2026
ACC LAW DEPARTMENT MANAGEMENT BENCHMARKING REPORT

ACC Association of Corporate Counsel

MAJOR, LINDSEY & AFRICA

MAJOR, LINDSEY & AFRICA

CHANGING LIVES ONE PLACEMENT AT A TIME

Does your legal department have the right talent?

If you answered no, then Major, Lindsey & Africa is here to help. Our in-house counsel recruiting team specializes in building out your legal and compliance team for success now and into the future. We can assist with finding and placing top legal and compliance professionals to strengthen your team.

Let us help you build a legal department that is efficient, effective, and ready to meet the challenges of today and tomorrow.

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INTRODUCTION

In today's corporate landscape, the legal department has evolved from a traditional cost center into a strategic business partner defined by its efficiency, value, and operational agility. To navigate this shift, the Association of Corporate Counsel (ACC), in collaboration with Major, Lindsey & Africa (MLA), presents the 2026 Law Department Management Benchmarking Report.

Drawing on comprehensive data from 576 legal departments across 45 countries, this seventh annual report tracks critical metrics, including legal spend as a percentage of revenue, lawyer-to-staff ratios, functional oversight, and law firm use. By providing these standardized benchmarks, we hope to empower legal leaders to move beyond anecdotal evidence and lead their departments with objective, data-driven precision.

Access to this benchmarking data is critical for effective performance management for several reasons:

RESOURCE JUSTIFICATION:
It provides the empirical evidence needed to justify headcount requests or budget allocations to the C-suite, ensuring the department is "right-sized" relative to industry peers and organizational complexity.

STRATEGIC ALIGNMENT:
Benchmarking allows departments to evaluate their expanding roles in areas like compliance, privacy, and ethics, ensuring that the allocation of specialized talent matches the organization's specific risk profile and industry requirements.

OPERATIONAL CALIBRATION:
By comparing internal-to-external spend ratios and support staff levels, General Counsel can identify areas where the department may be over-leveraged or where investments in legal operations and technology could yield the highest return.

PERFORMANCE STORYTELLING:
It enables legal leaders to translate complex legal activities into the language of the business, demonstrating how the department is successfully "decoupling" its costs from revenue growth while maintaining a high standard of protection and service.

Ultimately, these metrics can empower legal departments to shift from a reactive posture to a proactive strategy, providing a clear baseline for continuous improvement and long-term value demonstration.

TAILORING YOUR ANALYSIS

All participating organizations receive the complete set of metrics through an online interactive dashboard, offering deep insights. The dashboard provides detailed breakdowns of all listed headcount and spending metrics by company revenue, industry, and company type. For a more specific peer group analysis, tailored reports with customized segmentation criteria can be commissioned by contacting research@acc.com.

KEY INSIGHTS

INTENSIFYING WORKLOAD

The number of company employees supported by each lawyer has risen steadily, reaching a median of 367 in 2026, indicating that legal teams are supporting a larger client base relative to their size.

SUPPORT STAFF RATIOS

The typical department operates with a ratio of 3.7 lawyers for every one paralegal, while legal operations and administrative roles remain much leaner at 8:1 and 7:1 ratios, respectively.

GROWTH IN FLEXIBLE LABOR

42% of departments now utilize contract or temporary staff, a strategy that is significantly more prevalent in large companies (74%) than in small ones (27%).

SPEND EFFICIENCY GAINS

Total legal spend as a percentage of company revenue (a key measure of legal cost efficiency) hit a six-year low in 2026, dropping to 0.43% from a previous high of 0.63%.

MINIMAL INNOVATION INVESTMENT

Alternative Legal Service Providers (ALSPs) and technology/overhead account for only 3% and 5% of their respective budget categories, suggesting limited financial room for operational pivots to drive innovation.

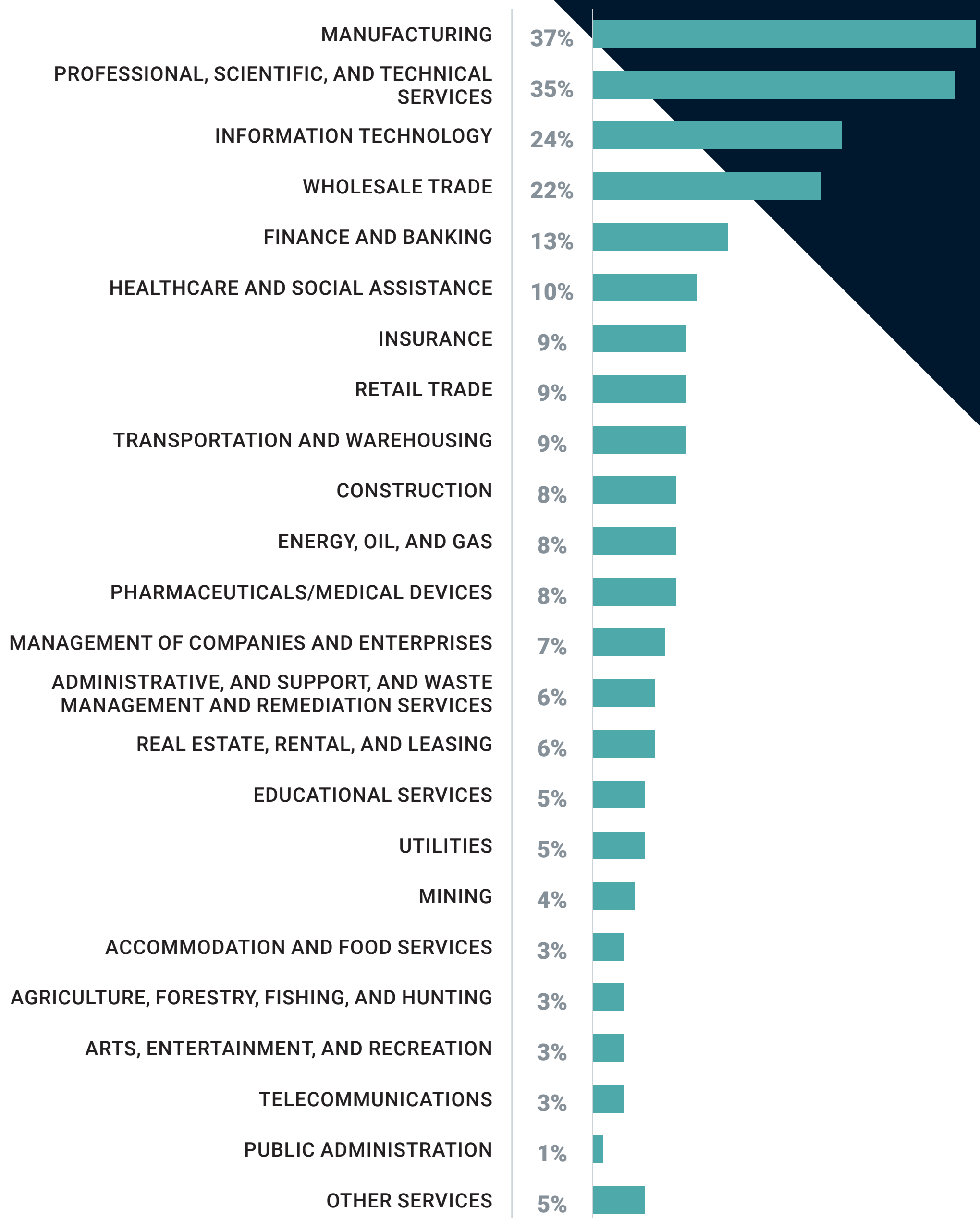
STANDARDIZED COST PER REVENUE

The median number of lawyers per US$1 billion in revenue has decreased to 3 in 2026, reflecting a trend toward leaner staffing relative to corporate earnings.

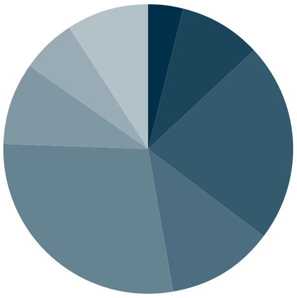
SECTOR-SPECIFIC LEGAL INTENSITY

Highly regulated industries like Information Technology and Pharmaceuticals maintain significantly higher lawyer counts and spend ratios compared to low-margin sectors like Retail and Energy.

PARTICIPANT PROFILE



COMPANY REVENUE



LESS THAN $25M	4%
$25M TO <$100M	9%
$100M TO <$500M	22%
$500M TO <$1B	12%
$1B TO <$5B	28%
$5B TO <$10B	9%
10B TO <$20B	6%
$20B OR MORE	9%

10TH PERCENTILE	$70M
25TH PERCENTILE	$250M
MEDIAN	$1B
MEAN	$7.4B
75TH PERCENTILE	$4.6B
90TH PERCENTILE	$15.2B

LAWYERS AND LEGAL STAFF

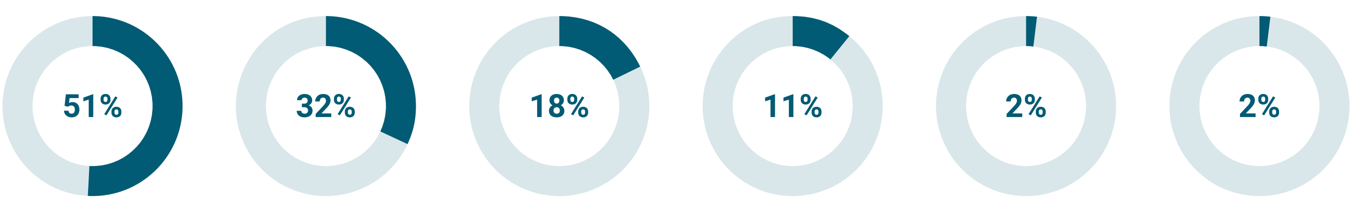
LAWYERS

1 LAWYER	19%
2 TO 5 LAWYERS	31%
6 TO 9 LAWYERS	12%
10 TO 24 LAWYERS	19%
25 TO 99 LAWYERS	14%
100 OR MORE LAWYERS	5%

LEGAL STAFF

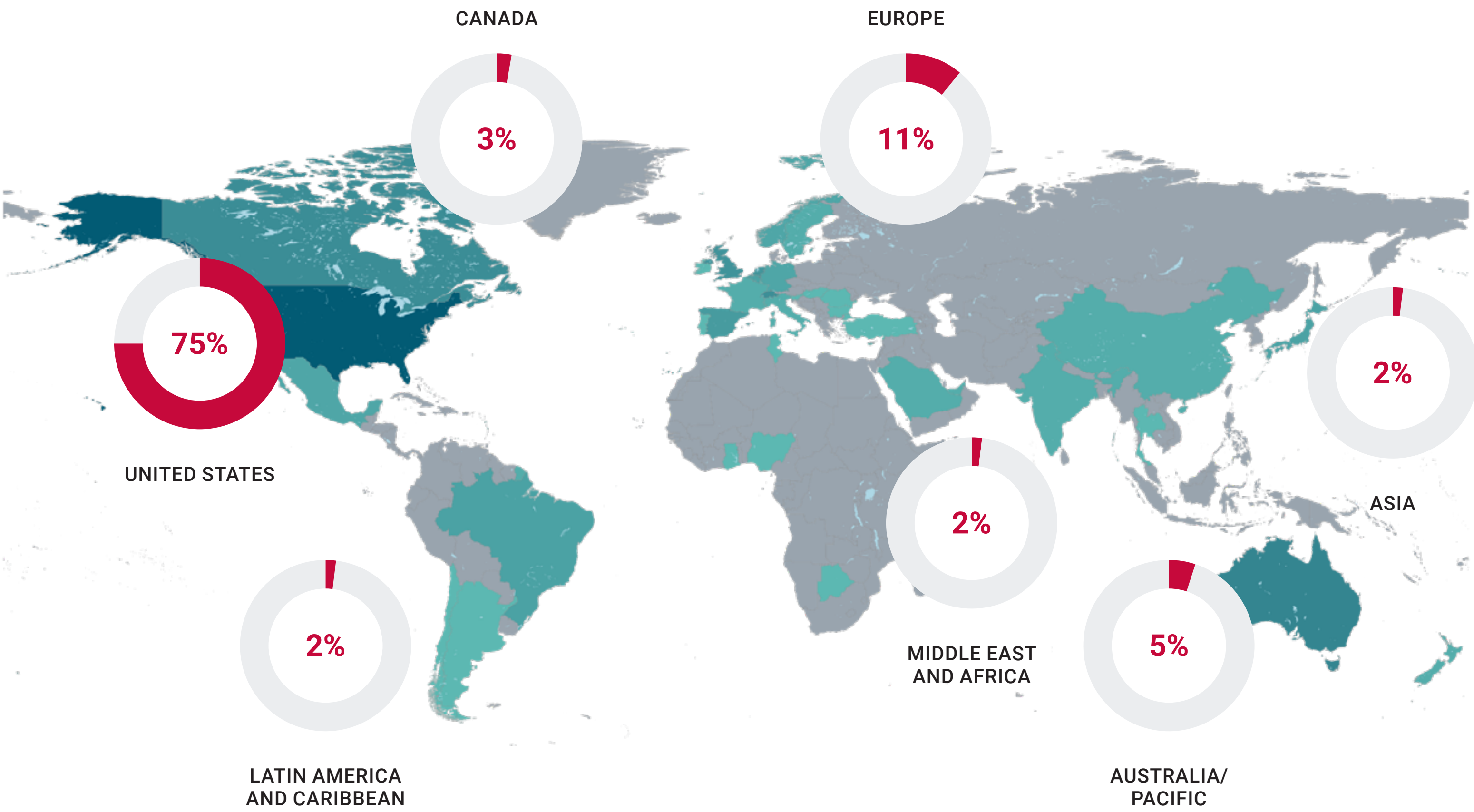
1 STAFF	9%
2 TO 5 STAFF	30%
6 TO 9 STAFF	15%
10 TO 24 STAFF	18%
25 TO 99 STAFF	19%
100 OR MORE STAFF	10%

COMPANY TYPE



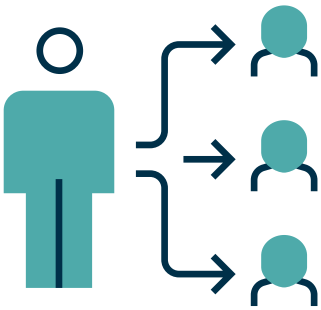
PRIVATE	51%
PUBLIC	32%
WHOLLY-OWNED SUBSIDIARY	18%
NON-PROFIT	11%
GOVERNMENT	2%
OTHER	2%

HEADQUARTERS' LOCATION



SECTION 01

HEADCOUNT AND STRUCTURE



Section one examines the core architecture of the legal department: its human capital and organizational framework. By analyzing these essential metrics, the report provides a critical baseline for leaders to evaluate their staffing levels and structural alignment against industry standards. We explore the following key aspects:

- **Legal staff breakdown:** We begin by examining the different roles within legal teams, including lawyers, paralegals, and legal operations professionals.
- **Lawyer-to-staff ratios:** This analysis looks at the proportion of lawyers compared to other professional staff, a common benchmark for evaluating resource distribution.
- **Legal team size relative to the organization's revenue:** We present how the number of lawyers compares with the overall size of the company, providing context for departmental resourcing in relation to business scale.
- **Scope of business function support:** We identify which business areas are typically part of the legal department and which are less commonly under the direct responsibility of the chief legal officer.

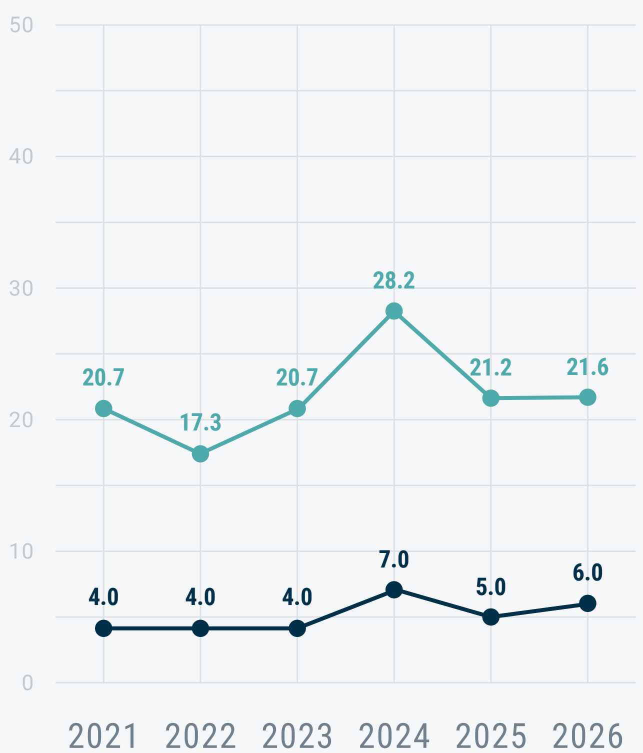
We first present a six-year trend in overall legal department staffing numbers, revealing a period of significant expansion followed by a stabilization. Between 2021 and 2023, the median number of lawyers remained remarkably flat at four, while the number of total legal staff hovered between six and seven. A notable peak occurred in 2024, where the data shows a sharp increase in both categories. The median number of lawyers jumped to seven, and total legal staff spiked to 11. That year also saw the highest mean values across the entire period (28.2 for lawyers and 47.5 for total staff), suggesting that both small and very large departments experienced growth that year.

Following this peak, the metrics moderated in 2025 and 2026. The median for lawyers settled at six, while total legal staff remained steady at eight. Overall, the six-year trend shows a net increase in headcount compared to 2021, despite the post-2024 mild correction.

