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2026 North American

State of AI in Law Report

This report provides a data-driven look at how law firms are using generative AI in practice. It examines adoption trends, persistent challenges, and the changing expectations facing legal professionals as AI becomes a foundational part of modern legal work.

Introduction

Artificial Intelligence is reshaping how work is done across industries, including legal services, where adoption and trust remain central challenges. Perceptions of AI vary widely, making it critical to understand how legal professionals view its role in practice. The insights in this report provide a clearer view of how AI is influencing expectations and decision-making within the legal industry. As AI continues to evolve, Alexi remains focused on advancing innovation that enhances legal workflows while preserving expertise, fairness, and trust.

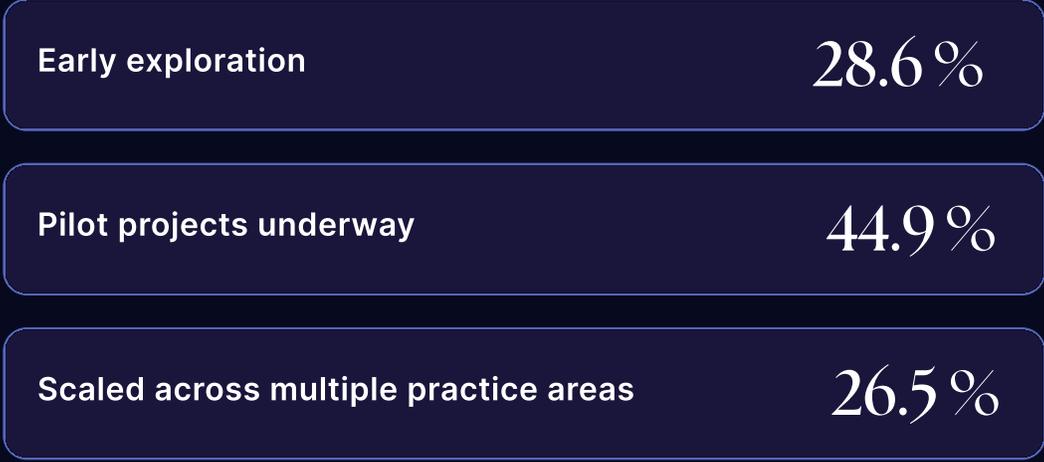
Demographics & Survey Methodology

The survey was conducted online between December 2025 and January 2026 and collected responses from legal professionals across a range of firm sizes and practice areas within North America. Participation was voluntary and uncompensated, intended to capture real-world usage patterns rather than aspirational intent.

As with any self-reported survey, results may skew toward firms that are more engaged with AI. However, the consistency of responses across usage frequency, adoption stage, and governance indicators provides a reliable snapshot of the current state of AI adoption in law firms.

Adoption & Expected Future Use

Generative AI is now a routine part of legal work. Nearly all respondents report regular use, with daily adoption becoming the norm across firms of all sizes. Adoption has accelerated significantly year over year, signaling that AI has moved beyond experimentation and into everyday practice.



Profitability & Efficiency Impact

Most respondents associate generative AI with positive efficiency gains. Over half believe AI will make their firm more profitable, while a sizable portion expect a neutral financial impact. Only a small minority anticipate negative effects.

Despite this optimism, formal measurement remains limited. Many firms report improved productivity and turnaround times but lack consistent frameworks to quantify return on investment. Many firms report no formal AI ROI measurement.

57.7%

Expect positive profitability impact

36.5%

Expect neutral impact

5.8%

Expect negative impact

Market Sentiment Toward AI

Overall sentiment toward generative AI is strongly positive. Most respondents describe their firm's outlook as optimistic, with a smaller portion expressing neutral or concerned sentiment. Notably, no respondents report fear or refusal to use AI. This indicates broad acceptance of AI across firms, with caution focused on responsible use rather than resistance to adoption.

