

**The
Economic Benefits
of Paralegal Utilization**
2nd edition

**Thomas E. McClure, Esq.
and the
American Bar Association
Standing Committee on Paralegals**



AMERICAN **BAR** ASSOCIATION

**Standing Committee on
Paralegals**

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The Economic Benefits of Paralegal Utilization

Thomas E. McClure
and the
American Bar Association
Standing Committee on Paralegals

I. Introduction: Advantages to Paralegal Utilization

There are a variety of reasons firms should leverage paralegals to their advantage. When used properly, paralegals can increase profits, amplify the return on investment, improve client satisfaction, and enhance lawyers' quality of life.

II. Paralegal Leverage

As the paralegal profession has developed over the past fifty years, lawyers have recognized that not all work traditionally performed by lawyers is considered the "practice of law." Qualified non-lawyers can perform many tasks incidental to an attorney's work. Lawyers employing paralegals experience longevity of profits. Paralegals typically begin producing profits immediately. Whereas it may take at least two years of training before associates become profitable. Once they regularly generate profits, associates seek partnership so they can share in the firm's earnings. In contrast, paralegals will not become partners, and therefore will produce profits to the firm for their entire career¹.

A. Expanding the Paralegal Role Because using paralegals increases profitability, firms should make use of these legal professionals to their full capacity. The work delegated to paralegals is only limited by the skills and qualifications of the paralegal as well as the applicable Rules of Professional Conduct.

1. The Rules of Professional Conduct Even though there is a movement to license limited legal professionals, in most jurisdictions, only attorneys may practice law.² The unauthorized practice of law is illegal.³ Hence, lawyers must abide by ethical rules governing the practice of law regarding their use of paralegals. A paralegal cannot:

- accept cases

¹ Rule 5.4(b) of the ABA Model Rules of Professional Conducts in a law firm provides, "A lawyer shall not form a partnership with a nonlawyer if any of the activities of the partnership consist of the practice of law."

² There is a movement to license non-attorneys for practicing law in limited circumstances. The Arizona Supreme Court authorized legal paraprofessional to practice law in limited circumstances without being supervised by a licensed attorney. ACJA §7-210. Utah also permits licensed paralegal practitioners to practice law in limited practice areas. UCJA Rule 14-802. Other states, such as Minnesota and California, are studying similar provisions.

³ A 2020 ABA paper presents a survey of every state's regulation of the unauthorized practice of law (UPL). American Bar Association, American Bar Association Center for Professional Responsibility Standing Committee on Public Protection in the Provision of Legal Services, State Regulation of Nonlawyer Unauthorized Practice of Law, https://www.americanbar.org/content/dam/aba/administrative/professional_responsibility/state-upl-enforcement-alwy.pdf (last checked May 18, 2022).

- set fees
- give legal advice
- plan strategy
- make legal decisions
- take depositions
- appear in court

Paralegals can perform most other work under the supervision of a lawyer. The Appendix presents the ABA Model Rule 5.3 along with the professional rules adopted by various jurisdictions outlining attorney responsibilities regarding nonlawyer assistance.

- B. Key Principles of Paralegal Profitability** There are five key principles contributing to paralegal profitability. While there are other factors that may lead to increased profits, a lawyer’s thoughtful application of the five principles, discussed below, is likely to contribute to a cost-effective business model.

The first principle is to select the right candidate. Candidates should be career paralegals who received training in the profession. They may be employees who have experience in the field or a newly minted paralegal who hails from an ABA Approved Paralegal Program. The best candidate should be the right fit for the job in that they possess the maturity, soft skills, personality, and career goals that align with the law firm’s mission and values of the partners.

The second is to assign appropriate work to the paralegal. Paralegals should feel they are valued by the firm and meaningfully contribute to the clients’ case. To feel that they are of value to the matter, the attorney should assign paralegals substantive legal work. Attorneys should be careful not to limit their paralegals’ duties to clerical tasks.

The third principle is to provide understanding and involvement. It is imperative that paralegals completely understand their assigned tasks, the work assigned to them, and the client’s goals. They should be involved in all aspects of a matter. In doing so, the paralegal will know what is needed to assist in providing quality representation for a client.

The fourth principle is to confer trust. Conferring trust is one of high importance. Just as paralegals need to trust the lawyers with whom they are working, paralegals also must have the trust of both the lawyers and the clients. The return trust component is imperative to their profitability and success.

The final principle is to properly price the paralegal’s work. The proper pricing of the work will ensure that the lawyer returns a profit on their investment.

III. Quantifying Profits Achieved Through Paralegal Utilization

- A. Analyzing the Profitability of Paralegal Work** The first step in evaluating the benefits of employing paralegals is to determine whether the work performed by paralegals is returning a profit. Attorneys should conduct a careful profitability

analysis that compare the revenues and costs associated with the paralegal.

Evaluating Costs The first step is to determine the firm’s costs. Costs include all categories of expenses required to support the partners, associates, and paralegals. These costs can be divided into three general categories: compensation costs, direct costs, and indirect costs. Compensation costs include salary, bonus, payroll taxes, and fringe benefits. Direct costs include allocated portions of rent and secretarial support. Indirect costs include all other expenses, such as supplies, technology, utilities, social activities, insurance, business taxes, compensation costs of other non-billing personnel. Compensation costs and direct costs can be precisely allocated to individual employees. Indirect costs, however, are usually converted to average cost per legal professional. The indirect cost of supporting a partner exceeds the cost of maintaining an associate, which exceeds the cost of sustaining a paralegal. While each firm’s allocation of overhead varies, a rough rule of thumb is that a partner’s overhead allocation is three times greater than that for a paralegal, and an associate’s overhead allocation is twice that of a paralegal.

Table 1 presents estimates of the cost of employing a hypothetical paralegal, divided into the categories discussed above:

TABLE 1: Cost of Employing Hypothetical Paralegal

Salary (Compensation Cost)	\$60,000 ⁴
Taxes & Fringe Benefits (Compensation Cost)	+20,000 ⁵
Overhead (Direct & Indirect Costs)	+45,000
Total Cost of Paralegal	\$125,000

After calculating the total cost of a legal professional (partner, associate, or paralegal), or the average total cost for a category of employees, the next step is to determine the “cost per hour” for that individual or class of employees. The cost per hour is determined by dividing the total cost for that individual by the number of client billable hours recorded by that individual in a year. For example, the typical paralegal referenced above has a total cost of \$125,000. If that paralegal generates 1,650 client billable hours in a year, the employee’s cost per hour would be \$75.58. This is the amount of the firm’s investment in every hour the paralegal devotes to client matters.