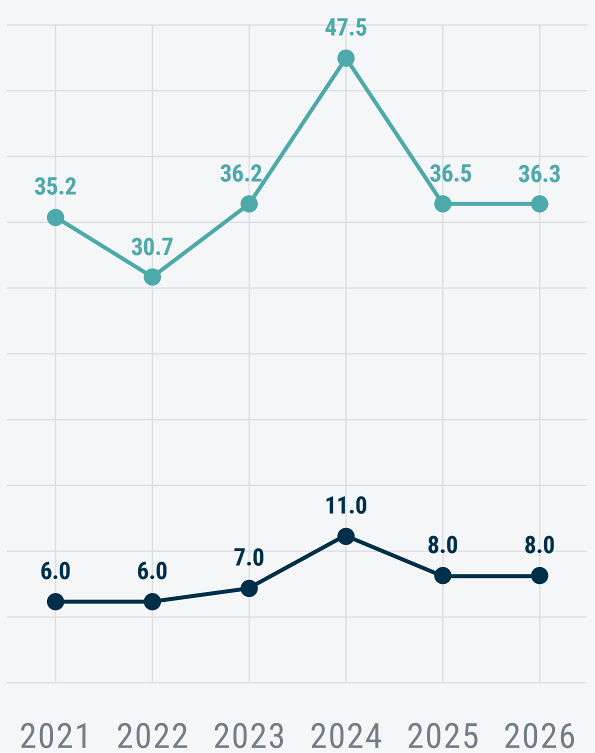
LAWYERS AND LEGAL STAFF OVER TIME

ALL DEPARTMENTS

LAWYERS



TOTAL LEGAL STAFF



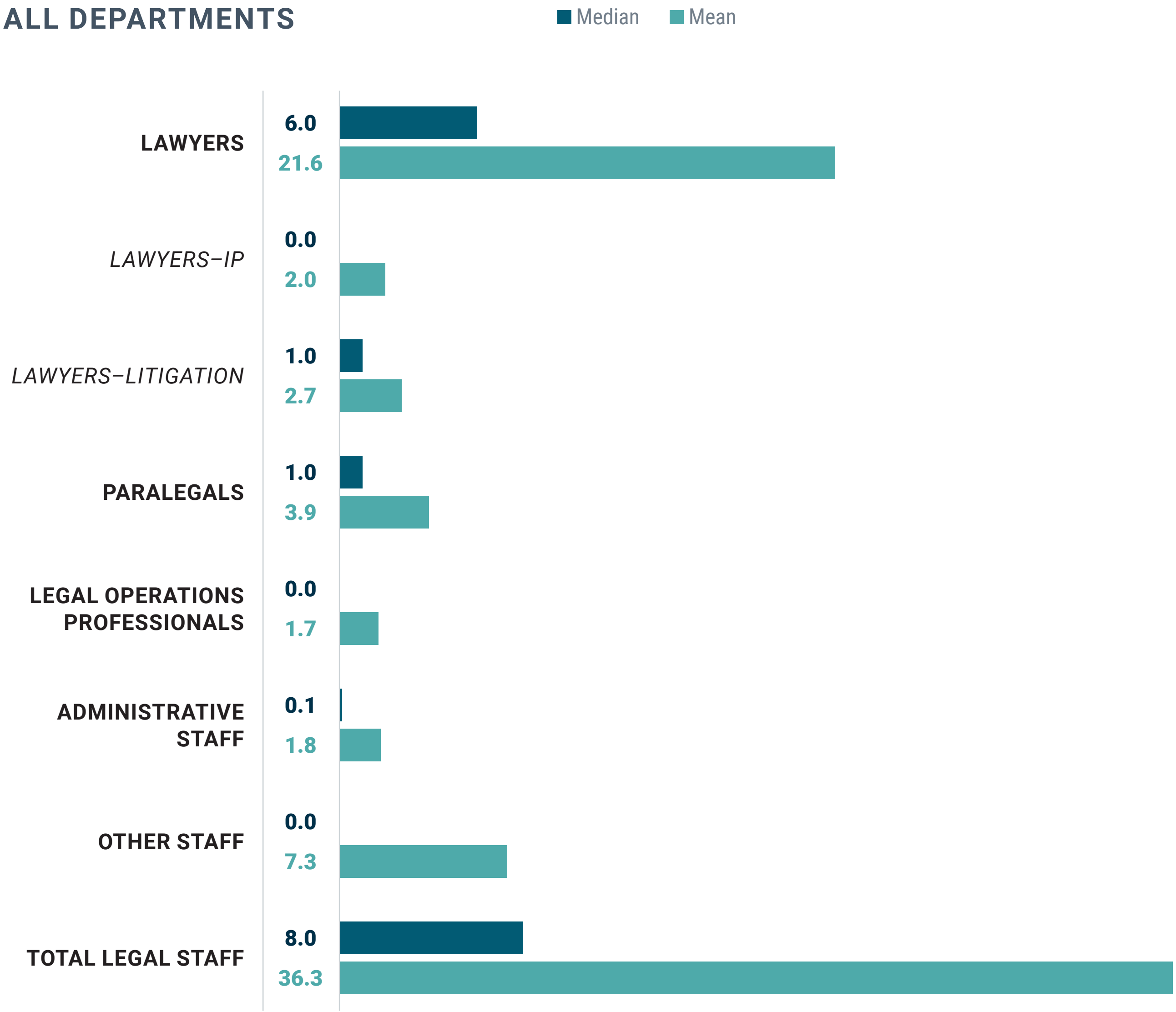
Median Mean

The data highlights a highly concentrated staffing structure within legal departments, where lawyers represent the primary workforce component. With a median of six lawyers and one of eight total legal staff, the typical department allocates most of its headcount to lawyer roles. Lawyer specialization is limited at the overall median level; for instance, lawyers specializing in litigation show a median of one, while intellectual property lawyers show a median of zero, suggesting these specific functions are often handled by generalists or outside counsel in smaller teams. Support roles also show lean staffing levels. Paralegals represent the most common non-lawyer position with a median of one. In contrast, legal operations professionals, administrative staff, and other staff categories all show medians at or near zero.

Significant variation is evident when comparing the median to the mean, particularly in the other staff and total legal staff categories. The mean for total legal staff is over four times the median, and the other staff category jumps from a median of zero to a mean of 7.3. These patterns reflect the participants' distribution where a smaller number of large departments employ vast numbers of diverse staff members, while many departments in smaller organizations maintain a lawyer-focused staffing model with limited specialized or administrative support.

NUMBER OF LEGAL STAFF BY POSITION

ALL DEPARTMENTS

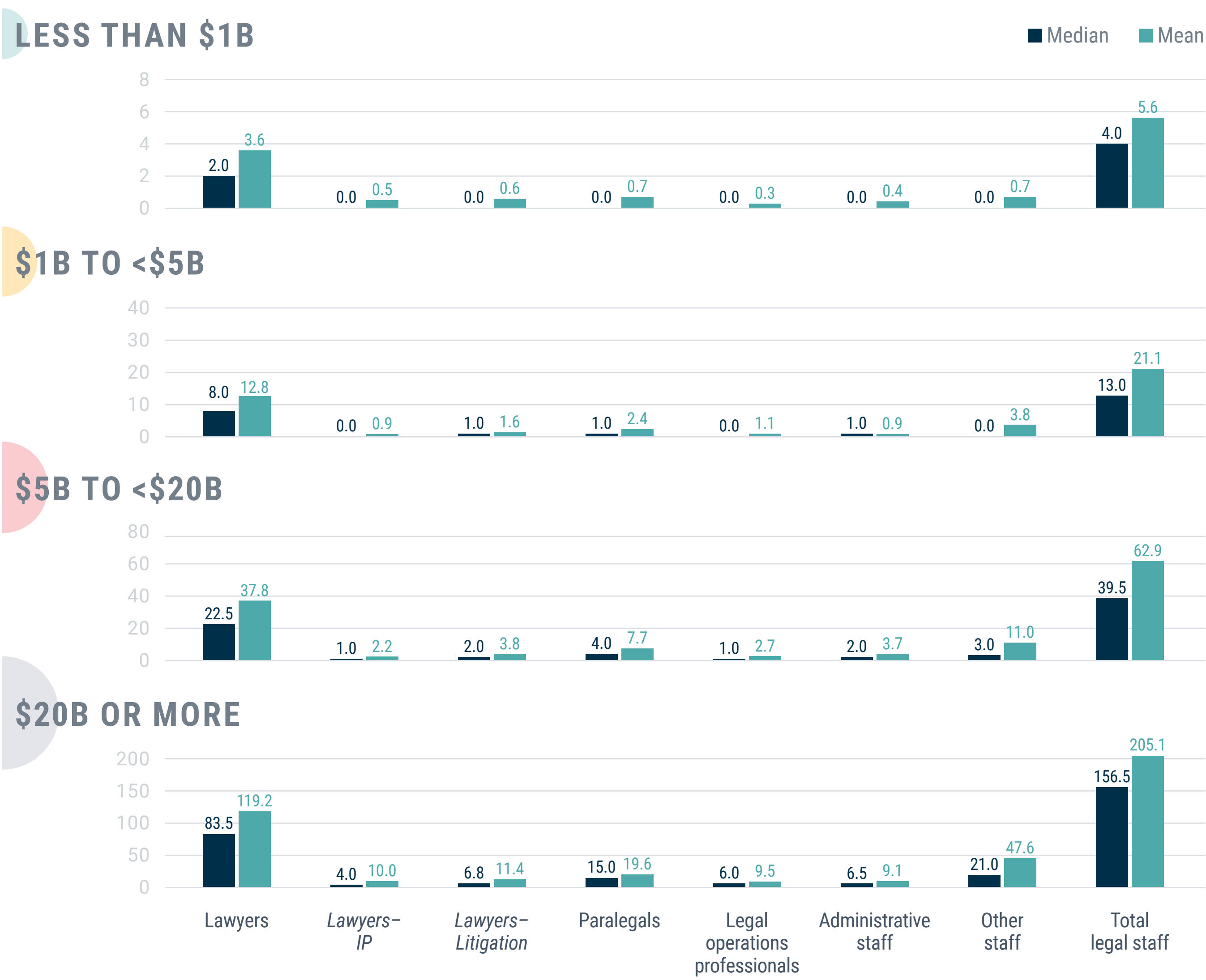


When analyzing staffing numbers by company size, the data reveals a strong relationship between company revenue and legal department size, with staffing levels scaling significantly as organizations grow. For the smallest companies with revenue under US$1 billion, the legal function is lean, typically consisting of a median of two lawyers and four total legal staff. In these smaller organizations, specialized roles such as lawyers for intellectual property or litigation, paralegals, and legal operations professionals all show a median of zero, suggesting that legal tasks are largely handled by generalists.

In contrast, the largest companies with US$20 billion or more in revenue maintain vastly larger and more specialized departments. The median number of lawyers in these organizations reaches 83.5, which is more than forty times the median count found in the smallest revenue category. Furthermore, the total legal staff at these large legal departments grows to a median of 156.5. Unlike their smaller counterparts, these departments feature robust specialized teams, including medians of fifteen paralegals, six legal operations professionals, and twenty-one other staff members.

Variation also increases with company size as staffing numbers expand. While the mean and median are relatively close for companies under US$1 billion, the gap widens substantially for those at the top tier. For example, in the largest revenue bracket, the mean for other staff is more than double the median, indicating that a subset of these massive organizations employs significantly larger support structures. Overall, the transition from the smallest to the largest revenue tier represents a shift from a small, primarily lawyer-based model to a large, multi-disciplinary legal division.

NUMBER OF STAFF BY COMPANY REVENUE



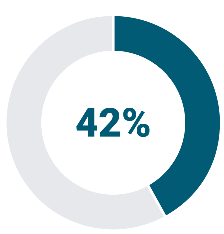
Forty-two percent of legal departments used contract or temporary staff last year, with a typical median of two and a mean of 4.6 individuals. A clear positive relationship exists between company revenue and the adoption of contract staffing. Utilization increases steadily across the revenue tiers, starting at 27% for companies under US$1 billion and rising to 74% for those with US$20 billion or more. As organizational complexity and resources grow, legal departments increasingly rely on flexible staffing models to manage their workloads.

The scale of this temporary workforce also expands with company size. The smallest organizations typically employ a median of only one contract staff member, whereas the largest companies jump to a median of six. Significant variation is particularly evident in the top revenue tier, where the mean of 14.5 is more than double the median, suggesting that certain legal departments in that group maintain much larger pools of temporary labor. Overall, the results highlight that contract staffing is a common strategy for large-scale legal operations, both in terms of frequency of use and the volume of personnel engaged.

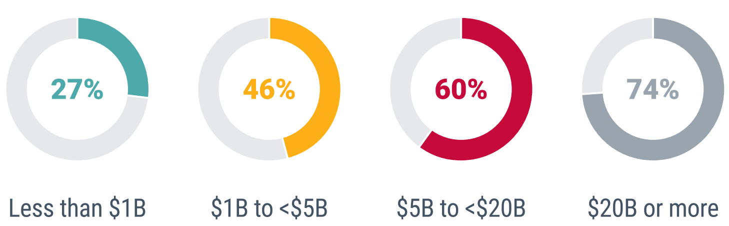
CONTRACT STAFF

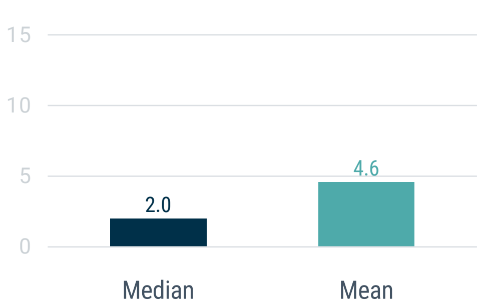
ALL DEPARTMENTS

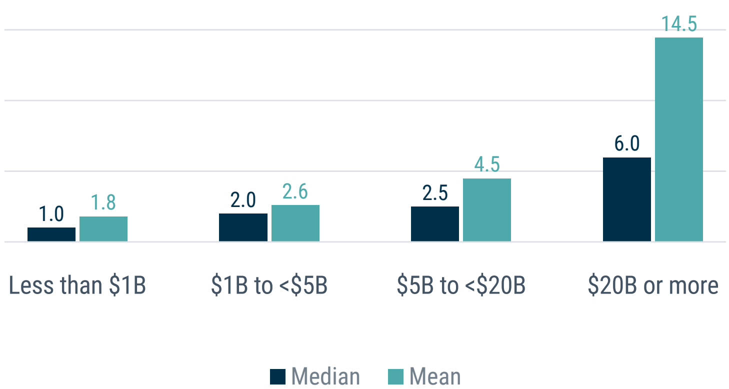
Departments that employed contractors or temporary staff in 2025



CONTRACT STAFF ENGAGEMENT BY COMPANY REVENUE





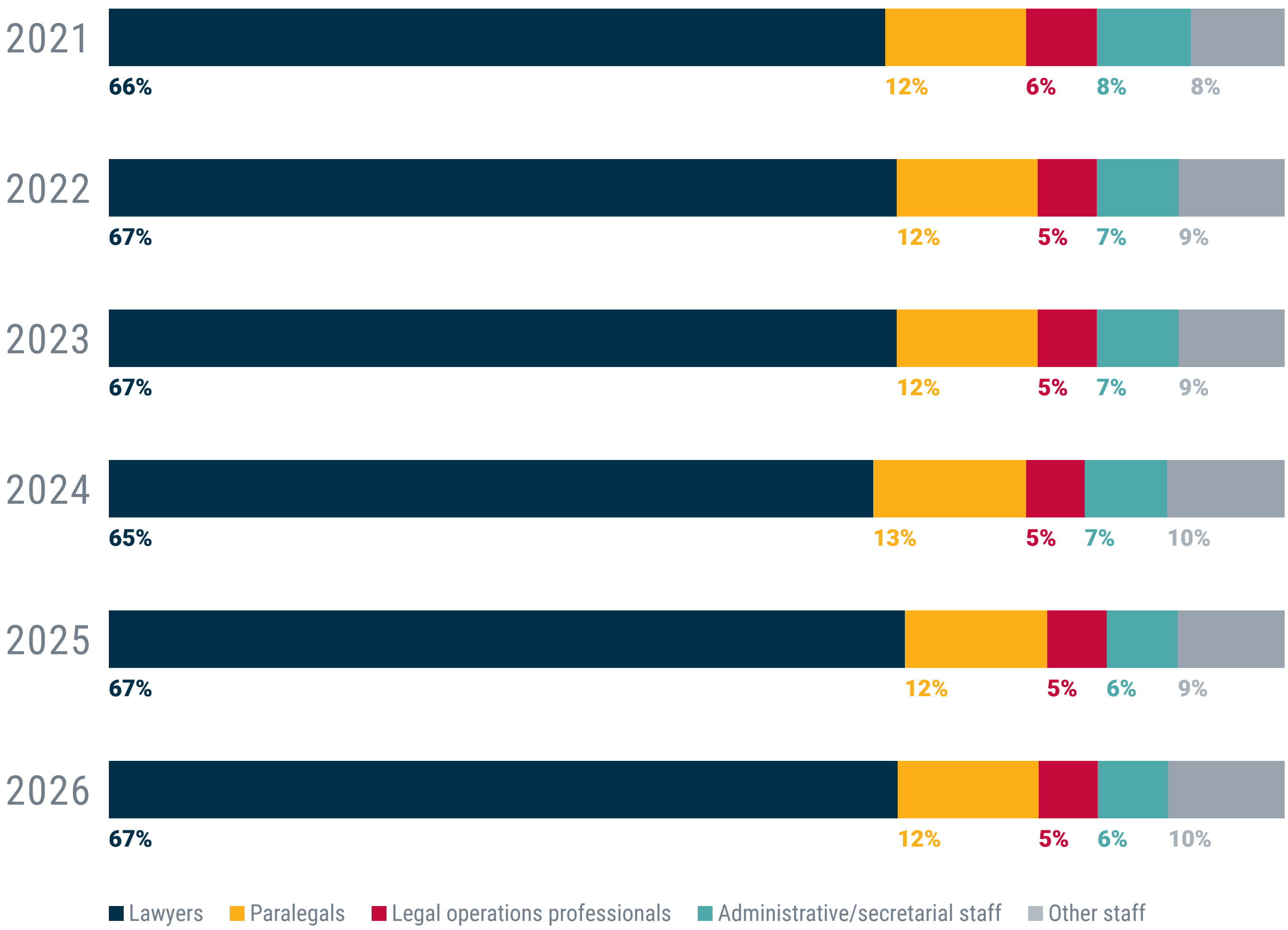


The data demonstrate a remarkably stable composition of legal departments over the 2021–2026 period. Lawyers consistently represent a majority of the workforce, holding steady at approximately 67% for nearly every year recorded. Paralegals maintain the second largest share of the department, remaining fixed at 12% in five out of the six years. Similarly, the proportion of legal operations professionals has stayed nearly constant, hovering at 5% since 2022. This consistency suggests that despite broader changes in the legal industry, the core structural balance between attorneys and primary support roles has not shifted significantly.

The most visible trend, albeit a subtle one, is found in the administrative and other staff categories. Administrative staff have seen a gradual, year-over-year decline, falling from 8% in 2021 to 6% by 2026. Conversely, the other staff category has trended upward, moving from 8% to 10% over the same period. This suggests a slow, moderate migration of resources away from traditional administrative roles toward more diverse or specialized support functions. Overall, the legal department remains a consistent lawyer-centric environment with a fixed support ratio that has undergone only marginal internal adjustments over the last six years.

PERCENTAGE OF LEGAL STAFF BY POSITION TYPE

ALL DEPARTMENTS



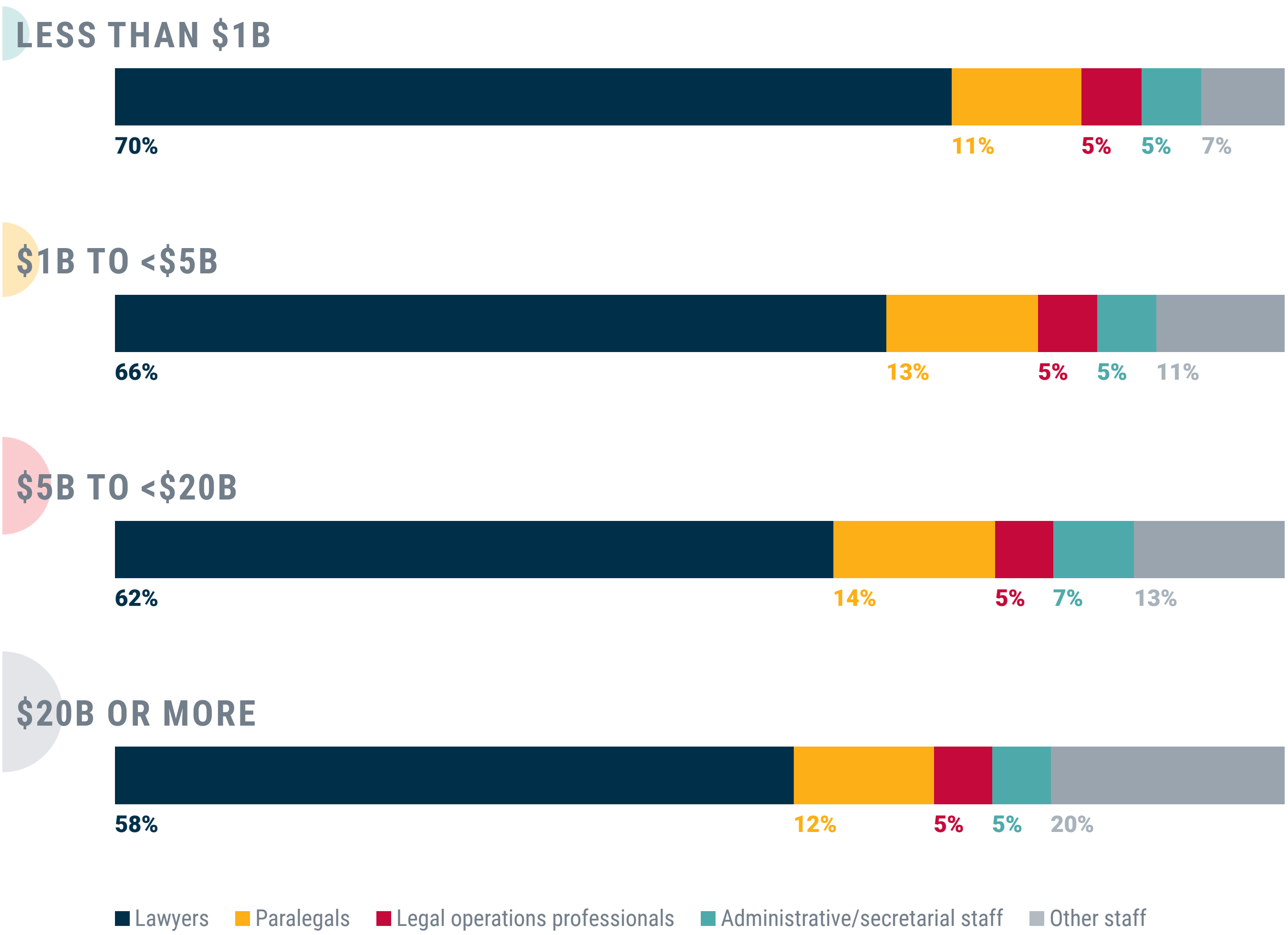
Note: Median values reported.

