

The 2024 Litify State of **AI in Legal** Report

New research on the use of artificial intelligence
across the legal industry.

Presented by  **LITIFY**

About this study

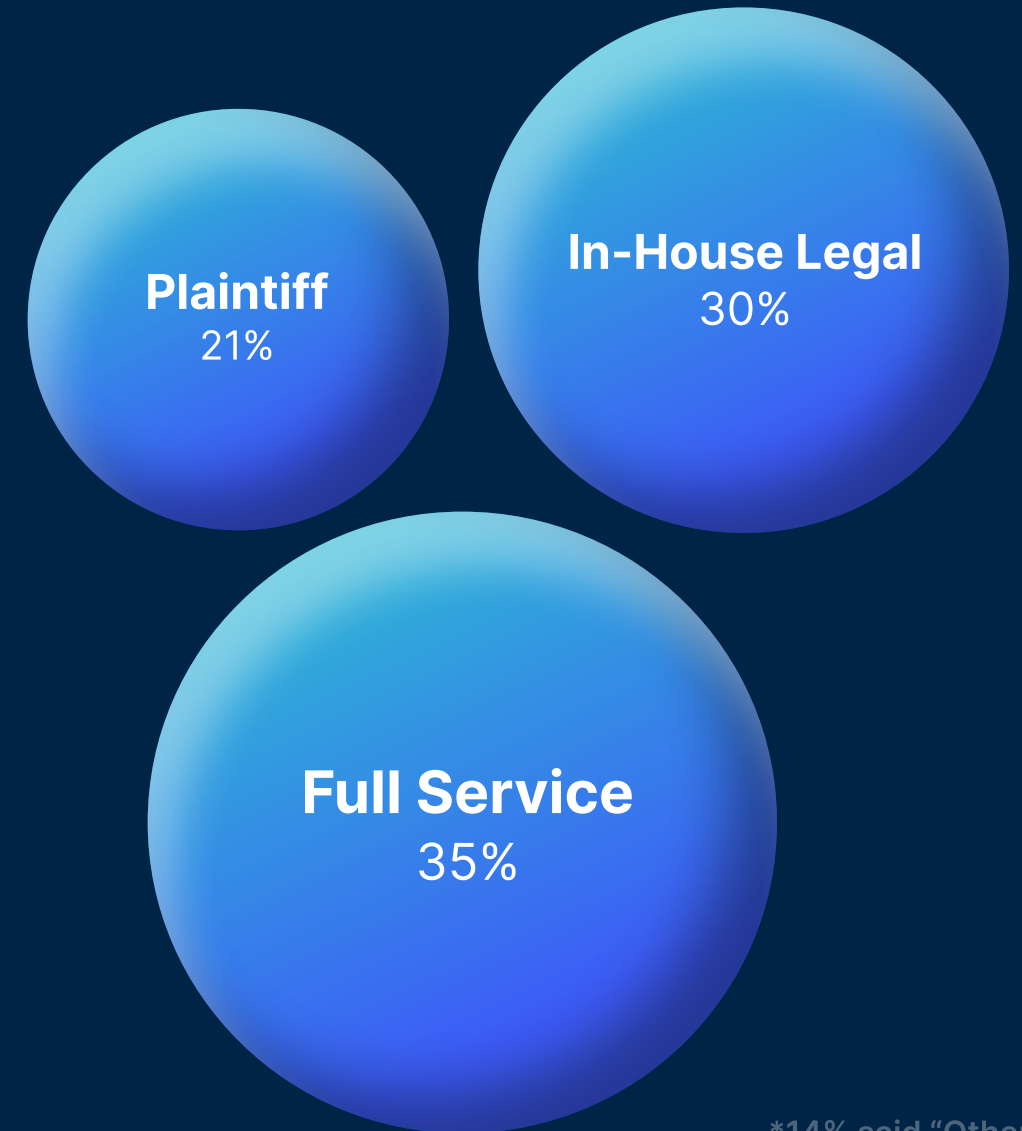
Litify commissioned an independent market research firm to survey a random sample of verified legal professionals for new insights into the use of artificial intelligence across the industry.

21% of respondents were from plaintiff law firms, 35% were from full service law firms, and 30% were from in-house legal departments* — near-equal representation from across the sector.

12% of respondents were entry-level professionals, 48% were mid-level, 27% were senior-level, and 13% had the title of CXO or Managing Partner.

42% of respondents were from organizations with 1-25 employees, 18% were from organizations with 26-70 employees, 11% from organizations with 71-100 employees, 11% with 101-250 employees, 11% with 251-1,000 employees, and 7% with 1,000+ employees.

The margin of error for this study is +/- 7.4% at the 95% confidence level.



*14% said "Other" about their market segment

Introduction

Litify partnered with an independent market research firm on this report to understand the continued use and impacts of artificial intelligence across the legal industry. Our biggest takeaway? **While the use of AI doubled since last year, respondents still cite security, privacy, and trustworthiness concerns as their biggest barriers to adoption.** Given the privileged nature of legal cases and documents, it's not surprising that the industry continues to be cautious about how AI tools collect, store, and manage their data.

However, for those who are (safely!) taking advantage of the technology, they're reporting efficiencies, streamlined operations, and an ability to deliver better service with time back in their days. The use of AI will continue to be transformative, but the industry is making it clear that it must be adopted responsibly before it can unlock value.

We hope you find these insights useful as you explore the most-impactful ways to take advantage of AI and how it can be incorporated into every aspect of your legal workflows.

If you have questions or comments about this research, please reach out to marketing@litify.com, and we would be happy to assist.

Key takeaways from the report

- 1 The industry's use of AI has **doubled** to 47% in the past year.
- 2 57% of respondents now feel the **industry is ready** for AI.
- 3 Those not using AI cite security, privacy, and trustworthiness concerns as their **main barriers** to adoption.
- 4 92% of those using AI are **saving time on their legal work** — with 33% now saving up to 10 hours per week.
- 5 The top tasks for AI in legal work are around **document management**.
- 6 Adoption of AI in legal is **projected to increase** to 60% of respondents by next year.