Although absolute costs vary from firm to firm and from region to region, the relative cost differential between paralegals, associates, and partners is

⁴ The U.S. Bureau of Labor Statistics Occupational Outlook Handbook reports the median pay for paralegals in May 2021 was \$56,230. <https://www.bls.gov/ooh/legal/paralegals-and-legal-assistants.htm> (last checked May 15, 2022).

⁵ The SBA estimates the cost of taxes and fringe benefits ranges from 1.25 to 1.4 times an employee’s salary. Thus, these costs for an employee paid \$60,000 annually range from \$15,000 to \$24,000. U.S. Small Business Administration, “How Much Does an Employee Cost You?,” <https://www.sba.gov/blog/how-much-does-employee-cost-you> (last checked May 18, 2022).

similar.

1. **Estimating Revenues** - Revenue potential is determined by multiplying the paralegal's hourly rate times the billable hours anticipated. A rate of \$120 per hour multiplied by 1,500 hours equal a revenue potential of \$180,000. To shift from potential revenue to actual revenue, a collection realization rate must be applied. Assuming a collection realization rate of 92.5 percent, revenue potential of \$180,000 would generate actual revenue of \$166,500.

Most paralegals spend little time on non-billable activities such as client development, community involvement, and firm management. Although in larger firms, senior paralegals spend time mentoring, training, interviewing, and evaluating their junior colleagues, their primary role is to produce billable hours. Thus, billable hour expectations should not be too modest. The greater the number of hours billed by the paralegal, the larger the profits to the firm.

2. **Determining Profitability: Comparing Costs to Revenue** – Law firms can determine a paralegal's profitability by comparing projected revenue with the costs of employment. Using the examples of costs and revenues set forth above, the paralegal generates revenue of \$166,500 at a cost of \$125,000, thereby yielding a profit of \$41,500.

If the comparison does not produce an acceptable profit, the law firm may adjust by:

- increasing the hourly rate,
 - increasing the required number of billable hours, or
 - reducing compensation costs (salary or benefits).
- a. This analysis provides a useful method for estimating the profitability of paralegals with varying levels of experience. Although paralegals can and should be profitable regardless of their experience, lawyers must recognize that the relative profitability at different experience levels depends upon relative salaries, benefits, overhead, billing expectations, hourly rates, and collection of fees.

In most circumstances, a lawyer can justify billing an experienced paralegal at a significantly higher rate than that of an entry-level paralegal. Thus, even if a senior paralegal's compensation and benefits are substantially higher than those of entry-level paralegals, the experienced paralegal may generate greater profits. This is because the senior paralegal's higher billing rate produces additional revenue that more than compensates for the increased salary and benefits. Table 2 illustrates this principle.

TABLE 2: COMPARISON OF PROFIT FOR ENTRY-LEVEL AND EXPERIENCED PARALEGALS

Costs		
	<i>Entry Level</i>	<i>Experienced</i>
Salary	\$30,000	\$60,000
Fringe Benefits	+10,000	+20,000
Overhead Costs	+45,000	+45,000
Total Costs	\$85,000	\$125,000

Revenue		
	<i>Entry Level</i>	<i>Experienced</i>
Hours	1600	1500
Hourly Rate	<u>x 80</u>	<u>x 120</u>
Potential Revenues	\$128,000	\$180,000
Realization Rate	x 92.5%	x 92.5%
Total Revenue	\$118,400	\$166,500
Less Total Cost	- 85,000	- 125,000
Profit	\$ 33,400	\$ 41,500

This example assumes that entry level paralegals will generate more client billable hours than will experienced paralegals. This is because senior paralegals will tend to have more administrative and management responsibilities, such as mentoring, training and evaluation of junior paralegals, and participating on firm committees.

Although this analysis might suggest that law firms should seek to employ only experienced paralegals, that is not the case. While it is certainly true that a small firm employing only one or two paralegals benefits if each one is experienced, a larger firm with a large number of paralegals is better served if it employs a group of paralegals with a wide range of experience levels. The presence of entry level paralegals permits those with more experience to focus their efforts on complex and challenging work. This increases their job satisfaction, thereby reducing turnover of employees. In addition, firms employing lower paid paralegals can afford to perform lower value work, and therefore lower billing rate work, at a profit.

- b. Comparing Profitability of Paralegals and Associates** – Not only can firms use the profitability analysis compare the relative benefit of entry level and experienced paralegals, but they can also compare the profitability of paralegals and associates. Table 3 presents the relative profitability of a mid-level paralegal and a first-year associate, two classes of employees who often perform similar work.

TABLE 3: COMPARISON OF PARALEGAL AND ASSOCIATE PROFITABILITY (HOURLY BILLING)

Costs		
	<i>Paralegal</i>	<i>Associate</i>
Salary	\$ 40,000	\$100,000
Fringe Benefits	+ 10,000	+ 15,000
Overhead Costs	+ 45,000	+109,000
Total Costs	\$ 95,000	\$224,000

Revenue		
	<i>Paralegal</i>	<i>Associate</i>
Hours	1550	1850
Hourly Rate	$\times \underline{90}$	$\times \underline{160}$
Potential Revenues	\$139,500	\$296,000
Realization Rate	$\times 92.5\%$	$\times 92.5\%$
Total Revenue	\$129,000	\$273,800
Less Total Cost	- 95,000	- 224,000
Profit	\$ 34,000	\$ 49,800

Although this example demonstrates that a firm produces more profit on a first-year associate than on a mid-level paralegal, there are several reasons why assignment of work to paralegals instead of associates promotes the long-term interests of the firm. First, the hypothetical example assumes that the first-year associate will bill 1850 hours, while the paralegal will bill only 1550 hours. Thus, the firm must assign the associate an additional 300 hours of work to generate the greater amount of profit. Second, the example illustrates that the cost to the client for the associate's services is substantially greater than the cost for the paralegal's services. Indeed, the client would pay \$144,800 more for the associate's time ($\$273,800 - \$129,000 = \$144,800$). The savings produced by using paralegals promotes client satisfaction which in turn leads to repeat business. Finally, the "return on investment" for the firm is greater on paralegals than on associates even though associates turn a larger "profit per capita."

IV. Improved Return on Investment

- A. **Calculating Return on Investment** Profit per capita, while a useful statistic, does not measure the efficiency with which the firm converts investment to profit. To quantify efficiency, the firm must divide the profit an employee generates by the cost the firm incurs to include the employee in its workforce. This calculation is the return on the firm's investment (ROI) for the employee. The greater the return on investment, the greater the firm's efficiency and profit margin, and the lower the demand for capital.

