

An Attrition Wave is Coming: Is Your Legal Department Prepared for 2025?

This report provides legal leaders the latest insights into in-house legal teams and their 2025 priorities, including job satisfaction, career goals, AI adoption, and resourcing challenges.

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EXECUTIVE SUMMARY

Heads up, GCs: Your Legal All-Stars Are Eyeing the Exit

More than half of in-house legal professionals are looking for a new job. Even those not actively looking now will likely begin a job search in 2025.

Your legal team all-stars are flight risks. But you can mitigate that—if you prepare now.

In July 2024, Axiom commissioned Wakefield Research to look into the current mindset and outlook of 300 in-house lawyers. The result is the latest edition of our annual “View from the Inside” research series.

Before we peek at this year’s results, here’s an important data point from last year: Even after the Great Resignation had slowed, more than half of in-house lawyers reported they were still unhappy and looking to leave their positions. Fast-forward to this year’s results: The problem has worsened, with 54% of in-house lawyers reporting plans to jump ship.

Insights into the rising attrition risk and more are covered in Axiom’s 2024 In-House Survey Report, which focuses on the top challenges reported by in-house legal teams, including shifting career priorities; the tidal wave of AI use among legal teams and its stated risks and rewards; and an ongoing struggle with legal talent resourcing.

Growing Attrition and Changing Career Priorities

The majority of in-house lawyers are looking to change roles, with many considering flexible legal talent providers or even leaving the in-house field altogether. This year’s results reveal a shift from prioritizing work-life balance to career advancement, signaling an upcoming wave of talent turnover. More than two-thirds (70%) of lawyers said they feel they must switch employers to advance their careers, up from 57% who said it in 2023.

Job Satisfaction and Engagement: Declining

The research found that while severe burnout decreased, job satisfaction and engagement have plummeted. More than half (54%) of in-house counsel report low job satisfaction, and nearly all feel their work lacks engagement. If action isn’t taken, legal leaders risk destabilizing their already overburdened teams.

Red Alert on AI Adoption and Associated Risks

AI is becoming integral to improving the efficiency of legal departments and their work, especially for teams struggling with bandwidth constraints. But the ungoverned use of AI tools and tech—many unapproved by companies—invokes serious, if not existential, risks. Cybersecurity, confidentiality, and accuracy concerns are recognized, with all (100%) in-house counsel surveyed acknowledging these risks. Despite this, nearly half (47%) of teams lack formal AI policies, making

EXECUTIVE SUMMARY

it crucial for legal leaders to ensure they implement safeguards and training as quickly as possible, especially as only 16% said they’ve received sufficient training for using AI tools in their legal work.

Resourcing Challenges Persist

Resourcing gaps are a top concern, with 81% of in-house counsel reporting insufficient staffing and difficulty hiring lawyers best suited to their needs. This drives team frustration and burnout, especially when teams report spending excessive time managing outside counsel. Making matters worse: misalignment throughout the legal department. While strategic alignment between in-house legal and the broader organization is improving, tensions between in-house lawyers, legal leaders, and legal ops professionals stifle productivity, effectiveness, and well-being.

Right-Sizing Resourcing

To close resourcing gaps, more legal teams are turning to flexible legal talent providers (yes, such as Axiom), with 91% of in-house lawyers viewing that as an effective solution, a jump from 74% last year. These providers offer agile, cost-effective alternatives that bridge the gap between internal teams and law firms. Legal leaders who use flexible legal talent can better support the in-house team and complement their outside counsel to improve operational and budgetary agility.

Keep Your Top Talent ... Happy

To state the obvious, failure to address the talent and technology issues focused on in this year’s In-House Survey Report could lead to significant operational risks for

the in-house legal team and the business it serves—the most important of which for any organization or team is the loss of top talent. Unfortunately, the research shows the attrition risk is blinking red.

From Axiom’s perspective, the issues raised in this year’s report—talent retention, safe AI adoption, and scalable resourcing—are interrelated and mutually reinforcing. Each one influences the other to a greater or lesser degree, intensifying or alleviating pressure on these problems. And because these issues are interrelated, alleviating them efficiently requires a single solution: flexible legal talent that scales team capacity without scaling the budget.

How Axiom Can Help

Axiom can help you improve team well-being and reduce the factors that inspire attrition with a one-stop shop approach that puts high-quality legal talent at your fingertips. This includes [AI legal talent](#) that’s helping in-house legal teams design and implement AI data governance, privacy, and compliance programs; conduct AI regulatory assessments and AI bias reviews; evaluate AI's impact on IP protection; and drive AI technology selection decisions, implementation, and usage.

For more information about Axiom’s suite of legal solutions and services, including [secondments](#), [recruitment solutions](#), [specialized advice](#), [large projects](#), [law firm services](#) (including fractional GCs and litigation), and our [digital on-demand talent marketplace](#), please visit [AxiomLaw.com](#).

We hope you enjoy and benefit from these research insights. Please contact us if you have any questions or need more information.

RESEARCH METHODOLOGY

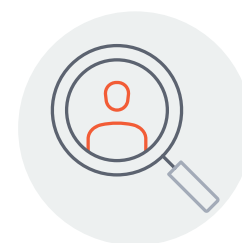
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An online survey to 300 U.S. in-house counsel working at organizations with a minimum annual revenue of \$50M. Revenue quotas set for 100 respondents at companies with \$50M to \$250M in annual revenue and for 200 respondents at companies with more than \$250M in annual revenue.



PARTICIPANTS

CLOs/GCs, Heads of Legal, DGCs, AGCs, Associate Counsel, Senior Counsel, Senior Lawyers, Counsel, Attorneys



SAMPLE SIZE

300 U.S. counsel from in-house legal departments



FIELDWORK

Between July 8th and July 21st, 2024



RESPONDENTS

100 respondents were from companies with \$50M to \$250M in annual revenue and 200 respondents were from companies with more than \$250M in annual revenue.

KEY FINDINGS

AT A GLANCE

Key Findings Highlight *Legal Team Flight Risks*

One Foot Out the Door

58%

are **actively searching** or are open to a new position.



Among those **not actively searching** for a new position,

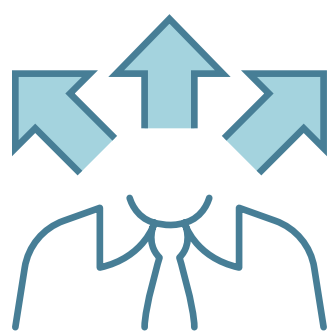
58%

are still likely to look for a new position in the next year → up from 44% in 2023.



70%

of lawyers say to advance their career, **they will have to change employers** → up from 57% in 2023.



#1

priority in the ideal role: **clear career path.**

In-House Pain Points

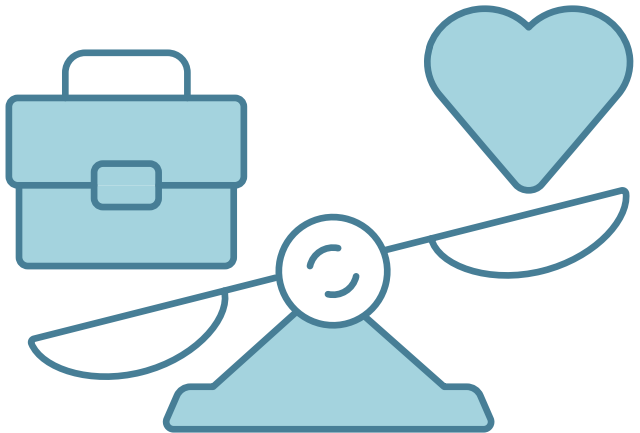


54%

report **low job satisfaction levels** → 12% lower than in 2022.

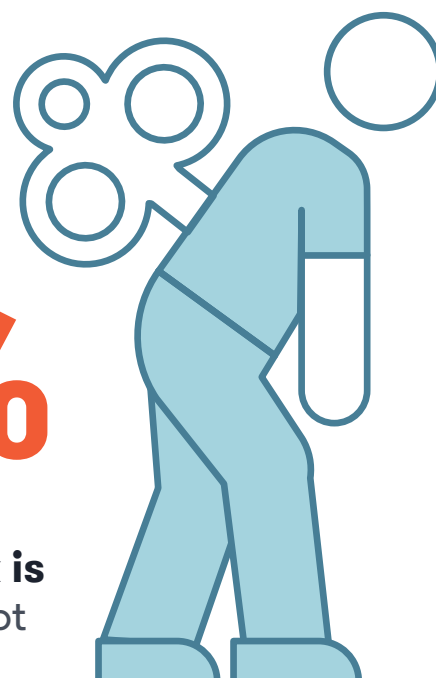
97%

report **stress and burnout** and 39% report it was severe.