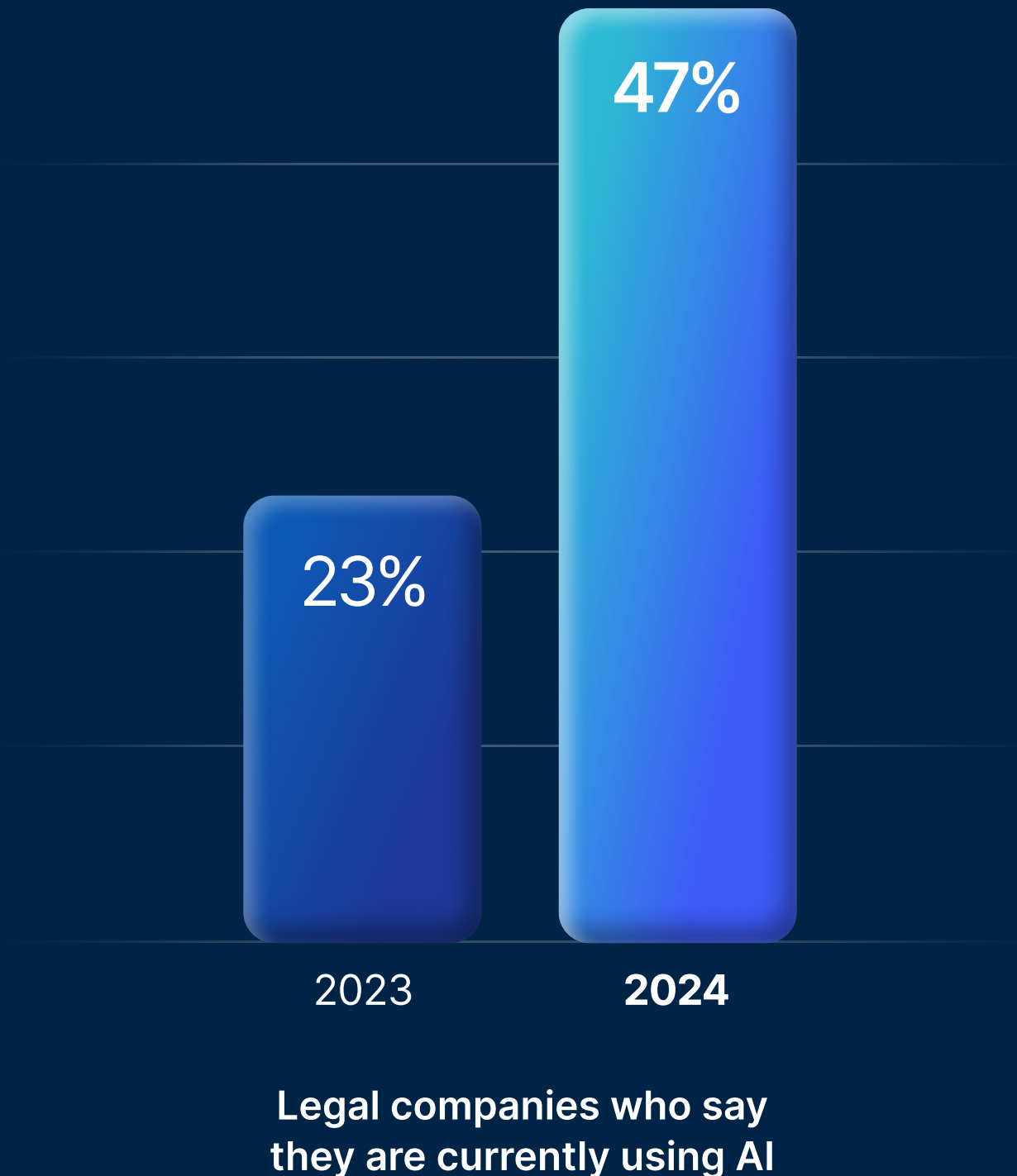
The legal industry's use of AI is growing rapidly

47% of respondents say they're using AI.

Historically, the legal industry has approached new innovations with some hesitancy, and is cautious to adopt something new until it's proven to be effective. Last year, it appeared the legal industry was largely taking this "wait and see" approach — with only 23% of respondents who said they were using AI in 2023.

Over the past year, the legal industry's use of AI has doubled. As a comparison, the legal sector is said to have begun embracing cloud-based platforms back in 2014, and a separate industry survey* found that cloud adoption was hovering around 40% in 2022 — eight years later.

While there is a more instant usability to some generative AI tools compared to a cloud-based software implementation, if this trend continues, we'll see a majority of the industry adopt AI technology far faster.



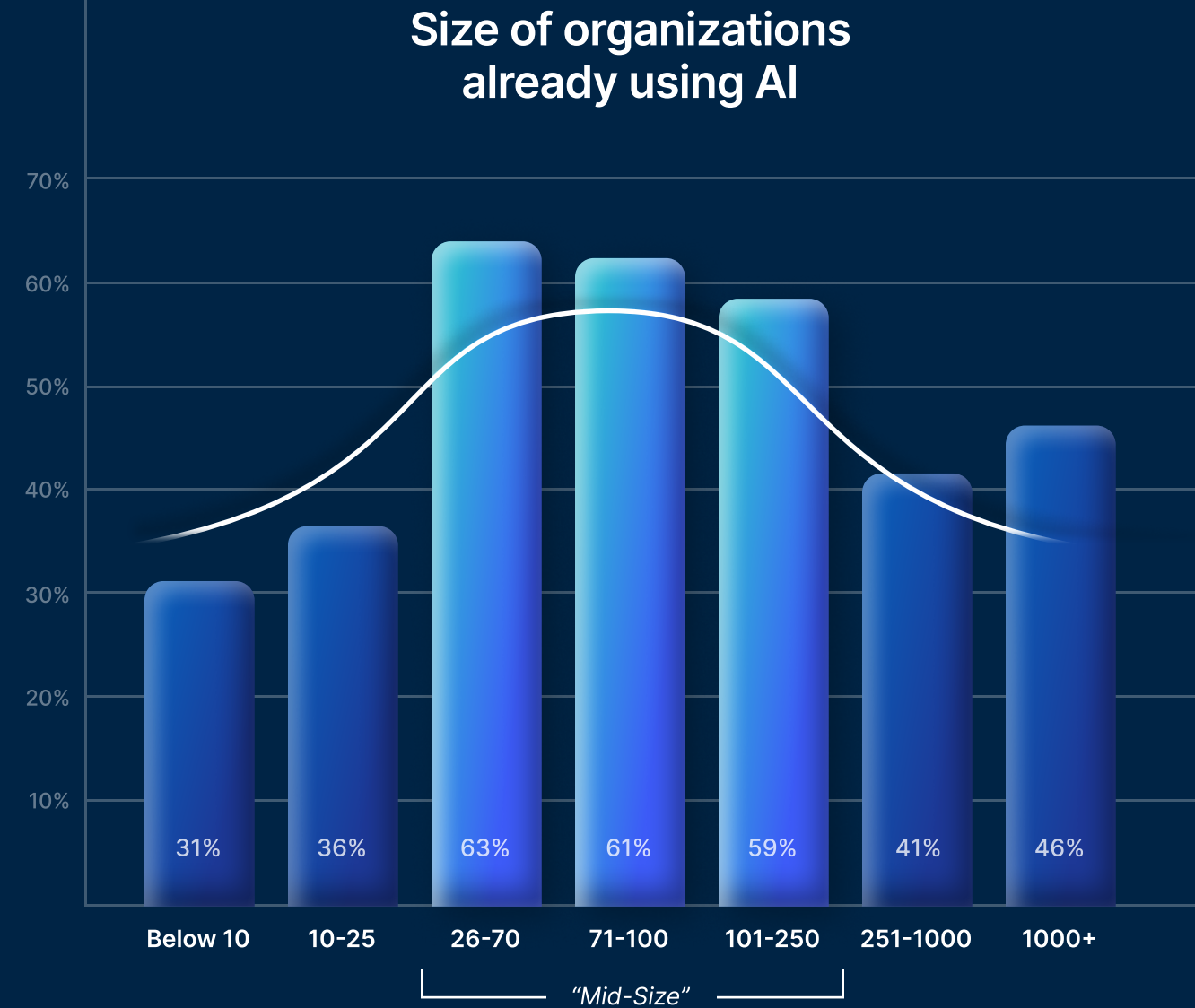
*Survey link: <https://www.legalpracticeintelligence.com/blogs/technology-intelligence/ilta-2022-technology-survey-highlights>