Table 3 compares a first-year associate with a mid-level paralegal. The associate generated \$49,800 in profit at a cost of \$224,000. In contrast, the mid-level paralegal generated a \$34,000 profit on a cost of \$95,000. On a profit per capita basis,

the first-year associate's profit is higher than the profit generated by the mid-level paralegal. However, when the profit is divided by the cost, the ROI on the associate is 22.2%, while the ROI on the paralegal is 35.8%. Thus, the profit margin on the hypothetical mid-level paralegal is more than 50% larger than the profit margin on the hypothetical first year associate.

B. Profitability and Return on Investment in Alternative Fee Matters The use of paralegals has potential for even greater profits and ROI in work that is not billed on an hourly rate basis. If fixed fees are established for a specific transaction, lawyers' profits will be directly related to their ability to operate efficiently. Every hour of work performed by a paralegal rather than a lawyer lowers the investment in the project. Similarly, for the contingency lawyer, shifting a larger portion of work to a paralegal increases the potential for profit and decreases the potential for loss.

1. Fixed Fee Case

If the fee for a service is fixed, the profits and ROI will be related directly to the ability to deliver the service at a low cost. Consider the following example presented in Table 4:

TABLE 4: COMPARISON OF PARALEGAL AND ASSOCIATE PROFITABILITY (FIXED FEE)

<u>Fixed Fee</u>	<u>Worker</u>	<u>Hours</u>	<u>Cost/Hr</u>	<u>Investment</u>	<u>Profit</u>	<u>ROI</u>
\$2,000	Partner	5 hrs	\$400	\$2,000	\$0	0.00%
\$2,000	Associate	7 hrs	\$275	\$1,925	\$75	3.80%
\$2,000	Partner	2 hrs	\$400	\$800	\$300	15.00%
	Paralegal	9 hrs	\$100	<u>\$900</u>		
				\$1,700		

Even though the firm devoted more hours when a paralegal participated in the project, it generated a higher profit than when an attorney completed the work.

2. The Contingency Case

Contingency fee cases potentially provide the greatest opportunity for profiting from employing paralegals. The amount of the fee an attorney earns in a contingency case is determined when the case concludes by settlement or judgment. This fee structure is the customary model employed by personal injury attorneys. Unlike other types of legal practices, attorneys working on a contingency fee (and their paralegals) ordinarily do not keep track of their time. Hence, it is difficult to quantify the financial benefit the firm receives from delegating work typically performed by attorneys to paralegals.

However, there are some contingency fee cases in which the prevailing plaintiff can recover reasonable attorney's fees from the defendant. In these

cases, plaintiffs must produce time records and petition the court to receive attorney and paralegal fees.⁶ In cases in which courts rule on plaintiffs' fee petitions, judges make findings as to the number of hours each attorney and paralegal devoted to the case as well as the appropriate billing rate. Thus, a court's written ruling granting a fee petition provides quantified data that illustrates the benefit a personal injury paralegal has on the attorney's profit.

For example, in *Thomas v. Cannon*, 2018 WL 1517661 (W.D. WA 2018), the federal district court entered an order awarding the plaintiff \$400,172.50 in fees.⁷ The judge approved the paralegal's fee at the rate of \$150 per hour for the 299.4 hours she devoted to the case, totaling \$44,910. The court also approved the attorney hourly rates of \$275 for the associate and \$600 for the partner. Had the associate, rather than the paralegal, performed the tasks carried out paralegal for the same number of hours, the total fees would have increased by \$37,425 (299.4 hours times \$125/hour differential). The comparison between the two scenarios appears in Table 5.

TABLE 5: COMPARISON OF PARALEGAL AND ASSOCIATE PROFITABILITY (CONTINGENCY FEE – COURT AWARDED FEES)

FEE WITH PARALEGAL

<u>Worker</u>	<u>Rate/Hr</u>	<u>Hours</u>	<u>Fee</u>
Partner	\$600	294.6	\$176,760.00
Associate	\$275	649.1	\$178,502.50
Paralegal	\$150	299.4	\$ 44,910.00
TOTAL			\$400,172.50

FEE WITHOUT PARALEGAL

<u>Worker</u>	<u>Rate/Hr</u>	<u>Hours</u>	<u>Fee</u>
Partner	\$600	294.6	\$176,760.00
Associate	\$275	649.1	\$260,837.50
TOTAL			\$437,597.50

BENEFIT (\$37,425)

V. Improved Client Satisfaction and Retention

Firms employing well qualified paralegals are likely to experience greater client satisfaction. This can be achieved through a combination of reduced legal fees and better client service.

A. Reducing Legal Fees

⁶ In *Missouri v. Jenkins*, 491 U.S. 274, 285 (1989), the Supreme Court held that “reasonable attorney’s fees” under the Civil Rights Attorney’s Fees Awards Act, 42 U.S.C. §1988, include paralegal fees.

⁷ This case was brought pursuant to Section 1983 of the Civil Rights Act of 1871, 42 U.S.C. §1983.

The initial way in which paralegals can improve client relations is by reducing the amount of legal fees. This point is demonstrated by comparing the following two examples presented in Table 6:

TABLE 6: COMPARISON OF ATTORNEY-ONLY HOURS AND ATTORNEY-PARALEGAL HOURS

EXAMPLE 1—ALL WORK PERFORMED BY ATTORNEY AT \$300 PER HOUR

Interview with Client	3 hr.	\$ 900
Interview with Two Witnesses	4 hr.	\$ 1200
Gather Information	6 hr.	\$1800
Review Documents	3 hr.	\$ 900
Legal Research and Analysis	4 hr.	\$ 1200
Draft Pleading	3 hr.	\$ 900
Trial Preparation	5 hr.	\$1500
Trial	4 hr.	\$ 1200
Total	32 hr.	\$9600

EXAMPLE 2—SIGNIFICANT WORK DELEGATED TO A PARALEGAL AT \$125 PER HOUR

Interview with Client		
Lawyer	3 hr.	\$900
Paralegal	3 hr.	\$375
Interview with Two Witnesses		
Paralegal	4 hr.	\$500
Gather Information		
Paralegal	6 hr.	\$750
Review Documents		
Paralegal	3 hr.	\$375
Legal Research and Analysis		
Lawyer	1 hr.	\$300
Paralegal	4 hr.	\$500
Draft Pleading		
Lawyer	1 hr.	\$300
Paralegal	3 hr.	\$375
Interoffice Conference		
Lawyer	1 hr.	\$300
Paralegal	1 hr.	\$125
Trial Preparation		
Lawyer	2 hr.	\$600
Paralegal	4 hr.	\$500
Trial		
Lawyer	4 hr.	\$1200
Paralegal	4 hr.	\$500
Total	44 hr.	\$7600

In the first situation, the lawyer works 32 hours on the case, without any paralegal assistance, and bills the client \$9,600. Under the second scenario, the lawyer works 12 hours, and the paralegal devotes 32 hours to the case, billing the client \$7,600. Thus, when a paralegal works on the case, the client saves \$2,000, or 20.8 percent of the original fee.