96%

report aspects of their current **work is unengaging** or not challenging.



Team Resourcing Struggles

81%

report their departments **lack the necessary staffing resources** in-house to do their jobs effectively.



Addressing the Resourcing Problems

INTERNAL HIRING PROVES DIFFICULT

98%

said it can be **difficult for their departments to hire the right attorneys** to address their needs.

LAW FIRM HIRING IS INSUFFICIENT

83%

said **law firms are not completely effective** for their needs due to the expense, administrative hassle, and lengthy onboarding process.

FLEXIBLE LEGAL TALENT IS GROWING IN POPULARITY

91%

said **flexible legal talent** can be an effective solution → up from 74% in 2023.

RESEARCH FINDINGS PART I:

JOB SATISFACTION AMID CAREER PRIORITIES

01

Most In-House Lawyers Have One Foot Out the Door

Breaking It Down

More than half of in-house legal professionals are on the hunt for new job opportunities, which is concerning news for any legal leader already grappling with an overstretched and under-resourced team. The situation becomes even more alarming when you learn that, among those not actively searching for a new position, the majority still anticipate changing roles within the next year, with many looking to join flexible legal talent providers to achieve a better work-life balance.

The Takeaway

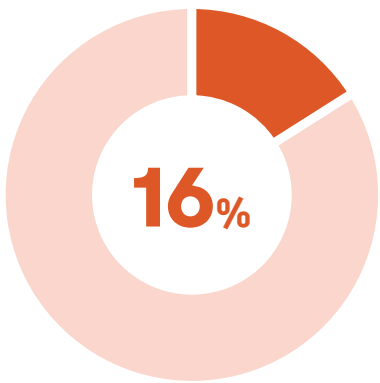
➔ 58% of in-house lawyers are **actively searching** or are open to a new position. Even among those **not actively searching** for a new position right now, 58% remain likely to look for a new position in the next year (up from 44% last year).

71%

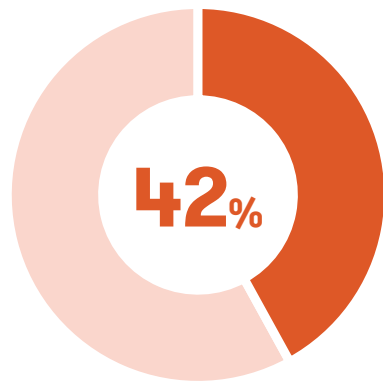
want to move outside of in-house roles altogether.

42%

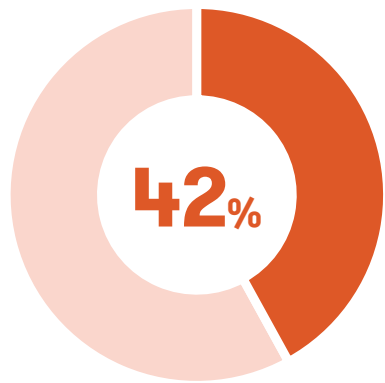
are interested in flexible legal talent providers, virtual law firms, or ALSPs.



of in-house counsel are **actively searching** for a new position.



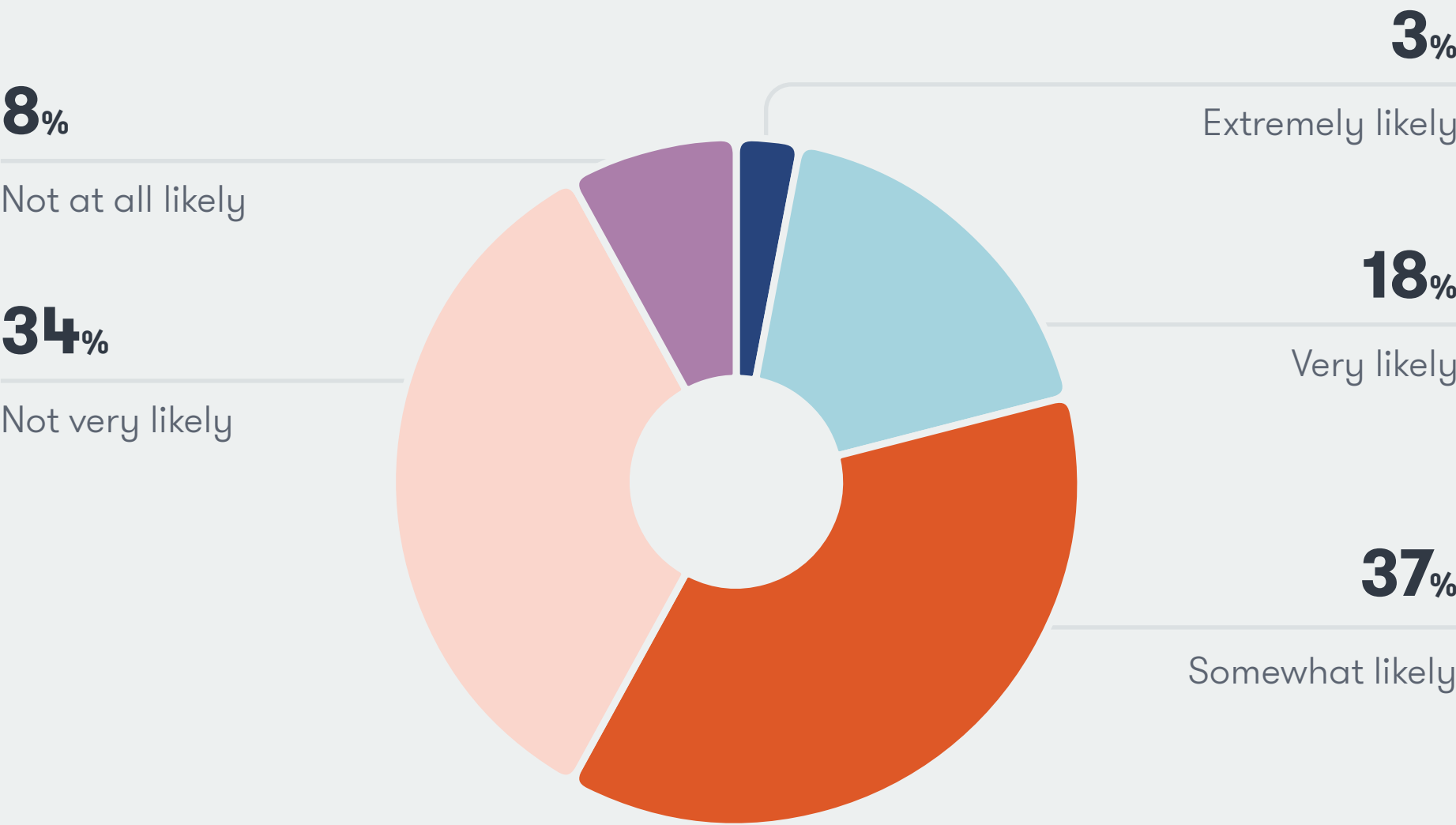
of in-house counsel **are open** to a new position but not actively searching.



of in-house counsel are **not interested** in a new position right now.

Likelihood of looking for a new position within the next year:

(Among those who are not already actively searching for a new position)



02

What In-House Counsel Said Is an Ideal Role

Breaking It Down

Over the past two years, work-life balance has been the top priority for in-house lawyers when considering a new job. Now, however, they’re increasingly focused on finding a new career path. This shift should concern GCs, as it signals potential high turnover. With 70% of lawyers reporting they need to switch employers to advance their careers, GCs should brace for more movement within their teams or make adjustments that attract and retain their key people.

The Takeaway

➔ 70% of lawyers said to advance their career, **they will have to change employers** → up from 57% in 2023.

Top five priorities when considering a new role:



03

The In-House Pain Points That Are Fueling Attrition

Breaking It Down

For legal leaders troubled by an impending attrition wave, it's crucial to understand the pain points their teams report they're experiencing. The good news: The number of those reporting severe burnout has dropped to 39% from 61% [in 2023](#). The bad news: Job satisfaction and engagement levels have continued to slide, reflecting ongoing retention risk.

The Takeaway

➔ **Satisfaction rates keep dropping, job stress is at crisis level, and roles are unengaging.**

54%

reported low job satisfaction levels → a 12-point increase since 2022.