Legal department composition varies significantly based on company revenue, particularly regarding the ratio of attorneys to support staff. Legal departments in organizations under US$1 billion maintain the most lawyer-heavy structure, with attorneys accounting for 70% of the total headcount. In these smaller departments, specialized or auxiliary roles are less prevalent, as evidenced by the lowest share of other staff at 7%.

As company size increases, the relative proportion of lawyers tends to decrease in favor of a more diversified workforce. For organizations in the middle tiers, the lawyer share drops to 66% and 62%, respectively. The most dramatic shift occurs in the largest companies with revenue of US$20 billion or more. In the largest company group, lawyers represent only 58% of staff on average—the only revenue category where they make up less than 60% of the department.

This decrease in the percentage of lawyers at the top tier is offset by a substantial increase in other legal professionals, which reaches 20%. This is nearly triple the proportion found in the smallest companies. Interestingly, certain roles remain remarkably consistent regardless of organization size; legal operations professionals account for exactly 5% of the headcount across all four revenue brackets. Overall, while paralegal and administrative shares stay relatively stable, the transition from small to very large organizations is marked by a significant shift away from a lawyer-centric model toward a structure that incorporates a much higher volume of diverse support personnel.

PERCENTAGE OF STAFF BY COMPANY REVENUE



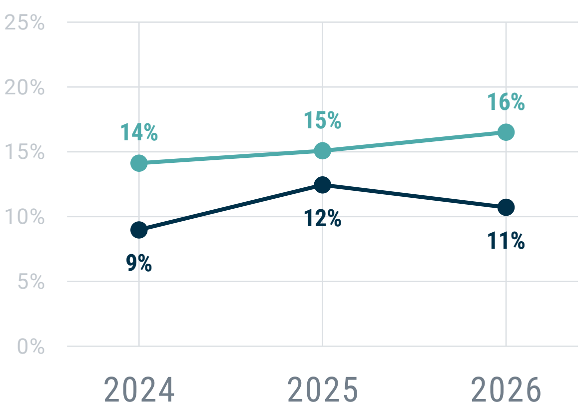
Note: Median values reported.

Specialized lawyer roles for intellectual property (IP) and litigation represent a consistent minority of the total lawyer workforce. These specializations represent lawyers that dedicate at least 50% of their time at work exclusively on IP or litigation matters. Within the IP category, the median percentage of specialized lawyers saw a slight increase from 9% in 2024 to 12% in 2025, before settling at 11% this year. The mean values for this group have trended marginally upward over the three years, reaching 16% in the most recent period.

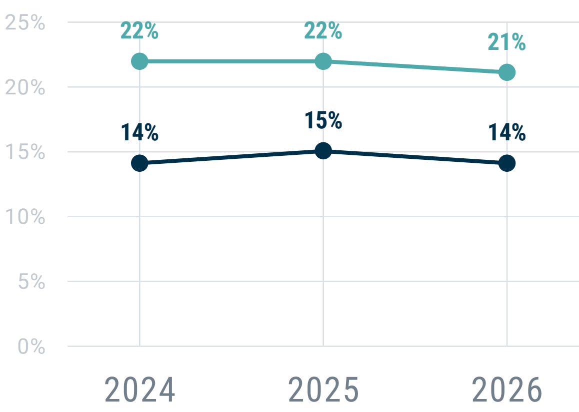
Specialization in litigation generally accounts for a larger portion of the lawyer staff compared to IP. The median for litigation lawyers has remained stable, hovering at 14% or 15% across the entire timeframe. Similarly, the mean has shown little fluctuation, staying between 21% and 22%. This suggests that while litigation is a more common specialty than intellectual property, the demand for dedicated in-house litigators relative to the broader lawyer population has not fundamentally shifted in recent years.

IP AND LITIGATION LAWYERS AS A PERCENTAGE OF TOTAL LAWYERS

LAWYERS—IP



LAWYERS—LITIGATION



Median   Mean

Note: Percentages based on departments that employ at least one IP- or litigation-dedicated lawyer.

DEFINITIONS

Lawyers–IP and ***Lawyers–Litigation*** are lawyers that dedicate at least 50 percent of their time on the job to IP and Litigation matters, respectively.

An industry breakdown of these metrics reveals that the concentration of specialized legal talent is highly dependent on the specific regulatory and operational risks of each sector. Intellectual property specialists are most prominent in innovation-heavy industries, led by pharmaceuticals and medical devices at 23%, followed closely by healthcare and social assistance at 21%, and manufacturing at 20%. These sectors prioritize patent and proprietary protections as a core part of their business model. In contrast, financial sectors like banking and insurance show the lowest reliance on in-house IP lawyers, with shares as low as 4% and 5%, respectively.

Litigation staffing follows a different pattern, with a notably high concentration in transportation and warehousing, where these specialists make up 30% of all lawyers. Healthcare and social assistance also maintains a high litigation presence at 23% percent, while retail and wholesale trade both stand at 22%. Unlike IP roles, which vary more from sector to sector, litigation specialists maintain a rather consistent presence across most industries, typically hovering between 19% and 23% percent.

The data highlights a moderate overlap in sectors like healthcare and pharmaceuticals, which require high levels of both IP and litigation expertise. Conversely, the finance and insurance industries demonstrate a lopsided specialized workforce, maintaining standard levels of litigation lawyers while comparatively employing very few IP specialists. Overall, the benchmarking data suggests that while litigation is a broad requirement for most organizations, IP specialization is a strategic resource concentrated in sectors driven by research, development, and technical services.

IP AND LITIGATION LAWYERS BY INDUSTRY

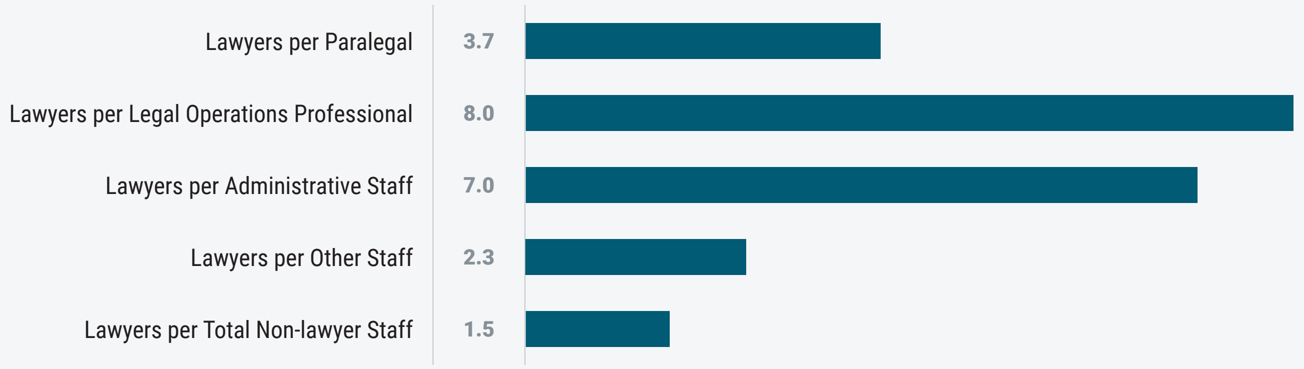
Note: Median values reported.

The following chart reports lawyer staffing ratios, providing a clear picture of how legal departments balance their lawyer headcount against support roles. The most common support relationship is between lawyers and paralegals, with a ratio of 3.7 to one. This indicates that, in a typical legal department, for every paralegal employed, there are nearly four lawyers, making paralegals the primary specialized support pillar in the legal department.

Internal operational and administrative support appears much leaner. The ratio of lawyers per legal operations professional stands at eight to one, while the ratio for administrative staff is seven to one. These high numbers suggest that attorneys often operate with limited dedicated assistance in these areas, or that such roles are centralized to support large groups of lawyers simultaneously. Interestingly, the ratio for other staff is the lowest of the specific categories at 2.3 to one, indicating that when departments move beyond traditional roles, they tend to hire a more diverse mix of personnel at a higher frequency.

When looking at the department as a whole, the ratio of lawyers per total non-lawyer staff is 1.5. This comprehensive metric shows that the typical legal department is composed of approximately sixty percent lawyers and forty percent support staff. This balance suggests a structure where every three lawyers are supported by two non-lawyer professionals. Overall, the data consistently underscores a staffing model where professional support is distributed across several functions, but remains secondary in total volume to lawyers.

LAWYER TO OTHER STAFF RATIOS



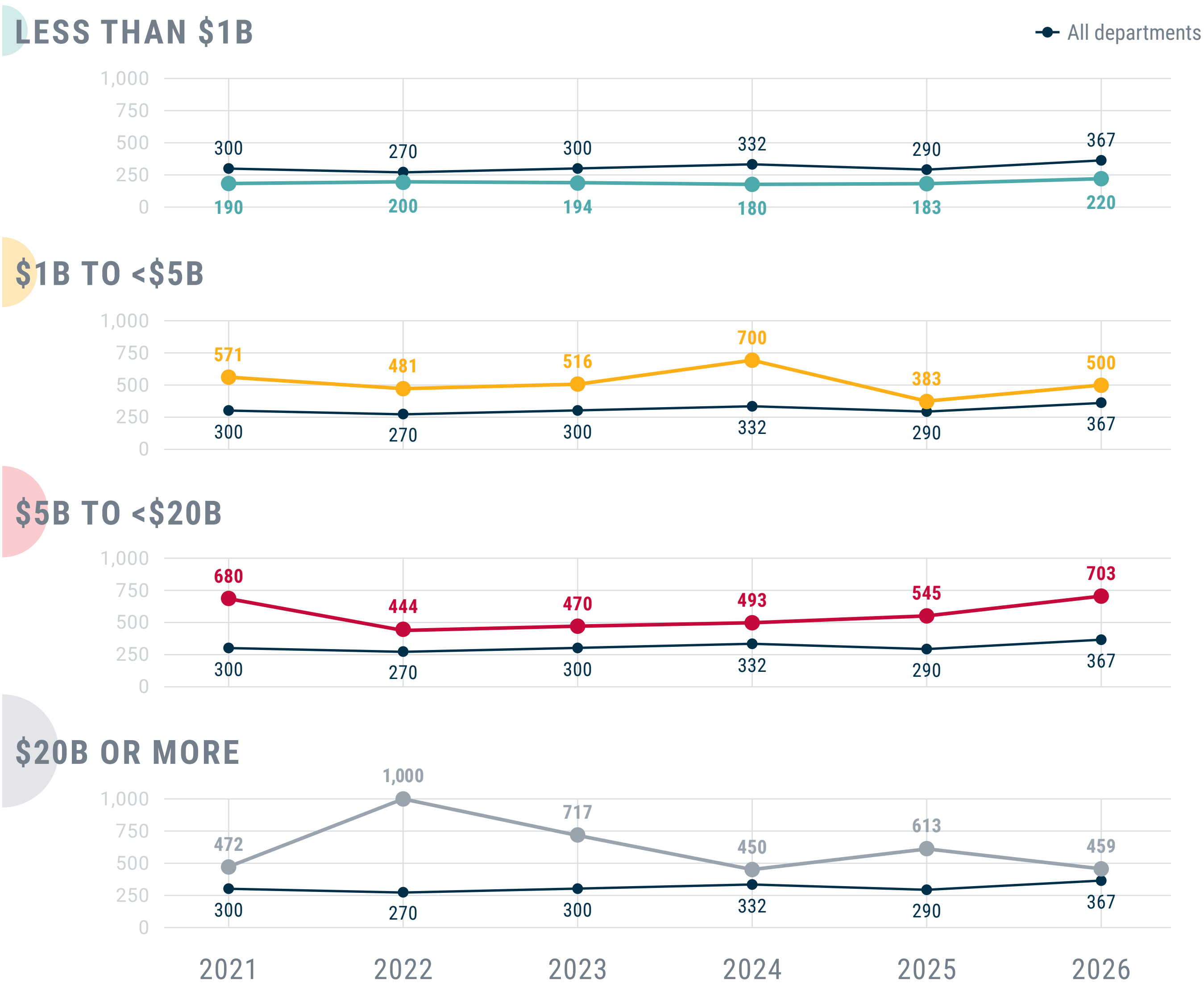
Note: Median values reported.

The following benchmark tracks in-house counsel workload by measuring the number of company employees supported by each lawyer, revealing a general upward trend in the lawyer-to-employee ratio. For all departments, the median started at 300 in 2021 and reached a peak of 367 in 2026. This suggests that lawyers are responsible for supporting a slightly larger internal client base now than they were five years ago.

The staffing burden varies substantially when analyzed by company revenue. Small organizations with revenue under US$1 billion maintain the lowest ratios, with lawyers supporting a median of just 185 to 220 employees over the last six years. This indicates that smaller companies tend to have more lawyers relative to their total workforce size, likely due to a baseline need for legal oversight regardless of total employee count.

In contrast, mid-sized and large organizations show much higher and more volatile ratios. Companies in the US$5 billion to US$20 billion range saw their median jump from four 444 in 2022 to 703 in 2026, representing a dramatic increase in the volume of internal clients per lawyer. Interestingly, the largest companies—those with US$20 billion or more in revenue—showed extreme fluctuations, peaking at 1,000 employees per lawyer in 2022 before dropping back to 459 in 2026. Overall, the data illustrates that as companies grow, the legal function scales more slowly than the general employee population, leading to higher support ratios in larger enterprises.

COMPANY EMPLOYEES SUPPORTED BY EACH LAWYER



Note: Median values reported.

The critical benchmark that tracks the number of lawyers standardized by US$1 billion in revenue shows a general trend of efficiency or consolidation, with the median for all departments dropping to its lowest point of 3 lawyers per billion in 2026. This metric serves as a key indicator of in-house legal staffing efficiency relative to company size, showing that most departments have maintained a ratio between 3.6 and 4.2 lawyers per billion for much of the last five years before the recent dip.

Significant variations exist across industries, reflecting differing levels of regulatory complexity and legal risk. The information technology and pharmaceuticals and medical devices sectors consistently maintain some of the highest standardized lawyer counts. For instance, information technology peaked at 10.2 in 2025 before settling at 6.7 in 2026, while pharmaceuticals reached 9.4 in 2023. These higher ratios suggest a need for denser legal support to manage IP and complex compliance requirements. Finance and banking also consistently remains above the general median, ending 2026 with a ratio of 6 lawyers per billion.

At the other end of the spectrum, industries like retail trade and energy, oil, and gas operate with much leaner legal teams relative to their revenue. Retail trade has remained remarkably steady and low, hovering around 1.5 to 2.0 lawyers per billion throughout the 2021–2026 period. Energy and manufacturing also consistently report benchmarks below the all-department median. The most significant volatility was observed in professional, scientific, and technical services, which spiked to 11.2 in 2024 before correcting to 5.7 by 2026. Overall, the data illustrates that while the general trend is toward leaner staffing per billion in revenue, sector-specific demands continue to dictate vastly different baseline requirements for legal headcount.

Lawyers standardized by US$1 billion in revenue shows a general trend of efficiency or consolidation, with the median for all departments dropping to its lowest point of 3 lawyers per billion in 2026.

LAWYERS PER $1B IN COMPANY REVENUE BY INDUSTRY

Note: Median values reported. Only companies with revenues larger than US$1B are included.

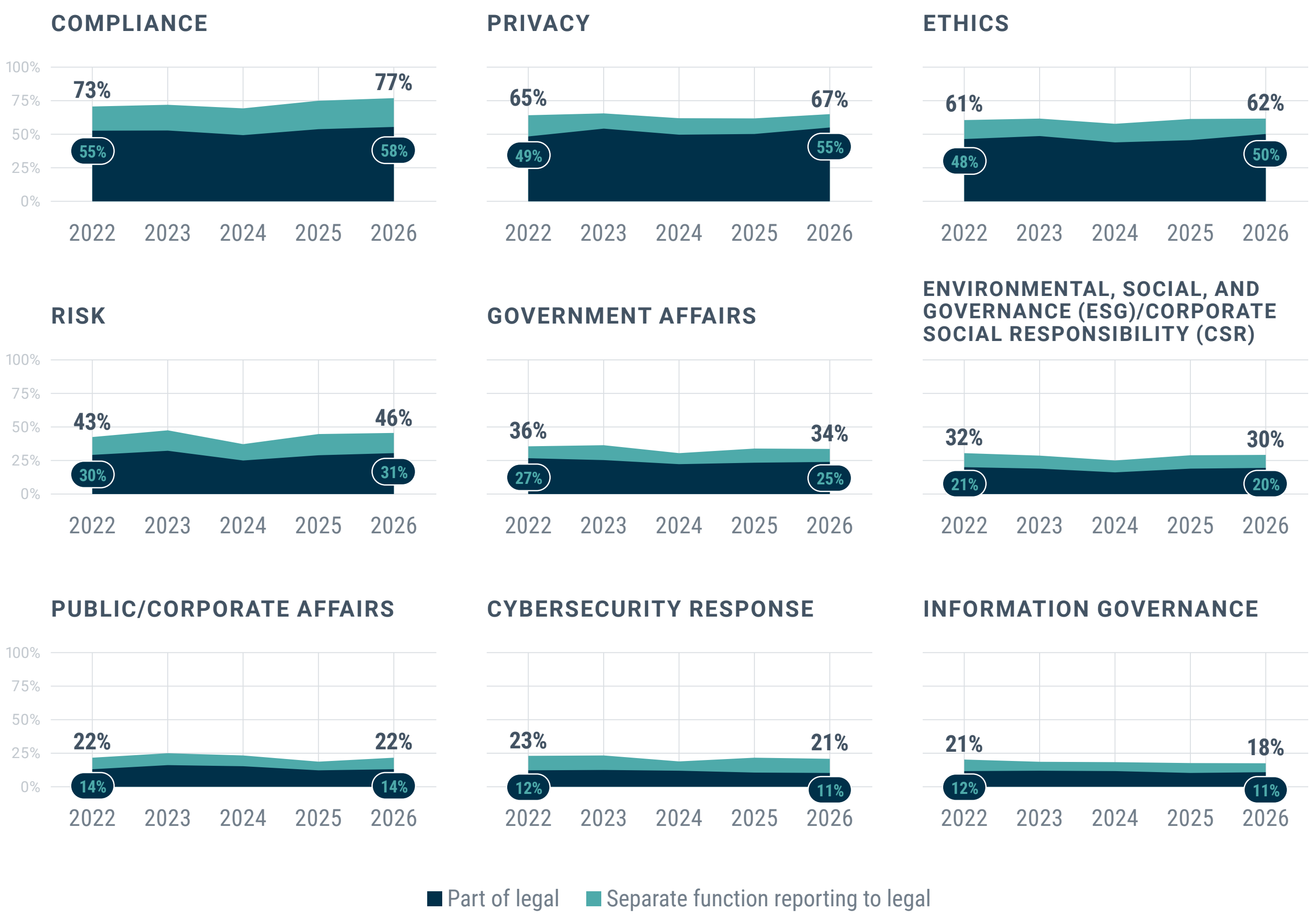
A rich analysis of the business functions overseen by the legal department from 2022 to 2026 demonstrates a consistent core of responsibilities centered on compliance, privacy, and ethics. Compliance remains the most common function also managed by legal, with total oversight increasing from 73% in 2022 to 77% of legal departments in 2026. This moderate growth is notably driven by an increase among those departments that indicated that compliance is integrated directly as part of the legal department, which rose from 55% to 58% over this five-year period.

