



June 2015

The Critical Role of Public Service Loan Forgiveness in Access To Counsel and Equal Justice

The Results of a 2,000-Person Survey



ACKNOWLEDGEMENTS

The National Legal Aid & Defender Association thanks the 2,007 public interest attorneys who provided the foundation for this report by sharing their experiences. Their stories demonstrate how important, for both attorneys and clients, the Public Service Loan Forgiveness Program is to access to justice.

We also appreciate the assistance of the many civil legal aid leaders and the American Council of Chief Defenders in distributing the survey across the country. Thank you all for your commitment to issues important to the public interest attorneys under your supervision.

EXECUTIVE SUMMARY

The federal Public Service Loan Forgiveness Program (PSLF) has made quality legal representation far more accessible to low-income people across the country. Currently, PSLF forgives remaining balances on federal student loans on which a borrower has paid 10% of his or her discretionary income while working full-time in public service jobs for 10 years. This arrangement has made it possible for thousands of civil legal aid lawyers and public defenders—whose starting salaries average below \$50,000—to serve their communities and still manage the debts they acquired attending law school.

Yet some in the 114th Congress have called for the elimination of PSLF, and the Obama Administration has recommended a cap of \$57,000 on the amount that could be forgiven. Both proposals would prevent thousands of dedicated lawyers working with low-income people from continuing in their public service careers, which would in turn seriously reduce the amount and quality of legal assistance available to those people.

To understand the potential impact of these proposals, the National Legal Aid & Defender Association (NLADA) surveyed thousands of lawyers across the United States. NLADA is particularly interested in the impact these proposals would have on civil legal aid lawyers and public defenders, since their starting salaries are typically one-half to one-third of peers who work for corporate firms. Little hard data defines who is participating in PSLF and how the program makes it possible for law graduates to pursue public interest careers. In addition to responding to questions regarding how changes to PSLF would affect their career choices, survey participants also explained the importance of PSLF to their professional and personal lives.

“ I come from a poor family, but still want to give back to the community and participate in public service. I attended law school to become a public interest attorney, and I was lucky enough to get the position I always wanted. I rely on PSLF to continue to do this work. ”

The survey results illustrate **the damaging consequences that would follow capping or eliminating PSLF: a steep reduction in the number of lawyers who could afford public service careers.** Their departure for jobs that allowed them to pay their law school debt would profoundly diminish access to justice for low-income people in the United States.

KEY FINDINGS

Analysis of survey responses revealed these significant results:

- If there were a cap of \$57,000 on PSLF, approximately half of all respondents indicated that they would not have taken their position or would likely leave for a position with a higher salary. (See page 8.)
- Seventy percent of respondents indicated that PSLF is one of the reasons they could take or remain in their current public interest position. (See page 9.)
- More than a quarter of respondents carry federal student loan balances of \$175,000 or more, and single largest category of respondents have loan balances over \$200,000. (See page 6.)
- More than a quarter of respondents who participate in the John R. Justice (JRJ) Student Loan Repayment Program, which helps state and federal public defenders, would not have taken their position or would likely leave for a position with a higher salary were JRJ eliminated. (See page 10.)

- Respondents’ stories revealed common experiences with PSLF, including (See page 10):
 - PSLF maintains a skilled and dedicated pool of public service attorneys.
 - PSLF supports attorneys who relate to and understand their clients.
 - PSLF helps public interest attorneys contribute more to the nation’s economy and enables them to afford the essentials of maintaining a basic, stable family life, such as purchasing a car or a home. Otherwise, their discretionary income is overwhelmingly committed to debt payments.
 - PSLF was a commitment by the federal government that shaped the actions of thousands of people who are dedicated to serving the needs of people and families struggling to make ends meet.

“ I am a public defender primarily representing juveniles. The work is the most challenging thing I have ever done in my life. It is intense, emotional, exhausting, and taxing. It is also something I am so proud of. It is a privilege to represent my clients and guide them and their families through this process...When I learned of the PSLF, I was thrilled. I have come to rely upon the promise to forgive my student loans if I spend a decade of my career dedicated to indigent defendants. ”

SURVEY METHODOLOGY

The survey received a total of 2007 responses between December 2, 2014 and January 13, 2015.¹ At the time of the survey, the Obama Administration proposal to cap PSLF at \$57,000 was public, but Congressional calls for complete elimination of the program were not. The phrasing of the questions reflect that knowledge.

The survey consisted of 22 multiple choice questions and one open-ended question². Created via Survey Monkey, this survey was distributed to 1) civil legal aid lawyers and public defenders and 2) managers of legal aid and defender programs to be forwarded to affected colleagues. Of the 2,000 people who responded, 936 provided comments and/or personal stories regarding the importance of the Public Service Loan Forgiveness program. The responses were collected anonymously to protect confidentiality.

