

Making Payment Plans Pay Off

Mass LOMAP - Webinars for Busy Lawyers

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This program
we will cover
how to ↓ the
administrative
burden and
↑ income of
payment plans



Knowing your payment methods and picking the best one for your firm



Payment plan models and alternatives



When to process improve and when to outsource

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Payment Plans Matter to Clients

- The *2021 Legal Trends Report* published by Clio found that 81% of consumers of legal services sought payment plans
- 56% of consumers rated the offering of payment plans a “very positive influence” in their choice of lawyer

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Payment Plans Matter to Certain Clients *A Lot*

- In 70 - 98% of cases in America’s civil courts today, one/both parties are *not* represented by counsel.
- Civil legal aid programs **must turn away almost 2/3** of the people who seek their assistance in critical civil cases, despite research showing legal help makes a huge difference
- Source: <https://www.washingtonpost.com/posteverything/wp/2015/06/02/we-dont-need-fewer-lawyers-we-need-cheaper-ones/>
- Also see <https://www.lsc.gov/our-impact/publications/other-publications-and-reports/justice-gap-report>

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Payment Plans Matter to Certain Clients *A Lot*

- American savings statistics for 2020 show that nearly 70% of Americans have **less than \$1,000** stashed away in their bank accounts.
- **Only 5%** of Americans have savings accounts that range between \$10,000 and \$20,000.

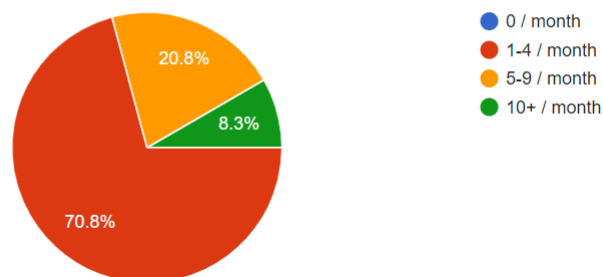
- Source: GoBankingRates survey of 5000 people <https://fortunly.com/statistics/american-savings-statistics/#gref>

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Potential Clients Don't Hire Because They Lack Funds

How many individuals do not hire you because of finances? Include derivatives.

24 responses



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But Lawyers Have Been Burned By Payment Plans

- Invoicing can be labor intensive
- Clients need nudging to pay bills
- If payments extend beyond final decision, some clients stop paying
- Processing payments can be labor intensive
- It's about money and some lawyers don't like money issues
- There is fear seeking payments will result in bar complaints

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How Do We
Make It Better?

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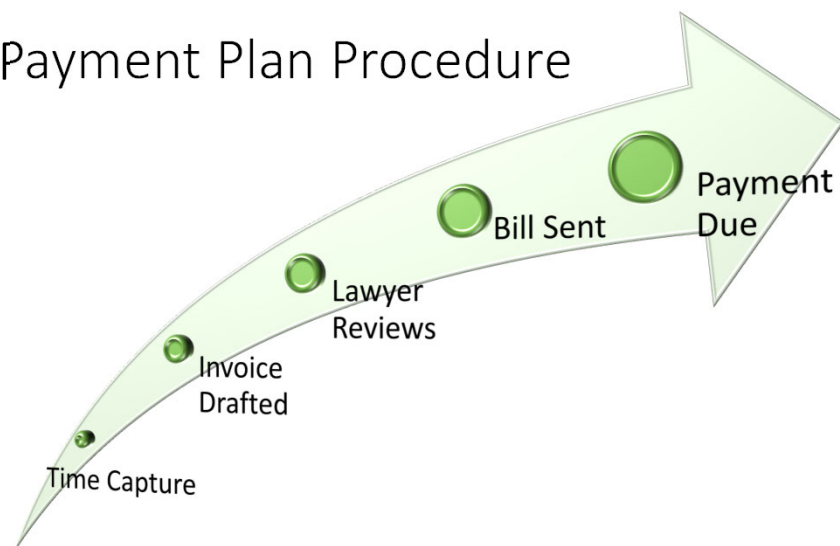
If You Want to Be a Lender, Consider Verifying Credit Worthiness

- Credit check?
- Debt to income ratio?
- Is this just client selection?
- You can have a sliding scale, too



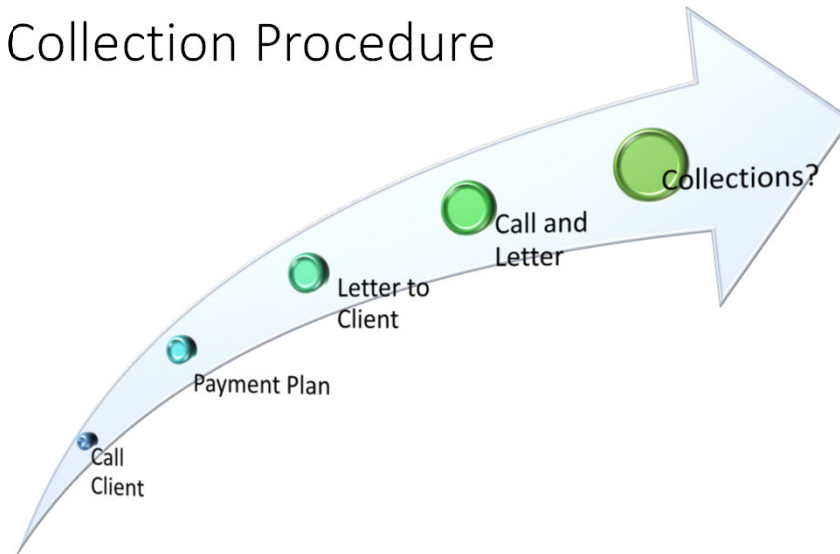
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Have a Payment Plan Procedure



