We asked Managing Partners at US law firms with 50 or more lawyers in thinking about a hypothetical moderate recession in the next 24 months, how likely is it that your law firm would...

Q: Use more on-demand lawyers
- Definitely: 86.7%
- Likely: 75.3%
- Possibly: 62.8%
- Unlikely: 46.1%
- Definitely not: 44.9%

Q: Temporarily halt innovations
- Definitely: 37.1%
- Likely: 34.2%
- Possibly: 30.9%
- Unlikely: 25.8%
- Definitely not: 24.3%

Q: Wait it out with minimal change
- Definitely: 30.9%
- Likely: 29.6%
- Possibly: 25.8%
- Unlikely: 17.6%
- Definitely not: 16.6%

Q: Close unprofitable offices
- Definitely: 29.6%
- Likely: 25.8%
- Possibly: 17.6%
- Unlikely: 16.6%
- Definitely not: 14.5%

Q: Reduce hiring of first years
- Definitely: 29.6%
- Likely: 25.8%
- Possibly: 17.6%
- Unlikely: 16.6%
- Definitely not: 14.5%

Q: Significantly cut overhead
- Definitely: 29.6%
- Likely: 25.8%
- Possibly: 17.6%
- Unlikely: 16.6%
- Definitely not: 14.5%

Q: Offer additional rate discounts
- Definitely: 29.6%
- Likely: 25.8%
- Possibly: 17.6%
- Unlikely: 16.6%
- Definitely not: 14.5%

Q: Increase cash reserves
- Definitely: 29.6%
- Likely: 25.8%
- Possibly: 17.6%
- Unlikely: 16.6%
- Definitely not: 14.5%

Q: Reduce firm debt
- Definitely: 29.6%
- Likely: 25.8%
- Possibly: 17.6%
- Unlikely: 16.6%
- Definitely not: 14.5%

Q: Invest more in process efficiency
- Definitely: 29.6%
- Likely: 25.8%
- Possibly: 17.6%
- Unlikely: 16.6%
- Definitely not: 14.5%

Q: Remove underperformers
- Definitely: 29.6%
- Likely: 25.8%
- Possibly: 17.6%
- Unlikely: 16.6%
- Definitely not: 14.5%

Q: Strengthen client relationships
- Definitely: 86.7%
- Likely: 75.3%
- Possibly: 62.8%
- Unlikely: 46.1%
- Definitely not: 44.9%

Q: Align comp with performance
- Definitely: 86.7%
- Likely: 75.3%
- Possibly: 62.8%
- Unlikely: 46.1%
- Definitely not: 44.9%

SOURCE: Altman Weil 2020 Law Firms in Transition Survey
www.altmanweil.com/LFIT2020
Recession Tactics: Before and After

The chart shows the change in the percentage of firms that said they would "Definitely" or "Likely" pursue each tactic during a recession before the outlines of the pandemic emerged (3/2/20 – 3/22/20) vs. after its magnitude had become apparent (3/23/20 – 4/28/20).

Five tactics with the greatest magnitude of change:

- Increase cash reserves: Before 23%, After 61%
- Reduce hiring of first years: Before 21%, After 39%
- Significantly cut overhead: Before 25%, After 42%
- Offer additional discounts: Before 28%, After 40%
- Remove under-performers: Before 60%, After 71%

Launched on March 2, 2020, this year's Law Firms in Transition Survey was underway as the scope and magnitude of the COVID-19 crisis took shape.

As law firms across the country shut their offices and reassembled as remote workforces grappling with a truly unprecedented set of circumstances, our survey question about a "hypothetical moderate recession in the next 24 months" took on new significance. Here is a 'before and after' snapshot of how the data changed as opinions about a theoretical recession gave way to its harsh reality.

www.altmanweil.com/LFiT2020