

Exhibit C



Associate Billing Rates Are Growing Faster Than Partner Rates

The American Lawyer Online

This article also appears in the following ALM publications:

Law.com

New York Law Journal

New Jersey Law Journal

The Legal Intelligencer

February 3, 2022 Thursday

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THE
AMERICAN LAWYER

Length: 796 words

Body

While law firms have been aggressive in their rate increases in the last few years, associates have seen some of the biggest jumps in billing rates.

Nationally, the average rate billed by partners last year stood at \$728 per hour, and for associates, it was \$535, according to data from Wolters Kluwer's ELM Solutions, a legal analytics company.

Those figures were up from \$715 and \$515 in 2020, representing increases of roughly 1.8% and 3.9%, respectively. Between 2019 and 2020, the average rates increased by about 5.3% for partners and 7.9% for associates.

Given the dynamics of the "talent war" over the last year or so, the increases for experienced associates were higher than for other groups, said Jeffrey Solomon, senior director of product management legal analytics for ELM.

The billing rate increases last year, in particular, coincided with a time when law firms raised associate pay through both base salaries and special bonuses.

"As we started looking into the data, we saw larger [rate] increases across the associate ranks, particularly in the first kind of three to six years, than we would across the others," he said in an interview. "Those increases were greater there than across the other ranks."

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ELM uses anonymized legal spend data from law firms' e-billing and time management software to compile national average billing rates for partners, associates and paralegals, as well as rate data for specific markets, practices and types of matters. ELM said all the data in the report is derived "from the actual rates charged by law firm professionals as recorded on invoices submitted and approved for payment."

Broadly, the largest markets displayed the same pattern: billing rate growth tapering a bit between 2020 and 2021 relative to the previous year, with growth in associate rates outpacing growth in partner billing rates.

Partners in New York, for example, billed about \$958 per hour in 2019; \$1,000 in 2020 and \$1,034 last year. Those year-over-year increases were about 4.4% and 3.4%, respectively. Associates in the Big Apple billed an average of \$633 per hour in 2019; \$678 in 2020 and \$712 last year, representing year-over-year increases of about 7.1% and 5%, respectively.

A similar pattern played out for lawyers in Washington, D.C. Partners in that market billed an average of \$825 per hour in 2019; \$860 in 2020 and \$880 last year, representing year-over-year increases of roughly 4.2% and 2.3%, respectively. Meanwhile, associates in D.C. billed an average of \$535, \$576 and \$605 during that same time span, according to the ELM data, representing increases of about 7.7% and 5%, respectively.

Average partner rates in Chicago moved from \$779 to \$832 to \$859 over the last three years, representing increases of 6.8% and 3.2%, respectively, in those intervals. Associate rates actually ticked down during the most recent interval, moving from an average of \$565 to \$564 after increasing from \$506 between 2019 and 2020.

In the San Francisco market, the number for partners went up from \$701 to \$734, then down to \$720, a roughly 4.7% increase followed by a 1.9% decrease. The average associate rate increased from \$471 to \$514 to \$561 between 2019 and 2021, marking 9.1% increases in those time spans.

Different surveys within the last month or so suggest firms increased rates on average between about 3.9% and 5.7% in 2021. The State of the Legal Market Report, compiled by Thomson Reuters and Georgetown University, noted the 3.9% figure was "down slightly" from increases in 2020, but it still characterized the figure for 2021 as "fairly aggressive."

The Wells Fargo Private Bank Legal Specialty Group, in a report earlier this week, noted that firms expect to implement rate increases in 2022 of around 6% to 7% on average, an increase from the 5.7% figure it tallied in 2021, but one that could help offset the "significant challenge for budgeting" this year presented by the possibility of continued inflation.

That 6% to 7% standard rate projection is an average of inputs from law firms, collected by the group late last year.

"An increase in standard rates is what firms are telling us," Joe Mendola, senior director of sales for Wells Fargo Private Bank Legal Specialty Group, said in an interview this week. "Albeit, it's a modest increase, but an increase nonetheless."

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He said the legal industry is "not immune" to inflation, but that if firms implement that kind of standard rate increase, and their projection for demand is on target, they could end up broadly increasing revenue by more than 5.3% this year.

"That standard rate increase was 6 to 7%, and the demand forecast was 3.4%, so if you put the pieces of the puzzle together-if all of that came to fruition-that 5.3% revenue forecast seems somewhat conservative," he said.

Load-Date: February 4, 2022

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