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Have a Collection Procedure



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Charge
The Right
Fee for
Right
Work

Flat/Fixed Fee

Hourly

Hybrid







Contingent Fee

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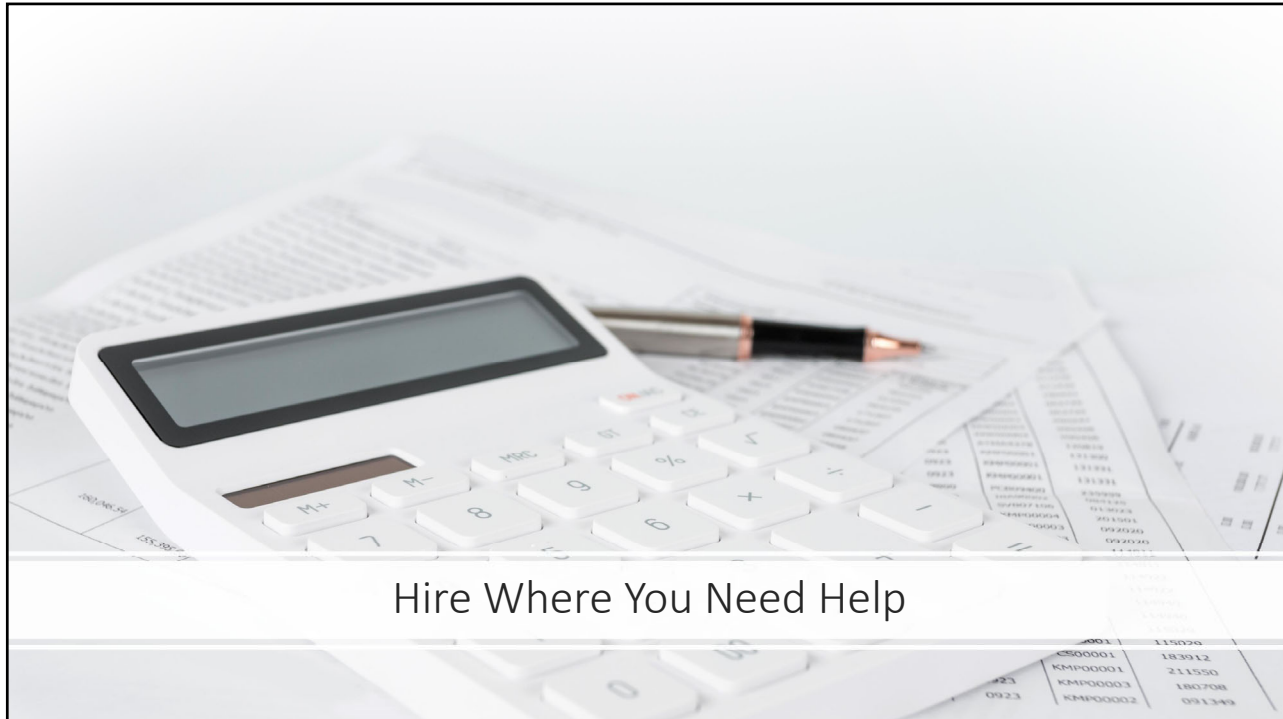


Use Software to Manage Changes

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|---|---|--|
|  Square |  | <p>Automate the Payments</p> <hr/> |
|  <p>LAWPAY[®] AN AFFINIPAY SOLUTION</p> |  | |
|  |  | |

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Consider Financing

- [iQualify Lending](#)
- [Flexxbuy](#)
- [LawPay's ClientCredit](#)

- [Capital Good Fund](#)
- [Mission Asset Fund](#)
- [Self-Help Federal Credit Union](#)

- [Justice for Me](#)

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The Ethics of Financing

The Rules of Professional Conduct say a lawyer can advance costs to a client or “may pay court costs and expenses of litigation on behalf of [an indigent] client.” ABA Model Rule 1.8(e). But a lawyer cannot—nor should she—fund all clients’ cases.

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Consider Conflicts of Interest

- RPC 1.7: “[A] lawyer shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if...there is a significant risk that the representation of one or more clients will be materially limited...by a personal interest of the lawyer.”
- “[A] lawyer [with a concurrent conflict] may represent a client if...[she] reasonably believes that the lawyer will be able to provide competent and diligent representation...the representation is not prohibited...and each...client gives informed consent, confirmed in writing.”

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Not Everyone Will Qualify

- Make sure your business has the data it needs to make sound business decisions
- If it disturbs to have some clients denied, then consider a move to legal aid

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