



## **NEW RESEARCH: CFOS ARE READY TO HELP GCS “RECESSION-PROOF” THE LEGAL BUDGET**

***Ahead of a possible downturn, CFOs view legal cost & risk management as an urgent business challenge and are ready to work with GCs to find solutions***

***2 out of 3 CFOs at big companies embrace legal finance as smart business strategy and expect to use it in the next two years***

June 27, 2019 – Burford Capital, the leading global finance and investment management firm focused on law, today announced the results of a groundbreaking new survey that asked Chief Financial Officers to share their views on how companies deal with the billions they spend annually on legal disputes. *2019 Managing Legal Risk Report: A Survey of CFOs and Finance Professionals* reveals that CFOs see this as an urgent business challenge—especially ahead of a potential recession that will put pressure on companies to use their cash wisely—and that they are eager to partner with General Counsels to embrace innovative new solutions, including legal finance.

Christopher Bogart, Burford’s CEO, said of the research: “As a former GC of a Fortune 20 company, I know that CFOs don’t love legal spending. However, Burford’s research shows that CFOs, particularly at large companies, embrace legal finance as a tool to manage and improve control over legal spending, even more so ahead of a possible recession when it is so important to create certainty around corporate budgets.”

He continued: “CFOs intuitively grasp that legal finance is simply corporate finance for law, no different from the financing they use to pay for other corporate costs, and a far better alternative than paying out-of-pocket or abandoning valuable legal assets.”

Key findings, based on data from 502 CFOs and senior finance professionals in the US, UK and Canada, include:

- **Companies are losing millions to abandoned claims and unpursued recoveries**  
A majority of finance professionals (63.0%) say their companies have abandoned meritorious claims given fears of adversely impacting the bottom line; over three fourths (77.6%) say their companies have unenforced judgments and uncollected awards valued at \$10 million or more.
- **A recession will cause legal budgets to shrink and legal finance to grow**  
A majority of CFOs and senior finance professionals (66.9%) report that in the event of an economic downturn they would advocate reducing legal budgets; still more (67.3%) say that a recession would make them more likely to advocate using legal finance.
- **CFOs and finance professionals see legal finance as a tool to generate value**

The vast majority of CFOs and finance professionals (94.7%) are likely to recommend legal finance. The most commonly cited reason for using legal finance is to “pursue claims that will bring value to the business.” Finance professionals at companies with over \$10 billion in annual revenues say the top benefits of legal finance are “investing in growth/using capital wisely”, “preserving capital for other business priorities”, and “reporting and accounting benefits”.

- **Following growth in the last two years, legal finance looks poised for more**  
Nearly two-thirds (65.1%) say their companies are “very likely” to use legal finance in the next two years. This trend is even more pronounced at companies with annual revenues of more than \$1 billion (71.4%).

The full [2019 Managing Legal Risk Report: A Survey of CFOs and Finance Professionals](#) is available on Burford’s web site and will be discussed in two upcoming webcasts; see [Burford’s event calendar](#) for details.

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**About Burford Capital**

Burford Capital is a leading global finance and investment management firm focused on law. Its businesses include [litigation finance](#) and risk management, asset recovery and a wide range of legal finance and advisory activities. Burford is publicly traded on the London Stock Exchange, and it works with law firms and clients around the world from its principal offices in New York, London, Chicago, Washington, Singapore and Sydney. For more information about Burford: [www.burfordcapital.com](http://www.burfordcapital.com).