These examples demonstrate that even when there is some duplication of effort, such as when a lawyer and a paralegal both attend a client interview and a trial, the client saves money when the lawyer delegates work to an experienced paralegal. The second scenario illustrates how this is true even when the firm bills more hours to the file.

Because increased efficiency leads to greater savings to clients, the firm and its clients benefit when paralegals specialize in one practice area, where they can develop complete familiarity both with specific cases as well as individual lawyers' practice styles.

Delegation to a paralegal works best when the paralegal has full involvement in the file. In most cases, as the attorney delegates more work on a file to paralegals, the client experiences greater savings. This holds true, however, only if the shifting of work permits a reduction of lawyer hours on the file.

B. Improving Service

The second way in which paralegals can improve client relations is by providing better service to the client. Attorneys are often out of the office on business, and therefore not immediately available to clients. On the other hand, paralegals normally are accessible. Therefore, an experienced paralegal who has developed a working relationship with a client often can respond to client questions and concerns more promptly than can lawyers.

Furthermore, paralegals can maintain close working relationships with long-standing clients. Associates may move from one practice area to another within a firm to gain broad experience, leave the firm, or become partners and develop their own clientele. On the other hand, paralegals often work with one or a small group of partners servicing the same clients for years. Established clients develop a high degree of familiarity with and confidence in these paralegals as contrasted with new and frequently changing associates who do not have a long history with the client. Thus, paralegals can strengthen client relationships not only by saving clients' money but also by enhancing client service and building client confidence.

VI. Increase in Lawyer Billing Rates

When a firm saves clients' money through the use of paralegals, it also can raise lawyer's billing rate without increasing the total cost to the client. Table 7 illustrates the effect of a 10 percent rate increase on the examples presented in Table 6.

TABLE 7: WORK DELEGATED TO PARALEGAL WITH ACCOMPANYING 10% RATE INCREASE BY LAWYER (\$330 PER HOUR)

Interview with Client		
Lawyer	3 hr.	\$990
Paralegal	3 hr.	\$375
Interview with Two Witnesses		
Paralegal	4 hr.	\$500
Gather Information		
Paralegal	6 hr.	\$750
Review Documents		
Paralegal	3 hr.	\$375
Legal Research and Analysis		
Lawyer	1 hr.	\$330
Paralegal	4 hr.	\$500
Draft Pleading		
Lawyer	1 hr.	\$330
Paralegal	3 hr.	\$375
Interoffice Conferences		
Lawyer	1 hr.	\$330
Paralegal	1 hr.	\$125
Trial Preparation		
Lawyer	2 hr.	\$660
Paralegal	4 hr.	\$500
Trial		
Lawyer	4 hr.	\$1320
Paralegal	4 hr.	\$500
Total	44 hr.	\$7960
All work performed by attorney (\$300/hour)		\$9,600
Savings (attorney-\$330/hour; paralegal-\$125/hour)		(\$1,640)

Under this scenario, the attorney has increased his hourly rate by 10 percent, billed 12 hours of his own time plus 32 hours of paralegal time, and saved his client \$1,640, or 17 percent, compared to what the cost would have been if the attorney had handled the matter himself at a lower hourly rate. This demonstrates how a lawyer can utilize a paralegal both to save money for a client and to increase the lawyer's hourly rate and profitability.

VII. *Pro bono* Service

Employers who ask their lawyers to volunteer for *pro bono* service experience benefits for themselves as well as for their lawyers and the profession. Including paralegals in the opportunity to serve the public alongside lawyers creates a sense of camaraderie between the lawyers and the staff. It, therefore, promotes employee morale while generating a sense of community spirit. *Pro bono* service also provides lawyers with an opportunity to mentor their paralegals and for younger lawyers to work directly with paralegals. Thus, *pro bono* service is an all-around benefit to both lawyers and paralegals, as well as the firms and organizations

who employ them. The benefits of providing *pro bono* service far outweigh the time that is given in providing the services because this opportunity to serve gives back threefold.

VIII. Improve Lawyer Quality of Life

Firms also benefit from using paralegals by increasing their associates' job satisfaction, thereby reducing the turnover rate among firm lawyers. Experienced paralegals perform many duties that associates historically performed. Experienced attorneys often resent being assigned tasks that can be performed by non-lawyers, such as drafting routine documents, responding to written discovery, and summarizing large volumes of potentially relevant factual material. The single greatest factor in associate turnover at law firms is the degree of satisfaction with the quality of the work assignments. A firm that effectively utilizes paralegals permits associate attorneys to focus their time and efforts on legal analysis, case strategy, client contact, and witness interaction. Thus, all other things being equal, the strategic use of paralegals tends to minimize associate turnover, along with its attendant high cost and damage to client service and relationships.

IX. Conclusion

Firms effectively utilizing paralegals experience several rewards. First, they reduce the cost of delivering legal services. This improves profits and permits attorneys to bill at a higher rate. Lower legal costs also benefit the client, thereby creating increased satisfaction with the firm. Moreover, clients may enjoy greater accessibility and connection with the firm by their dealing with a paralegal who is knowledgeable about their case. Finally, the use of paralegals on matters that do not require an attorney increases associates' job satisfaction.

GLOSSARY OF TERMS

1. Administrative Hours: Administrative hours are hours worked relating to firm business which are not billable to clients. These hours include time spent on continuing education and training, personnel administration, client development, invoice preparation and firm meetings.
2. Attorneys to Paralegals: Attorneys to paralegals is a ratio calculated by dividing attorney full-time equivalent personnel by paralegal full-time equivalent personnel for a given time period.
3. Billable Hours: Billable hours are those hours worked on client files for which the law firm expects to be paid.
4. Billable to Non-Billable Personnel: Billable to non-billable personnel is a ratio calculated by dividing all timekeeper full-time equivalent personnel by all support staff full-time equivalent personnel for a given time period.
5. Billing Realization Rate: Billing realization rate is the percentage of the value of the time recorded on a matter that is actually billed to the client. A billing realization rate of less than 100% indicates that some portion of the value of time recorded was not billed to the client. A billing realization rate can be calculated for an individual employee, a class of employees, or for a matter or class of matters.
6. Blended Hourly Rate: Blended hourly rate is the rate derived from dividing the total fees billed on an invoice by the total hours billed for the same invoice. The result is the actual average hourly rate charged to the client for services performed on that matter during that invoice time period.
7. Collection Realization Rate: Collection realization rate is the percentage of the value of the time recorded on a matter that is actually paid by the client. A collection realization rate of less than 100% indicates that some portion of the value of time recorded was not paid by the client. A collection realization rate can be calculated for an individual employee, a class of employees, or for a matter or class of matters.

