

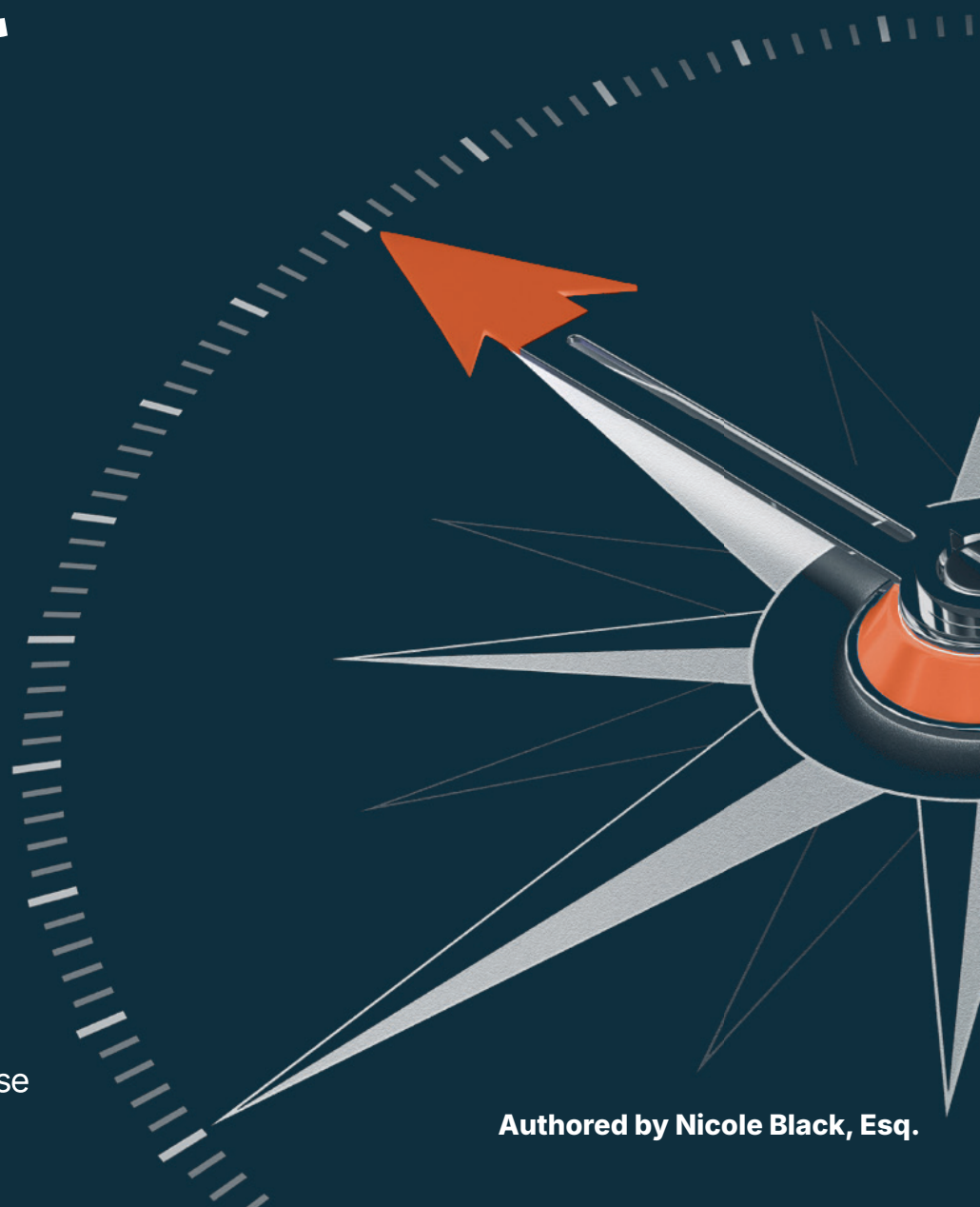
2025

Legal Industry Report



LawPay
MyCase
CasePeer
DocketWise

Authored by Nicole Black, Esq.



Foreword

Welcome to 8am.

As CEO, I hear from professionals every day about the challenges you face and the goals you're reaching for. Whether you already rely on our solutions or are just exploring what we offer, 8am brings everything together in one place, creating a stronger, more connected platform. This unified foundation is built entirely around helping you thrive—helping you reclaim time, unlock new opportunities, and build a more profitable, resilient firm. It's about consistency, clarity, and a platform built to meet your needs, today and into the future.

Looking back, it's truly incredible to see how far we've come. What started as a simple idea with a single employee has grown into a platform trusted by over 267,000 customers and more than 75,000 firms, spanning legal, accounting, psychology, associations, and design. Together, we process \$24 billion in payments every year. And with Pay Later, we've helped firms collect an additional \$170 million in legal fees that might otherwise have gone unpaid.

This growth is no accident. It's the result of two decades of dedication from our team and the professionals who have trusted us to power their businesses. And now, we step into a defining moment as we proudly introduce our new brand, 8am.

We hope this report offers valuable insights and inspires you with what's possible when your day starts at 8am—because at 8am, every day is a new opportunity to elevate your practice.

Dru Armstrong
CEO of 8am™



**The intersection
of law & technology
is my passion,** and
connecting the dots
for legal professionals
is what drives me.



Authored by: Nicole Black, Esq.

Nicole is an attorney and Principal Legal Insight Strategist at 8am, a professional business platform with purpose-built solutions (8am LawPay, 8am MyCase, 8am CasePeer, 8am DocketWise, and 8am CPACCharge) designed to simplify operations, ensure compliance, and fuel profitable growth. She is the nationally recognized author of "Cloud Computing for Lawyers" (2012) and co-author of "Social Media for Lawyers: The Next Frontier" (2010), both published by the American Bar Association. She also co-authored "Criminal Law in New York," a Thomson Reuters treatise for over a decade. She writes legal technology columns for ABA Journal, Above the Law, and The Daily Record, and regularly speaks at conferences regarding the intersection of law and emerging technologies.



5 | Preface

6 | Introduction

Executive summary
Demographics

15 | Generative AI adoption

Generative AI adoption
The impact of generative AI

26 | Future generative AI adoption

Expected outcomes of generative AI
The impact of generative AI

35 | Financial wellness

Financial management tools
Accounting tools

43 | Getting paid

Time tracking
Invoicing tools
Payment processing tools

52 | The post-pandemic transformation of legal work

Remote working tools
Evolving office arrangements

63 | Conclusion

Preface


2025 marks the fourth year I've had the privilege of authoring the 8am Legal Industry Report. It truly is an annual highlight for me. I've been writing about legal technology and speaking to my colleagues about the importance of understanding and implementing technology for nearly twenty years. The intersection of law and technology is my passion, and connecting the dots for legal professionals is what drives me.

Through our annual survey, we receive feedback directly from legal professionals about their perceptions of and experiences with technology in their law firms. We also hear from thousands of people about their experiences with emerging technologies, how and why they're using legal software, and the challenges faced when choosing and using new tools.

This report provides an incredible opportunity to hear about their technology journeys. This firsthand insight helps me understand how my legal colleagues navigate the benefits and challenges of using technology in their practices, and I get to share that with you.

My hope is that the analysis offered in this report provides the benchmarks and information needed to make informed, strategic decisions about your firm in the coming year. I always advise legal professionals that while they may not need new technology, they do have an obligation to learn about emerging technologies so that they can make an educated decision about whether or not to adopt them. If the data from this report helps you choose the right tools for your law firm, then I have achieved my goal.

Nicole Black, Esq.

A handwritten signature in dark ink, appearing to read 'Nicole Black', written in a cursive style.

Introduction

We surveyed over 2,800 legal professionals and covered a wide range of technologies that impact law firms, including artificial intelligence (AI) and generative AI. We also explored how law firm leaders approached the adoption of essential software, ranging from financial management platforms to tools that enable flexible office arrangements and remote work.

Our goals included gaining a greater understanding of legal professionals' perspectives on adopting emerging technologies, the challenges law firms face when implementing new tools, and the benefits gained from using modern legal software.

This year's report addresses many topics, including how legal professionals' views on AI changed over the past year and when firms plan to adopt it. We sought insight into how implementing time-tracking and billing tools enhances efficiency, how financial management software helps firms achieve stability, and how law firm leaders are approaching remote and hybrid work.

The survey responses highlight the significant changes that have occurred over time, as legal professionals show an increased interest in adopting cutting-edge legal software to improve workflows and support financial health. While AI continues to be top of mind, many firms are equally focused on adopting practical, proven software to manage billing, payments, and remote work, all of which provide measurable benefits in profitability and productivity.

Key topics covered include:



Legal professionals' experiences with and plans for AI adoption



Ethical concerns and practical challenges firms face when implementing new software



Adoption rates for tools that streamline efficiencies for workflow and financial management



Remote work technology and preferences by practice area, including data on the types of proceedings conducted virtually



Profitability and productivity gains realized from online billing and payment solutions

“Artificial intelligence...
has rapidly evolved
**from a specialized tool
to a general-purpose
technology** that, like
electricity and the steam
engine, is reshaping
industries, economies,
and even the way we
think about ourselves.”

— **Klaus Schwab**

Executive Chairman of the World Economic Forum
(published in Time on January 16, 2025)

Executive summary

Technology is advancing faster than ever, with the rise of AI driving an exponential rate of change. Businesses that prioritize adaptability and innovation have a clear advantage. However, today's fast-paced environment, which favors agility over stagnancy, also has the unfortunate effect of creating a significant digital divide.

Early adopters have thrived in this evolving environment while others lag behind—a trend especially evident in the legal profession, where tradition and ethical concerns often slow technology adoption. This year's survey, however, reveals a turning point: the growing demands of modern law practice and the clear benefits of new tools have led more legal professionals to embrace innovation.

2025 shows a turning point with **more legal professionals ready to embrace innovation.**

Our analysis begins by comparing this year's survey results on AI adoption with last year's responses. The data indicates that legal professionals and law firms are increasingly utilizing AI, but usage varies significantly by firm size and practice area. For example,

nearly half of immigration respondents reported using AI at work, compared to only one-quarter of respondents handling trusts and estate matters. Similarly, we learned that 29% of firms not yet using AI plan to adopt it by the fall of 2025.

29%

of firms not yet using AI plan to adopt it by the fall of 2025.

However, legal professionals continue to have reservations about AI, including concerns about confidentiality, supervision, and accuracy, all of which must be carefully considered before implementation.

We also explored how tools like time-tracking, billing, and online payment software can boost law firm efficiency and revenue, with 28% of firms collecting significantly more fees through online payments. Respondents reported that flexible billing, automated payments, and trust accounting features enhance cash flow, ensure compliance, and improve client satisfaction. Likewise, accounting and payroll tools, alongside external funding, further support financial stability and growth.

Next, we investigated preferences for online proceedings, including remote appearances for hearings, trials, and other court-related matters. We found that although many legal professionals like the ease of remote appearances, they still prefer in-person appearances for more complex proceedings, with 45% of respondents choosing to conduct jury trials in person. This finding is not surprising given the importance of in-court interactions for assessing witness credibility, engaging directly with jurors, and managing complex evidence—all tasks that are significantly more challenging in remote settings.

Finally, we analyzed 2024 work arrangements across firms of all sizes and found that only 28% required full-time in-office work, with smaller firms (2-5 lawyers) imposing the strictest requirements at 36%.

This marks a significant shift from pre-pandemic norms when in-office work was standard.

This report highlights how technology adoption is transforming the legal profession, with firms leveraging AI and advanced tools **to achieve greater efficiency, profitability, and competitiveness.**

Packed with practical insights, it offers guidance on using technology to enhance client service and productivity, building the foundation for a more resilient, future-ready practice.

Demographics

The survey, conducted from August 23 to October 4, 2024, included over **2,800 legal professionals** across diverse roles and firm sizes.

Half were law firm partners, 19% paralegals, and 12% administrative staff, with others including associates, office managers, and IT personnel.

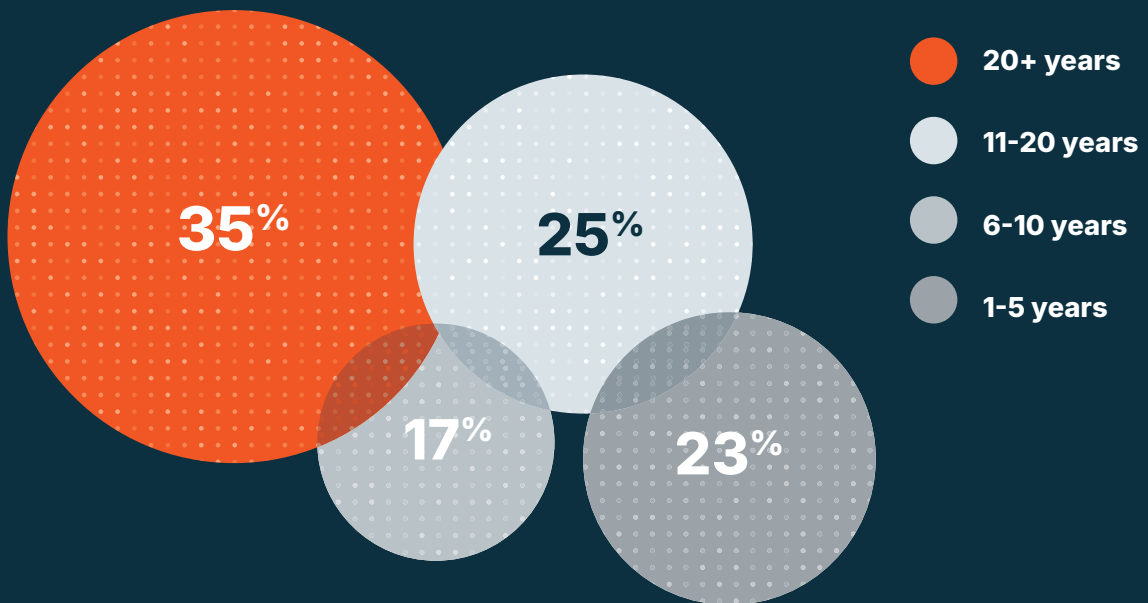
Firm sizes ranged from

44% to **1%**
Solo practitioners **Firms with over 50 lawyers**

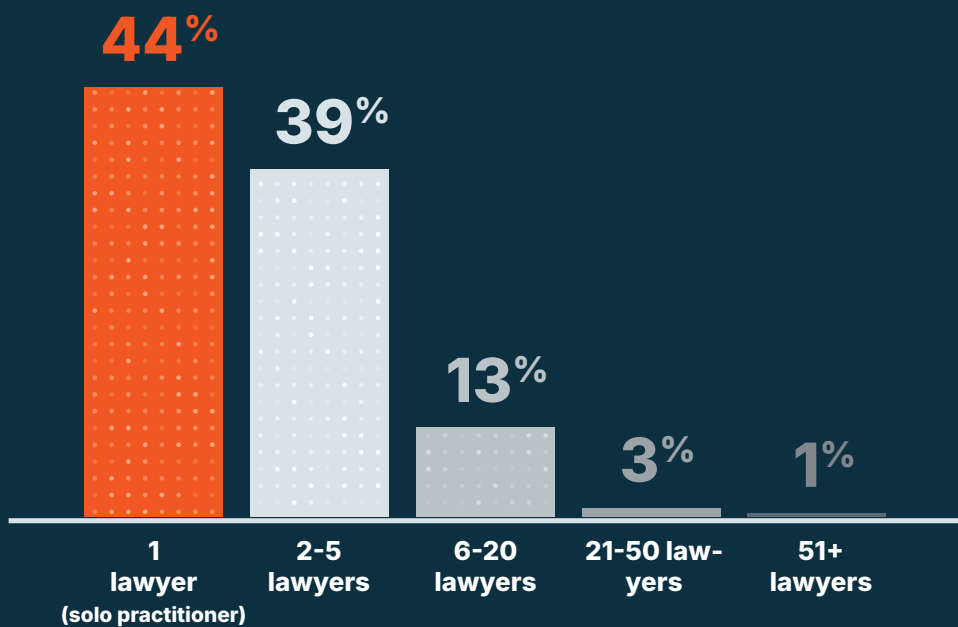
The practice areas showed diversity: 19% in family law, 12% each in criminal law, personal injury, and trusts and estates, followed by immigration (10%) and civil litigation (8%). Smaller groups represented real estate, employment law, intellectual property (IP), elder law, and mergers and acquisitions.



How many years have you been practicing law or working in the legal field?



