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OUR CHANGING DEMOGRAPHICS

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The demographics of lawyers in Pennsylvania is changing. Recently, Thomas J. Farrell, Chief Disciplinary Counsel of the Disciplinary Board of the Supreme Court of Pennsylvania, shared the just-released statistics for 2024 at our “Fireside Chat About Surrogacy Planning” session at the PBA Solo & Small Firm Section annual conference at Hotel Hershey. Moderator Anne N. John (past PBA president and current Solo and Small Firm Section chair) and yours truly, the other presenter, listened in amazement as Tom shared the most recent numbers.

Sit down. Prepare to be stunned. Tracking demographics of registered attorneys from 2018 to 2023 reveals that the percentage of lawyers 60 and above has increased by 14.4%. The percentage of lawyers 80 and above has increased by a whopping 51.7% over that same period!

You better stay seated. Because the geographic location of our oldest actively practicing attorneys is not close to being evenly spread. Rural areas are left with far fewer attorneys in real numbers, and by far the oldest. We have eight counties where over 50% of practicing lawyers are 60 or older. Another 23 counties have 40 – 49.9% of active practicing attorneys at age 60 or older.

If you are active in your county’s bar association, you will know whether your particular bar association is shrinking or growing, and whether it is aging. Sadly, many suburban counties are slowly shrinking or barely maintaining their size. Firms in these locations are struggling to attract, hire and retain young attorneys. Competing with the compensation and benefits of urban firms, even at the suburban locations of urban-based firms, is almost impossible. When the other societal aspects are weighed, the suburban areas close to urban areas are holding their own, while those more remote are losing the battle.

Consider, the average law student graduates with \$130,000 in student debt loan. At the average entry-level salary, this debt can be difficult or impossible to repay. So more students are opting to accept positions at Big Law. They trade off a huge

chunk of personal living hours in exchange for being able to repay their debt, with cash to spare. And that cash is being spent in urban and close-by suburban areas on the social, cultural, and entertainment experiences desired by millennials.

Rural areas right now are losing professionals in droves. Nationally, there is an acute shortage of lawyers, certified public accountants and doctors in rural areas. Pennsylvania reflects this trend. While it's been a boon for those lawyers still practicing in rural areas, it's a two-edged sword. Most of the lawyers are overwhelmed with work. Every time they look around, another colleague is retiring or dying, and their phone rings more frequently than before. Marketing is to be avoided as it may bring even more work to their door. In fact, there is so much work they can rarely take a day off. They can't hire anyone to help. And their practices have no successors.

Let's add onto this heap of troubling numbers the fact that law school enrollment is down. The number of applicants briefly soared during the pandemic years but has continued to drop since. In fact, applicants are down 14% compared to just two years ago, according to Law School Administration Council data. Applicants are down more than 20% from the 2010 pre-pandemic enrollment. Let's also add on that the collective attrition rate across law schools was 3.8% in 2023. So we're going to continue to have fierce competition for graduates.

All right, enough with the numbers. What does this all mean? Well, let's start with the fact that our legal industry is now a mature industry. And the escalating mergers at the biggest of firms, down to a consistent ongoing consolidation among midsize firms, is a clear indication of that fact. We can expect merger activity to continue up and down the food chain.

Mergers are usually followed by two activities in short order. First, there is a voluntary exodus of rainmakers who are unsatisfied with their situation in the new firm. They may have less say in management or compensation, retain less of the revenues they generate, not get the administrative or marketing support they feel is appropriate, not like the new culture or some combination. Generally this exodus includes a small number of attorneys who spin off to their own firm, building the culture and structure they find more suitable.

Sometimes, entire practice areas depart for a competitor. These are the headline-grabbing changes. You can be sure when Big Law mergers are being navigated, competitors will watch closely for any opportunity to attract away as many rainmakers and desirable practice area leaders as possible.

Second, there are usually a significant number of involuntary departures that mostly escape headlines. These are people who are economically underperforming, or marginal under the consolidated firm's structure. Although they may not fit the profit goals of the new megafirm, many are able to turn a handsome profit at a midsize firm while enhancing its reputation. But firms must vet the candidates carefully to ensure they understand the true work ethic and marketability. For example, if they are underutilized at the former firm, but you have an abundance of available work in their practice area, you will get a good return.

The biggest opportunities for so many attorneys — particularly those who really want to control their workload and lifestyle and answer to no one — may come by staking out your claim in more rural areas.

It's not necessary anymore to be a jack-of-all-trades in rural areas. But you have to decide what areas you want to take on, and limit yourself. Learning to say no isn't always easy. Build a network of others to whom you send everything else, if you feel guilt at turning people away. Just don't risk being a dabbler.

Some will tell you that you will not be doing the type of work that goes to sophisticated niche specialists at Big Law. But geography doesn't put obstacles in our way anymore. Virtual practices are thriving.

And with limited local competition, there's more than enough work in most practice areas in a rural setting. As soon as people know you're there, they will start coming to your door. Most clients prefer local counsel, and there is virtually no competition. And don't believe "the client can't afford to pay a reasonable rate." That's misguided thinking. When clients have a need, and you're one of the only people who can meet it, they will manage to pay your rate.

So after you've paid off that student debt, dare to think about what you might change for yourself and your family for a better lifestyle, a safer living environment, or just to do it entirely your way. I'm here when you're ready to discuss how to achieve your dreams.

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