Privacy and ethics represent the other primary pillars of legal oversight. Privacy oversight has shown stability, ending 2026 at 67% of departments, the same level recorded in 2023. Similarly, ethics oversight has remained steady, fluctuating slightly but returning to 62% in 2026. For these top three functions, most participating organizations house these responsibilities directly within legal rather than managing it as a separate function that reports into legal.

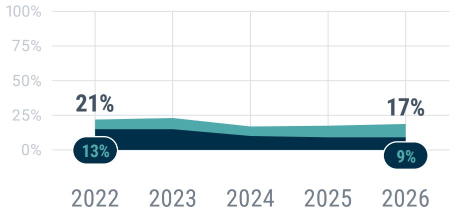
Beyond these three core areas, oversight for business functions like risk and government affairs has remained relatively flat, ending 2026 at 46% and 34%, respectively. Environmental, social, and governance (ESG) responsibilities showed a slight dip in 2024 but recovered to 30% of departments overseeing it by 2026, indicating its sustained relevance as a legal concern.

In contrast, operational functions like human resources, finance, and information technology (IT) rarely fall under legal's purview, each consistently showing total oversight of below 10%. The data suggests a clear boundary for the legal department: while it increasingly absorbs regulatory and integrity-based roles like compliance and privacy, it maintains a low level of oversight in general business operations and technical infrastructure.

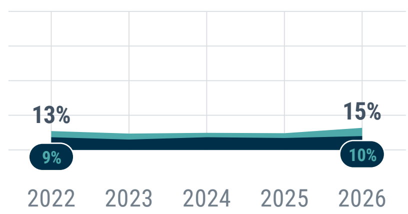
BUSINESS FUNCTION OVERSIGHT



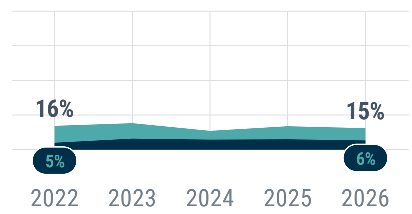
REAL ESTATE/ CORPORATE FACILITIES



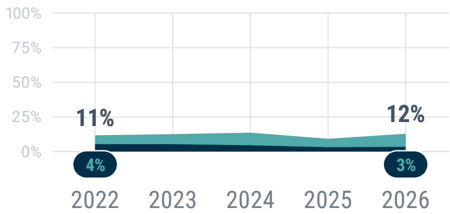
ADMINISTRATION



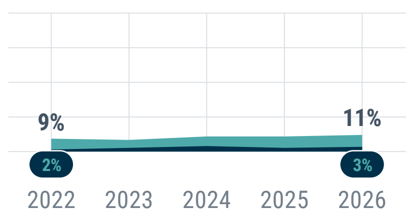
ENVIRONMENT, HEALTH, AND SAFETY (EHS)



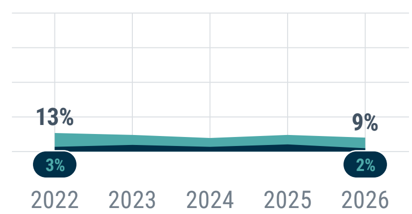
INTERNAL AUDIT



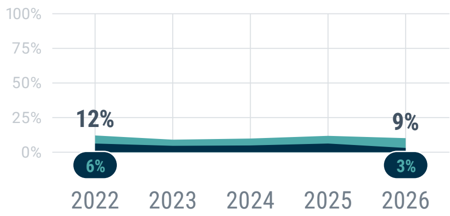
PHYSICAL SECURITY



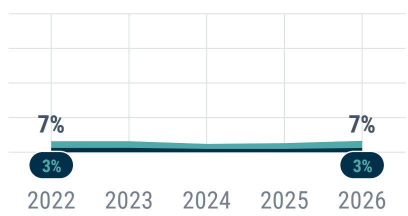
HUMAN RESOURCES



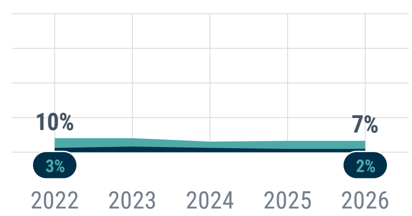
PROCUREMENT



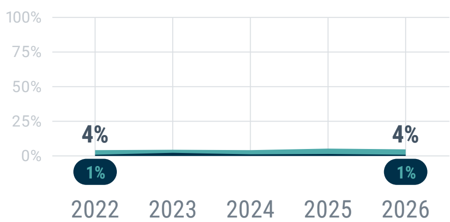
COMMUNICATIONS



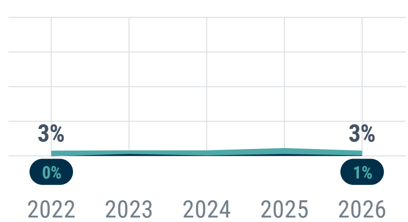
INFORMATION SECURITY



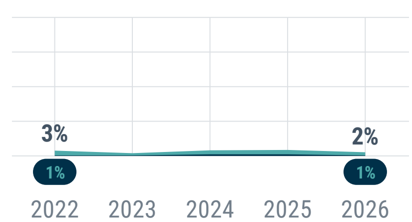
SUPPLY CHAIN



INFORMATION TECHNOLOGY (IT)



FINANCE



■ Part of legal ■ Separate function reporting to legal

SECTION 02

COST MANAGEMENT

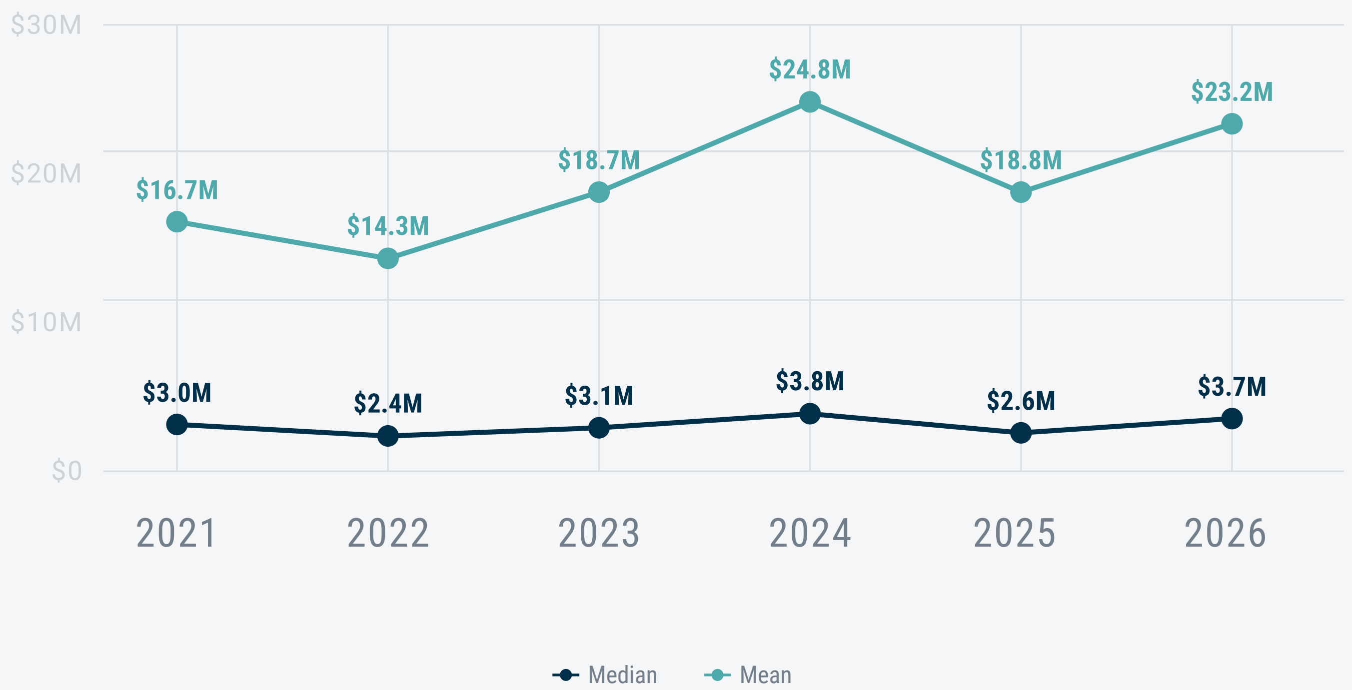
Section two focuses on a vital dimension of legal department efficiency: the strategic management of costs. We offer a detailed analysis of key legal spending metrics, providing a foundation for law departments seeking to establish benchmarks in this crucial area. We examine:

- **Internal vs. external resource allocation:** We present how legal budgets are distributed between in-house resources and external vendors, such as outside counsel and alternative legal services providers (ALSPs).
- **Detailed spending categories:** We offer a deeper dive into legal expenditures by presenting specific data on external legal costs across areas like intellectual property and litigation.
- **Legal spend in relation to company revenue:** We show how legal spending patterns relate to company revenue, enabling departments to assess industry benchmarks for resource allocation relative to organizational scale.
- **Key cost benchmarks:** We present essential data points for metrics such as cost-per-lawyer hour and investments in legal technology, offering valuable benchmarks to allocate resources efficiently.

The data for total legal department spend between 2021 and 2026 reveals a pattern of considerable fluctuation, characterized by alternating years of expansion and contraction. The median spend started at US$3 million in 2021, and despite some volatility, ended the 2021–2026 period significantly higher at US$3.7 million. This indicates a net increase in the typical organization's legal budget over the last six years.

A notable peak occurred in 2024, where both the median and mean reached their highest levels of US$3.8 million and US$24.8 million, respectively. This was followed by a sharp reduction in 2025, where the median spend dropped by approximately 30% to US$2.6 million, before rebounding in 2026 to the 2024 high. It is worth noting that this variation is largely a result of the fluctuations in the pool of participating companies, with the median company revenue for participating companies in both 2024 and 2026 being US$1 billion compared to a smaller representative company size in the 2025 edition of the benchmarking survey of just U$620 million.

TOTAL LEGAL DEPARTMENT SPENDING OVER TIME

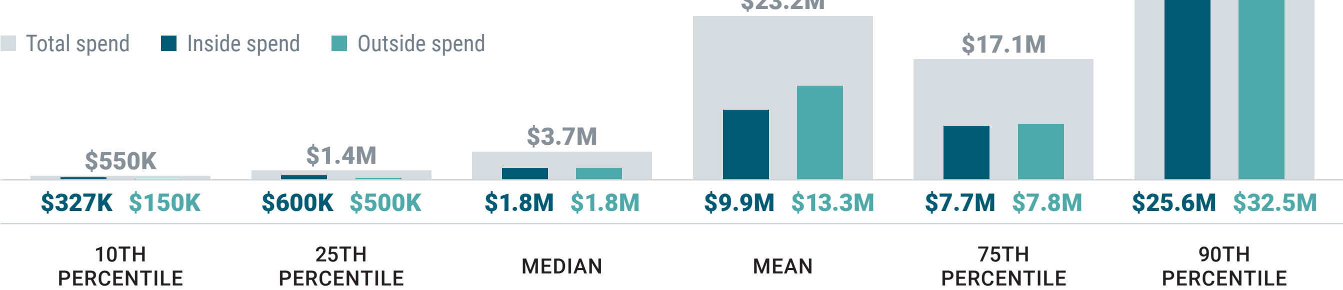


To account for the wide variation among participating organizations, we present a full statistical distribution of legal spend category, which reveals an equally wide range of financial budgets across legal departments, with internal and external costs showing a remarkably balanced distribution at the center. At the median, inside spend and outside spend are identical at US$1.8 million each, suggesting that the typical department splits its budget roughly evenly between maintaining internal staff and engaging external vendors.

The spending data also shows extreme variance between the lower and upper ends of the spectrum. Organizations in the 10th percentile operate on a very lean total budget of US$550,400, while those in the 90th percentile reach US$56.4 million, a hundredfold difference. Notably, at the 90th percentile, an outside spend of US$32.5 million markedly outpaces inside spend of US$25.6 million, indicating that the largest spenders may lean more heavily on external providers to manage their massive legal requirements.

The skewness in the data is further evidenced by the mean values, which are consistently higher than the 75th percentile across all spending categories. In total spend, the mean of US$23.2 million is roughly six times the median and exceeds the 75th percentile of US$17.1 million. This confirms that for right-skewed distributions such as legal department expenses, the average is heavily influenced by a likely small group of high-expenditure departments at the top of the distribution, which reinforces the value of the median value as a more balanced spend benchmark. Overall, the results show that while most departments maintain a balanced and moderate spend, the scale of legal investment increases dramatically for the largest organizations.

LEGAL DEPARTMENT SPENDING DISTRIBUTION



DEFINITIONS

INSIDE SPEND typically includes costs associated with the internal legal department's operations, including salaries, benefits, technology, training, and other overhead expenses directly related to maintaining and running the in-house legal team. This includes compensation for lawyers, paralegals, support staff, and other professionals working within the legal department.

OUTSIDE SPEND typically includes costs paid to external legal service providers, such as law firms, alternative legal services providers, consultants, and expert witnesses. This encompasses fees for litigation, transactional work, regulatory advice, specialized legal services, and any other legal work performed by individuals or organizations outside the corporate legal department. However, outside legal spend does not include settlement costs, judgements, fines, recoveries, or costs associated with claims or capitalized expenses.

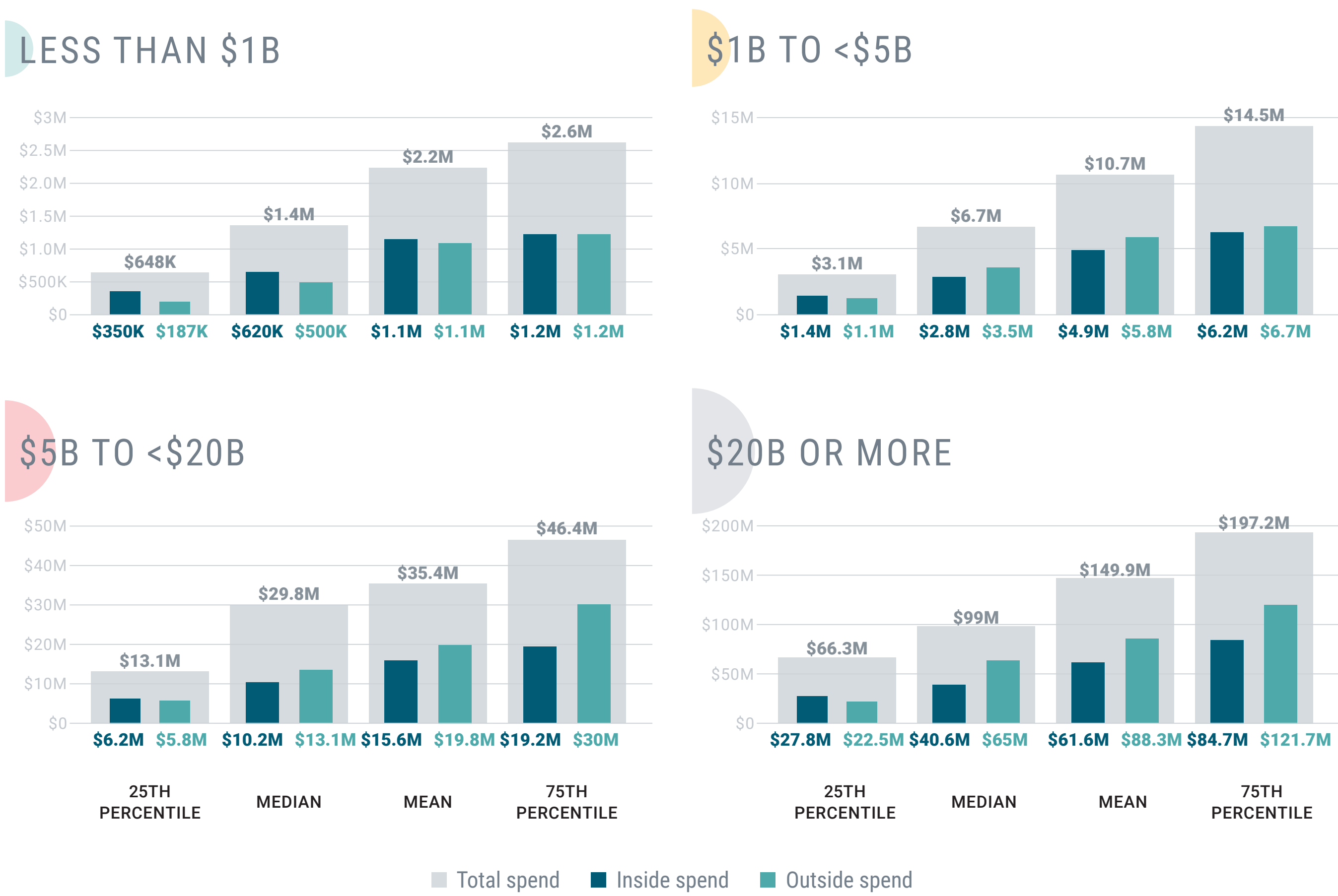
Total spend is the combination of inside spend and outside spend.

The data effectively illustrates this last point with a simple visual analysis of legal expenses as companies grow in size. For the smallest companies with under US$1 billion in revenue, the budget is relatively modest and balanced. The median inside spend is US$620,000 and outside spend is US$500,000, while in the median total spend for companies in this group is US$1.4 million. In this category, internal costs are slightly higher than external costs, reflecting a focus on maintaining a lean, core internal team.

As organizations move into the next revenue category, total median spend nearly quintuples to US$6.7 million. At this level, a median outside spend of US$3.5 million begins to outpace inside spend of US$2.8 million. A pattern of higher external costs intensifies as companies scale. For the largest organizations with revenue of US$20 billion or more, the total median spend almost reaches US$100 million. Within these large corporations, the median outside spend of US$65 million is over 50 percent higher than the median inside spend of US$40.6 million.

The degree of variation also widens significantly with size. In the largest revenue tier, the mean total spend of almost US$150 million is far higher than the median, again suggesting that some very large, outlier organizations have extraordinarily high legal costs. While companies under US$1 billion maintain a roughly equal split between internal and external costs, the largest enterprises increasingly spend more on outside vendors to manage their complex legal portfolios. Overall, the transition from the smallest to the largest organizations reflects a shift from an internally focused, low-cost model to a majority of externally-driven legal costs.

