Student Debt, COVID-19 Relief, and Loan Forgiveness: Perspectives from Today's Young Lawyers

Selected Findings from the 2024 American Bar Association Young Lawyers Division Student Loan Survey

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Acknowledgments

The 2024 ABA YLD Student Loan Debt Survey is a collaborative effort between the American Bar Association Young Lawyers Division and AccessLex Institute's Center for Legal Education Excellence®.

Tamara Nash, Ann Petros, and Sylvia Knox from the American Bar Association provided valuable contributions to the development of the 2024 Student Loan Debt Survey and this Report.

This report was authored by AccessLex Institute's Center for Legal Education Excellence staff: Tiffane Cochran, Kelsey Risman, and Haley Rough, with support from Nancy Conneely, Fletcher Hiigel, Baylee Jenkins, Jennifer Schott, and Jordan Spencer.

We are extremely grateful to the ABA YLD members whose responses to the survey made this study possible.

Executive Summary

Over the last few years, the American Bar Association Young Lawyers Division (ABA YLD) has used data from its members to sound the alarm on student loan debt trends and the impact of student loan debt on early career attorneys who are under the age of 36 or were first admitted to practice within the last 10 years. The 2020 and 2021 Student Debt Surveys elucidated the ways in which education debt tangibly burdens relatively new J.D. recipients —most of whom are in the process of building their careers and lives. Both surveys' results indicated that those with the highest debt balances are more often to report delaying or forgoing significant life events, (e.g., marriage, homebuying, and having children). Further, the 2021 Report demonstrated that the impacts of debt are not felt equally among all young lawyers; lawyers of color are disproportionately likely to have borrowed for their education, carry high debt balances, and see their debt balances grow after graduation.

The 2024 survey results reaffirm the above findings while offering new insights regarding young lawyers' experiences with the COVID-19 student loan repayment pause, their plans in the event of loan forgiveness, their satisfaction with loan servicers, and their mindsets regarding work-life balance. The survey results also illustrate notable differences in borrowing and debt effects by respondent characteristics, including first-generation college status. In summary, the findings indicate:

- Just over a quarter (27%) of respondents have a current student loan balance that is higher now than when they graduated. Of those, 71% indicate their balance has grown because they are in an income-driven repayment plan and their monthly payments do not cover the principal.
- While 70% of respondents who borrowed report they were aware of their student balance each year they were enrolled in law school, only 42% report having an awareness of the impact of compound interest and other fees associated with deferring loan payments. Awareness was even lower for first-generation and racially underrepresented respondents at 33% each compared to 45% of continuing generation respondents and 44% of racially represented respondents.
- At the time they enrolled in law school, many young lawyers did not anticipate how student loans would affect them after graduation. Of those who borrowed, only 25% agreed they clearly understood how their student loans would impact their careers, and only 28% clearly understood how their student loans would impact their personal lives.
- Most young lawyers (75%) who borrowed report their debt altered the career plans they had when they entered law school, and 76% report their debt caused them to delay or forgo life plans, such as marriage and children. Over half indicate their debt has prevented them from reaching savings, investment, and retirement goals.
- Carrying student loan debt also causes stress and anxiety for most young lawyers who borrowed (68%), and 67% of all respondents, including those without debt, report feeling stressed about their finances. However, respondents with higher amounts of debt are more likely to report financial stress compared to those with little to no debt.

- Although 60% of respondents are satisfied with the ease of making mandatory monthly payments to loan servicers, many report dissatisfaction with call hold/wait times and the ease of applying for the Public Service Loan Forgiveness program with their servicers.
- Among respondents who borrowed, 86% report benefiting from the COVID-19 student loan repayment pause. Of those, 76% indicated the money that would have gone to their monthly payment was instead used for essential expenses, and 54% used the money to pay down other debts.
- In the event of total loan forgiveness, half of borrowers would use the money gained to grow their savings, and 44% would contribute it to retirement accounts.
- Many respondents (54%) report spending less time vacationing, socializing with family and friends, or engaging in exercise or self-care because doing so would jeopardize their prospects for a promotion or salary increase.
- Despite the burdens that accompany education debt, most respondents (74%) would still get a J.D. if they could go back and do it all over again.

These results serve a dual purpose of both highlighting the challenges of student loan debt for young attorneys and pointing the way to potential interventions and policy solutions that could serve to relieve financial stress not only for young lawyers but also for the millions of Americans shouldering the weight of education debt. The full report provides a robust overview of the findings summarized above and offers recommendations for how we can better support early career professionals who uphold the rule of law in our society.

Introduction

It has been three years since the American Bar Association (ABA) Young Lawyers Division (YLD) studied student loan debt among its membership. The 2021 Student Debt Survey and its 2020 predecessor both observed the impact of student loan debt on the personal and professional lives of recent law graduates, revealing that many young lawyers are postponing or forgoing significant life milestones such as marriage, buying a home, and having children.[1] The studies straddled the COVID-19 pandemic: the 2020 survey was administered just before the quarantine period, and the 2021 survey was administered a year later. Despite these different contexts, both studies found that about one-third of young lawyers report their debt led them to take a different job than they intended when they first enrolled in law school, and both also revealed the negative toll debt can take on the overall financial and emotional well-being of early career attorneys. Further, the 2021 report demonstrated that the impacts of student loan debt are most acute among those carrying higher debt balances — especially Black borrowers — as well as those who reported being least informed about the total amount and eventual impact of their law school investment at the time they enrolled in law school.

Since the 2021 survey, economic conditions have changed considerably. Student loan payments, which were paused from March 2020 through September 2020 as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and through September 2023 via executive action under the Trump and Biden administrations, have since resumed. The resumption of those payments coincided with high interest rates and stubborn inflation rates, further constraining borrowers' buying power. Although student debt relief has been a focus of the Biden administration, measures that would have brought sweeping loan forgiveness to all borrowers have been thwarted through congressional and judicial action, while more limited measures have succeeded through executive action and income-driven repayment plan reforms.

With this context in mind, our latest report: (1) provides an updated look at topics examined in the prior ABA YLD Student Debt Surveys, (2) examines the real impact of temporary debt relief, and (3) probes the potential impact total loan discharge could have on young lawyers' lives. We examine these perspectives across various respondent characteristics (e.g., debt levels, employment type, and first-generation college status). Our findings are based on a 45-item questionnaire that we developed to address the following guiding questions:

- What is the education debt load of young lawyers, and how does it vary by respondent demographics?
- To what extent are young lawyers impacted by their student loan debt — in their career, life course, and overall financial and emotional well-being?
- To what extent are young lawyers pursuing Public Service Loan Forgiveness (PSLF), and what are their post-forgiveness career plans?
- How did young lawyers leverage temporary debt relief during the pandemic-related payment pause?
- To what extent do young lawyers expect to receive student loan forgiveness, and what would/will they do if their loans are forgiven?

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[1] *See* Am. Bar Ass'n & AccessLex Inst., Student Debt: The Holistic Impact on Today's Young Lawyer 10-13 (2021), https://www.americanbar.org/content/dam/aba/administrative/young_lawyers/2021-student-loan-survey.pdf; Am. Bar Ass'n & AccessLex Inst., 2020 Law School Student Loan Debt 12-14 (2020), https://www.americanbar.org/content/dam/aba/administrative/young_lawyers/2020-student-loan-survey.pdf.

- To what extent are young lawyers having satisfactory experiences with their loan servicers?
- How do young lawyers reflect on their law school investment? How do they describe their pre-enrollment understanding of law school, the legal profession, and debt?

About the Survey and Respondents

The ABA YLD administered the 2024 Student Loan Debt Survey over four weeks in April and May of 2024, targeting members aged 36 or younger or those who graduated law school or were licensed within the last 10 years. Over 700 young lawyers throughout the country and in various employment settings completed the survey in full, and over 800 provided partial responses. While these numbers are only a fraction of the total YLD membership, they offer valuable perspective on an issue that is critical not only to recent law graduates but to all students who borrow to finance their higher education. Demographic characteristics of survey respondents are presented in **Table 1**.

Table 1
Demographic Characteristics of 2024 Survey Respondents

	ABA YLD Survey Respondents
Race/Ethnicity	
Represented in Legal Education	63%
Asian	7%
White/Caucasian	56%
Underrepresented in Legal Education	18%
Black/African American	7%
American Indian or Alaska Native	<1%
Native Hawaiian or Other Pacific Islander	<1%
North African/Middle Eastern	<1%
Hispanic or Latine	7%
Two or More Races	3%
Missing/Not Reported	19%
Gender	
Identified as a woman	56%
Identified as a man	26%
Trans, non-binary, or another gender	1%
Missing/Not Reported	17%
Age	
21-25	2%
26-30	25%
31-35	35%
36-40	10%
40+	13%
Missing/Not Reported	15%
n	870

A relatively large percentage of respondents (19%) did not provide demographic characteristics related to their race, ethnicity, gender, and age. However, most respondents (68%) who provided demographic information identified as women — comprising 56% of all respondents. The racial and ethnic diversity of respondents largely reflects that of law school graduating classes, however, White and Hispanic/Latine respondents are less represented in this study than in J.D. classes, while those of unknown race are overrepresented.[2] Small cell sizes among some racial groups, along with the large percentage of missing racial/ethnic information, precluded analysis of individual racial/ethnic group differences for this report. As a result, most analyses by race and ethnicity compare respondents who are represented in legal education to those who are underrepresented.[3] White and Asian respondents are "represented" among law school graduates while Hispanic/Latine, Black/African American, American Indian/Alaska Native, Native Hawaiian/Pacific Islander, North African/Middle Eastern, or multiracial respondents are "underrepresented."

Additional descriptive characteristics are presented in **Table 2**, **Table 3**, and **Appendix Table A1**. Roughly 35% of respondents graduated very recently — in 2021 or later. Most (99%) are licensed and 89% of employed respondents currently work in a full-time, long-term job. Among employed respondents, 85% work in a position that requires bar licensure. Almost half of respondents report working in a private firm (**Table A2**). The other half work in business or industry settings, government or clerkship positions, public interest or non-profit organizations, education or academic settings, and other positions. A moderate portion of the sample (19%) did not report employment data.

