better than the other, there is no denying that as the structure and makeup of firms differ, the circumstances for those who work in them differ as well.

However, the findings in this report don't just apply to solo and small law firms—they can be useful for any firm that operates similarly, with lower overhead and less managerial supervision.

NEW THIS YEAR

We've introduced a number of new analyses for the *2024 Legal Trends for Solo and Small Law Firms* report, summarized as follows:

EXPANDED ANALYSIS OF THE STATE OF LEGAL PRACTICE

We've broadened our analysis of business performance to include data as far back as 2016. This expanded historical view allows us to identify longer-term trends that provide a more robust comparison of how solo and small firms have evolved—and puts into perspective more recent changes relative to past performance.

A NEW METRIC FOR FIRM PERFORMANCE: LOCKUP

We've introduced the concept of "lockup" as a measure of law firm cash flow, which we break down across each firm size. This metric includes both realization lockup, which looks at how much of a firm's revenue sits in an unbilled state, and collection lockup, which measures how much of a firm's revenue has been billed but remains unpaid. Reducing total lockup increases cash flow, which is in turn key to investing in better law firm processes.

PERCEPTIONS ON AI IN LEGAL PRACTICE

In our surveys of legal professionals and the general population, we've undertaken an extensive study that looks at new important perspectives on the use of AI for solo and small legal practices. With AI's rapid early public adoption, this data gives insight into where the legal industry is at in comparison, and where the greatest opportunities lie for future innovation.

DATA SOURCES

The *2024 Legal Trends for Solo and Small Law Firms* report uses a range of methodological approaches and data sources to deliver the best insights about the state of legal practice and strategies for future growth.

CLIO DATA

We've analyzed aggregated and anonymized data from tens of thousands of legal professionals in the United States, segmented based on firm size, to observe differences in usage patterns among solo firms, small firms, and larger firms. This data provides important insights into how technology is being used by legal professionals, as well as its impact on firm performance.

SURVEY OF LEGAL PROFESSIONALS

We surveyed 1,446 legal professionals, segmented based on firm size, to distinguish and compare responses between solo firms and other cohorts, from May 31 to July 20, 2023. The legal professionals we surveyed included lawyers as well as support staff—such as paralegals and administrators—who are engaged in the management side of their practice.

SURVEY OF THE GENERAL POPULATION

We surveyed 1,012 adults in the U.S. general population from June 13 to June 22, 2023. This survey was designed to gauge attitudes, opinions, preferences, and behaviors regarding the legal profession among individuals who have hired lawyers in the past or who may become potential legal clients in the future. This sample is representative of the U.S. population by age, gender, region, income, and race/ethnicity based on the most recent U.S. census statistics.

Part 1

The state of legal practice for solo and small firms

By looking at aggregated and anonymized data from tens of thousands of legal professionals using Clio, we've benchmarked major trends in business performance throughout the legal industry since 2016.

For lawyers in solo and small firms, this data provides valuable insight into understanding how their businesses compare to others in the industry while identifying key factors for assessment and improvement.

SOLO FIRMS AREN'T KEEPING UP WITH CONSUMER PRICE INDEX (CPI) INCREASES

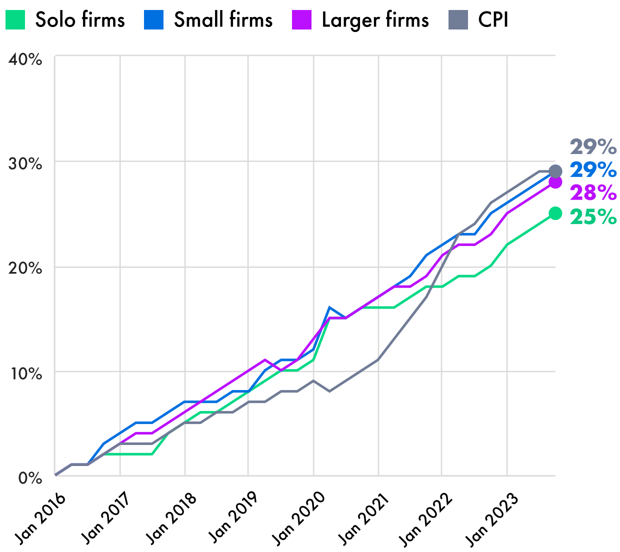
For consumers, the increased cost of goods and services and rising inflation rates have been evident throughout 2023 and into 2024. This has been the case whether purchasing groceries, office supplies, or legal services.

Law firms are undoubtedly experiencing the impact of inflation, and many have adjusted their hourly rates to compensate for economic changes.

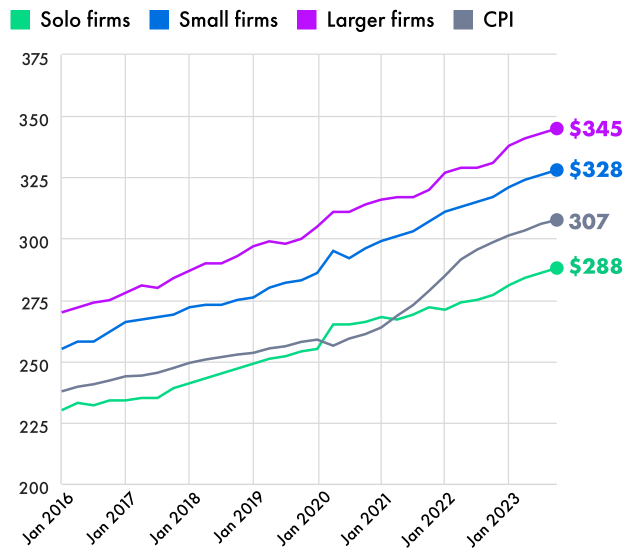
Service providers—including lawyers—are also undoubtedly experiencing the impact of inflation, and many have adjusted their hourly rates to compensate for economic changes.

However, many lawyers are not increasing their hourly rates relative to the Consumer Price Index (CPI). The CPI has increased by 29% since 2016 and, while lawyers in small firms have kept pace with this increase, larger firms fall slightly behind with a 28% increase. Lawyers in solo firms are struggling to keep pace, having only increased their hourly rates by 25% since 2016.

Increases in lawyer hourly rates relative to the CPI



Hourly rates in legal



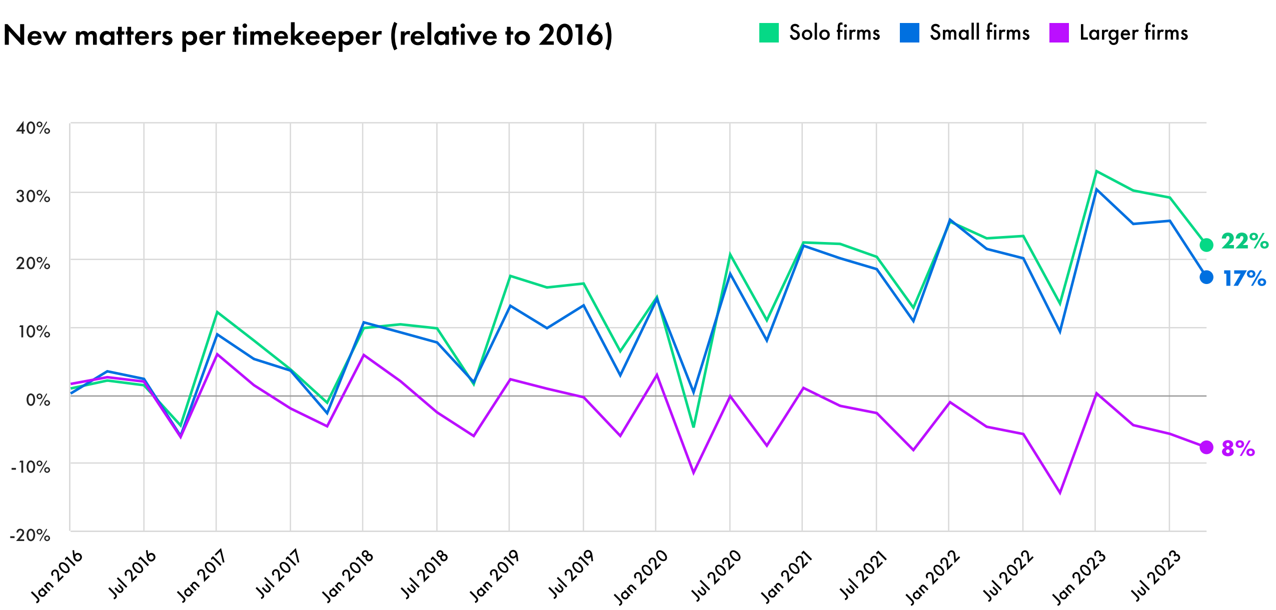
With average solo lawyer hourly rates failing to match inflation, many solos may want to consider a rate increase. However, raising rates can come with challenges, particularly among solo firms that serve individual clients or dedicated communities. For example, solo firms may feel that they are more likely to adversely impact existing client relationships or make themselves less competitive among other firms who offer similar services. In some cases, these firms may be better served by not raising their rates (or by raising their rates at a slower pace).

SOLO AND SMALL FIRMS ARE OPENING MORE NEW MATTERS THAN EVER BEFORE

For solo and small firms in particular, the number of new cases they take on can offer a key measure of their success. It not only tells us whether a firm is taking on more new clients (or repeat clients with new legal issues) but how much work each firm member is able to take on.

Of those who bill their time to clients, solo and small firm members have taken on more cases when compared to 2016. Larger firms, on the other hand, are taking on fewer new matters: compared to 2016, they are taking on nearly 8% fewer matters per timekeeper.

Solo and small firm members who bill their time have taken on more cases over time when compared to 2016.



Considering that both small and larger firms are likely spreading their labor across a wider base of employees (including paralegals and administrative staff), these findings are especially noteworthy for solo practitioners. Solo lawyers are not only taking on more new cases, but they're also doing so with reduced dependence on paralegals and other administrative staff, suggesting that they're discovering efficiencies that allow them to take on more work.

However, taking on more cases over time does not necessarily indicate that solo and small firms are outperforming larger firms when we look at overall billing and collection performance.

BILLING AND COLLECTION PERFORMANCE IS STRONG AMONG SOLO AND SMALL FIRMS, YET BILLABLE HOURS ARE DROPPING

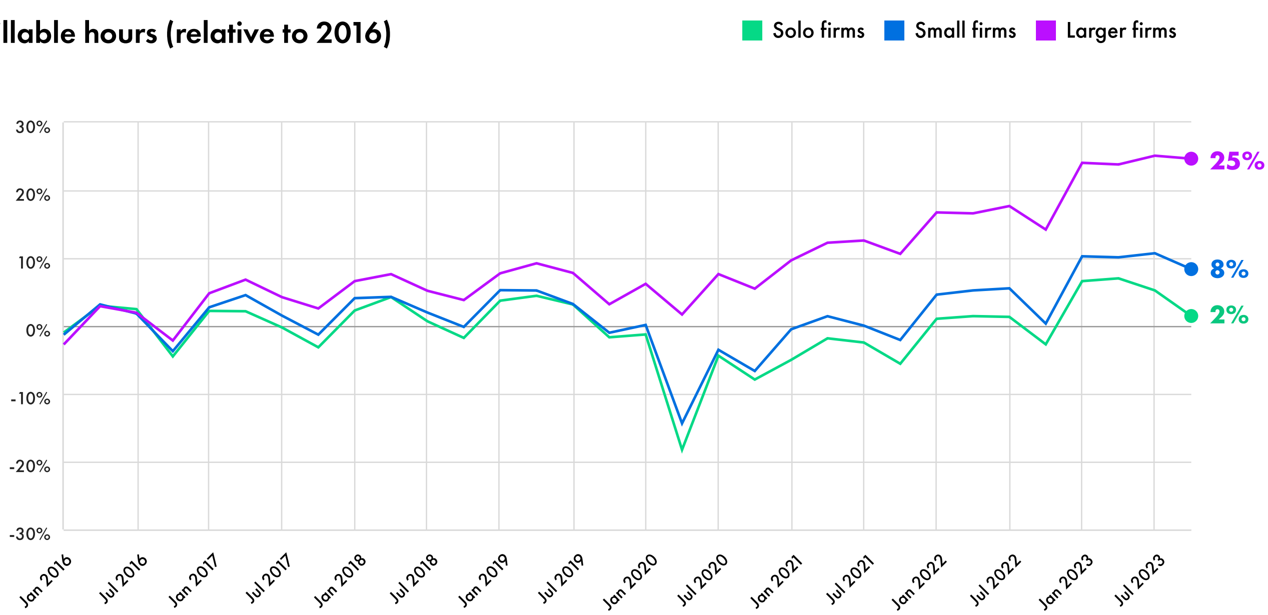
Compared to 2016, solo and small law firms have only experienced minor growth in the number of billable hours captured by their employees.

Small law firms have captured 8% more billable hours than in 2016, while solo firms have captured just 1% more. Both solo and small firms also appear to be experiencing a decrease in the number of billable hours captured compared to 2016.

This performance trails significantly behind the growth enjoyed by larger law firms: since 2016, these firms have captured nearly 25% more billable hours. One reason for this could be that despite taking on fewer new cases due to the types of clients they serve, larger firms may be more likely to work with larger or institutional clients on an ongoing basis and opening fewer new files as a result. This is likely in contrast to solo and small firms, which are more likely to work with individual clients on more discrete legal issues.

Both solo and small firms also appear to be experiencing a decrease in the number of billable hours captured compared to 2016.