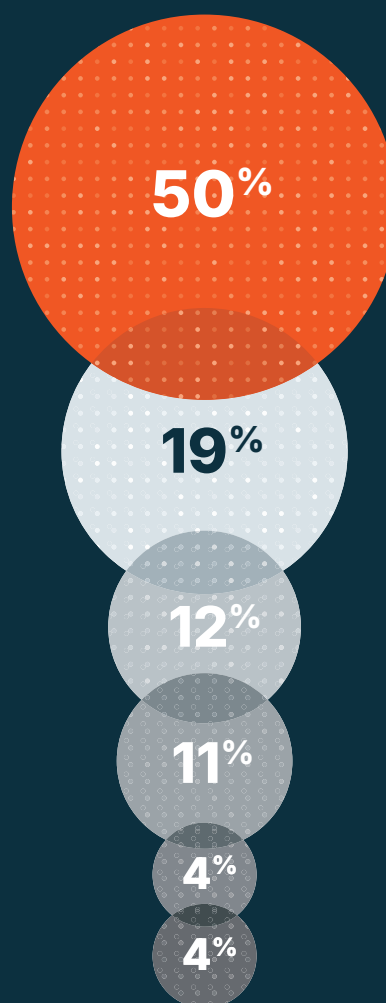
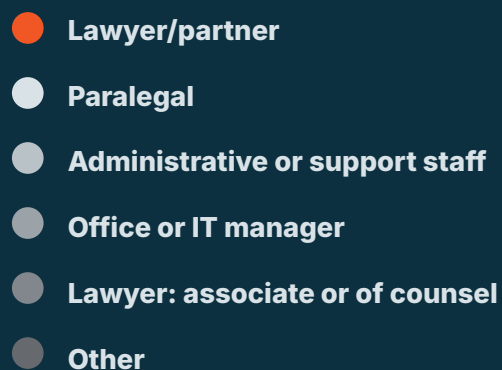
Number of lawyers in firm




What is your or your law firm's primary practice area?



Position in the firm





From
skepticism
to strategy:
**How are
law firms
navigating
AI adoption?**



Generative AI adoption in the legal industry

We were particularly interested in tracking changes in AI adoption, so we revisited many of the same questions asked in last year's survey. AI advancement is occurring at a record pace, but we wondered: Is the legal profession embracing the change? The answer is a lawyerly one: It depends.

We found that personal AI usage has increased since last year. At the same time, individual and firm-wide AI adoption varied greatly across firm size and practice areas, showcasing the profession's diverse approaches to integrating new technology.



Generative AI in law: Individual use rises while firms take a cautious approach to adoption

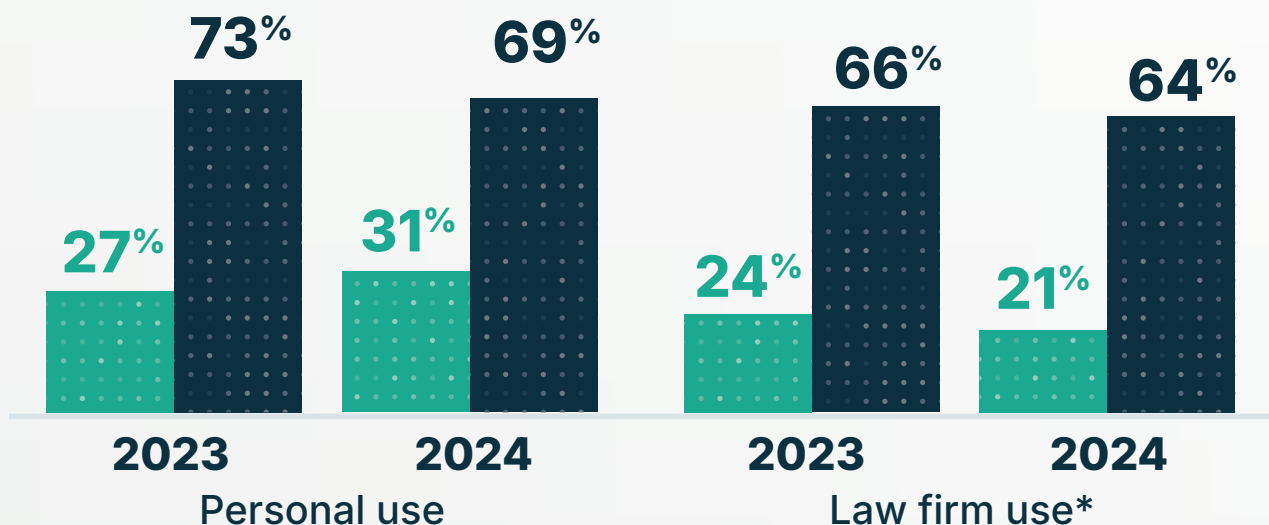
First, let's look at how individual legal professionals use generative AI for work-related purposes. 31% of respondents shared that they personally used generative AI at work, up from 27% last year. Within the next year, we can expect to see even more significant increases as the technology advances and restrictive law firm AI policies arising from accuracy and ethics concerns are lifted.

AI adoption rates among legal professionals indicate steady interest.

However, **growth isn't exponential, likely due to slow law firm adoption** and restrictive law firm AI policies.

Personal use vs. law firm use of generative AI

● Yes
● No



* Respondents that replied "Unsure" accounted for 10% in 2023 and 15% in 2024

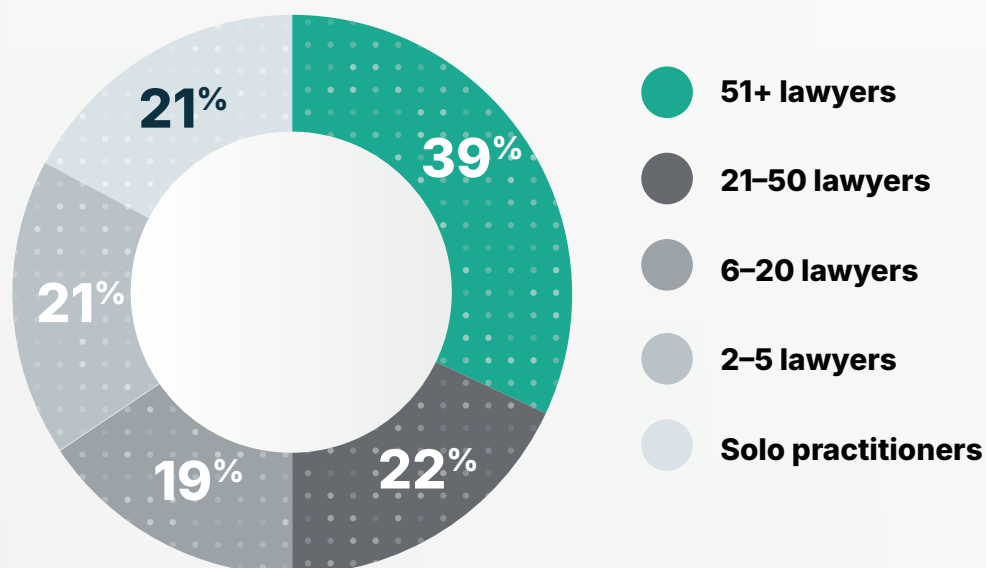
Law firm leaders have taken a measured approach to AI implementation, with the adoption of legal-specific generative AI showing a slight decline: 21% of firms reported using it in 2024, down from 24% in 2023. This slight dip is likely due to law firm AI experimentation. Many firms remain in the exploratory phase, testing pilot programs or focusing on specific use cases over full integration, signaling a curious and deliberate path forward.

The data also highlighted the impact of firm size on adopting legal-specific AI software. Respondents from firms with

51 or more lawyers, though representing a smaller subset of this survey's participants, reported a significant 39% generative AI adoption rate.

By contrast, firms with 50 or fewer lawyers had adoption rates at half that level, with approximately 20% indicating the implementation of legal-specific AI within their practices. One reason for the significant difference in adoption rates may be that generative AI features are being rapidly integrated into the major legal research platforms that many large firms already have in place.

Legal-specific AI adoption by firm size



When asked why their firm invested in legal-specific generative AI tools, 43% of respondents prioritized integration with trusted software as a top reason.

Additionally, 33% highlighted the importance of the provider's understanding of their firm's workflows, while 29% expressed greater trust in the output of legal-specific tools compared to consumer-based options. Ethical alignment was a key factor for 26%, and 23% pointed to other considerations unique to their firm.

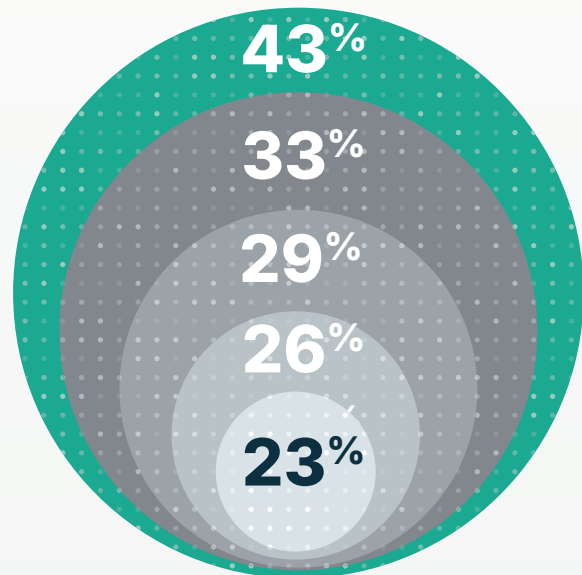
Trusted partner

43%

of respondents prioritized integration with trusted software providers

These findings indicate that adoption decisions are heavily influenced by seamless integration with existing systems, a deep understanding of legal workflows, and confidence in the reliability and ethical compliance of legal-specific AI tools.

Top reasons firms adopt legal-specific AI tools



- The AI functionality was released into trusted legal-specific software our firm was already using
- The legal provider understands our firm's needs and workflows
- We trust the output of legal-specific tools more than consumer-based tools
- The legal provider understands our ethical requirements
- Other



AI in law practice: enhancing business workflows

**Authored by: Josh Carter,
Senior AI Project Manager, 8am**

The legal industry has witnessed a remarkable shift in how attorneys use AI. Traditionally, AI has been viewed as a tool to support tasks like automating legal research or drafting legal briefs.

However, the 2025 legal industry report indicates a new trend: attorneys increasingly use AI to assist with business operations, not just legal work.

The report reveals that 54% of legal professionals use AI to draft correspondence, 14% use it to analyze firm data and matters, and 47% expressed notable interest in AI tools that assist in obtaining insights from a firm's financial data.

From scheduling to billing: AI's impact on law firm operations

While research and brief preparation were early AI use cases, today, drafting correspondence, assisting with scheduling, and business decision-making are increasingly common. This trend signals a move towards leveraging AI to improve law firm efficiency, profitability, and overall management rather than solely enhancing legal workflows.

AI-driven scheduling tools can optimize meeting times and avoid conflicts, while billing software with AI integration can reduce errors and streamline invoicing. AI can also play a role in financial decision-making, such as setting competitive pricing strategies and ensuring affordable rates while protecting profit margins.

Benefits of AI in practice management

The advantages of integrating AI into your practice management software are clear.

First, AI-driven automation reduces administrative burdens and minimizes human error, especially with time-consuming tasks like drafting correspondence and preparing invoices.

Second, AI's ability to analyze firm data assists in identifying the business trends, client preferences, and performance metrics that drive profitability.

Finally, AI tools for correspondence drafting, brainstorming, and data analysis significantly reduce the time lawyers spend on non-billable tasks, improving overall productivity and financial health.

In an industry where time is money, these efficiencies directly translate to higher profitability and more streamlined operations.

***As one attorney recently told me,
"I'm a better lawyer than a business person.
The thing that AI would help with most is on the business side because I might not even think of some of the things it can do."***

The future of AI in law firms

AI in law firms will continue evolving, especially for business operations. As AI systems become more sophisticated, these tools may better understand and adapt to the complex business models of legal practices. Future advancements will lead to a seamless integration with existing practice management systems, providing firms with a holistic, AI-powered solution for everything from client relationship management to financial forecasting.

However, as AI continues to advance, firms must remain mindful of ethical and data security considerations, ensuring that adoption is responsible and in line with best practices. Keeping these issues top of mind will further enable firms to leverage AI's benefits, ensuring business goal alignment with operational efficiencies.

Generative AI adoption varies widely by practice area

Our survey uncovered fascinating insights into how legal professionals and firms are adopting generative AI, with notable differences across practice areas and roles.

Individual adoption

Immigration practitioners led the way in individual AI adoption, with 47% using AI personally for work-related tasks. Other top practice areas for individual AI usage included personal injury (37%), civil litigation (36%), criminal law (28%), family law (26%), and trusts and estates (25%).

Firm adoption

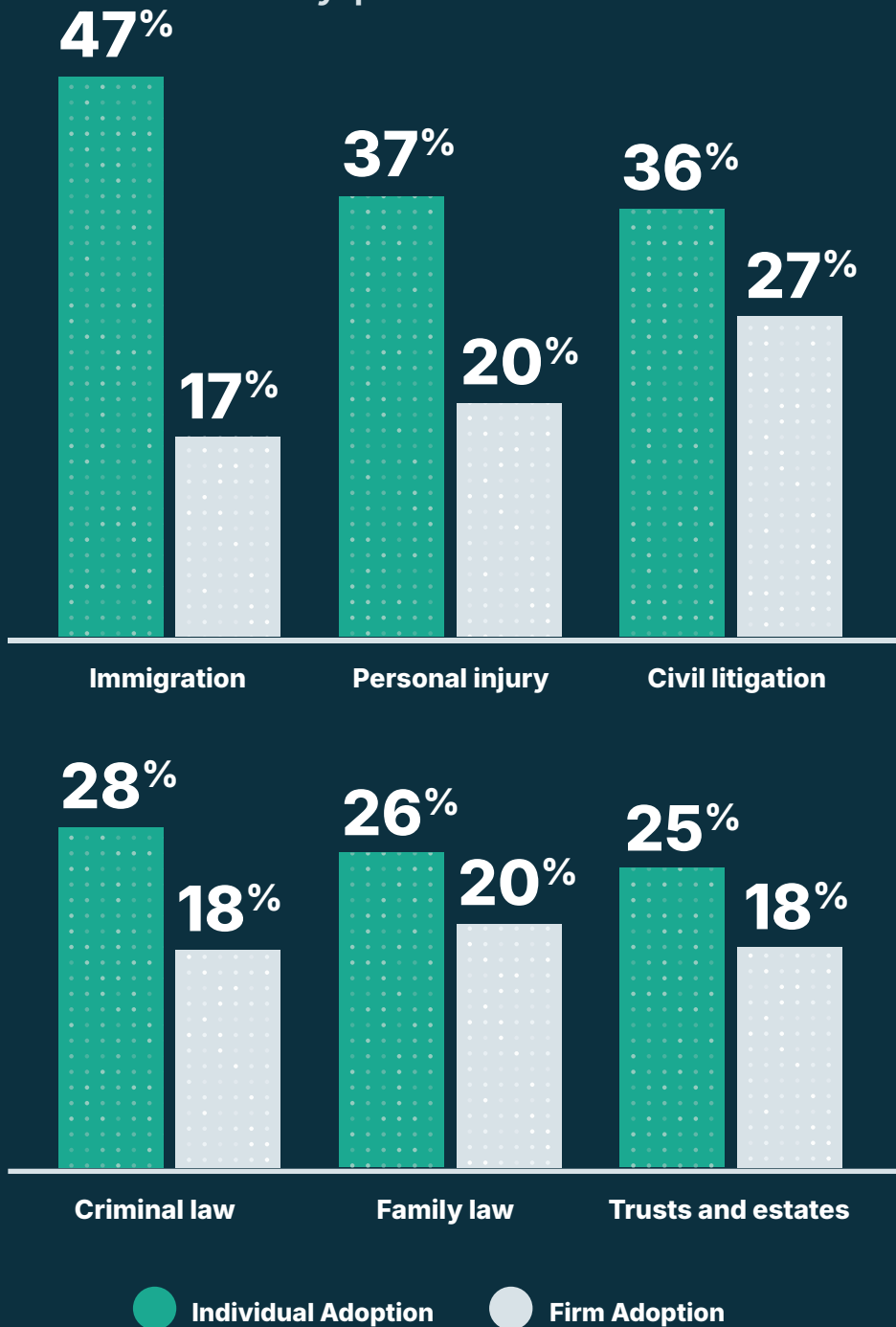
AI adoption rates tell a different story at the firm level. Civil litigation firms took the lead at 27%, followed by personal injury and family law firms (20% each). Trusts and estates firms and criminal law practices tied at 18%, while immigration firms trailed at 17%.