Table 2
Descriptive Characteristics of 2024 Survey Respondents

	ABA YLD Survey Respondents
Graduation Year	
Before 2016	17%
2017-2019	29%
2020-2022	31%
2023-2024	9%
Did not receive J.D.	<1%
Missing/Not Reported	15%
Employed Full-Time, Long-Term	89%
Bar Passage Required Job (Among those employed)	85%
n	870

[2] *See* ACCESSLEX INST., LEGAL EDUCATION DATA DECK 14 (2024), https://www.accesslex.org/research-and-data-tools-and-resources/legal-education-data-deck.
[3] Racial and ethnic groups are considered "represented" if their percentage of J.D. degrees awarded in 2023 is equal to or greater than their percentage of the U.S. population. For example, almost 63% of the 2023 cohort of law school graduates were White, compared to 62% of the U.S. population. This group would be considered represented in the legal education. An additional example: 13% of J.D. degree recipients in 2023 were Hispanic/Latine, compared to 19% of the U.S. population. This group is underrepresented in legal education because the proportion of law graduates that are Hispanic/Latine is smaller than the Hispanic/Latine proportion of the U.S. population. *Diversity in the US Population and the Pipeline to Legal Careers*, LAW SCH. ADMISSION COUNCIL (2023), https://report.lsac.org/View.aspx?Report=DiversityPopulationandPipeline.

Table 3
Average Salary of 2024 Respondents by Practice Setting

	ABA YLD Survey Respondents	Average Salary Range
Practice Setting		
Private Firm (Small; 1-50 attorneys)	26%	$90,000 - $99,999
Private Firm (Large; 51+ attorneys)	22%	$200,000 - $249,999
Business/Industry	8%	$100,000 - $149,999
Government/Clerkship	13%	$90,000 - $99,999
Public Interest/Nonprofit	8%	$80,000 - $89,999
Education/Academia	3%	$80,000 - $89,999
Other	2%	$80,000 - $89,999
Missing/Not Reported	19%	
n	870	

Student Loan Borrowing and Repayment Among Young Lawyers

Student Loan Borrowing

The overwhelming majority of respondents (85%) reported borrowing to finance their legal or prior education and 21% took out a private loan[4] to cover the cost of bar exam preparation. Those who borrowed for law school reported median amounts of $112,500 in J.D. loans and $137,500 in all loans at graduation. The median bar loan amount was $7,500. Compared to the U.S. Department of Education's most recent estimates of student debt among J.D. graduates, the rate of borrowing among survey respondents is slightly higher and the average amount of student loans at graduation is slightly lower.[5]

Student loan and bar loan borrowing varied by race/ethnicity. Consistent with previous survey findings, a higher proportion of Black/African American respondents reported borrowing to pay for their legal or prior education compared to that of other racial/ethnic groups (**Table A3**). Further, the median amount borrowed for law school and prior degrees was highest among Black respondents compared to borrowers of other racial/ethnic backgrounds (*Figure 1*, *Figure 2*, and *Figure 3*). Hispanic/Latine and multiracial respondents also reported higher overall rates of borrowing compared to White and Asian respondents.

[4] Because federal student loans are only available to students while enrolled, they are no longer accessible once law students graduate. As a result, graduates who need to borrow to fund their living and other expenses during the bar prep period must seek a private loan, which is subject to a credit check and may have more unfavorable terms than federal education loans. For information on how private loans, such as bar prep loans, compared to federal student loans, *see Federal Versus Private Loans*, FED. STUDENT AID, https://studentaid.gov/understand-aid/types/loans/federal-vs-private?sf112105474=1 (last visited July 8, 2024).
[5] In 2020, 76% of law graduates used loans to fund their graduate education and the average cumulative amount borrowed among law students was $143,100. ACCESSLEX INST., LEGAL EDUCATION DATA DECK 24-25 (2024), https://www.accesslex.org/research-and-data-tools-and-resources/legal-education-data-deck.

Figure 1. Undergraduate Borrowing by Race/Ethnicity

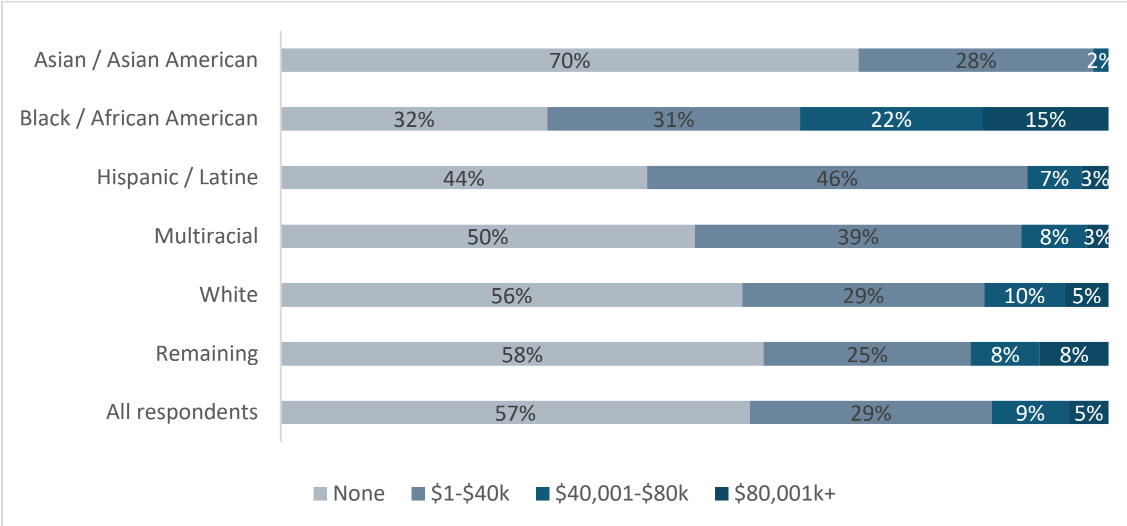


Figure 2. J.D. Borrowing by Race/Ethnicity

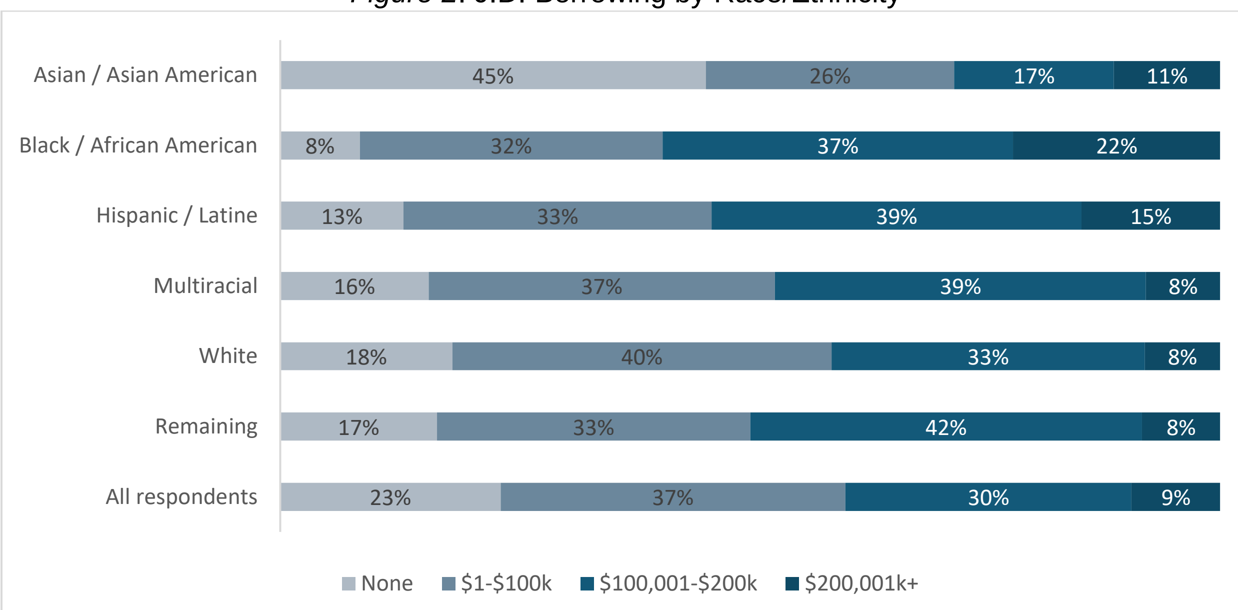
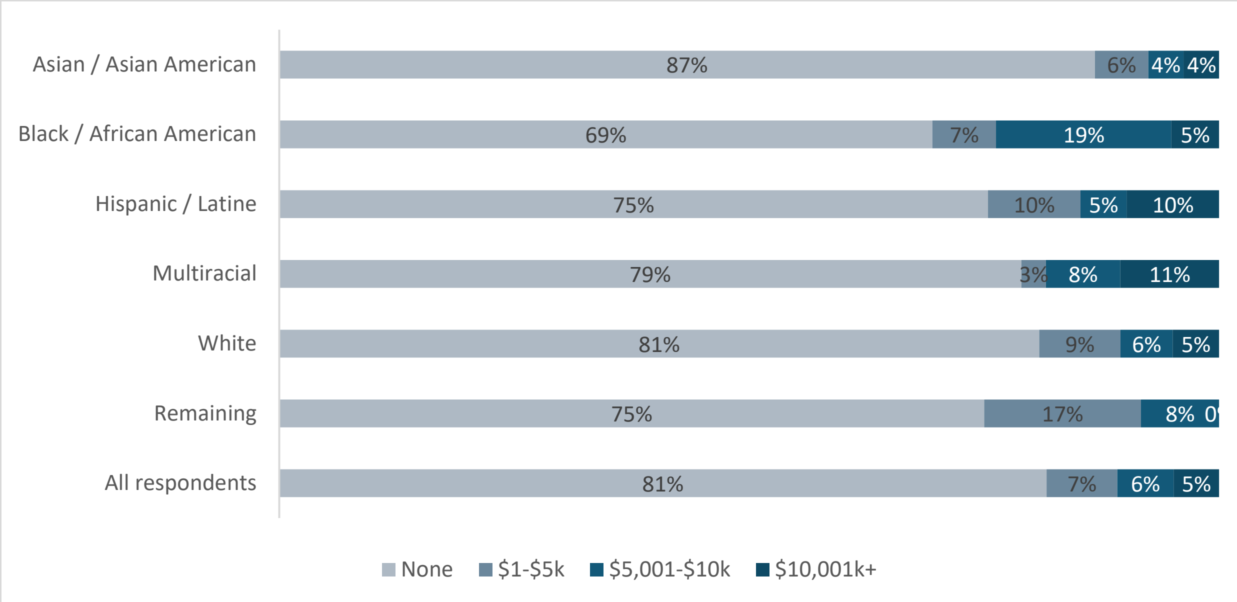