8. Compensation Costs: Compensation costs are the salary, payroll taxes and fringe benefits applicable to each timekeeper.
9. Direct Costs: Direct costs are the proportionate share of the gross rent related to an employee's workspace plus the proportionate salary and benefit costs of secretarial support for the timekeeper.
10. Indirect Costs: Indirect costs are all operating expenses not directly assigned to an employee when calculating compensation costs or direct costs. These costs include the salary and benefit cost of administrative staff and gross rent for common areas.
11. Turnover: Turnover is the number of employees in a position who leave during a given period of time divided by the average number of employees in that position during that time period.

APPENDIX

American Bar Association
CPR Policy Implementation Committee

Variations of the ABA Model Rules of Professional Conduct

**RULE 5.3 RESPONSIBILITIES
REGARDING NONLAWYER ASSISTANCE**

With respect to a nonlawyer employed or retained by or associated with a lawyer:

(a) a partner, and a lawyer who individually or together with other lawyers possesses comparable managerial authority in a law firm shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the lawyer;

(b) a lawyer having direct supervisory authority over the nonlawyer shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer; and

(c) a lawyer shall be responsible for conduct of such a person that would be a violation of the Rules of Professional Conduct if engaged in by a lawyer if:

(1) the lawyer orders or, with the knowledge of the specific conduct, ratifies the conduct involved; or

(2) the lawyer is a partner or has comparable managerial authority in the law firm in which the person is employed, or has direct supervisory authority over the person, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.

Variations from ABA Model Rule are noted. Comments not included.

ALABAMA

With respect to a nonlawyer employed or retained by or associated with a lawyer:

(a) A partner in a law firm shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the

	<p>lawyer;</p> <p>(b) Same as MR (c) Same as MR (c)(1) Same as MR (c)(2) The lawyer is a partner in the law firm in which the person is employed, or has direct supervisory authority over the person, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.</p> <p>Last accessed on 02/09/22</p>
ALASKA	<p>(a) Same as MR</p> <p>(a)(1) a partner in a law firm, and a lawyer who individually or together with other lawyers has comparable managerial authority in a law firm, shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person’s conduct is compatible with the professional obligations of the lawyer;</p> <p>(a)(2) is the same as MR (b);</p> <p>(a)(3) is the same as MR (c);</p> <p>(a)(3)(A) is the same as MR (c)(1);</p> <p>(a)(3)(B) the lawyer is a partner or the lawyer individually or together with other lawyers has comparable managerial authority in the law firm in which the person is employed, or has direct supervisory authority over the person, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.</p> <p>Adds (b), (c), and (d)</p> <p>(b) A lawyer shall advise a nonlawyer who ends an association with the lawyer not to disclose confidences and secrets protected by Rule 1.6 that were learned by the nonlawyer during the association.</p> <p>(c) A lawyer who employs, retains, or forms an association with a nonlawyer shall advise the nonlawyer not to disclose confidences and secrets protected by Rule 1.6 learned by the nonlawyer during an association with another lawyer. If the nonlawyer participated in a matter that would create a conflict of interest for a lawyer under Rule 1.7 or Rule 1.9, the nonlawyer shall be screened from any participation in the matter.</p> <p>(d) A lawyer who learns that any person employed by the lawyer has revealed a confidence or secret protected by these rules shall notify the person whose confidence or secret was revealed.</p> <p>Last accessed on 02/09/22</p>
ARIZONA	<p>(a) A lawyer in a firm shall make reasonable efforts to ensure that the</p>

firm has in effect measures giving reasonable assurance that the conduct of nonlawyers engaged in activities assisting lawyers in providing legal services and those who have access to attorney-client information, is compatible with the professional obligations of the lawyer. Reasonable measures include, but are not limited to, adopting and enforcing policies and procedures designed:

(1) to prevent nonlawyers in a firm from directing, controlling, or materially limiting the lawyer's independent professional judgment on behalf of clients or materially influencing which clients a lawyer does or does not represent; and

(2) to ensure that nonlawyers assisting in the delivery of legal services or working under the supervision of a lawyer comport themselves in accordance with the lawyer's ethical obligations, including, but not limited to, avoiding conflicts of interest and maintaining the confidentiality of all lawyer client information protected by ER 1.6.

(b) A lawyer having supervisory authority over a nonlawyer within or outside a firm shall make reasonable efforts to ensure that the nonlawyer's conduct when engaged in activities assisting lawyers in providing legal services is compatible with the professional obligations of the lawyer.

(1) Reasonable efforts include providing to nonlawyers appropriate instruction and supervision concerning the ethical aspects of their employment or retention, particularly regarding the obligation not to disclose information relating to the representation of the client.

(2) Measures employed in supervising nonlawyers should take into account that they may not have legal training and are not subject to professional discipline.

(3) When retaining or directing a nonlawyer outside the firm to assist the lawyer's delivery of legal services, a lawyer should communicate directions appropriate under the circumstances to give reasonable assurance that the nonlawyer's conduct is compatible with the professional obligations of the lawyer.

(4) Where the client directs the selection of a particular nonlawyer service provider outside the firm, the lawyer ordinarily should agree with the client concerning the allocation of responsibility for monitoring as between the client and the lawyer.