Optimistic sentiment

67.4%

Neutral sentiment

17.4%

Concerned sentiment

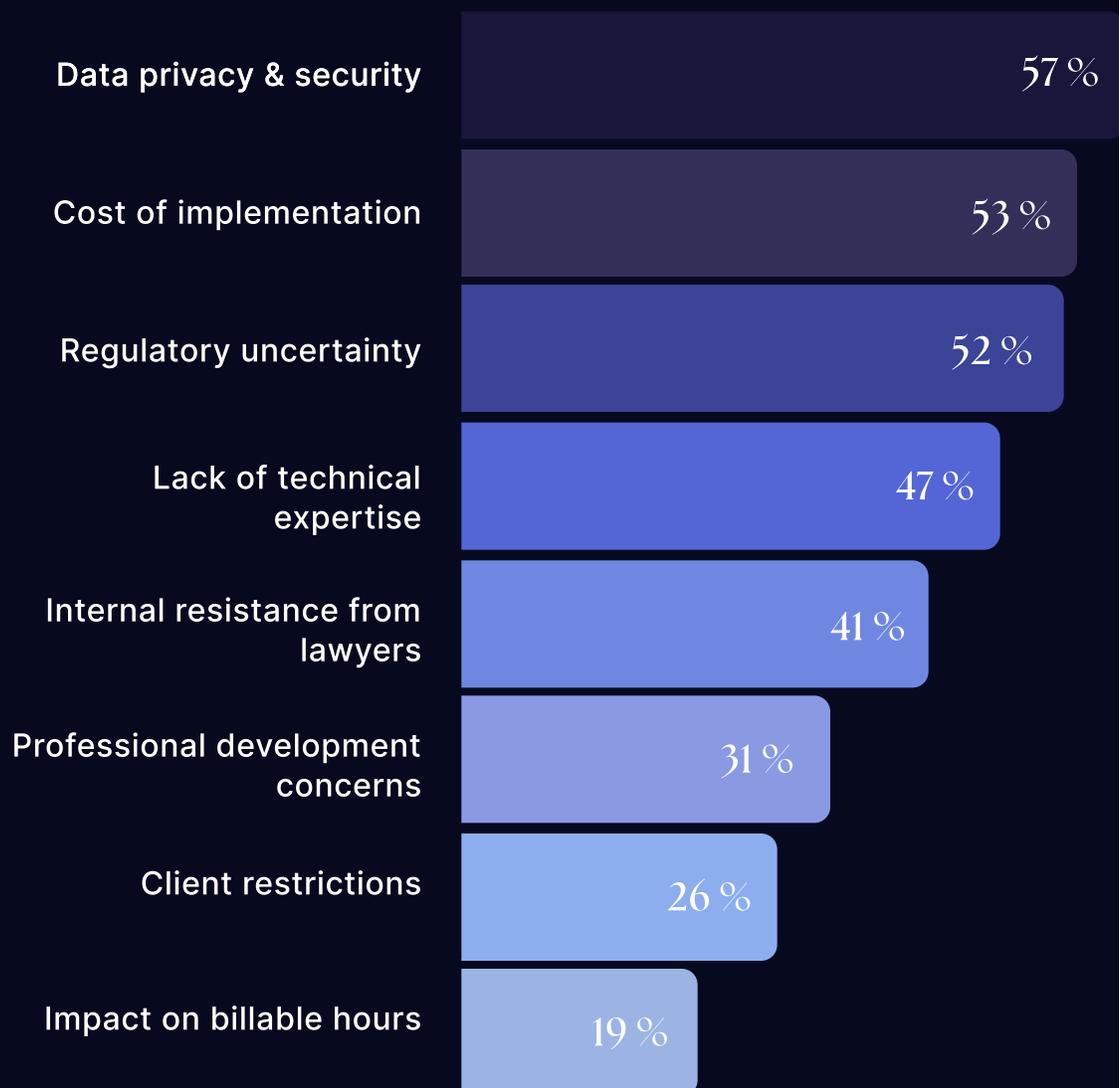
15.2%

Fearful / refusal to use

0%

Challenges & Concerns

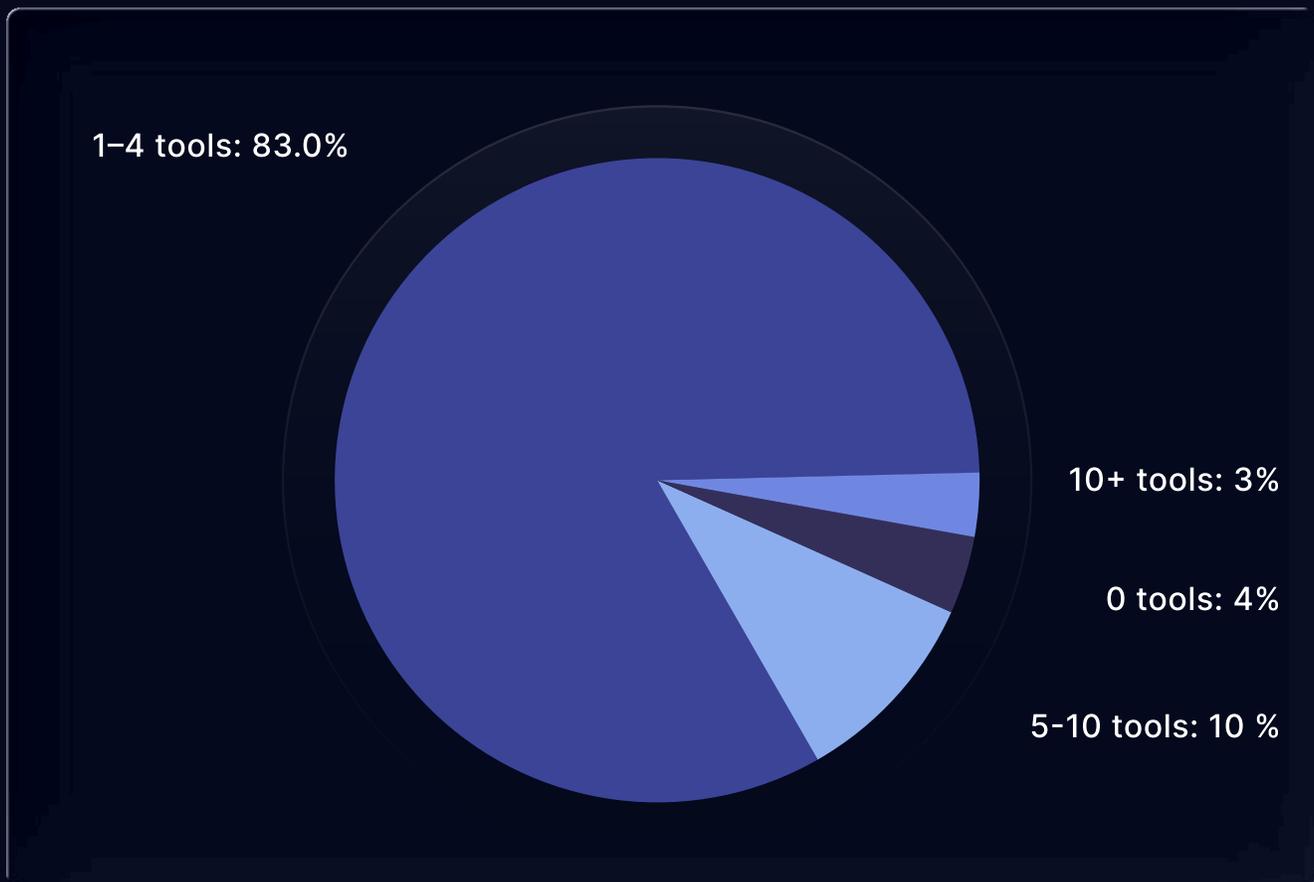
Concerns around trust and risk remain prominent. Accuracy and reliability of AI outputs are the most frequently cited challenges, followed closely by data privacy, cost, and regulatory uncertainty. Technical expertise also remains a barrier for many firms. Cultural and economic concerns rank lower, suggesting that firms are more concerned with managing AI responsibly than debating whether it should be used.