Figure 3. Bar Loan Borrowing by Race/Ethnicity

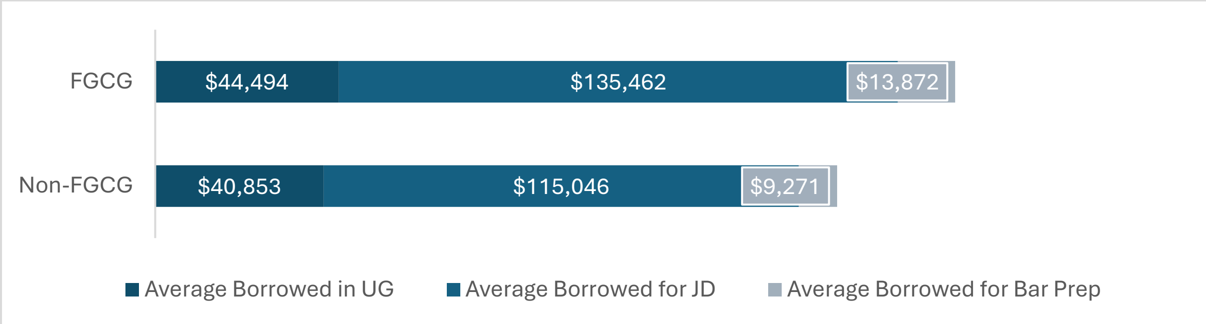


These borrowing trends also extend to bar loans. Black and Hispanic/Latine respondents more often reported borrowing to cover their living and other expenses for bar exam preparation, at 31% and 25% respectively. Hispanic/Latine respondents who took out a bar loan reported an average of nearly $20,000 borrowed, while Black bar loan borrowers reported an average of roughly $15,000.

Borrowing also varied by other respondent characteristics, including gender, first-generation college graduate (FGCG) status, and law school selectivity (**Table A4**, **Table A5**, and **Table A6**). Although this survey shows women and men borrowing at relatively equal rates, women graduated law school with more student loan debt and also borrowed more for bar exam preparation compared to men.[6] The survey results also find that first-generation college graduates as well as graduates from less selective law schools, are much more likely to take out loans at each stage of their education, including bar preparation after completing their J.D. First-generation respondents graduated law school with much higher overall student debt than non-first-generation respondents and added more to their debt after graduation, averaging about $4,000 more in bar loans than their counterparts (*Figure 4*).

[6] Findings related to respondents who identified as trans, non-binary, or other gender are not reported due to an insufficient sample size. Additional data related to borrowing at each stage of education by gender is presented in Appendix A.

Figure 4. Average Amount Borrowed by First-Generation Status



Student Loan Repayment

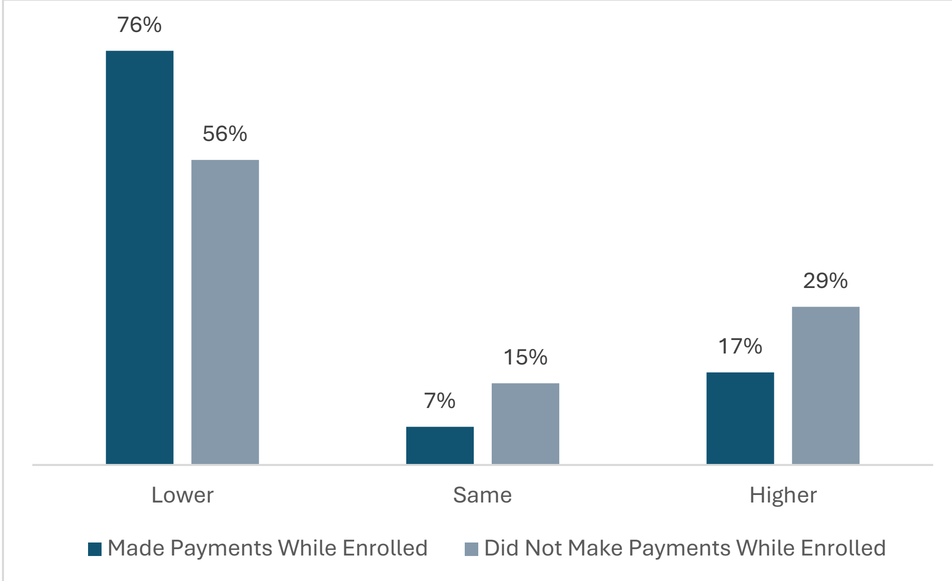
A majority of respondents (58%) have lower student loan balances now than when they graduated law school. Fourteen percent (14%) of respondents reported having the same debt balance, while 27% reported their balance has increased. The average amount of debt inflation (increase) among those who reported higher balances now than at graduation is just over $46,000.

Debt inflation was most common among first-generation respondents and respondents from an underrepresented racial/ethnic group. Debt inflation was also more common among respondents currently working in public interest organizations, non-profit organizations, education or academia, and among respondents with a current salary under $100,000 (**Table 4**). Respondents who made loan payments while still in law school (14%) were less likely to report having higher loan balances now than at graduation (*Figure 5*).

Table 4
Percent of Borrowers Who Experienced Debt Inflation by Practice Setting

	Percent with Debt Inflation
Private Firm (Small; 1-50 attorneys)	20%
Private Firm (Large; 51+ attorneys)	14%
Business/industry	21%
Government	32%
Public Interest/Nonprofit	42%
Clerkship	27%
Education/Academia	42%
Other	38%

Figure 5. Debt Inflation by Whether Borrowers Made Payments While Enrolled in Law School



To better understand the primary causes of debt inflation among respondents who reported a loan balance increase, we asked them to select any statement that best explained their circumstances. Participants could select all applicable statements. The most frequently selected explanations were:

- I am in an income-driven repayment plan and my payments do not cover the principal (71% of respondents).
- My loans were placed into deferment or forbearance (46%).
- Interest on my loans accrued faster than I expected (39%).
- I graduated recently and the interest I accrued while enrolled capitalized (35%).
- Lack of growth in my salary/income (31%).
- I have prioritized other financial obligations not related to healthcare or caregiving (31%).

These findings suggest income-driven repayment (IDR) plans underlie most of the debt inflation survey respondents have experienced. Federal IDR plans are structured such that a borrower's monthly payment amount might only partially cover the interest due. Consequently, their payments may not reduce the principal loan amount and any remaining interest is capitalized (added to the principal amount), causing the total loan balance to grow. This issue is most likely to impact low-income borrowers with high debt balances whose monthly payments may not be high enough to cover the interest owed.

The Biden Administration has taken action in two ways to reduce the effects of interest capitalization for borrowers. First, it published new regulations in 2023 that eliminated all instances of non-statutory interest capitalization (statutory interest capitalization can only be changed by an act of Congress). Second, it created a new income-driven payment plan — Saving on a Valuable Education (SAVE) — in 2023 to lower payments for low- and middle-income borrowers. The interest cancellation feature of the SAVE plan forgives monthly unpaid interest so that it does not capitalize and add to the borrower's principal loan amount. While the

SAVE plan would help lower student loan debt, it has been challenged in court and at the time of this writing the plan has been halted.

Non-Borrowers

A small contingent of respondents (15%) reported they did not use loans to pay for their J.D. or any prior degree. Respondents who did not borrow most often reported using financial support or monetary gifts from family or friends (68%), scholarships and grant aid (61%), and personal savings or investment income (55%) to cover the cost of their education and associated expenses (**Table 5**). Some non-borrowing respondents reported employment during law school (45%). These findings suggest that those who do not take out student loans are most often those with individual or familial financial means, or those who received significant institutional support, to pay for law school, college, and any other pre-J.D. credential.

Table 5
Law School Financing Among Non-Borrowers

	Percent of Non-Borrowers
Financial support/monetary gifts from family or friends	68%
Scholarship and grant aid	61%
Personal savings or investment income	55%
Employment during law school	45%
Credit cards	10%
Tuition reimbursement from employer	4%
Other	9%

Debt Effects — Career and Life Choices

Impact of Student Debt on Career Trajectory

The 2024 ABA YLD Student Debt Survey results reiterate previous survey findings that student debt can greatly influence young lawyers' early career decisions. This year, 75% of respondents indicated they altered their initial legal career plans because of their student loan debt load (**Table 6**). Sixty percent (60%) of respondents indicated they weighed salary more heavily in their job selection than they anticipated when starting law school; 31% reported taking a job less focused on public service or doing good than they intended; and 21% of respondents reported that qualifying for loan forgiveness factored more heavily in their job selection than they expected when they began law school.

Table 6

Impact of Loans on Career Trajectory

	Percent Respondents Impacted
Salary factored more heavily in my job selection than I anticipated when I began law school.	60%
Qualifying for loan forgiveness factored more heavily in my job selection than I anticipated when I began law school.	21%
I took a job that is less focused on public service or doing good than I intended when I began law school.	31%
I left the legal profession or opted not to work as a lawyer.	4%
Other	10%
None of these	25%

Respondents with higher debt balances at graduation, and those whose loan balances have increased since graduation, were more likely to indicate debt impacted their career choice.

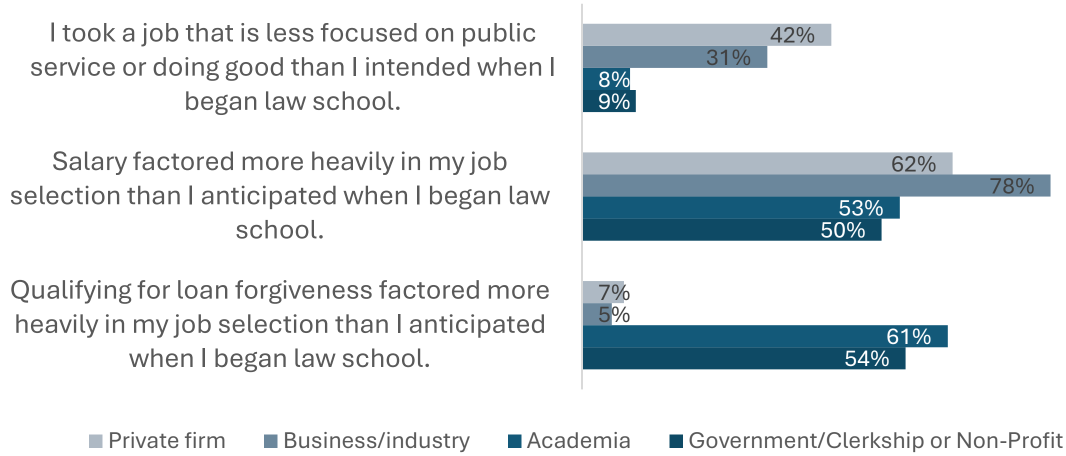
Respondents with education debt totaling at least $150,000 were more likely than those with lower balances to report weighing salary and debt forgiveness more heavily in their job selection than anticipated and taking a job that was less public service oriented (**Table 7**). These results are consistent with what we find when examining this survey item by salary. Roughly half of respondents who reported annual salaries of $200,000 or more indicated they took a job less focused on public service or doing good than anticipated. Similarly, 78% of respondents in business or industry and 62% in private practice indicated that salary factored more heavily in their job selection than anticipated when they enrolled in law school compared to those working in academia, government, and non-profit jobs (*Figure 6*). Likewise, 42% of those working in private practice reported taking a job that was less public service oriented due to their debt. These findings suggest that some newly licensed attorneys would be more inclined to pursue or take public interest jobs if their debt loads were not so high.

