

High Cost of Doing Good

W I L L I A M P . H O Y E

MORE LAW GRADUATES WOULD ENTER PUBLIC SERVICE WITH LOAN-FORGIVENESS PLAN

FOR MOST LAWYERS who want to practice public-interest law today, the math is relatively easy; the cost of the ideal can present one of the greatest challenges. Too frequently, lawyers graduating from private law schools must begin their careers with more than \$50,000 in student loan debt. In many instances, that debt must be repaid within 10 years.

They can expect to subtract their monthly student loan payments from an average annual salary of \$60,000 at a large firm or from an average annual salary of \$25,000 to \$30,000 in many public-interest law offices. This difference may explain why the cost to society is too few lawyers dedicating their careers to public-interest law practice.

In the Notre Dame Legal Aid Clinic, for example, many students would like to work in public-interest positions after graduation. While the level of interest and the need for such professionals remain high, less than 2 percent of graduates actually enter public-interest law practice each year. Why?

Many simply cannot afford it. Tuition at the Law School for 1997-98 is more than \$20,000 a year, exclusive of living expenses and books. The most economically needy students can borrow as much as \$27,000 or more each year for tuition and living expenses. Although some fellowships are available, the average indebtedness of law graduates has been estimated at more than \$50,000.

Thus, if two "financially average" students at the Law School marry, their combined debt before they begin a family or buy a home would be more than \$100,000 for law school alone.

They could repay their individual loans over 10 years or consolidate them over 25 years — often forfeiting a lower interest rate. If they consolidate, they could still be paying for their own educations when their children are in college.

One of my former students at the Legal Aid Clinic, who desperately wanted to be a public-interest lawyer, had accumulated \$82,000 in student-loan debt (\$72,000 of it for law school alone) when she graduated. As a public-interest lawyer, her starting salary was likely to be about \$25,000. With an expected monthly take-home pay of \$1,600, she would have less than \$600 for rent, food, clothing, transportation and other expenses after making her \$1,005-per-month student loan payment.

Although she was willing to live near the poverty level for a public-interest job, she worried about how she would handle a financial emergency.

The question that begs to be asked is obvious: How can top graduates be expected, economically, to forgo jobs in large firms in Chicago or New York with starting salaries of more than \$80,000 in favor of public-interest jobs paying, on average, a third of that amount?

Laudably, a number of law schools, law firms, professional associations and others across the nation have fellowships, loan-forgiveness programs and other financial incentives for entering public service. Unfortunately, however, many of these programs can assist only a handful of lawyers each year.

The federal government funds a substantial loan-forgiveness program for physicians who agree to repay a portion of their student loans by practicing in locales that need doctors. Unfortunately, there is no similar program for lawyers who enter public-interest practice.

The Clinton Administration formed a National Service Legal Corps several years ago, which then involved a total of 42 professionals, including lawyers, working at 11 sites in such fields as domestic violence, community economic development and homelessness.

With a total budget of \$2 million — half of it from federal funds — the corps' only attempt at loan forgiveness was a post-service education award of \$4,725. That is not even one year's interest payment for a lawyer with more than \$50,000 in student debt.

While the service corps is a worthwhile project, and perhaps an important first step, the real need is for comprehensive, federally funded loan forgiveness for public-interest lawyers; or, more realistically from a political standpoint, a tax system that treats public-interest law practice more favorably and creates financial incentives for those engaged in it.

SOCIETY'S LOSS

The cost of failing to adopt such a program is high. Without it, many graduates will not be able to afford to help the needy. Those who do will be forced to live at or below the poverty level themselves. The legal profession will lose an important opportunity to improve its image by demonstrating its commitment to serving society's less fortunate members. Moreover, the poorest and most vulnerable members of society, who already lack adequate access to affordable legal services, will lose yet another important resource — the assistance of enthusiastic young lawyers willing to help them. Such a result would be a real American tragedy, especially when so many lawyers want to serve.

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