

Financial Services Insights from the 2021 Real Rate Report

ELM Solutions has drilled into our 2021 Real Rate Report findings to focus on the financial services industry. Financial services companies pay the highest hourly legal rates of any industry but have done a better job than most at keeping increases to a minimum.

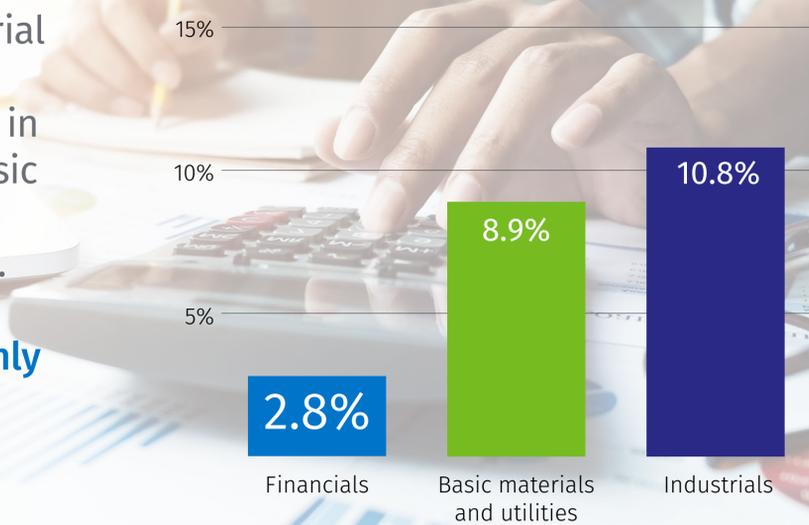
The finance industry pays the highest rates for legal work...

The mean hourly rates paid by financial institutions are about 9.5% higher than the next highest-paying industry (industrials), and 170.7% higher than the lowest-paying industry (insurance).



...But it is better than most at keeping rate increases down

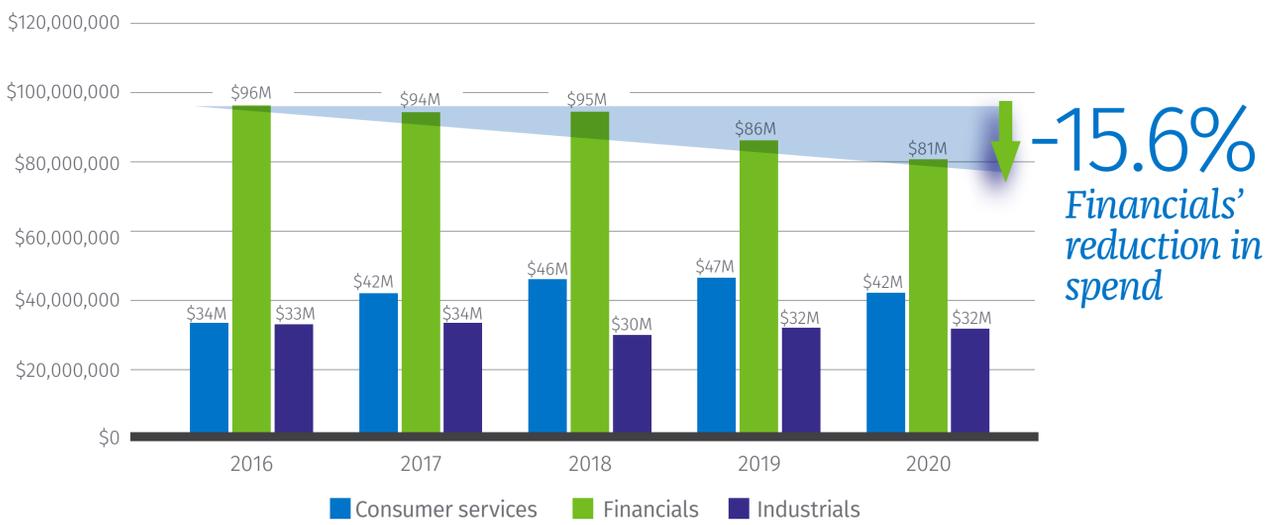
At the top end, industrial companies saw the highest rate increases in 2021 at 10.8%, with basic materials companies not far behind at 8.9%. Meanwhile, **rates for financial companies only rose 2.8%.**



...And it is excellent at reducing overall outside counsel spend

Since 2016, financial companies have lowered their outside legal costs by 15.6% while other industries were subject to more volatility or rising outside counsel spend.

Mean Annual Outside Counsel Spend 2016-2020 Three-Industry Breakdown



With the combination of such high rates with an outstanding ability to control year-over-year changes, the outside counsel spend picture for the financial services industry is complex. For the full analysis, read [Financial Services Insights from the 2021 Real Rate Report](#).