

Survey shows revenue increasing for large law firms

Positive trend has far-reaching effects on industry

By: Thomas Franz in News Stories September 25, 2017

Business is improving for large law firms nationally, according to the results of a survey released by Wells Fargo Private Bank's Legal Specialty Group in August.

The survey showed that law firm revenue increased 5.6 percent in the first six months of 2017.



Revenue increases were highest for firms that are part of *The American Lawyer's* "Am Law 50" list. Those firms saw a 7 percent increase in revenue, while the increase was 6.6 percent for "Am Law 100" firms and 3.3 percent for "Am Law 200" firms.

William T. Burgess, CEO of Dickinson Wright PLLC in Detroit, said their business is consistent with what the survey found.

"In our own situation, we've seen a fairly consistent revenue increase during that period, a little bit higher than what the survey reported," Burgess said. "For the other overall statistics that they reported, those are fairly similar for us."

Other key statistics noted in the survey were a 1.4 percent increase in demand for services, 1.7 percent increase in attorney headcount and 5.5 percent increase in expenses.

Burgess said the firm's national reach has helped it diversify its business.

"We're diversified in terms of the services we provide to clients in different locations. I think that we're seeing continued fairly good demand for services in dispute resolution areas, commercial litigation and government regulatory matters," Burgess said. "We have seen an increase in our D.C. location, and I think that's pretty notable, but I think our other locations have been fairly uniform across the board."

Burgess said that some changes at the federal level are a cause for the increase in regulatory work.

"There certainly are notable federal level issues that are being confronted right now that are in the national press, immigration, potentially health care reform, tax reform, so business has built up some degree of expectation that there might be some changes here. It would be natural that businesses would want to consult professionals to try and get ahead of any potential changes in the regulatory landscape," Burgess said.

From a law school perspective, Jennifer Rumschlag, an assistant dean of career services and outreach at the University of Detroit Mercy School of Law, said there is a strong entry-level job market.

"Nationally and locally, we're seeing a stronger entry-level legal job market and an increase in private-practice positions obtained by recent graduates," Rumschlag said. "Private-practice positions account for the majority of positions obtained by recent graduates. Favorable industry trends also strengthen the profession by helping to attract top talent to the profession."

Rumschlag noted that demand is high among private-practice employers for graduates who are patent bar eligible or interested in litigation.

"We've also noticed an uptick in private-practice employers recruiting for positions focused on immigration, regulatory, health care, and technology-related matters. We've also received specific requests for students and graduates of our Canadian & American Dual J.D. program," Rumschlag said.

Despite the improvements, Burgess said growth hasn't been truly accelerating yet coming out of the 2008-09 recession.

"There's been a consistent but rather slow recovery, and that's mirrored our experience. We provide services to clients across a number of industries, and by and large our business mirrors the activity level of those clients across a number of industries. It's been fairly broad and steady for a period of time now, just not accelerating in terms of growth," Burgess said.

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