

# 2016 Real Rate Report<sup>®</sup> in Brief

A Summary  
of Lawyer  
Rate Trends



# TABLE OF CONTENTS

Rebounding Growth • [3](#)

Lawyer Rate Changes in Major US Cities • [4](#)

Going Deeper on Specific Markets • [5](#)

About Us • [6](#)

The Real Rate Report® is an analysis of law firm rates, matter staffing, and law firm billing behaviors over time.

The 2016 Real Rate Report is a joint publication from ELM Solutions and CEB based on ELM's LegalVIEW database of millions of contributed legal invoices.

The data analyzed contains:

- \$19.6 billion in paid fees,
- More than 5,900 US law firms,
- More than 85,900 law firm associates,
- More than 60,700 law firm partners,
- 57.7 million invoice entries, and
- More than 300 North American cities.

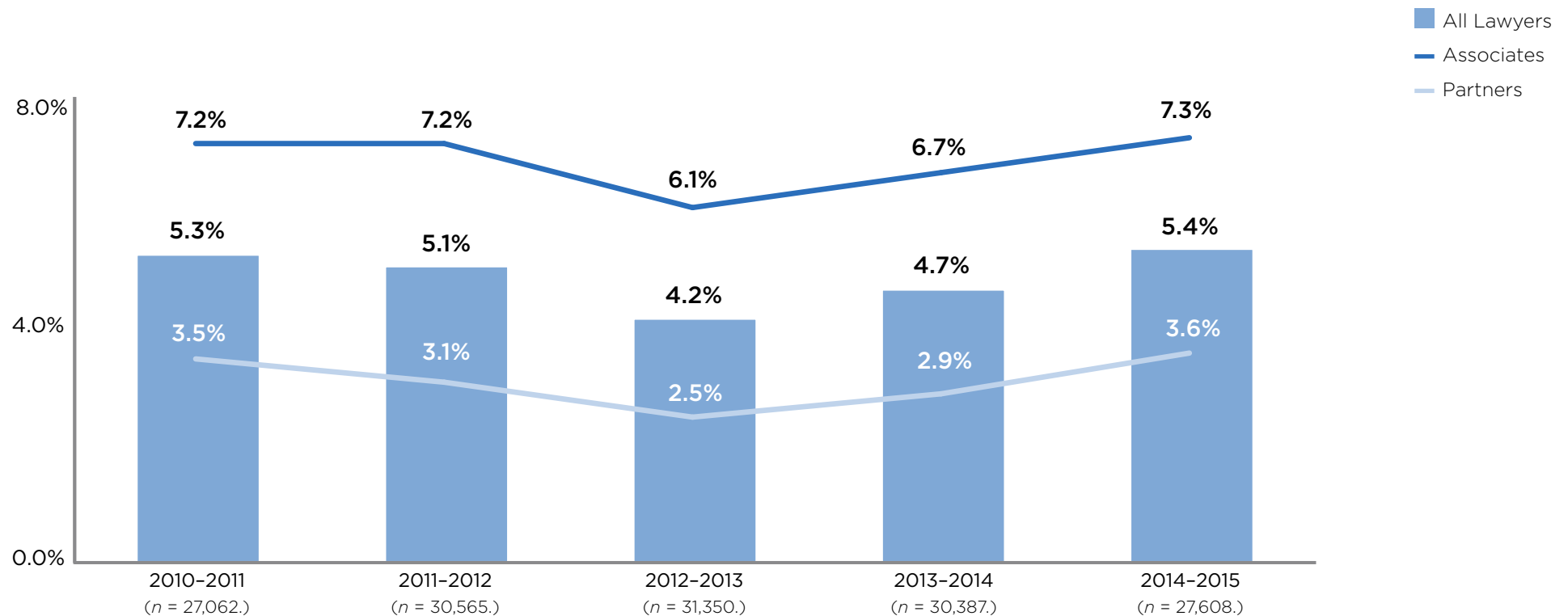
# REBOUNDED GROWTH

Having recovered from a brief slowdown, average year-over-year (YOY) lawyer rate increases reached their highest levels since the Great Recession. The average growth in lawyer rates was 5.4% in 2015; this is slightly higher than the previous peak in 2011, but it does not yet approach the Pre-Recession YOY rate changes of more than 8%.