SPENDING DISTRIBUTION BY COMPANY REVENUE

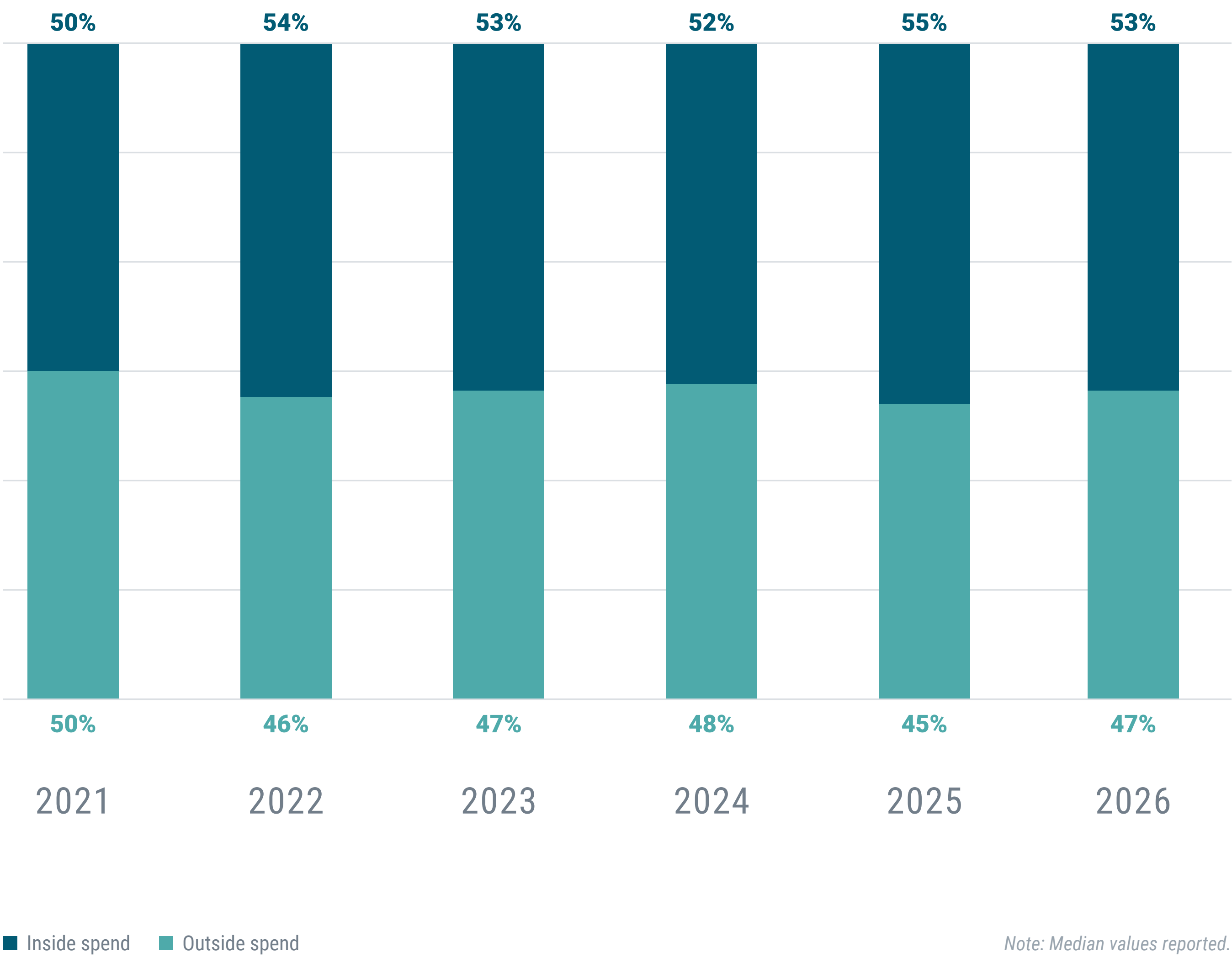


A longitudinal series on the distribution of legal spend confirms a stable, near-equal split between internal and external costs across participants. Since 2021, the allocation has remained remarkably consistent, with inside spend fluctuating within a narrow range of 50% to 55%. This indicates that, despite changes in the economic landscape, the typical legal department maintains a balanced approach to resource allocation.

While 2021 showed a perfect 50/50 split, subsequent years have seen a slight but consistent tilt toward inside spend. The highest point for internal allocation occurred in 2025 at 55%, before settling at 53% in this year. This marginal shift hints at a multi-year trend of departments slightly prioritizing, on average, the growth or retention of in-house expertise over external engagement.

INSIDE AND OUTSIDE SPEND DISTRIBUTION

ALL DEPARTMENTS



Note: Median values reported.

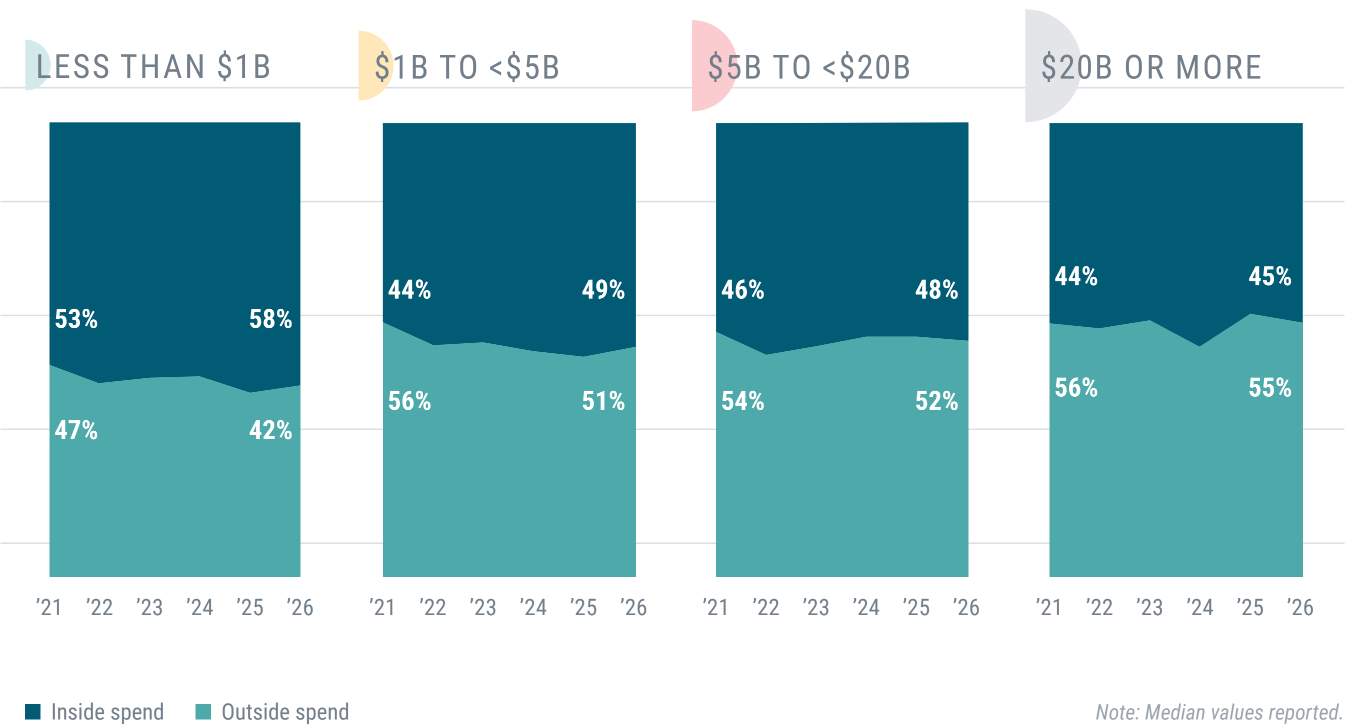
The breakdown of these metrics by company revenue size confirms that the larger the organization, the more likely it is to tilt its spending toward outside vendors. While the overall average suggests a balanced split, with inside expenses tending to edge outside spend, the revenue-based brackets reveal that internal versus external priorities are heavily influenced by the scale of the company's revenue.

For companies with under US$1 billion in revenue, there is a consistent prevalence of inside spend, which has remained above 53% throughout the 2021–2026 period. This reached a peak of 60% in 2025 and sits at 58% in 2026. These smaller departments prioritize maintaining a strong in-house core, likely to manage day-to-day matters efficiently while minimizing the high hourly costs of outside counsel vendors.

In contrast, the largest organizations—those with US$20 billion or more—consistently lean toward higher outside spend. In 2025, external allocation reached 58%, and it stands at 55% in 2026. This reflects a more nuanced cost-allocation strategy for highly complex, high-stakes legal work that likely requires the more specialized expertise or global reach typically found in major law firms.

Overall, the data underscores a clear structural shift: as companies cross the US$1 billion threshold, the spending distribution begins to tilt toward external vendors, culminating in a majority of outside costs in relation to total legal costs among the world's largest enterprises.

INSIDE AND OUTSIDE SPEND DISTRIBUTION BY COMPANY REVENUE



Note: Median values reported.

The allocation of resources within internal and external budgets reflect where departments place their highest financial focus. The results show that both inside and outside spend are overwhelmingly dominated by a single primary cost driver.

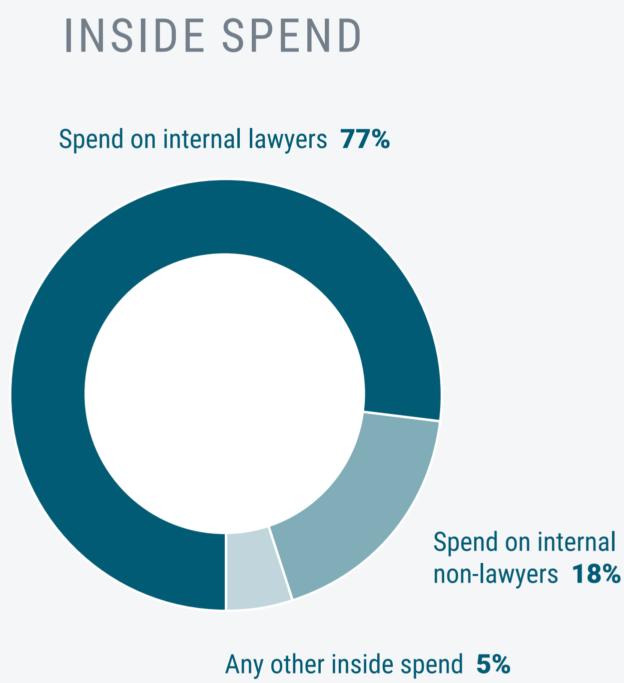
Within the internal budget, the vast majority of resources (77%) are dedicated on average to the compensation and support of internal lawyers. This aligns with the staffing data presented earlier, confirming that legal departments unsurprisingly revolve around a core group of lawyers. Non-lawyer staff accounts for 18% of inside spend and just about 5% of the internal budget is directed toward other costs, such as technology, office overhead, or miscellaneous departmental expenses.

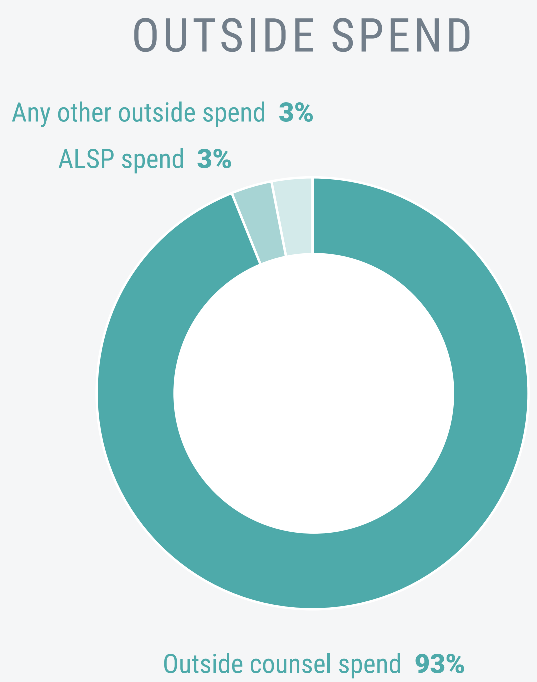
The external budget shows an even more extreme concentration of costs. Outside counsel spend consumes 93% of all external expenditures on average. This highlights that, despite the rise of alternative service models, traditional law firms remain the primary outside legal services vendors. Alternative legal services providers (ALSPs) account for just 3% of the outside spend amount. While often discussed as a growing trend in the industry, they still represent a very small fraction of the typical external budget compared to traditional firms, though their use also scales as company size grows. Remaining external costs, which might include court fees, expert witnesses, or specialized consulting, also sit at a modest 3%.

This benchmarking data suggests that legal departments have little wiggle room in their budgets. Nearly 80% of internal costs are tied up in lawyer headcount, and over 90% of external costs are committed to law firm fees. This high concentration in traditional areas explains why many legal departments find it difficult to pivot resources toward new technologies or alternative delivery models without significant structural changes.

INSIDE AND OUTSIDE EXPENSES

ALL DEPARTMENTS





Note: Median values reported.

One of the most critical legal department benchmarks is the legal department costs standardized by size of the company. The evolution of the legal spend as a percentage of company revenue benchmark shows a strong trend toward increased efficiency or cost containment in 2026. After several years of relative stability, both the median and mean values for total legal spend reached their lowest points in the 2021–2026 period.

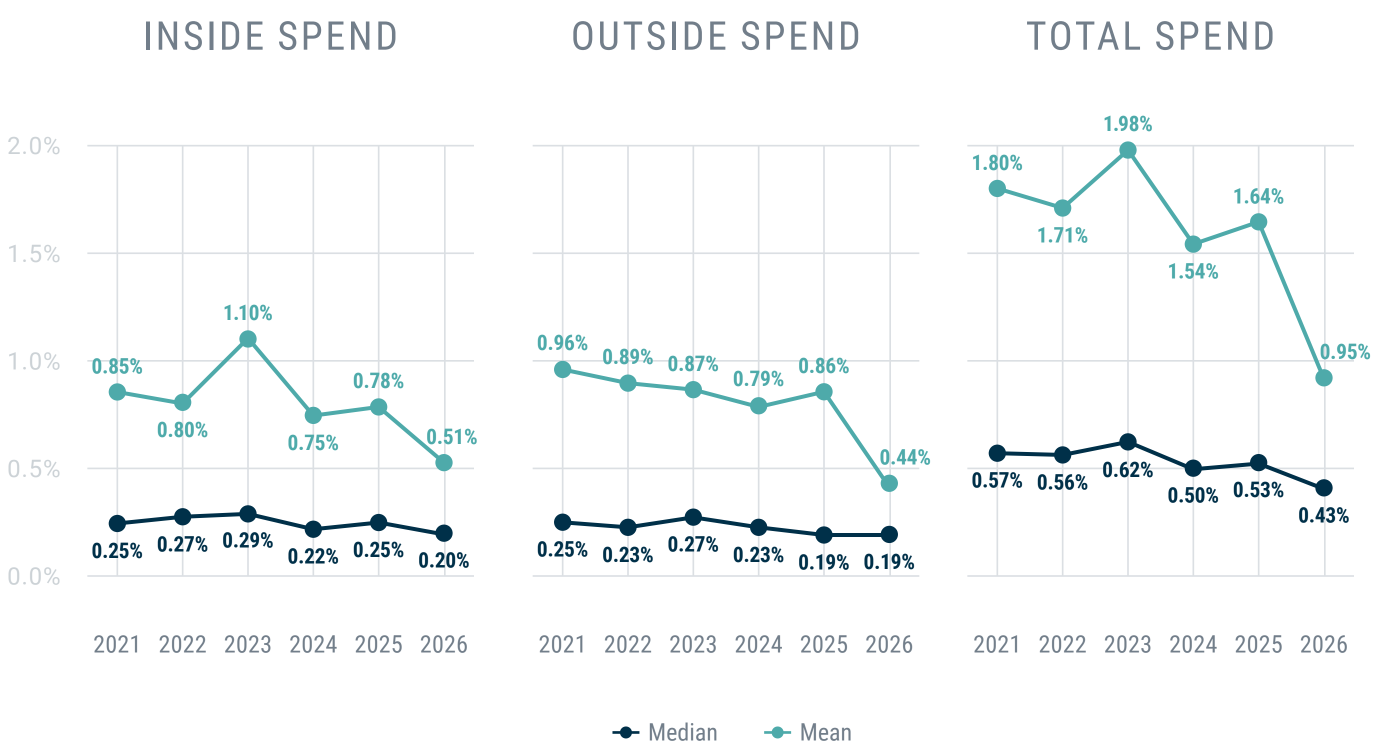
The median total legal spend remained between 0.50% and 0.63% from 2021 to 2025, but dropped notably to 0.43% in 2026. The mean followed a similar, even more dramatic trajectory, falling from a high of 1.98% in 2023 to just 0.95% in 2026. This suggests that across the board—and particularly among high-spending outliers—legal departments are consuming a smaller portion of total corporate revenue than in previous years.

Breaking it down further, both internal and external spending saw reductions when measured against revenue. The median inside spend reached a peak of 0.29% in 2023 before declining to 0.20% in 2026. The mean also saw a sharp correction, dropping from 1.10% in 2023 to 0.51% in 2026. External costs have proven slightly leaner than internal costs in the most recent data—largely driven by the prevalence of smaller organizations among participating companies. The median outside spend fell to 0.19% in 2025 and stayed there in 2026. The mean plummeted from 0.86% in 2025 to 0.44% in 2026.

In 2026, the results paint a picture of a more contained legal spending environment where departments are successfully decoupling their budget growth from total revenue growth.

LEGAL SPEND AS A PERCENTAGE OF COMPANY REVENUE

ALL DEPARTMENTS



The industry-specific breakdown of legal spend as a percentage of revenue reveals clear tiers. While the overall market median for total legal spend sits at 0.43% in 2026, individual sectors vary from roughly half that amount to nearly double, reflecting the inherent legal intensity of different business models and legal needs. The industries with the highest total legal spend relative to revenue are those facing dense regulatory frameworks, complex intellectual property needs, or significant transactional volume.

Information technology is consistently one of the most expensive sectors, with a median total spend above 1.00% for years, and only recently settling at 0.71% in 2026. This sector prioritizes inside spend (0.40%) over outside spend (0.29%), suggesting reliance on specialized in-house talent and likely reflecting the prevalence of small IT companies in the pool of participants. Professional services saw a dramatic spike in 2024 (1.16%) and remains high at 0.68% in 2026 in terms of total legal spend. Like IT, this industry requires highly technical legal oversight tailored to service delivery. Pharmaceuticals and medical devices has traditionally been a top spender—peaking at 1.57% in 2022—but this sector has seen a dramatic reduction in external costs. Outside spend plummeted from 0.56% in 2025 to 0.17% in 2026, resulting in a reduced total spend amount of 0.66%. The finance and banking industry's total spend reached 1.05% in 2023, but it has steadily declined to 0.60% in 2026. Interestingly, this sector maintains a very balanced split between internal (0.28%) and external (0.27%) expenditures.

Other sectors represent the middle of the market, where legal risks are significant but perhaps more predictable or less tied to every dollar of revenue. Healthcare has been remarkably stable, ending 2026 at 0.46% in terms of total spend as a percentage of revenue. It is one of the few industries where median inside spend (0.24%) is double that of outside spend (0.12%), likely due to the need for constant, on-site regulatory compliance. Energy, oil, and gas companies have returned to its historical norm, ending 2026 at 0.42%, following a volatile peak of 0.71% in 2023. Manufacturing and construction are two industrial sectors that track closely together at 0.36% of total spend as a percentage of revenue. They tend to favor a balanced spending model, with slight fluctuations depending on the project or litigation cycle.

Finally, high-volume, low-margin industries typically report the lowest legal expenses as a percentage of revenue. For example, retail and wholesale trade are the most legal cost-efficient sectors in the time series, with total spend hovering between 0.23% in 2026. Transportation and warehousing experienced a period of higher total legal spend (reaching 0.64% in 2023), but this sector has reduced its legal costs to 0.31% in 2026.

The data shows a general decrease in legal spend relative to revenue across almost every industry in 2026. Sectors that were historically near or above 1%—finance, IT, pharmaceuticals—have all moved toward the 0.60%–0.70% range. Meanwhile, the low-intensity sectors have remained anchored near 0.25%. This suggests that while industry-specific considerations remain critical, legal departments across all sectors have become more adept at scaling their operations without allowing costs to grow faster than the business itself.

LEGAL SPEND AS A PERCENTAGE OF REVENUE BY INDUSTRY

Note: Median values reported.

Additional benchmarking data across different revenue brackets continues to underscore the upward scaling of legal costs, particularly as organizations move into the multi-billion dollar range. For all departments, the median spend on internal lawyers is US$1.1 million, but this figure jumps nearly twentyfold to $23.4M for companies with US$20 billion or more in revenue. Interestingly, the cost per lawyer hour remains relatively tight across all sizes, ranging from US$139 for small companies to US$188 for the largest, which suggests that while large departments spend more in total, the hourly value of their internal expertise scales more gradually than their total budget.

The disparity in external spend is even more pronounced, with outside counsel spend reaching a median of US$61.7 million for the largest corporations compared to just US$500,000 for those under US$1 billion. A substantial portion of this outside counsel budget for the largest companies is consumed by litigation, which at US$20.2 million represents roughly one-third of their outside counsel spend. In contrast, mid-sized companies in the US$1 billion to US$5 billion range allocate a median of US$900,000 to litigation compared to median of US$3 million of outside counsel budget. Notably, ALSPs and specialized IP litigation spend only appear as measurable line items for the largest organizations, indicating that these high-volume or high-complexity services are primarily a feature of the most complex legal ecosystems.