“Mid-size” organizations are leading the charge

While nearly 50% of respondents are now using AI, the size of the legal organization seems to impact this adoption. For respondents at legal organizations smaller than 25 employees, the response is still largely “no” to using AI. These organizations were also more likely than their larger counterparts to say they didn’t have the budget when asked about the potential challenges to implementing AI.

As the organization grows to 26-100 employees, the “yes” responses increase — peaking at 63% of respondents using AI at legal organizations with 26-70 employees. The use of AI then tapers off again as organizations reach 251-1,000+ employees. These “mid-size” businesses likely see AI technologies as a new tool that helps them operate more efficiently, and scale their resources to be more competitive in the market.

Last year, legal organizations with 251-1,000+ employees were more likely to have said they were using AI. But their adoption of AI has remained relatively flat year-over-year. Perhaps, with larger teams and more resources, they may have been more willing and able to start experimenting and investing in AI at that time. This year, given the ongoing privacy and security concerns mentioned on page 10, they have the additional resources dedicated to IT, data governance, and security to be extra cautious in their evaluation of these tools.

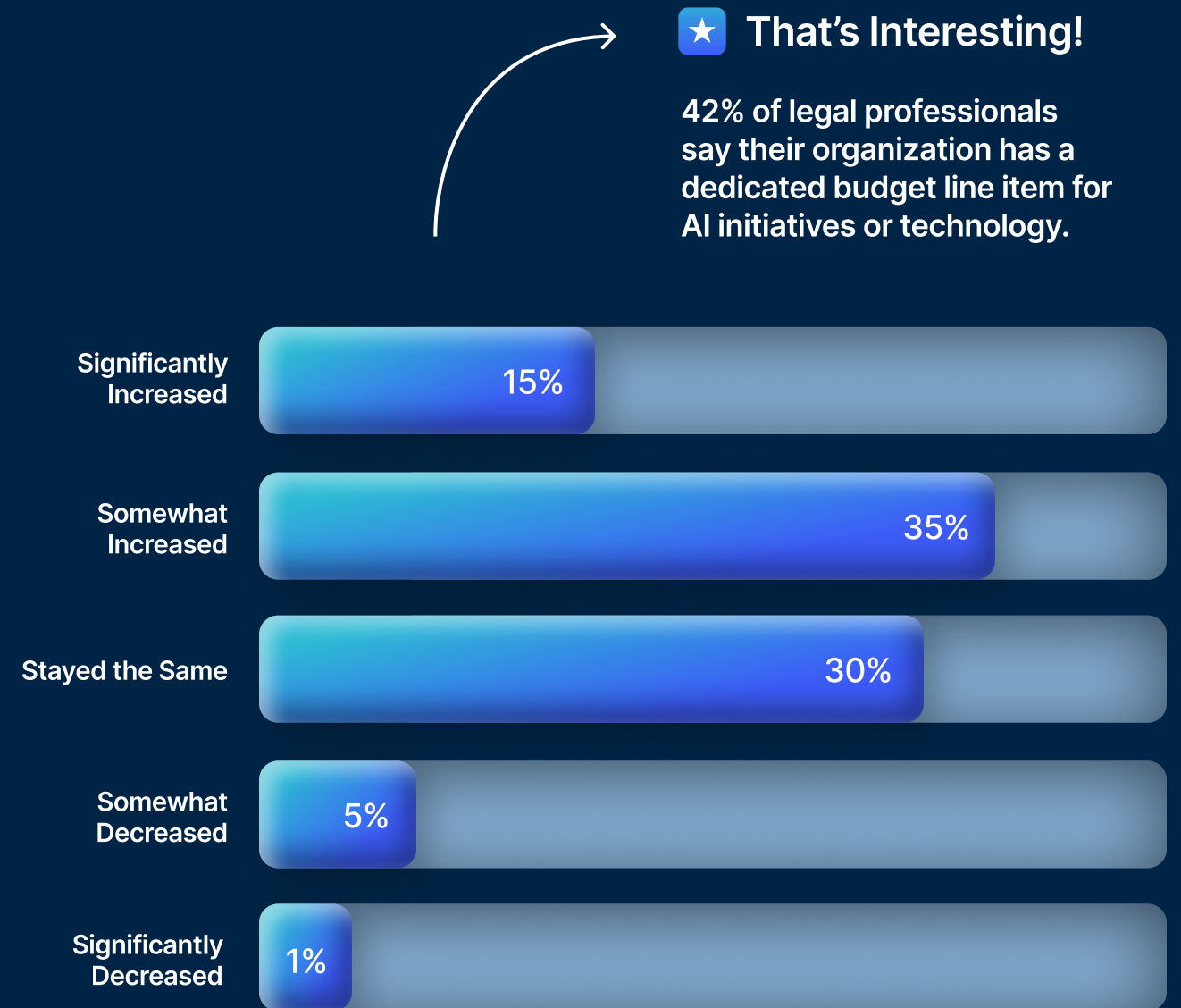


Technology investment remains a priority

60% of respondents say their technology budgets have increased — with some organizations dedicating budget to AI initiatives.

In 2023, nearly 40% of respondents said their technology budgets had increased. For two years, the data indicates that demand for legal technology remains high. These technologies, including AI tools, are likely a critical component in driving efficiency and productivity, ultimately helping legal organizations to stay ahead in the face of a competitive legal environment.

Additionally, 15% of respondents in 2024 say their organizations won't be investing in any new software this year (see page 13). While this is an increase from the 2% of respondents who indicated this in 2023, investing in legal technology largely remains a priority.



How has your technology budget changed in the last year?