Billable hours (relative to 2016)

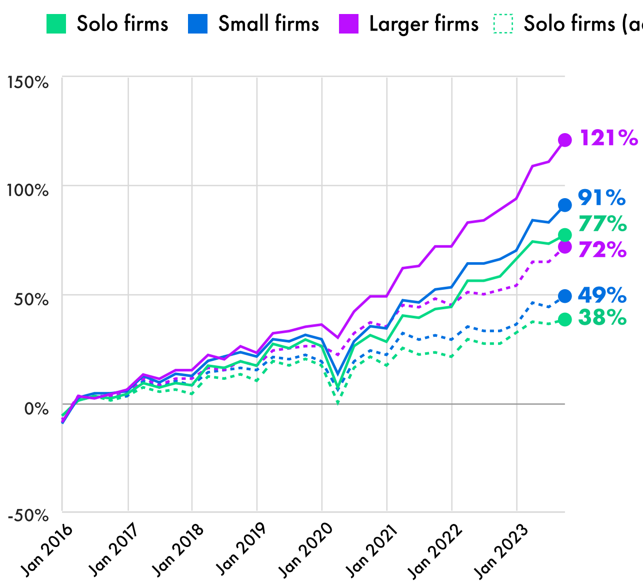


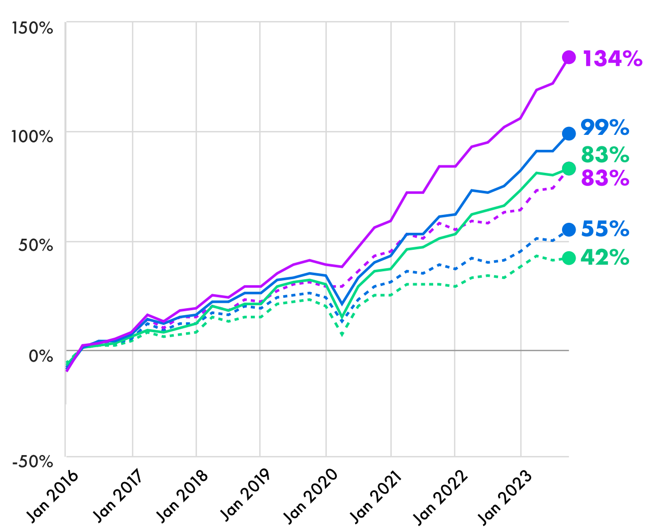
Despite the minimal growth in billable hours among solo and small firms, in terms of revenue, lawyers in solo and small law firms are actually billing and collecting more than ever before. Solo lawyers are billing over 75% more and collecting over 80% more revenue than in 2016, while small firm lawyers are billing over 90% more and collecting nearly 100% more than in 2016.

Even when adjusting for inflation, solo firms are billing 38% more and collecting 42% more revenue, while small firms are billing 49% more and collecting 55% more than in 2016.

Billed amount (relative to 2016)

Collected amount (relative to 2016)





MARGINAL GAINS LEAD TO MAJOR GROWTH

In addition to increases in hourly rates, key business metrics help explain why solo and small firms are experiencing growth in billed and collected amounts without taking on many more cases. Primarily, this has to do with the fact that these firms are finding ways to capitalize on their billable hours like never before—and yet with still much untapped opportunity to improve.

KEY PERFORMANCE INDICATORS

Clio's key performance indicators (KPIs) provide benchmark insights into how law practices are performing over time, giving firms insight into how to measure and improve their performance.

Each KPI significantly affects the next, and when looked at together, they tell us how well a business is performing in terms of its earning potential.

Law firms seeking to improve their revenue should pay attention to three KPIs

- **Utilization rate** measures the percentage of an eight-hour work day that gets put towards billable work.
- **Realization rate** measures the percentage of billable work that gets invoiced to clients.
- **Collection rate** measures the percentage of invoiced work that gets paid.

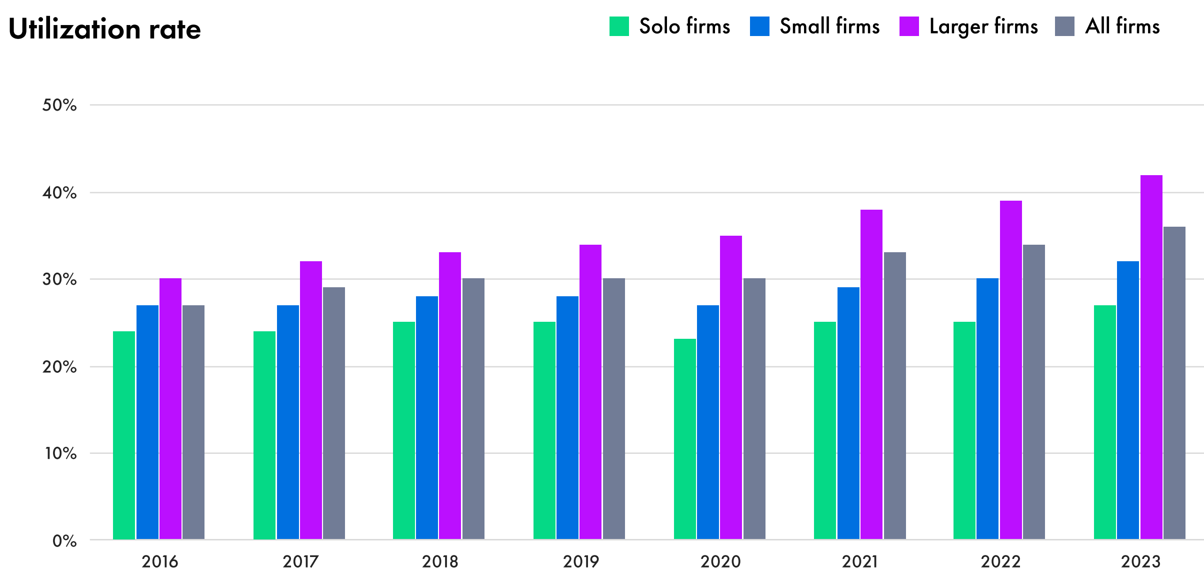
Each KPI significantly affects the next, and when looked at together, they tell us how well a business is performing in terms of its earning potential. For example, even if a law firm has a high utilization rate, if it suffers from low realization and collection rates, it limits how well that law firm can capitalize on the work performed by its staff.

SOLO AND SMALL FIRM UTILIZATION RATES ARE GROWING—BUT TRAILING BEHIND THE UTILIZATION RATES OF LARGER FIRMS

Since 2016, utilization rates have risen steadily for both mid-sized and smaller law firms. However, among mid-sized firms, the year-to-year increases in utilization rates have consistently outpaced those in smaller firms, aligning with the significant increases in billable hours. This indicates that lawyers in mid-sized firms are finding more effective ways to streamline their workdays and put more time toward billable work.

Larger firms enjoy average utilization rates that are 10% higher than small firms and 15% higher than solo firms.

Furthermore, while larger firms have enjoyed year-over-year increases in utilization rates, solo and small firms experienced setbacks in 2020, likely due to challenges associated with the COVID-19 pandemic, which may have further hampered their growth in this area. Overall, solo firms have only increased their utilization rates by 3% since 2016 while small firms have increased their utilization rates by 5%. Larger firms, on the other hand, have increased their rates by 12%, explaining why larger firms are capturing more billable hours than solo and small firms.

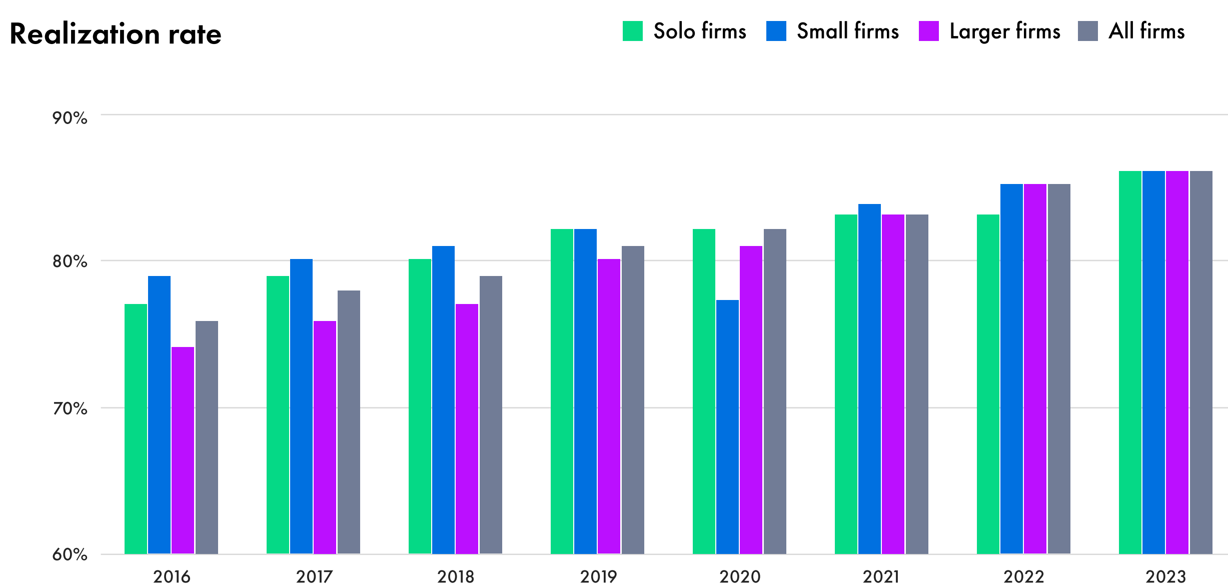


LARGER FIRMS ARE CATCHING UP ON SOLO AND SMALL FIRM REALIZATION RATES

Since 2016, solo and small firms have historically outperformed larger firms on their realization rates—until recently. In 2021, larger firm realization rates caught up with solo firm realization rates and, in 2022, matched small firm realization rates. As of 2023, firms of all sizes had a realization rate of 86%. Solo firms, in particular, enjoyed an increase of 3% between 2022 and 2023, suggesting that these firms are actually invoicing more of their billable work.

Overall, solo and small firms have enjoyed similar overall increases in their realization rates since 2016. Solos have managed to increase their realization rates by 9% since 2016 while small firms have increased their realization rates by 7%. Still, these improvements outperformed the improvements of larger firms, which have increased their realization rates by 12% since 2016.

Larger firm realization rates caught up with solo firm realization rates and, in 2022, matched small firm realization rates.



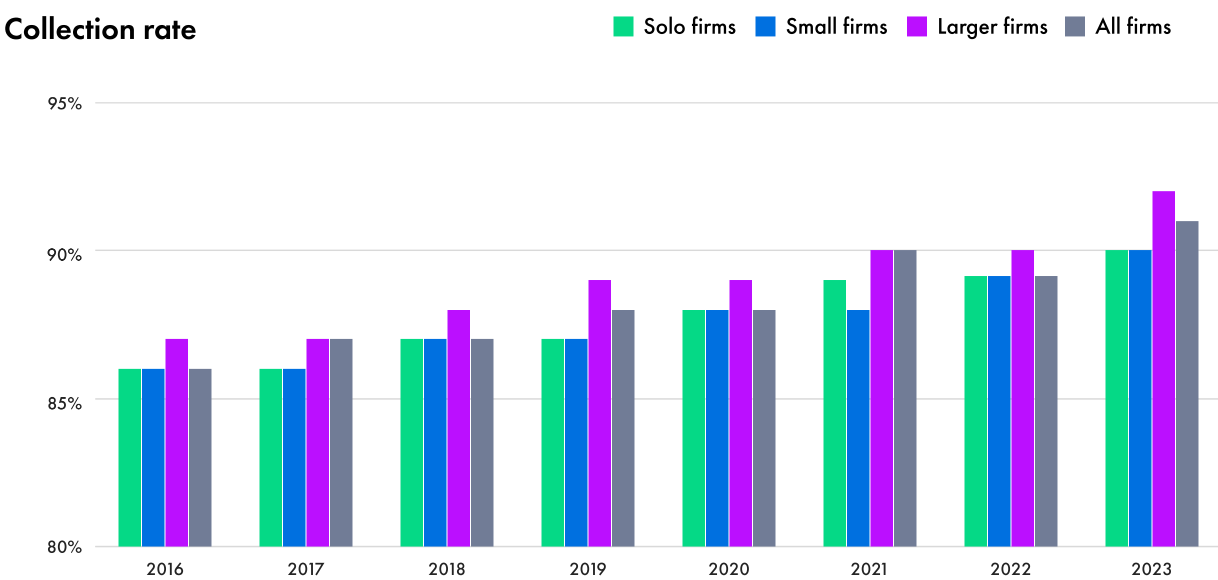
COLLECTION RATES ARE IMPROVING FOR FIRMS OF ALL SIZES—BUT NOT BY MUCH

While collected amounts tell us a lot about how much revenue a firm collects for each of its lawyers, it's also important to consider overall collection rates—that is, the percentage of invoiced work that actually gets paid for by clients. Firms that collect a substantial amount of revenue but have low collection rates are likely missing out on a lot more that they could be earning.

Since 2016, firms of all sizes have achieved similar collection rates, with larger firms enjoying a slight lead against solo and small firms. Overall, collection rates have improved for firms of all sizes. In 2020, both solo and small firms matched the collection rates of larger firms and fell behind in 2022 despite increasing their year over year collection rates by 1%.

Since 2016, solo and small firms have only increased their collection rates by 4%. Larger firms have not fared much better—they have only increased their collection rates by 5%. So, while firms of all sizes are improving their collection practices, it appears that they may not be fully realizing opportunities to more efficiently collect payment from clients.

While firms of all sizes are improving their collection practices, larger firms appear to be finding more efficient ways to collect payment from clients.



POOR BILLING AND COLLECTION PRACTICES ARE HURTING SOLO AND SMALL FIRMS' CASH FLOW

If solo and small firms are collecting more than ever, why should they care about their utilization and realization rates? Ultimately, the amount they collect should be considered against the full scope of billable work they take on and bill to clients. Namely, if firms aren't maximizing their realization rates, those firms are not fully capitalizing on the work performed by their staff.

Take, for example, the utilization rates among larger firms and solo and small firms.