Table 7

Impact of Loans on Career Trajectory by Total Loan Balance

	Under 50k	50k-100k	100k - 150k	150k - 200k	200k - 250k	Over 250k
Salary factored more heavily in my job selection than I anticipated when I began law school.	39%	59%	60%	71%	64%	66%
Qualifying for loan forgiveness factored more heavily in my job selection than I anticipated when I began law school.	12%	12%	19%	28%	26%	34%
I took a job that is less focused on public service or doing good than I intended when I began law school.	16%	31%	32%	39%	38%	27%
I left the legal profession or opted not to work as a lawyer.	2%	3%	4%	6%	5%	3%

Figure 6. Impact of Loans on Career Trajectory by Practice Setting



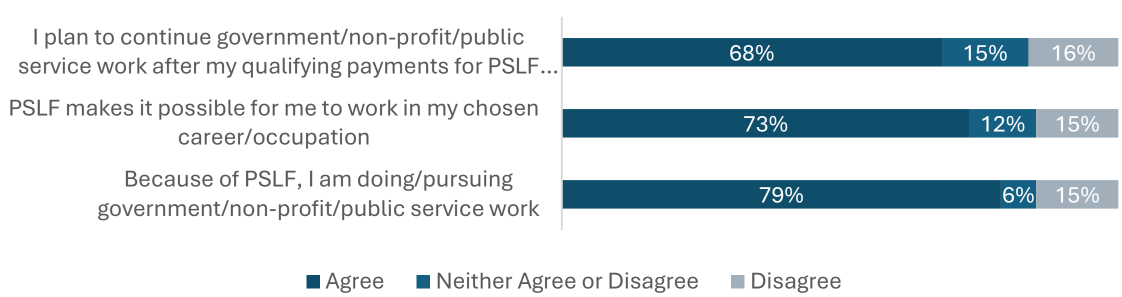
First-generation college graduates, and young lawyers who graduated before 2016, were more likely to report that qualifying for loan forgiveness factored more heavily in their job selection than expected. Around 30% of both groups agreed with this statement, compared to roughly 20% of their continuing generation and more recent cohort counterparts.

Public Service Loan Forgiveness (PSLF) Program Participation

The PSLF program is meant to encourage graduates to pursue public service careers, which often pay less than careers in the private sector. Through the program, Direct Loans are forgiven for eligible borrowers who make 120 separate monthly payments toward their debt and are employed by a government entity or qualifying nonprofit organization.

Among survey respondents who borrowed, 18% are currently pursuing loan forgiveness through the PSLF program. Of those, 79% agree they are employed in government, nonprofit, or public service positions because of the program and 73% agree the program makes it possible for them to work in their chosen occupation. Further, 68% report they plan to continue working in public service after their loans are forgiven (*Figure 7*). Despite the narrow scope of our study, these survey findings suggest that PSLF is meeting its goal of providing affordable pathways to public service for those who are most interested in lifelong public service careers.

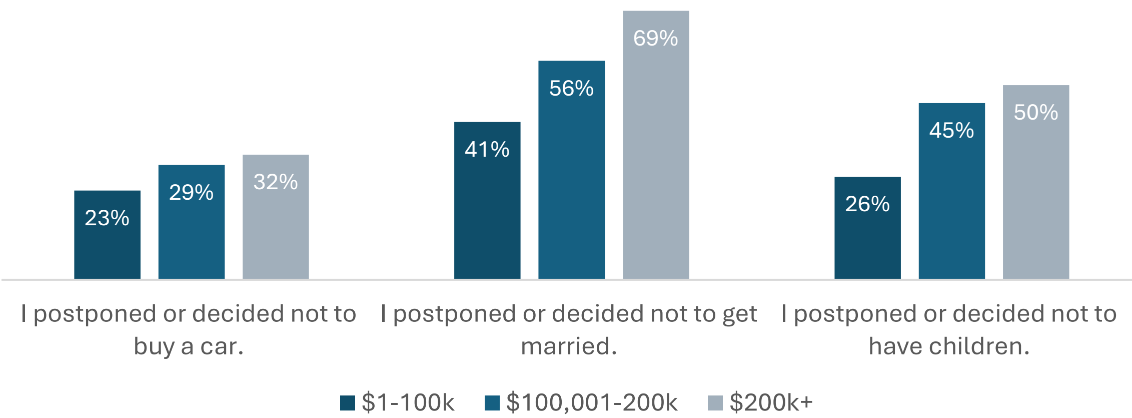
Figure 7. Information on Public Service Loan Forgiveness



Impact of Loans on Major Life Milestones

In addition to influencing career decisions, debt load can significantly impact personal life choices. Seventy-six percent (76%) of respondents indicated their student loan debt impacted their advancement toward major life milestones, particularly getting married and having children.[7] As found when examining the impact of debt on career choice, those with the highest student loan balances and those whose loan balance has grown since graduation more often report life milestone delays compared to those who borrowed less or have lowered their balances since graduating (*Figure 8*).

Figure 8. J.D. Debt Load and Life Milestones



When examining the impact of debt on life choices across respondent characteristics, we found relatively few differences. However, two distinctions emerged from comparisons across gender: (1) women more often reported postponing or forgoing having children compared to men (44% and 35%, respectively), and (2) men more often reported postponing or forgoing a car purchase than women (35% and 25%, respectively) (**Table A7**). Surprisingly, delaying or forgoing life milestone achievement varied little by graduation cohort. However, we suspect that most respondents are likely delaying these life goals rather than abandoning them altogether — 77% of respondents who reported they delayed or decided not to buy a car either lease or own a vehicle, and 36% of respondents who reported they delayed or decided not to wed are currently married.

[7] In past iterations of the survey, the answer choice *I postponed or decided not to buy a house* was offered as an effect on major life milestones due to loans. In 2021, 51.8% of borrowers agreed that they had postponed or decided not to buy a house due to their student debt. However, due to a technical error, the 2024 survey did not offer this as an answer choice to survey recipients. AM. BAR ASS'N & ACCESSLEX INST., STUDENT DEBT: THE HOLISTIC IMPACT ON TODAY'S YOUNG LAWYER 11 (2021), https://www.americanbar.org/content/dam/aba/administrative/young_lawyers/2021-student-loan-survey.pdf.

Debt Effects — Well-Being and Work-Life Balance

Financial Well-Being

As with life milestone achievement, the survey results indicate student loan debt impedes young lawyers from reaching certain personal finance goals (**Table A8**). Most respondents who borrowed for their education reported their student loan debt has negatively impacted their ability to save for retirement (62%), build an emergency fund covering three months of expenses (53%), and make non-retirement investments (55%). Roughly a third noted their credit score had been negatively impacted. As expected, we again find that respondents who graduated law school with high debt balances and those whose balances have increased since graduation more often report challenges with these three savings and investment goals (*Figure 9, Figure 10,* and *Figure 11*). Unsurprisingly, we also find that respondents who report lower annual salaries are more likely than higher earners to report their debt has negatively impacted their finances.

Figure 9. Financial Well-Being Effects by J.D. Debt Load

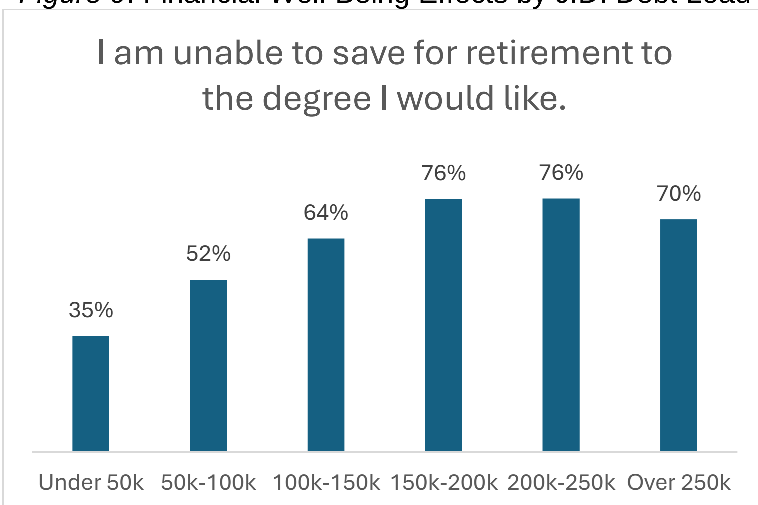


Figure 10. Financial Well-Being Effects by J.D. Debt Load

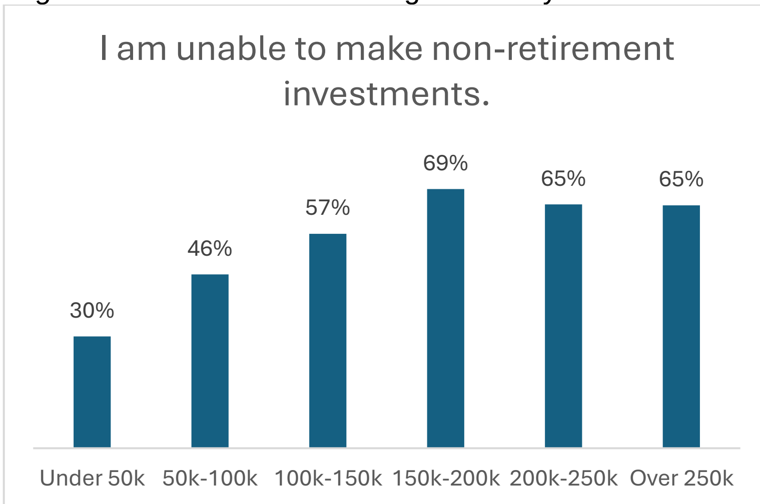
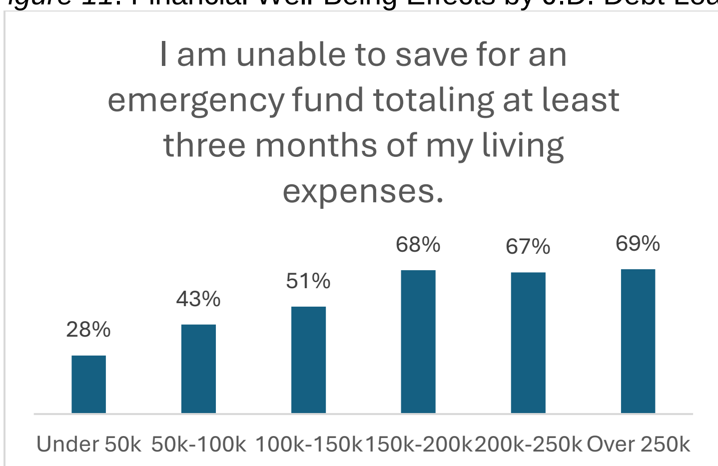