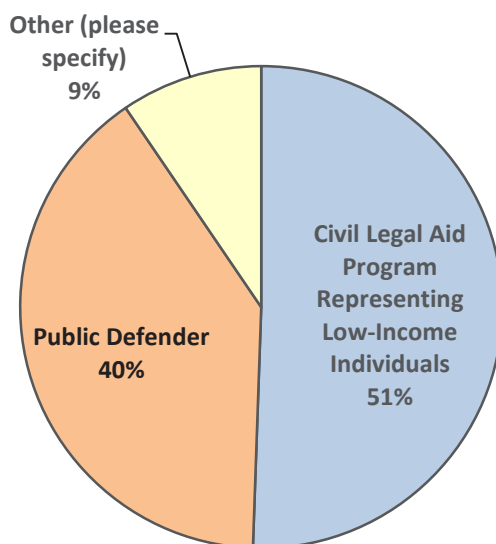
¹ The volume of responses was so high that the deadline for the survey was extended for a month.

² Skip patterns were built into the survey such that responses to certain multiple choice questions led to relevant sets of subsequent questions. All respondents received the open-ended question that asked for additional thoughts, comments, and personal stories regarding the importance of PSLF.

I. Respondent Profiles³

Employment: When asked which type of employer they work for, respondents indicated Civil Legal Aid Program Representing Low Income Individuals (51%), Public Defender (40%), and Other (9%). The Other category included federal government offices and nonprofits. (n=1975)

What Type of Employer Do You Work For?



Age: Respondents were primarily between the ages of 30-39 (54%). Approximately 27% were 20-29, and 13% were 40-49. (n=1997)

Gender: Respondents were 72% women and 28% men. n=1987

Region: The largest number of respondents were from the Northeast (39%), followed by the South (22%), West (19%), and Midwest (19%). (n=1995)

Graduation Year: The majority of respondents graduated before 2010. Top three classes were 2012 (14%), followed by 2011 (12%), and 2013 (11%). (n=1948)

“ My grandparents only went to high school ... My father grew up poor. I am the first lawyer in my family...I now work as a bilingual attorney helping tenants fight their eviction cases...For our clients, having an attorney can mean the difference between whether they will be sleeping on the street or not. I hope that the PSLF program can continue to help make doing public interest work possible for those of us who come from less affluent families. ”

³ The “n” statistic indicates the number of respondents who answered each question.

II. Loan Balance Information

The majority of respondents who provided information on loan balance carried student loans of over \$100,000. Loan amounts of \$200,000 or more received the most responses (21% of the total) out of all the options. The table below shows the breakdown by loan amount:

What is the balance of ALL your student loans? (n=1838)		
	Response Percent	Response Count
-		
Less than \$25,000	4.5%	83
\$25,000 - \$49,999	7.3%	135
\$50,000 - \$74,999	11.7%	215
\$75,000 - \$99,999	11.0%	202
\$100,000 - \$124,999	13.3%	245
\$125,000 - \$149,999	11.0%	202
\$150,000 - \$174,999	10.8%	199
\$175,000 - \$199,999	9.4%	173
\$200,000+	20.9%	384

A similar distribution was noted for the question asking for the balance of federal student loans, again with the loan amount of \$200,000 or more receiving the most responses (16%):

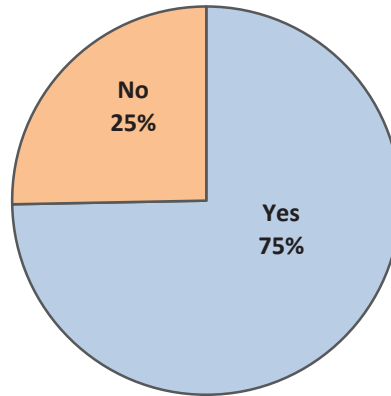
What is the balance of your federal student loans? (n=1823)		
	Response Percent	Response Count
Less than \$25,000	5.9%	108
\$25,000 - \$49,999	9.1%	165
\$50,000 - \$74,999	14.0%	256
\$75,000 - \$99,999	12.2%	223
\$100,000 - \$124,999	15.0%	273
\$125,000 - \$149,999	8.9%	162
\$150,000 - \$174,999	9.3%	170
\$175,000 - \$199,999	9.5%	173
\$200,000+	16.1%	293

Analysis of private student loan data revealed that, of the 1428 responses received, the majority of respondents carried balances of less than \$25,000 (74%) in private loans. Approximately 32% carried balances between \$25,000 and \$49,999 and 7% carried balances between \$50,000 and \$74,999.