The average YOY rate increase for associates in 2015 was 7.3%, just more than double the 3.6% rate increase for partners.

This gap in partner and associate rate increases has remained fairly consistent since 2010.

Average YOY Lawyer Rate Changes, 2010 to 2015



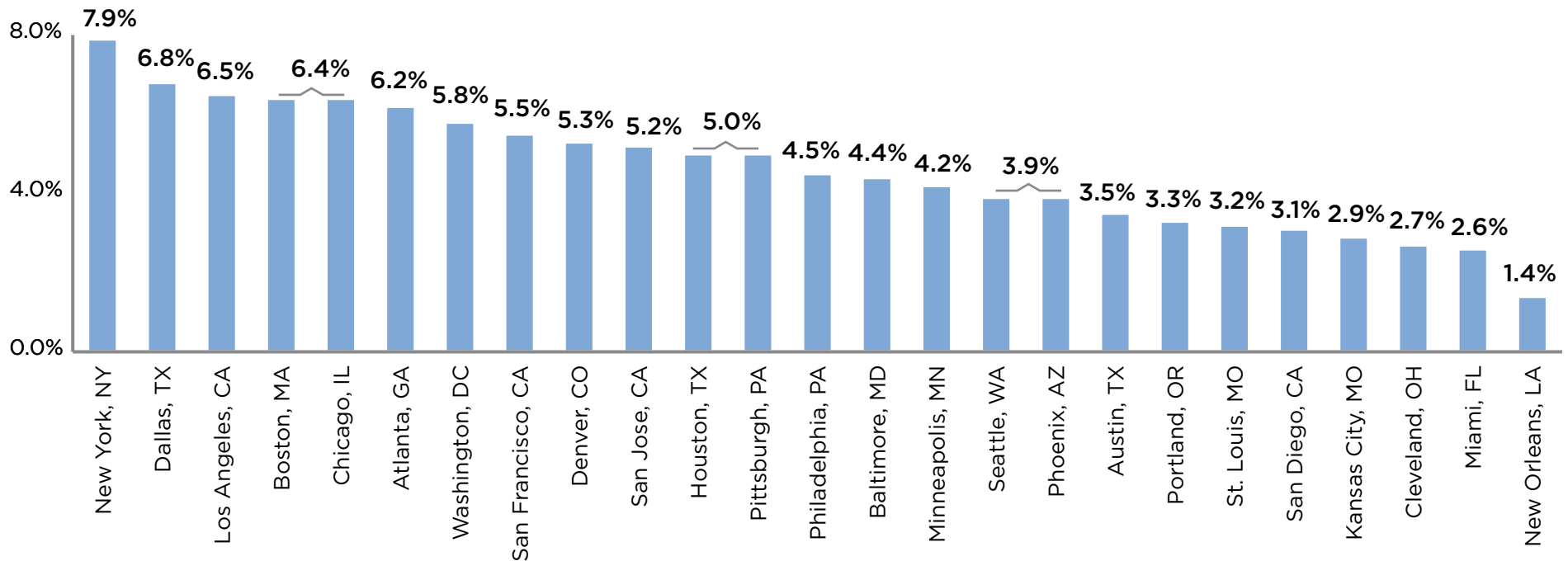
Source: Wolters Kluwer ELM Solutions, Inc.; CEB analysis.

# LAWYER RATE CHANGES IN MAJOR US CITIES

New York City had the largest YOY change to lawyer rates in 2015, increasing by 7.9% on average. This high increase was driven by thousands of high-priced Big Law associates working on corporate and commercial litigation matters. The second largest rate increase across the 25 US cities with the highest volume of legal work was in Dallas, at 6.8%.

At the other side of the spectrum, several major US markets saw annual rate increases slow to less than 3% in 2015, including Kansas City, Cleveland, Miami, and New Orleans.

