Billable Hours: The Complete Guide for Law Firms

Busy doesn't pay. **Billing does.**

Your day is full. Your invoices are not. Emails, calls, quick edits? TimeSolv tracks it all for you.

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Billable hours are the engine of law firm revenue, and one of its biggest sources of frustration. Attorneys work far more hours than they ever bill, and the gap between the two quietly decides whether a firm is profitable. This guide explains what billable hours are, how they work, how many hours lawyers actually bill, and how to calculate, track, and maximize them without crossing ethical lines. Even firms that use flat fees need this discipline: you can't price a fixed fee correctly if you don't know what a matter really costs in time.

What Are Billable Hours?

Billable hours are the time a professional spends on work that can be charged directly to a client. In law, that means time spent advancing a specific client matter, recorded against that matter, billed at an agreed hourly rate, and itemized on the client's invoice. When someone asks what

"billable hours" means, the shortest accurate answer is: the hours a client pays for.

In a law firm, billable work typically includes:

- Legal research and drafting (motions, briefs, contracts, discovery responses)
- Court appearances, hearings, depositions, and mediations
- Phone calls and emails with clients, opposing counsel, and co-counsel about the matter
- Reviewing the client's file to prepare for a call or hearing
- Matter-related travel, where the engagement letter allows it

What counts as billable is ultimately defined by the **engagement letter** or fee agreement. That is why the same task (say, a conflicts check or coordinating with co-counsel) can be billable at one firm and overhead at another. Audit your common administrative tasks against your fee agreements; many firms give away legitimately billable work simply because nobody created a billing code for it.

Billable vs. Non-Billable Hours

Non-billable hours are working hours that no client can be charged for. It's not wasted time, and much of this work keeps the firm running, but it generates no direct revenue. Common non-billable time includes:

- Business development, networking, and marketing
- Billing, invoicing, and collections work
- Internal firm meetings and administration
- Continuing legal education (CLE) and training
- Pro bono work (billable in discipline, but not in revenue)
- Time tracking and timesheet review itself

The most useful habit a firm can build is tracking *all* time, billable and non-billable. If an associate who could bill $250 to $300 an hour is spending eight hours a week on tasks a staff member could handle, that's invisible until non-billable time is on the record. Once you can see it, you can fix it: delegate lower-value work to lower-cost staff and protect your rainmakers' hours.

"The revenue-producing people at your firm should always be the last people to perform the non-billable work."

– TimeSolv

How Do Billable Hours Work?

The mechanics are simple: you agree on an hourly rate in the engagement letter, record your time as you work in small increments, and those increments accumulate into the client's invoice. Three details make or break the system:

1. **Billing increments.** Most firms bill in tenths of an hour (six-minute increments); some use quarter hours. A three-minute call rounds up to 0.1 hours. Rounding to minimum increments is an accepted practice, within limits.
2. **Honest recording.** You may never bill more time than you actually spent. Padding hours is an ethics violation; understating them means working for free. Record what happened accurately.
3. **Clear descriptions.** Vague entries like "phone call, 1.0" invite disputes. "Telephone call with opposing counsel regarding upcoming settlement conference" gets paid. Detailed descriptions are the cheapest dispute prevention available.

"In matters where the client has agreed to have the fee determined with reference to the time expended by the lawyer, a lawyer may not bill more time than she actually spends on a matter, except to the extent that she rounds up to minimum time periods (such as one-quarter or one-tenth of an hour)."

– ABA Formal Opinion 93-379 (1993)

How Many Billable Hours in a Year?

Start with the math. A standard work year is 52 weeks × 40 hours = **2,080 working hours**. No lawyer bills all of them. Non-billable obligations, admin, and life take their share.

- **The average attorney bills roughly 1,700 to 1,900 hours per year**, according to ABA and legal industry benchmarking studies.

- Large-firm associates often carry formal targets of 1,900 to 2,100 or more hours. Solo and small-firm lawyers usually bill less because they carry more of the firm's admin themselves.
- To bill 1,800 hours honestly, most attorneys must **work 2,200 to 2,400 or more hours**, roughly 9 to 10 hours at the office for every 8 hours billed.

How many billable hours are in a month?

An 1,800-hour annual target breaks down to **150 billable hours per month**, or about 37 to 38 per week with realistic vacation, which is roughly 7.5 billed hours per working day. A 1,700-hour year is about 142 per month; 2,000 is about 167.

Is 1,800 billable hours a lot?

Yes. 1,800 is a demanding, full-time benchmark, right at the top of the 1,700 to 1,900 average range. It's standard at many mid-size and large firms, but sustaining it depends less on working longer and more on capturing time you already work. The difference between an attorney who bills 1,600 and one who bills 1,800 is usually not effort. It's leakage.

How to Calculate Billable Hours

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Calculating billable hours is a five-step routine:

1. **Pick your increment.** Tenth-of-an-hour (0.1 = 6 minutes) is the profession's standard; quarter-hour is common for some practices.
2. **Record actual time per task.** Use a timer or note start and stop times, per task and per matter, not per day.
3. **Round to your increment.** A 3-minute email rounds to 0.1; a 3-hour-20-minute drafting session is 3.4 hours in tenths.
4. **Apply the rate.** 3.4 hours × $300/hour = $1,020 for that entry.
5. **Sum per matter per billing cycle.** Your software should do this automatically; if you're summing spreadsheets by hand, that's non-billable time you're donating.

Also worth calculating: your **utilization rate**, which is billable hours ÷ total hours worked. An attorney who bills 30 hours in a 50-hour office week is at 60% utilization. The other 20 hours are the question: if they're going to marketing and admin that staff could handle, that's recoverable revenue.