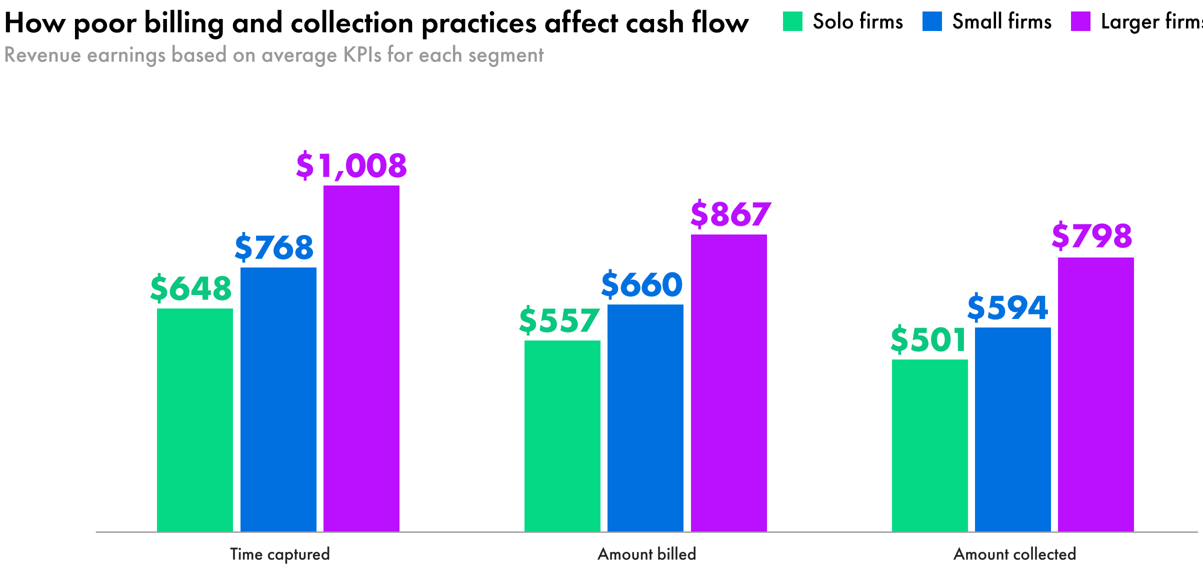
Assuming an average hourly rate of $300, when we compare the utilization rates among lawyers in larger firms (42%), small firms (32%), and solo firms (27%), a lawyer in a larger firm will perform $1,008 in billable work, while a small firm lawyer will perform $768 and a solo lawyer will perform $648 on a given day.

If firms aren't maximizing their realization rates, those firms are not fully capitalizing on the work performed by their staff.

However, when we factor in the realization and collection rates among these firms, we see that a lawyer in a small firm will only bill for $660 of the work performed and a solo lawyer will only bill for $557 on a given day. And, when it comes to the amount that lawyers in these firms actually collect on a given day, a small firm lawyer will collect $594 and a solo lawyer will only collect $501.

Overall, the average lawyer in a small firm is losing out on over $174 and the average solo lawyer is losing out on $147 in revenue each day, based on poor billing and collection practices alone.

These losses add up. For example, assuming that each lawyer works 262 days per year, each lawyer in a small firm is losing up to $45,588 in revenue per year. For a small firm that has four full-time lawyers, this means the firm could be losing $182,352 in revenue per year. For solos—who rely only on themselves—they could be missing out on up to $38,514 in revenue per year.



These examples underscore the need for solo and small firms to take control of their billing and collection practices. To truly reap the benefits of improved utilization rates, solo and small firms need to look at how well they are billing, and collecting on billed amounts. In particular, these lawyers should be paying attention to how quickly and consistently they are getting paid. In the next section, we introduce the "lockup" KPI to help solo and small firms assess their cash flow.

Part 2

Lockup

In the *2023 Legal Trends Report*, we introduced the concept of "lockup." This accounting term helps law firms assess cash flow in their businesses by showing how much revenue—measured in days of work—is unbilled and uncollected at any given time.

Knowing how many days' worth of work are held in lockup gives us an understanding of what cash flow looks like in a law firm. Firms with a high amount of revenue stuck in lockup—relative to expected annual earnings—have slower cash flow. On the other hand, firms that can bill out and collect on their work more efficiently will have less of their revenue in lockup, which will see them achieve greater cash flow.

Knowing how many days' worth of work are held in lockup gives us an understanding of what cash flow looks like in a law firm.

Lockup consists of three measures within the billing process

- **Realization lockup** is the amount of revenue that is unbilled at any given time (also known as “work-in-progress lockup”).
- **Collection lockup** is the amount of revenue that is uncollected at any given time (also known as “debtor lockup”).
- **Total lockup** is a combination of revenue held in both realization and collection lockup.

WHY SOLO AND SMALL FIRMS SHOULD CARE ABOUT LOCKUP

Having cash on hand means that a business has the working capital to cover all of its short- and long-term costs and can pay them out on time. And, while cash flow is important for all businesses, staying on top of cash flow is especially critical for solo and small law firms.

Operating with leaner resources and servicing individual clients with one-off issues can create a “feast or famine” cycle for solo and small firms, making the challenge of getting paid promptly of critical importance. Ensuring that no work goes unbilled and outstanding payments are collected promptly can help solo and small firms ensure that they have the cash on hand to ensure the long-term success of their business.

Operating with leaner resources and servicing individual clients with one-off issues can create a "feast or famine" cycle for solo and small firms, making the challenge of getting paid promptly of critical importance.

MEASURING LOCKUP

Calculating realization and collection lockup allows law firms to determine how many days' worth of unbilled or uncollected work they are carrying. But how is it done?

To calculate realization lockup, divide your firm's work in progress (or, the amount of unbilled work carried by your firm) by your previous year's fiscal collections. Then, multiply the resulting number by 365 to obtain your firm's realization lockup—or the days of revenue locked in unbilled work carried by your law firm.

Realization lockup = (work in progress divided by previous fiscal year's collections) x 365 days

To calculate collection lockup, divide your firm's accounts receivable by your previous year's fiscal collections. Then, multiply the resulting number by 365 to obtain your firm's collection lockup—or the days of revenue locked in uncollected work carried by your firm.

Collection lockup = (accounts receivable divided by previous fiscal year's collections) x 365 days

To determine your firm's total lockup, you'll need to first calculate both realization and collection lockup. Adding the resulting numbers together will provide you with your total lockup.

Total lockup = realization lockup plus collection lockup

Understanding how your firm's lockup performance measures up against other firms is equally important. Below, we'll explore the median lockup performance among solo and small firms and how they compare to larger firms.

REALIZATION LOCKUP

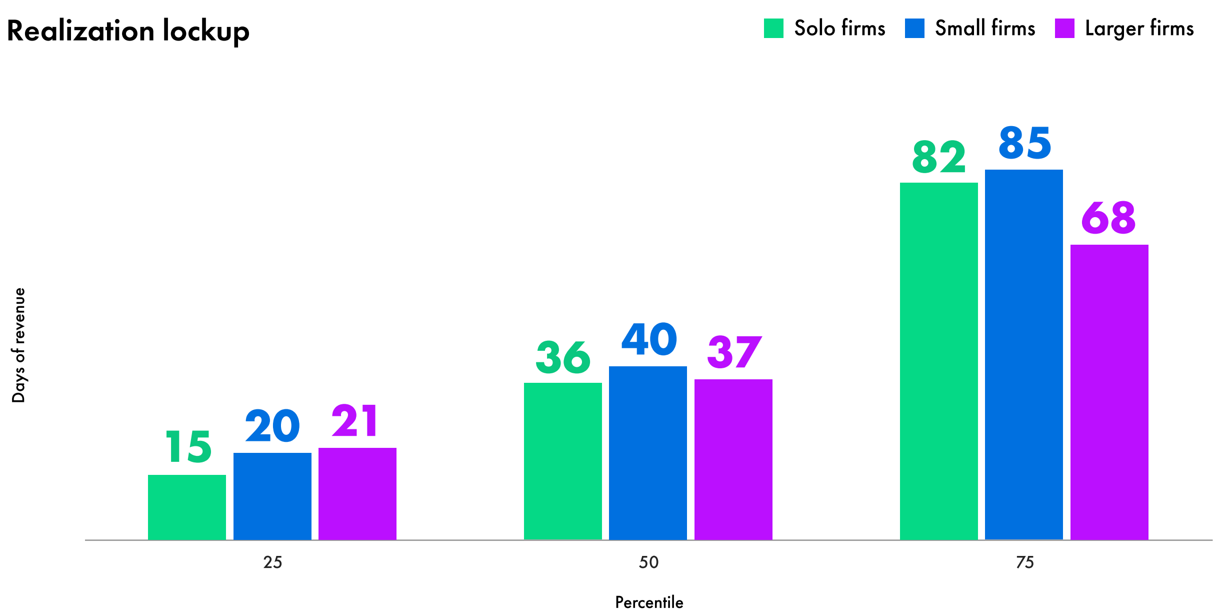
Many solo firms are outperforming both small and larger firms when it comes to realization lockup.

The median realization lockup for solo firms is 36 days (compared to 40 days for small firms and 37 days for larger firms). Furthermore, the top 25% of solo firms have a median realization lockup of 15 days (compared to 20 days for small firms and 21 days for larger firms). This indicates that the top-performing solo law firms are able to get their bills out to clients much faster than any of the other types of firms.

However, while the top 25% of solo firms are especially proficient at quickly issuing bills, the bottom 25% of solo firms have a median realization lockup of 82 days (compared to 85 days for small firms and 68 days for larger firms). In this case, the lowest-performing solo firms are much worse than the lowest performing large firms, though not quite as bad as the worst performing small firms.

Put simply, many solo and small firms appear to either be very good—or very bad—at getting bills out the door.

Solo firms have a slightly lower median realization lockup than larger firms, while small firms have a slightly higher median realization lockup.

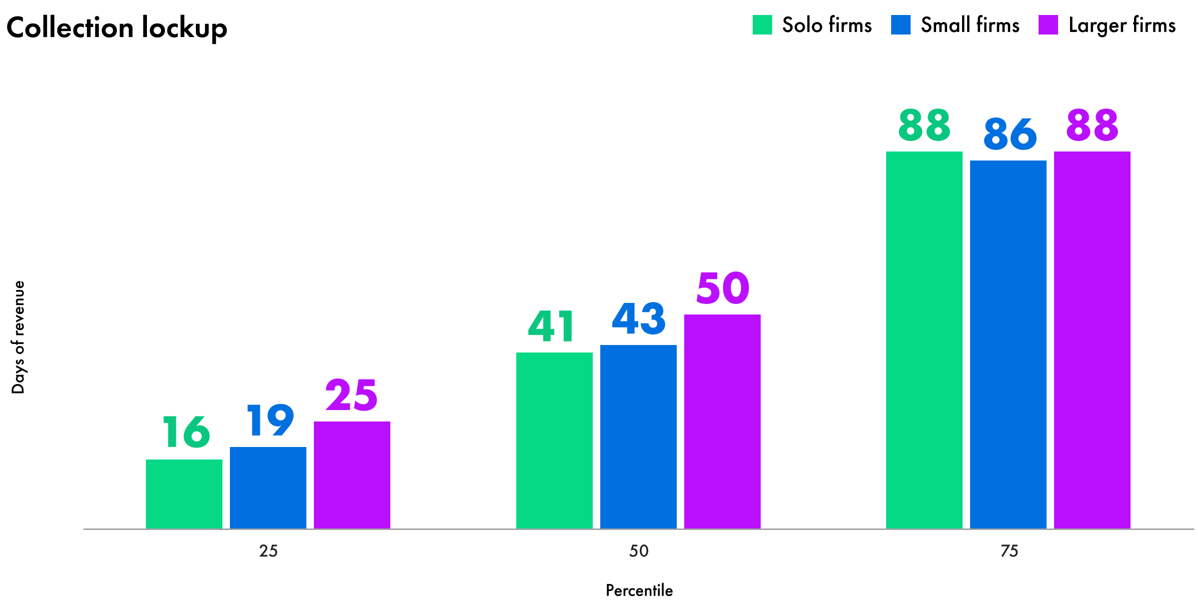


COLLECTION LOCKUP

Many solo firms are also outperforming both small and larger firms when it comes to collection lockup. The median collection lockup that solo firms carry is 41 days (compared to 43 days for small firms and 50 days for larger firms). The top 25% of solo firms have a median collection lockup of 15 days (compared to 20 days for small firms and 21 days for larger firms). Again, the top-performing solo law firms are the very best at getting their clients to pay their bills.

Like realization lockup, however, the bottom 25% of solo firms are performing just as poorly as larger firms and are marginally outperformed by small firms. The bottom 25% of solo firms have a median collection lockup of 88 days (compared to 86 days for small firms and 88 days for larger firms). In other words, the lowest performing firms of all sizes struggle significantly to get their clients to pay them.

The median collection lockup of larger firms is 50 days (which is higher than the median collection lockup of both small and solo firms).



TOTAL LOCKUP

As highlighted above, total lockup is calculated by adding a firm's realization and collection lockup days. This data tells us how many days worth of a law firm's expected annual revenue sits in an unbilled or unpaid state, and it gives us an indication of a law firm's overall cash flow.

Here, again, we see that the top 25% of solo and small firms perform well relative to larger firms. The median total lockup among solo firms is 92 days. The top 25% of solo firms have a median total lockup of 46 days, while the bottom 25% of solo firms have a median total lockup of 177 days. The median total lockup among small firms is 97 days. The top 25% of small law firms have a median total lockup of 54 days, while the bottom 25% have a median total lockup of 177 days.

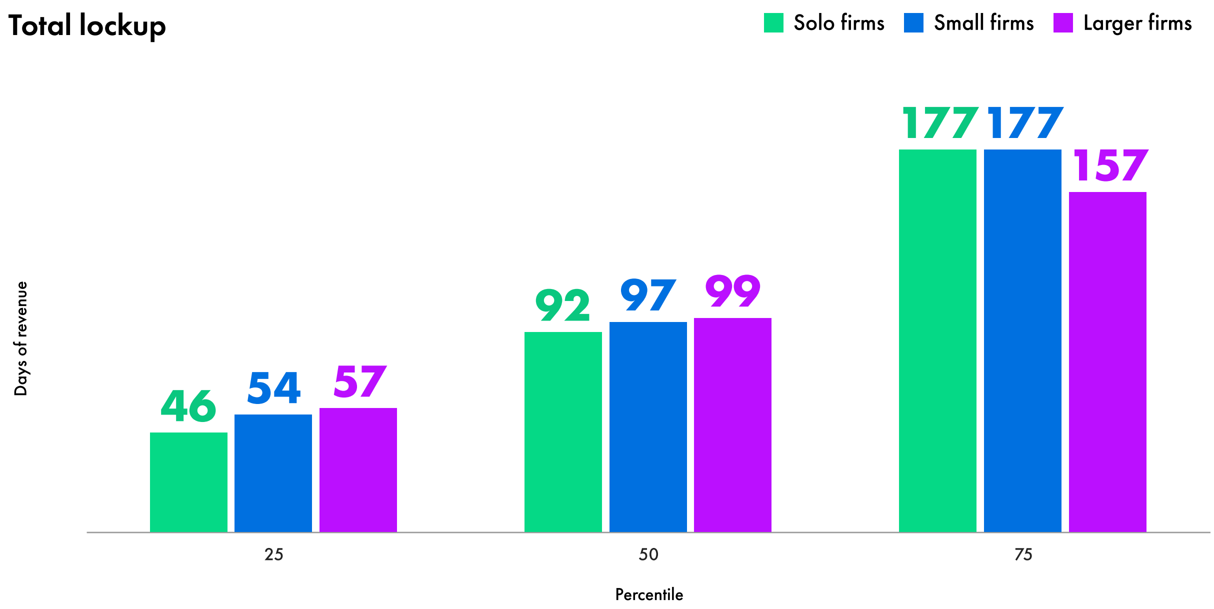
Many solo and small firms face significant challenges invoicing and collecting on outstanding payments.