These trends show that while generative AI is gaining traction, **adoption remains uneven due to practical, cultural, and economic factors.**

Employees often experiment with free or low-cost tools, while firms face pressure to justify more significant investments with proven ROI.

The data highlights AI's appeal for high-volume, repetitive tasks. However, as outlined later in the report, barriers such as training needs, ethical concerns, and costs continue to limit broader adoption, particularly at the organizational level.

Individual vs. firm generative AI adoption by practice area



The impact of generative AI

Now, let's dive into the data that explores how generative AI impacts the practice of law on both a personal and firm-wide level. How often are legal professionals and firms integrating AI into existing processes? Is it increasing efficiency or improving their work product? Is the investment into this emerging technology worth it?

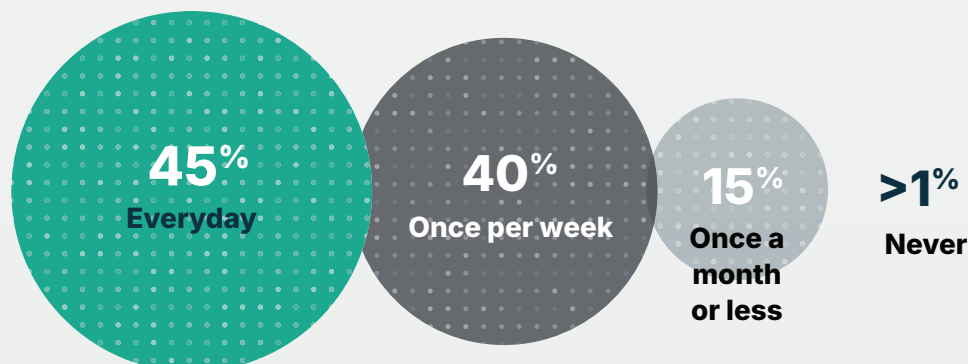
First, let's consider individual workflows. Among respondents who reported using AI tools at work, the majority said they were heavily engaged with the technology, with 45% incorporating it into their daily workflows and 40% using it weekly.

These frequent users primarily leverage AI for tasks such as drafting correspondence (54%), brainstorming

ideas (47%), and conducting general research (46%), highlighting the versatility and practical value of generative AI in legal work.

This data shows that **those who adopt AI tools tend to fully integrate them into their routines**, using them to streamline and enhance key aspects of their professional workflows.

AI usage in personal workflows



Tasks accomplished using AI tools

54% Drafting correspondence

47% Brainstorming

46% General research

40% Drafting documents

39% Summarizing documents

38% Legal research

35% Editing documents

32% Drafting document templates

14% Analyze firm data/matters

7% Other

How legal professionals are using AI



Improving
persuasiveness of
briefing language



Summarizing
online
meetings



Drafting
social media
posts



Business
management



Translation



Summarizing
medical records



Drafting
blog posts



Marketing
and branding



Business planning
and development

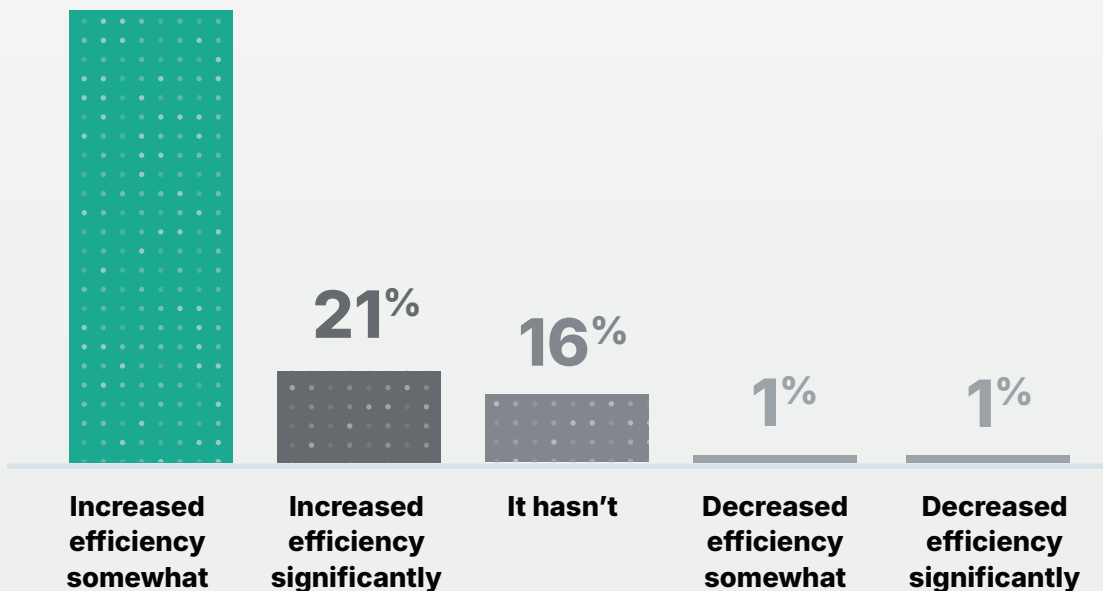


Drafting emails
and text messages

Not surprisingly, the data shows that **when generative AI is utilized in law firms, efficiency gains follow.**

Personal efficiency gains from AI

61%



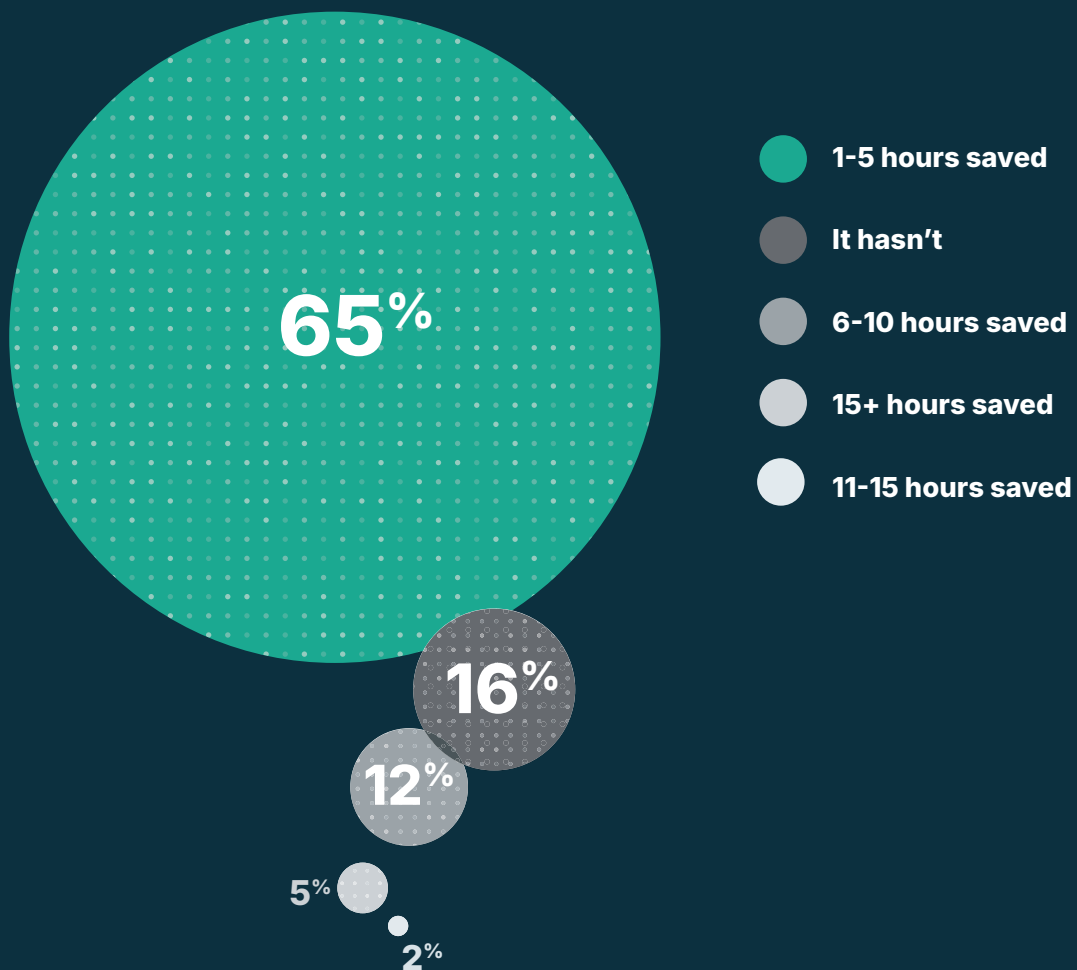
At a firm-wide level, 61% of respondents reported that AI adoption has “somewhat” increased efficiency, while another 21% noted significant efficiency improvements. Only a small fraction (2%) experienced any decrease in efficiency, highlighting that AI implementation has been a net positive for most firms.

On an individual level, most respondents using AI tools reported noticeable time savings:

- 65% saved between 1 to 5 hours per week
- 12% saved 6 to 10 hours
- 7% saved 11 or more hours weekly.

These findings suggest that generative AI enhances firm-wide productivity and streamlines individual workflows, offering tangible benefits in time management and task execution.

Personal time savings gained from AI



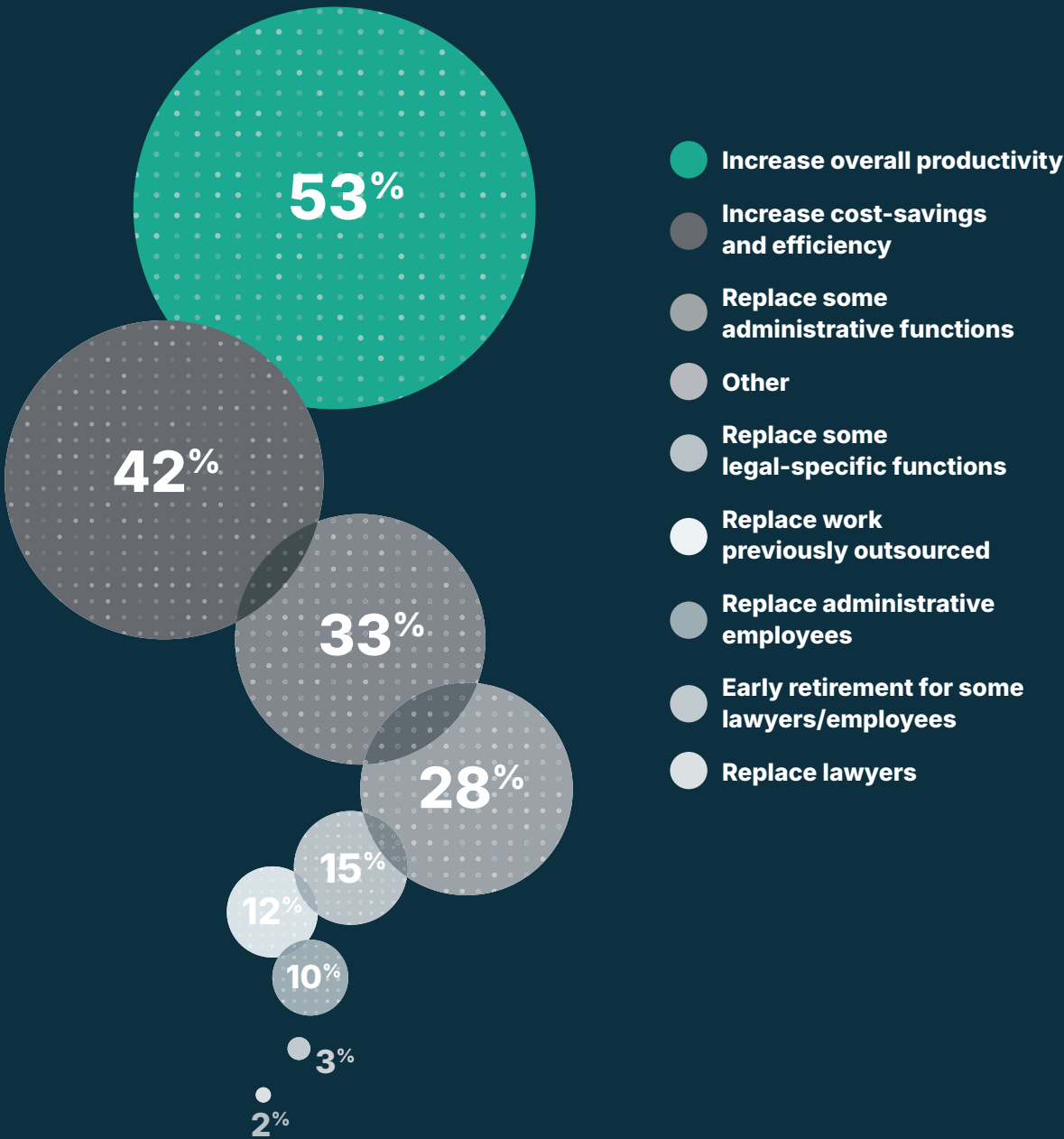
Future generative AI adoption

Expected outcomes of generative AI adoption

Now that legal professionals are more familiar with generative AI—and trusted legal software companies are embedding AI into their products—we wanted to understand how firms are approaching future adoption. For firms that have already implemented AI, what did they hope to achieve? For those who have not yet done so, how has the passage of a year affected implementation plans?

First, we asked respondents whose firms currently use AI about their expected outcomes and gains from AI tools. Across all respondents whose firms had already adopted AI, 53% anticipated increased productivity, 42% expected cost savings and efficiency, and 33% predicted AI would replace some administrative functions.

Overall expected AI adoption outcomes



However, notable differences emerged across practice areas.

Personal injury firms

Among personal injury firms, 61% expected productivity gains, and 36% anticipated reduced administrative tasks, aligning closely with overall trends. However, PI firms were significantly more likely to expect AI to replace outsourced work (19% vs. 12% average).

Elder law firms

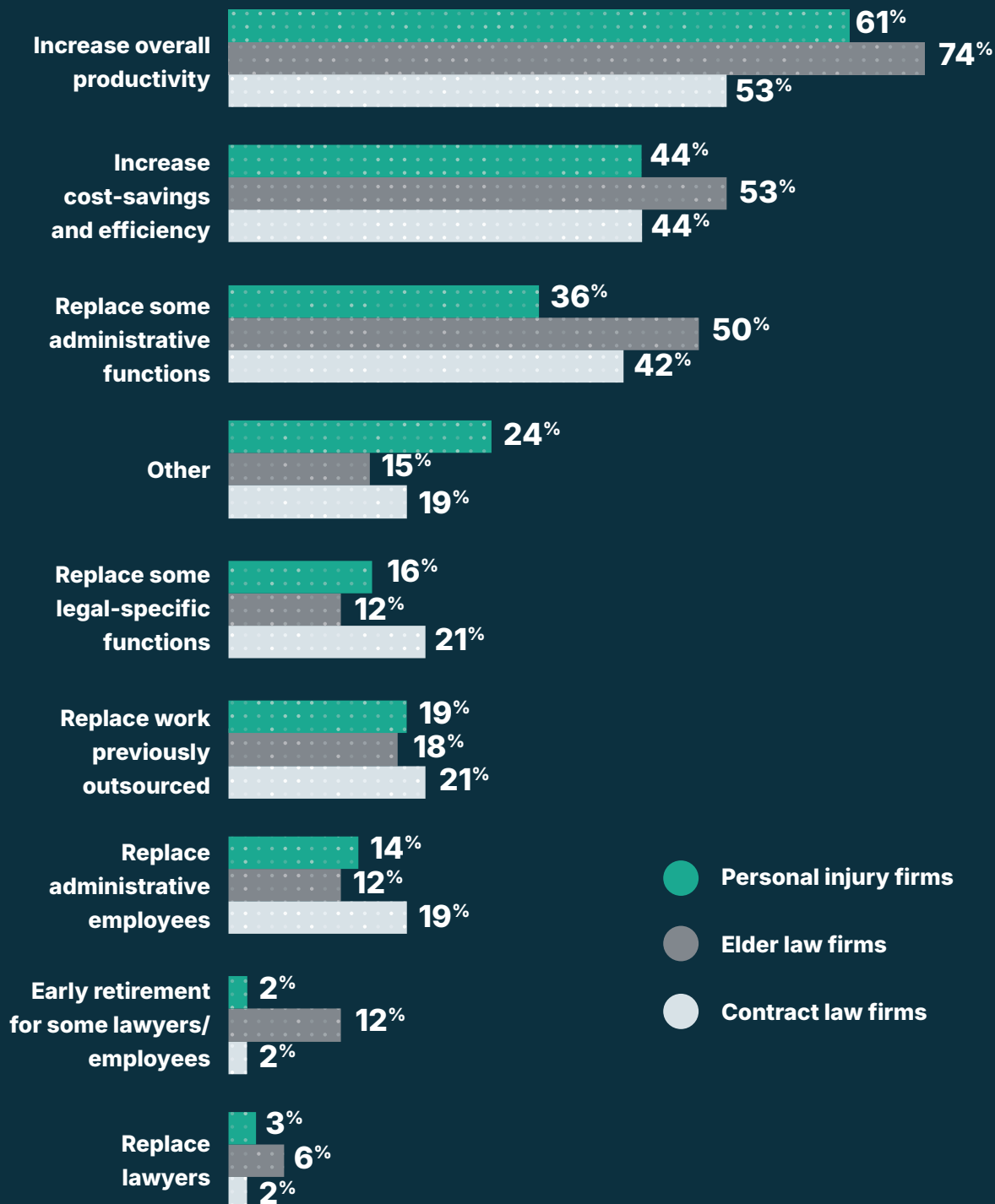
Elder law firms were the most optimistic, with 74% of respondents predicting productivity increases (compared to the 53% average), 50% expecting reduced administrative functions (vs. 33%), and 6% anticipating AI would replace lawyers (vs. 2%).