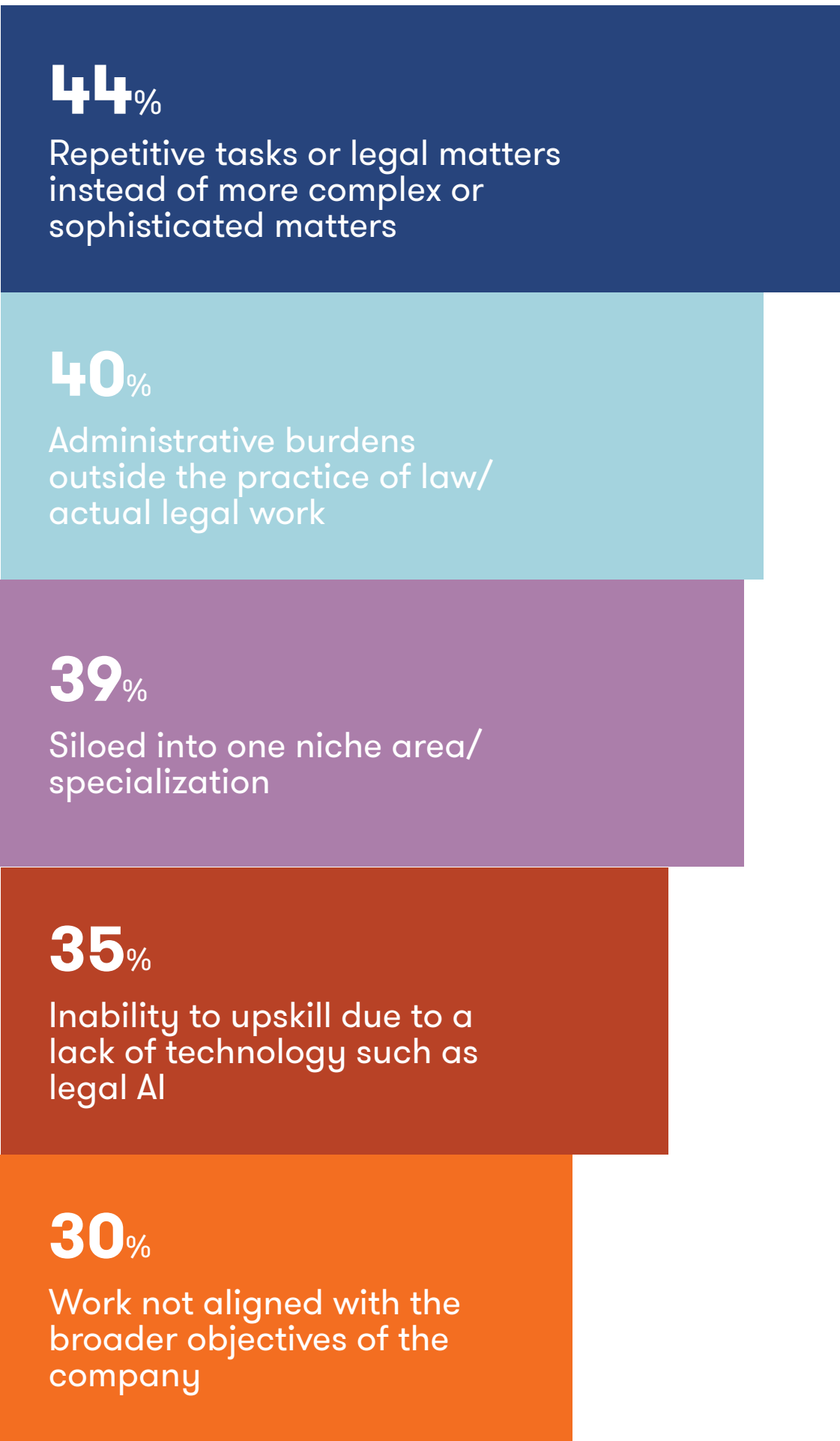
97%

reported stress and burnout, and 39% reported this is severe.

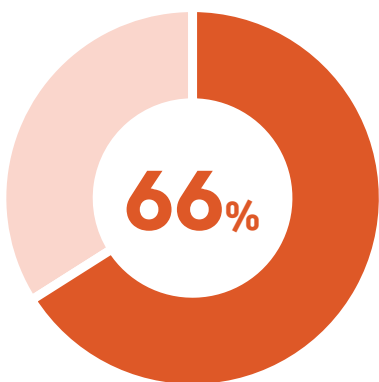
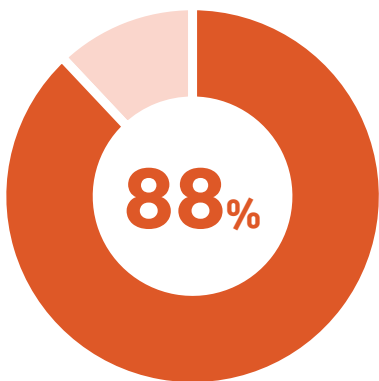
96%

report aspects of their current work aren't engaging or challenging.

Top reasons in-house counsel say their work is unengaging:



Of those actively searching or open to a new position:



RESEARCH FINDINGS PART II:

AI ADOPTION AND RISK

Despite AI Risks, Legal Teams Lack Policies

Breaking It Down

In 2023, barely more than half (54%) of in-house counsel reported being very or extremely familiar with AI. Today, according to the research, AI has become a routine part of life for most Americans, with 99% using it for work and 89% believing its benefits will outweigh the risks. However, every respondent acknowledged associated risks, with concerns around cybersecurity, data privacy, confidentiality, and intellectual property topping the list.

The Takeaway

➔ 100% of in-house lawyers said **there are risks to using AI in their legal work**. Yet, 89% believe AI’s benefits will outweigh the risks.

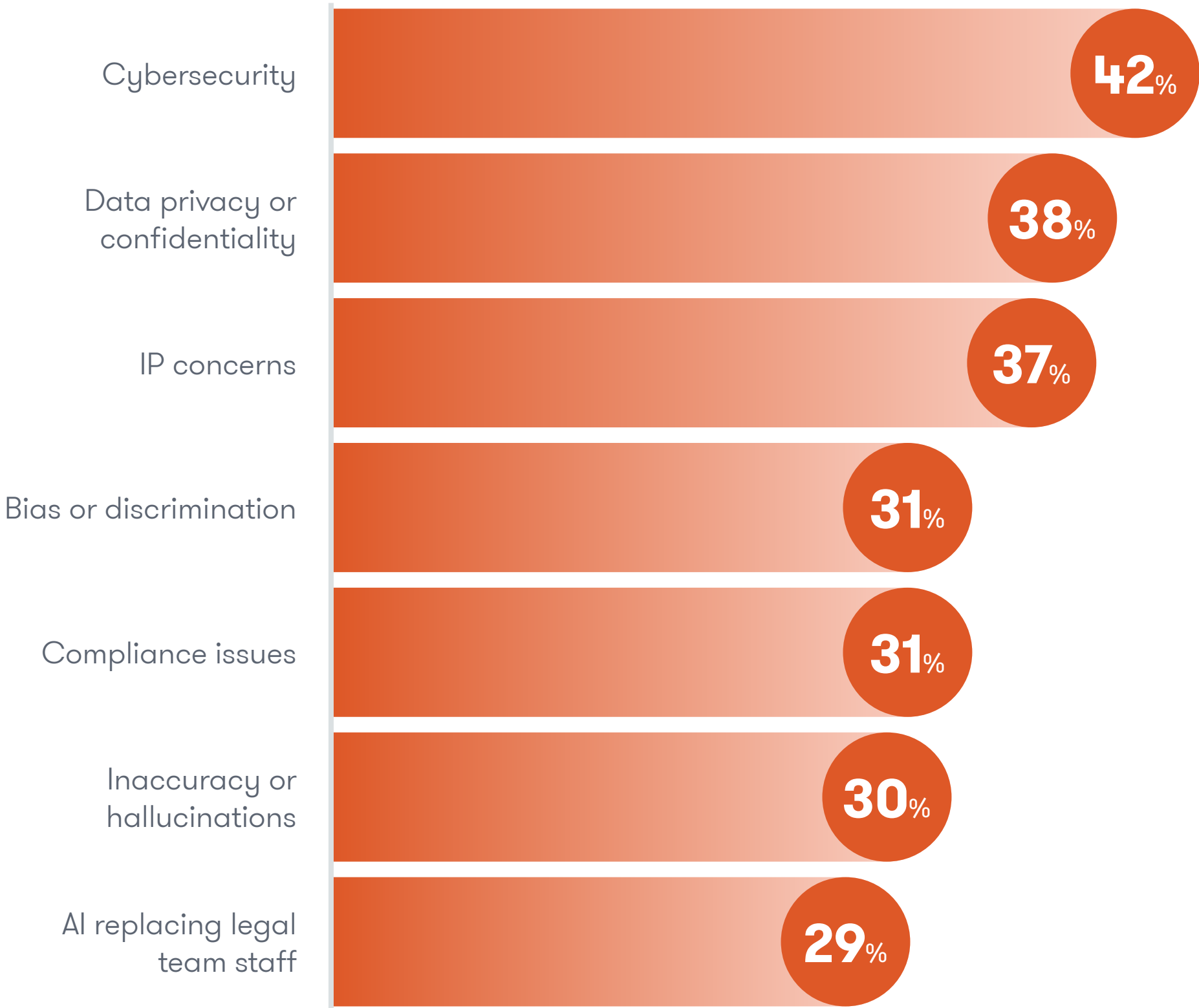
50%

of those who use AI often or all the time at work said cybersecurity is the biggest risk of using AI in their legal work.