Average YOY Lawyer Rate Changes by US City, 2014 to 2015



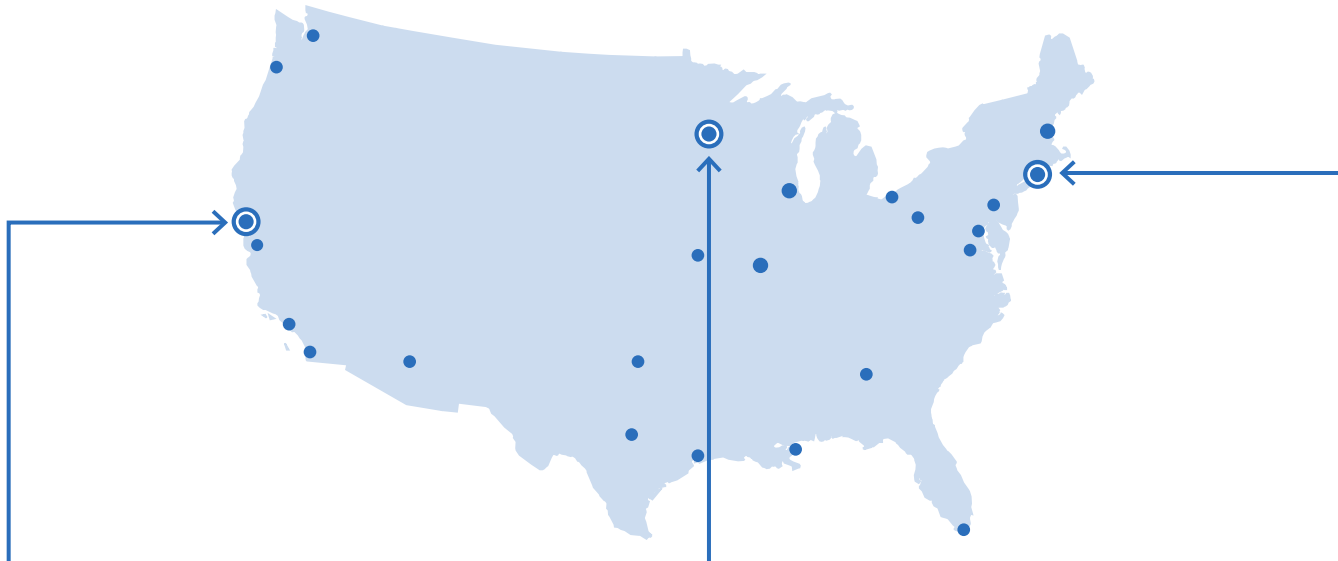
n = 174 to 5,158 lawyers (per market).

Source: Wolters Kluwer ELM Solutions, Inc.; CEB analysis.

# GOING DEEPER ON SPECIFIC MARKETS

A closer look at specific markets shines some light on the individual drivers of a city's annual rate increases. For example, in New York City, more than 57% of total hours billed for legal work

went to associates and 67% of hours billed went to large law firms (employing 500 or more lawyers). Annual lawyer rate increases at those large law firms reached over 10% in 2015.



San Francisco		2015		% Rate Change		
		% of Hrs	Real Rate	'13	'14	'15
Role	Partners	46%	\$595	2%	3%	4%
	Associates	41%	\$400	6%	7%	7%
	Paralegals	12%	\$172	0%	3%	6%
Firm Size (# of Lawyers)	50 or Fewer	23%	\$328	1%	1%	2%
	51 to 200	17%	\$438	1%	4%	3%
	201 to 500	8%	\$385	3%	4%	3%
	501 to 1,000	34%	\$553	4%	5%	9%
	More Than 1,000	19%	\$650	5%	6%	6%
Most Billed Practice Areas	Patents, Litigation	15%	\$643	5%	4%	8%
	Reg. and Compliance, Non-Litigation	5%	\$566	3%	4%	12%
	Corporate, Litigation	4%	\$537	1%	3%	4%
	Corporate, Non-Litigation	3%	\$663	4%	5%	4%
	Commercial, Litigation	2%	\$544	3%	4%	7%