Figure 11. Financial Well-Being Effects by J.D. Debt Load



When looking across demographic groups, a few differences by race/ethnicity, gender, and first-generation college status emerge. Respondents from underrepresented racial and ethnic groups more frequently indicated they were unable to save for retirement *at all* — 29% compared to 20% of respondents from racially represented backgrounds. Underrepresented borrowers were also more likely to attribute student debt to an adverse impact on their credit score and an inability to qualify for other loans or housing without a cosigner. We find similar gaps between first-generation college graduates and continuing generation respondents (**Table 8**). Compared to men, women were more likely to indicate they were unable to save for an emergency fund equal to at least three months of living expenses (45% and 58%, respectively).

Table 8
Impact of Loans on Personal Finances by Demographic Indicators

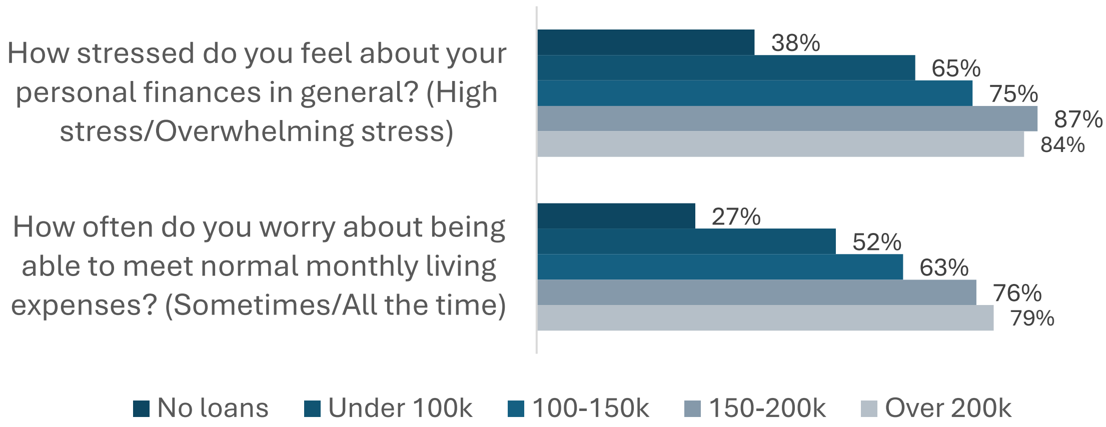
	Racially Underrepresented	Racially Represented	FGCG	Not FGCG
I am unable to contribute to a retirement account.	29%	20%	29%	19%
I am unable to save for retirement to the degree I would like.	63%	63%	68%	60%
I am unable to save for an emergency fund totaling at least three months of my living expenses.	59%	52%	60%	51%
My credit score has been adversely affected.	41%	31%	41%	30%
I have not been able to qualify for a loan, mortgage, or apartment rental without a cosigner.	27%	18%	26%	17%

Comparisons across graduating cohorts revealed surprisingly few notable differences (**Table A9**). Ideally, we would find that those with more years in the workforce post-J.D. attainment would be in a better financial position. However, we only find this to be true in two instances: (1) making non-retirement investments, and (2) saving for an emergency fund totaling at least three months of living expenses. In both cases, respondents who graduated before 2016 were more likely to have accomplished these financial goals compared to later cohorts. Based on these findings, it appears young lawyers with student debt have a difficult time making headway on savings and investment goals within 10 years of their law school graduation.

Emotional Well-Being

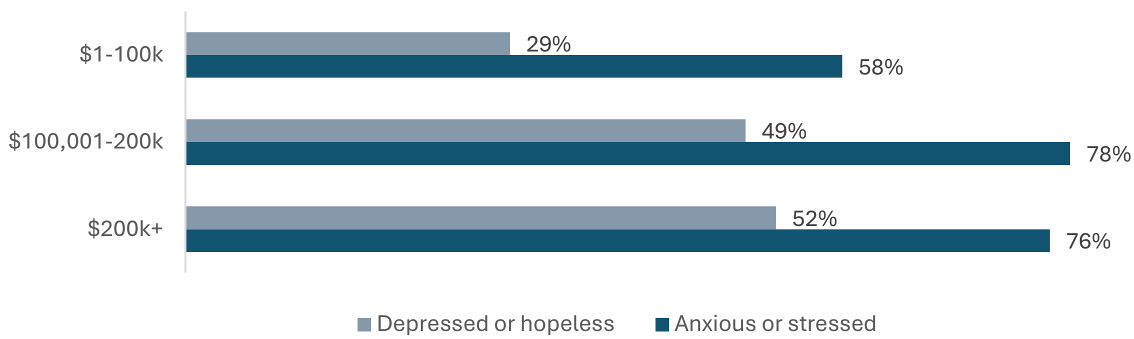
Considering the difficulties young lawyers face in trying to reach their personal finance goals, it follows that their finances and debt can be a significant source of stress. Of all respondents, including those who do not currently have a student loan balance, 67% report feeling high or overwhelming stress about their personal finances in general. Roughly half of respondents worry at least sometimes about meeting normal monthly expenses, and 23% worry all the time. Our survey results indicate that student loan debt compounds this stress and worry — those with student debt balances of at least $150,000 more frequently reported feeling high or overwhelming stress and worrying about monthly expenses than those with lower debt balances (*Figure 12).* On the other hand, higher salaries seem to offset this stress. Only 26% of those with annual salaries of $200,000 or more report stressing about monthly living expenses, compared to 54% of those with salaries ranging from $100,000 to $199,999 and 66% of those with salaries under $100,000 (**Table A10**).

Figure 12. Student Loan Debt and Emotional Well-Being Over Personal Finances



Among respondents who took out student loans, 68% agreed their debt obligation caused them to feel stressed or anxious, and 39% agreed their debt obligation caused them to feel depressed or hopeless. These percentages were much higher for respondents with debt totaling more than $100,000, as shown in *Figure 13*.

Figure 13. Student Loan Debt and Emotional Well-Being Over Debt Balance



Work-Life Balance

Given the above financial pressures reported among survey respondents, we explored young lawyers' impressions of their work-life balance. Specifically, the survey prompted respondents to reflect on how they viewed their leisure time — time spent on vacation, family and friends, exercise and self-care — with respect to their earning and promotion potential. Overall, we find that a majority of respondents (54%) perceive that taking time away from work for vacation, time with family and friends, or exercise and self-care would negatively impact their career advancement. Almost half (47%) report spending less time on exercise and self-care because doing so would jeopardize their prospects for a promotion or salary increase; 35% reported spending less time with family and friends; and 24% reported they do not use their vacation time for the same reason.

In addition to a perceived lack of time, some young lawyers spend less time on leisure activities due to limited finances — 40% report they lack the financial means to take time off, socialize, and invest in self-care to the degree they would like. This was especially true for those with higher debt balances (**Table 9**). These findings are unfortunate, as these pastimes — particularly exercise and self-care — are the very activities that could help young lawyers manage the stress associated with their careers and finances.

On the other hand, respondents who reported higher annual salaries were more likely than those with lower salaries to put time with family and friends as well as time on exercise and self-care at odds with career and salary advancement (**Table 9**). These findings suggest that in the legal profession, where billable hours and business development are critical aspects of individual and firm-level performance, limited time and limited money are both barriers to finding a healthy work-life balance.

Table 9

J.D. Debt Load, Salary, and Work-Life Balance

		J.D. Debt Load			Salary		
	All Respondents	$1-100k	$100,001-200k	$200k+	$1-100k	$100,001-200k	$200k+
I do not use my vacation time because doing so would jeopardize my prospects for promotion or salary increase.	24%	24%	27%	26%	21%	24%	31%
I spend less time with family and friends because doing so would jeopardize my prospects for promotion or salary increase.	35%	33%	39%	40%	26%	35%	53%
I spend less time on exercise and other forms of self-care because doing so would jeopardize my prospects for promotion or salary increase.	47%	47%	52%	49%	42%	47%	60%
I lack the financial means to take time off, socialize, and invest in self-care to the degree I would like.	40%	36%	53%	58%	55%	38%	16%
None of these	34%	36%	27%	21%	31%	39%	31%

The Payment Pause and Perspectives on Loan Forgiveness

The COVID-19 Pandemic Emergency Relief Student Loan Payment Pause

In March 2020, payment on federally-held student loans was paused for six months through executive action and as part of a broadscale economic relief and stimulus package provided during the COVID-19 pandemic. The pause was extended another three years through executive action under both the Trump and Biden administrations. Formally known as an administrative forbearance, the pause reduced interest to 0%, meaning that interest did not accrue while payments were not required. The ABA YLD was particularly interested in how this three- and half-year relief period impacted young lawyers, so we sought to understand the extent to which respondents leveraged the payment pause to meet other personal and financial goals.

The survey results suggest the pause worked as intended to provide economic relief to individuals and families and stabilize broader financial systems in the United States. Most respondents (76%) indicated that the money they would have spent on monthly student loan payments instead went to essential expenses, and 54% reported using it to pay down other debts (**Table 10**). Roughly 30% of respondents noted they saved or invested the money.

