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THE PRIVATE BRIEF · BUSINESS

What a Fractional General Counsel Costs in New York

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IN BRIEF

- A fractional general counsel is usually priced one of three ways: by the hour, by a monthly plan that buys a set number of hours, or by a monthly fee for a role rather than an hour count.
- The yardstick is the hourly rate you would otherwise pay. Clio's billing data puts the 2025 average for a New York lawyer at $426 an hour, and the rate on your own legal bills is better still.
- The test for any plan is its effective rate: the monthly fee divided by the hours you actually use, since on this firm's plans unused hours do not roll over. The firm's own fees are published on its general counsel page.

The proposal arrives on a Thursday afternoon. One page: a monthly fee, a number of hours, a line about response times. You read it twice and land on the only question that matters to you. Is this a lot?

It is a fair question, and it has a better answer than "it depends." A fractional general counsel is an outside lawyer who does the ongoing work a company's own lawyer would do, part time, for as long as you want the relationship to last. That work can be priced in a few different ways, and every one of them can be measured against the same yardstick. Once you know the yardstick and the one division that applies it, you can read any proposal on your desk, ours included.

The three ways it is priced

By the hour. You pay for the time the lawyer spends, in small increments. Some lawyers who bill hourly ask for a deposit up front, often called a retainer, and bill their hours against it. That is still hourly billing, paid in advance. Hourly suits work with a beginning and an end: one lease, one negotiation, one deal.

By a monthly plan with set hours. You pay a fixed fee each month, and it buys a stated number of hours plus a set of commitments: how quickly you hear back, how often you meet, who at your company can call. Three of this firm's four plans take this shape.

By the role. At the top end, some arrangements drop the hour count altogether. The fee pays for a senior lawyer to lead your legal function from outside the company, sit in the meetings where decisions are made, and do what the role requires as it arises. There is no meter, so the question is not the price of an hour but whether the role is the right size for the company.

Whichever shape you are looking at, New York wants the terms on paper. Under the state court rules on engagement letters (22 NYCRR Part 1215), a lawyer who charges a fee must give you a written letter of engagement, generally before the work starts, that explains the scope of the work, the fees, expenses and billing practices, and, where it applies, your right to take a fee dispute to arbitration. The rule has exceptions, among them a matter where the fee is expected to be less than $3,000. If the scope or the fee changes significantly, you are owed an updated letter.

The yardstick: what an hour of a New York lawyer costs

Clio, a legal software company, publishes average billing rates built from anonymized data from tens of thousands of legal professionals, updated every year. Its figure for 2025: the average hourly rate for a lawyer in New York is $426, against $349 nationally. By practice area, Clio's New York rates range from $159 to $608.

That average is a sound place to start, but an average hides the spread. If you have legal bills from the past year, the rate on them is a better yardstick than any average, because it is your rate.

The one division that tells you whether a plan is worth it

The number that matters is not the monthly fee. It is the monthly fee divided by the hours you actually use.

Call that the effective rate: what each hour you used really cost. On this firm's plans, unused hours do not roll over, because the monthly fee reserves your lawyer's availability whether or not you use every hour. Wherever that is true, a plan's headline rate (the fee divided by all the hours it includes) is the best case, not a promise. You only get it in a month when you use everything.

Here is how the arithmetic moves. As an illustration, with made-up proportions rather than any real plan's price, picture a ten-hour plan whose monthly fee equals eight hours at the rate you would otherwise pay by the hour.

- Use all ten hours, and each hour costs 80 percent of your hourly rate. The plan wins.
- Use eight hours, and the plan and the meter cost exactly the same. That is the break-even point.
- Use five hours, and each hour costs 160 percent of your hourly rate. The meter would have been cheaper.
- Use four hours, and each hour costs twice what you would have paid by the hour.

The break-even is the one number worth writing in the margin of any proposal: the monthly fee divided by the hourly rate you would otherwise pay. That is how many hours a month you must use for the plan to beat the meter. Below it, you are paying for availability. Above it, you are buying hours at a discount.

If your honest volume is two hours a month, a plan is the wrong tool, and you should buy those two hours by the hour. We would rather say so now than have you work it out in month four.

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What the fee buys besides hours

The division treats every hour as interchangeable. Past the hours, you are paying for things it never shows:

- **A response time you can plan around**, written down. On this firm's plans it runs from within 48 hours on the entry plan to same-day for urgent matters on the plans above it.
- **Context that already exists.** On a standing relationship, the time spent learning your company, your contracts and your people is spent once, at the start, not again each time a question arrives.
- **The question you would not otherwise ask.** When every email starts a meter, people ration their questions, and the contract gets signed unread. On a plan, the two-minute question is already paid for, so it gets asked.

None of that rescues a plan when your volume sits well below break-even. It does mean a plan used close to its hours is worth more than the division alone suggests.

What a plan should not quietly absorb

Every plan has edges, and how a proposal describes them tells you a great deal. Here are ours. Our plans cover ongoing counsel: contracts, governance, compliance, disputes handled at the negotiating table, and strategic advice, all inside the monthly hours. Litigation is never part of a plan. A larger matter, such as a financing closing, an acquisition, or a dispute that outgrows the monthly hours, is scoped with you as a separate engagement at preferred member rates before any of it is incurred. Anything outside our practice goes to counsel we know, and we stay involved. When another state's law, court or agency controls, we coordinate with a lawyer admitted there, with the scope and fees approved by you first.

If a month simply needs more than its hours, additional hours are available at preferred member rates and are confirmed with you before the work begins. If that keeps happening, the right answer is a larger plan at the next monthly renewal rather than a larger invoice. The reverse holds too: if you are consistently under, move down.

Where this firm's fees are published

We do not print fees in articles, because an article outlives a price. Our four plans are set out on the firm's general counsel page: three built on 5, 10 and 20 hours of counsel a month, and a fourth, Flagship, whose scope is set by the role rather than an hour count. The fees on that page are current when published and may change at any time before an engagement letter is signed. The fee in your engagement letter is the fee you pay. Plans are month to month, and you can cancel with thirty days' written notice, with fees prorated to the effective date.

Divide the fee on that page by the hours you expect to use, and set the answer beside your yardstick. The method works the same way on any proposal.

Four questions to put to any proposal

1. What is the monthly fee, how many hours does it buy, and do unused hours roll over?
2. What is the response time, in hours, for routine matters and for urgent ones?
3. What is excluded, in writing?

4. What is the rate for work outside the plan, and will you be told before that meter starts?

If a proposal cannot answer those four in a paragraph, the price is not really a price yet. Ask again before you sign.

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Where to start

This week, pull your legal bills from the last six months and add up the hours, month by month. Divide by six. That is your real monthly volume, and the rate on those bills is your yardstick. Then take any plan's monthly fee and divide it by that rate: the answer is the plan's break-even in hours. If your monthly volume clears it with room to spare, a plan is worth a conversation. If it does not, the meter is still the better deal for now.

This is general information about how general counsel engagements are priced, not legal advice about your company. Fees and published rates change, so check the current figures before relying on them.

WRITTEN BY

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Anthony is the Managing Partner of Clemenza Law Group and serves as general counsel to a wide range of companies and philanthropic organizations. Nearly every essay here began as a real question from a real client: the contract that landed at 4 p.m., the board that meets on Thursday. He writes them the way he would answer you across the table, plainly and with care.