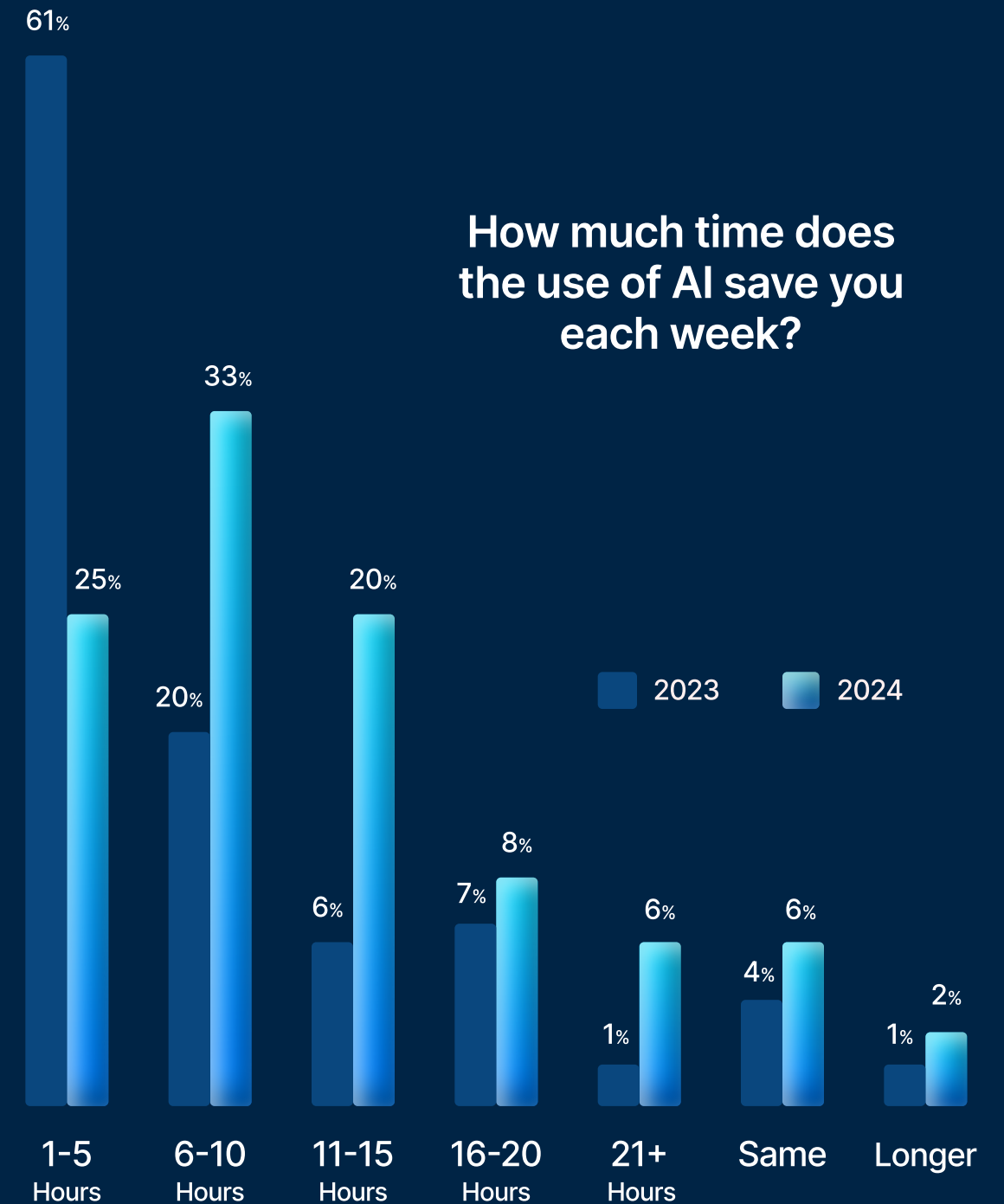
Time-savings from the use of AI are compounding

92% of those using AI are saving time on their legal work

In 2023, the majority of respondents reported 1-5 hours per week in time-savings (61%). This year, as more professionals report their use of AI, they also report greater time-savings.

33% of respondents report 6-10 hours per week (20% in 2023), and 20% report 11-15 hours per week in time-savings (6% in 2023). 6% of respondents report upward of 21+ hours of time-savings per week in 2024, while only 1% reported this in 2023.

Time-savings from the use of AI are compounding year-over-year as the industry moves from experimenting with AI to using it more effectively in their day-to-day. This additional time-savings gives legal professionals even more ability to use their time more strategically on important legal work that can't be performed by AI.



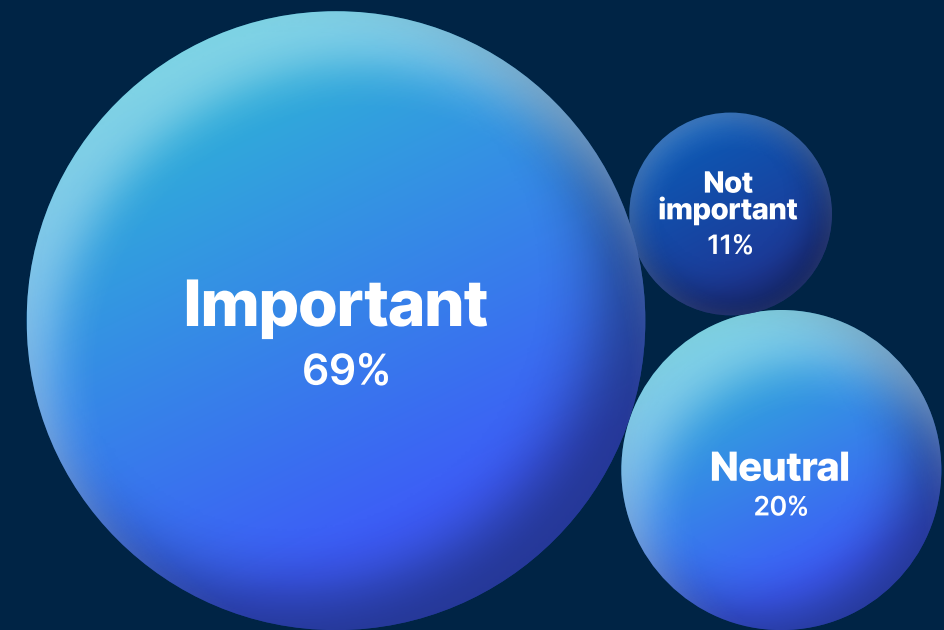
How organizations embrace technology remains key to retaining top talent

For the second year in a row, nearly 70% of respondents say it's important to work for an organization that embraces the latest technology advancements.

Embracing the latest technologies may be a new lever to **attract and retain talent**, especially younger generations who have come to expect this in the workplace. More modern technology also delivers a better working experience and can help get new hires to productivity as quickly as possible by eliminating the manual work that wastes your staff's time, enabling them to work how (and where!) they want, and tailoring the solution to each person's role.

This year, 78% of respondents also say it's important to **hire talent** that embraces the latest advancements, too. While the AI of today isn't likely to replace any legal professionals, those who are willing and able to use AI and other new technologies to support their work may become the most valuable talent going forward.

How important is it to you to work for an organization that embraces the latest technology advancements, such as AI?