By comparison, the median total lockup among larger firms is 99 days (slightly higher than both small and solo firms). The top 25% of larger firms have a median total lockup of 57 days (higher than both small and solo firms).

However, when we look to the bottom 25% of larger firms, a different story emerges: these larger firms have a total lockup of 157 days—20 days shorter than the bottom 25% of both solo and small firms.

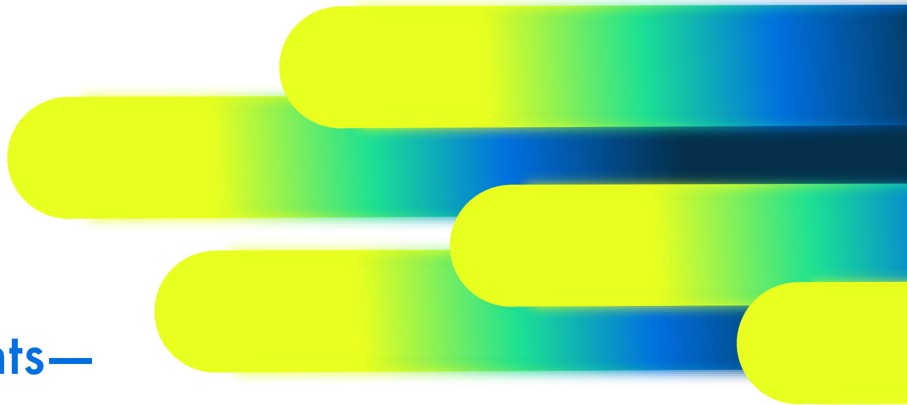
There could be practical reasons for this performance. For one, larger firms may face institutional barriers that make prompt invoicing and collection more challenging—even among the best performing (for example, various departments that need to review or follow up on payments after the work is completed), while small and solo firms enjoy the flexibility offered by lean administration, allowing them to quickly bill and follow up with clients as needed.

However, the lowest performing solo and small firms likely face significant challenges invoicing and collecting on outstanding payments. One potential challenge could be the types of clients these firms service: for example, when working with individual clients, solo and small firms may be more hesitant to send delayed invoices or follow up on uncollected payments due to the impact on client satisfaction. Another challenge might come from the comparatively limited administrative resources of small and solo firms: over time, if a bill has not been invoiced or payment has not been collected, these firms may simply not have the resources to continue following up.



FEATURES AND WORKFLOWS ASSOCIATED WITH REDUCED LOCKUP

What can solo and small firms do to reduce their total lockup, and overall payments performance? They can turn to technology, and the billing and payments capabilities of solutions like Clio.



Enabling online payments—like Clio Payments—can help solo and small firms reduce longer total lockup periods.

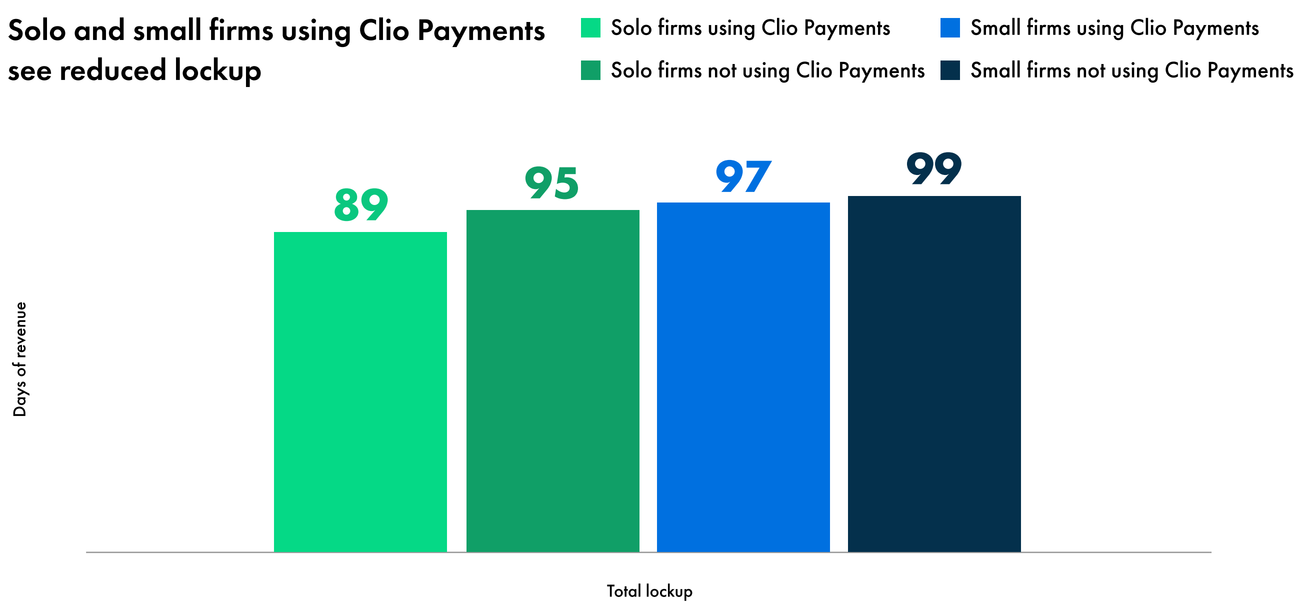
CLIO PAYMENTS

Enabling online payments—like Clio Payments—can help solo and small firms reduce longer total lockup periods.

Solo firms that use Clio Payments have total lockup that is shorter by six days' worth of revenue, while small law firms that use Clio Payments have total lockup that is shorter by two days' worth of revenue.

Put another way, if we take the calculated figures from Part 1 on firms' average collected amounts per lawyer, using Clio Payments would result in a solo firm having $1,002 more revenue on hand, while a small firm would have $1,188 more revenue per lawyer at any given time.

Solo and small firms using Clio Payments see reduced lockup



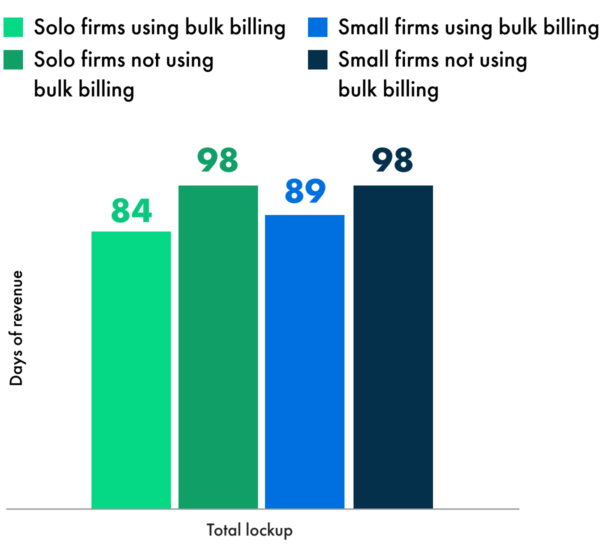
BILL SHARING

Legal billing software can also help law firms get bills out faster. Law firms can instantly generate bills for individual clients and matters, and once the bills have been approved, they can be sent directly to client inboxes, allowing clients to pay them that much faster.

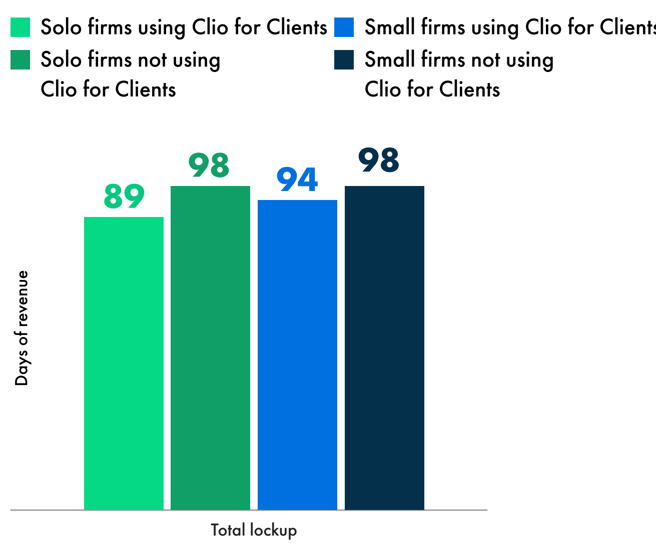
Billing software also provides several options for sending bills to clients, many of which are associated with reductions in lockup, including:

- **Bulk billing:** When law firms use bulk billing (a Clio feature that allows law firms to instantly draft all of its bills—or a selection of bills—for clients with unbilled activities), small firms carry a total lockup that is shorter by nine days' worth of revenue. Solo firms using bulk billing carry a total lockup that is shorter by 14 days' worth of revenue.
- **Clio for Clients:** When law firms use Clio for Clients (a Clio feature that allows law firms to communicate and share bills securely with their clients), small firms carry a total lockup that is shorter by four days' worth of revenue. Solo firms using Clio for Clients carry a total lockup that is shorter by nine days' worth of revenue.

Solo and small firms using bulk billing see reduced lockup



Solo and small firms using Clio for Clients see reduced lockup



HOW SOLO AND SMALL LAW FIRMS CAN REDUCE LOCKUP

Shortening lockup periods reduces the time it takes to get paid for client work, leading to healthier cash flows, less time spent chasing unpaid bills, and less risk of not getting paid.

Reducing lockup with Clio features

To reduce lockup, solo and small firms should take advantage of the billing and payment features available to them in Clio, many of which are associated with shorter lockup periods:

- Enable Clio Payments to improve how you bill and collect payments for your work.
- Taking advantage of bill sharing features (including bulk billing and Clio for Clients) to help automate the billing process, while making it easier for clients to pay their bills.
- Explore offering alternative payment options, such as payment plans, which can be easily set up in Clio Payments and help support clients in paying their legal fees.

Part 3

Getting paid faster

As discussed in Part 1, solo and small firms are making improvements when it comes to their KPIs. The average realization and collection rates among solo and small firms were 86% and 90%, respectively. While these numbers may look great on their own, we also have to look at what's missing—the 14% of billable hours that solo and small firms aren't invoicing to clients, or the 10% of billed amounts that aren't being collected from clients. Here, it becomes clear that solo and small firms have tremendous opportunities to improve their realization and collection rates.

Furthermore, as we uncovered in Part 2, many solo and small firms are struggling to bill and collect on outstanding payments, particularly among those who do not bill or collect payments in a timely fashion. These delays can impact cash flow or create added risk of not getting paid, putting significant strain on law firms.

So, how can solo and small law firms improve their realization rates and collection rates—or, put simply, how can they bill and get paid faster?

Below, we'll discuss the problems inherent to billing and collecting payments from clients in solo and small law firms, and how to implement solutions that improve overall collections while also increasing cash flow.

Solo and small firms have tremendous opportunity to improve their realization and collection rates.

SOLO AND SMALL FIRMS REPORT STRUGGLING WITH BILLING AND COLLECTIONS

Overall, lawyers in solo and small firms are satisfied with their professional lives—and believe that their clients are satisfied with the work they do on their behalf. That being said, both solo and small firm lawyers struggle with their overall workload, growth, and the amount of revenue their firms bring in.

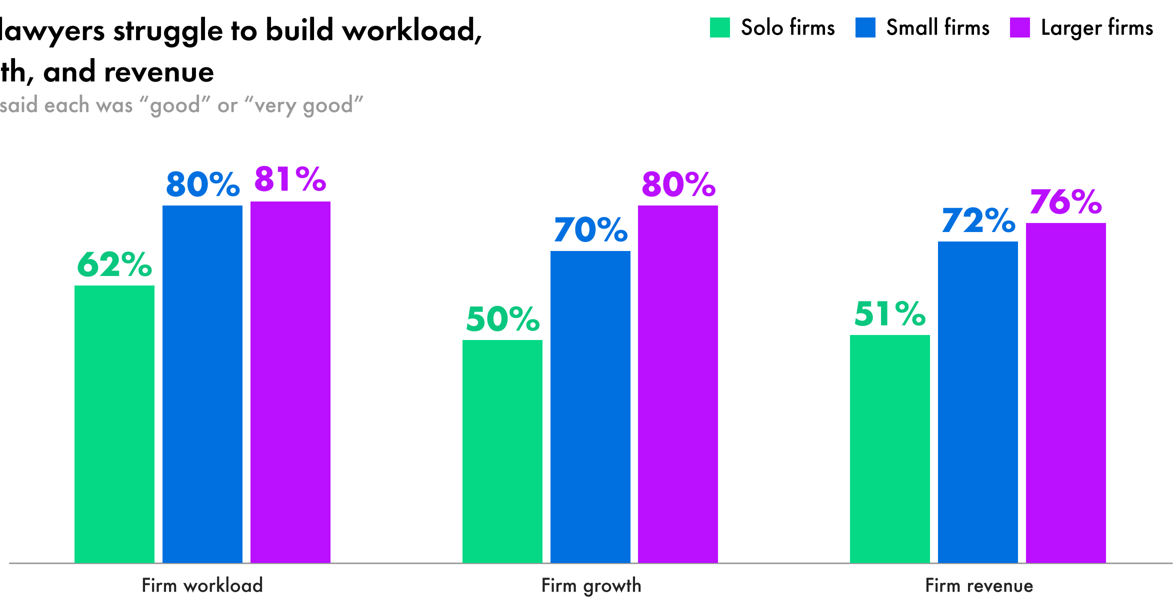
Solo lawyers are especially unsatisfied with their overall workload: only 62% of solo lawyers are satisfied with their overall workload, compared to 80% of small firm lawyers and 81% of lawyers in larger firms. These results are unsurprising, given the comparatively limited resources that many solo lawyers have at their disposal to market their firms and to find new clients.