47%

said that despite the risks, their organizations have no AI policies in place.

Top risks of using AI in legal work:



Top three legal technology in use or planned in the next 12 months:



Legal Departments Using Unapproved and Free AI Tools for Legal Work

Breaking It Down

Nearly every in-house lawyer reported that their teams use AI for work purposes, relying on a combination of paid (72%) and free (61%) tools. Legal leaders should be concerned about and take action around AI tools that are either unapproved or not provided by their companies.

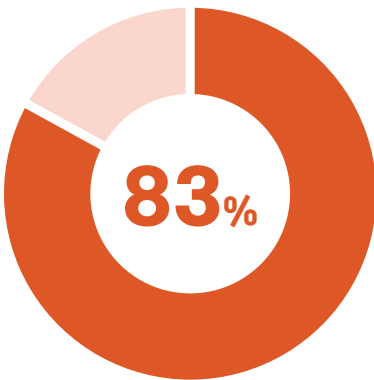
The Takeaway

➔ While almost all legal departments use AI for legal work, **a lack of organizational oversight poses significant business risks.** Confidential company data can be added to AI’s public knowledge or inadvertently exposed, and legal documents—such as contracts—might be drafted without human fact-checking, potentially leading to errors, breaches of confidentiality, and future contract disputes.

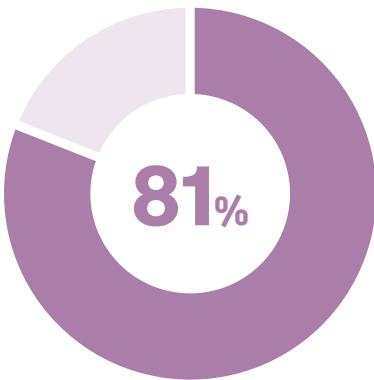
43% of those who use AI often or all the time at work believe data privacy and confidentiality are at risk by using it in their legal work.

99% of in-house leaders reported their legal teams use AI for work purposes.

48% of those using AI for legal work, almost half said they use it often or all the time.

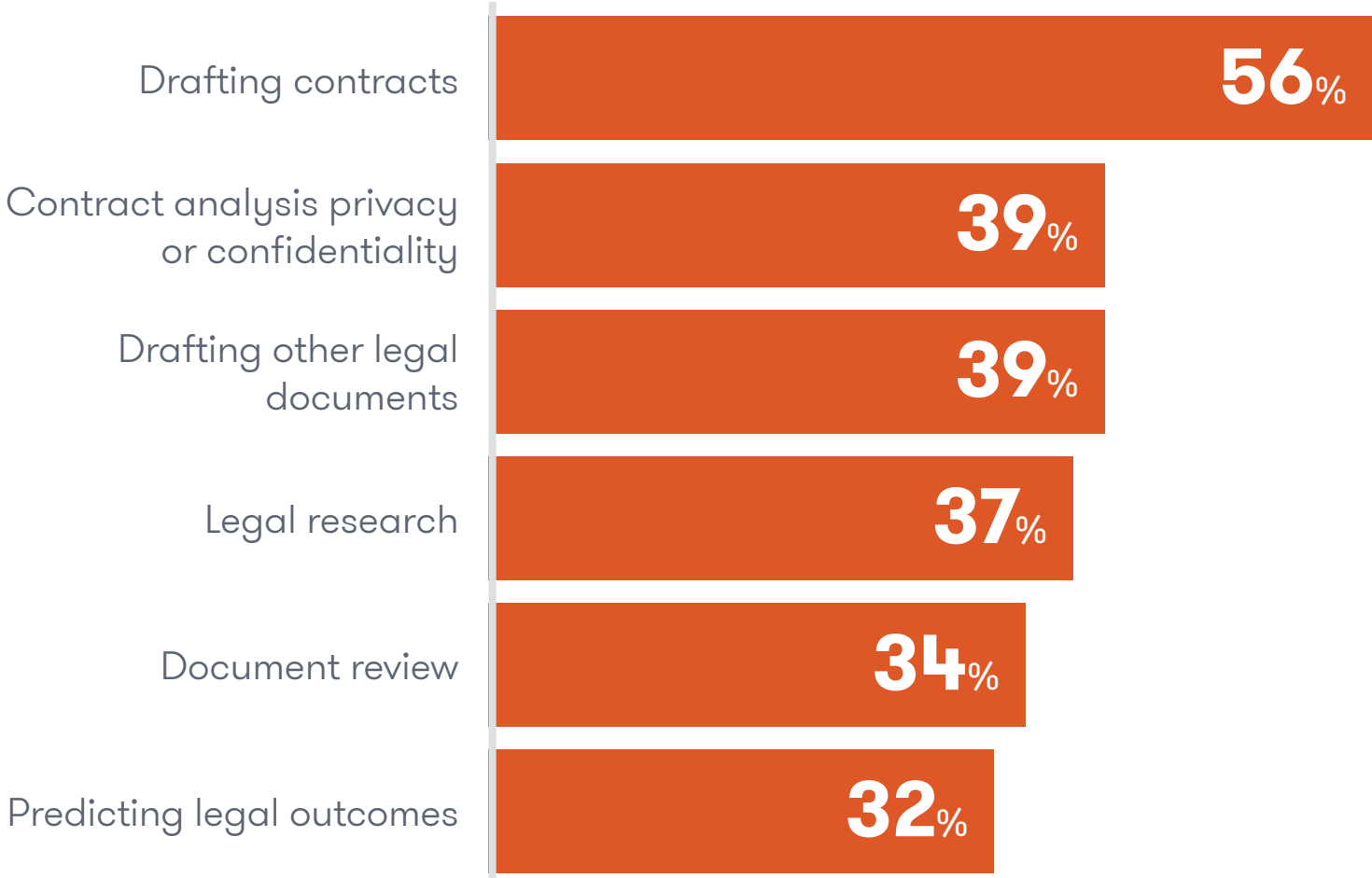


said not all AI tools used are provided by their company.



said not all AI tools have been approved by their company.

Top areas of legal work benefitted from AI:



06

AI Adoption and Training Challenges Abound

Breaking It Down

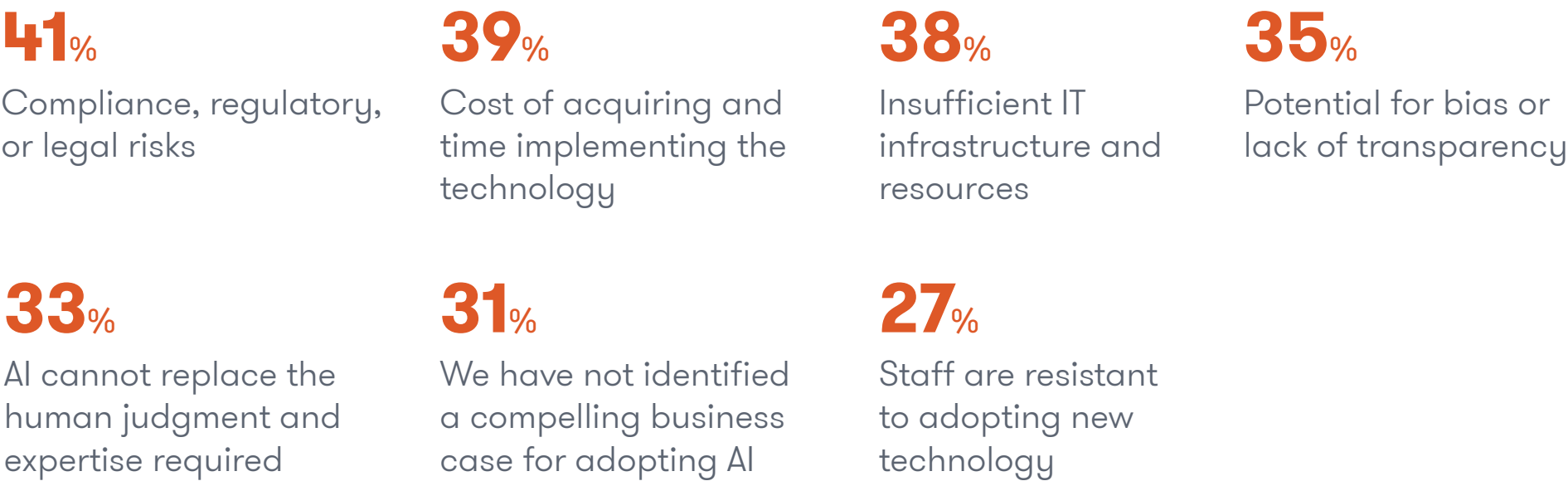
Despite in-house teams embracing AI and the advantages AI offers for legal work, most reported obstacles obtaining the necessary AI technology and training. This might well contribute to the widespread ungoverned use of AI (i.e., usage occurring without formal company policies or approval).