Table 10
How Borrowers Spent Their Extra Money During the Payment Pause

	Percentage
I used it for essential expenses.	76%
I paid down other debts.	54%
I saved or invested it.	29%
I used it to purchase a home or make home improvements or major renovations.	23%
I used it for non-essential expenses.	22%
I applied it to the principal (non-interest) portion of my student loan(s).	19%
Other	36%

There were a few notable variations in spending across demographic groups. Respondents from racially underrepresented backgrounds were more likely to report leveraging their student debt relief to pay down other debts (62%) and less likely to indicate they saved or invested the money (22%) compared to respondents from racially represented backgrounds (52% and 31%, respectively). Likewise, women (26%) and first-generation college graduates (19%) were less likely to grow their savings or invest during the payment pause compared to men (36%) and continuing generation respondents (33%). First-generation college graduates were also more likely than their continuing generation counterparts to use the money for a home purchase or home improvements (34% and 20%, respectively) (**Table 11**).

The survey results also suggest a divide between low and high earners in COVID-19 relief spending. A higher percentage (32%) of respondents earning $200,000 or more per year applied payment relief toward the principal balance of their loan compared to 17% of those earning less than $200,000. Further, respondents earning less than $200,000 per year were more likely to report using the money to pay for essentials compared to those earning $200,000 or more (**Table A11**).

Table 11
How Borrowers Spent Their Extra Money During the Payment Pause by Demographic Characteristics

	Racially Underrepresented	Racially Represented	FGCG	Not FGCG	Women	Men
I used it to purchase a home or make home improvements or major renovations.	28%	23%	34%	20%	24%	23%
I paid down other debts.	62%	52%	58%	53%	54%	55%
I saved or invested it.	22%	31%	19%	33%	26%	36%

Loan Forgiveness

Beyond temporary debt relief, the ABA YLD sought to understand how complete loan forgiveness could impact early career attorneys. Under the Biden administration, over 940,000 borrowers have had their loans completely cancelled through PSLF program reforms and other measures, such as expanding and simplifying IDR plans that offer loan forgiveness after a specified period of repayment.[8] However, the Biden administration's efforts to provide broader debt relief by eliminating up to $20,000 in student debt have been blocked by the Supreme Court. Nonetheless, examining the potential impact of loan forgiveness on early career attorneys could offer insights to inform policy advocacy discussions regarding student debt relief.

Our survey asked respondents to reflect on how they would otherwise spend their monthly loan payment amount if their education debt were forgiven. The survey item offered a list of options from which they could select more than one response. This was a speculative question, so respondents were able to indicate if they did not believe their loans would ever be forgiven; 34% of respondents selected this option. From the list provided, respondents most frequently indicated they would use the money to grow their savings (50%), contribute to a retirement account (44%), pay down other debts (36%), and purchase a home or make home improvements (36%). The full list of response options and the percentage of respondents who selected them are provided in **Table 12**.

[8] *See Biden-Harris Administration Announces Additional $7.7 Billion in Approved Student Debt Relief for 160,000 Borrowers*, U.S. DEPT. OF EDUC. (May 21, 2024), https://www.ed.gov/news/press-releases/biden-harris-administration-announces-additional-77-billion-approved-student-debt-relief-160000-borrowers.

Table 12
How Borrowers Would Spend Their Money if Loans Were Forgiven

	Survey Respondents Agreed
To grow my savings.	50%
To contribute to my retirement accounts.	44%
To pay down other debts.	36%
To purchase a home or make home improvements or major renovations.	36%
To make non-retirement investments.	29%
For childcare expenses, or to start/grow my family.	24%
For non-essential expenses.	22%
To change jobs or careers.	11%
For my wedding/honeymoon.	8%
To make payments on my private student loans(s).	8%
To relocate to a different city or state.	6%
To start a business.	5%
Other	5%
N/A. I don't anticipate that my federal loans will be forgiven.	34%

There was little variation in the response patterns for this question across respondent characteristics**;** however, among respondents who do not currently own a home, 50% indicated they would use the money for a home purchase (**Table 13**). We also find that respondents from represented racial groups (i.e., White and Asian respondents) and continuing generation college graduates were less likely to believe their loans would be forgiven at all, compared to their racially underrepresented and first-generation counterparts. This is likely a function of differences in debt load and employment type between these groups, as those with lower debt amounts and those working in private firms or business were more likely to indicate they did not anticipate receiving loan forgiveness compared to those with higher debt loads and those working in academia or government and public service.

Table 13
How Borrowers Would Spend Their Money if Loans Were Forgiven by Homeowner Status and Demographic Characteristics

	Homeowner	Not a Homeowner	Racially Underrepresented	Racially Represented	FGCG	Not FGCG
To purchase a home or make home improvements or major renovations.	22%	50%	48%	32%	41%	34%
To pay down other debts.	38%	34%	48%	35%	41%	35%
To grow my savings.	45%	56%	65%	48%	55%	49%
N/A. I don’t anticipate that my federal loans will be forgiven.	38%	30%	21%	36%	26%	35%

Financial Help-Seeking

There are many personal finance resources available to young lawyers, so the ABA YLD sought to understand the extent to which their members are interested in or currently utilizing these tools and services. Our survey finds only 47% of respondents who borrowed know how to access financial education resources, such as student loan counseling, that are free to the public. This percentage does not vary substantially across respondent characteristics such as total debt load, first-generation status, or institutional selectivity, which suggests widespread lack of awareness of freely available support and tools recent law school graduates can leverage to help them navigate their finances and meet financial goals.

Despite a limited awareness of free financial education resources, many respondents have engaged or expressed interest in several personal finance tools and services. Most respondents who borrowed have discussed their student loan debt with family members, friends, or mentors (67%) and built a budget or used a budgeting tool (61%) (**Table 14**). We also find that a quarter of respondents who borrowed report meeting with a financial advisor at least occasionally, and a little over half report they would like to meet with a financial advisor at least once a year to discuss a comprehensive financial strategy (51%), or every few years as their life circumstances change (55%).

Table 14
Financial Resource Engagement Among Young Lawyers Who Borrowed

	Have Done	Want To Do	Neither or N/A
Meet with a financial advisor at least once per year to discuss and implement a comprehensive financial strategy.	25%	51%	24%
Meet with a financial advisor every few years as my life circumstances change.	25%	55%	20%
Access financial advice from a website, webinar, podcast, or newsletter.	56%	20%	24%
Contact my loan servicer to consolidate my loans or change payment options.	32%	22%	46%
Discuss my student loan debt with family members, friends, or mentors.	67%	5%	27%
Use consumer tools to model repayment options or other financial plans.	41%	18%	40%
Build a budget, or use a budgeting tool, that reflects my circumstances/goals.	61%	27%	13%

Prior experience with financial tools and resources varied slightly across respondent characteristics (**Table A12**). Respondents from underrepresented racial/ethnic groups (66%) were less likely than those from racially represented backgrounds (82%) to have built a budget or used a budgeting tool. They were also less likely to report meeting with a financial advisor every few years (17% and 28%, respectively). However, 60% of racially underrepresented respondents reported they would like to meet with a financial advisor at least once per year, and 63% would like to meet with an advisor every few years.

Loan Servicer Satisfaction

To further understand the support young lawyers receive when navigating their student loan debt, the survey asked those who borrowed about their experiences with their loan servicer. Sixty percent (60%) were satisfied with the ease of making their mandatory payments and 49% were satisfied with the ease of enrolling in an IDR plan (**Table 15**). However, nearly half (47%) of borrowers were dissatisfied with the length of call and hold times when phoning their loan servicer, 44% were dissatisfied with the ease of applying for PSLF, and 39% were dissatisfied with the call time and the quality of support received when speaking with customer service representatives.

Table 15
Respondents' Satisfaction with Loan Servicer

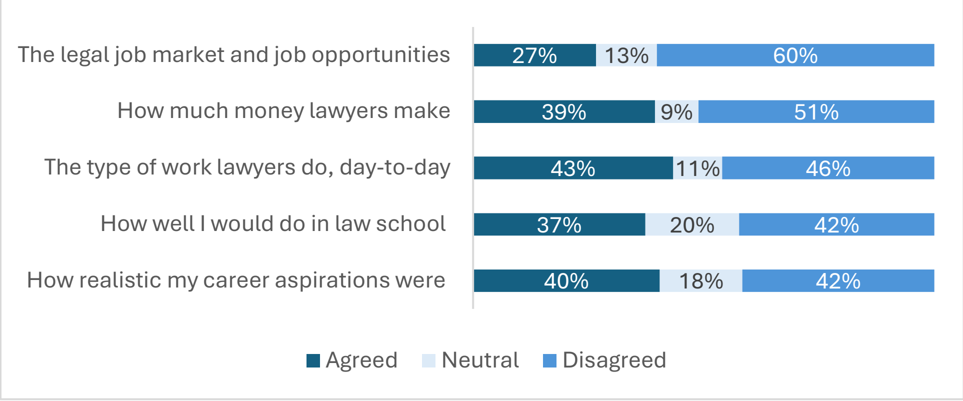
	Satisfied	Dissatisfied	Neither Satisfied/ Dissatisfied
Ease of making mandatory payments.	60%	17%	23%
Ease of enrolling in an income-driven repayment plan.	49%	32%	20%
Ease of applying additional payments to the principal loan amount.	41%	28%	31%
Simplicity of payment plan options and explanations.	38%	36%	25%
Ease of applying for Public Service Loan Forgiveness.	28%	44%	27%
Quality of support received from customer service representatives.	28%	39%	33%
Length of time spent speaking to customer service representatives.	23%	38%	39%
Length of call wait/hold times.	19%	47%	35%

Note: Percentages within each row may not sum to 100 due to rounding.

Reflections on Law School Enrollment and Debt

Finally, all survey respondents — including those who did not borrow — were asked to provide hindsight perspective on their understanding of law school, the legal profession, and the cost/debt associated with law school attendance when they first enrolled. Respondents most frequently indicated that, at the time they entered law school, they did not have a clear understanding of the legal job market (60%), how much money lawyers make (51%), the type of work lawyers do on a daily basis (46%), how well they would do in school (42%), or how realistic their career aspirations were (42%) (*Figure 14*).

Figure 14. "At the time I entered law school, I had a clear understanding of…"



Generally, those with less law school debt were slightly more likely to agree they understood key aspects of law school and the legal profession when they first enrolled (*Figure 15*). However, the percentage of respondents who disagreed with these statements was relatively similar across J.D. debt levels (*Figure 16*). Gaps in understanding were more prominent between represented and underrepresented racial groups. For instance, only 34% of respondents from underrepresented backgrounds agreed they understood the type of work lawyers do day-to-day compared to 46% of represented groups. And while 41% of racially represented respondents agreed they understood how well they would do in law school, only 27% of underrepresented respondents agreed with this statement. Knowledge gaps were minimal to non-existent between first-generation and continuing-generation college grad respondents, except on items relating to how well they would do in law school and how realistic their expectations were; FGCG respondents were less likely than non-FGCG respondents to agree with both statements (**Table 16**).