Solo lawyers also struggle more than lawyers in small firms and larger firms with firm growth and revenue: only 50% of solo lawyers are satisfied with the overall growth of their firm (compared to 70% of small firm lawyers and 80% of lawyers in larger firms) and 51% are satisfied with the amount of revenue their firm brings in (compared to 72% of small firm lawyers and 76% of lawyers in larger firms).

Both solo and small firm lawyers struggle with their overall workload, growth, and the amount of revenue their firms bring in.

Solo lawyers struggle to build workload, growth, and revenue

% who said each was "good" or "very good"



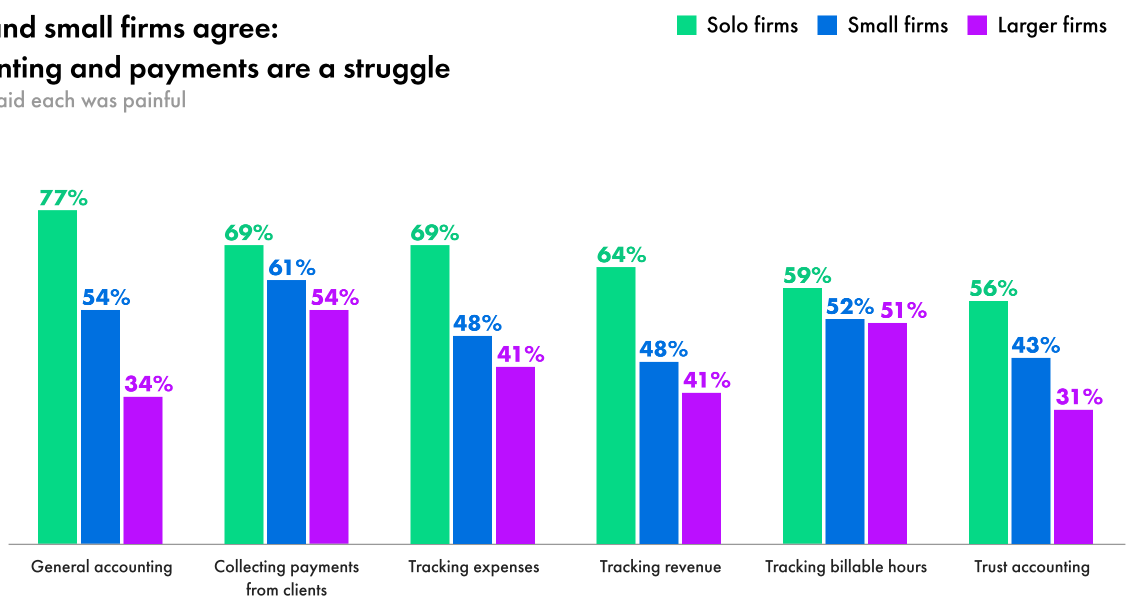
Looking at the specific tasks that firms of different sizes struggle with helps to uncover the root of some of this dissatisfaction.

Solo lawyers, in particular, are much more likely than lawyers in small and larger firms to struggle with expense tracking, general accounting, tracking billable hours, and collecting payments with clients—tasks which not only take up significant administrative time but contribute to the overall growth and revenue of any law firm.

This is not to say that lawyers in small firms don't also struggle with these tasks. Lawyers in small firms are also more likely than lawyers in larger firms to find these tasks challenging—particularly when it comes to collecting payments from clients, general accounting, tracking revenue, and trust accounting.

Solo and small firms agree: accounting and payments are a struggle

% who said each was painful



While there are practical reasons why solo and small firm lawyers are more likely to struggle with these tasks—a comparative lack of resources, for one—we also see nuances in how firms of different sizes use technology to automate routine tasks that could explain why solo and small firms struggle with their finances.

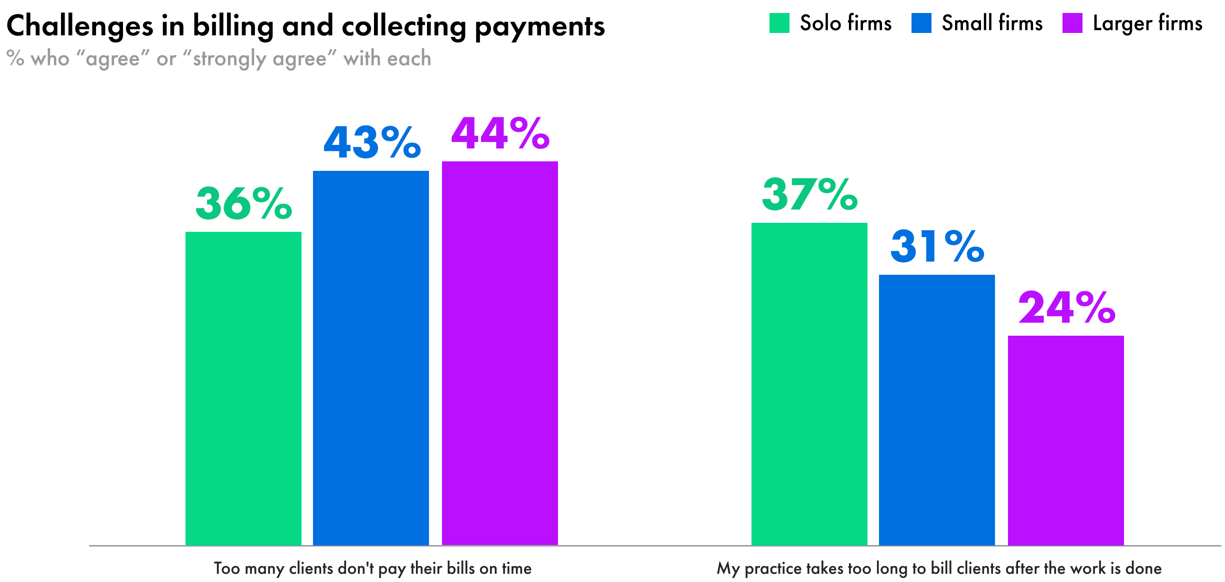
FIRMS STRUGGLE TO BILL AND COLLECT PAYMENTS

Despite being more likely to struggle with accounting and payments, solo lawyers are, surprisingly, less likely to report that their clients don't pay their bills on time. Only 36% of solo firms claim that their clients don't pay bills on time, compared to 43% of lawyers in small firms and 44% of lawyers in larger firms.

However, solo firms and small firms both acknowledge that they struggle to invoice their clients in a timely manner: thirty-seven percent of solo firms and 31% of lawyers in small firms believe they take too long to bill clients after the work is done, compared to only 24% of lawyers in larger firms.

Interestingly, solo lawyers are less likely than lawyers in larger firms to believe that clients don't pay their bills on time. Instead, solo lawyers appear more likely to blame themselves for billing delays. Lawyers in larger firms are more likely to blame clients for delayed payments, lawyers in small firms attribute billing delays to both clients and themselves.

Only **36%** of solo firms claim that their clients don't pay bills on time, compared to 43% of lawyers in small firms and 44% of lawyers in larger firms.



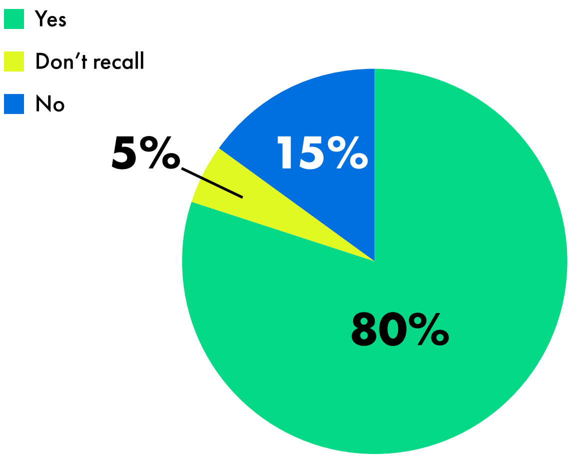
So, who's to blame?

Law firm clients aren't going to pay for legal services if they haven't received a bill or invoice for the associated services. Yet, when we surveyed consumers who had hired a lawyer (regardless of firm size) in the past, a staggering 15% said that they never received a bill for their lawyer's services.

Of the consumers who did receive a bill, 28% said that it took a noticeably long time—if not a very long time—to receive the bill after the firm did the work. Even if firms are getting their bills out to clients, many aren't doing so in a timely manner.

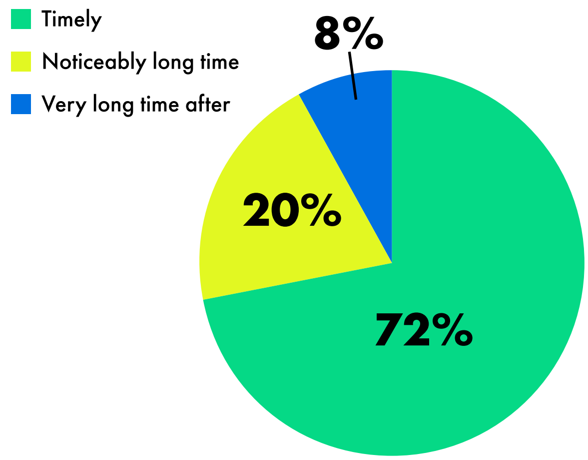
15% of clients never received a bill from their lawyer

Of those who have hired a lawyer, did they receive a bill from their lawyer?



28% of bills take a long time to get to clients

Of those who received a bill from their lawyer, how timely was it with respect to the legal work?



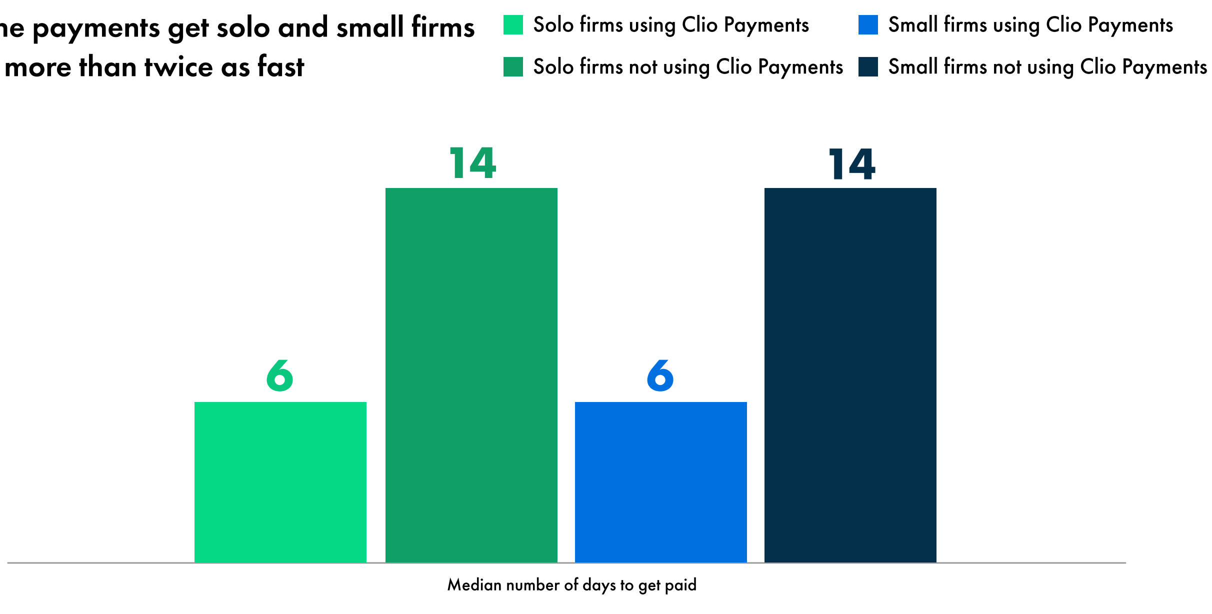
ONLINE PAYMENTS GET SOLO AND SMALL FIRMS PAID FASTER

Offering online payments significantly reduces the friction involved for clients in paying their legal bills while helping law firms get paid faster. Both solo and small law firms using online payments get paid faster than those who don't.

In fact, both solo and small firms get paid more than twice as fast when using online payments. When looking at the number of days it takes to get bills paid, both solo and small firms have a median waiting period of 6 days—meaning that half of all their bills get paid within this timeframe. This is compared to 14 days for those not using online payments.

Both solo and small firms get paid more than twice as fast when using online payments.

Online payments get solo and small firms paid more than twice as fast



And, as it turns out, this strong starting point reaps further benefits as time goes on. When we look beyond the median waiting period, we see that firms of all sizes using online payments recoup their payments faster overall than those that don't.

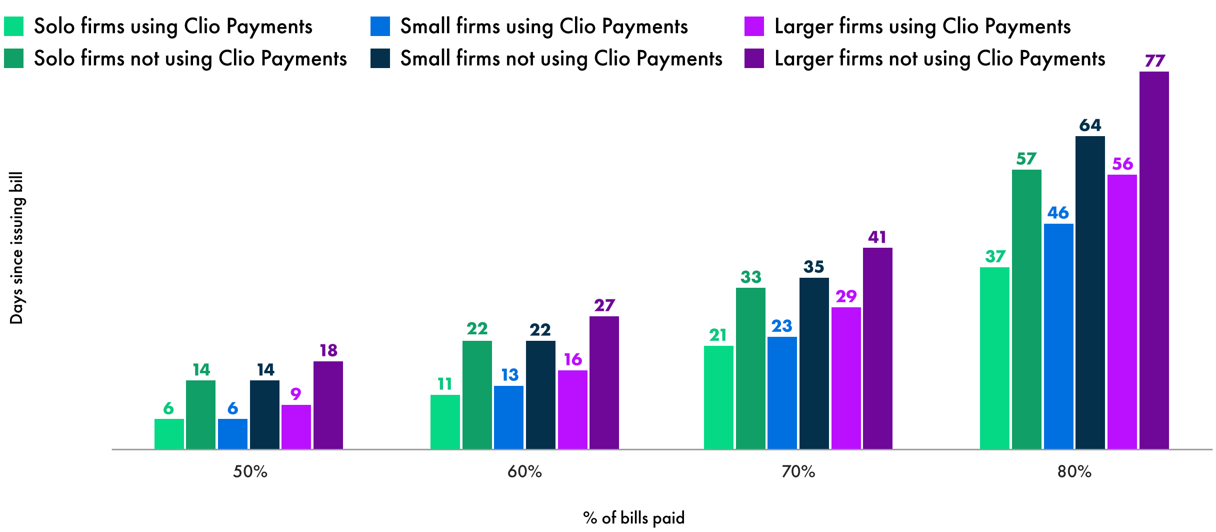
Solo firms using online payments recouped 60% of payments within 11 days (compared to 22 days for those going without), 70% of their payments within 21 days (compared to 33 days), and 80% of their payments within 37 days (compared to 57 days).