How to Calculate Your Billable Hourly Rate

1. **Start from the market.** Rates vary by geography, years of experience, and practice area. Research what comparable lawyers in your market charge.
2. **Check it against your costs.** (Annual overhead + desired compensation) ÷ realistic annual billable hours = your floor. Example: $150,000 costs + $150,000 target income ÷ 1,500 realistic billable hours = $200/hour minimum.
3. **Don't undervalue yourself.** An artificially low rate signals lower quality to clients, undercompensates you, and is the fastest way to shrink the value of every hour you bill. Charge what your services are reasonably worth.

How to Track Billable Hours (Without Forgetting Any)

How do lawyers track billable hours? Historically: paper timesheets, spreadsheets, and end-of-week memory tests. The data on that approach is

brutal:

- Attorneys who record time **more than four hours after doing the work** capture measurably fewer billable minutes than those who record in real time.
- An American Bar Foundation study found that **weekly time entry captures fewer hours** than daily or contemporaneous entry. Friday-afternoon reconstruction becomes guesswork that defaults to a tidy 40 hours when most professionals actually worked more.
- In most firms, **30 or more days pass between doing the work and reviewing it on a draft invoice**, which is far too late to reliably recover missing time. This gap, called billing leakage, is the single biggest cause of lost billable hours.

The fix is a system, not willpower:

1. **Put it in writing.** A firm-wide time-entry policy, with expectations and consequences, changes culture. A two-hour lunch raises no eyebrows, but a $500 expense needs partner approval. Start treating time like the money it is.
2. **Separate time capture from billing.** Once time is captured, it's money in the bank. Don't wait for invoice drafting to discover gaps.
3. **Enter all time daily, as tasks happen.** Run a timer while you work; log court appearances and client meetings from your phone before you leave the building.
4. **Track non-billable time too.** It's how you find delegation opportunities and true utilization.
5. **Review missing time every Monday.** A billing admin compares last week's entries against required daily totals and chases gaps while memories are fresh.
6. **Close out the prior week.** Lock entries weekly so time can't be quietly rewritten later. It also signals the firm takes timekeeping seriously.
7. **Align incentives with collections.** A commission of 5 to 10% of funds actually collected (not merely billed) makes careful timekeeping self-reinforcing.

"Once time has been captured, it is like money in the bank."

– TimeSolv

If you forget to track hours, the tooling matters: look for software with timers that auto-pause when you switch tasks, mobile and offline entry that syncs later, a daily checklist showing which matters have no time logged, a missing-time report against your required daily total, and alerts when a matter approaches its budget. Every one of those features exists to close the gap between when work happens and when it gets recorded.

How to Save and Maximize Billable Hours as an Attorney

Maximizing billable hours rarely means working more. It means capturing, protecting, and converting the hours already worked:

- **Delegate strategically.** Paralegals bill at lower rates for appropriate work; non-billing staff absorb admin. Stop making copies.
- **Bill the billable admin.** File review before calls, co-counsel coordination, client status emails: check the engagement letter and code them properly.
- **Record everything; write down deliberately.** "Conservative time entry," self-censoring entries before they're ever recorded, is one of the largest hidden leaks. Record it all, then make write-down decisions at billing review with full visibility.
- **Set matter budgets.** Hour and dollar targets per matter flag scope creep early, before it becomes bill shock or an unprofitable flat fee.
- **Bill more frequently.** The longer an invoice sits, the more time gets written down. Bi-weekly billers write down less than monthly billers; frequent smaller invoices also reduce sticker shock.
- **Automate invoicing and payment.** Emailed invoices with embedded payment links, automatic reminders, stored payment methods, and automatic retainer replenishment turn billed hours into collected revenue.
- **Coach with timekeeper reports.** Billed hours, realization, and collections per timekeeper make coaching specific instead of general nagging.

"For a five-attorney firm at $300 per hour, recovering just one additional billable hour per attorney per week generates more than $75,000 in additional annual revenue."

– TimeSolv

Can You Change Billable Hours After Producing an Invoice?

Before the invoice goes out: yes. The billing review is exactly where write-downs, corrections, and no-charge courtesies belong, made deliberately, with visibility into what each discount costs.

After the invoice is sent, carefully and transparently. Never silently edit time records after the fact. Reduce a sent invoice with a credit memo or a clearly labeled revised invoice. Never increase billed time after invoicing without the client's informed agreement, and remember you can never bill more than you actually worked, before or after. Weekly time-entry lockouts exist precisely so historical records can't drift; a clean audit trail protects the firm in fee disputes.

Beyond the Billable Hour

The billable hour isn't the only model. Flat fees give clients cost certainty upfront and address the most common client complaint: surprise bills. Hybrid arrangements mix hourly and fixed pricing across practice areas or phases. And AI is compressing the time some work takes: document review that once consumed junior-associate years can now run 20 to 90% faster, which pressures leverage-based billing at big firms and creates openings for smaller firms that adopt early.

None of that makes time tracking obsolete. Quite the opposite: you can only set a profitable flat fee if you know, from your own historical data, what that matter type actually costs in hours. Whatever you charge, the firms that win are the ones that know where their time goes.

Track Every Hour with TimeSolv

TimeSolv gives law firms timers that follow you between tasks, mobile and offline time capture, missing-time reports, matter budgets, batch invoicing,

and TimeSolv Pay for automated collections. Everything in this guide, operationalized. Try now and schedule a demo.