Contract law firms

Finally, contract law firms also revealed higher-than-average expectations for AI's impact on specific roles. 42% expected reduced administrative tasks (compared to the 33% average), 21% anticipated replacing outsourced work (vs. 12%), 21% predicted legal-specific functions would be replaced (vs. 15%), and 19% foresaw administrative employee replacements (vs. 10%).

These variations show that while increased productivity is a universal expectation, the anticipated impact on outsourcing and staffing differs significantly across practice areas.

Expected AI outcomes



Expected adoption timelines for firms without AI

We asked respondents from firms that have not yet adopted AI software about their future plans and the factors influencing their decisions. Most firms that have not yet implemented AI are unsure when they might do so (60%). About 37% of firms without AI indicated that they have a timeline in mind: 13% anticipated AI adoption within the next year, 11% within six months, 6% within one to two years, and 5% within the next month. Only a small minority of firms will opt to wait longer to adopt AI tools, with 2% estimating a two to five-year time frame and 3% indicating that they will never implement AI in their practices.

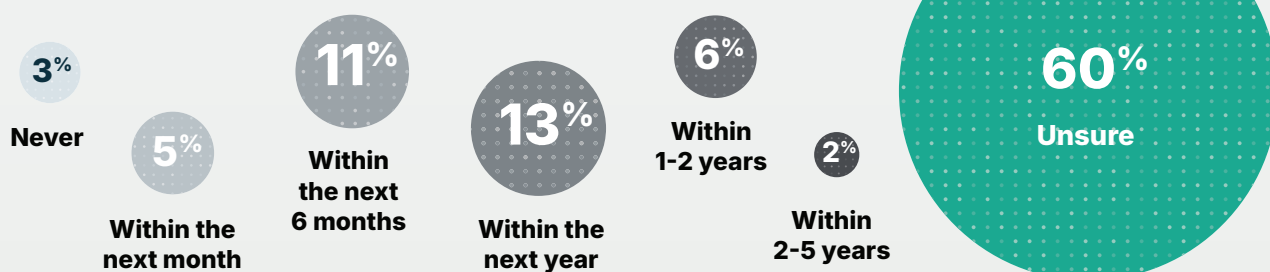
These findings highlight a critical shift: firms that remain undecided or hesitant may struggle to stay competitive in an AI-driven landscape as other practices increasingly embrace the technology.

Firms that hesitate on AI adoption **may struggle to stay competitive** as others embrace the technology.

Generative AI adoption considerations

Next, we focused on factors hindering or encouraging AI adoption in law firms. We learned that while AI tools offer significant potential, challenges sometimes delay adoption. Learning about the reasons behind these hesitations and understanding the most sought-after features is essential to drive broader adoption in the future.

AI adoption plans for firms that haven't yet implemented AI



First, let's consider adoption challenges. The primary factors that respondents identified as "significant" barriers to adoption included a lack of trust in AI results (42%), ethical concerns (42%), a desire to wait for AI to mature and become more reliable (41%), and concerns about privilege issues (36%). 22% percent of respondents cited cost concerns as a significant issue (however, 39% said cost is not a concern at all). Additionally, 32% of respondents said the risk of unauthorized data access significantly slows their firm's adoption of AI.

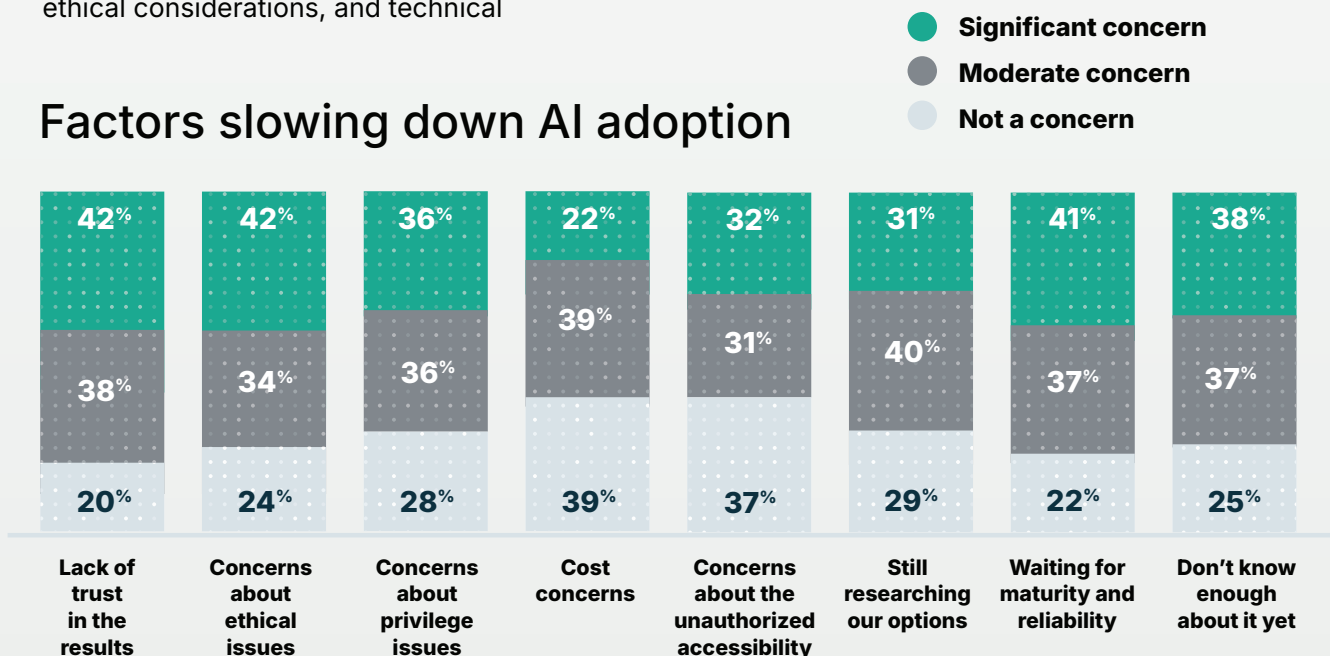
Knowledge gaps also remain a hurdle for some firms, as 38% of respondents reported they don't know enough about AI yet, and 31% said they are still evaluating different software options.

This breakdown suggests that while trust, ethical considerations, and technical

maturity are the top concerns, there is also a clear need for education and resources to help firms overcome uncertainty and hesitation.

Trust, ethics, and technical maturity top the list of concerns, but firms also need education and resources to overcome uncertainty.

Factors slowing down AI adoption



AI priorities vary by practice area

We also asked our respondents about AI feature wishlists, revealing the most sought-after functions for legal professionals. The top-ranked AI capability was summarizing and analyzing lengthy documents, with 39% of respondents rating it as a high priority. Other highly desired features included data extraction from documents (35%), summarizing multiple documents (35%), language translation (33%), legal brief drafting with citations (30%), and knowledge management (29%).

Some AI capabilities were more highly valued in specific practice areas compared to the overall rankings.

Medical record summarization: Only 26% of respondents rated this a high priority overall, but 56% of personal injury professionals identified it as a top need. Language translation: Rated as a high priority by 33% overall, yet 64% of immigration professionals called it essential.

These results highlight that while most legal professionals primarily focus on AI capabilities that streamline legal document analysis, drafting, and knowledge management, niche needs like translation

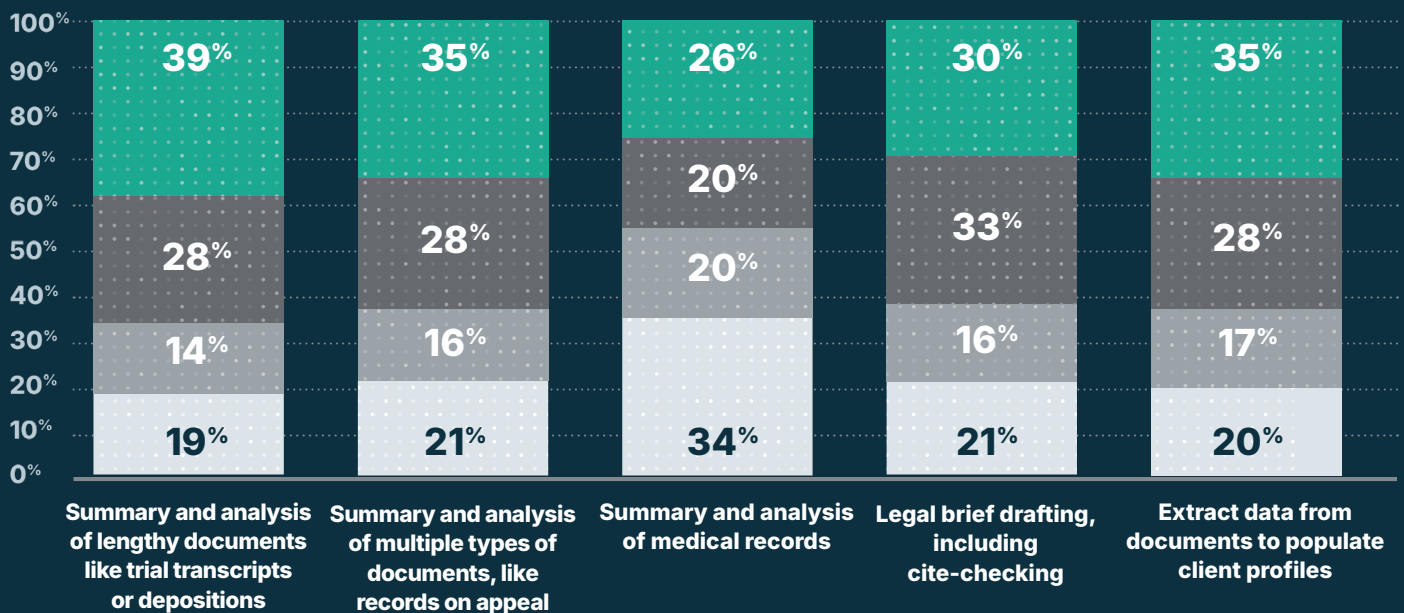
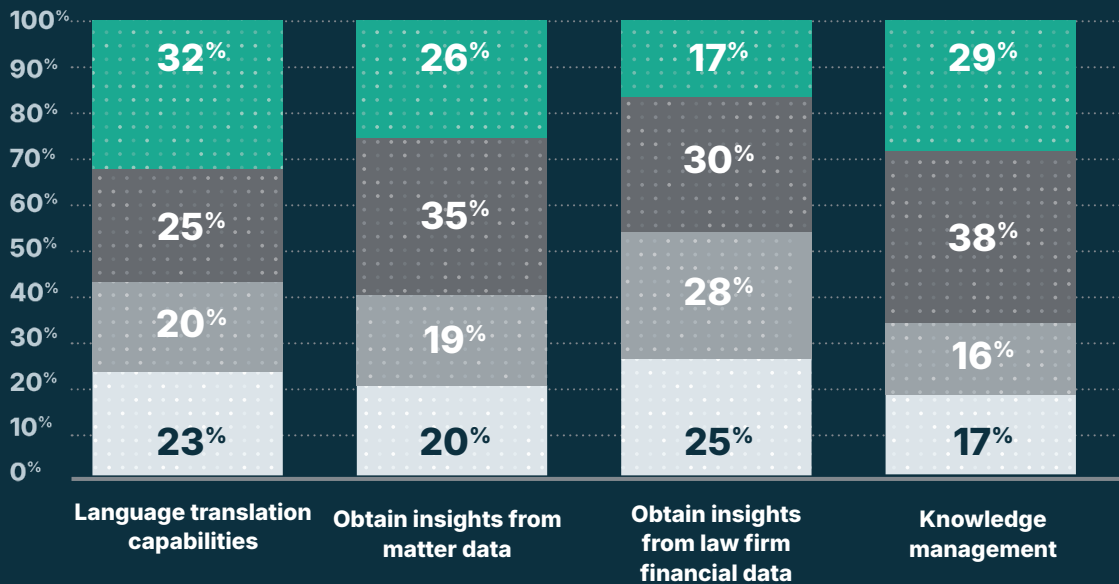
and medical record summarization vary significantly by practice area. Understanding these differences is key to meeting specialized demands.


The findings also reveal a growing awareness of AI's potential compared to last year, tempered by hesitation about trustworthiness, ethical concerns, and technical maturity. There was a noticeable shift toward valuing legal-specific AI tools, though cost concerns and limited knowledge about AI remain consistent barriers.

These trends illustrate the importance of **tailoring AI solutions to specific practice areas** as the profession navigates its adoption journey.

AI feature wishlist

● High
 ● Medium
 ● Low
 ● Not at all



A decorative pattern of small, light-colored dots arranged in a grid, located in the top right corner of the slide.

Financial
wellness
in law:

**A competitive
edge or an
ongoing
struggle?**

Financial wellness

Our survey also gathered data on how law firms handle payroll, expenses, funding, accounting, and trust accounting. In doing so, we gained insight into daily financial challenges and the tools used to manage firm finances, providing a clear view of the strategies implemented to maintain fiscal health and boost profitability.

Financial management challenges

First, we sought to understand law firms' key financial and operational challenges to identify areas where inefficiencies are most prevalent. The data shows that fee collection is a top pain point, with 68% of respondents identifying it as a significant or moderate hurdle. Expense tracking (55%) and reimbursable expense collection (57%) are also challenges, pointing to inefficiencies in managing financial outflows.

Accounting and trust accounting, which are essential for maintaining financial accuracy and compliance, are cited as challenges by 61% and 49% of respondents, respectively. Similarly, more than half of respondents reported difficulties tracking time and invoicing clients (55% and 53%, respectively). Even payroll management, often considered routine, presents a significant or moderate challenge for more than a third (34%) of firms.

Collecting legal fees remains a significant challenge for many law firms, with 24% identifying it as a significant challenge and 44% calling it a moderate one. These findings highlight a common pain point in the legal profession: ensuring timely payment. Chasing down unpaid fees can waste valuable time and dramatically impact cash flow and financial reserves.