Small firms using online payments enjoy similar benefits: they recouped 60% of payments within 13 days (compared to 22 days for those going without), 70% of their payments within 23 days (compared to 35 days), and 80% of their payments within 46 days (compared to 64 days).

Overall, while larger firms also see benefits from using Clio Payments, solo and small firms are able to collect much faster once bills have been issued.

Online payments get law firms paid faster

Days to get 50%, 60%, 70%, and 80% of bills paid



CLIENTS ALSO WANT TO PAY ONLINE

Data suggests that enabling online payments not only helps law firms get paid faster but also aligns with the payment preferences of today's clients. In our survey of consumers, paying by credit card was the most preferred option for paying a lawyer, accounting for almost half of all respondents across all age groups. Only one in five consumers wanted to pay legal bills by check, and even fewer by cash.

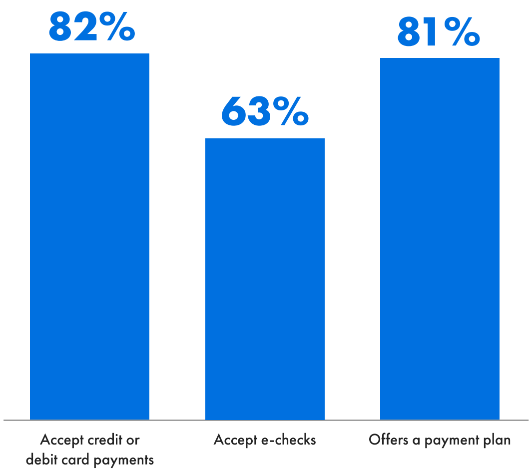
However, solo and small firms may not be providing the payment experience that prospective clients want. Survey data outlining what larger law firms offer versus what prospective clients find appealing shows that clients are much more likely to want certain payment options that many solo and small law firms aren't providing.

For example, 82% of surveyed consumers are interested in paying law firms by credit or debit card, while many solo and small firms report that they do not offer these payment options. Of particular note is that 81% of surveyed consumers would find a payment plan option attractive yet nearly 40% of solo firms do not offer this option.

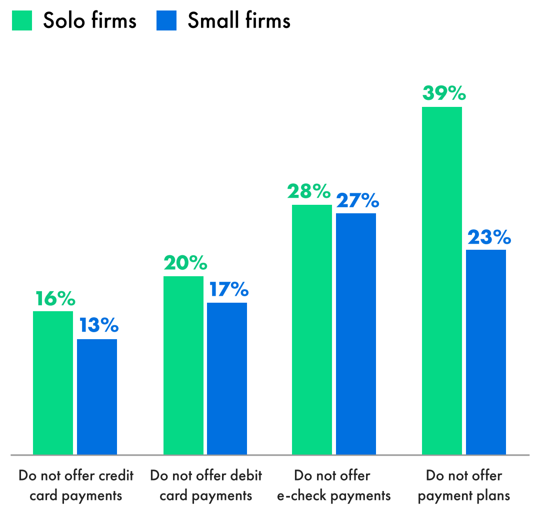
1 in 5 consumers wanted to pay legal bills by check, and even fewer by cash.

What payment options do clients want?

% of prospective clients who find each appealing



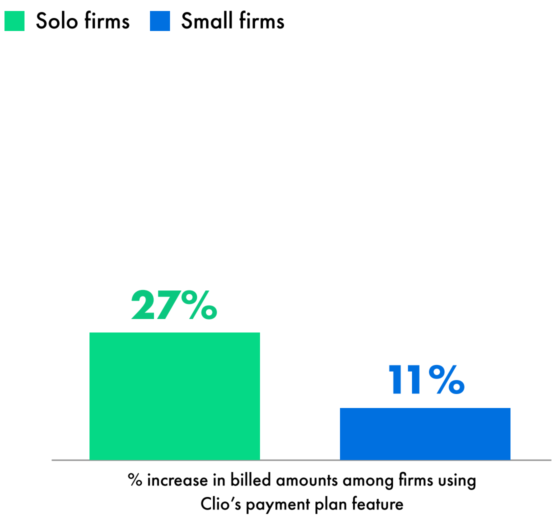
Clients want payment options that some solo and small firms aren't providing



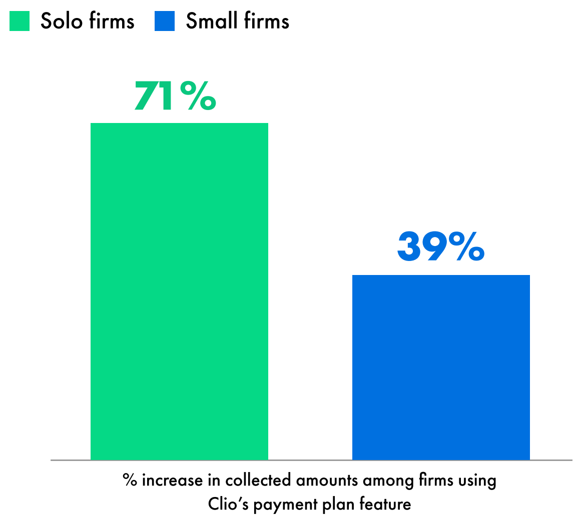
For solo and small law firms, enabling credit card payments can go a long way toward improving client satisfaction during the payment process. With credit card payments topping the list of preferred payment options, law firms should implement strategies to enable easy credit card payments, ensure clients know they have the option to pay electronically, and educate clients on the ease and convenience of electronic payments.

Payment plans, in particular, are associated with a tremendous increase in the billed and collected amounts of solo and small firms—particularly among solo firms. Solo firms using Clio's payment plan feature see a 27% increase in billed amounts and a whopping 71% increase in collected amounts simply by offering this option. With 39% of solo firms reporting that they do not offer payment plans, this only demonstrates the tremendous opportunity for solo firms to improve their billing and collection simply by offering this payment option.

How using payment plans affects billed amounts



How using payment plans affects collected amounts



SOLO AND SMALL FIRMS ARE MORE LIKELY TO USE LEGAL PRACTICE MANAGEMENT AND ONLINE PAYMENTS SOFTWARE

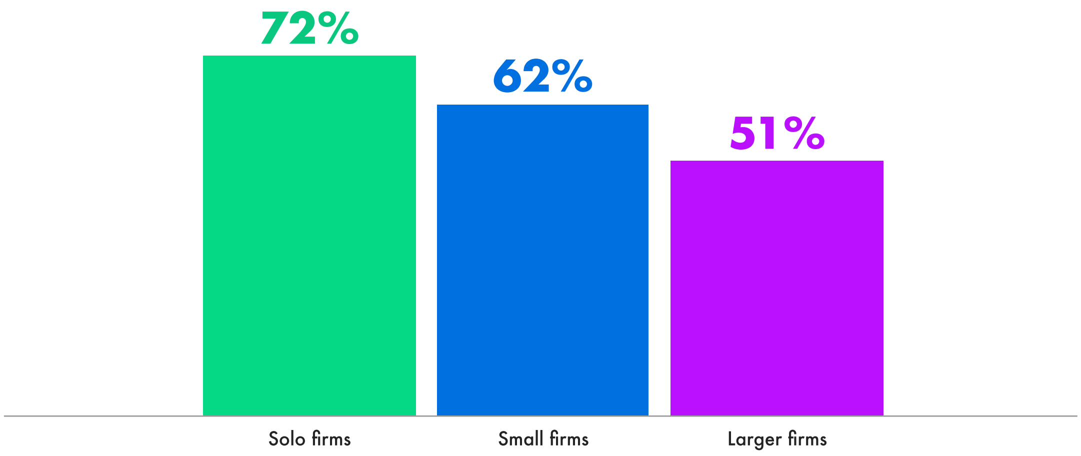
Traditionally, solo and small law firms have been much more likely to use legal practice management (LPM) software than larger firms. This continues to hold true: 14% of larger firms are not using cloud-based LPM software, compared to only 3% of solos and 4% of small firms.

Solo and small firms are also much more likely to use online payments than larger firms. Seventy-two percent of solo firms report using software to collect payments from clients, compared to 62% of small firms and only 51% of larger firms.

Solo and small firms are much more likely to use online payments than larger firms.

Solo and small firms are more likely to use online payments

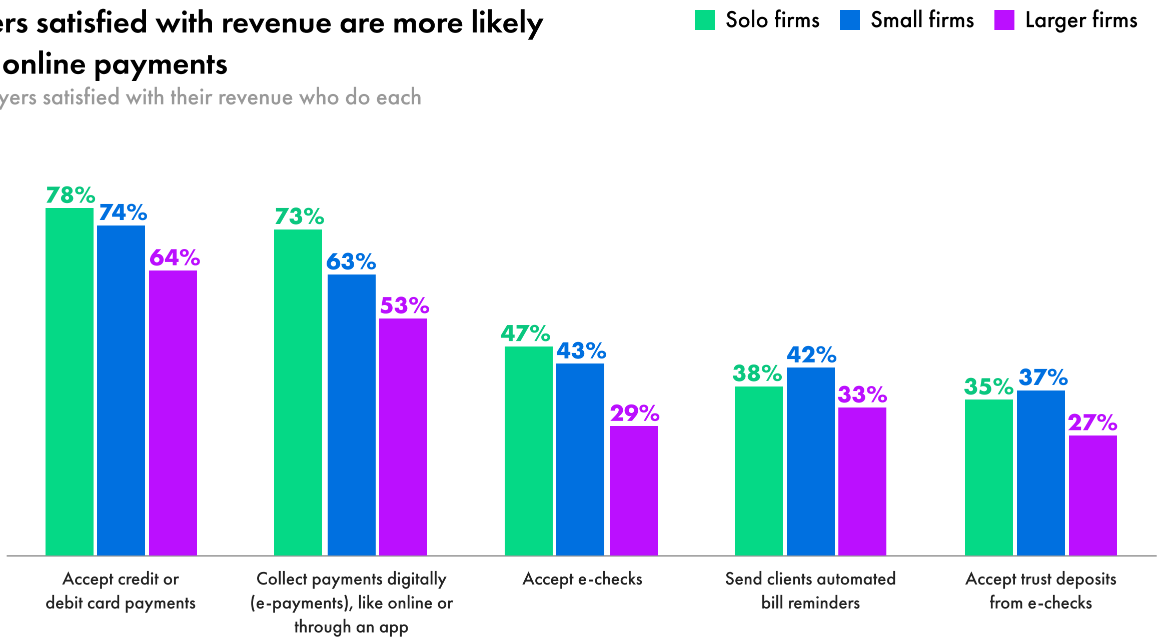
% of firms that use software to collect payments from clients



In fact, solo and small firms who report satisfaction with their revenue are more likely to use payment collection features associated with online payments software. For example, 78% of solo lawyers and 74% of lawyers in small firms who are satisfied with their revenue accept credit or debit card payments, and 73% of solo lawyers and 63% of lawyers in small firms in this group collect payments digitally (such as online or through an app).

Lawyers satisfied with revenue are more likely to use online payments

% of lawyers satisfied with their revenue who do each



HOW SOLO AND SMALL LAW FIRMS CAN GET PAID FASTER

Solo and small law firms have tremendous opportunities to not only improve their realization and collection rates but also the speed at which they bill and get paid for their work.

Strategies that improve billing and payment collection workflows

- **Consider visibility**: What's holding your firm back from efficient billing? Ensuring visibility into firm processes is a challenge for solo and small firms. Staff members may be struggling with silos or entrenched processes that hinder the billing process. Consider a core solution, like Clio, that integrates with your existing tech stack, standardizes processes, and centralizes key information, keeping everyone on the same page—while also offering online payment options.
- **Enable online payments**: Offering online payments significantly reduces the friction involved for clients in paying their legal bills, while getting firms paid more than twice as fast. Online payments software like Clio Payments, for example, allows clients to easily pay their bills anytime and anywhere.
- **Give clients payment options**: Modern clients want modern payment options that many firms aren't providing. If your firm is not already accepting credit and debit card payments, alongside other alternative payment options, now is the time to start. With credit card processing software like Clio Payments, clients can easily pay using credit, debit, eCheck, or even with automated payment plans.

Part 4

The rise of artificial intelligence (AI)

The *2023 Legal Trends Report* explored the advent of generative artificial intelligence (AI) and its impact on the legal profession. In broad strokes, our analysis uncovered that most lawyers are at least aware of AI, and many see its potential as a transformative force in the legal industry.

With the rapid development and adoption of AI, it's no surprise that the adoption of AI is top-of-mind for many legal professionals. As indicated in "The Potentially Large Effects of Artificial Intelligence on Economic Growth", a 2023 report from Goldman Sachs, 44% of legal tasks are predicted to at some point be automated by AI. For firms operating with leaner staff or limited resources (as is the case with many solo and small firms), the potential to automate many routine tasks represents a massive technological advancement that promises to radically alter the legal profession.

However, lawyers in firms of all sizes are still cautious, many not yet believing that AI is advanced enough to be considered reliable. Despite these reservations, the vast majority of lawyers believe that the potential benefits of AI outweigh the costs and nearly one in five (19%) legal professionals claim that they are already using AI in some form in their practices.

Solo and small firms are generally aligned in their perspectives on AI: both cohorts intend to adopt AI technology at a much faster pace than larger firms and intend to use AI to handle routine administrative tasks, including payment and collection tasks. However, clients appear to be even more enthusiastic about the use of AI in the legal profession than lawyers in solo and small firms, suggesting that those firms that embrace the transformative power of AI may have a competitive advantage as AI begins to enjoy more widespread use.

LAWYERS HAVE SIMILAR ATTITUDES TOWARDS AI IN THE LEGAL PROFESSION

How do lawyers feel about the rise of AI in the legal profession?