Figure 15. Participants Who Agreed with Pre-Law Understanding Items by J.D. Debt

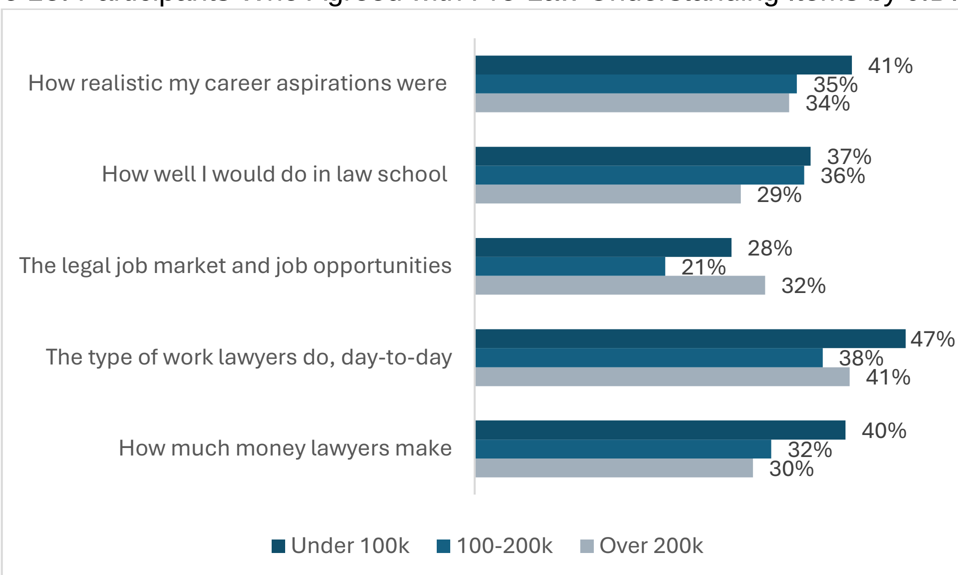


Figure 16. Participants Who Disagreed with Pre-Law Understanding Items by J.D. Debt

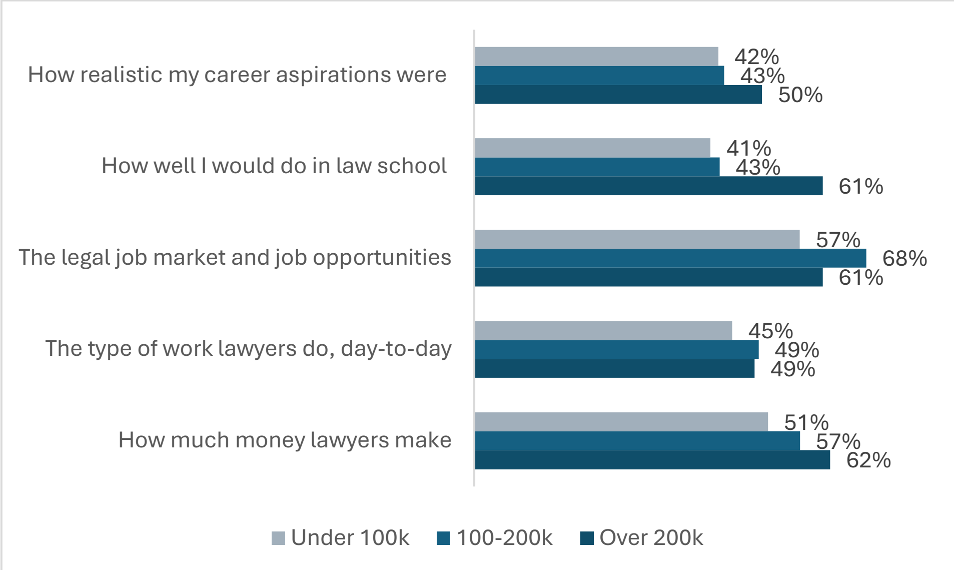


Table 16

Looking Back on Pre-Law Understanding by Race and First-Generation Status

	Racially Underrepresented	Racially Represented	FGCG	Non-FGCG
The type of work lawyers do, day-to-day.	34%	46%	43%	44%
How well I would do in law school.	27%	41%	31%	40%
How realistic my career aspirations were.	31%	45%	33%	43%

Respondents also reported limited understanding of finances and debt when they enrolled in law school. While most (52%) indicated they understood how to manage personal finances, credit, debit, and investments, nearly half (49%) disagreed they understood the costs associated with law school when they first enrolled (*Figure 17*).

When examining hindsight perspectives unique to those who borrowed, the results show that only a quarter of respondents clearly understood the impact loans would have on their personal life and career at the time they entered law school. Although most (70%) agreed they were aware of how much they borrowed each year of law school, only 42% of respondents agreed they were aware of the impact of compounding interest and other fees associated with deferring loan payments until graduation. Awareness was even lower among first-generation and racial underrepresented respondents — only a third of each group agreed they were aware of the impact of compounding interest and other fees associated with deferring loan repayment, compared to 45% of continuing generation respondents and 44% of racially represented respondents. This is consistent with the observation that first-generation and racially underrepresented respondents are more likely to have higher student loan balances now than when they graduated law school compared to their continuing generation and racially represented peers. Those with higher balances were also less likely to agree with this statement compared to those with lower balances (**Table 17**).

Figure 17. "At the time I entered law school, I had a clear understanding of…"

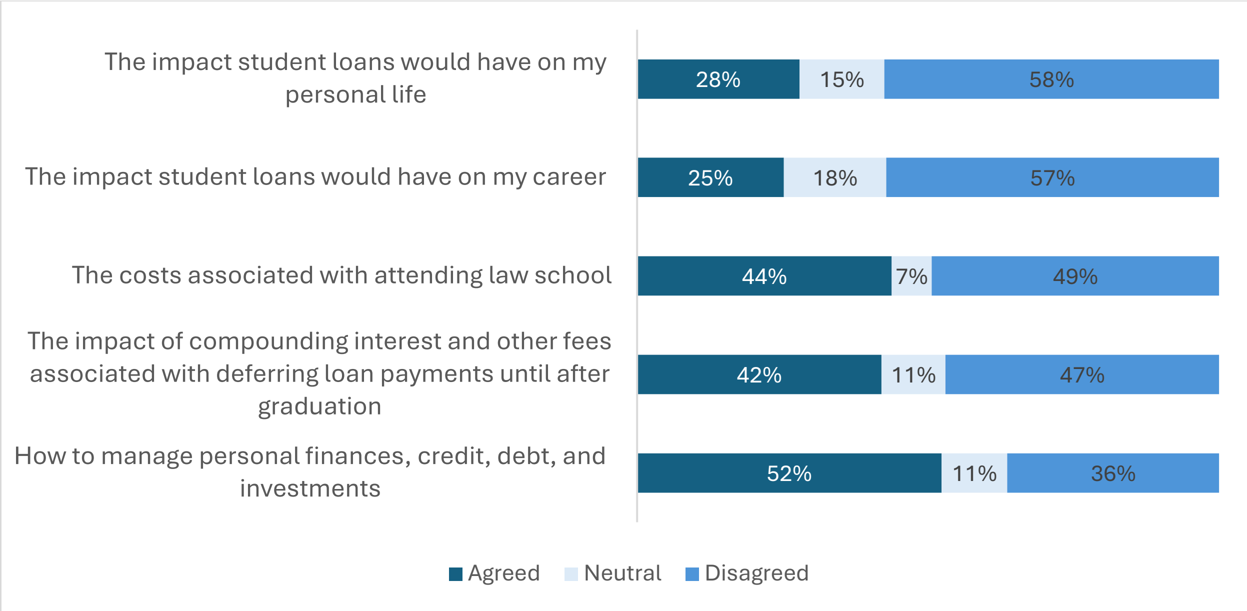


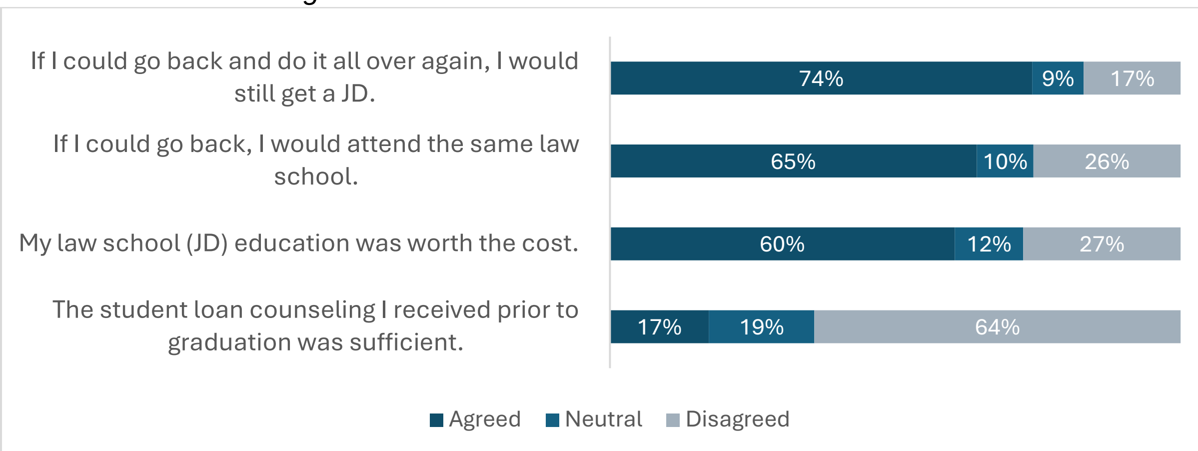
Table 17

Reflections on the Law School Decision by J.D. Debt Loan Balance

	No Loans	Under 50k	50k-100k	100k-150k	150k-200k	200k-250k	Over 250k
If I could go back and do it all over again, I would still get a J.D.	83%	79%	77%	68%	63%	63%	69%
If I could go back, I would attend the same law school.	78%	76%	72%	57%	47%	51%	28%
My law school (J.D.) education was worth the cost.	76%	75%	65%	47%	46%	42%	34%
The student loan counseling I received prior to graduation was sufficient.	22%	26%	14%	16%	13%	23%	13%
I was aware of the impact of compounding interest and other fees associated with deferring loan payments until after graduation.	48%	53%	48%	35%	31%	40%	34%

Despite having a limited understanding of key aspects of legal education when they first enrolled, most respondents (74%) reported they would still obtain a J.D. knowing what they know now. A majority (65%) reported they would go to the same law school, and 60% agreed law school was worth the cost (*Figure 18*). However, first-generation respondents and respondents with high education debt balances were less likely to agree with these statements (**Table A13** and **Table A14**). We also find that alumni of the least selective law schools are slightly less likely to agree they would attend the same law school, compared to those from the most selective law schools (61% and 73%, respectively) (**Table A15**).