(c) A lawyer shall be responsible for conduct of a nonlawyer that would be a violation of the Rules of Professional Conduct if engaged in by a lawyer if:

(1) the lawyer orders or, with the knowledge of the specific conduct, ratifies the conduct involved; or

(2) the lawyer has managerial authority in the firm and knows of the conduct at a time when its consequences can be avoided or mitigated

	<p>but fails to take reasonable remedial action.</p> <p>(d) When a firm includes nonlawyers who have an economic interest or managerial authority in the firm, any lawyer practicing therein shall ensure that a lawyer has been identified as responsible for establishing policies and procedures within the firm to assure nonlawyer compliance with these rules.</p> <p>Last accessed on 02/09/22</p>
ARKANSAS	<p>Same as MR</p> <p>Last accessed on 02/09/22</p>
CALIFORNIA	<p>With respect to a nonlawyer employed or retained by or associated with a lawyer:</p> <p>(a) a lawyer who individually or together with other lawyers possesses managerial authority in a law firm, shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the nonlawyer’s conduct is compatible with the professional obligations of the lawyer;</p> <p>(b) a lawyer having direct supervisory authority over the nonlawyer, whether or not an employee of the same law firm, shall make reasonable efforts to ensure that the person’s conduct is compatible with the professional obligations of the lawyer; and</p> <p>(c) a lawyer shall be responsible for conduct of such a person that would be a violation of these rules or the State Bar Act if engaged in by a lawyer if:</p> <p>(1) the lawyer orders or, with knowledge of the relevant facts and of the specific conduct, ratifies the conduct involved; or</p> <p>(2) the lawyer, individually or together with other lawyers, possesses managerial authority in the law firm in which the person is employed, or has direct supervisory authority over the person, whether or not an employee of the same law firm, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.</p> <p>Last accessed on 02/09/22</p>
COLORADO	<p>Same as MR</p> <p>Last accessed on 02/09/22</p>
CONNECTICUT	<p>Same as MR</p> <p>Last accessed on 02/09/22</p>
DELAWARE	<p>Same as MR</p> <p>Last accessed on 02/09/22</p>
DC	<p>With respect to a nonlawyer employed or retained by or associated with a lawyer:</p>

	<p>(a) A partner or a lawyer who individually or together with other lawyers possesses comparable managerial authority in a law firm or government agency shall make reasonable efforts to ensure that the firm or agency has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the lawyer;</p> <p>(b) Same as MR</p> <p>(c) A lawyer shall be responsible for conduct of such a person that would be a violation of the Rules of Professional Conduct if engaged in by a lawyer if:</p> <p>(1) The lawyer requests or, with knowledge of the specific conduct, ratifies the conduct involved; or</p> <p>(2) The lawyer has direct supervisory authority over the person, or is a partner or a lawyer who individually or together with other lawyers possess comparable managerial authority in the law firm or government agency in which the person is employed, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.</p> <p>Last accessed on 02/09/22</p>
FLORIDA	<p>(a) Use of Titles by Nonlawyer Assistants. A person who uses the title of paralegal, legal assistant, or other similar term when offering or providing services to the public must work for or under the direction or supervision of a lawyer or law firm.</p> <p>(b) With respect to a nonlawyer employed or retained by or associated with a lawyer or an authorized business entity as defined elsewhere in these Rules Regulating The Florida Bar:</p> <p>(1) a partner, and a lawyer who individually or together with other lawyers possesses comparable managerial authority in a law firm, must make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the lawyer;</p> <p>(2) a lawyer having direct supervisory authority over the nonlawyer must make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer; and</p> <p>(3) a lawyer is responsible for conduct of such a person that would be a violation of the Rules of Professional Conduct if engaged in by a lawyer if the lawyer:</p> <p>(A) orders or, with the knowledge of the specific conduct, ratifies the conduct involved; or</p> <p>(B) is a partner or has comparable managerial authority in the law firm in which the person is employed, or has direct supervisory authority over the person, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable</p>

	<p>remedial action.</p> <p>(c) Ultimate Responsibility of Lawyer. Although paralegals or legal assistants may perform the duties delegated to them by the lawyer without the presence or active involvement of the lawyer, the lawyer shall review and be responsible for the work product of the paralegals or legal assistants.</p> <p>Last accessed on 02/09/22</p>
GEORGIA	<p>With respect to a nonlawyer employed or retained by or associated with a lawyer:</p> <p>(a) a partner, and a lawyer who individually or together with other lawyers possesses managerial authority in a law firm, shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the lawyer;</p> <p>(b) Same as MR</p> <p>(c) and (c)(1) Same as MR</p> <p>(c)(2) the lawyer is a partner in the law firm in which the person is employed, or has direct supervisory authority over the person, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action; and</p> <p>(d) a lawyer shall not allow any person who has been suspended or disbarred and who maintains a presence in an office where the practice of law is conducted by the lawyer, to:</p> <p>(1) represent himself or herself as a lawyer or person with similar status;</p> <p>(2) provide any legal advice to the clients of the lawyer either in person, by telephone or in writing.</p> <p>The maximum penalty for a violation of this Rule is disbarment.</p> <p>Last accessed on 02/09/22</p>
HAWAII	<p>With respect to a nonlawyer employed or retained by or associated with a lawyer:</p> <p>(a) a partner in a firm who individually or together with other lawyers possesses comparable managerial authority in a firm, shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the lawyer:</p> <p>(b) and (c) Same as MR</p> <p>Last accessed on 02/11/22</p>
IDAHO	<p>Same as MR</p>

	Last accessed on 02/11/22
ILLINOIS	Same as MR Last accessed on 02/11/22
INDIANA	Same as MR Last accessed on 02/11/22
IOWA	Same as MR Last accessed on 02/11/22
KANSAS	Same as MR Last accessed on 02/11/22
KENTUCKY	Same as MR Last accessed on 02/11/22
LOUISIANA	Same as MR Last accessed on 02/11/22
MAINE	Same as MR Last accessed on 02/11/22
MARYLAND	<p>With respect to a non-attorney employed or retained by or associated with an attorney:</p> <p>(a) a partner, and an attorney who individually or together with other attorneys possesses comparable managerial authority in a law firm shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the attorney;</p> <p>(b) an attorney having direct supervisory authority over the non-attorney shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the attorney;</p> <p>(c) an attorney shall be responsible for conduct of such a person that would be a violation of the Maryland Attorneys' Rules of Professional Conduct if engaged in by an attorney if:</p> <p>(1) the attorney orders or, with the knowledge of the specific conduct, ratifies the conduct involved; or</p> <p>(2) the attorney is a partner or has comparable managerial authority in the law firm in which the person is employed, or has direct supervisory authority over the person, and knows of the conduct at a time when its consequences can be avoided or</p>

mitigated but fails to take reasonable remedial action; and

(d) an attorney who employs or retains the services of a non-attorney who (1) was formerly admitted to the practice of law in any jurisdiction and (2) has been and remains disbarred, suspended, or placed on inactive status because of incapacity shall comply with the following requirements:

(A) all law-related activities of the formerly admitted attorney shall be (i) performed from an office that is staffed on a full-time basis by a supervising attorney and (ii) conducted under the direct supervision of the supervising attorney, who shall be responsible for ensuring that the formerly admitted attorney complies with the requirements of this Rule.