68%

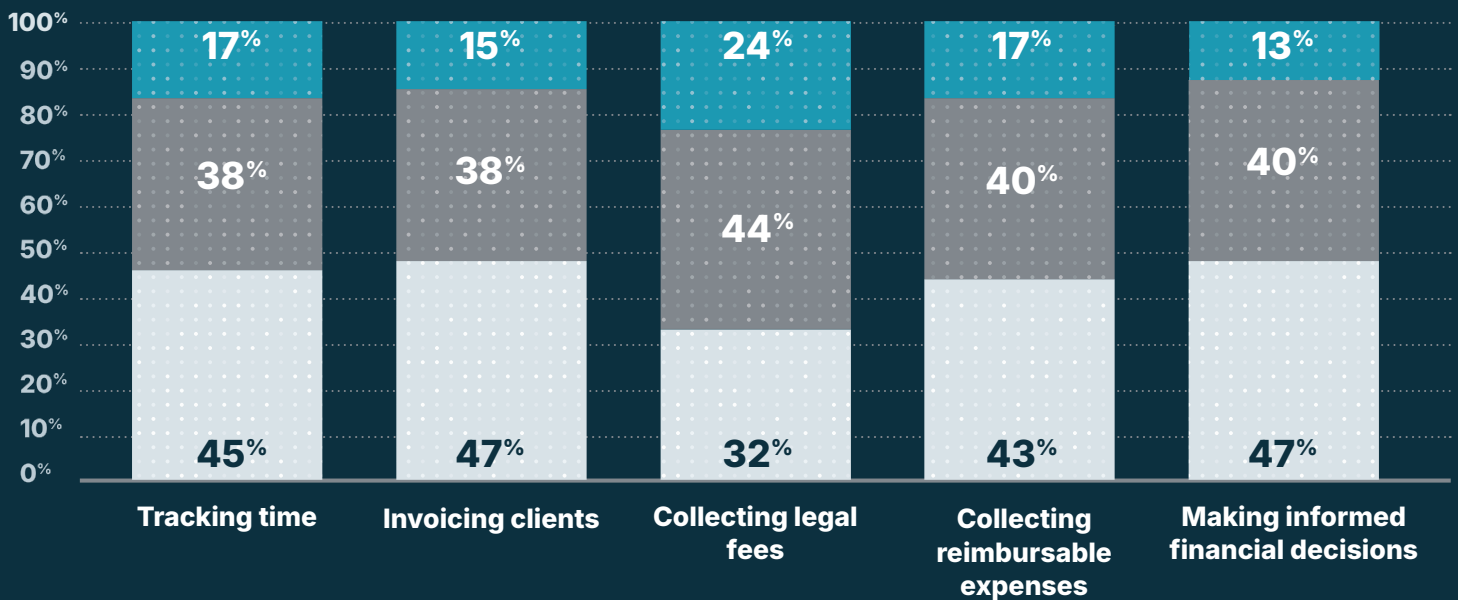
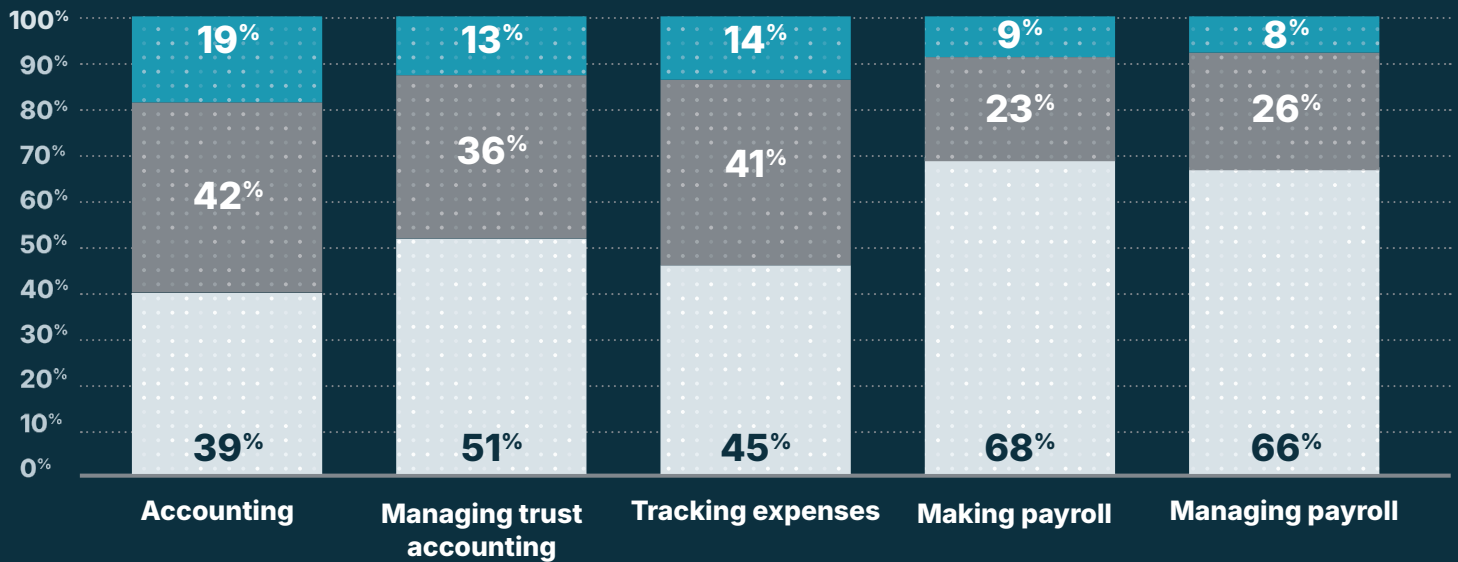
of firms citing fee collection as a major hurdle, financial inefficiencies remain a pressing challenge in the legal industry.

Financial management solutions

Legal fee lending solutions are a powerful option that can help address these issues. These services connect clients with third-party lenders who pay the firm upfront for legal services, eliminating the need for firms to allocate resources toward fee collection. By getting paid in full at the start of a case, legal professionals can focus on their work rather than pursuing overdue payments.

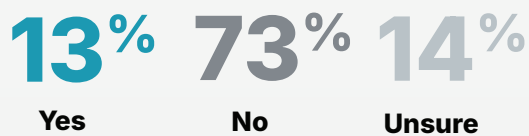
Financial management challenges

● Significant challenge
 ● Moderate challenge
 ● Not a challenge



Our survey investigated whether firms used tools like legal fee lending to enhance accessibility to their services. Only 13% of firms reported adopting these solutions, but the advantages for those that did are evident. According to last year's Legal Industry Report, 47% of firms using external funding tools were able to take on more cases, demonstrating how such solutions can help firms grow and expand their client base.

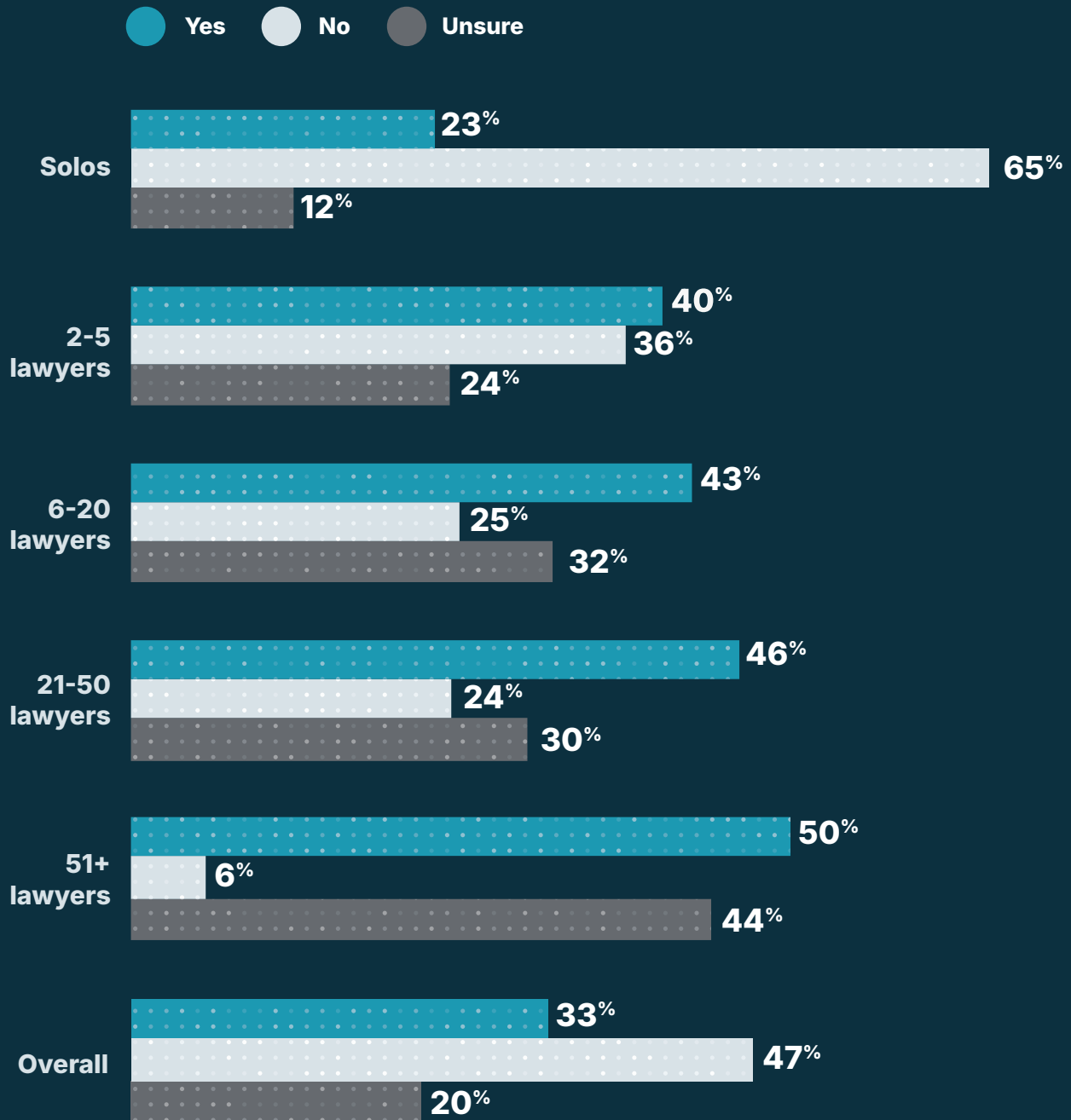
External funding solutions for legal fees



We also asked about the adoption of payroll software in law firms and found that **one-third of respondents reported using these tools** in their workplace.

However, adoption rates varied significantly by firm size. For example, only 23% of solo practitioners reported using payroll software, compared to 50% of firms with 51 or more lawyers. This disparity underscores the greater administrative demands faced by larger firms and their need for efficient workforce management solutions.

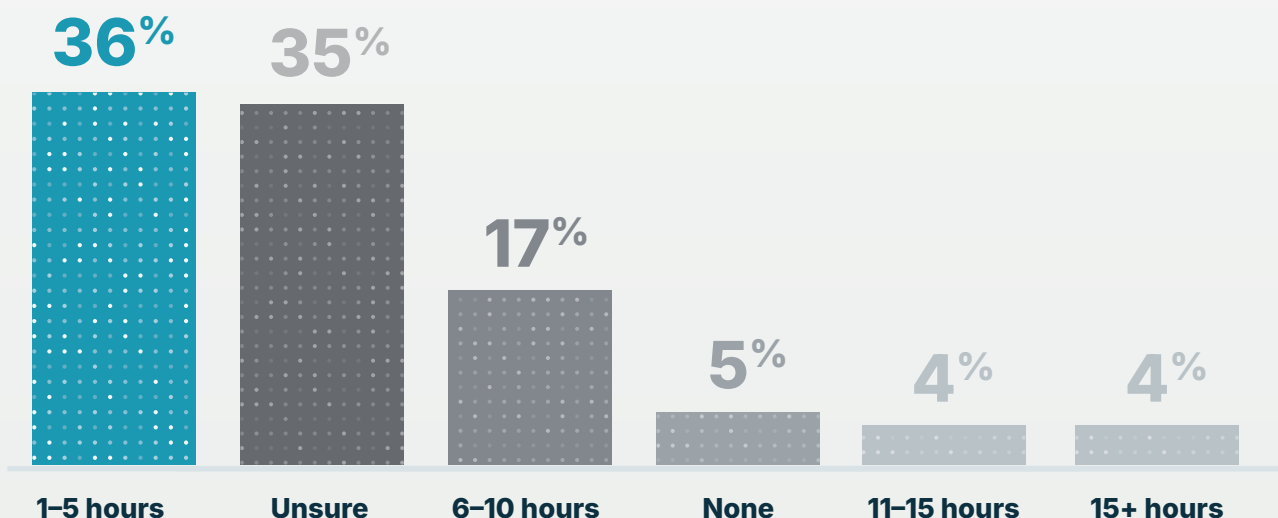
Usage of payroll software



Next, we learned that firms using payroll software rather than manual processes report significant productivity gains, with time savings adding up quickly. Notably, 36% of respondents reported saving 1–5 hours per month, while 17% saved 6–10 hours. Additionally, 4% saved 11–15 hours, and another 4% saved 15 or more hours monthly. These efficiency improvements highlight how payroll software reduces administrative burdens, freeing up time for higher-value tasks and driving operational productivity.

Firms using payroll software see significant productivity gains—36% save up to 5 hours per month, while some reclaim 15+ hours, freeing time for higher-value work.

Time saved using payroll software



Accounting tools

the final aspect of financial wellness we explored focused on law firm accounting. Our goal was to understand how firms leverage software to tackle these challenges and uncover the resulting benefits.

We began by examining how firms manage trust accounting. Over one-third (37%) of respondents reported using trust accounting software, and the advantages were clear. Among these firms, 36% saved 1–5 hours per month, 14% saved 6–10 hours, 5% saved 11–15 hours, and 3% saved 15 or more hours each month.

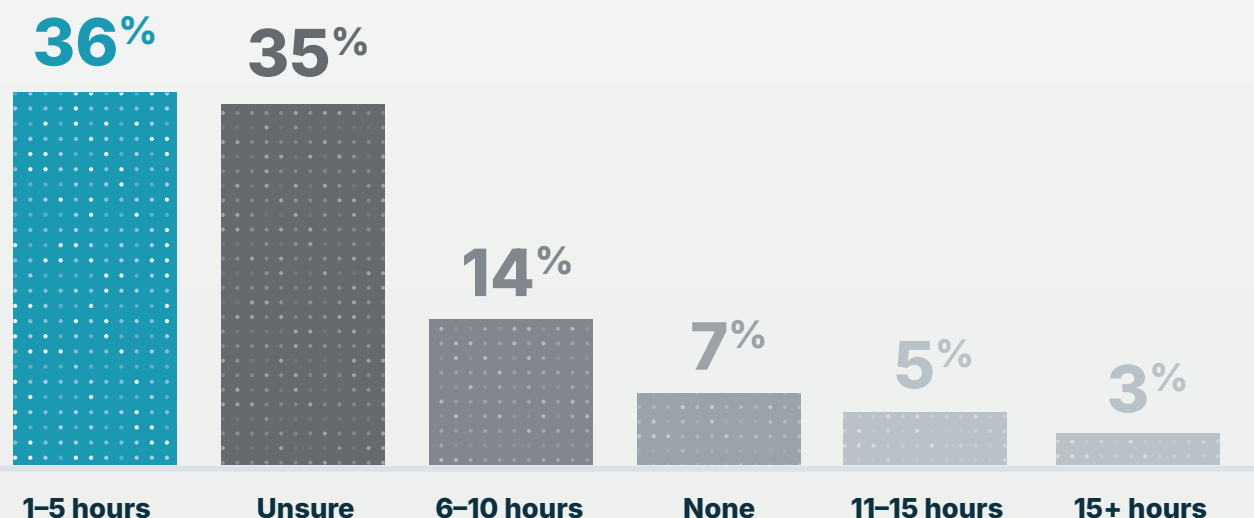
Faster, smarter way to work

Firms using trust accounting software save up to

15 hours a month

Interestingly, 35% of respondents were unsure about their time savings, suggesting an opportunity for firms to better assess the full impact of these tools. Importantly, only 7% reported no time savings, underscoring the overall effectiveness of trust accounting software in boosting efficiency and reducing administrative workload.

Time saved using trust account reconciliation software



Legal-specific bookkeeping and accounting software

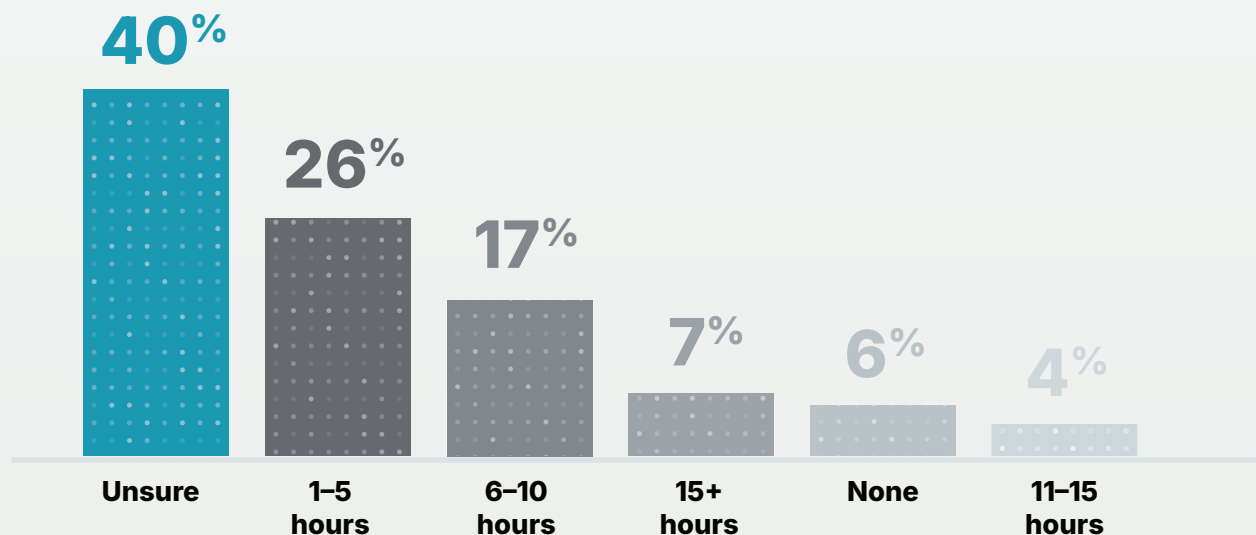
Next, we explored the use of legal-specific bookkeeping and accounting software and the benefits it provides. When asked whether their firms used accounting software specifically designed for the legal industry, 30% of respondents said yes.