The Takeaway

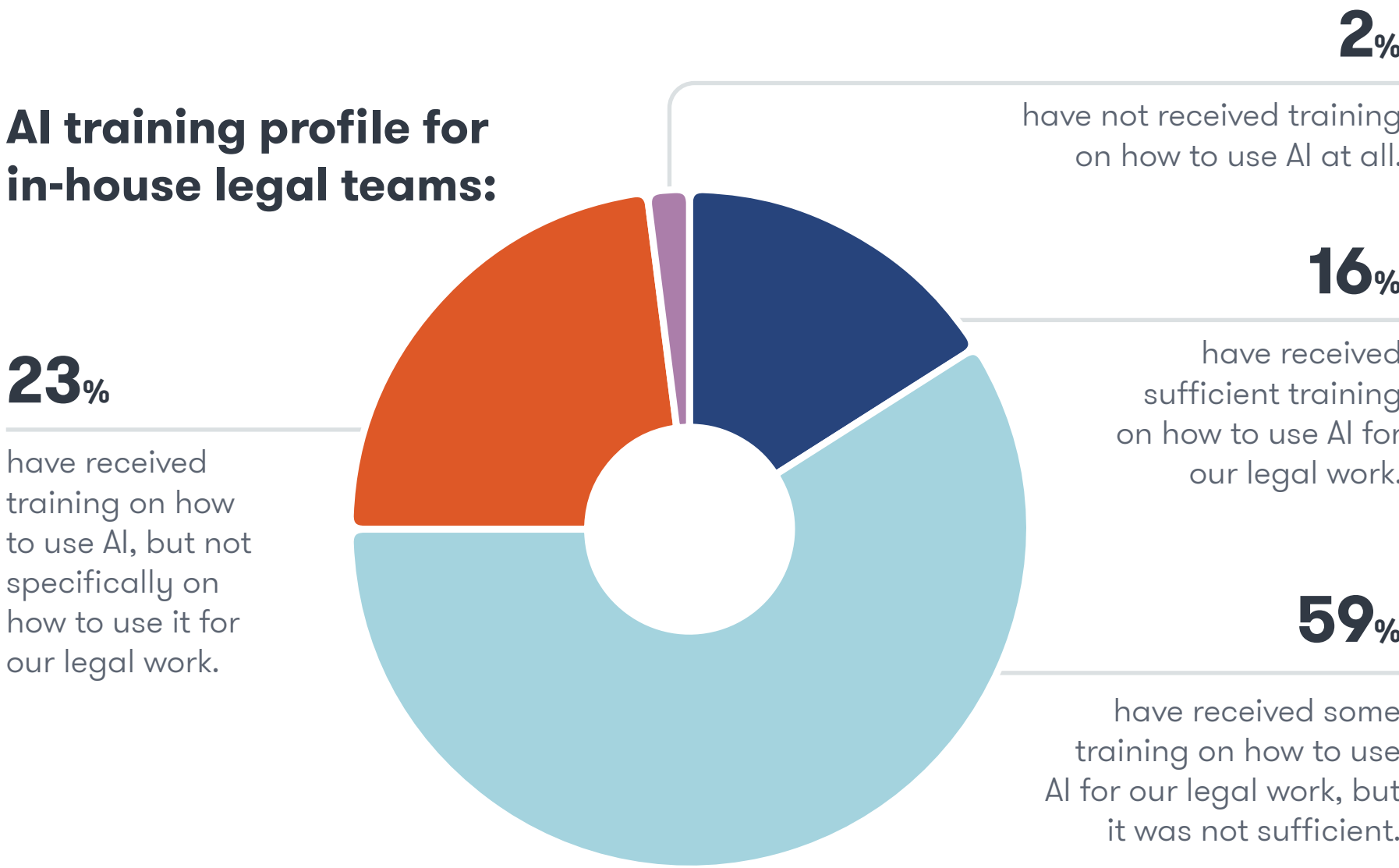
➔ 99% of respondents reported **barriers to their organization adopting (or adopting more) AI tools** and technologies for their legal work. Only 16% of respondents reported receiving adequate training for using AI in legal work.



Top reasons why legal teams can't adopt AI for legal work:



AI training profile for in-house legal teams:



Team Alignment: Needs Improvement

Breaking It Down

Alignment among legal team members, leaders, and the broader organization is essential for a legal team's success. While there seems to be a modest trend in improved alignment between in-house lawyers and the strategic business objectives of the organization, tensions remain high between legal leaders and legal operations professionals, especially regarding technology adoption (or lack thereof). This can negatively impact decision-making and collaboration, increasing risk around AI adoption and fueling burnout.