III. Income-Driven Repayment

Income-driven repayment plans, such as Income-Contingent Repayment (ICR) and Pay As You Earn (PAYE), allow students to maximize their PSLF benefits by lowering minimum monthly payments. Of the 1372 responses to this question, the majority (75%) have signed up for an income-driven repayment plan⁴:

Signed Up for Income-Driven Repayment Plan?



Respondents who indicated they had signed up for an income-driven repayment plan were then asked to estimate how many months their loans have been in the plan while employed by a nonprofit organization or government agency. The majority of respondents (52%) indicated less than 24 months:

Please estimate how many months your loans have been in an income-driven repayment plan while you have been employed by a non-profit organization or government agency? (n=1372)		
	Response Percent	Response Count
0 – 12 months	28.2%	387
13 – 24 months	24.2%	332
25 – 36 months	18.2%	250
37 – 48 months	12.6%	173
49 – 60 months	9.5%	130
61 – 72 months	4.1%	56
73 – 84 months	3.2%	44

⁴ The full text of the question reads: “Some student loan borrowers qualify to choose an income-driven repayment option (Income-Contingent Repayment (ICR), Income Based Repayment (IBR), and Pay As You Earn (PAYE)). Note: IBR first became available in 2009; PAYE first became available in 2012. Have you signed up for one of these income-driven repayment options?”

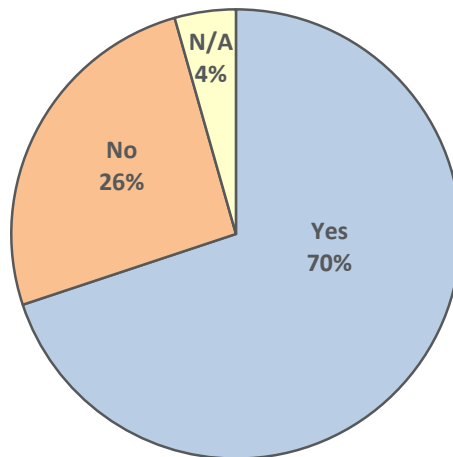
Respondents who indicated that they had *not* signed up for an income-driven repayment plan were asked to explain why. The most responses (26%) came from individuals whose payments were lower in a different plan:

If your federal loans are not in an income-driven repayment plan, why not? (n=452)		
	Response Percent	Response Count
I know I am not eligible	13.3%	60
I do not think I am eligible.	22.3%	101
I do not know about it.	18.1%	82
I may be eligible, but I have not applied yet.	20.6%	93
My payments are lower in a different plan.	25.7%	116

IV. Public Service Loan Forgiveness

Respondents were also asked if one of their reasons for taking or remaining in their current position was because it enables them to earn PSLF. Of the 1788 responses, 70% answered, “Yes,” with many commenting that while they did not *choose* their current jobs because of PSLF, they would not have been able to *accept* those positions without PSLF.

Was one of the reasons you took or are remaining in your present position because it enables you to earn Public Service Loan Forgiveness?



“ We are renting our one-bedroom apartment out for share through AirBnB, and I am driving nights and weekend for Uber and Lyft, just to make ends meet. The PSLF program is all that gives me hope. ”

When asked what effect a cap of \$57,000 on PSLF would have on their careers and/or life, approximately one-half of all respondents indicated that they would not have taken their position or would likely leave for a position with a higher salary:

If Public Service Loan Forgiveness were capped at \$57,000, what effect would that have had on your career and/or life? (n=1771)		
	Response Percent	Response Count
I would not have taken my position or would likely leave for a position with a higher salary.	48.7%	863
I would likely remain in my current position for longer than 10 years, but will feel a major financial burden.	35.0%	619
I would likely remain in my current position for longer than 10 years, and will feel little effect on my financial circumstances.	7.4%	131
N/A	8.9%	158

Respondents were also asked to provide information regarding their monthly student loan payments. Over half of all respondents have monthly payments of \$500 or less. Approximately 55% of respondents indicated that their monthly payments were affordable, and 45% responded that their monthly payments were not affordable.

How much are your monthly payments? (n=1777)		
	Response Percent	Response Count
Less than \$250	23.6%	419
\$250 - 499	42.6%	757
\$500 - 749	18.5%	328
\$750 - 999	7.8%	138
\$1000 - 1249	4.3%	77
\$1250 - 1499	1.9%	33
\$1500 - 1749	0.6%	10
\$1750 - 2000	0.3%	5
more than \$2000	0.6%	10

V. John R. Justice Student Loan Repayment Program

The John R. Justice (JRJ) Student Loan Repayment Program provides repayment assistance to state and federal public defenders who remain in their positions for at least three years. In this survey, a total of 123 respondents indicated that they participate in JRJ.

