

## IndyBar: Championing Small Town America: How to address the rural attorney shortage with private innovation

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## By Cory Sprunger, SprungerPEO

We have all heard about the dire shortage of rural attorneys. While many are calling for new government programs or top-down fixes, the solution may be something much simpler, private and market driven: Small firms working *together*.

Just four Indiana counties contain 59% of our attorneys. The other 41% are scattered across 88 counties. Even when controlling for population, the ratio of attorneys to residents in those 88 counties is 300% less. The result is an oversaturation in the big cities and overworked attorneys trying to juggle too many spinning plates in the small cities. Small town residents are forced to wait in long lines for access to the justice system.

If we don't resolve the problem privately, the government will. Our citizens need access to justice. Arizona, Utah, the U.K. and Australia are "fixing" it by allowing nonlawyers to own or invest in law firms. Just like we tell our clients, wouldn't we rather settle this matter privately instead of "let the Court (government) decide?"

Fortunately, the very thing that is the problem is also the solution. In economic lingo: The demand for rural attorneys far exceeds the supply — a market opportunity.

Normally, where there is a supply and demand imbalance, prices (attorney fees) rise and attract new supply (attorneys), which then balances out the equation to the benefit of all involved — attorneys and consumers. But market forces have not fixed this problem. Why?

There are two barriers, and both concern the firm's administration. First, as rural attorneys, we only bill an average 2.4 hours/day because we spend so much time "running the business." This artificially *deflates income*. Second, we must purchase everything at a premium when buying for just one or two attorneys. This artificially *inflates expenses*. The combination creates a wedge of waste in the supply/demand curve so that there is not enough profitability in a small firm to incentivize a supply of attorneys.

However, there is a simple free-market solution: *We work together.* By combining our nonlegal firm administration, we eliminate both barriers in one fell swoop while maintaining our firm's independence. None of us enjoy negotiating printer leases or wrestling with computer problems. So why do we do it? We want to be practicing law, helping our clients and generating income. So let's do *that*.

Working together, we can eliminate barriers and create an incentive for attorneys to fix the shortage privately, rather than wait for the government to "fix" it. America needs strong small towns. Her citizens need ready access to justice. And we can fix this — together.•

Cory Sprunger is managing attorney for SprungerPEO, a professional employer organization, and an attorney with Sprunger & Sprunger in Berne.