Carlton Fields Releases 13th Annual Class Action Survey

Carlton Fields released its 13th annual Class Action Survey, which provides an overview of important issues and practices related to class action matters and management. The annual publication reports on historical trends captured since the inception of the survey and includes information related to emerging issues in class action litigation.

Among the key highlights of this year's survey is the continued of growth of class action spending. Class action spending increased to nearly $4 billion, making it one of the fastest-growing areas of legal spending in 2024. More companies than ever are facing class actions, and the current portfolio by company is the second-highest on record.

This year's survey found that the percentage of companies facing class actions has reached the highest level in 13 years. Corporate counsel are anticipating unprecedented growth for their class action dockets in 2024 and are adding headcount to manage these new matters.

Other key highlights in this year's survey include:

• Labor and Employment Drives Next Wave of Class Actions: Labor and employment is the single largest component of both matters and spending by a wide margin. Consumer fraud takes a clear second place. Securities edges out product liability and technical statutory violations.

• Class Action Settlements Plunge to Lowest Level in Six Years: The percentage of settlements continues the path down to nearly half. Companies report little interest from plaintiffs, complex claims, and a time-consuming workload as the main reasons. Alternatively, the few settlements reached in 2023 are dominated by individual settlements, which surged

to 77%. Confidentiality and avoiding precedent were major motivators for the increase.

• Lower AFA Usage Continues: Only 38.2% of companies with class actions are using alternative fee arrangements. AFA usage remains at historically lower levels.

• Use of Generative AI in Class Action Defense: Data privacy dominates the expected class actions arising from the use of generative AI. Additionally, nearly 62% of companies believe outside counsel should use generative AI in some way.

• The Future of Class Actions: Two-thirds of companies expect class actions will become more complex through larger and novel claims including: AI-related, labor, data privacy, deglobalization, social media usage, and creativity from plaintiffs' attorneys.

The 2024 Carlton Fields Class Action Survey is based on interviews with general counsel or senior legal officers at more than 300 Fortune 1000 and other large companies across a variety of industries. They shared their thoughts about class action exposure and best practices for class action management.

To download the 2024 Carlton Fields Class Action Survey, please visit http://www.classactionsurvey.com.