

# Double Whammy on Law Firms: COVID-19 and The Troubled Economy

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When lawyers turned the calendar page to January 2020, they could not have dreamt of the two-fold nightmare that would descend upon the profession so quickly. A global pandemic and a tanking economy at the same time? We thought we had seen the end of hard times when we finally emerged from The Great Recession in 2009. Some of our lawyer friends still have lines of credit to pay down from that recession.

While government leaders say the economy will “come roaring back” or “I’ll bring the economy back,” most lawyers are skeptical, to say the least.

## The New Normal

What have we seen so far? Beyond the fact that virtually all lawyers are working remotely, with some phased reopening in the works, we have seen dismal news.

Clio’s survey, released in May 2020 showed that during March, new legal matters were down more than 30% compared to the first five weeks of 2020 and down by more than 40% from the year’s highest weekly averages. 56% percent of legal professionals say they have seen a serious reduction in the number of people asking for legal help, and 53% say they are significantly less busy.

Though understandable, 49% of companies say that if they had a legal issue now, they would probably delay getting legal help until the pandemic has receded.

Sixty-seven percent of lawyers are worried about the success (and even the survival) of their practice and 57% are worried about making a living over the next few months.

The survey found that 75% of legal professionals report higher levels of stress and anxiety, and nearly half are more worried about their finances than their health. Not all lawyers are in pain. The bankruptcy attorneys are doing just fine – and other areas of law practice have not yet seen a decline.

Eleven percent of firms say they have already laid off staff, the survey found. Another 15% expect layoffs in the next three to six months.

On May 8, LAW.COM published a [report](#) on actions taken by major law firms in response to the economic downturn. It was a slash and burn story which rapidly made its way around the listservs and social media.

Firm after firm reported some mixture of layoffs, furloughs, hiring freezes, pay cuts, reductions in party distributions, freezes on discretionary expenses and suspension of summer associate programs.

Youngs lawyers are looking at a grim future. Those who are graduating this year and passing the bar will not likely find jobs and those who have been with firms for just a year or two are the most likely to be laid off or furloughed. Add to that the burden of their student loans and it is no wonder that they are so anxious.

#### [Where Are We With Technology?](#)

The Clio report says 69% of lawyers view technology as more important to their firm than before COVID-19. Cloud computing is now seen as a necessity for survival by 83%.

Will the way we practice law change? Two-thirds of lawyers believe it will. Shifting to law firm clients, 58% say that, at least for the next couple of months, they prefer meeting with a lawyer by videoconference rather than in person. Sixty-nine percent would prefer to work with a lawyer who shares documents electronically via a web page, app or online portal.

All of this is borne out by our own experiences. For years, lawyers have deferred (mostly because of cost considerations) upgrading their technology and cybersecurity enhancements. We have explained the importance of endpoint protection endlessly, but not until everyone was working remotely did that message hit home.

Cybercriminals, always sniffing the air for new opportunities, quickly realized that lawyers working at home were vulnerable, both because they were often using home machines (unprotected by their firm's security) and using home networks, many of which were not secure. Everyone had to scramble to up their security game under this new working environment. Now everyone wanted endpoint protection – immediately.

Webinars we taught on “Working Remotely – and Securely” attracted hundreds of attendees, suddenly interested in recommended VPNs, ways to speed up home

networks, video conferencing tools and their safe usage . . . the list of live questions was so long that we had to extend the webinars past their scheduled end times.

#### The Future Ain't What It Used to Be

Yogi Berra's words ring true more than ever for lawyers. In two months, we changed how we practice law more than we did in the last two decades. Virtually everyone now knows about e-notaries, how to prepare documents for electronic signature, how to videoconference with colleagues, clients and courts, how to deposit checks via a phone app – and that list just keeps growing . . .

We were struck by the recent words of Professor Richard Susskind, when he gave a virtual talk via Zoom for Harvard Law School to discuss his latest book, *Online Courts and the Future of Justice*. He talked about how we had grafted technology onto the way we had always practiced law, rather than fundamentally changing the way we practice law. But fundamental changes are now here in droves and we will not likely go back to the way law was practiced before this pandemic. As he said, what he has seen since in the last several months probably means he needs to write a new book.

More than we ever thought possible, we are looking at how we practice law and how we can evolve in practicing law. Online court proceedings are still new, but rapidly becoming normal. There has been lots of lawyer resistance to online courts in the past – but it appears that more and more lawyers and judges are rethinking how we solve our disputes. Mediators have quickly glommed onto Zoom as a tool for conducting mediations. Will we ever go back fulltime to brick and mortar offices? As the Clio study referenced above demonstrates, two-thirds of lawyers believe the future has changed.

When we look back from a future that it is hard to fully see at this moment, we may be astonished at how this topsy-turvy time advanced the practice of law.

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