



Q2 Staffing Report

*Litigation Support Hours Up Sharply;
Demand for Talent Projected to Increase This Summer*

2009 Q2



Summary

The Cowen Group reached out to 125 of the top AmLaw Litigation Support Managers and Human Resources Managers over the course of 2 weeks (May 1st – May 15th), with a response rate of 51%.

Our inside-out perspective on the AmLaw litigation support/E-Discovery job market suggests that it is poised for an aggressive rebound in Q3 2009. Temp-to-Perm staffing will play a particularly important role, as firms respond to market uncertainty by building flexibility into their labor pool.

The Cowen Group found that **42%** of AmLaw firms report an increase in hours worked since Q2 2008. As a result, **33%** anticipate adding temporary staff within the next 6 months. In the AmLaw Top 50, **70%** anticipate adding temporary staff within 6 months. For the most part, permanent hires in the AmLaw remain flat.

As best we can tell, this demand for an adaptable litigation support solution is driven by an uncertain market, a limited talent pool and the unwillingness of experienced litigation support professionals to assume the career risk of permanently changing firms. This challenges the age-old myth: “Talent is easy to find in a down economy.” In fact, most top talent surveyed prefer to keep a reliable job until the market stabilizes.

This trend reinforces a shift in the market that The Cowen Group has observed internally: permanent employees at AmLaw200 and AmLaw300 firms are expressing interest in temporary positions within the AmLaw Top 50. They see the transition from permanent to temp-to-perm as a chance to work at with the best-and-brightest – firms which have best-in-breed technologies and the largest, most complex cases.

Most firms surveyed anticipate a very busy Summer and Fall and expect to augment their existing staff with Temp and Temp-to-Perm solutions. This widespread use of Temp employees to create a more easily adjustable litigation support department is a new trend, one that The Cowen Group will continue to report on in Q3 and Q4 of 2009.



Critical Trend Highlight

Temp Staffing in Lit Support Leads AmLaw Recovery

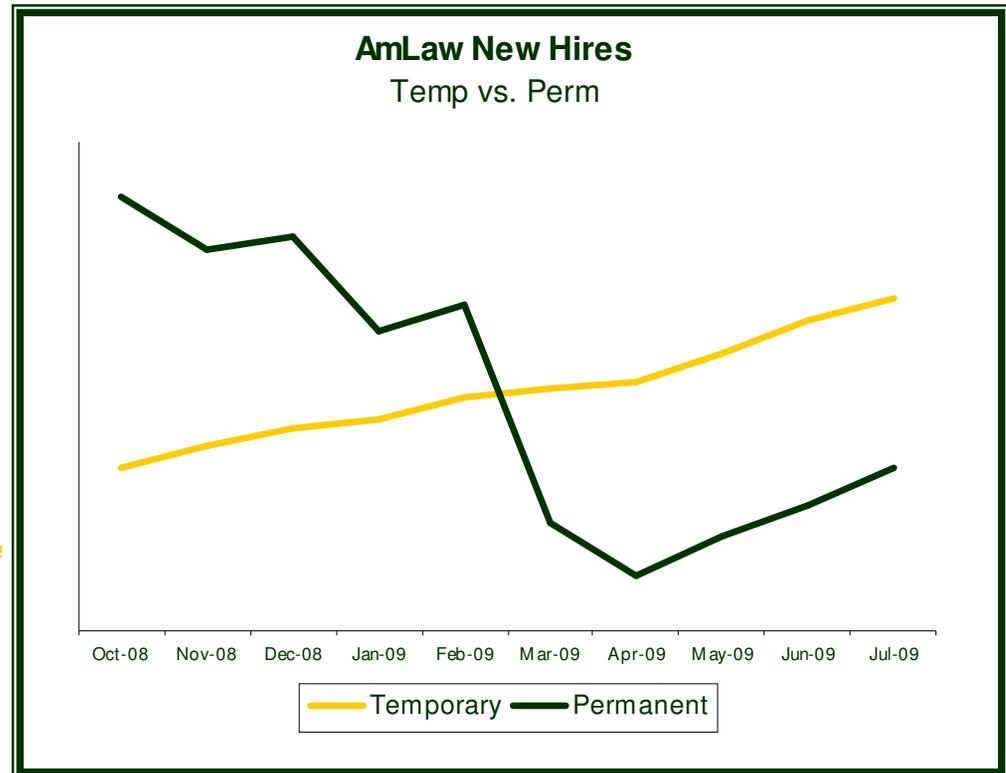
Do you anticipate adding litigation support staff within 6 months?