Number of AI Tools Used per Firm

Most firms operate in multi-tool environments. The majority use between one and four AI tools, with a growing share using five or more. Very few firms report using no AI tools at all.

This pattern suggests adoption is often user-driven, with tools accumulating faster than firms are consolidating platforms.



AI Leadership & Budget

Law firms show wide variation in how AI initiatives are owned and funded. While AI usage is now widespread, many firms still lack dedicated leadership or clear budget allocation, indicating that adoption is often driven at the individual or team level rather than through centralized strategy. This disconnect highlights a growing gap between how frequently AI is used and how formally it is supported within firm operations.



No dedicated AI leadership



Part-time role or committee



Full-time AI lead



Dedicated AI budget



No AI budget



Unsure about AI budget

AI Policy Status

Formal AI policies remain limited across law firms. Only a minority report having a finalized, firm-wide policy in place, while many are still developing guidelines or have no policy at all. This suggests that governance frameworks are lagging behind day-to-day AI usage, leaving firms to navigate issues of risk, consistency, and accountability as adoption continues to accelerate.

Firm-wide AI policy

24.5 %

Policy in progress

34.7 %

No policy

28.6 %

Unsure about policy

12.2 %

How AI Adoption in Law Has Changed: 2025 → 2026

Usage Frequency	2025	2026	Change
Daily use	38%	59.2%	+21.2 pts
Weekly use	24%	30.6%	+6.6 pts
Monthly use	21%	6.1%	-14.9 pts
Never use	17%	4.1%	-12.9 pts

What changed: AI usage has shifted decisively from occasional to habitual. In 2026, nearly 9 in 10 lawyers use AI weekly or more, compared to just over 6 in 10 in 2025.

Tools Used per Firm	2025	2026	Change
0 tools	23%	~4%	-19 pts
1-4 tools	67%	83.3%	+16.3 pts
5-10 tools	7%	10.4%	+3.4 pts
10+ tools	4%	6.2%	+2.2 pts

What changed: Firms have largely crossed the “first tool” threshold. Tool sprawl has increased modestly, but the biggest shift is the collapse of non-adoption.

How AI Adoption in Law Has Changed: 2025 → 2026

Expected Financial Impact	2025	2026	Change
Positive impact	46%	57.7%	+11.7 pts
Neutral impact	29%	36.5%	+7.5 pts
Negative impact	12%	5.8%	-6.2 pts

What changed: Skepticism around AI harming profitability has dropped by more than half, while confidence in positive financial impact continues to grow.

Sentiment	2025	2026	Change
Very excited / excited	73%	67.4%	-5.6 pts
Neutral	9%	17.4%	+8.4 pts
Concerned / skeptical	18%	15.2%	-2.8 pts
Scared / will not use	4%	0%	-4 pts

What changed: Fear has virtually disappeared. Enthusiasm remains high but has matured into a more measured, operational mindset.



Conclusion

Generative AI has moved decisively into everyday legal practice. Between 2025 and 2026, usage increased substantially, with daily adoption becoming the norm and non-use declining to a small minority. This shift confirms that AI is no longer experimental for most law firms, but an established part of how legal work is performed.

At the same time, the data shows that organizational maturity is still catching up to usage. Leadership, budgeting, and governance structures remain uneven, and many firms lack the frameworks needed to consistently manage risk, measure impact, and scale AI effectively. As adoption continues to accelerate, the firms best positioned for long-term success will be those that move beyond individual tools and treat AI as core infrastructure, supported by clear ownership, policies, and oversight.

Discover what Alexi can unlock for your firm.

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