We also examined how legal-specific accounting software interacts with other systems that firms use. Notably, 37% of respondents reported that the software is a built-in feature of their law practice management system, while 16% said it is built into their legal billing software. Smaller segments use legal accounting software that integrates with other firm systems

rather than being built into them: 11% said their software integrates with a law practice management system, and 9% reported integrations with billing software. Meanwhile, 16% of respondents use standalone legal accounting software without integration capabilities.

We also evaluated the time savings achieved by firms using legal-specific bookkeeping and accounting software. Among these firms, 26% reported saving 1–5 hours per month, while 17% saved 6–10 hours. Additionally, 7% saved 15 or more hours, and 4% saved 11–15 hours. These results highlight the significant benefits of adopting legal-specific accounting tools. When integrated with

Time saved using legal-specific accounting software

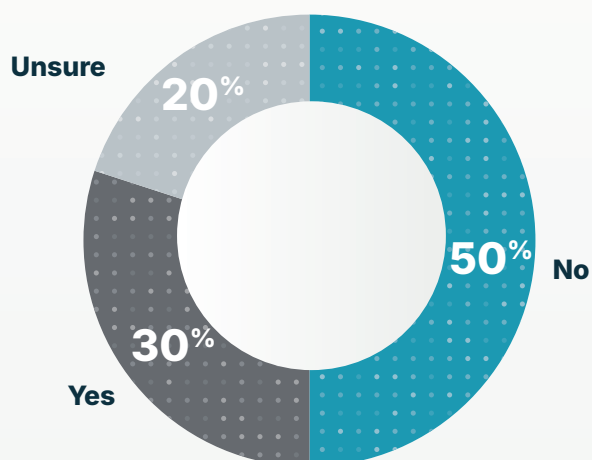


practice management systems, these solutions streamline workflows and contribute to improved financial wellness, delivering measurable time savings.

Financial wellness

Adopting legal-specific accounting and financial management software can yield tangible time savings through improved workflows and overall financial wellness.

Use of legal-specific accounting software



Types of legal-specific accounting software in use

- 37%** Built into your firm's law practice management software
- 16%** Built into your firm's legal billing software
- 16%** Standalone with no integration capabilities
- 11%** Integrates with your firm's law practice management software
- 11%** Other
- 9%** Integrates with your firm's billing software

Getting paid

Legal billing tools are essential for firms aiming to accurately track time, streamline invoicing, and maximize fee collection. Without these capabilities, firms waste valuable administrative hours, struggle with inefficiencies, and lose significant revenue.

Practices that embrace modern legal billing and payment solutions gain a clear competitive advantage, enhancing both operational efficiency and financial performance.

Time tracking tools

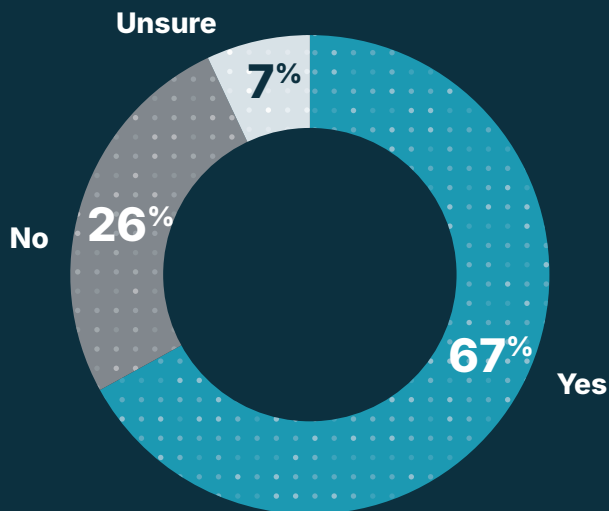
Online time-tracking tools allow legal professionals to capture billable hours across devices, associate them with client matters, and automatically generate draft invoices—all with ease and accuracy.

In our survey, 67% of respondents reported using software with basic time-tracking features, while 26% said they did not. This widespread adoption emphasizes the vital role these tools play in preventing lost billable hours and revenue.

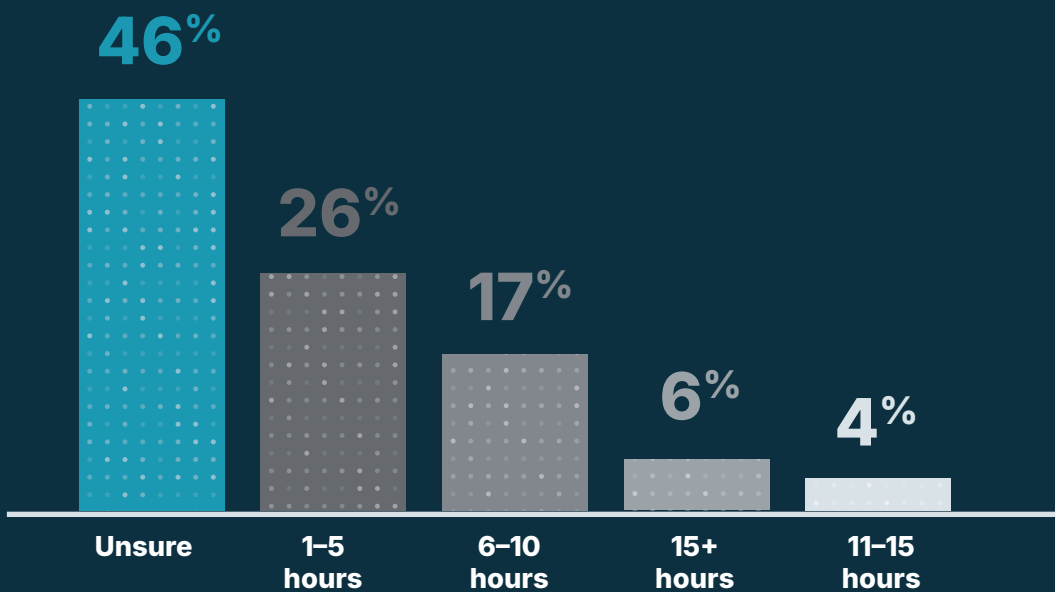
Advanced time tracking: Passive tools for maximum efficiency

Next, we looked at an even more advanced method for capturing billable hours: passive time tracking. Unlike traditional tools, passive time tracking runs in the background, automatically recording work performed within programs like law practice management software. It captures emails, messages, document drafting, and other tasks that might otherwise be missed. Legal professionals can then review these activities, select relevant entries, and designate them as billable time. By minimizing manual input and preventing missed tasks, passive time tracking ensures accurate and comprehensive time capture with minimal effort.

Basic time tracking usage



Time saved using basic time tracking tools



The value of passive time tracking

Our survey data highlights the benefits of passive time-tracking tools. About a quarter of respondents (24%) reported using software that automatically captures work performed in the background, helping them prevent billable time from going unrecorded. This technology offers an easy way for firms to improve efficiency and recover lost revenue.

56%

of firms that use passive time tracking tools reported measurable time savings each month.

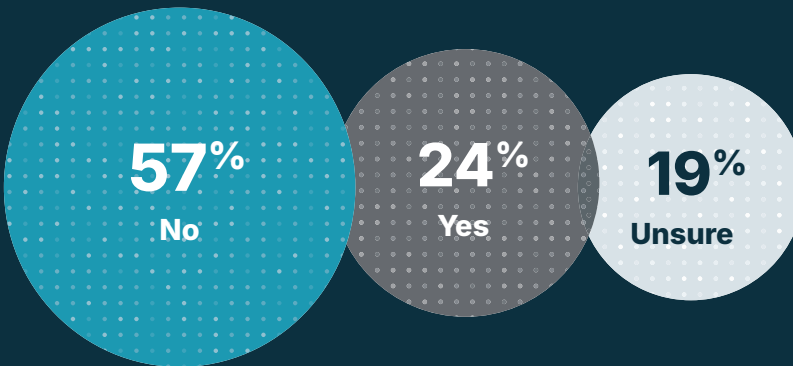
Time-saving benefits and ROI

Respondents whose firms use passive time-tracking tools reported measurable time savings each month:

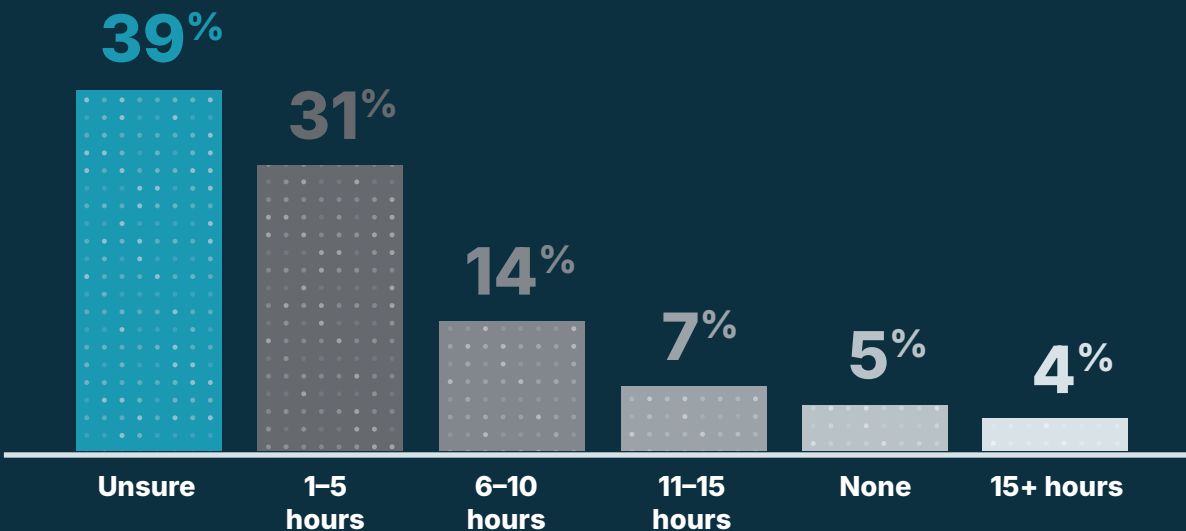
- 31% saved between 1 and 5 hours
- 14% saved 6 to 10 hours
- 7% saved 11 to 15 hours
- 4% saved more than 15 hours

These time savings translate directly into financial benefits. By easing the burden of manual timekeeping, passive time-tracking software helps firms streamline operations while maximizing revenue. For practices that have not yet implemented this technology, the data suggests these tools pay for themselves and offer significant opportunities to improve both productivity and profitability.

Passive time tracking usage



Time saved using passive time tracking tools



Invoicing tools

Invoicing clients is a critical but time-consuming administrative task that can be significantly streamlined with modern software. Invoicing software simplifies the process, especially when integrated with or built into your firm's law practice management and billing systems. With just a click of a button, firms can generate and send accurate invoices that include payment links, making it easier for clients to pay promptly.

The benefits of invoicing efficiency

By reducing manual data entry, invoicing software not only saves time but also improves accuracy and increases collection rates. The data shows that most law firms recognize these benefits and are embracing legal billing software

to improve efficiency: 80% of our survey respondents said their firms have implemented software with invoicing features.

Firms using invoicing software can save

11⁺ hours per month

For firms that use invoicing software, the reported time savings are substantial:

- 27% save 1 to 5 hours per month
- 16% save 6 to 10 hours
- 12% save 11 or more hours

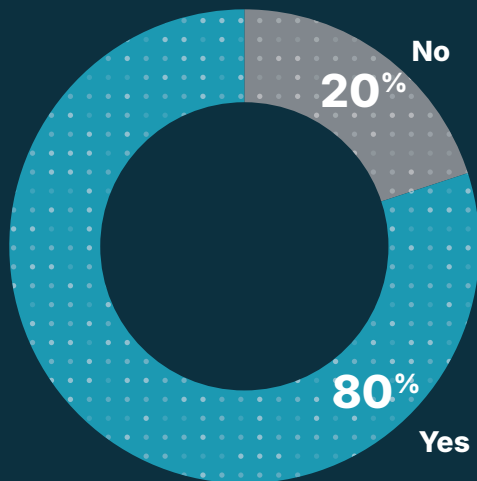
These efficiency gains add up quickly, freeing up valuable time that can be redirected to client work or other high-value activities.

The takeaway:

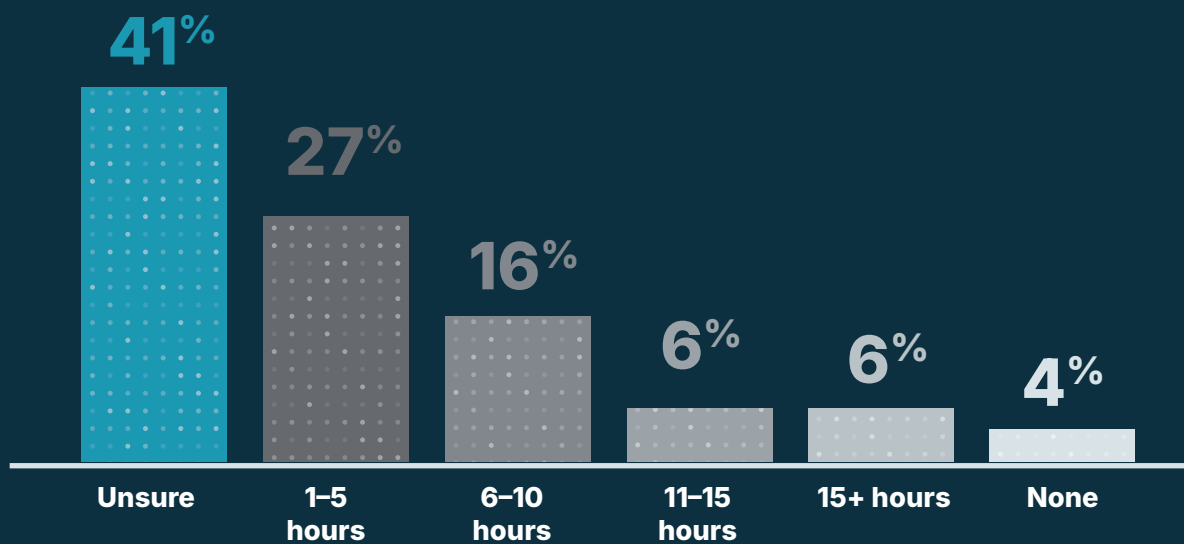
Invoicing software drives success

This data shows the transformative impact of invoicing software on operational efficiency and profitability. Firms that adopt these tools reduce administrative burdens and improve client satisfaction, collection rates, and accuracy.

Invoicing software usage



Time saved using invoicing software



Payment processing tools:
Simplifying the final step

After invoices are sent, the next crucial step is collecting payment. Payment processing software has significantly improved this process, making it faster, more secure, and more convenient for both firms and their clients. By providing a secure payment link, firms empower clients to pay quickly and easily using credit or debit cards—significantly reducing friction in the payment process.

Get paid faster

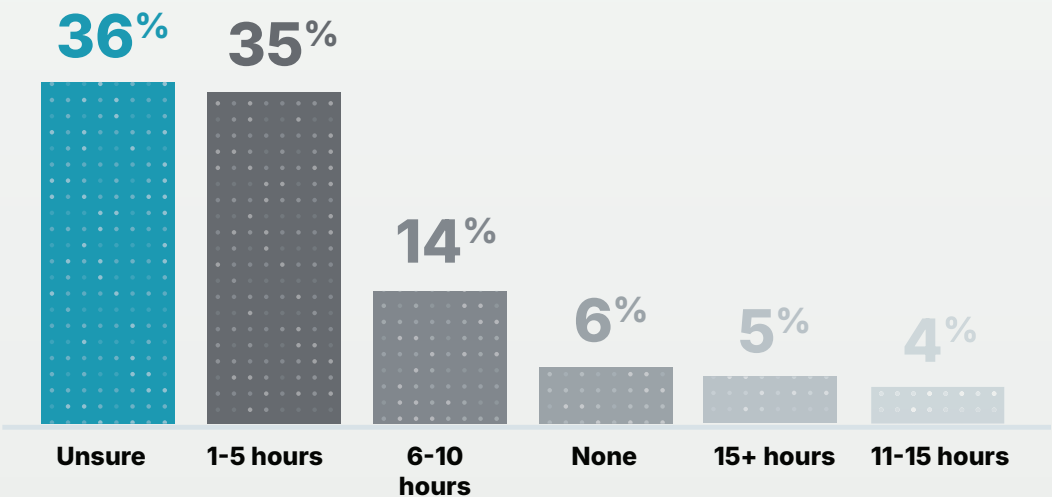
Payment processing software makes collecting payments faster, more secure, and more convenient.