Minneapolis		2015		% Rate Change		
		% of Hrs	Real Rate	'13	'14	'15
Role	Partners	38%	\$420	2%	2%	3%
	Associates	52%	\$282	11%	2%	5%
	Paralegals	10%	\$161	2%	2%	4%
Firm Size (# of Lawyers)	50 or Fewer	57%	\$293	10%	-1%	4%
	51 to 200	12%	\$323	3%	3%	3%
	201 to 500	4%	\$450	4%	1%	3%
	501 to 1,000	26%	\$398	6%	6%	5%
	More Than 1,000	0%	n/a	n/a	n/a	n/a
Most Billed Practice Areas	Patents, Litigation	32%	\$427	8%	5%	6%
	Corporate, Litigation	19%	\$315	5%	3%	4%
	Commercial, Litigation	9%	\$378	2%	6%	3%
	Product Liability, Litigation	6%	\$325	2%	4%	2%
	Commercial, Non-Litigation	2%	\$385	1%	0%	5%

New York		2015		% Rate Change		
		% of Hrs	Real Rate	'13	'14	'15
Role	Partners	31%	\$779	2%	4%	5%
	Associates	57%	\$517	8%	10%	11%
	Paralegals	12%	\$219	4%	6%	7%
Firm Size (# of Lawyers)	50 or Fewer	11%	\$352	3%	2%	4%
	51 to 200	8%	\$396	3%	6%	5%
	201 to 500	13%	\$576	4%	5%	5%
	501 to 1,000	38%	\$699	7%	11%	10%
	More Than 1,000	29%	\$719	6%	7%	9%
Most Billed Practice Areas	Commercial, Non-Litigation	9%	\$720	4%	7%	6%
	Corporate, Litigation	8%	\$554	4%	3%	4%
	Commercial, Litigation	3%	\$562	5%	4%	3%
	Invests and Instruments, Non-Litigation	7%	\$750	8%	11%	13%
	Reg. and Compliance, Non-Litigation	2%	\$689	4%	7%	5%

Source: Wolters Kluwer ELM Solutions, Inc.; CEB analysis.

### About CEB

CEB is a best practice insight and technology company. In partnership with leading organizations around the globe, we develop innovative solutions to drive corporate performance. CEB equips leaders at more than 10,000 companies with the intelligence to effectively manage talent, customers, and operations. CEB is a trusted partner to nearly 90% of the Fortune 500 and FTSE 100, and more than 70% of the Dow Jones Asian Titans.

### About Wolters Kluwer Governance, Risk & Compliance

Wolters Kluwer Governance, Risk & Compliance (GRC) is a division of Wolters Kluwer which provides legal, finance, risk and compliance professionals and small business owners with a broad spectrum of solutions, services and expertise needed to help manage myriad governance, risk and compliance needs in dynamic markets and regulatory environments. The division's prominent brands include: AuthenticWeb™, Bankers Systems®, BizFilings®, Capital Changes, CASH Suite™, CT Corporation, CT Lien Solutions, ComplianceOne®, Corsearch, Expere®, GainsKeeper®, LegalVIEW®, OneSumX®, Passport®, TyMetrix®360, Uniform Forms™, VMP® Mortgage Solutions and Wiz®. Wolters Kluwer N.V. (AEX: WKL) is a global leader in information services and solutions for professionals in the health, tax and accounting, risk and compliance, finance and legal sectors. Wolters Kluwer reported 2015 annual revenues of €4.2 billion. The company, headquartered in Alphen aan den Rijn, the Netherlands, serves customers in over 180 countries, maintains operations in over 40 countries and employs 19,000 people worldwide.

### Contact Us

+1-866-913-8103

[CEBBenchmarkHelp@cebglobal.com](mailto:CEBBenchmarkHelp@cebglobal.com)  
[cebglobal.com/legal](http://cebglobal.com/legal)

+1-713-572-3282

[elmsolutionsales@wolterskluwer.com](mailto:elmsolutionsales@wolterskluwer.com)  
[wkelmsolutions.com](http://wkelmsolutions.com)