When asked about the impact of eliminating JRJ, more than a quarter of respondents would not have taken their position or would likely leave for a position with a higher salary. Additionally, more than half of

respondents would face major financial challenges by remaining in their current positions for more than three years:

If there were no John R. Justice Student Loan Repayment Program, what effect would that have had on your career and/or life? (n=123)		
Answer Options	Response Percent	Response Count
I would not have taken my position or would likely leave for a position with a higher salary.	27.0%	33
I would likely remain in my current position for longer than 3 years, but will feel a major financial burden.	55.0%	68
I would likely remain in my current position for longer than 3 years, and will feel little effect on my financial circumstances.	18.0%	22

VI. Comments and Personal Stories

This survey received a total of 936 comments and personal stories on the impact of the PSLF program and the proposed cap of \$57,000. Our initial review of these open-ended responses identified key themes that provide additional context to the data analysis conducted on the multiple-choice questions:

- **PSLF maintains a skilled and dedicated pool of public service attorneys.** The forgiveness program enables lawyers, especially those with substantial debts from law school, to commit to public service positions that promote equal justice for all. An overwhelming number of respondents indicated that 1) they would not have taken their current position without PSLF, and/or 2) they would be unable to remain in their current position without PSLF.
 - *“I am a public defender primarily representing juveniles. The work is the most challenging thing I have ever done in my life. It is intense, emotional, exhausting, and taxing. It is also something I am so proud of. It is a privilege to represent my clients and guide them and their families through this process...When I learned of the PSLF, I was thrilled. I have come to rely upon the promise to forgive my student loans if I spend a decade of my career dedicated to representing indigent defendants.”*
 - *“Only with experience, and the confidence which comes with that experience, can public defenders be most effective...Public service loan forgiveness will ensure that an experienced, able attorney is available for appointment to every case necessary, thereby fulfilling the constitutional mandate that every indigent client have the benefit of an adequate defense.”*
- **PSLF supports attorneys who understand their clients.** Many respondents who rely on PSLF indicated that they themselves come from low-income families and/or communities. Their ability to connect with clients and passion for equal justice improve the chances that clients who cannot afford attorneys will receive quality representation.
 - *“I come from a poor family, but still want to give back to the community and participate in public service. I attended law school to become a public interest attorney, and I was lucky enough to get the position I always wanted. I rely on PSLF to continue to do this work... Putting a cap on PSLF would discourage people like myself from pursuing these positions, which would not only adversely affect us, but also low-income people in our communities.”*

- *“My grandparents only went to high school—my Mexican grandfather was a janitor for much of his life. My father grew up poor. I am the first lawyer in my family...I now work as a bilingual attorney helping tenants fight their eviction cases...For our clients, having an attorney can mean the difference between whether they will be sleeping on the street or not. I hope that the PSLF program can continue to help make doing public interest work possible for those of us who come from less affluent families.”*
- **PSLF helps public interest lawyers contribute more to the nation’s economy.** By putting reasonable limits on the amount of money public service lawyers have to devote to loan repayments each month, the program helps those people participate more fully in the economy, since they still have enough money to buy homes, cars, and other goods, to raise a family, and even to start saving for retirement.
 - *“PSLF is so important to me and my family. I love my work as a public defender and have built my life around the belief that my federal loans would be discharged after 10 years of service...My crushing loan burden jeopardizes my ability to save for retirement and inhibits my abilities to contribute to the economy through spending.”*
 - *“[D]o not eliminate or cap the Public Interest Loan Forgiveness Program, which provides a real opportunity for middle-class Americans to develop useful skills for the market, financial security for a large market of people who hope to buy cars and homes and raise families, all of which contributes to a healthy economy.”*
- **PSLF was a commitment by the federal government that shaped the actions of thousands of people.** Many lawyers took their public service positions with the understanding that their loans would be forgiven at the end of ten years, and have planned accordingly. Changing the rules midstream is perceived as an unfair policy that would force many participants to leave public service work for higher-paying corporate jobs.
 - *“Capping it now...feels like Lucy pulling the ball away from Charlie Brown...We are renting our one-bedroom apartment out for share through AirBnB, and I am driving nights and weekend for Uber and Lyft, just to make ends meet. The PSLF program is all that gives me hope.”*

IMPLICATIONS

Significant reductions in the Public Service Loan Forgiveness Program would profoundly diminish access to justice for low-income people in the United States. This survey of more than 2,000 people shows that without this program, committed, knowledgeable lawyers would be forced to leave their positions in civil legal aid and public defense because of the financial burdens they would face. As a result, both the quality and the amount of representation available to people with limited incomes would decline sharply, making justice even less equal than it is today.



1901 Pennsylvania Ave. NW, Suite 500, Washington, DC 20006
202.452.0620 | www.nlada.org