The rise of online payment adoption

The simplicity and efficiency of online payments have driven widespread law firm adoption. In 2024, 82% of respondents reported that their firms accept credit or debit card payments through online payment processing software, a notable increase from 78% in 2023.

This upward trend highlights the growing demand for flexible and client-friendly payment options. These tools improve the client experience and accelerate cash flow, helping firms get paid faster while reducing administrative burdens.

Time saved using online payment processing software



The takeaway:

Payment processing software is essential

payment processing software is no longer a “nice-to-have.” It is an essential component of modern legal operations, and the benefits are evident in time savings and financial performance.

Time savings

Over a third of respondents (35%) indicated saving between 1 and 5 hours per month using online payment processing software. An additional 14% save 6 to 10 hours, nearly 5% of firms save over 11 hours monthly, and another 5% save 15 or more hours. These time-saving metrics offer convincing evidence of the efficiency gains achieved by automating payment collections.

Financial impact

Accepting online payments also drives measurable financial benefits. More than half of respondents (59%) reported that accepting credit and debit cards increases their firms' collection rates “somewhat more” or “significantly more” each month. This reflects the power of offering flexible, client-friendly payment options that reduce friction

and encourage faster remittance. For firms already leveraging these tools, streamlining payment collections

59%

of respondents say accepting credit and debit cards increases their firms' collection rates

strengthens cash flow and boosts client satisfaction. The evidence is undeniable: online payment software delivers significant value, driving efficiency, profitability, and an enhanced client experience.

Remote,
hybrid, or
in-office:

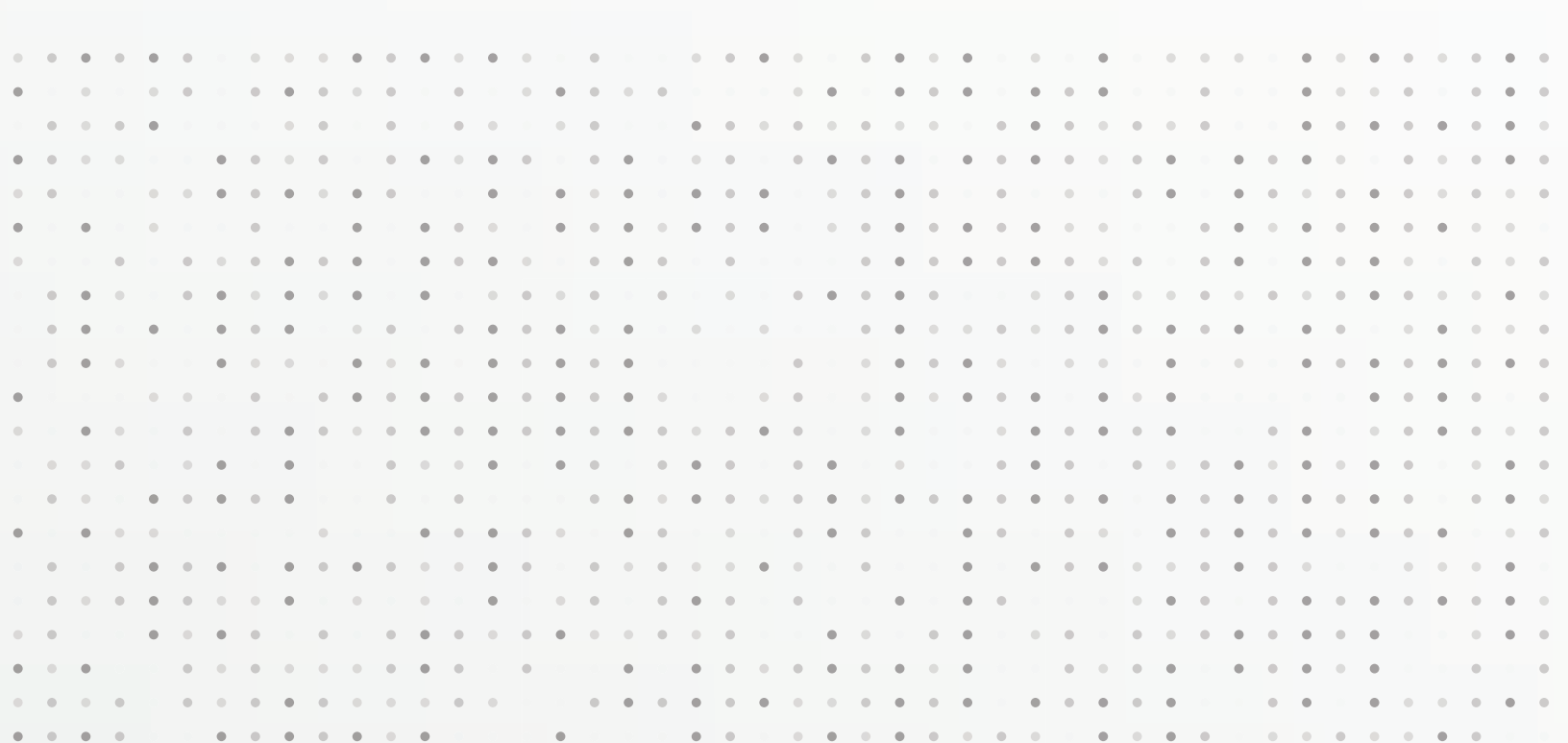
**What's the
new normal
for legal
professionals?**



The post-pandemic transformation of legal work

Since the COVID-19 pandemic, legal organizations have undergone significant changes driven by evolving expectations around emerging technologies and work arrangements. The adoption of cloud-based tools and the shift to remote work has reshaped how legal professionals approach collaboration and client service. In this section, we sought deeper insight into this evolution.

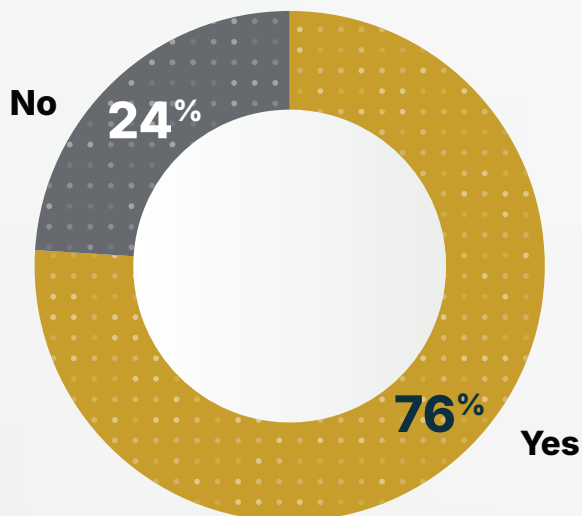
This year's data builds on past surveys to reveal how these trends are maturing. It highlights how firms are navigating the complexities of hybrid work, adapting office spaces, and responding to the push and pull between returning to traditional office environments and embracing flexible models.



Remote working tools

In 2024, 76% of legal organizations reported adopting cloud-based remote working technologies, indicating widespread integration of these tools across the industry. The most commonly adopted tools included video conferencing (79%), e-signature (78%), and e-filing (76%), highlighting their importance in enabling remote collaboration and document management. These tools are essential to ensure legal professionals can maintain productivity, responsiveness, and client service standards in hybrid and remote work environments.

Cloud-based remote working software adoption



Cloud-based financial tools

Adoption surged from

50 to 69%

in just two years.

One significant trend was the increased reliance on cloud-based financial management tools. Payment processing and legal billing solutions saw substantial increases over the past two years, from 50% and 42% in the 2022 Legal Industry Report to 69% and 64% in 2024, respectively. This shift reflects the legal profession's growing focus on digitizing and streamlining financial operations, reducing administrative burdens, and enhancing accuracy in billing and invoicing processes.

Cloud-based remote working tools used in law firms in 2024



79%

Video conferencing tools



64%

Time tracking and invoicing



78%

E-signature



61%

Document management software



76%

E-filing



54%

Communication software like online portals



69%

Payment processing



54%

Cybersecurity features such as multi-factor authentication



67%

Law practice management software



3%

Other

Practice areas shape video conferencing usage

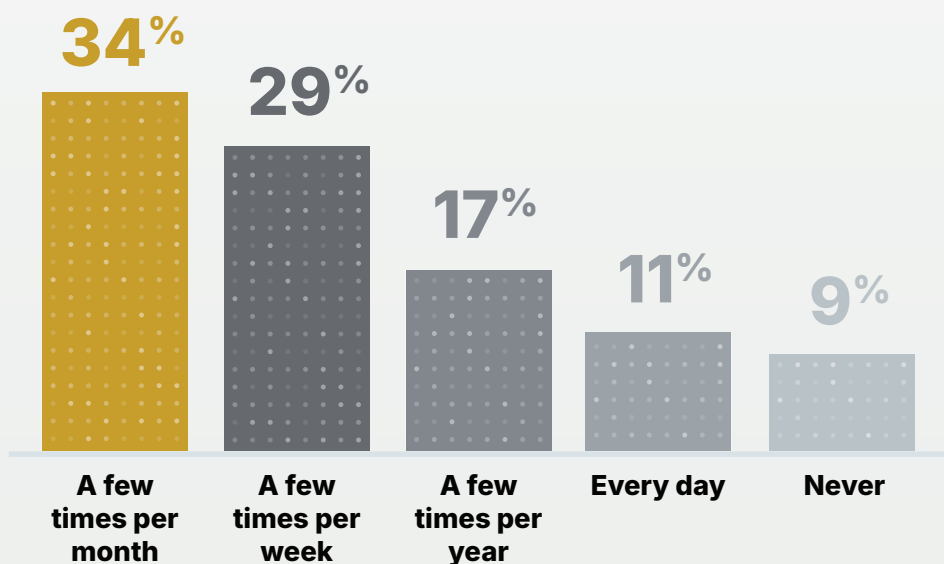
Video conferencing usage has exploded since the pandemic, but how and why are legal professionals using it? The data reveals significant variation across practice areas, reflecting the unique demands of different types of firms.

For example, only 5% of respondents at personal injury firms said they meet with clients via video conferencing daily, compared to 11% for all types of firms surveyed. Weekly usage (21%) also lagged behind the overall average (29%). This lower frequency reflects the episodic nature of PI cases, which often involve extended periods of inactivity during pretrial discovery or settlement negotiations.

Immigration practices were more balanced in their video conferencing frequency, with 38% using these tools to meet with clients a few times per week (well above the 29% average). This pattern aligns with the milestone-driven nature of immigration cases, where client interactions often occur at predictable intervals.

Nearly half of respondents (47%) at employment law firms said they hold video calls with clients a few times per week, far above the 29% average across all firms. This trend likely stems from the collaborative and ongoing nature of workplace disputes, which often require flexible and confidential meetings outside of traditional office hours.

Video conferencing frequency overall



Client comfort with video conferencing

the data reveals that most legal clients are now comfortable with video conferencing, with 42% of respondents reporting that their clients have no concerns, showing how the passage of time has normalized virtual interactions. However, some challenges remain: 31% of respondents cited clients' lack of technological know-how as a barrier to video conferencing, and 18% said clients have limited access to the necessary technology.

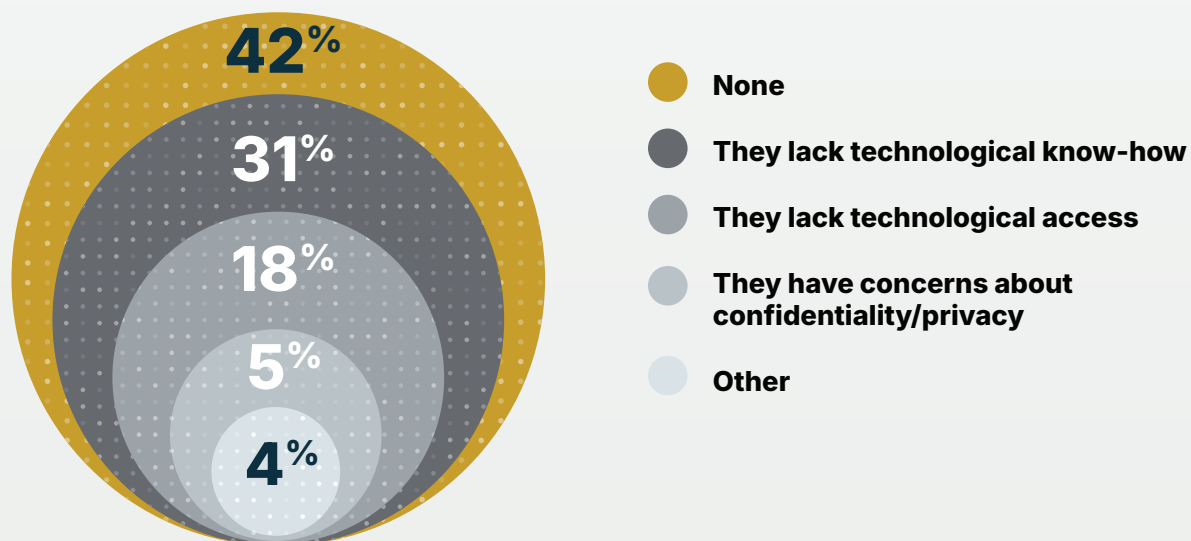
Interestingly, privacy and confidentiality concerns were minimal, with only 5% of respondents indicating this was an issue for their clients. Overall, this reflects a significant shift toward clients' improved trust in virtual communication, a lasting impact of the pandemic era.

Virtual is normal

42% of clients are comfortable with video conferencing.

83% of respondents attend remote proceedings regularly.

Client video conferencing concerns



Perceptions of virtual court proceedings by practice area

We also explored perceptions about virtual court proceedings. We found notable differences across practice areas compared to overall averages, likely due to the unique nature and demands of each specialty.

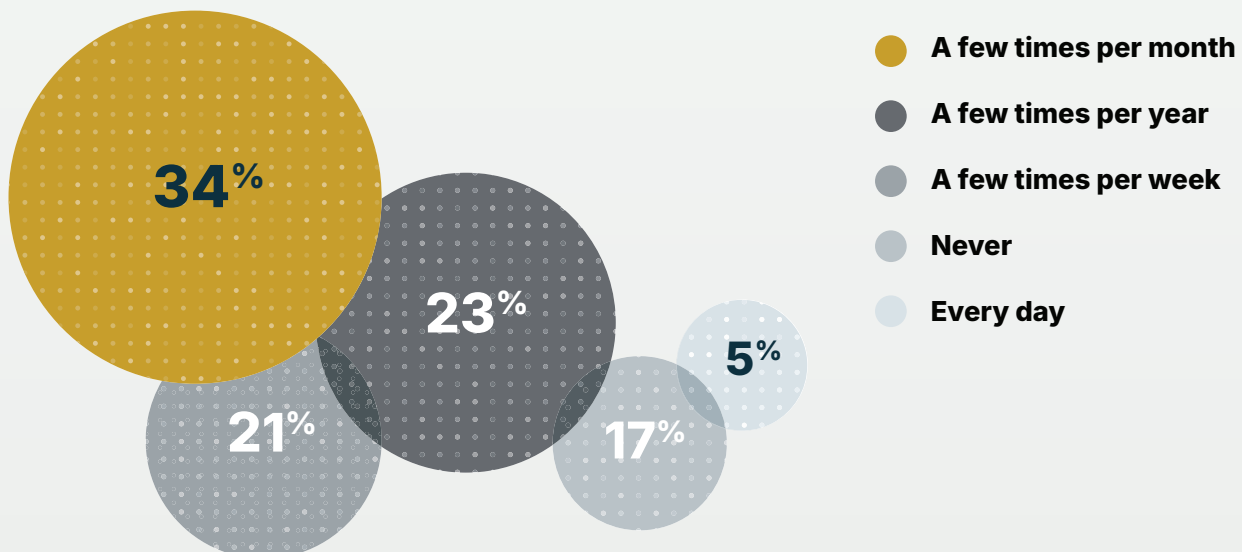
First, we determined that family law practitioners are among the most frequent users of virtual proceedings, with 93% reporting having attended proceedings remotely (compared to the 83% overall average) and 29% attending virtual proceedings weekly (compared to 21% overall). The high frequency could be due to the need for flexibility and privacy in handling sensitive matters such as custody disputes and divorces, where parties

may prefer the convenience and reduced emotional stress of remote participation, often outside of working hours.

