Billable Hour Pricing is Effectively Dead Because of Budget Caps, Report Says

Up to 90 percent of law firm work is done outside of the traditional billable hour model, according to the 2017 Report on the State of the Legal Market.

The ABA Journal reports on a study released by Georgetown Law's Center for the Study of the Legal Profession and Thomson Reuters Legal Executive Institute.

"One of the most potentially significant, though rarely acknowledged, changes of the past decade has been the effective death of the traditional billable hour pricing model in most law firms," the report says. "Plainly, the imposition of budget discipline on law firm matters forces firms to a very different pricing model than the traditional approach of simply recording time and passing the associated 'costs' through to the client on a billable-hour basis."

Read the *ABA Journal* article.

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