

**PwC: The right people to get the extraordinary done.**

Incorporating the valuable input received from our clients, the PwC Law Firm Services staff is committed to providing law firms with the depth of information they need to **better understand and build their market position.**

## **2014 Law Firm Statistical Survey**

### **Highlights**

- The *LFSS* maintains a strong and consistent participation base including many of the largest, most profitable law firms.
- Benchmarking information includes a comprehensive view of key operational metrics that are important directives to drive profitability.

Topics such as: administrative staffing levels, leverage, cash management and capitalization are included.

- ‘Peer Firm’ custom requests are available.

The *Law Firm Statistical Survey (LFSS)* has been recognized as a leader in providing operational and profitability metrics to law firms since 1957.

Utilized as a reliable benchmarking source, the LFSS assists law firm management with the demanding process of building solid business financial and operational plans and firm strategies.

### **New This Year**

The historical graphic information for select key metrics is expanded to include 8 years – before and after the downturn in the economy.

### **Timing**

The due date for completing data forms is April 10, 2015, with results distributed on or before May 20, 2015.

### **Sample Report**

Contact a Survey staff member to better understand the content included in each Report offering at (703) 918-3077 or via email at [pwc.law.firm.survey@us.pwc.com](mailto:pwc.law.firm.survey@us.pwc.com).



# 2014 Law Firm Statistical Survey – Sample Pages

2014 LAW FIRM STATISTICAL SURVEY

## Operations per Lawyer

	Your Firm		Group		
	Average	Rank / Of	1 <sup>st</sup> Quartile	Median	3 <sup>rd</sup> Quartile
<input checked="" type="checkbox"/> Gross Fees			\$670,900	\$551,947	\$506,191
<b>Operating Expenses</b>					
<b>Compensation</b>					
Lobbyists			1,566	255	225
Specialists			3,198	2,434	1,691
Litigation Support			3,147	1,371	1,045
Patent Agents			1,998	1,048	489
Paralegals			13,306	10,460	7,897
Case Clerks			1,967	1,297	938
Law Clerks			1,126	848	716
Administrative Management			5,737	4,585	3,295
Practice Group Management			1,984	1,264	999
Secretarial			26,505	24,399	21,334
Word Processing			2,441	1,791	955
Professional Staff Recruiting			1,061	667	547
Human Resources			2,593	1,739	1,479
Professional Development			675	536	251
Finance			6,531	6,068	5,422
Information Systems			11,098	9,361	6,690
Knowledge Mgmt/Library Services			1,838	1,256	941
Marketing			3,463	2,682	2,315
Business Intake & Conflicts			778	650	502
Other Staff			8,109	6,734	5,213
<b>Other Employee Costs<sup>1</sup></b>			28,837	23,683	17,338
<b>Employee Costs<sup>1</sup></b>			118,171	100,399	92,519
<input checked="" type="checkbox"/> Occupancy			44,335	38,554	32,334
<input checked="" type="checkbox"/> Office Operating Expense			11,624	10,329	8,299
<input checked="" type="checkbox"/> Information Systems			20,368	12,560	10,567
<input checked="" type="checkbox"/> Professional Activities			5,816	5,015	3,942
<input checked="" type="checkbox"/> Marketing			12,630	9,262	7,580
<input checked="" type="checkbox"/> Professional Recruiting			3,499	1,262	988
<input checked="" type="checkbox"/> Professional Liability Insurance			8,045	6,430	5,997
<input checked="" type="checkbox"/> Other Insurance & Taxes			5,111	2,795	2,088
<input checked="" type="checkbox"/> Communications			5,383	4,802	3,173
<input checked="" type="checkbox"/> Reference Materials			7,526	6,899	5,248
<input checked="" type="checkbox"/> Professional Services			5,180	3,723	2,683
<input checked="" type="checkbox"/> Client Disbursements Written-Off/Misc.			2,213	1,443	680
<b>Other Expenses</b>			125,081	107,893	89,338
<b>Operating Expenses<sup>1</sup></b>			239,290	202,702	172,060
<b>Operating Income</b>			375,157	337,107	327,777
<input checked="" type="checkbox"/> Payments to Former/Inactive Partners & Of Counsel			13,715	8,302	2,848
<input checked="" type="checkbox"/> Other Non-Operating Charges/Credits			2,721	2,115	1,273
<b>Net Income Prior to Attorney Compensation</b>			\$371,937	\$331,449	\$318,084

☒ Indicates a category where additional detailed component benchmarks are included in the 'Detailed Operations Report'.

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<sup>1</sup> Excludes compensation, discretionary benefits and taxes of Associates, Senior and Staff Attorneys. If a firm does not provide a benefits percentage value, a default of 15% of compensation is used.

2014 LAW FIRM STATISTICAL SURVEY

## Detailed Expense Components - per Lawyer Occupancy & Office Operating

	Your Firm		2014		
	Average	Rank/Of	1 <sup>st</sup> Quartile	Group Median	3 <sup>rd</sup> Quartile
<b>Occupancy Expenses</b>					
Rent - premises only			\$41,902	\$33,618	\$27,986
Apartment rental fees			140	128	92
Building chargebacks			209	120	88
Depreciation of owned premises			486	241	97
Utilities			1,839	985	456
Occupancy and real estate taxes			2,360	1,363	306
Leasehold improvements (amortization)			1,166	714	396
Maintenance and repairs to premises			653	546	343
Off-site storage			1,881	1,298	1,031
Office moving settlement costs			438	100	47
Outside consultant fees (architects)			110	96	75
Office housekeeping			251	123	105
Security			174	71	25
Other			618	302	110
<b>Subtotal</b>			\$47,348	\$39,129	\$32,334
Deduct: Sublease income & occupancy from clients for OT			4,359	1,150	1,044
<b>Total Occupancy</b>			\$44,335	\$38,554	\$32,334
<b>Office Operating Expenses</b>					
Photocopying			\$5,660	\$902	\$311
Stationery, printing, supplies and binding			2,352	1,858	1,423
Small office equipment (non-IS related)			186	87	60
Facilities management/sub-contracted svs			4,809	3,523	1,314
Office furniture & fixtures depreciation			3,060	1,324	1,184
Interest expense for purchased assets (non-IS)			487	259	122
Maintenance and repairs to office equipment			354	198	63
Rental of office furniture & fixtures			727	466	125
Administrative dues/education			429	322	176
Admin travel, meals and accommodations			872	783	440
Overtime parking and taxi charges			281	144	8
Overtime meals for administrative staff			38	13	8
Automotive expenses			87	53	18
Non-lawyer hiring expense			692	240	134
Office coffee, soda, parties, etc.			1,090	866	723
Moving expenses for admin inter-office transfer			57	26	6
Gifts, flowers for employees			107	71	53
Plants - rental and care			178	89	83
Other			872	488	171
<b>Subtotal</b>			\$14,285	\$11,504	\$8,621
Deduct: Client reimbursement of hard/soft disbs.			1,625	1,288	955
<b>Total Office Operating Expenses</b>			\$11,624	\$10,329	\$8,299

Your firm total may not foot due to rounding.



The Finance & Operations Report (FOR) provides over 30 pages of revenue and expense metrics covering each administrative function. A sample report page is included above.



The Detailed Operations Report supplements the FOR with benchmarking for the individual components within each broader expense category. A sample report page is included above.