Civil litigation shows a similar trend: 90% of respondents said they had conducted proceedings virtually, with 28% doing so weekly. This reflects the growing acceptance of virtual hearings in this field, partly due to the need to bring together people from different geographic regions to avoid costly in-person proceedings such as depositions.

In criminal law, daily virtual court appearances rank significantly higher, at 10% compared to the 5% overall average. This is likely driven by the multi-county coverage of many criminal defense lawyers who need to appear for simple status updates.

Overall frequency of virtual proceedings



Practitioners who focus on trusts and estates are less likely to use virtual proceedings, with 23% saying they never attend virtually. This lower frequency could be driven by the frequent need for in-person signatures and a preference for face-to-face interactions to establish trust and clarity in estate planning.

These differences emphasize how the nature and frequency of **virtual court appearances vary significantly based on the demands and structure of each practice area.**

Attitudes about in-person proceedings

To gain deeper insights into the types of proceedings legal professionals prefer to conduct virtually, we compared practice-area preferences to overall norms for all types of firms. Across all survey respondents, 50% preferred to conduct hearings in person, 45% for jury trials, 43% for bench trials, 39% for motion arguments, 37% for depositions, and 30% for status conferences. However, significant variations emerged across practice areas.

Trusts and estates professionals preferred virtual litigation proceedings at a higher rate than the average for all practice areas, with only 36% favoring in-person jury trials, 35% for bench trials, 30% for motion arguments, and 30% for depositions.

Civil litigation and personal injury practitioners demonstrated an above-average preference for in-person jury trials (56% each) and depositions (46% and 49%, respectively).

Criminal law professionals also reported a preference for in-person proceedings, with 59% favoring in-person hearings, 58% for jury trials, 55% for bench trials, and 49% for motion arguments.

Immigration law professionals showed below-average preferences for in-person motion arguments (26%), status conferences (22%), and depositions (19%).

Practice-area demands shape virtual appearance preferences—

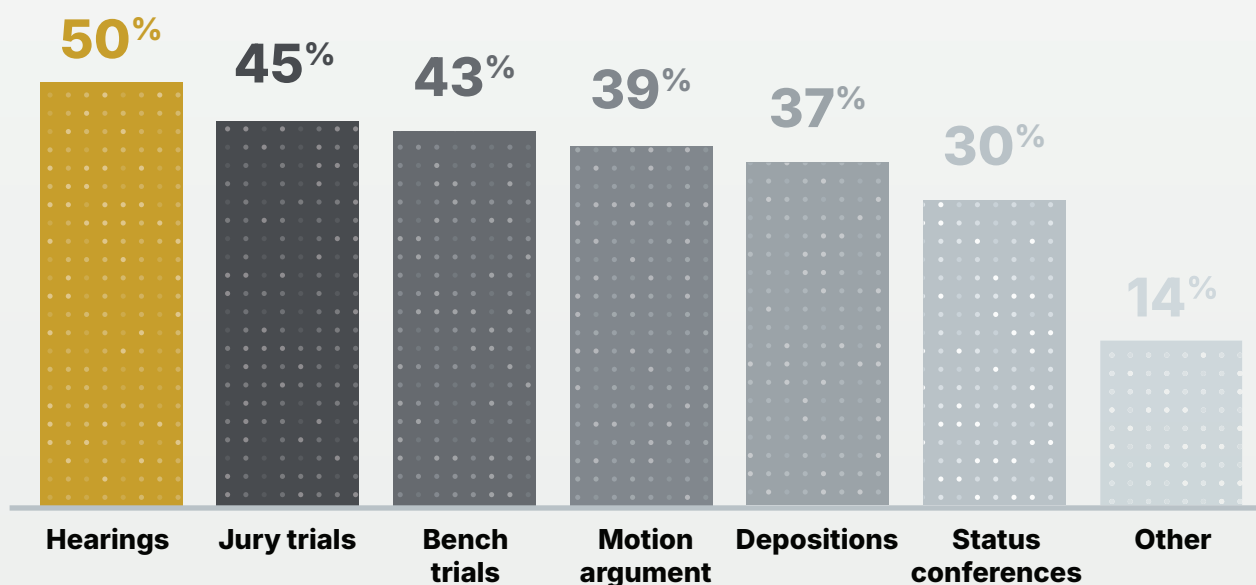
litigation favors in-person, while fields like trusts embrace virtual options.

These variations showcase how practice-area demands shape preferences about virtual appearances. Litigation-heavy fields tend toward in-person proceedings, while areas like trusts embrace virtual options more readily. For more intensive appearances such as hearings and trials, in-person proceedings were often preferred due to the high-stakes nature of those proceedings, where physical presence and immediate interaction can be critical for effective advocacy.

Remote work concerns

Because remote work and virtual court appearances are becoming increasingly common, we were interested in examining

Preferences for in-court proceedings



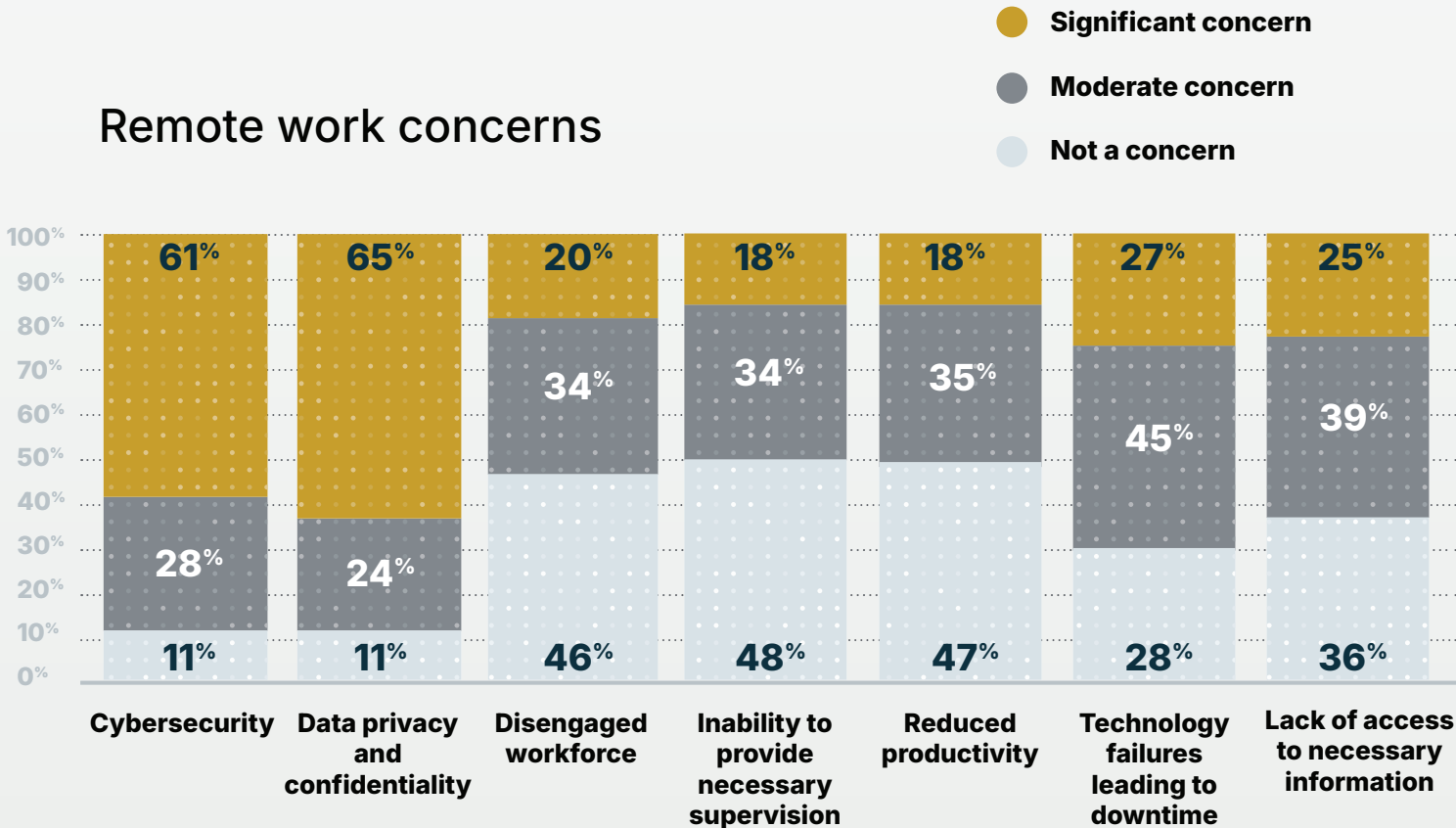
the key challenges limiting broader adoption. When asked to identify “significant” concerns related to remote work, respondents indicated that data privacy and confidentiality issues (65%) and cybersecurity (61%) were substantial hurdles. These statistics highlight the profession’s heightened focus on protecting sensitive client information and maintaining compliance with strict confidentiality standards.

Other significant concerns included technology failures (27%) and lack of access to necessary resources (25%). However, these were viewed as less critical than security issues, which remain the dominant concern for remote work adoption, reflecting

the legal profession’s commitment to protecting confidential client data.

Despite these challenges, legal organization leaders clearly recognize the need to implement remote work tools to safeguard against the unexpected. A majority of respondents (66%) reported that remote working technology is now part of their firm’s long-term business continuity plan, representing a strategic commitment to flexibility and resilience as firms seek to adapt while maintaining seamless client service.

Remote work concerns



Evolving office arrangements

We also explored how legal organizations are navigating evolving office dynamics, with firm size emerging as a significant factor influencing in-office, remote, and hybrid work preferences.

Work models vary widely with **firm size influencing preferences.**

Overall, 28% of our survey respondents said their firms operate fully in-office; 21% use hybrid schedules for all team members; 19% are fully remote, and 18% adopt hybrid schedules for some of their staff. However, these preferences shift noticeably depending on firm size.

Solo practitioners tend to favor virtual work, with 31% of respondents in this category operating entirely remotely, likely due to the flexibility and cost savings that remote work provides. In contrast, small firms with 2 to 5 lawyers leaned toward traditional office arrangements, with 36% of respondents

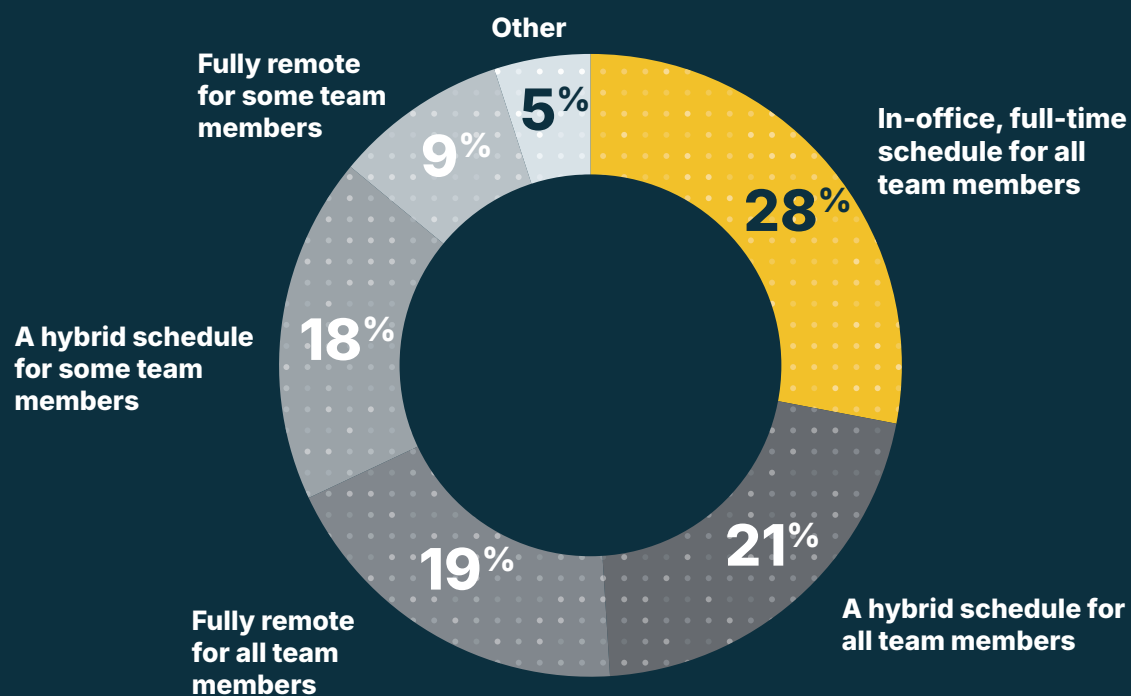
fully in-office and only 10% fully adopting remote work.

Mid-sized firms (6 to 20 lawyers) showed a strong preference for partial hybrid models, with 32% implementing hybrid schedules for some of their employees—nearly double the overall average for all firms. Only 7% of these firms have fully remote operations.

The trend was similar for medium-large firms (21 to 50 lawyers): 36% of these respondents said their firms use hybrid schedules for some team members, while 28% offer hybrid arrangements to all employees. Only 5% of respondents in the medium-large segment had fully remote work environments.

Hybrid schedules dominate at the large firms we surveyed (51+ lawyers), with 61% offering hybrid schedules for all team members—nearly three times the overall average. Fully remote and fully in-office arrangements were rare at this size, with only 6% reporting each model. These variations indicate that firm size influences not only logistical considerations but also cultural and operational needs when determining work arrangements.

Post-pandemic workplace schedules overall



Conclusion

This year's report underscores how legal professionals are navigating rapid technological change, with generative AI at the forefront. The profession is at a crossroads, balancing tradition with the growing need to adopt tools that improve efficiency, profitability, and client service.

Generative AI:

Opportunities and challenges

Adoption on the rise: Generative AI usage among individual legal professionals is steadily increasing, though firms often take a cautious approach to large-scale rollouts. Key concerns include addressing ethical issues, security challenges and trust in AI outputs.

However, AI adoption has clear benefits—streamlined workflows, robust data analysis, knowledge management applications, and business operations support. Firm leaders report that successful AI implementation leads to significant time savings, improved accuracy, and a competitive edge.

Successful AI implementation offers not just efficiency, but **a strategic advantage in the competitive legal marketplace.**

Financial wellness

Financial wellness remains a key priority for many firms as they increasingly adopt platforms that help clients overcome the financial challenges of retaining legal services. At the same time, firms are utilizing tools that address accounting and trust management hurdles, enabling them to save time, improve compliance, and enhance cash flow.

Profitability drivers:

Time tracking, billing, and payments

Time tracking, billing, and payment tools also emerged as key drivers of profitability. Primary benefits of these features include:

- **Maximizing billable hours:** Passive time-tracking tools and online payment processing software ensure no billable activity is missed, saving many firms 1 to 15+ hours per month.
- **Administrative relief:** Automating billing and payment processes reduces administrative burdens, freeing up resources for client-focused work.
- **Faster payments:** Online payment software improves collection rates, with 59% of firms reporting increased revenue from offering flexible payment options.

Shifting workplace dynamics:

Remote work and cloud-based tools

Workplace dynamics are also shifting as legal professionals adapt to new expectations for expanded flexibility.

- **New standards:** Remote and hybrid work arrangements have become the norm, supported by cloud-based tools like video conferencing, e-signature platforms, and e-filing systems.
- **Enhanced collaboration:** Cloud-based solutions ensure secure, seamless collaboration and enhanced productivity. The findings show that legal professionals and their employers increasingly recognize the value, convenience, and flexibility of delivering services seamlessly outside traditional office settings.

Looking ahead:

Strategic technology adoption

The data points to a clear imperative: firms must adopt a strategic approach to technology integration to stay competitive. The rapid evolution of tools like generative AI and automated systems means that staying informed is no longer optional.

Firms that proactively leverage tools designed to streamline workflows, enhance financial stability, and maintain ethical standards will be best positioned to thrive in an increasingly competitive legal marketplace. By investing in the right technologies, legal professionals can build efficient, client-friendly, and profitable practices and be better prepared for the challenges—and opportunities—that tomorrow will bring.

The future of law is clear:
**Technology-driven firms
will lead the way.**