The Takeaway

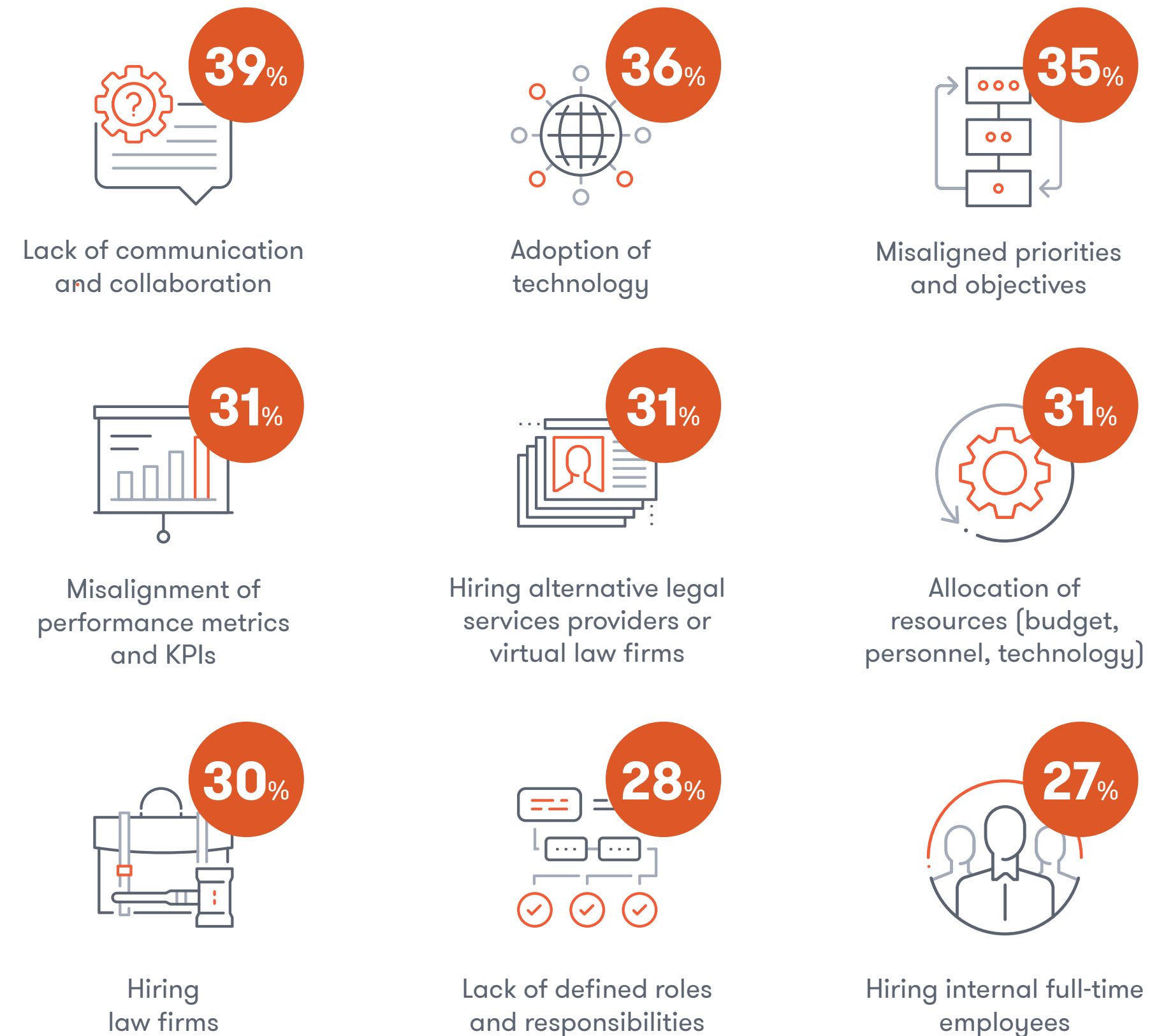


For the broader organization: Only 12% of in-house lawyers said they are completely aligned with the broader organization's strategic goals. The good news: This is up from 3% in 2023.

For in-house leadership: 99% of lawyers reported tension with their in-house legal leaders in 2024.

For legal ops: 100% of legal ops professionals recently reported that they felt tension between their role and the in-house lawyers. The research found that 92% of in-house lawyers agree.

Top sources of tension with in-house leadership:



Larger legal departments reported tension more often, with more than half (52%) of those in legal departments of 20 employees or more reporting this happens often or always compared to slightly more than a third (38%) of those in smaller departments.

RESEARCH FINDINGS PART III:

RESOURCING STRUGGLES AND SOLUTIONS

Team Resourcing Gaps Add to Dissatisfaction and Stress

Breaking It Down

A striking 81% of in-house counsel reported their departments lack the necessary staffing resources to meet their job responsibilities, and nearly all (97%) reported common obstacles that hinder their teams’ ability to work efficiently. The top frustration? No surprise: spending way too much time managing law firms and other external resources.

The Takeaway

➔ 81% of in-house counsel said their **departments lack the necessary staffing resources** in-house to do their jobs effectively. 97% said common factors are preventing their teams from getting work done.

36%

of those who said they have appropriate resourcing are likely to search for a new job within the next year compared to 68% of those who are under-resourced.

84%

of those who reported being somewhat or significantly under-resourced say they’re burned out.

Top resourcing challenges:

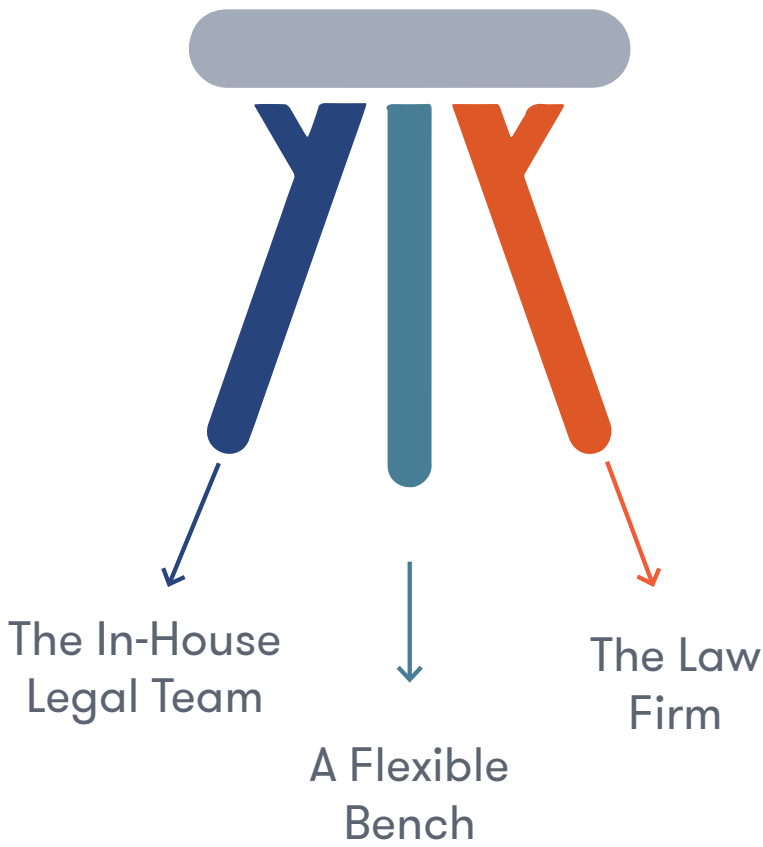


Three Solutions for Addressing Resourcing Problems

What are today’s modern resourcing solutions for overburdened legal teams? The traditional legal resourcing model has two parts: the in-house team (“staffing up”) and the external law firm (“staffing out”).

However, this binary paradigm often fails to address the realities in-house legal teams face today and in the future. Modern GCs know they need to move away from old ways of assessing and addressing their resources and instead use a new, modern path for success which is often a combination of FTEs and traditional firms combined with flexible legal providers or virtual law firms.

The ideal legal paradigm is a three-legged stool, consisting of a core team, bench, and firm.



What’s the optimal resource mix legal leaders should consider using? In-house lawyers weighed in on their challenges and opportunities for today’s legal teams.

Let’s break down today’s more commonly used resourcing model.

THE ESSENTIAL IN-HOUSE TEAM

This is the core team of full-time legal professionals who use their enterprise knowledge, provide managerial scale, and handle the team’s core competency work. They’re the backbone of the business’ legal operations.

THE TRADITIONAL LAW FIRM TEAM

These are firms engaged for specific use cases such as high-stakes or large-scale litigation, enterprise benchmarking, and exceptional matters. They’re the heavy artillery, called upon when the situation demands their particular expertise and extensive resources, and expense.

THE FLEXIBLE LEGAL TALENT TEAM

Flexible, on-demand talent who can be deployed as needs arise. Comprising talent with Big Law-level experience and in-house acumen, these legal professionals can ramp up to handle new, anticipated, or unexpected legal challenges. They can help with gap fills, work surges, large projects, low-stakes litigation, and more in full-time, part-time, or hourly capacities.

Internal Hiring: *Difficult*

Breaking It Down

While in-house legal teams play a vital role in the success of an organization’s legal matters, most in-house counsel believe that hiring more full-time lawyers isn’t a completely effective solution to their resourcing challenges. They cite a talent shortage that makes recruiting difficult, a need for expertise across multiple specialties, and that their teams might only need part-time support. Nearly all respondents agree that finding the right attorneys is a challenge, whether investing in permanent headcount or otherwise (law firm, ALSP, etc.).

The Takeaway

➔ Half of the respondents (49%) reported it is **very/extremely difficult for their departments to hire the right attorneys** to address their needs, and all (98%) reported at least some difficulty.

82%

say increasing headcount isn’t a completely appropriate solution for their resourcing needs.

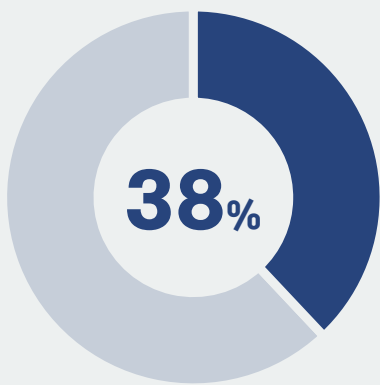
78%

say it’s just downright difficult to hire, they are encountering hiring freezes, or there is potential for turnover.

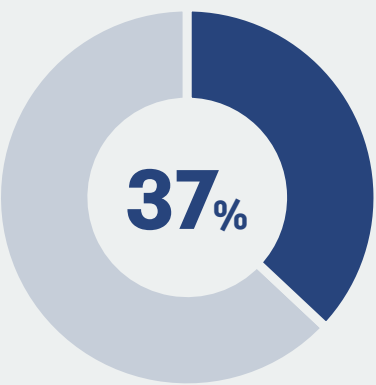
99%

of in-house lawyers reported at least one reason why hiring full-time lawyers isn’t an appropriate solution to all their resourcing challenges.