Technology spending presents an interesting countertrend in terms of percentage allocation. While the absolute median spend on legal technology grows from US$65,000 in the smallest companies to US$2.5 million in the largest, the percentage of total spend dedicated to technology is actually highest in companies under US$1 billion at 5%. This suggests that smaller departments may be leveraging technology as a force multiplier to handle workloads that they cannot yet address through massive hiring. For the largest companies, even though their tech spend is millions of dollars, it accounts for only 3% of their total budget, reflecting the sheer gravity of their lawyer compensation and outside firm fees.

ADDITIONAL SPENDING BENCHMARKS

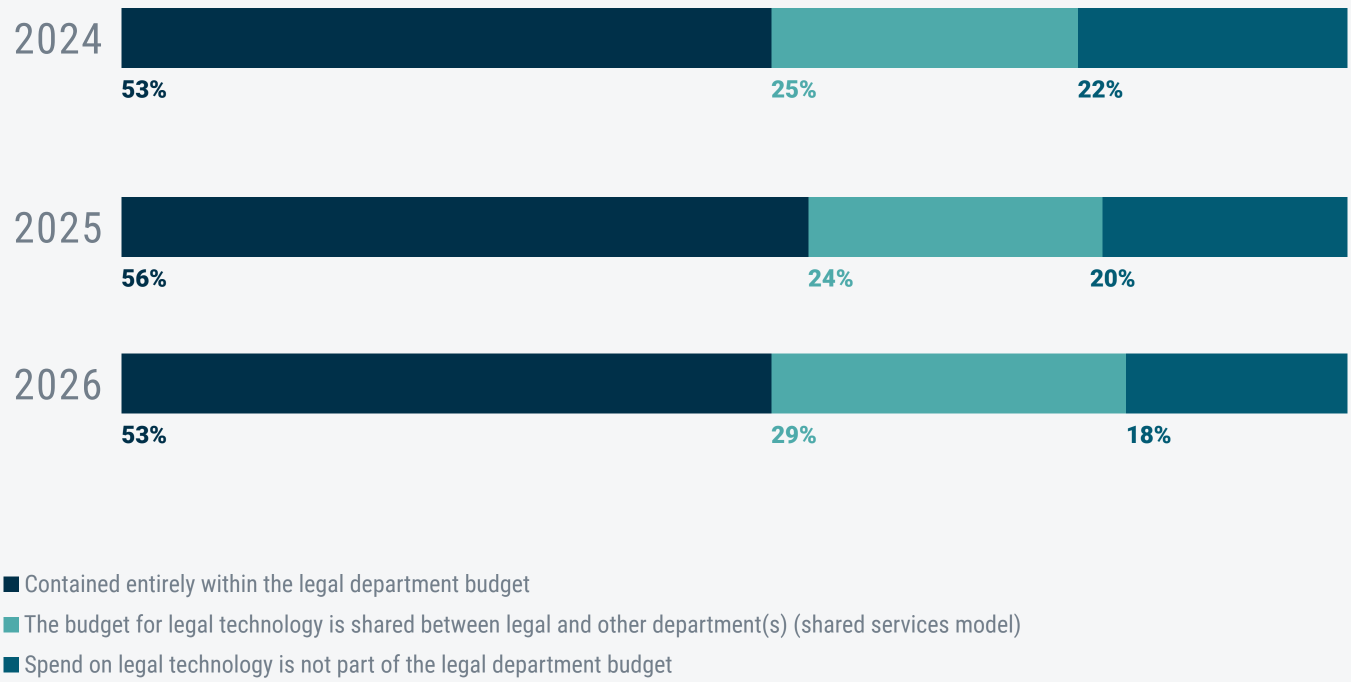
	ALL DEPARTMENTS	LESS THAN $1B	$1B TO <$5B	$5B TO <$20B	$20B OR MORE
TOTAL SPEND ON INTERNAL LAWYERS *Combined compensation among all department lawyers—salary, bonus, taxes, and benefits*	$1.1M	$480K	$2M	$6.6M	$23.4M
TOTAL SPEND ON INTERNAL NON-LAWYERS *Combined compensation among all department non-lawyer staff—salary, bonus, taxes, and benefits*	$200K	$100K	$300K	$1.5M	$10M
ANY OTHER INSIDE SPEND	$0	$0	$0	$0	$450K
OUTSIDE COUNSEL SPEND	$1.7M	$500K	$3M	$12.4M	$61.7M
OUTSIDE COUNSEL SPEND ON LITIGATION (EXCL. IP)	$451K	$90K	$900K	$3M	$20.2M
OUTSIDE COUNSEL SPEND ON IP LITIGATION	$0	$0	$0	$0	$220K
OUTSIDE COUNSEL SPEND ON IP (NON-LITIGATION)	$41K	$15K	$100K	$189K	$1.3M
ALSP SPEND	$0	$0	$0	$21K	$158K
ANY OTHER OUTSIDE SPEND	$0	$0	$0	$0	$0
COST-PER-LAWYER HOUR *Total spend on internal lawyers divided by (lawyers × 1,800 hours)*	$152	$139	$154	$173	$188
PERCENTAGE OF TOTAL SPEND ALLOCATED TO LEGAL TECHNOLOGY	3%	5%	3.1%	2%	3%
LEGAL TECHNOLOGY SPEND	$130K	$65K	$212K	$447K	$2.5M

Note: Median values reported.

In 2026, 53% of departments reported that legal technology spending is entirely contained within their own budget, a figure that has remained remarkably consistent since 2024. However, there is a notable shift toward collaborative funding; the shared services model grew to 29% in 2026, up from 25% two years prior. Conversely, the percentage of departments with no tech budget at all dropped to 18%, suggesting that legal technology is increasingly recognized as a formal, funded necessity.

LEGAL TECHNOLOGY BUDGET ALLOCATION

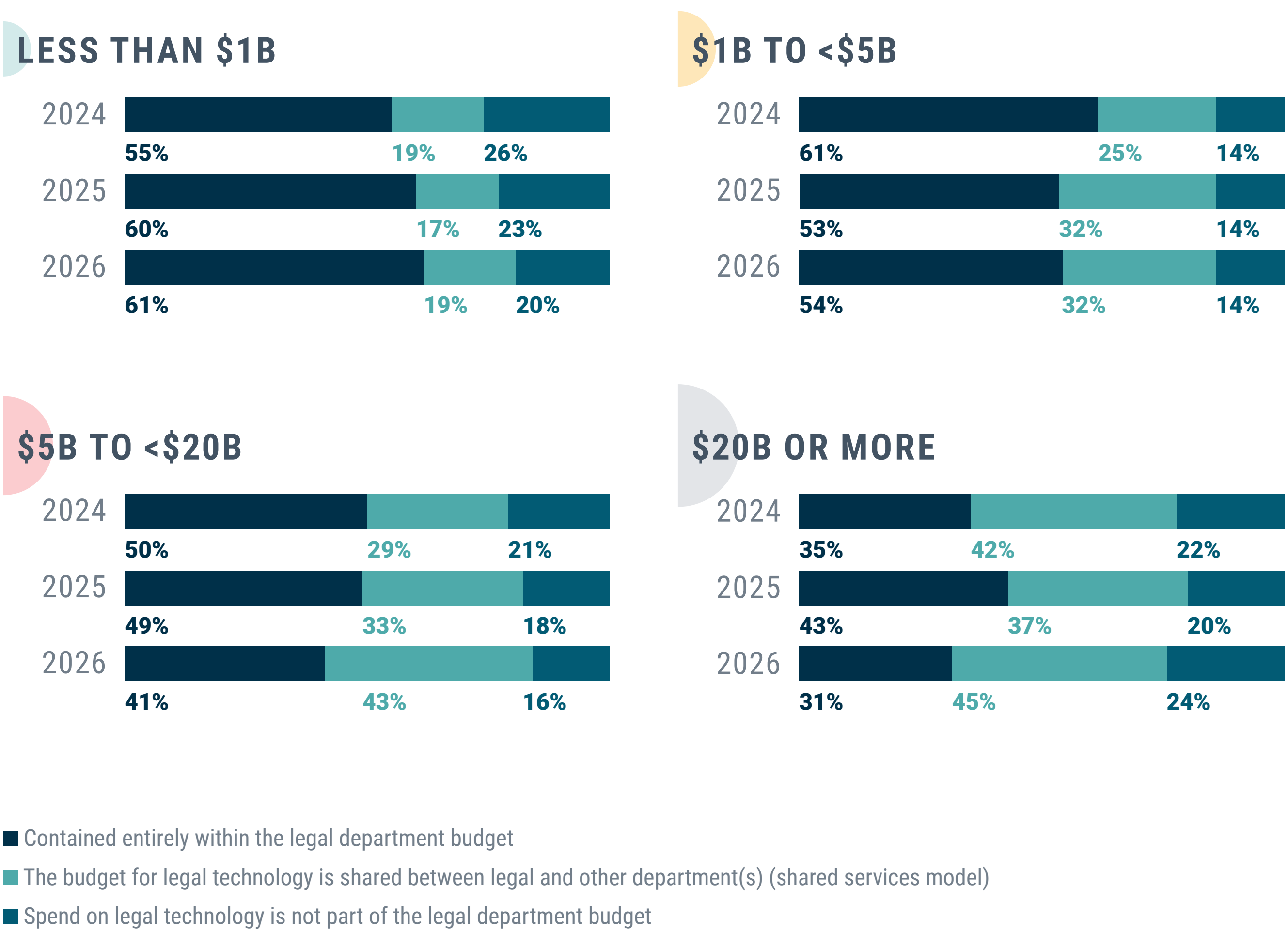
ALL DEPARTMENTS



The allocation of the legal technology budget reveals a distinct divergence based on company size. Smaller organizations, specifically those with revenues under US$1 billion, show more control of the legal technology spend. In 2026, 61% of these departments fully contain their technology budget, up from 55% in 2024.

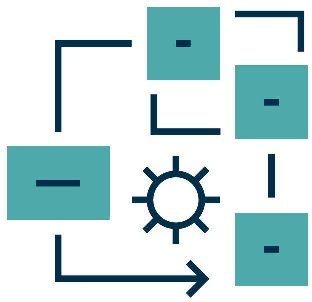
In contrast, larger organizations are moving rapidly toward more integrated financial models. Among companies in the US$5 billion to US$20 billion range, the shared services model has surged to 43% in 2026, a significant jump from 29% in 2024. This shift has come at the expense of independent budgeting, which fell to 41%. The largest enterprises—US$20 billion or more—follow this trend even more aggressively, with 45% utilizing a shared budget—the highest of any group. For these large companies, legal technology is increasingly viewed as a cross-functional investment, likely coordinated with the IT or procurement departments. While mid-sized companies maintain a stable middle ground, the overall data illustrates that as revenue grows, the legal department's technology stack shifts from a siloed departmental expense to a shared enterprise resource.

ALLOCATION OF LEGAL TECHNOLOGY BUDGET BY COMPANY SIZE



SECTION 03

LAW FIRMS, ALSPS, AND FEE STRUCTURES



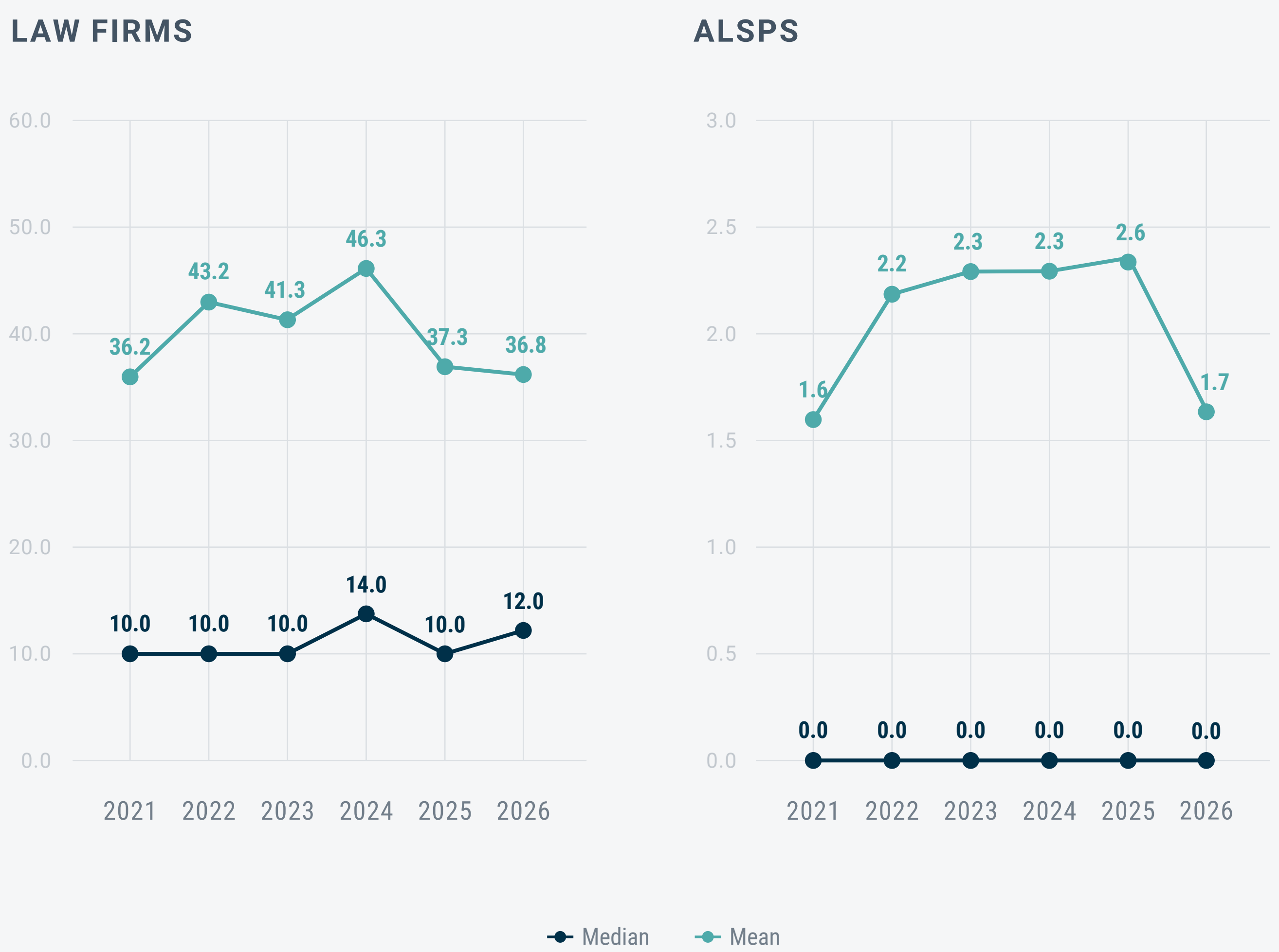
Section three examines the evolving landscape of legal service providers, specifically looking at the number of law firms and ALSPs that legal departments are utilizing. Additionally, we examine the use of alternative fee arrangements (AFAs). Our analysis focuses on:

- **Vendor engagement trends:** We explore the number of law firms and ALSPs that companies engaged last year, providing a valuable benchmark for understanding the typical scope of external vendor utilization within legal departments.
- **AFA usage:** We analyze the percentage of departments using AFAs in their legal matters as well as the percentage of outside spend that is subject to AFAs and the most common types used.

The vendor engagement data highlights a continuous significant reliance on traditional law firms compared to the still-emerging use of alternative legal services providers (ALSPs). Throughout the 2021–2026 period, the median number of ALSPs engaged has remained at zero, indicating that more than half of all participating legal departments do not utilize these types of providers. While the mean reached a high of 2.6 in 2025, it dropped back to 1.7 in 2026, suggesting that ALSP adoption remains concentrated within a small subset of departments, especially among larger organizations, rather than becoming a universal industry standard.

In contrast, the engagement of traditional law firms is far more robust and widespread. The median number of law firms peaked at 14 in 2024 before settling at 12 in 2026. Similar to previous financial metrics, the mean for law firms is consistently much higher than the median—sitting at 36.8 in 2026—which points to the existence of large global departments that manage relationships with dozens or even hundreds of firms simultaneously. Overall, while law firm rosters have seen some slight consolidation since their 2024 peak, they continue to be the primary external partners for most participating legal departments.

NUMBER OF LAW FIRMS AND ALSPS ENGAGED OVER TIME



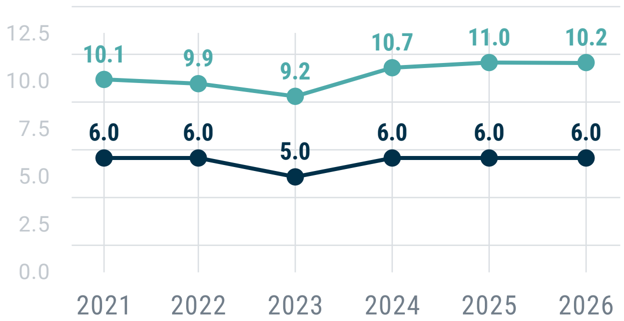
Segmenting legal services vendor engagement by company revenue size reveals that as organizations grow, not only do they spend more, they manage far more complex networks of external partnerships. For companies with less than US$1 billion in revenue, law firm roster numbers are limited and remarkably stable over time, with a median of just 6 firms almost consistently over the last six years. However, as company revenue increases, the jump is massive; companies in the US$5 billion to US$20 billion range managed a median of 58 firms in 2026, while departments in the largest companies with US$20 billion or more in annual revenue managed a median of 118 firms. These largest companies saw a peak in 2023 with a median of 150 firms.

The adoption of ALSPs follows a similar threshold-based pattern. For companies under US$5B in revenue, the median number of ALSPs remains zero in 2026, indicating that small legal departments still do not engage these legal services providers. In contrast, larger organizations have institutionalized their use; the US$5 billion to US$20 billion group reported a median of 1 ALSP, while the US$20 billion or more group reached a median of 2. Though the mean number of ALSPs for the largest companies peaked at 14.2 in 2023, it corrected to 5.1 by 2026. This suggests that while large legal departments are the primary clients of the ALSP market, they are perhaps becoming more selective and have somewhat consolidated their choice of non-traditional legal services vendors.

