

# 2024 Investing in Legal Innovation Survey

## The Rise of GenAI at Top Firms & Corporations

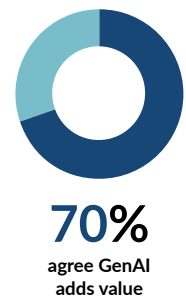
New 2024 survey data from LexisNexis® points to seismic shifts in law firm business models, budgets, hiring, and more.

In January of 2024, LexisNexis surveyed 266 executives, partners, and other senior leaders from large U.S based law firms and Fortune 1000 legal departments to better understand the business impact of generative AI technology on the legal industry.

*We believe that this report is valuable to New Zealand lawyers as they begin to use generative AI in their legal work as well as anticipate the launch of Lexis+ AI in New Zealand in 2025.*

### #1 Generative AI adds value for your clients.

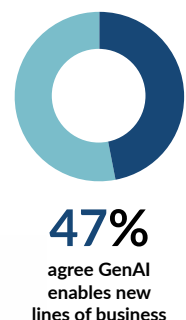
- 70% of law firm leaders agreed or strongly agreed that generative AI will enable new value-added work product that they can offer their clients.
- Among Am Law 200 law firm respondents, 53% of their firms have purchased legal AI solutions and 45% are currently using them for legal work.
- Corporate respondents reported the highest degree of current generative AI usage at 50%.
- 60% of law firm and corporate respondents confirmed their organizations have already developed and communicated official policies on the use of generative AI for legal matters.



**Key Takeaway:** With industry-wide generative AI usage already high and steadily rising, legal teams that delay adopting this ubiquitous technology risk falling behind the curve and missing out on the opportunity to offer more value to their clients.

### #2 Generative AI opens new business opportunities

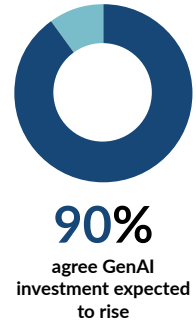
- 47% of law firm respondents (including 54% of Am Law 200 respondents) are exploring new lines of business and new billable opportunities only possible because of generative AI.
- There is interest in using AI to provide new services or products and pursue work that was previously seen as unprofitable. Some firms plan to use AI to take on routine legal work and high-volume matters more efficiently.



**Key Takeaway:** With industry-wide generative AI usage already high and steadily rising, legal teams that delay adopting this ubiquitous technology risk falling behind the curve and missing out on the opportunity to offer more value to their clients.

### #3 Large law firms are increasing their generative AI budgets.

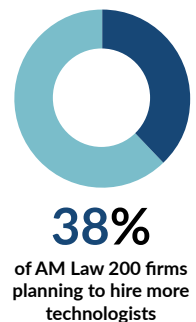
- 90% of law firm and corporate respondents expect their investment in generative AI to increase over the next five years with 34% of the Am Law 200 respondents expecting it to increase “significantly.”
- 43% of Am Law 200 firms already report currently having a dedicated budget line item for generative AI solutions.



**Key Takeaway:** For large law firms, generative AI is becoming table stakes.

### #4 Generative AI is impacting hiring trends in Big Law.

- Both law firm and corporate respondents plan on hiring more technologists in 2024 with 38% of Am Law 200 leaders expecting to hire more data scientists and engineers to support generative AI initiatives at their firms this year. Significantly fewer respondents in non-Am Law firms with 50+ attorneys anticipate hiring additional technologists in 2024 (14%).
- While most law firm respondents believe generative AI will impact the apprenticeship model of large law firms (58%), only a small number of legal leaders expect a reduction in legal roles over the next five years.



**Key Takeaway:** Generative AI will increase technology-related hires and likely impact the methods and speed that new associates are hired and trained.

## Methodology

LexisNexis Legal & Professional conducted the survey across 266 managing partners and C-suite leaders at AmLaw 500 firms, as well as legal professionals in Fortune 1000 companies between December 6, 2023 and January 9, 2024. Findings include responses from 114 executives across 68 Am Law 200 firms, 102 executives across 79 non-Am Law 200 firms with 50 or more attorneys, and 50 executives across 44 Fortune 1000 companies. Surveys were conducted in English via the Forsta survey platform.