★ **That's Interesting!**

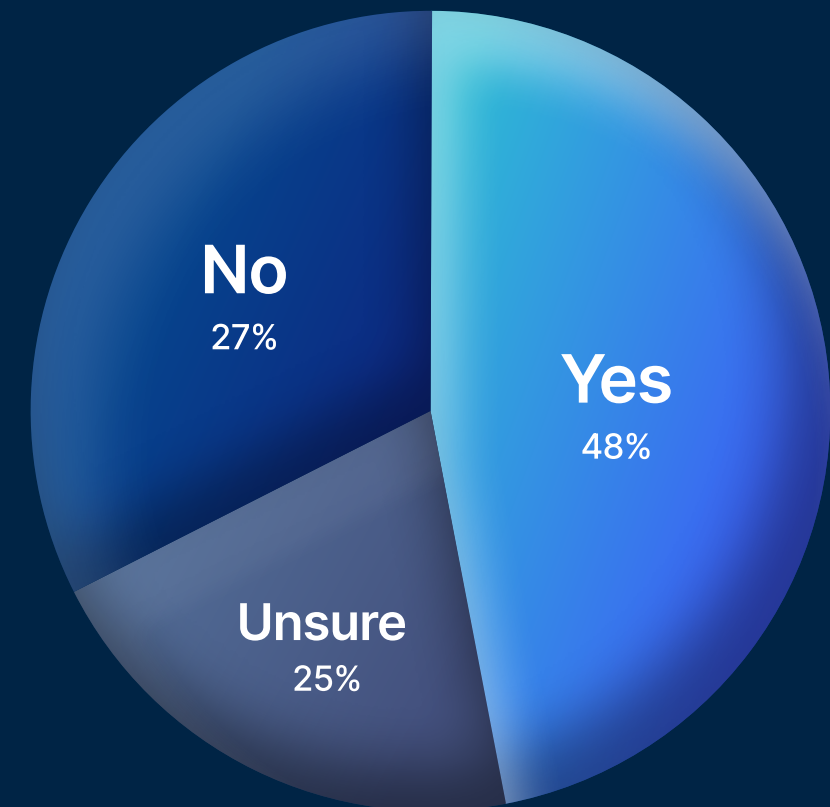
38% of respondents say their organizations are hiring for AI-related roles or skills this year.

But are employees *actually* comfortable with AI?

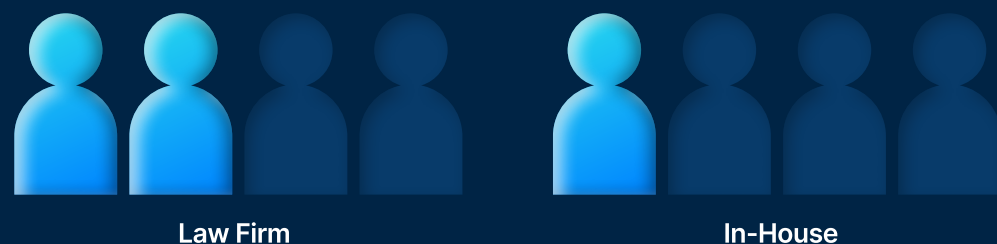
Drilling in further, there appears to be a slight disconnect occurring: while 70% of respondents said it was important to work for an organization that embraces the latest technology advancements, **only 48% are personally comfortable with using the latest technology — such as AI — in their work.** This also remained stagnant year-over-year with the same 48% saying they were comfortable with using the latest technologies in last year's survey. It seems like legal professionals expect their organizations to embrace technology, but are potentially less willing to embrace it themselves.

Legal professionals in this study have stated they want to work at organizations that embrace advanced technologies. They are, perhaps, looking to follow an organization's lead when it comes to technology like AI. Respondents may be less comfortable using it personally and assuming any perceived risks in that use. Instead, they may expect a workplace to embrace it first in order to guide them to its safe and appropriate use.

Are you comfortable using AI in your legal work?



Perceive Leadership as Uncomfortable with Using AI



★ That's Interesting!

Respondents from law firms were 2X more likely to perceive their leadership teams as uncomfortable with using AI compared to respondents from in-house legal departments.

Those not using AI highlight **trustworthiness** and **security** as a concern

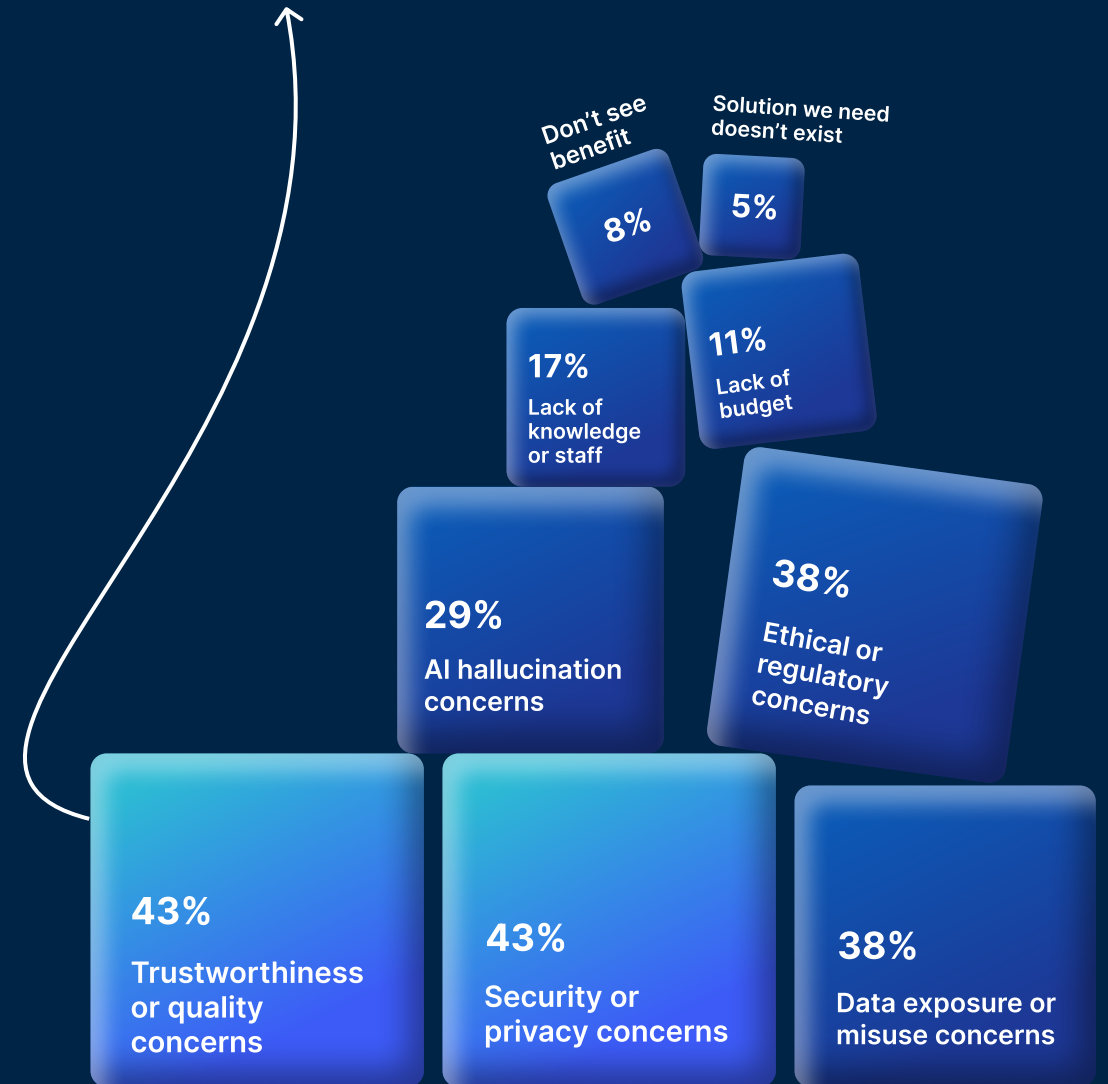
For two years in a row, respondents cite security and privacy concerns as their biggest challenges to implementing AI. Given the privileged nature of legal cases and documents, it makes sense that the industry is cautious about how AI tools collect, store, and manage their data — and this is further echoed in concerns around their data being exposed or misused.