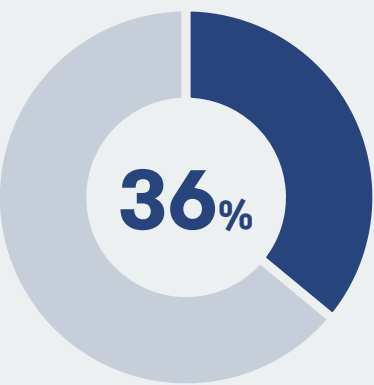
Top challenges of full-time employee investments:



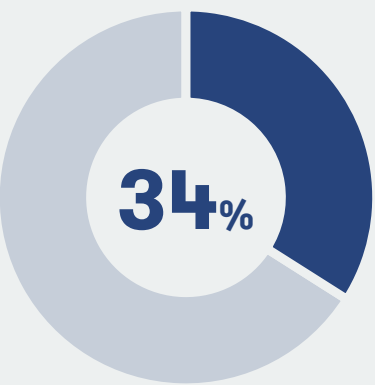
Difficult to hire due to shortage of talent



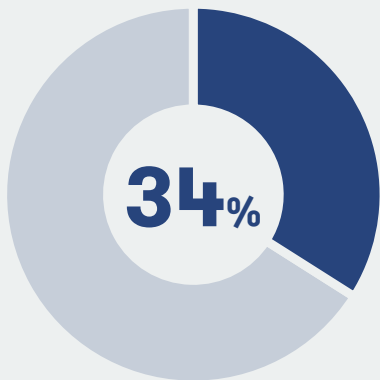
We need expertise in a variety of specialties



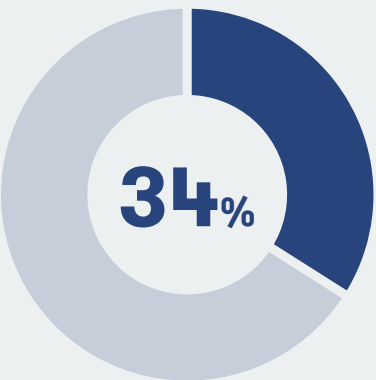
We only need part-time help



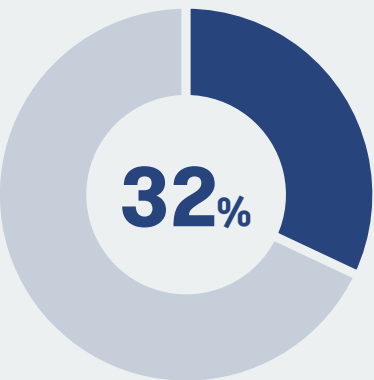
Lengthy onboarding process



Potential for turnover



Potential hiring freezes



Too expensive

11

Law Firm Hiring: *Insufficient*

Breaking It Down

Law firms play a fundamental role in large-scale or high-stakes litigation, navigating marketplace norms, and handling exceptional matters. But they’re expensive, with rates growing 5.6% to 13%—reportedly the highest rate increases the industry has seen in years, according to Thomson Reuters.¹

Beyond the expense, their third-party status naturally limits their understanding of the client’s business and the context of the legal issues they handle—which adds to the in-house team’s management burden. The result: As with hiring more FTEs, most in-house lawyers believe law firms are not a fully effective solution to their resourcing challenges.

The Takeaway

➔ 83% of in-house lawyers say hiring law firms is **not a completely effective solution** for their resourcing needs.

#1

reason law firms aren’t an effective solution is due to their expense.

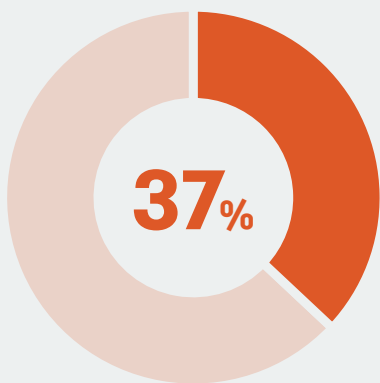


In-house lawyers also bemoan the time-consuming administrative management and lengthy onboarding process of law firms.

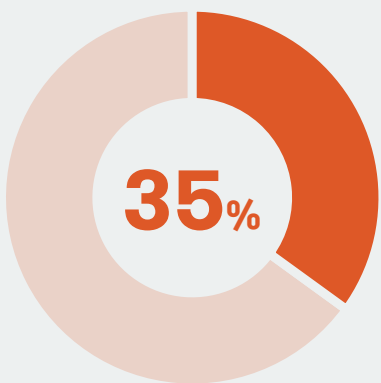
99%

of in-house lawyers said there was at least one reason why hiring law firms isn’t an appropriate solution to their resourcing challenges.

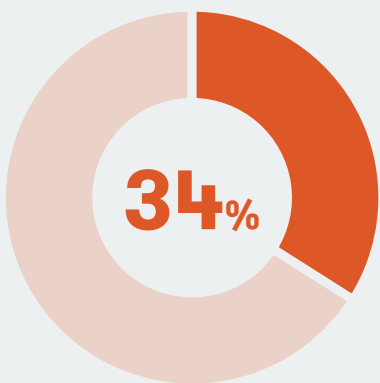
Top issues vexing law firm referrals:



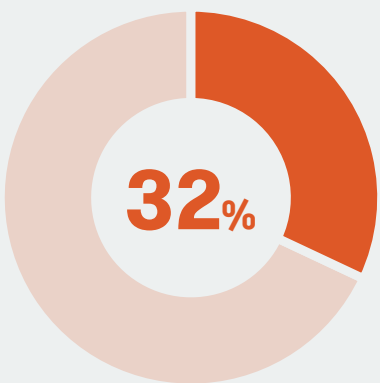
Too expensive



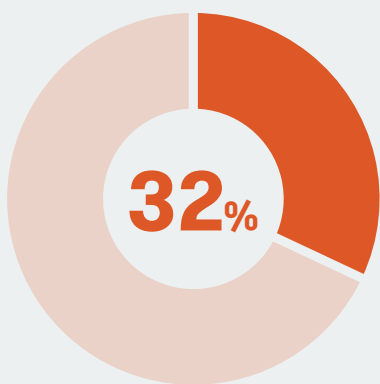
Administrative management takes too much time



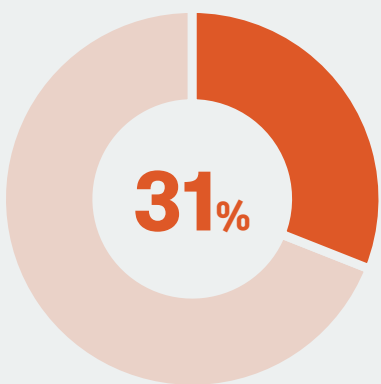
Lengthy onboarding process



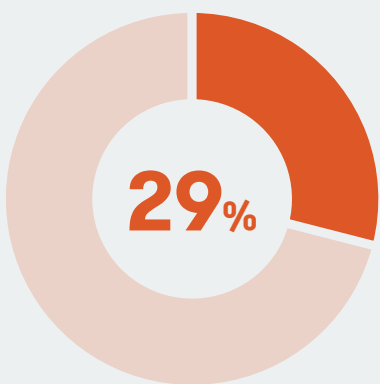
Law firms don’t prioritize our business



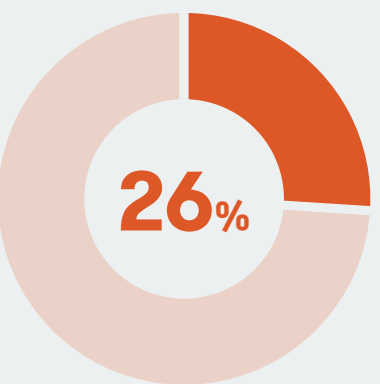
Quality of work does not meet our standards



Lack of institutional knowledge



Law firms give conceptual legal advice, we need practical advice



Lack of commercial/business acumen

Flexible Legal Talent: *Popularity Up*

Breaking It Down

In-house legal teams are increasingly using alternatives to “staffing up” through internal hires or “staffing out” to costly law firms. Flexible legal talent providers are often an option, gaining double-digits in popularity due to the high-quality talent they provide who can take on the day-to-day legal work and do it in-house at substantially lower rates. In fact, the research found most in-house lawyers have now used flexible talent providers to support their legal departments.

The Takeaway

➔ 91% of in-house lawyers said **flexible legal talent providers can be an effective solution** → up from 74% in 2023.

