Weathering Economic Uncertainty: How the Legal Industry Adapted —And What Comes Next

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These days, you can't so much as check your phone or turn on the TV without being hit with stories about stock market volatility, rising inflation, and global unrest. Naturally, many legal professionals are feeling unsure about what this economic uncertainty holds for the future of their practices.

Amid the noise, it's worth taking a breath and remembering: while today's economic climate might feel uncertain, law firms have been here before—and come out stronger on the other side.

Four years ago, we weathered similar economic uncertainty as the COVID-19 pandemic upended our daily lives. During this time, many lawyers did more than survive the pandemic—they actually adapted and thrived, laying the foundation for a more resilient and tech-enabled way of practicing law.

There's good reason to be confident in your ability to adapt. During the pandemic, we spoke with hundreds of lawyers, tracked key metrics across tens of thousands of law firms, and captured real-time responses from the legal community as events unfolded. In this blog post, we'll delve into this research to explore how law firms have made it through past economic uncertainty and uncover what's possible when the legal profession embraces innovation.

Thrive in any economy: Hear how forward-thinking professionals navigated uncertainty at our free upcoming webinar, Resilient by Design: Managing Your Law Firm Through Economic Uncertainty.

The early days of the COVID-19 pandemic: The legal profession under pressure

Shortly after the World Health Organization (WHO) declared COVID-19 a pandemic in March of 2020, we reached out to legal professionals to get a sense of how they were navigating challenges associated with it, gauging their emotions, attitudes, and behaviors toward the newfound economic uncertainty in the process.

Their responses were unsurprising. Firms reported that clients were unable to pay their bills, business was slowing, and staff were being laid off. Across the board, legal professionals were concerned:

- 76% of respondents reported experiencing more stress and anxiety than they had before the pandemic.
- 60% of respondents noted a decrease in the number of potential clients reaching out to their practice for legal services.
- 24% of respondents saw an increase in forfeited revenue because their clients couldn't afford to pay their legal bills.

Lawyers also reported that they weren't panicking, but rather preparing for the worst-case scenario. The uncertainty was palpable. But amongst these challenges, firms quickly began to adjust their operations.

Adapting to the "new normal"

How were lawyers responding to these changes? Many law firms had to quickly adapt to the distance requirements demanded by the COVID-19 pandemic, meaning there was a sudden shift towards remote work and virtual representation. However, nearly one-third of lawyers reported that their firm was doing more to get new clients than they had prior to the pandemic, and over one-quarter considered expanding their practice areas to widen the potential market.

The vast majority of lawyers pointed to technology as a critical factor in their firm's survival. Notably, 88% believed that lawyers could serve clients much better if more parts of their practice were automated with technology.

Reflecting on the role of technology in times of uncertainty

While pandemic-related pivots like remote work and virtual meetings were initially necessary for law firm operations, they quickly evolved into a competitive advantage. Over time, technology didn't just help firms stay afloat; it actually positioned them to thrive. When reflecting on the role of technology as the pandemic waned:

- 68% said that technology had significantly helped them deliver better client experiences.

- Firms that leveraged online payments, Client Relationship Management (CRM) software, and client portals reported stronger business performance during the pandemic and an overall greater volume of casework and revenue on a per-lawyer basis throughout 2020.
- 72% believed that cloud technology was essential to the health of their practice in the near future.

Legal professionals weren't the only ones who adapted

The seismic changes the COVID-19 pandemic brought to the legal profession didn't just affect law firms—they were part of a wholesale shift in how modern businesses operate and set a new precedent for customer service. What began as a temporary solution quickly became the new normal. Clients now expect the option of remote meetings, seamless communication, and fast service—not just as perks, but as a baseline.

The key takeaway? Technology moves quickly, and so do your clients' needs. Investing in technology regardless of the economic climate isn't a luxury: it's a key step in future-proofing your law firm.

Your blueprint for weathering economic uncertainty

Feeling uncertain about the future? You're not alone. But remember: as the COVID-19 pandemic showed us, adaptation during periods of uncertainty can ultimately lead to success. Lawyers who embraced change early were well-positioned to serve clients, stay profitable, and weather disruption, while those who stuck to traditional ways of working faced a steeper climb.

The same lessons apply today. Whether you're a solo practitioner or part of a larger firm, your ability to adapt will shape not just how well you weather economic uncertainty, but how you grow within it. With the right tools in place, what might feel like a challenge today could become an opportunity tomorrow.

Learn how leading professionals turned uncertainty into opportunity. Join us for "Resilient by Design: Managing Your Law Firm Through Economic Uncertainty"—a free webinar featuring professionals who didn't just survive tough times, but thrived.

Reserve your spot today!

Where does the data come from?

The insights we rely on were drawn from research conducted during the COVID-19 pandemic—from in-depth interviews and biweekly surveys to year-over-year analysis in our *Legal Trends Reports*. We spoke with hundreds of lawyers, tracked key metrics across tens of thousands of firms, and captured real-time responses from the legal community as events unfolded, showing what's possible when lawyers embrace innovation.

About Clio

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