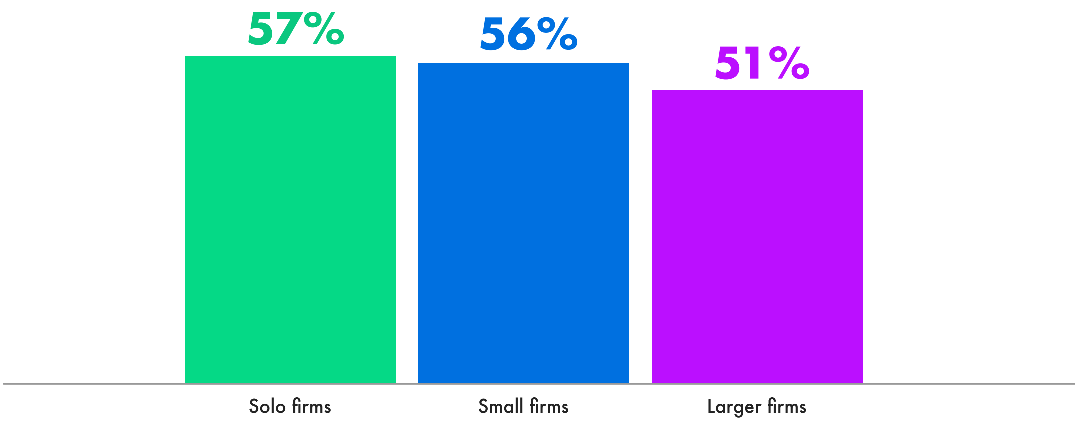
Overall, lawyers in firms of all sizes appear to have similar attitudes regarding AI. Slightly more than half of lawyers in larger, small, and solo firms believe that AI isn't yet advanced enough to be reliable, and slightly under half of lawyers in these cohorts are also nearly as likely to claim that they distrust AI.

Consequently, lawyers in solo, small, and larger firms have serious concerns about AI being used in the legal profession: slightly over half of lawyers in each category expressed such concerns. However, despite these reservations, only one in five lawyers in each category believe that the benefits of using AI outweigh the costs, indicating that while they may be taking a cautious approach, legal professionals do see the technology's potential.

Slightly more than half of lawyers in larger, small, and solo firms believe that AI isn't yet advanced enough to be reliable, and slightly under half of lawyers in these cohorts are also nearly as likely to claim that they distrust AI.

Over half of lawyers have serious concerns about AI being used in the legal profession

% who have serious concerns about AI being used in the legal profession



STAFFING AND BAR ASSOCIATION ISSUES ARE TOP OF MIND FOR SOLO AND SMALL FIRM LAWYERS

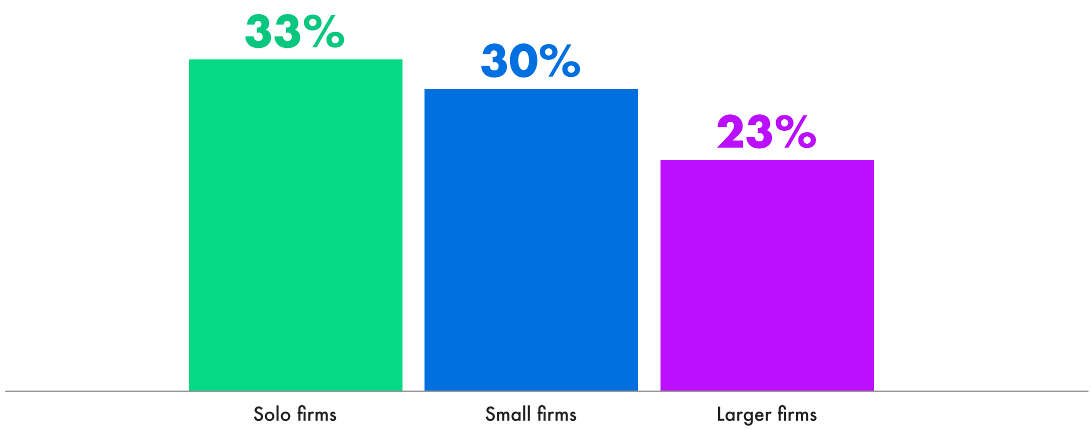
Lawyers in firms of all sizes are generally aligned on their concerns about the potential implications of AI in the legal profession. However, some differences arise when we look at the specific concerns that firms of different sizes have about AI use.

Namely, lawyers in small and solo firms are much more likely to believe that AI-powered software will make paralegals less necessary (30% and 33%, respectively, compared to 23% of lawyers in larger firms).

Solo firms, in particular, are less likely to have reservations about whether AI tools will ever be accepted by professional regulators.

Small and solo firms believe AI-powered software would make paralegals less necessary

% who believe AI-powered software would make paralegals less necessary

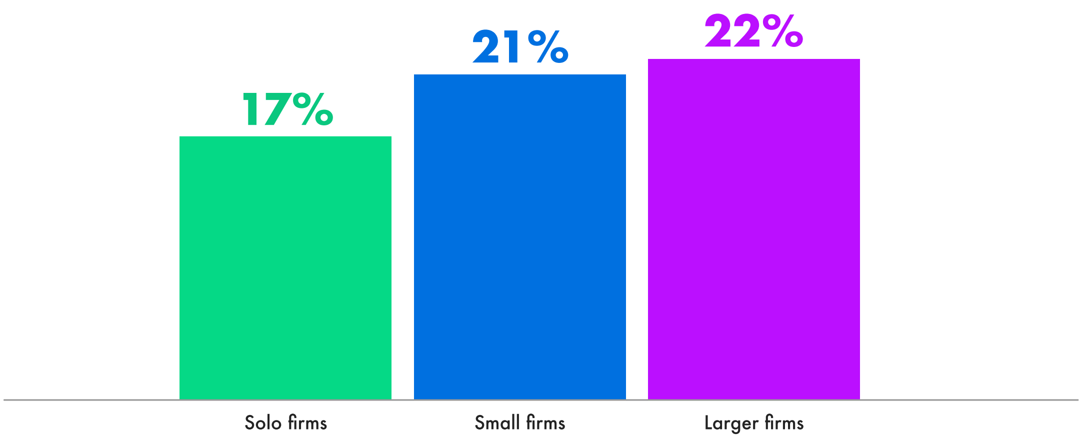


Similarly, solo firms, in particular, are less likely to have reservations about whether AI tools will ever be accepted by professional regulators. Only 17% of lawyers in solo firms believe that their bar association would never approve of practices using AI-powered software, while 21% of lawyers in small firms and 22% of lawyers in larger firms answered the same.

Based on what we're seeing, solo lawyers might be onto something. As of the date of publication, there is no indication that bar associations will discourage or outright ban the use of AI-powered software in the legal profession. In fact, several bar associations have approved recommendations regarding lawyer use of AI tools in recent months.

Lawyers in larger firms are more skeptical of bar approvals

% who think bar associations will never approve of practices using AI



Overall, these results suggest that solo and small firms have an overall more optimistic outlook on the use of AI in the legal profession—and, perhaps, the potential opportunities it offers.

For example, among small and solo firms—who traditionally operate leaner businesses with fewer resources—believing that AI-powered software could make paralegals less necessary does not necessarily indicate a challenge (or mean that AI tools are a replacement for paralegals). Rather, it can present a new option—being able to do more with less and complete tasks that might otherwise require additional staff.

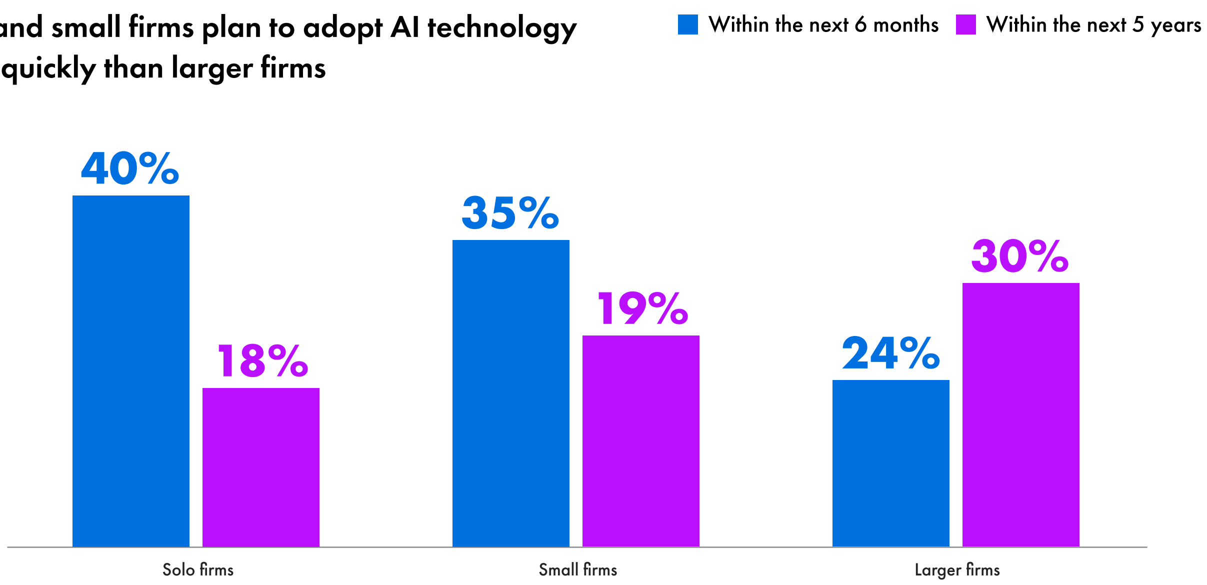
SOLO AND SMALL FIRMS ARE READY TO ADOPT AI TECHNOLOGY

As it turns out, roughly one in five lawyers (19%) in firms of all sizes report that they are currently using AI tools in their practice. However, lawyers who aren't currently using AI tools differ in how quickly they plan to begin using these tools in the future.

Lawyers in solo and small firms are much more likely to be planning to adopt AI technology quickly (and, in fact, many have likely already done so).

Lawyers in solo and small firms are much more likely to be planning to adopt AI technology quickly (and, in fact, many have likely already done so): at the time of survey, 35% of lawyers in small firms and 40% of lawyers in solo firms intended to adopt the technology within six months, compared to only 24% of lawyers in larger firms. But when we look longer-term, lawyers in larger firms are more likely to be planning to adopt AI technology within the next 5 years (30%, compared to 18% of solo lawyers and 19% of lawyers in small firms).

Solo and small firms plan to adopt AI technology more quickly than larger firms



These results may align with the limitations (or lack thereof) among firms of different sizes. While solo and small firms have the flexibility to adapt quickly—and, thus, implement AI tools when they see fit—lawyers in larger firms may face greater institutional barriers to quickly adopt AI tools and thus see investment in this technology as a longer-term goal.

With many solo and small firm lawyers having expressed interest in adopting AI within six months, it's safe to assume that many are now already using it in their practices. With so many lawyers already using AI or planning to use it in their practice, lawyers who don't have AI on their radar yet must ask themselves what they can do to embrace these new opportunities or ask themselves: will those who embrace AI ultimately displace those who don't?

WHAT DO FIRMS WANT TO USE AI FOR IN THE FUTURE?

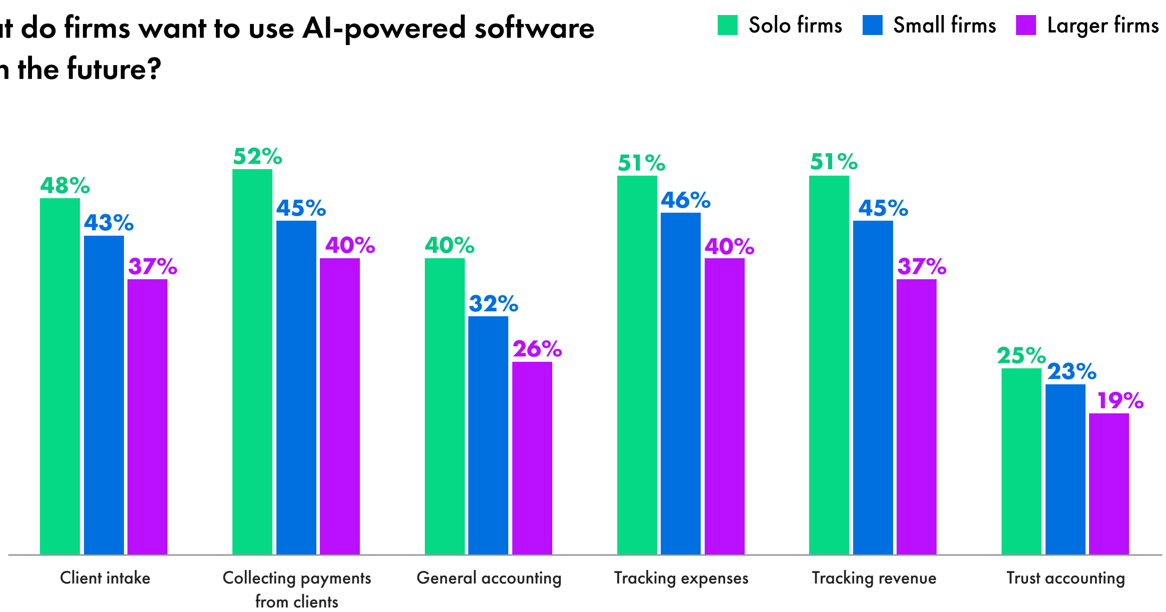
Among supporters, lawyers in solo and small firms have different visions for future AI use than lawyers in larger firms.

Lawyers in firms of all sizes are most interested in using AI tools for finding and storing documents, calendaring, and getting documents signed. However, lawyers in solo firms are significantly more likely than lawyers in larger firms to want to use AI for client intake and various payment and collections tasks. For example, lawyers in solo firms are more interested in using AI tools to collect payments from clients, perform general accounting, track expenses and revenue, and conduct trust accounting.

These results suggest that lawyers in solo and small firms—and solo firms in particular—see AI tools as a means of helping with everyday tasks that may otherwise take time away from legal work. This is not to say that lawyers in larger firms can't also benefit from implementing AI-powered technologies; rather, it might mean that, for solo and small firms, there are clearer benefits to adopting AI technology that can assist with administrative tasks and, effectively, level the playing field.

Lawyers in solo and small firms see AI tools as a means of helping with everyday tasks that may otherwise take time away from legal work.

