

How Law Firms Are Reinvesting 2024's Near-Record Profits

By **Aebra Coe**

Law360 (December 20, 2024, 4:00 PM EST) -- U.S. law firms are set to close out 2024 with near-record increases in revenue and profits, according to industry surveys, and many firm leaders are looking to reinvest the windfall into client service, technology and support staff.

According to a survey by Wells Fargo Private Bank of 130 U.S. law firms, including 70 of the 100 largest by revenue, net income increased 22.2% year-over-year as of the end of the third quarter, marking what private bank senior consultant Owen Burman called "essentially record profits" for the industry.

Another report out in December, the 2025 Citi Hildebrandt Client Advisory, showed that a survey of law firm leaders found more of them are asking their partners to chip in a larger portion of their profit share as capital contributions this year as firms are investing heavily in growth and the implementation of new technology.

"We have seen growing interest from law firm clients in increasing equity partner capital levels and we expect this to continue," the client advisory said. "Indeed, over the past five years, we have seen an acceleration in the growth of absolute equity partner paid in capital. These capital contributions have been a critical means of funding firms' growth and investment in their infrastructure."

Here, seven law firm leaders share how they plan to reinvest in their firms' futures going into 2025.

Prioritizing Client Service

It isn't cheap to provide top-notch service to clients and a number of law firms are going out of their way to invest in building out the teams and processes necessary in order to fine tune their client service.

Melissa Jones, firmwide managing partner of Stoel Rives LLP, says her firm is curating learning and networking offerings for its clients going into next year.

"This initiative goes far beyond CLE credits and includes business and financial roles at our clients," Jones said. "These custom sessions highlight legal and regulatory changes, trends and opportunities within specific industries and draw high-level client representatives who value the content and the industry-specific socialization opportunities equally."

According to Mayer Brown LLP chair Jon Van Gorp, his firm is investing in building its client team program, which provides multidisciplinary insights to support clients' business interests. The hope, Van

Gorp said, is that the program will enhance the firm's client service and deepen its impact within certain prioritized industries.

"Investing in our client teams is not just about enhancing client satisfaction; it's about building sustainable, long-term relationships that foster trust, loyalty, and mutual growth," he said.

Allen Matkins managing partner Jeff Patterson said his firm is also investing in client relationships going into the new year.

"Key areas include marketing spend and business strategy of high growth practices; systematically and regularly obtaining client feedback, both formal and informal, to help us stay abreast of client needs and issues; and developing cross-practice client teams to build relationships with clients, which lead to increased loyalty, retention, and satisfaction," Patterson said.

Strategic Lateral Hiring

Doubling down on lateral hiring was on the minds of nearly every law firm leader who shared their thoughts with Law360, but firms are not approaching that hiring with a broad brush and instead are focusing on key practice areas and industries as they look to grow.

Mayer Brown's Van Gorp said his firm is planning to continue to execute on its three-year strategic plan next year, which focuses on expanding in areas in which the firm is already strong, including insurance, leveraged finance and private capital, and projects and infrastructure.

"Focusing our investments on prioritized products and industries ensures that we develop and enhance strong, market-recognized brands, which we believe is essential for us to compete in international markets and to drive sustained growth," Van Gorp said.

Jenner & Block managing partner Randy Mehrberg said lateral growth is a critical part of the firm's strategy to meet the evolving needs of its clients.

"As part of a broader vision to stay ahead of a rapidly evolving legal landscape, expand our reach, and ensure we can deliver unparalleled service to clients, we are prioritizing continued growth in areas including antitrust, data and cybersecurity, energy, congressional investigations, and emerging technologies including [artificial intelligence]," Mehrberg said.

As part of his law firm's effort to recruit and retain top legal talent, Norton Rose Fulbright global managing partner Jeff Cody said it recently changed its global compensation model in an effort to be more competitive. The new model incentivizes partners to send work around the firm's global network and, according to Cody, the firm is already seeing an increase in multijurisdictional matters.

"Today, law firms are either gaining or losing talent, so the fight for lateral partners has become increasingly competitive. Increasing compensation and building a strong culture is essential to attracting top talent," he said.

Technology Investments

Law firms invested heavily in technology and particularly generative artificial intelligence in 2024, and the same is shaping up to be true for the new year.

Phil Inglima, chair of Crowell & Moring LLP, said his firm debuted its own AI tool recently — Crowell AI — and will continue investing attorney and staff time in both training and expanding the tool's business use cases, and exploring further ways to deploy it to the benefit of the firm's clients.

"At Crowell, we have been investing in innovation, including AI, in recent years, and those investments will continue," Inglima said.

Norton Rose's Cody said his firm is focusing heavily on the implementation of AI too.

"Implementing AI solutions across all business processes can enable us to take on more business and deliver more value to our clients by removing rote tasks and allowing our lawyers to focus their time on substantive legal work," Cody said.

According to Stoel Rives' Jones, her firm is looking to increase its investments in Generative AI as well, with special emphasis on increased tools and training for the firm's more junior associates.

"These resources will continue to improve and will become a more important tool in law practice and throughout the firm, so we are intentionally increasing our usage and exposure," Jones said. "In addition to Gen AI to support client-facing efficiencies, we are also assessing GAI applications that will create internal efficiencies for firm management."

Jenner & Block is focusing on the use of a handful of technologies, according to Mehrberg. In addition to AI, the firm is continuing its implementation of cloud-based technologies, which he says allow it to enhance security and integrate its systems.

"Many firms are still hesitant about the cloud, but we believe it's the key to the future. Embracing this technology ensures that we can operate more efficiently, deliver faster results for clients, and be more agile in responding to the challenges of the modern legal environment," Mehrberg said.

Staff and Business Professionals

Several law firm leaders mentioned the importance of thinking about talent more broadly by ensuring recruiting and retention efforts allow the firm to maintain the best team of staff and business professionals to support and enhance the work of lawyers.

"A law firm is only as strong as the combined efforts of both its legal and business professionals," Jenner's Mehrberg said.

He says his firm invests heavily to ensure that it has best-in-class teams in place across business operations, including finance, information technology, human resources and client relations, and offers a special bonus to staff.

"These teams are essential to delivering excellence in client service, managing complex legal matters, and maintaining operational efficiency," he said.

The firm also invests in professional development programs for not only lawyers, but also staff, Mehrberg said.

"We believe in nurturing talent and providing ongoing training to ensure that every team member, whether a lawyer or part of the professional staff, has the tools to succeed and grow within the firm," he said.

Robert Hicks, chairman and managing partner of Taft Stettinius & Hollister LLP, says his firm focuses on sharing its profits with its people, paying "robust" bonuses to partners, associates and employees.

"Most recently, in late November, we awarded a special bonus of \$2,500 to each staff team member," Hicks said. "This is part of our 'Sharing Our Success' program, which is designed to share our strong financial performance across the entire firm and recognize all those working hard to drive our growth."

--Editing by Alex Hubbard and Kelly Duncan.

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