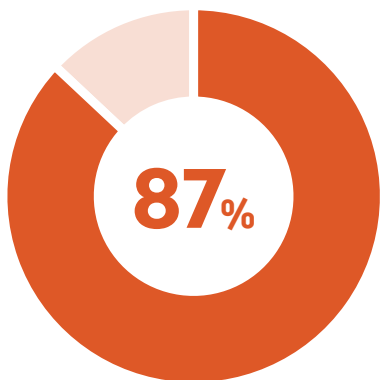
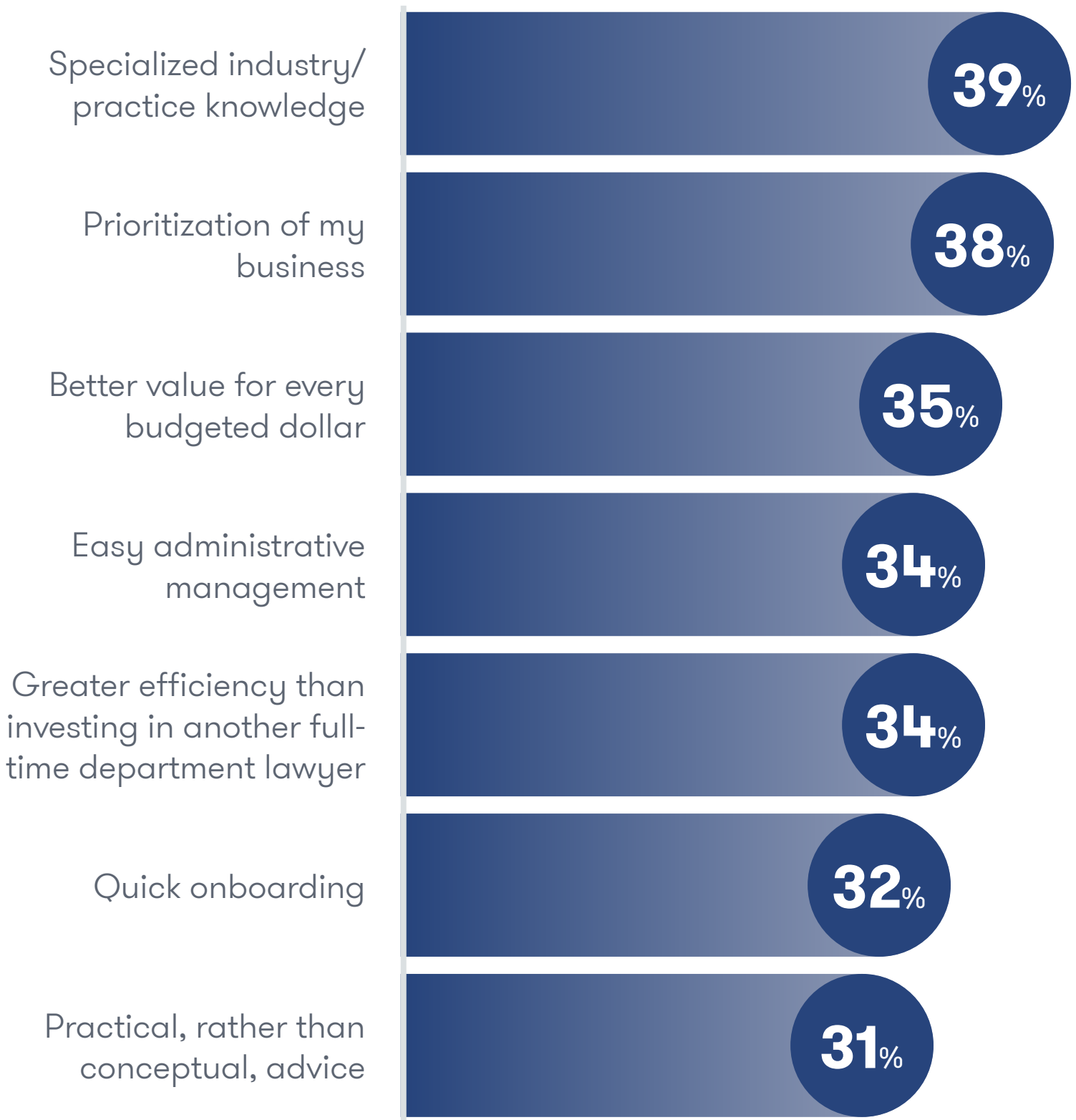
60%

found flexible legal talent providers offer better value or greater efficiency.

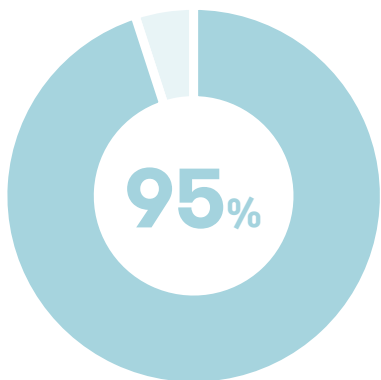
58%

pointed to flexible legal talent providers’ easy management and quick onboarding.

Top reasons in-house counsel cite for using flexible talent providers:



of in-house counsel have used a flexible legal talent provider.



of those said a flexible legal talent provider can be an effective solution.



of those who said their in-house team is properly resourced agreed.

Benchmarked: Top Practice Areas in Demand in the Next 1-2 Years

Breaking It Down

In 2022, Axiom [survey data](#) revealed that in-house lawyers predicted that new and emerging practice areas (now, in 2024, we can see this is clearly driven by AI) would be in high demand within the next one to two years. It turns out they were right. However, as AI has become more established, it now ranks lower on the list of in-demand areas in our latest report.

The Takeaway

➔ Data privacy and security remained a top concern for both 2022 and 2023 respondents. And while it still ranked highly in 2024, **the most in-demand practice area shifted to IP law** (which, interestingly, was the lowest priority two years ago). This shift might well be driven by the legal complexities AI brings to issues of corporate and personal ownership.

Practice areas most in demand for in-house legal departments:

	2024	2023	2022
Intellectual Property	41%	31%	28%
Data Privacy and Cyber Security	38%	42%	34%
Labor and Employment	36%	25%	39%
New or Emerging Areas (e.g., AI law)	35%	36%	38%
Regulatory and Compliance	32%	40%	30%
Commercial and Contract Law	30%	31%	35%
Litigation	30%	34%	31%
Real Estate and Real Estate Finance	29%	26%	32%
Banking and Finance	27%	36%	34%

PRESERVING IN-HOUSE TALENT

Over the past two years, work-life balance has been the priority for job seekers, but now in-house lawyers are focusing on a clear career path.

70% also stated that to advance their careers they'd have to change employers, **GCs should be worried.** To retain in-house talent, companies must strike a harmonious balance between meeting their staff's career aspirations and overcoming the persistent resourcing hurdles they face.

Keys to retaining talent in 2025



Show them you care about their professional trajectories by:

1

- Discussing a clear career path with next steps for their role (which is their #1 priority in searching for a new role)
- Providing them with professional development resources
- Offering innovative technology to complement and improve their skillsets with sufficient training

Decrease some of the tedious, administrative work by:

2

- Adopting new tech (like AI) to help with daily, mundane tasks but developing formal policies for use as well as providing sufficient training
- Working with robust vendors who don't require excessive management so the in-house team can instead focus on providing the legal work that matters to them
- Moving certain processes under the legal ops function to improve efficiencies and project management, including technology adoption and vendor management

Hire external partners who have the skillsets your team lacks and who can be an extension of your legal team through:

3

- Using [digital hiring platforms](#) to browse, vet, and interview candidates quickly
- Partnering with outside firms that provide much smoother management and fewer administrative hassles
- Hiring on-demand flexible legal talent that can provide support for temporary gaps, overflow work, large projects, and long-term needs

HOW **axiom** CAN HELP

FIND OUT MORE

This is where modern, tech-savvy partners like Axiom can support you. We understand the pain points of today's legal departments and are dedicated to helping in-house teams keep pace with change and digitally transform. Axiom can ensure a level of collaboration, knowledge, and in-house experience equivalent to that of an actual member of the in-house team and can support your organization's transition to trustworthy, AI-enabled workflows to drive legal team innovation, efficiency, and job satisfaction, thus reducing burnout and attrition.

Our AI-powered processes streamline both immediate and long-term legal needs through our [digital hiring platform](#), allowing legal leaders the ability to browse, vet, and hire legal professionals both quickly and securely.

Axiom gives small, mid-market, and enterprise clients a single trusted provider who can deliver a full spectrum of legal solutions and services across more than a dozen practice areas and all major industries at rates up to 50% less than national law firms. Tackle your department's [large projects](#) quickly and effectively with innovative legal models customized for your specific needs.

Avoid the attrition wave with help from Axiom.