32.7% YES

Firms Rely on Temp Labor
Demand for Flexible Labor Drives Temp Hiring

- **29.8%** of Departments surveyed have already increased their temporary staffing over Q2 2008.
- **36.2%** would rely on a flexible litigation support solution to fill their immediate needs.
- **32.7%** of Departments surveyed anticipate adding temporary staffing within the next six months. This number jumps to **55%** when limited to the AmLaw Top 50.

Temp candidates are in a great position through 2010 – there is a growing demand for their skills, creating a new pathway into major law firms.

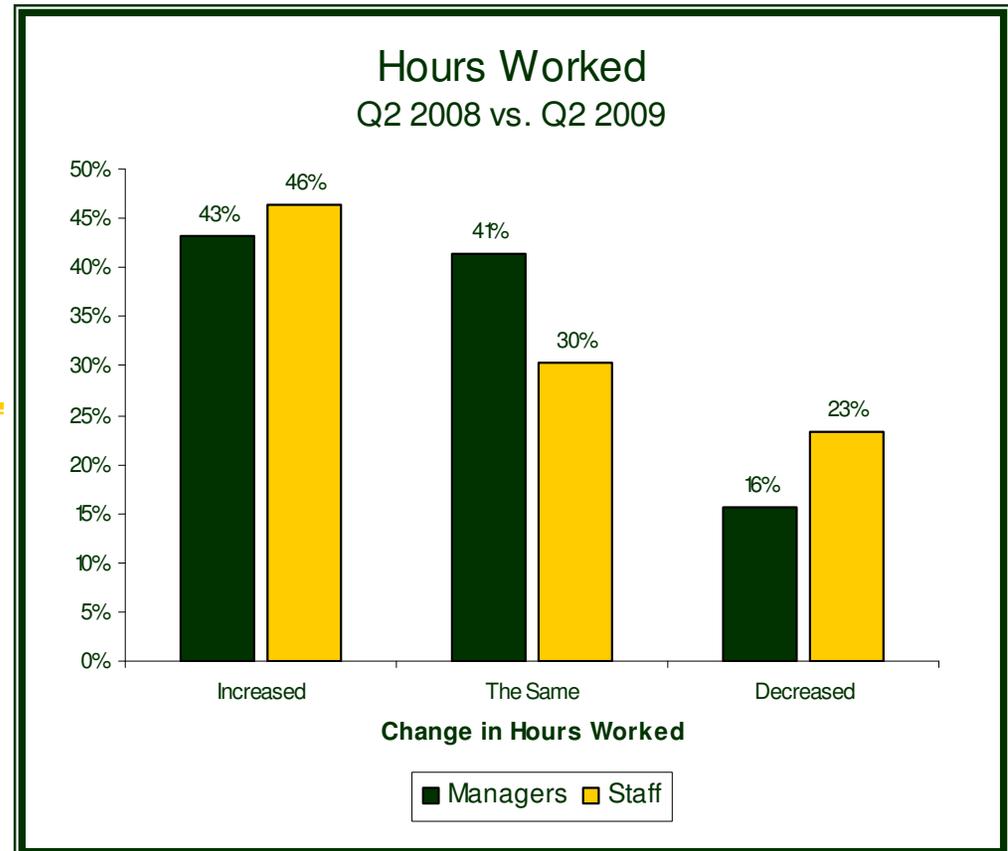


Hours are Up

Both Managers and Staff are Working More

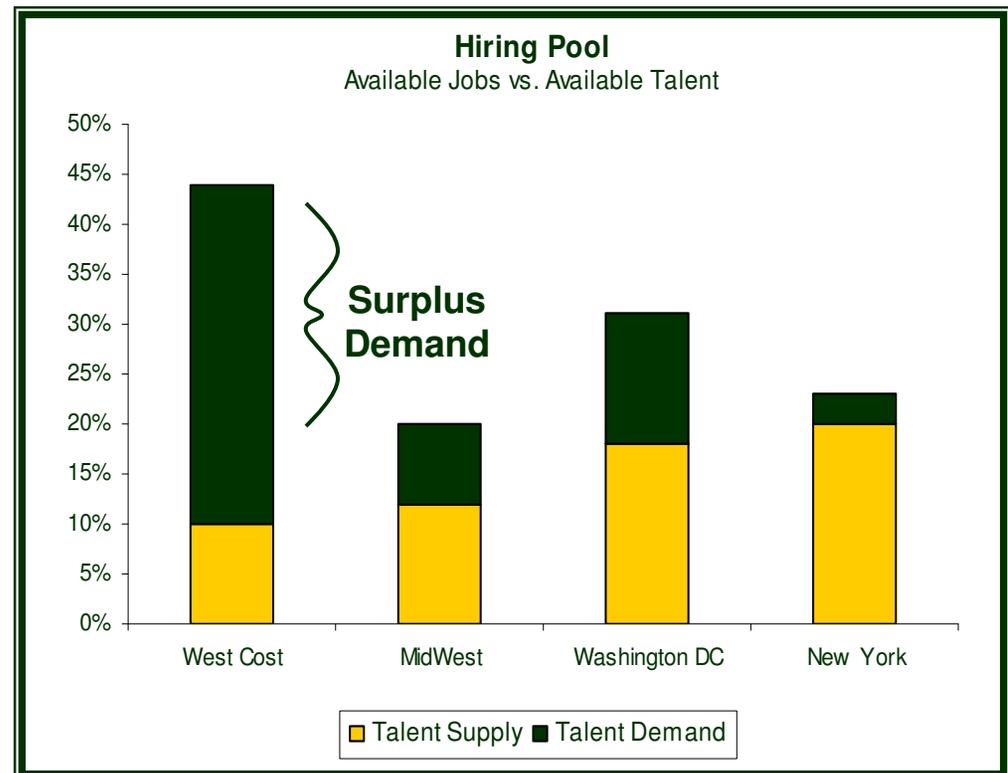
- **43%** of Litigation Support/E-Discovery managers and **46%** of staff worked more hours in Q2 2009 than in Q2 2008.
- In **77%** of the cases where staff are working more hours, managers are also working more.

These numbers suggest that managers are struggling to complete their work without increasing their headcount. The resulting pent-up demand for labor will cause hiring to grow within the next 6 to 9 months.



Regional Hiring Trends *West Coast Talent Drought*

- **44%** of West Coast Litigation Support Departments anticipate hiring within the next 6 months.
- **50%** of these firms would rely on a flexible litigation support solution to fill their immediate needs.
- **San Francisco/Silicon Valley and Los Angeles** are rated as the #1 Most Difficult area in which to hire litigation support talent.



Potential Talent Pool

Candidates are Reluctant to Transition in a Recession

- *During a strong economy, a substantial section of the workforce will consider new opportunities (60% Available Talent).*
- *During a recession, candidates prefer to hold onto a position rather than accept a risky transfer (60% Unavailable Talent).*
- *Contrary to popular myth, it is harder to persuade top talent to make a move during a struggling economy.*

Potential Pool of Talent			
Weak Economy	Active 20%	Available Talent 20%	Unavailable Talent 60%
Strong Economy	Active 20%	Available Talent 60%	Unavailable Talent 20%



***If you would like to discuss these results or participate in the
Q3 Survey, please contact:***

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