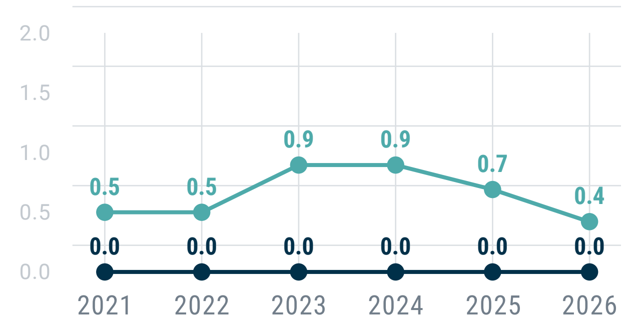
VENDOR ENGAGEMENT BY COMPANY SIZE

LESS THAN $1B

LAW FIRMS



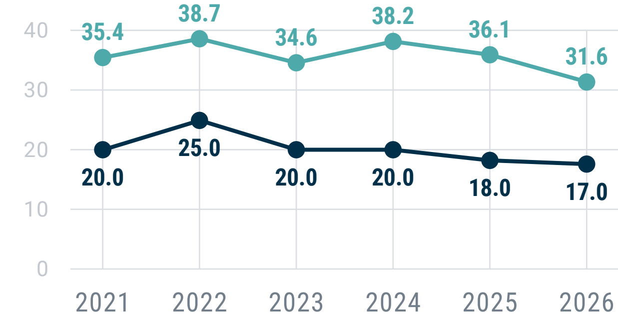
ALSPS



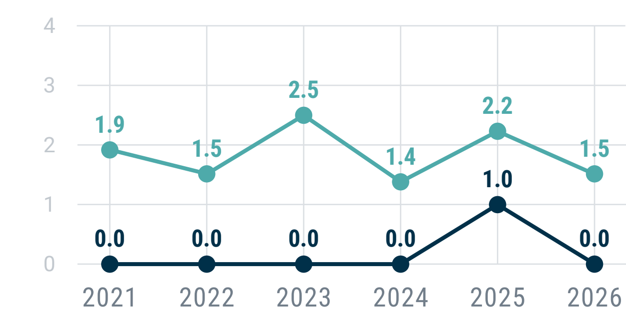
Median Mean

$1B TO <$5B

LAW FIRMS

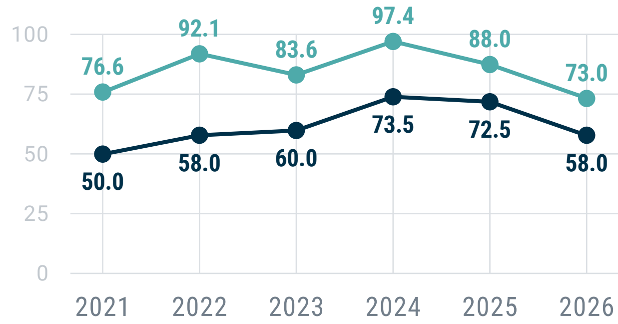


ALSPS

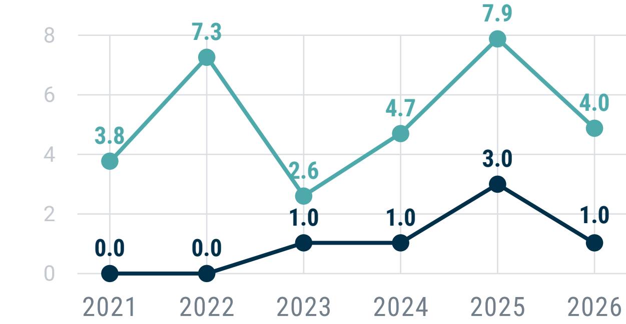


$5B TO <$20B

LAW FIRMS

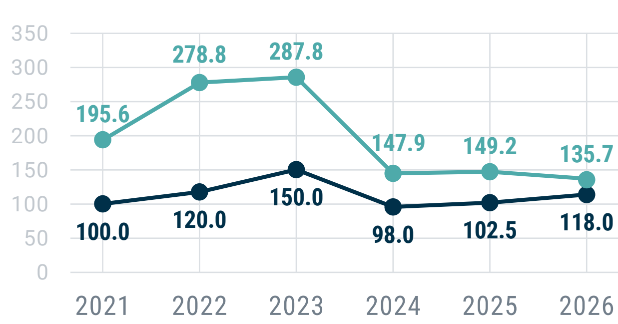


ALSPS

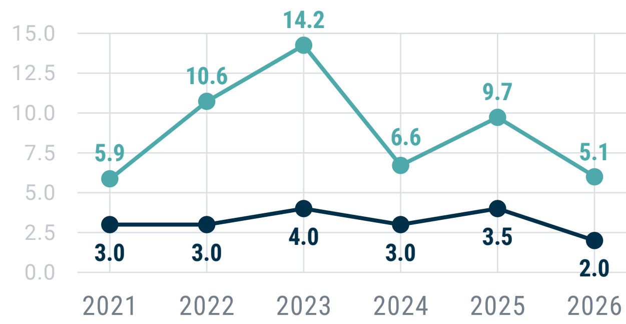


$20B OR MORE

LAW FIRMS



ALSPS



Median Mean

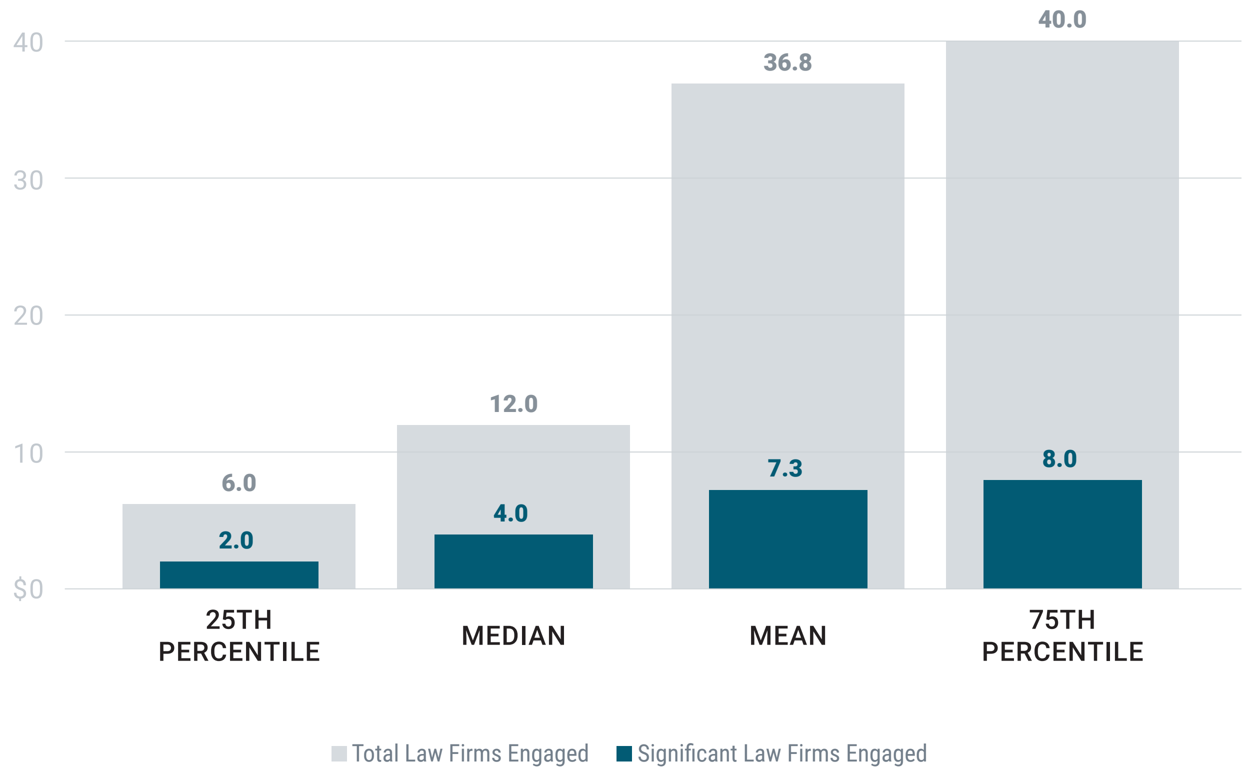
The statistical distribution for this metric highlights a highly concentrated spending model within legal departments, characterized by a 80/20 rule where a smaller core of law firms handles the vast majority of the legal department's outsourced work. One way to interpret this for a typical legal department is that while the median department engages 12 law firms in total, only 4 of those are considered significant. This gap widens considerably at the upper end of the distribution; departments at the 75th percentile manage 40 total firms, yet they still rely on just 8 firms to cover 80% of their outside counsel spend.

The disparity between the mean and the median further emphasizes the complexity of managing large-scale rosters. The mean of 36.8 total firms is triple the median, yet the mean number of significant firms is only 7.3. This suggests that even for the largest departments with dozens of specialized or local firms on their books, the financial weight remains heavily anchored to a handful of primary partners. Overall, the data illustrates that while law firm rosters can be extensive, the actual management of substantial legal projects is centered on a very narrow group of trusted providers.

NUMBER OF SIGNIFICANT LAW FIRMS ENGAGED

ALL DEPARTMENTS

Significant law firms are the number of law firms that account for at least 80% of outside counsel spending

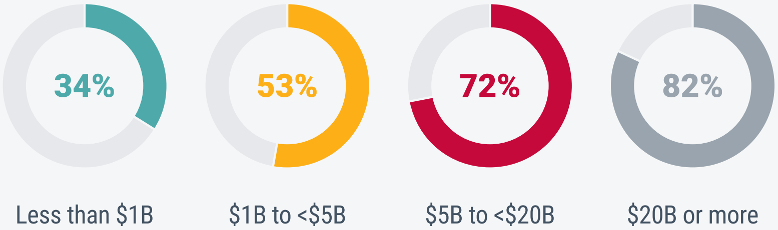


The use of AFAs is directly related to company size, revealing that larger legal departments are much more adamant in moving away from traditional hourly billing, likely as a direct result of their largest amount of outsourced work. While exactly half of all participating departments utilize AFAs with law firms, this figure is heavily weighted by the largest organizations. Only 34% of companies under US$1 billion in revenue use these arrangements, whereas adoption jumps to 72% for those in the US$5 billion to US$20 billion range and reaches 82% for the largest companies. This suggests that the internal resources and leverage required to negotiate and manage complex, non-hourly fee structures are primarily found in the largest legal departments.

PERCENTAGE OF DEPARTMENTS THAT USE ALTERNATIVE FEE ARRANGEMENTS (AFAs)

ALL DEPARTMENTS

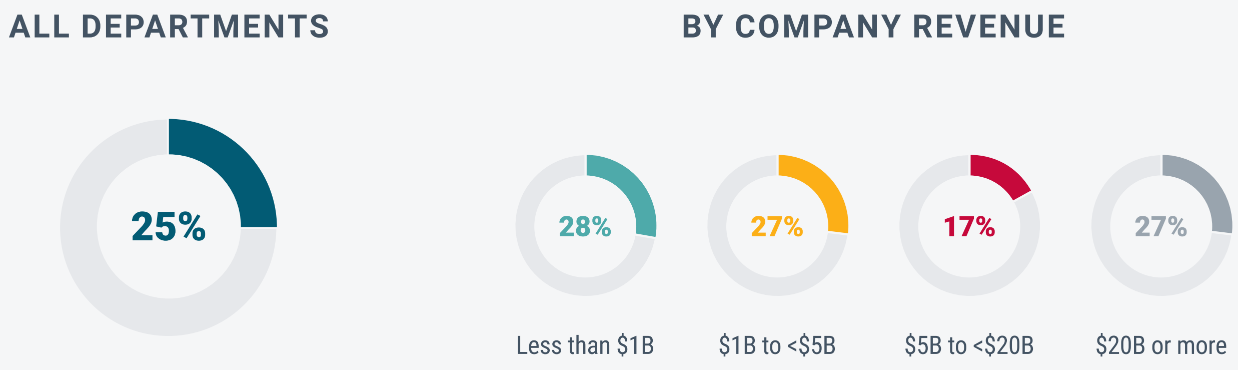
BY COMPANY REVENUE



Although the largest organizations are the most likely to use AFAs, the actual volume of spend flowing through those agreements remains surprisingly consistent across most company sizes. On average, 25% of total outside counsel spend is subject to AFAs, and remarkably, the smallest organizations actually lead this metric at 28%. This suggests that while smaller departments use AFAs less frequently, when they do implement them, they apply them to a larger relative portion of their total outside counsel budget.

The most notable outlier is the US$5 billion to US$20 billion revenue group, where only 17% of outside spend is subject to AFAs. This drop-off indicates that mid-to-large departments may still be using traditional hourly billing for their primary matters, utilizing AFAs only for a narrower subset of work. For the largest corporations with US$20 billion or more in revenue, the figure returns to the 27% mark. Overall, the data shows that despite high adoption rates in larger companies, the billable hour remains the dominant mechanism for around three-quarters of the industry's total outside counsel spend.

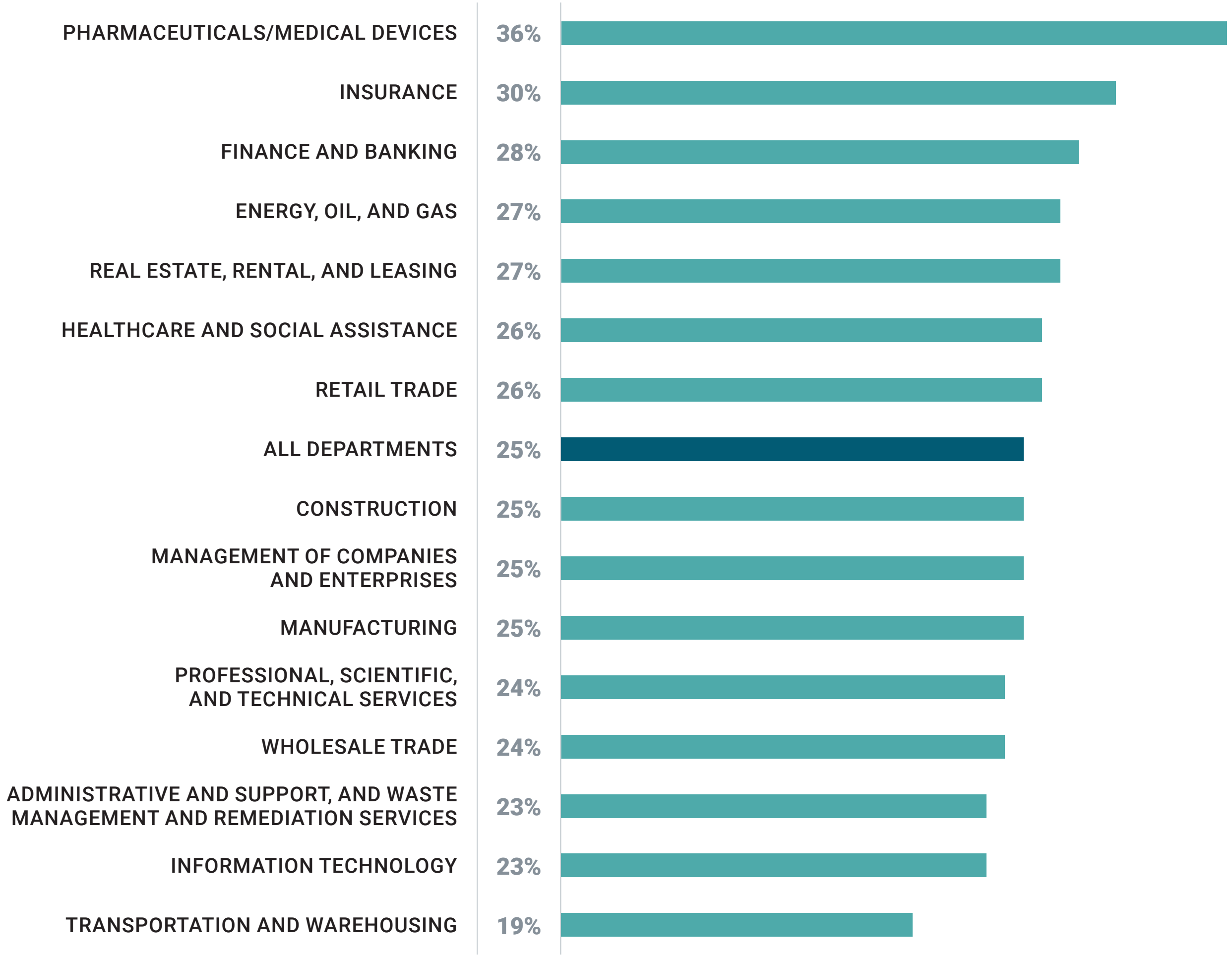
PERCENTAGE OF OUTSIDE COUNSEL SPEND SUBJECT TO AFAs



The percentage of outside counsel spend subject to AFAs by industry reflects varying levels of maturity and risk management strategies across sectors. The pharmaceutical and medical devices industry leads the market by some margin, with 36% of its outside counsel spend on average being subject to AFAs. This high adoption likely reflects the sector's reliance on predictable cost models for long-term, high-stakes litigation and IP matters. Similarly, insurance (30%) and finance and banking (28%) report above-average usage, being industries which are traditionally at the forefront of implementing standardized billing practices due to high volume and regulatory scrutiny.

Most other sectors, including manufacturing, construction, and retail, hover right at the market average of 25%. This suggests that for the bulk of respondents, AFAs have reached a plateau where they cover approximately one-quarter of external legal work. On the lower end of the spectrum, IT (23%) and transportation and warehousing (19%) show the least reliance on non-hourly billing. For these industries, the nature of legal work may remain more reactive or specialized, making it harder to apply fixed or alternative pricing structures compared to the more predictable billing environments of the pharmaceutical or insurance sectors.

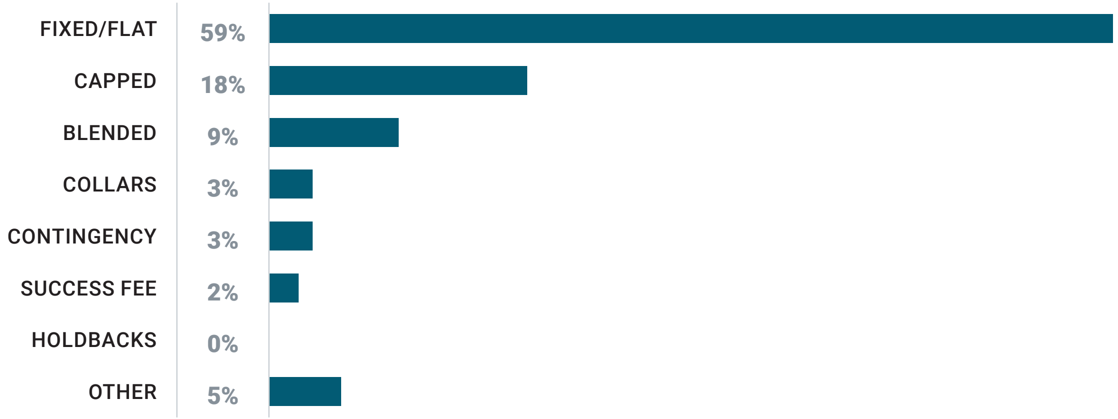
PERCENTAGE OF OUTSIDE SPEND SUBJECT TO AFAs BY INDUSTRY



Note: Median values reported.

The preference for specific types of AFAs is heavily concentrated in models that offer the highest degree of cost certainty. Fixed or flat fees are the dominant choice, utilized by 59% of departments that use AFAs to provide a predictable price point for specific matters or portfolios. Capped fees follow as the second most common structure at 18%, offering a hybrid approach that protects against cost overruns while maintaining hourly billing up to a limit. Performance-based incentives, such as contingency or success fees, remain rare, representing only 5% of the total.

MOST COMMON TYPE OF AFA USED



ALTERNATIVE FEE ARRANGEMENTS — DEFINITIONS

- **BLENDED:** Fees are based on the number of lawyer hours billed and an agreed-to billable rate. Every timekeeper is billed to the client at the same hourly rate.
- **CAPPED:** Capped fees are based on the number of hours each lawyer bills to the matter and the lawyer's billable rate but are capped at a certain amount.
- **COLLARS:** Based on hourly fees subject to a case budget and a collar (a range above and below the budget). If the fees are less than the lower collar, outside counsel receives a bonus. If the fees are higher than the upper collar, the client receives a discount from the regular hourly rate.
- **CONTINGENCY:** Fees based on a percentage of the client's award (or savings) realized at the end of the matter.
- **FIXED/FLAT:** An agreed sum fee paid for specified services.
- **HOLDBACKS:** Used with hourly and fixed fee arrangements, a portion of the client's fees is placed in a separate bank account. On reaching predetermined benchmarks, fees are dispersed to outside counsel, refunded to the client, or divided between them.
- **SUCCESS FEE:** Used with hourly and fixed fee arrangements, outside counsel earns a bonus on achieving a certain benchmark.

METHODOLOGY

SURVEY INSTRUMENT

The survey questionnaire was offered through an online survey platform. Personalized survey links were sent by email to the target population, which allowed participants to save their responses and fill out the questionnaire in more than one sitting, if needed.

FIELDING PERIOD

The survey opened on February 11, 2026, and closed on April 17, 2026. Reminder emails were sent weekly.

TARGET POPULATION

We targeted relevant representatives in all legal departments with at least one ACC member. These individuals were selected based on their job position and their capability of reporting on the requested information, e.g., the highest-ranking legal officer and/or legal operations professionals. If no members in the legal department held either of these positions, we targeted the highest-ranking individual available. Apart from personalized email messages, opportunities to participate were also sent through LinkedIn campaigns, through ACC's online network forums, and other additional email outreach, including to ACC member prospects and other in-house professionals.

