Key Insights from Wolters Kluwer's Future Ready Lawyer Survey Report

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On October 24, 2024, Wolters Kluwer, an information services company, released the 2024 Wolters Kluwer Future Ready Lawyer Survey Report. This annual report, now in its sixth year, surveys hundreds of law firms across the U.S. and Europe.

In this blog post, we'll explore the key insights from this report alongside our earlier findings from the latest *Legal Trends Report*to reaffirm the pressing issues facing today's lawyers—and what the future of the legal profession holds for them.

Most lawyers are leveraging AI in their practice

There's no doubt about it: the legal profession has wholly embraced AI. The latest *Legal Trends Report* found that the vast majority of legal professionals are leveraging AI in their practices, and the Future Ready Lawyer Survey Report has now reported similar findings. Specifically, the *Legal Trends Report* found that 79% of legal professionals use AI in some capacity in their practices, while 68% of law firms surveyed in the Future Ready Lawyer Survey Report reported using AI at least once a week.

These findings reaffirm the critical role that AI is playing in the legal profession alongside the rapid speed at which legal professionals are adopting it. Notably, in only a year's time, AI adoption has increased from 19% to 79% among lawyers surveyed in the *Legal Trends Report*.

Will AI adoption kill the billable hour?

Lawyers expect that the rise of artificial intelligence will transform the traditional law firm business model: namely, the widespread use of the billable hour. 60% of lawyers surveyed in the Future Ready Lawyer Survey Report expect that AI-driven efficiencies will impact the prevalence of the billable hour.

These findings mirror those from the latest *Legal Trends Report*, which found that generative AI could have a significant impact on revenue for firms that primarily rely on the billable hour. Specifically, AI automation could reduce hourly billing per lawyer by $27,000 annually, resulting in a need for AI-enabled firms to consider alternative payment options, like flat fees.

Nevertheless, according to the Future Ready Lawyer Survey Report, lawyers aren't worried about navigating these challenges. Over half of those surveyed reported that they felt well-prepared to adjust their business practices in response to the rise of AI technology.

Lawyers are investing in AI

Over the next three years, expect to see significant investment in AI technology among law firms. 58% of law firms reported that they plan to increase their investment in AI over the next three years in the Future Ready Lawyer Survey Report.

Again, these results align with those uncovered in the latest *Legal Trends Report*, which found that while firms are only spending 2% of their total expenses on software, this expense is increasing by 21% annually—making software the fastest-growing law firm expense.

Thus, the vast majority of law firms see AI—and software, generally—as a critical investment, and they're putting money behind it to help increase efficiency and scalability.

Leveraging legal trends for a future-ready practice

The legal industry's leading report, the Legal Trends Report, shows that AI is no longer an outlier in the legal profession—and additional industry reports are doubling down on this trend: AI has become an essential aspect of many law firms' practices. Lawyers have clearly taken note and are investing—and planning to invest—in AI technology to further drive innovation in their practices.

However, the rapid uptick in law firm AI adoption may force firms to challenge existing processes and structures, from how they conduct their day-to-day work to how they charge clients for their services. Here, we see a strong case to be made for shifting towards flat fee billing models, particularly for cases and tasks where automation may play a larger role. Amongst these challenges, however, lawyers are largely confident in their ability to navigate the future of legal.

Understanding the prevailing trends in the legal profession and their impact on law firm business can help demystify the challenges inherent in legal practice. Clio's annual *Legal Trends Report* uncovers insights from the largest industry data sets and—alongside other industry reports—shows law firms where their greatest opportunities lie.

Read the latest Legal Trends Report today for more insights.

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