(B) the attorney shall take reasonable steps to ensure that the formerly admitted attorney does not:

(i) represent himself or herself to be an attorney;

(ii) render legal consultation or advice to a client or prospective client;

(iii) appear on behalf of or represent a client in any judicial, administrative, legislative, or alternative dispute resolution proceeding;

(iv) appear on behalf of or represent a client at a deposition or in any other discovery matter;

(v) negotiate or transact any matter on behalf of a client with third parties;

(vi) receive funds from or on behalf of a client or disburse funds to or on behalf of a client; or

(vii) perform any law-related activity for (a) a law firm or attorney with whom the formerly admitted attorney was associated when the acts that resulted in the disbarment or suspension occurred or (b) any client who was previously represented by the formerly admitted attorney.

(C) the attorney, the supervising attorney, and the formerly admitted attorney shall file jointly with Bar Counsel (i) a notice of employment identifying the supervising attorney and the formerly admitted attorney and listing each jurisdiction in which the formerly admitted attorney has been disbarred, suspended, or placed on inactive status because of incapacity; and (ii) a copy of an executed written agreement between the attorney, the supervising attorney, and the formerly admitted attorney that sets forth the duties of the formerly admitted attorney and includes an undertaking to comply with requests by Bar Counsel for proof of compliance with the terms of the agreement and this Rule. As to a formerly admitted attorney employed as of July 1, 2006, the notice

	<p>and agreement shall be filed no later than September 1, 2006. As to a formerly admitted attorney hired after July 1, 2006, the notice and agreement shall be filed within 30 days after commencement of the employment. Immediately upon the termination of the employment of the formerly admitted attorney, the attorney and the supervising attorney shall file with Bar Counsel a notice of the termination.</p> <p>Last accessed on 02/11/22</p>
MASSACHUSETTS	<p>Same as MR</p> <p>Last accessed on 02/11/22</p>
MICHIGAN	<p>With respect to a nonlawyer employed by, retained by, or associated with a lawyer:</p> <p>(a) a partner in a law firm shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the lawyer;</p> <p>(b) Same as MR</p> <p>(c) and (c)(1) Same as MR</p> <p>(c)(2) (2) the lawyer is a partner in the law firm in which the person is employed or has direct supervisory authority over the person and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.</p> <p>Last accessed on 02/11/22</p>
MINNESOTA	<p>Same as MR</p> <p>Last accessed on 02/11/22</p>
MISSISSIPPI	<p>Same as MR</p> <p>Last accessed on 02/11/22</p>
MISSOURI	<p>Same as MR</p> <p>Last accessed on 02/18/22</p>
MONTANA	<p>(a) – (c) Same as MR</p> <p>(c)(1) the lawyer orders or, with the knowledge of the specific conduct, ratifies or ignores the conduct involved; or</p> <p>(c)(2) Same as MR</p> <p>Last accessed on 02/11/22</p>
NEBRASKA	<p>Same as MR</p>

	Last accessed on 02/11/22
NEVADA	Same as MR Last accessed on 02/11/22
NEW HAMPSHIRE	(a) Each partner, and each lawyer who individually or together with other lawyers possesses comparable managerial authority in a law firm shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the lawyer; (b) Each lawyer having direct supervisory authority over the nonlawyer shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer; and (c) Same as MR Last accessed on 02/11/22
NEW JERSEY	With respect to a nonlawyer employed or retained by or associated with a lawyer: (a) every lawyer, law firm or organization authorized by the Court Rules to practice law in this jurisdiction shall adopt and maintain reasonable efforts to ensure that the conduct of nonlawyers retained or employed by the lawyer, law firm or organization is compatible with the professional obligations of the lawyer. (b) Same as MR (c) a lawyer shall be responsible for conduct of such a person that would be a violation of the Rules of Professional Conduct if engaged in by a lawyer if: (1) the lawyer orders or ratifies the conduct involved; (2) the lawyer has direct supervisory authority over the person and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action; or (3) the lawyer has failed to make reasonable investigation of circumstances that would disclose past instances of conduct by the nonlawyer incompatible with the professional obligations of a lawyer, which evidence a propensity for such conduct. Last accessed on 02/11/22
NEW MEXICO	Same as MR Last accessed on 02/18/22
NEW YORK	(a) A law firm shall ensure that the work of nonlawyers who work for

	<p>the firm is adequately supervised, as appropriate. A lawyer with direct supervisory authority over a nonlawyer shall adequately supervise the work of the nonlawyer, as appropriate. In either case, the degree of supervision required is that which is reasonable under the circumstances, taking into account factors such as the experience of the person whose work is being supervised, the amount of work involved in a particular matter and the likelihood that ethical problems might arise in the course of working on the matter.</p> <p>(b) A lawyer shall be responsible for conduct of a nonlawyer employed or retained by or associated with the lawyer that would be a violation of these Rules if engaged in by a lawyer, if:</p> <p>(1) the lawyer orders or directs the specific conduct or, with knowledge of the specific conduct, ratifies it; or</p> <p>(2) the lawyer is a partner in a law firm or is a lawyer who individually or together with other lawyers possesses comparable managerial responsibility in a law firm in which the nonlawyer is employed or is a lawyer who has supervisory authority over the nonlawyer; and (i) knows of such conduct at a time when it could be prevented or its consequences avoided or mitigated but fails to take reasonable remedial action; or (ii) in the exercise of reasonable management or supervisory authority should have known of the conduct so that reasonable remedial action could have been taken at a time when the consequences of the conduct could have been avoided or mitigated.</p> <p>Last accessed on 02/18/22</p>
NORTH CAROLINA	<p>With respect to a nonlawyer employed or retained by or associated with a lawyer:</p> <p>(a) a principal, and a lawyer who individually or together with other lawyers possesses comparable managerial authority in a law firm or organization shall make reasonable efforts to ensure that the firm or organization has in effect measures giving reasonable assurance that the nonlawyer's conduct is compatible with the professional obligations of the lawyer;</p> <p>(b) a lawyer having direct supervisory authority over the nonlawyer shall make reasonable efforts to ensure that the nonlawyer's conduct is compatible with the professional obligations of the lawyer; and</p> <p>(c) a lawyer shall be responsible for conduct of such a nonlawyer that would be a violation of the Rules of Professional Conduct if engaged in by a lawyer if:</p> <p>(1) the lawyer orders or, with the knowledge of the specific conduct, ratifies the conduct involved; or</p> <p>(2) the lawyer is a principal or has comparable managerial authority in the law firm or organization in which the person is employed, or has direct supervisory authority over the nonlawyer, and knows of the conduct at a time when its consequences can be avoided or mitigated</p>