PARTICIPATION

A total of 576 legal departments participated.

ANONYMITY

The results are only provided at the aggregate level. No specific data point or response is tied to any individual or organization.

DATA ACCURACY

Not all respondents answered all the questions. The percentages and descriptive statistics provided are based on the number of valid responses received for each individual question or calculated for each individual metric. Many survey questions offered the opportunity to select multiple response options. In those cases, percentages may not total to 100 percent.

STATISTICAL TERMINOLOGY

MEAN: The values of each observation are summed together and divided by the total number of observations (also called the average).

MEDIAN: This is the middle value of all observations ordered from low to high (also called the 50th percentile).

PERCENTILE: This is a value that divides a population according to a distribution of observations. It allows us to know the percentage of observations that fall above or below a particular value. For example, if we find that the 25th percentile of the number of lawyers in a department is three, we then know that 25 percent of departments have up to three lawyers, while the other 75 percent of departments have three or more.

REPORTING MEDIAN AND MEAN VALUES FOR SPENDING AND STAFFING TOTALS

This report primarily utilizes median values to represent the typical spending and staffing levels within legal departments. For metrics like total legal spend (comprising inside and outside spend) and total legal staff (the sum of different staff roles), the median is calculated based on the distribution of the total values reported by each participating department.

However, it is key to note that the median value of the total may not equal the sum of the median values of its individual components. That is, the median inside spend plus the median outside spend will not always equal the median total legal spend. This occurs because the median represents the middle value in a distribution, and the departments at the median for each component (inside and outside spend, in this case) are likely not the same departments that fall at the median for the total spend. The distributions of these individual components are not uniform, meaning the middle department for each will have a different overall profile.

In contrast, the mean (or average) of the components will always add up to the mean of the total. To provide an additional layer of clarity and allow for additive comparisons, we have also included the mean values for total spending and staffing. While means can be influenced by extreme values and tend to be higher than medians in skewed datasets like legal staffing and spending, their additive property offers a different perspective on the overall staffing and financial landscapes.

PARTICIPATING ORGANIZATIONS

3E Company
ABC Bus Companies, Inc.
ABC Supply Co., Inc.
ABeam Consulting
Academy Sports + Outdoors
Accenture Federal Services
Access Healthcare
Acrisure
ADT Security
Advanced Micro Devices, Inc.
Advanced Sterilization Products, Inc.
Advanced Technology International
Advocare, LLC
ADX Labs, Inc.
Affordable American Insurance
AGC Glass Europe
AGT Food and Ingredients Inc.
AIR Control Concepts
Air Transport Services Group, Inc.
AISIN World Corp of America
Alacrity Solutions
Allegheny County Airport Authority
Alliant Energy
Allied Mineral Products, LLC
Alnylam Pharmaceuticals
Amalgamated Sugar Company
AMEOS Gruppe
American Clean Power Association
American Coatings Association, Inc.
American Institute of CPAs
American Society of Anesthesiologists
AMP Bank
Analog Devices, Inc.
Andelyn Biosciences, Inc.
Ansira Partners II, LLC
Applied Industrial Technologies, Inc.
Aramsco
Arbonne International, LLC
Archdiocese of Indianapolis
Archer-Daniels-Midland Company
Ardent Mills
Are Media
ARKO Corp.
Array
Ascension Health
Ashdod Refinery Ltd.
Asprey Group
Associated Wholesale Grocers, Inc.
Astrion Group, LLC
ATCO Australia
Atmus Filtration Technologies Inc.
AtriCure, Inc.
Audax Renewables Kft.
Aurecon
Automatic Data Processing, Inc.
Avalara
Avaloq
Avison Young
Bacardi Ltd
Banca Transilvania
Bank of China Limited (Argentina)
Barentz
Battelle Memorial Institute
BearingPoint
Beko
Berkeley Research Group, LLC
BHP Group Limited
Bioventus LLC
BISSELL Homecare Inc.
BJC Health System
Blue Cross Blue Shield of Michigan
Blue Shield of California
Blundstone Australia Pty Ltd
Booking.com
BP plc
Breakthrough T1D
Brighter Super
Brown & Brown Insurance
Bruker
Buc-ee's, Ltd.
Cahaba Medical Care Foundation
Cambridge Mobile Telematics (CMT)
Campbell Companies / ICM Solutions
Camterra Resources, Inc.
Cancer Council Queensland
Care Initiatives
Cariloop
Carnegie Institution for Science
Cayman National
Cemstone Companies
Cenit Energy Limited
CenterPoint Energy
Cepheid
Challenger Limited
Champion Homes
Cheatham Roberts Consulting, Inc.
Chevron Phillips Chemical Company LP
Church Mutual Insurance Company, S.I.
Church Pension Group
Civil & Environmental Consultants, Inc.
Cleveland Clinic
ClickHouse, Inc.
Coast Capital Savings Federal Credit Union
CoBank
Coficab
Command Alkon
Con Edison
Concentrix
Confie
CONMED Corporation
Connecticut State Colleges and Universities (CSCU)
ConocoPhillips Company
Consumers Energy
Continental Mills, Inc.
Copeland
Copic Insurance
Core & Main, Inc.
Cornerstone Detention Products Inc.
Council of Federal Home Loan Banks
Cox Architecture
Cummins Inc.
Curt G. Joa, Inc.
Curve Dental
Cvent
D&D Italia SpA
Dallas Mavericks
Dana-Farber Cancer Institute
Danone North America
Data Analysis Inc.
Dauch Corporation

Dawson
Dayforce, Inc.
Deaconess Health System
Debswana Diamond Company
Decklar Resources Inc
Deloitte Touche Tohmatsu Limited
Demandbase
DNV
Docusign
Dollar Tree
Donegal Mutual Insurance Company
Dot Foods, Inc.
DOXA Insurance Holdings, LLC
Dr. Goodenowe Enterprises.com
DRBA
DXC Technology
Dycom Industries, Inc.
Eastern and Southern African Trade and Development Bank
Eastman Chemical Company
eClinical Solutions LLC
ECMC Group
Edenred Pay
Edward Jones
EFS Advisors
EGGER Wood Products LLC
Elasticsearch Inc.
Elevance Health
Elevate Energy
Elevate Outdoor Collective, LLC
Eli Lilly and Company
Elkem ASA
Employbridge
Enova International, Inc.
Entergy Corporation
Environmental Systems Research Institute, Inc.
EPAM Systems, Inc.
Epirus, Inc.
Equatorial Coca-Cola Bottling SL
Equisoft Inc.
Equus / APM
Ericsson
EverCommerce
Evolution Well Services
Extended Stay America, Inc.
Extreme Networks
FairSquare Inc.
Falabella S.A.
FB Corporation
Federal Home Loan Bank of New York
Ferguson
Ferrara Candy Company
Ferring Pharmaceuticals
Ferroglobe PLC
FFB Bancorp
First Merchants Bank
First Midwest Group
First Star Logistics LLC
First Tech Federal Credit Union
FiscalNote, Inc.
Florida Crystals Corporation
FMC Corporation
Forestry Corporation of NSW
Fortra
Forvia
Fraport Twin Star Airport Management AD
Fraunhofer USA
Froedtert ThedaCare Health, Inc.
Furnitureland South, Inc.
Gadens
Gainsco, Inc.
Gainwell Technologies LLC
Garda Capital Partners LP
GardaWorld
Garrett Motion Inc.
GEICO
Geneva International Centre for Humanitarian Demining (GICHD)
Genuine McCarthy Enterprises
Geodis Logistics, LLC
Giorgi Global Holdings, Inc.
Givaudan Flavors Corporation
Glean Technologies Inc.
Glidewell Laboratories
Global Payments
GlobalLogic, Inc.
Good Place Holdings, Co.
Graybar Electric Company, Inc.
Green Brick Partners
Grupo Educativo Tecnológico de Monterrey
Grupo OCQ
Gryphon Invest AG
GSK plc
H&R Block
Haleon
Halliburton
HDI Global Insurance Company
Health Care Service Corporation
Health E Systems, LLC
Heineken N.V.
Helmerich & Payne, Inc.
Hewitt Foods
Hilton Worldwide Holdings Inc.
Hirschbach Motor Lines, Inc.
HKA Global, LLC
Hoffmann Family of Companies
Hollands Kroon
Hollingsworth & Vose Company
Honeywell International Inc.
HonorHealth
Hoosier Cancer Research Network Inc.
HotelEngine, Inc.
Howard Energy Partners
Howard Hughes
Hub International Limited
Huhtamaki, Inc.
Hunter Douglas Inc.
Hybrid Apparel
Hypebeast
IGS Energy
Imco Industries Ltd.
IMT Insurance Company
Included Health
InCommunity
Indiana Mills & Manufacturing, Inc. (IMMI)
Indigo Books & Music Inc
Infosys Limited
Ingredion Incorporated
InStep Health, LLC
Integrated Medical Systems, Inc.
Intellirent
Inteva Products, LLC
Intrado
Irdeto
Ironclad, Inc.
isolved, Inc.
Ivoclar
Jack Henry & Associates, Inc.
Jama Software, Inc.
James G. Davis Construction Corporation
JAS Worldwide
JCB do Brasil Ltda.
JET Charge
John L. Scott Real Estate
John Wiley & Sons
Joint Commission
Jones Lang LaSalle (JLL)

Kahoot!
Keenova Therapeutics
Kent Corporation
Kimball Midwest
Kinetic Pressure Control Group
King Salman Park Foundation
KION North America Corporation
Kloeckner Metals Corporation
Koch Inc
Kohler Co.
Komatsu
Konexo
Kuehne + Nagel
Kyowa Kirin, Inc.
L'Oréal Travel Retail Americas
La Prairie Group AG
LAB Quantitative Strategies
Laboratorios Menarini SA
Laidig Systems, Inc.
Landis+Gyr AG
Lanteris Space Systems
Lark Health
Lazer Logistics
Ledcor Group
Legendary Companies
Leggett & Platt, Incorporated
Lendlease
Lennox
Lenovo
Levi Strauss & Co.
LifeScan
Lightmatter, Inc.
Lions Clubs International
Lockheed Martin Corporation
Lowe's Companies, Inc.
LPGA
Ludan Engineering Co. Ltd.
Lumentum
LyondellBasell
LyondellBasell Advanced Polymers Inc.
MaineHealth
Marathon Petroleum
MARIFARM d.o.o.
Marmon Holdings, Inc.
Massachusetts Mutual Life Insurance Company
MasTec
Mastercard
Material+
Matheson Tri-Gas, Inc.
McCormick & Co., Inc.
McKee Foods
Medline Inc.
MedVida Partners
MegaCorp Logistics, LLC
Memorial Hermann Health System
Menasha Packaging Company, LLC
Mercedes-Benz Vans, LLC
Merrick & Company
Metinvest Trametal S.p.A. & Ferriera Valsider S.p.A.
Metz Culinary Management, LLC
Mexico Retail Properties Group
Midwest Trading, Inc.
Miller Electric Company
Miovision Technologies Incorporated
Mirvac Group
MISO
MOL (Americas) LLC
MoneyMe Limited
Montecito Medical Real Estate
Morley Companies
Mortenson
Motul S.A.
Movado Group
MSI Surfaces
NAPA Management Services Corporation
National Bank of Bahrain
National Church Residences
National Material L.P.
National Student Clearinghouse
Nature's Sunshine Products, Inc.
NBH Bank
NBN Co Limited
NEP Group, Inc.
Nestle Purina PetCare Company
New York Medical College
Niagara Bottling, LLC
Nigeria Financial Intelligence Unit (NFIU)
Nihon Kohden North America, Inc.
Nine Entertainment
noon
Nordson Corp.
Nordstrom Inc.
North American Rescue, LLC
Northwest Bank
Noumi Limited
Nouria
NTT DOCOMO, INC.
OddBytes, Inc.
Offerpad Solutions Inc.
Okta, Inc.
Old Republic Home Protection Co Inc.
Omaha National Underwriters
Once Upon a Farm
ONE Gas Inc.
ONEOK Inc
Open Space Labs
Optimas OE Solutions, Ltd
Orbis Investments
OU Health
Oxford Industries
Pacific Coast Producers
Pacific Specialty Insurance Company
Paessler GmbH
Panasonic
Panasonic Europe
Papa, Inc,
Paradise Rental Group
PayPal, Inc.
Penguin Solutions
Penn National Insurance
Perforce Software, Inc.
Petco México
PetSmart LLC
PetVet365
Phillips 66
Pi Securities PLC.
Ping Identity
Plenti Group Limited
Point Break Capital
Polaris Corporate Risk Management LLC
Populus Group
Primerica, Inc.
Prologis
Protolabs
PTC Therapeutics, Inc.
Public Citizen
Q-Free America Inc.
Qive
Quaker Windows & Doors
Qualtrics
Quantinuum
Quickstone, Inc
Qure.ai Technologies Private Limited
Rakuten Viber
Read King
Recordati AG
Refresco
Rheem

Rival Holdings, LLC
Rocket Lawyer
Rocket Software
Rovensa Group
RxBenefits
Sagard Holdings
Salt Security, Inc.
Santhera Pharmaceuticals
SAP France S.A.
Sara Lee Frozen Bakery
Save the Children
Scandinavian Tobacco Group
Scheels
Schindler Lifts Australia Pty Limited
Schindler Management AG
Schréder S.A.
Sealy International
Securian Financial
Seddiqi Holding
Sedgwick
Sellers, Dorsey & Associates, LLC
SEMA Construction, Inc.
Seminole Electric
Sempra
Serta Simmons Bedding, LLC
Servus Credit Union
Shamrock Foods
Shearer's Foods, LLC
SHEIN Distribution Corporation
Shell International
Shirley Ryan AbilityLab
Short Elliott Hendrickson, Inc
Signode Industrial Group LLC
Silicon Laboratories Inc.
Silicon Ranch Corporation
Simonds Group Limited
Sinopec Century Bright Capital Investment Limited
SLM Corporation
Society of Critical Care Medicine
SoFi Technologies, Inc.
Soliant
Solyco Capital
Sophos Group plc
Southern New Hampshire University
Southwood Realty Company
SpectroCloud, Inc.
Spokeo, Inc.
SRC, Inc.
St. Jude Children's Research Hospital
St. Luke's Health System
St. Marys Cement / VCNA
Stanley Black and Decker
State Street
Stewart Title
Summit Design and Engineering Services
SunCoke Energy
Sunrun
Suntory Global Spirits Inc.
Superior Group of Companies, Inc.
Sutro Biopharma, Inc.
Sweetwater Sound
Syngenta
Taib Group
Takeda Pharmaceuticals
Talbert House
Target Corporation
TD Bank Group
Teck Resources Limited
Temple Health
Terumo Neuro
Tetra Pak International SA
The AES Corporation
The Campbell's Company
The Francis Crick Institute
The Hanover Insurance Group
The Hartford Insurance Group
The Lottery Corporation
The Mahoney Group
The MITRE Corporation
The New York Blower Company
The New York Times Company
The Select Group, LLC
The Sherwin-Williams Company
The Wells Companies, Inc.
The Williams Companies, Inc.
The Wine Group
ThirdLove
TKTMJ, Inc. / Bayou Phoenix, LLC
Towa Pharma International Holdings SL
Tracked Biotechnologies LLC
Trane Technologies International
Transcend Inc.
TransCore, LP
Trimac Transportation
True Manufacturing Co. Inc.
Truesec
TruGreen LP
TruStage
Truth Initiative
TTEC Holdings, Inc.
Tucson Electric Power
U.S. Multimodal Group
U.S. Steel
Uline
Ulta Beauty
Ulteig Engineers
Unirac, Inc.
Vail Resorts
Vantage SantoLubes Research LLC
Vena Group
Ventura Foods, LLC
Vestas
Vestis Corporation
VFS Financial Services Spain EFC SAU
Vistra Corp.
Vivacity Infrastructure Group, LLC
Vocate Education Solutions, INC.
Vodafone Group Plc
Voya Financial
VSE Corporation
W. R. Grace & Co.
W. W. Grainger, Inc.
Wahoo Fitness
Wargaming
WebPT, Inc.
Weisiger Group
WekaIO, Inc.
West Tennessee Healthcare
Western Alliance Bancorporation
Western Governors University
Western Union
Westfield Insurance
Westland Real Estate Group
WesTrac Pty Ltd
Whataburger
Wolters Kluwer
Woodward, Inc.
Wounded Warrior Project
Xero Ltd
XiFin, Inc.
Zebra Technologies
Zendesk, Inc.
Zespri Group Limited
ZO Skin Health, Inc.
Zoetis
Zurich North America
Anonymous (7)

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Benchmarking reports can be customized to your organization's peer group based on:

COMPANY REVENUE
(total gross annual in $US)

TOTAL COMPANY EMPLOYEES

GEOGRAPHIC LOCATION
(country or global region)

INDUSTRY SECTOR
(using North American Industry Classification System (NAICS) codes)

DATA WEIGHTING

COMPANY TYPE
(public, private, wholly-owned subsidiary, non-profit)

TAKE A LOOK INSIDE!

Legal Department Spending Metrics — Medical Technology & Life Sciences

	n	25th Percentile	Mean	Median	75th Percentile
Total inside spend *Includes lawyer and non-lawyer compensation and other inside spend not categorized*	29	$500,000	$17,352,024	$1,290,000	$21,000,000
Total outside spend *Includes spend on outside counsel and ALSPs and other remaining outside spend not categorized*	29	$413,000	$18,018,658	$2,795,400	$10,000,000
Total legal spend *Total inside spend + total outside spend*	29	$900,000	$35,370,682	$6,318,313	$25,949,509
Lawyer compensation *Combined compensation among all department lawyers—includes salary, cash bonus, taxes, and benefits*	23	$274,000	$8,786,876	$550,000	$4,950,000
Non-lawyer compensation *Combined compensation among all non-lawyer legal staff—includes salary, cash bonus, taxes, and benefits*	21	$75,000	$6,492,421	$296,000	$7,515,341

Peer Company Profile

Company revenue	US $500 million to US $3 billion
Industry	Organizations in "Medical Technology and Life Sciences": • NAICS Code 334 - Computer and Electronic Product Manufacturing • NAICS Code 335 - Electrical Equipment, Appliance, and Component Manufacturing • NAICS Code 541 - Professional, Scientific, and Technical Services
Company type	Private companies and subsidiaries
Number of lawyers	12 to 18
Number of staff	Not selected
Total legal spend	$6M to $10M
Region	Organizations headquartered in Asia, North America, or Latin America
Data weighting	Data weighted by percentage of revenue in each industry sector: • NAICS Code 334: 20% • NAICS Code 335: 30% • NAICS Code 541: 50%

HAVE QUESTIONS? WE'RE HERE TO HELP.

ABOUT ACC

The Association of Corporate Counsel (ACC) is a global legal association that promotes the common professional and business interests of in-house counsel who work for corporations, associations and other organizations through information, education, networking opportunities, and advocacy initiatives. With more than 48,000 members employed by over 12,000 organization in 117 countries, ACC connects its members to the people and resources necessary for both personal and professional growth.

To learn more about ACC's Research & Insights please visit acc.com/surveys.
To learn more about ACC's benchmarking offerings visit acc.com/benchmarking.

ABOUT MAJOR, LINDSEY & AFRICA

Major, Lindsey & Africa (MLA) is the world's leading legal search and talent solutions firm. Founded in 1982, the firm works with law firms and organizations globally to address their most critical legal talent needs at the senior level, including law firm partners, general counsel, compliance and privacy leaders, and C-suite executives. MLA delivers both permanent and interim talent solutions, helping organizations build, augment, and optimize legal leadership teams as business needs evolve. With 27 offices and more than 200 search consultants worldwide, the firm combines deep market insight with a highly specialized, advisory approach to support organizations and professionals at pivotal moments of growth and change.

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ACC Association of Corporate Counsel

MAJOR, LINDSEY & AFRICA