Another significant concern was around the trustworthiness or quality of current solutions. When adding any new technology to your organization, due diligence is critical. However, there's an added level of confusion and complexity in the terms used to describe AI, which could be a contributing factor to these concerns. As a legal professional, you may want to familiarize yourself with some key terms and concepts so that you can effectively evaluate potential vendors.

Survey respondents were less concerned about having the budget for AI, and as mentioned, technology budgets are increasing and investment in legal technology remains largely stable.

★ That's Interesting!

56% of respondents stated it was important for them to know the AI model a solution was using.



What are the potential challenges to implementing AI?

(Multi-select)

★ That's Interesting!

56% of respondents stated it was important for them to know the AI model a solution was using.

“As AI supports increasingly complex work at your organization, it will become **even more critical for your business to understand the specific technologies involved** — and their stance on data privacy and security, as we know not all AI technologies take the same approach.”

Andrew Heffernan
VP, Engineering, *Litify*

Which tasks are you using AI for today?

(Multi-select)



Litify's State of AI in Legal

Unlocking efficiencies in document management remains a top task for AI

For the second year in a row, the leading tasks for AI in legal work are around document management: survey respondents are most likely to use AI for **reviewing, summarizing, and/or drafting documents**. Additionally, legal professionals are using AI to extract data from their documents to auto-fill fields in their system of record.

Reviewing and generating documents is a largely manual and time-consuming part of a legal professional's role and is an area that can be vastly improved by technology. Now with the power of AI, 23% of respondents are already beginning to streamline this process further by extracting key information from those documents, freeing up additional time in a legal professional's day and providing faster access to those insights. Additionally, by asking AI to review documents and extract data, legal teams may see a reduction in human error and added consistency in how the information is organized. Tasks like these appear to be a great fit for the current capabilities of artificial intelligence. While AI may not be well-positioned today to engage in the art of case strategy, it is adept at lending a "hand" with these manual tasks so that legal teams can spend more time on impactful work.

“All-in-one” solutions are climbing the shopping list

Document management is not only a top task for artificial intelligence, it's also a software at the top of organizations' shopping lists for legal technology again this year.

Also moving to the top of the software shopping lists? Practice management and enterprise legal management softwares. These commonly “end-to-end” solutions are increasing in demand year-over-year. Potentially, as costs for legal technologies rise with inflation, all-in-one solutions like these can help with systems reduction and cost mitigation. And with the use of AI keeping security concerns top-of-mind, these all-in-one solutions may have become more desirable to reduce the potential security risks of maintaining and integrating multiple systems.

On the other end of the spectrum, respondents are less likely to invest in contract lifecycle management and eDiscovery software. CLM software has trailed toward the bottom of legal technology shopping lists two years in a row, while eDiscovery software was in last year's top five. Perhaps, legal organizations have already made their investment here and now are exploring other solutions.



Does your business expect to make any of the following investments?

We're not investing in any new technology: 15%

“The AI features we’re working on at Litify are focused on **‘putting your documents to work.’** A typical client already generates and stores thousands of documents in Litify, so we want to empower them — through AI — to extract data out of emails, meeting invites, and documents, and create records and workflows alongside the case manager, intake manager, or attorney.”

Lauren Rothrock
Chief Product Officer, *Litify*

Legal professionals increasingly see AI as a tool to streamline their work, rather than their replacement

68% of respondents feel AI will have a positive impact on the legal industry.

This is nearly the same sentiment as the 75% of respondents who felt this way last year. While not significant, the minor decrease in sentiment could be due to the “pitfalls” we’ve seen over the past year: security and data privacy risks, hallucinations and invented content, and the many headlines surrounding popular AI models.

Again this year, respondents see workload and access to legal services being two key areas that AI will benefit: 60% of professionals say that workload will be impacted for the better, and 53% say access to legal services will improve.

In 2024, only 28% of respondents feel AI may negatively impact their employment within the industry. Compared to the 44% of respondents who felt this way in 2023, it appears that these fears have been softened year-over-year. It’s become clear that the current capabilities of AI are not meant to be a replacement for legal professionals, but rather another tool at their disposal to support their work. And with those using AI this year reporting compounded time-savings, it appears that AI is delivering on that premise.

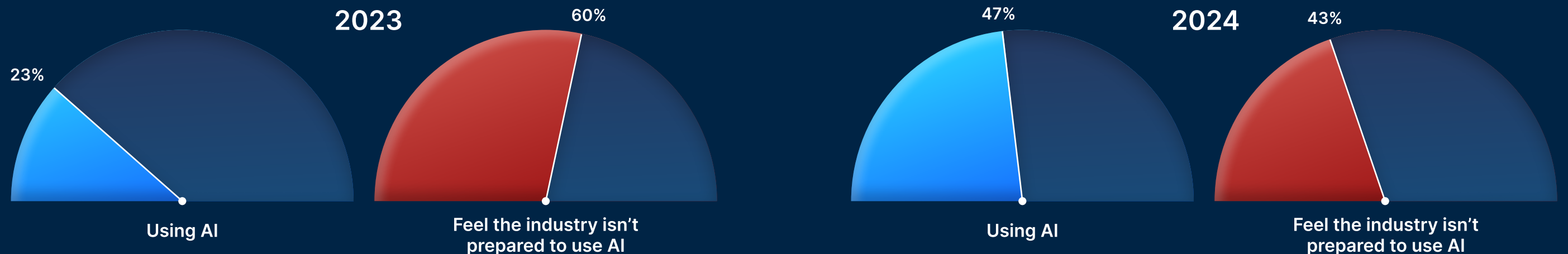


How do you feel AI will impact the legal industry?

More professionals feel prepared for AI

57% of respondents now feel the industry is ready for AI.