	<p>but fails to take reasonable remedial action to avoid the consequences.</p> <p>Last accessed on 02/18/22</p>
NORTH DAKOTA	<p>With respect to a nonlawyer employed or retained by or associated with a lawyer:</p> <p>(a) a partner, and a lawyer who individually or together with other lawyers has comparable managerial authority in a law firm, shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the nonlawyer's conduct is compatible with the professional obligations of the lawyer;</p> <p>(b) the lawyer having direct supervisory authority over the nonlawyer shall make reasonable efforts to ensure that the nonlawyer's conduct is compatible with the professional obligations of the lawyer; and</p> <p>(c) a lawyer shall be responsible for conduct of a nonlawyer that would be a violation of these Rules if:</p> <p>(1) the lawyer orders or, with knowledge of the specific conduct, ratifies the conduct involved; or</p> <p>(2) the lawyer is a partner or has comparable managerial authority in the law firm in which the nonlawyer is employed, or has direct supervisory authority over the nonlawyer, and knows of the conduct at a time when its consequences can be avoided or mitigated, but fails to take reasonable action.</p> <p>(d) In addition to paragraphs (a), (b) and (c), the following apply with respect to a legal assistant employed or retained by or associated with a lawyer:</p> <p>(1) A lawyer may delegate to a legal assistant any task normally performed by the lawyer except those tasks proscribed to one not licensed as a lawyer by statute, court rule, administrative rule or regulation, controlling authority, or these Rules.</p> <p>(2) A lawyer may not delegate to a legal assistant:</p> <p>(i) responsibility for establishing a lawyer-client relationship;</p> <p>(ii) responsibility for establishing the amount of a fee to be charged for a legal service;</p> <p>(iii) responsibility for a legal opinion rendered to a client; or</p> <p>(iv) responsibility for the work product.</p> <p>(3) The lawyer shall make reasonable efforts to ensure that clients, courts, and other lawyers are aware that a legal assistant is not licensed to practice law.</p> <p>Last accessed on 02/18/22</p>
OHIO	<p>With respect to a nonlawyer employed by, retained by, or associated with a lawyer, all of the following apply:</p> <p>(a) a lawyer who individually or together with other lawyers possesses</p>

	<p>managerial authority in a law firm or government agency shall make reasonable efforts to ensure that the firm or government agency has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the lawyer;</p> <p>(b) a lawyer having direct supervisory authority over the nonlawyer shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer;</p> <p>(c) a lawyer shall be responsible for conduct of such a person that would be a violation of the Ohio Rules of Professional Conduct if engaged in by a lawyer if either of the following applies:</p> <p>(1) the lawyer orders or, with the knowledge of the specific conduct, ratifies the conduct involved;</p> <p>(2) the lawyer has managerial authority in the law firm or government agency in which the person is employed, or has direct supervisory authority over the person, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.</p> <p>Last accessed on 02/18/22</p>
OKLAHOMA	<p>Same as MR</p> <p>Last accessed on 02/18/22</p>
OREGON	<p>With respect to a nonlawyer employed or retained, supervised or directed by a lawyer:</p> <p>(a) a lawyer having direct supervisory authority over the nonlawyer shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer; and</p> <p>(b) except as provided by Rule 8.4(b), a lawyer shall be responsible for conduct of such a person that would be a violation of the Rules of Professional Conduct if engaged in by a lawyer if: (1) the lawyer orders or, with the knowledge of the specific conduct, ratifies the conduct involved; or (2) the lawyer is a partner or has comparable managerial authority in the law firm in which the person is employed, or has direct supervisory authority over the person, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.</p> <p>Last accessed on 02/18/22</p>
PENNSYLVANIA	<p>Same as MR</p> <p>Last accessed on 02/18/22</p>
RHODE ISLAND	<p>Same as MR</p> <p>Last accessed on 02/18/22</p>
SOUTH CAROLINA	<p>(a) Same as MR</p> <p>(b) a lawyer having direct supervisory authority over the nonlawyer,</p>

	<p>including a suspended lawyer employed pursuant to Rule 34, RLDE, Rule 413, SCACR, shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer; and</p> <p>(c) Same as MR</p> <p>Last accessed on 02/18/22</p>
SOUTH DAKOTA	<p>Same as MR</p> <p>Last accessed on 02/18/22</p>
TENNESSEE	<p>Same as MR</p> <p>Last accessed on 02/18/22</p>
TEXAS	<p>With respect to a non-lawyer employed or retained by or associated with a lawyer:</p> <p>(a) a lawyer having direct supervisory authority over the nonlawyer shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer; and</p> <p>(b) a lawyer shall be subject to discipline for the conduct of such a person that would be a violation of these rules if engaged in by a lawyer if:</p> <p>(1) the lawyer orders, encourages, or permits the conduct involved; or</p> <p>(2) the lawyer:</p> <p>(i) is a partner in the law firm in which the person is employed, retained by, or associated with; or is the general counsel of a government agency's legal department in which the person is employed, retained by or associated with; or has direct supervisory authority over such person; and</p> <p>(ii) with knowledge of such misconduct by the nonlawyer knowingly fails to take reasonable remedial action to avoid or mitigate the consequences of that person's misconduct.</p> <p>Last accessed on 02/18/22</p>
UTAH	<p>Same as MR</p> <p>Last accessed on 02/18/22</p>
VERMONT	<p>Same as MR</p> <p>Last accessed on 02/18/22</p>
VIRGINIA	<p>With respect to a nonlawyer employed or retained by or associated with a lawyer:</p> <p>(a) a partner or a lawyer who individually or together with other lawyers possesses managerial authority in a law firm shall make reasonable efforts to ensure that the firm has in effect measures giving</p>

	<p>reasonable assurance that the person's conduct is compatible with the professional obligations of the lawyer;</p> <p>(b) Same as MR</p> <p>(c) Same as MR</p> <p>(c)(1) Same as MR</p> <p>(c)(2) the lawyer is a partner or has managerial authority in the law firm in which the person is employed, or has direct supervisory authority over the person, and knows or should have known of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.</p> <p>Last accessed on 02/18/22</p>
WASHINGTON	<p>Same as MR</p> <p>Last accessed on 02/18/22</p>
WEST VIRGINIA	<p>Same as MR</p> <p>Last accessed on 02/18/22</p>
WISCONSIN	<p>Same as MR</p> <p>Last accessed on 02/18/22</p>
WYOMING	<p>Same as MR</p> <p>Last accessed on 02/18/22</p>

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