What do firms want to use AI-powered software for in the future?



THE BENEFITS OF AI FOR SOLO AND SMALL FIRMS

For firms with fewer resources available to them, as is often the case among solos and small firms, AI presents tremendous potential to scale their businesses and, effectively, punch above their own weight. And, with larger firms being more hesitant to adopt AI in the coming months (instead, looking at AI adoption as a multi-year plan), AI may present an opportunity for solo and small firms to level the playing field with larger firms—provided they do so quickly.

In any event, solo and small firm lawyers may find a potential solution to their common pain points in AI. As discussed in Part 3, solo and small firms struggle with many payment-related tasks. At the same time, they are more likely to identify payment-related tasks as ones that they would hope to automate with AI.

Adoption of AI for common administrative tasks, like payment-related tasks, will undoubtedly have a cumulative impact on solo and small law firms' efficiency, enabling them to divert firm resources from routine administrative tasks to more complex legal work—or scale their businesses.

Will the benefits of AI allow solo and small firms to match pace with larger firms? Only time will tell—but with the opportunity presently available to solo and small firms, those that fail to consider the potential of AI may miss out on potential opportunities to automate routine tasks and, ultimately, succeed in their businesses.

AI may present an opportunity for solo and small firms to level the playing field with larger firms—provided they do so quickly.

DO AI ATTITUDES DIFFER BETWEEN SOLO AND SMALL FIRMS AND POTENTIAL CLIENTS?

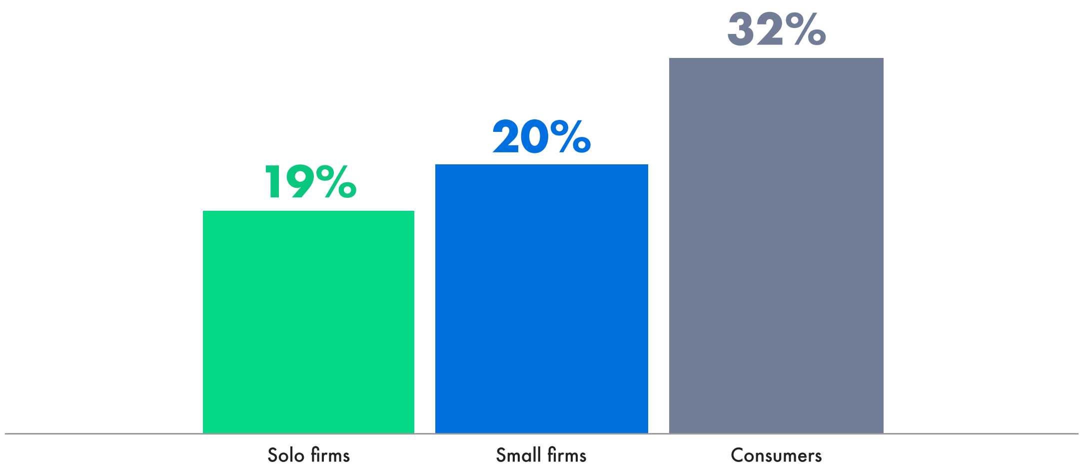
Solo and small firms may see further benefits from adopting AI beyond increasing efficiencies in their offices. In fact, when we compare attitudes surrounding AI between lawyers in solo and small firms with potential clients, we see that potential clients have a much more optimistic outlook of AI being used in the legal profession.

Prospective clients are much more likely to believe that the benefits of lawyers using AI-powered software far outweigh the costs (32% of prospective clients, compared to 20% of lawyers in small firms and 19% of solo lawyers). They are also equally more likely to believe that issues with our justice system could be improved with the use of AI.

Potential clients have a much more optimistic outlook of AI being used in the legal profession.

More clients believe the benefits of AI outweigh the costs

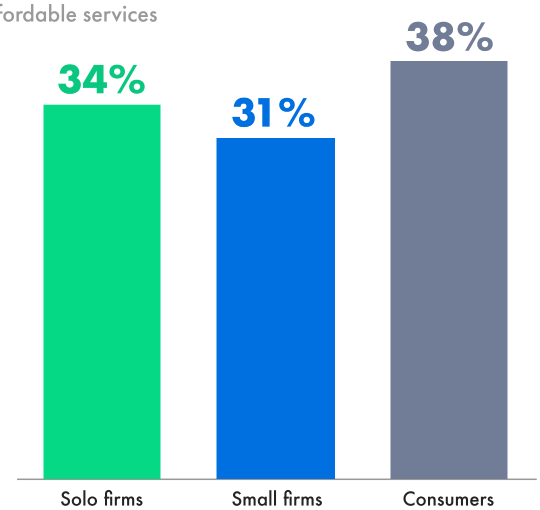
% who think the benefits to lawyers using AI will outweigh the costs



Perhaps more enticing to prospective clients is their perspective that AI can help lawyers provide better, more affordable services. Thirty-eight percent of prospective clients believe that lawyers who use AI-powered software can offer more affordable services than those who don't (compared to 31% of lawyers in small firms and 34% of solo lawyers), while 32% believe that lawyers can provide higher-quality services with AI software (compared to only 23% of small firms and 19% of solo lawyers). As a result, firms who adopt and market their use of AI-powered software may have a competitive advantage from a marketing standpoint.

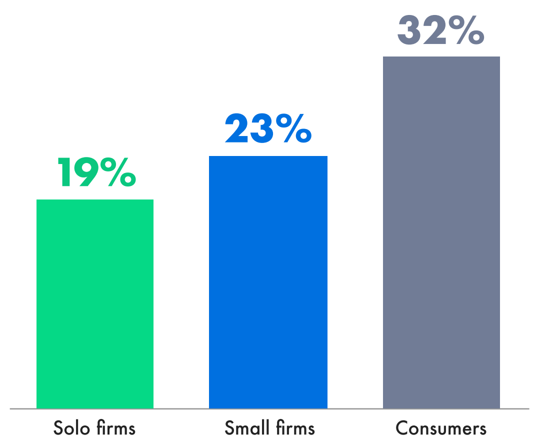
More clients believe AI will reduce the cost of legal services

% who think AI-using law firms will offer more affordable services



More clients think AI will improve the quality of legal services

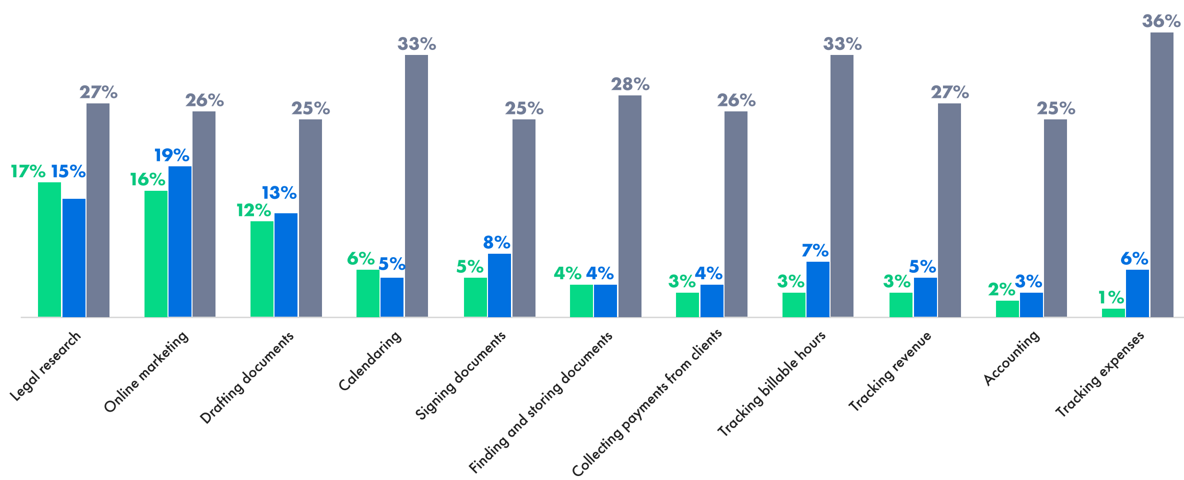
% of think AI-using firms will offer higher-quality services



Overall, potential clients believe that law firms should use AI to a greater extent than lawyers in solo and small firms. On practically all counts measured, potential clients are more likely to believe that law firms should use AI for common legal tasks ranging from marketing to legal research to billing.

Notably, prospective clients are much more likely to express interest in their lawyers using AI-powered software to track expenses and billable hours, likely because accuracy in these areas is of paramount importance to clients.

More clients think lawyers should use AI for common tasks



THE FUTURE OF AI FOR SOLO AND SMALL FIRMS

With over one in five legal professionals already using AI in some form in their practices, it's safe to say that AI is already being embraced in legal practice. As more tailored AI solutions become available, legal professionals will have substantial opportunities to significantly enhance their productivity, increasing both the speed and quality of their work—and early adopters will be well-positioned to take advantage of AI's benefits as they develop.

For solo and small firms in particular, AI presents a remarkable opportunity to automate common tasks that may otherwise require more resources or take time out of a lawyer's busy day and allow them to expand their ability to perform legal services.

For solo and small firms in particular, AI presents a remarkable opportunity to automate common tasks and expand their ability to perform legal services.

So, what do lawyers in solo and small law firms need to consider with respect to AI?

- **Stay abreast of the opportunities and risks AI presents:** By understanding the powers—and limits—of AI technology, your firm will be more prepared to take advantage of AI's benefits as they develop and become more reliable and widely available for legal practice.
- **Consider the specific tasks AI may be used for in your practice:** Much like legal practice management (LPM) software, different firms may find different AI tools more or less useful for their practices and workflows. For example, many lawyers in solo and small law firms believe that AI tools can best assist with collecting payments from clients, tracking expenses and revenue, and general accounting, but the utility of these tasks may vary depending on your firm's needs.
- **Develop a comprehensive AI protocol:** Set your firm up for success by discussing and implementing processes surrounding AI use before adopting it. These processes will likely include policies around general AI use (i.e., how it is being used in the firm, and how it should not be used), disclosure (i.e., letting colleagues or clients know when and how you are using AI for legal work), and other considerations relevant to your practice.

CLIO'S INVESTMENT IN SOLO AND SMALL LAW FIRMS

Clio understands the unique challenges faced by solo and small law firms, and that's why we are committed to investing in their success. We believe that every law firm, regardless of size, deserves access to the tools and resources necessary to thrive in today's legal landscape.

Our investment in solo and small law firms goes beyond providing innovative software solutions. We offer a comprehensive suite of features tailored specifically to meet their needs, empowering them to work efficiently, streamline their processes, and deliver exceptional client service—while offering the flexibility for them to work from anywhere.

From time-tracking and billing to document management and client communications, Clio equips solo and small law firms with the tools they need to remain competitive and grow their practices. We understand that every minute counts, and our solutions are designed to save valuable time and increase productivity, allowing lawyers to focus on what matters most—serving their clients and building their businesses. That is why we're also investing in AI to help automate routine tasks and streamline workflows so solo and small firms can remain competitive in a changing landscape.

Moreover, Clio is dedicated to providing ongoing support and resources to ensure the success of solo and small law firms. We offer extensive training, educational webinars, and a vibrant community where legal professionals can connect and share insights. This commitment to empowering our users extends further through partnerships with bar associations and other legal organizations, as we work together to advance the profession.

At Clio, we firmly believe that the success of solo and small law firms is vital to the overall health and accessibility of the legal industry. By investing in their growth and equipping them with the tools and support they need, we are helping to shape a more innovative, efficient, and client-centered legal landscape for all.

Appendix A

App data collection

APP DATA COLLECTION

The *2024 Legal Trends for Solo and Small Law Firms* report uses aggregated and anonymized data collected from the Clio platform. By synthesizing usage data, we're able to identify trends that would be otherwise invisible to most firms.

These customers were included in our data set using the following criteria:

- They were paid Clio subscribers. Customers evaluating the product via a free trial or using Clio as part of our Academic Access Program were not included.
- They were located in the contiguous United States, including the District of Columbia but excluding Hawaii and Alaska. Customers in other countries were not included.
- Any data from customers who opted out of aggregate reporting were excluded.
- Outlier detection measures were implemented to systematically remove statistical anomalies.

DATA USAGE AND PRIVACY

The security and privacy of customer data is our top priority at Clio. In preparing the *Legal Trends for Solo and Small Law Firms* report, Clio's data operations team observed the highest data collection and reporting standards.

DATA COLLECTION

- All data insights were obtained in strict accordance with Clio's Terms of Service (section 2.12).
- All extracted data was aggregated and anonymized.
- No personally-identifiable information was used.
- No data belonging to any law firm's clients was used.

REPORTING

Aggregate data has been generalized where necessary to avoid instances where individual firm data could be identified. For example, to avoid reporting data on a small town with only one law firm, which would attribute all of this town's data to this firm, we only report at country, state, and metropolitan levels.

Additionally, raw data sets will never be shared externally. Clio is effectively a tally counter for user interactions—much like stadiums use turnstiles to count visitors without collecting any personally-identifiable information from their customers. Similarly, as users interact with the Clio platform, they trigger usage signals that we can count and aggregate into data sets. We can identify trends without collecting information that reveals anything specific about individual customers.

Appendix B

Survey design

SURVEY DESIGN

The *2024 Legal Trends for Solo and Small Law Firms* report includes survey data collected from May to July 2023.

SURVEY OF US LEGAL PROFESSIONALS

- 1,446 respondents

SURVEY OF US CONSUMERS (GENERAL POPULATION)

- 1,012 respondents

Survey respondents were representative of the U.S. population by age, gender, region, income, and race/ethnicity, based on the most recent U.S. census statistics.

LEGAL TRENDS REPORT
PUBLISHED BY CLIO

Clio is powering the future of legal services for lawyers and their clients through a suite of cloud-based solutions, including legal practice management, client intake and CRM, online payments, and client-attorney communication and collaboration software.

Clio has been transforming the industry for over a decade with 150,000 customers spanning 100 countries, and the approval of 90+ bar associations and law societies globally, including recognition by all 50 state bar associations in the US.

Clio continues to lead the industry with initiatives like the *Legal Trends Report*, the Clio Cloud Conference, and the Clio Academic Access Program. Clio has been recognized as a Deloitte Fast 50 and Fast 500 company and a market leader by G2 Crowd.

Learn more at clio.com.

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