In 2023, only 23% of respondents were using AI tools for their legal work and 60% felt the legal industry wasn't ready to leverage the technology to its full potential. This year, the industry is more evenly split between those using and embracing the technology, and those still remaining wary: 47% of respondents are now using AI and only 43% of respondents still feel the industry isn't prepared.



Why some people may not feel ready: 19% of respondents say they still **have trouble retrieving data** from their systems to actually use it.

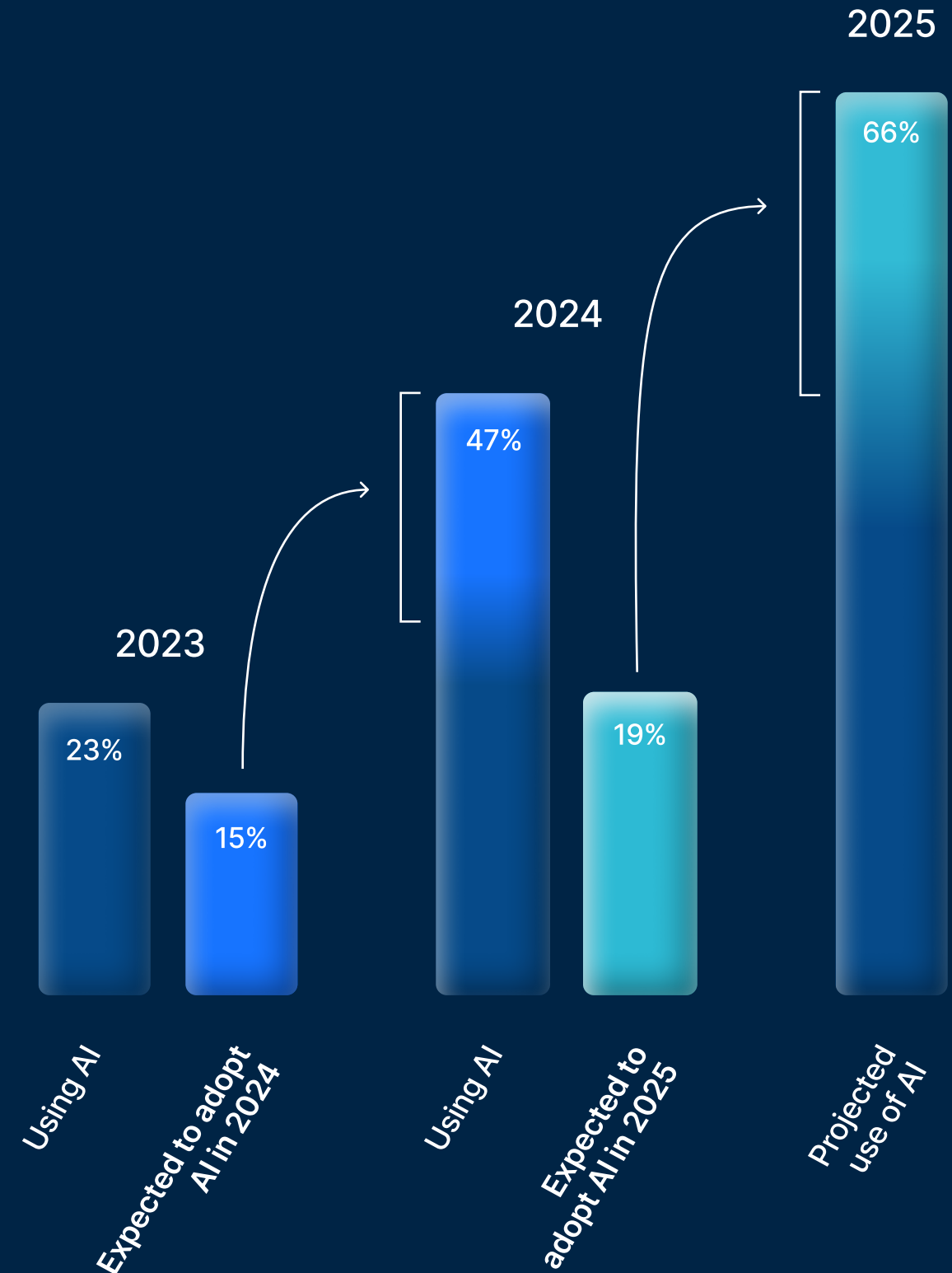
If you're one of the many companies who still need to export your data into separate tools to use it, you may want start filling in the gaps — because if you have trouble accessing it, it may be difficult to fully harness the power of AI.

For AI to be most effective it should be embedded into the entire business workflow. Otherwise, it becomes yet another fragmented system that can create more friction instead of making your entire process more efficient.

Adoption of AI expected to maintain pace

Of the respondents not yet using AI, 19% believe they will start to use it next year.

The timeline for purchasing AI remains consistent to last year. In 2023, 15% of respondents expected to implement AI in 2024. Many of those early adopters kept their word and we saw the use of AI grow by 20+% year-over-year. Others who said they would purchase and implement AI in 2025 are still set to do so, and we can project that **adoption may increase to over 60% of respondents next year.**



Conclusion:

With generative AI comes great responsibility

Many legal professionals are still examining AI technology to ensure it can provide value to their businesses, safely and responsibly. As mentioned, with the sensitive nature of legal information, it comes as no surprise that the industry is cautious about how AI tools collect, store, and manage data. As your organization continues exploring and using AI tools, here are some considerations to help ensure their safe and responsible adoption.



Increase your understanding of AI best practices and limitations

Familiarize yourself with the key terms and concepts used to describe artificial intelligence and large language models, so that you can effectively discuss the use of AI at your organization.



Start from a strong foundation

Consider the large language model an AI tool is using, whether it's an open or closed model, and if your data will be contributed to learning, shared with other clients, or retained by the model. Ensure you're starting from a strong foundation that will protect your sensitive legal data.



Take a value-first approach

"Artificial intelligence" is a broad term so it's likely ineffective to think about "wanting AI" in general. Ideally, there should be a specific use case or business challenge that AI is the best technology to solve. The AI of today is not a replacement for your existing processes, but rather, should be used to enhance them and unlock new efficiencies and time-savings.



Develop your own strategies and guidance for the responsible use of AI within your organization

What kind of AI do you want? What do you need it to do for your business? And most importantly, how will you ensure it's deployed and used safely within those parameters? The journey to responsible use will be a shared one: technology companies need to build safe solutions and organizations need to empower their employees to use them safely too.

LitifyAI

Litify AI analyzes documents, such as medical bills, to extract important insights and automatically completes relevant fields within the case file in Litify, immediately making information accessible for use in reporting and automated workflows across the platform. This gives legal professionals faster, more reliable access to data that's typically tucked away in documents while freeing them up to focus on more complex, impactful work.

We'll continue to release a roadmap of AI capabilities focused on driving efficiencies in case and document management. Read the news below or request a demo to see Litify AI in action.

[Read News](#)

[Request Demo](#)

✕ Patient Health Records.pdf

Preview

Info

Versions

History

 Ask Litify AI

What would you like to analyze? ▾

Go

Police Report

Court Transcript

Medical Records

Medical Bill



1 of 10



Jane Doe

Patient Health Summary, generated on Jul. 21, 2023

Patient Demographics - Female; born Oct. 17, 1992

Patient Address	Communication	Language	Race / Ethnicity	Marital Status
(Sep. 10, 2015 -) 827 W 6th St (Home) Seattle, WA 80020	264-452-5842 (Mobile) jane.doe@gmail.com	English - Written (Preferred)	White / Unknown	Married
(Sep. 10, 2015 -) 827 W 6th St (Home) Seattle, WA 80020				
Former (Aug. 2, 2010 - Sep. 9, 2015) 258 Washington St (Home) Portland, OR 18578				

Note from Memorial Healthcare System (MHS)

This document contains information that was shared with Jane Doe.
from Memorial Healthcare System (MHS).

It may not contain the entire record

Allergies

No known active allergies

“Litify AI is already reducing the time spent in our day-to-day processes, so our team can get back to the practice of law instead of spending their time on manual data entry. **We’re eager to see the impact on our client relationships and case values grow as we gain access to the rest of Litify’s AI roadmap.** It’s the approach to AI that we’ve been waiting for — one that delivers valuable outcomes to our business while continuing to streamline processes in our single source of truth: Litify.”

Jessica Lockhart
Business Intelligence Director,
The Jeffcoat Firm

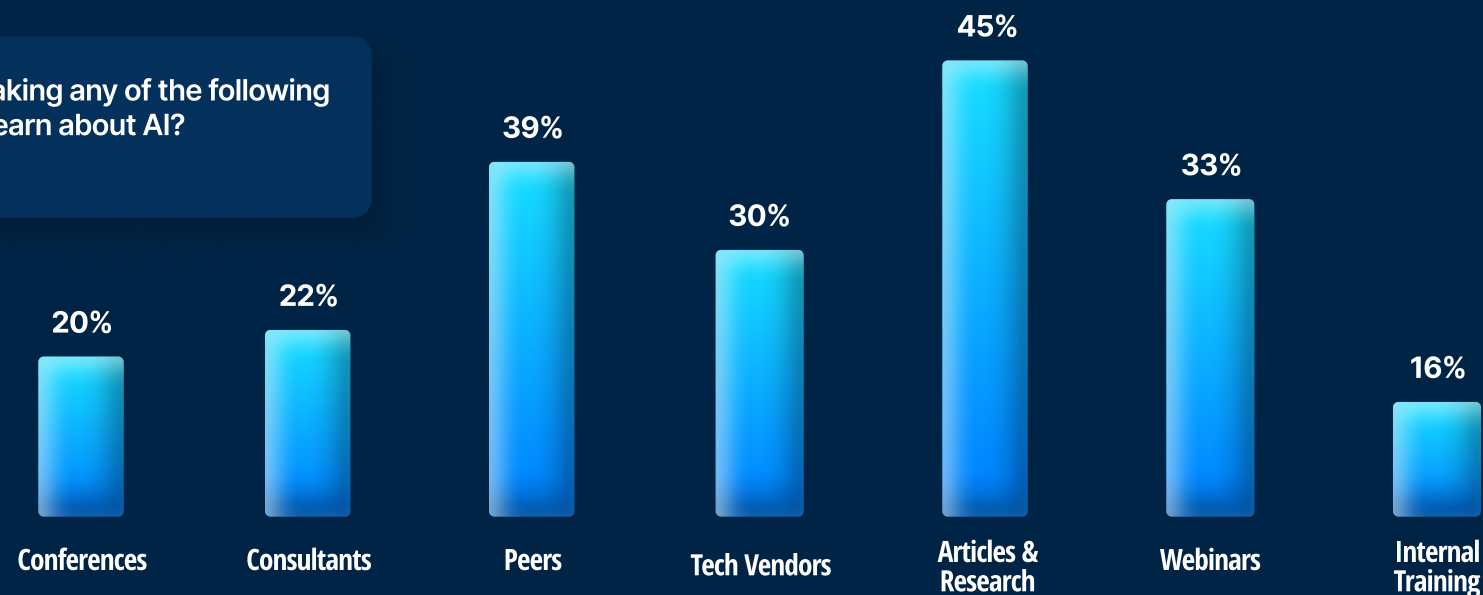
Looking to learn more about AI for legal?

17% of respondents cite a lack of knowledge on staff as a barrier to AI adoption.

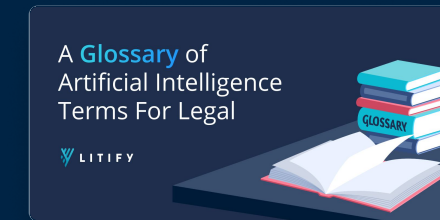
As artificial intelligence is here to stay, legal professionals and their organizations need to continue to increase their understanding of this technology. This includes coaching staff on the safe and appropriate use of AI, its limitations for legal work, and ultimately, how to protect sensitive client and business information. Here's how legal professionals say they are learning about AI — because a lack of knowledge should never be a barrier to innovation:

Are you taking any of the following steps to learn about AI?

(Multi-select)

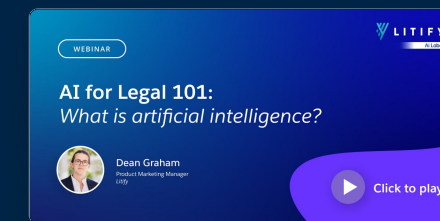


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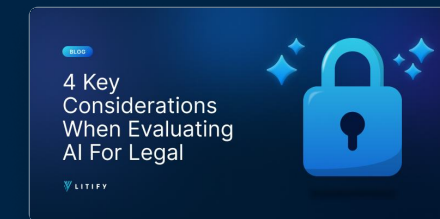
A Glossary of AI Terms for Legal Professionals

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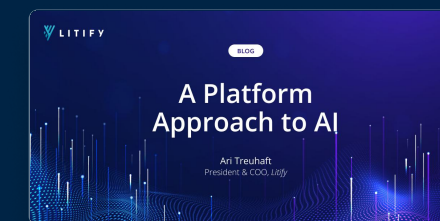
AI For Legal 101: What is Artificial Intelligence?

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4 Key Considerations When Evaluating AI For Your Business

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Why Legal Needs To Take A Platform Approach to AI

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3 Pillars of Responsible AI Development

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Litify helps law firms and in-house teams achieve better business performance with an all-in-one platform that standardizes, measures, and improves their legal operations.

Our industry-leading platform combines secure cloud-based technology, configurable and automated workflows, and a powerful business analytics engine to deliver a solution that evolves with each business.

400+ enterprise businesses and **55K+ legal professionals** use Litify because we help them grow their impact with a combination of great technology and service that stands the test of time.

To learn more, or request your personalized demo, visit www.litify.com.