Figure 18. Reflections on the Law School Decision



To understand how respondents would change their law school choice, we asked the 26% of respondents who disagreed they would choose the same law school how they would have modified their institutional selection. Most respondents indicated they would choose a school with a lower cost of tuition (57%) or that offered a better scholarship (57%). Forty-five percent (45%) of respondents said they would have chosen a more prestigious school (**Table 18**).

Table 18
What Respondents Would Change About Their Law School Choice, Among Those Who Would Not Attend the Same Law School

	Survey Respondents Reporting
I would have chosen a law school with lower cost of tuition.	57%
I would have chosen a school that offered a better scholarship.	57%
I would have chosen a more prestigious school.	45%
I would have chosen a school in more affordable city, region, or part of the country.	25%
I would have chosen a school in a city, region, or part of the country with a better job market.	24%
I would have chosen a school in a city, region, or part of the country that is closer to my home/family.	23%
Other	10%

Finally, the results indicate that only 17% of respondents who borrowed agree that the student loan counseling they received prior to graduation was sufficient; 64% of respondents disagree. This finding, combined with the observation that only 47% of respondents who borrowed clearly understood the relationship between compounding interest and deferring loan payments, indicates a need to improve the education and counseling students receive when borrowing to finance their legal education.

Conclusion and Recommendations

The findings from the 2024 ABA YLD Student Debt Report largely echo those of previous reports, demonstrating that education debt is a major deterrent to young lawyers' progression toward career, financial, and personal life goals. We continue to observe that a little over a quarter of respondents report having higher student loan balances now than when they graduated law school, and those who do are more often law graduates who are underrepresented, first-generation college graduates, or those working in public interest careers.

Considering the added layer of the economic downturn that followed the COVID-19 pandemic, we leveraged this year's study to learn how early career attorneys who borrowed for their higher education were impacted by the temporary student loan repayment pause. We find that most young lawyers used repayment relief to stay afloat, using the money they would have spent on monthly loan payments to instead make essential purchases and pay down other debts. While their reported use of the money aligns with the intent of the relief effort, it is somewhat revealing that most young lawyers did not put the money away — it suggests that many early career attorneys have little room in their wallets to contribute to long-term financial goals such as savings, investments, and retirement. This is underscored by half of respondents reporting that if or when their loans are forgiven, they plan to put any money gained toward savings. It is also revealing that only a small percentage used the relief as an opportunity to pay down their principal loan balance. For some, this may be strategic if they are anticipating loan forgiveness, but it is likely the case that many young lawyers were focused on meeting immediate financial needs, with little flexibility to leverage relief to better their financial future.

We continue to find that most young lawyers report they did not fully understand the legal job market and how much lawyers make. These considerations are critical for being able to realistically assess return on one's law school investment, yet most survey respondents report that, in hindsight, they were not fully aware of what their job prospects or earning potential would be. Furthermore, we find that nearly half of respondents who borrowed disagree they understood the impact of compounding interest and related fees associated with deferring student loan payments, and those who are first-generation or racially underrepresented — the same respondents who were more likely to have higher debt balances now than when they graduated — were more likely to disagree with this statement. These results point to a need for greater financial education and literacy among those who borrow to attend law school.

Similarly, we find that half of respondents report that, currently, they do not know how to access free financial education resources. Both findings are startling given the wealth of data and resources available from law schools, the American Bar Association, AccessLex Institute, the Law School Admission Council (LSAC), and the National Association for Law Placement (NALP) to educate prospective and current J.D. students as well as law school graduates on these topics. Nonetheless, we are encouraged that most respondents do not regret their choice to attend law school — 74% reported they would still obtain a J.D. if they could do it all over again.

Finally, the survey provides insights regarding how young lawyers perceive time spent on vacation, family and friends, and exercise and self-care in relation to their potential for career and salary advancement. Nearly half shared they spend less time on exercise and self-care because further engagement with these activities could jeopardize their prospects for a promotion or salary increase. Further, we find that limited financial means is more of a deterrent to time spent on leisure, family and friends, and self-care for those with higher debt balances or low salaries, while limited time is more of a deterrent to work-life balance for those who are high earners.

Many of the challenges we spotlight in this report align with recommendations made in the 2020 and 2021 ABA YLD Student Debt surveys. To address the issues with potential solutions, we repeat their previous recommendations where applicable while offering additional suggestions in response to the new insights gained from the 2024 survey. Specifically, we propose the following:

Augment student loan counseling and related financial education programming within law school.

Although just over half (52%) of respondents agree they knew how to manage personal finances, credit, debt, and investments when they entered law school, nearly half (47%) of those who borrowed disagree they clearly understood the impact of compounding interest and related fees that are associated with loan payment deferral. Further, 64% believe the student loan counseling they received in law school was insufficient. Taken together, these findings point to a glaring need to enhance student loan counseling and financial education in law school for those who borrow to finance their legal education.

Under current law, graduate and professional students — including law students — are only required to complete entrance loan counseling if they are borrowing a Direct loan for the first time. Additionally, borrowers must complete exit counseling when they graduate, withdraw from school, or reduce their courseload below half-time enrollment. Despite these requirements, student loan counseling can be inadequate; most of the counseling takes place via a 30-minute online questionnaire.[9] Legally, financial aid offices cannot require students to complete additional counseling beyond those mandated by law.

Considering the limitations of current federal loan counseling requirements, law schools and legal education organizations should advocate for greater flexibility in meeting the counseling and financial education needs of law students who borrow, including the ability to require annual loan counseling. Law schools should also aim to broaden the depth of information they provide to students regarding their loan counseling options. The ABA Standards and Rules of Procedure for Approval of Law Schools currently requires law schools to provide all admitted students with information related to "the availability of individual student loan counseling at the law school, the university of which it is a part, or from third party sources."[10] To meet this requirement, nearly all of AccessLex Institute's member law schools (ABA-approved nonprofit and state-affiliated law schools) offer Ask EDNA!® to their students. Ask EDNA! – The Education Network at AccessLex – is available for free to law schools and students, offering a suite of lessons, tools, and

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[9] *Policy Recommendations: Higher Education Act*, ACCESSLEX INST., https://www.accesslex.org/tools-and-resources/policy-recommendations-higher-education-act (last visited July 19, 2024).
[10] AM. BAR ASS'N, ABA STANDARDS AND RULES OF PROCEDURE OF APPROVAL OF LAW SCHOOLS § 507(b) (2023), https://www.americanbar.org/content/dam/aba/administrative/legal_education_and_admissions_to_the_bar/standards/2023-2024/23-24-standards-ch5.pdf.

resources designed to support the financial success of aspiring lawyers at every step of their journey, from pre-law through bar prep. Such third-party resources are a valuable way to enhance loan counseling without burdening financial aid administrators.

Broaden outreach to law school alumni to magnify awareness of free financial advising services for recent law graduates.

Attending law school requires a substantial financial investment — among our survey respondents, the median J.D. student loan amount at graduation was $112,500. Managing loan repayment while also seeking to make saving and investing inroads can be difficult for those who lack the knowledge and support to develop a sound personal finance strategy. Fortunately, there are many resources that are freely available to the public that young lawyers can and do leverage — over half reported accessing financial advice from a website, webinar, podcast, or newsletter. However, only a quarter have met with a financial advisor, and half indicated they would like to. Accessing personalized financial advice can be difficult and costly, but fortunately, AccessLex Institute offers free, personalized financial counseling to prospective and current law students, as well as alumni. Its AccessConnex by AccessLex℠ service provides unlimited, free access to Accredited Financial Counselors who can help with navigating loan repayment questions and any personal finance challenge aspiring lawyers and young professionals may face.

Continue educating pre-law students and advisors on the legal job market, salary expectations for early career attorneys, and the financial realities of student loan repayment.

While most young lawyers do not regret going to law school, many report they lacked a clear understanding of the legal job market, how much lawyers make, and the work lawyers do day-to-day. Further, many of those who borrowed indicated they did not clearly understand the impact student loans would have on their personal lives and careers. However, there are several resources that are freely available to inform law applicants and matriculants of law school expenses and debt, as well as attorney salaries. The ABA Standard 509 reports provide information on tuition and fees as well as grants awarded for every ABA-approved law school, and XploreJD by AccessLex® is a tool that allows students to easily compare ABA Standard 509 data across law schools of interest with a personalized approach to the search process. Similar tools are available from the Law School Admission Council (LSAC) and Spivey Consulting. Additionally, tools such as the AccessLex Student Loan Calculator and LSAC's LawHub allow prospective and current law students to estimate their monthly student loan payment using price data from the law school they select and other personalized inputs.

NALP provides several publications regarding attorney salaries, including an annual report summarizing the median salaries of recent law school graduates by practice area. And while information on the daily lives of lawyers can be harder to come by, many organizations, such as LSAC and the Council on Legal Education Opportunity offer podcasts where pre-law students can listen to interviews with attorneys in various practice areas to get a better sense of what lawyers do. Additionally, the ABA YLD's Young Lawyer Rising Podcast issues monthly episodes covering topics most salient to early career attorneys that would also benefit pre-law audiences. The ABA YLD also offers its studies of student loan debt among early career attorneys to illuminate narratives on the impact of student loans on lawyers' personal lives and careers.

Finally, the organizations behind these resources should continue to promote them and seek new avenues to meet prospective law students where they are, taking special care to ensure that their promotional plans are inclusive of pre-law students who are racially underrepresented in legal education as well as those who are first-generation college graduates.

Strengthen the Public Service Loan Forgiveness program to ensure public servants receive the forgiveness they earned in an efficient and timely manner.

Since our last report, the Biden administration has taken significant steps to ensure better processing and outcomes for borrowers seeking to have their loans discharged through the PSLF program. Before President Biden took office, only about 7,000 borrowers had been approved for loan forgiveness via PSLF.[11] However, his administration now boasts approvals for 942,000 borrowers.[12]

While there have been significant improvements to the program in recent years through the Limited PSLF Waiver and new regulations, leading to this increase in forgiveness, the approval rate in 2023 stood at just 3.3 percent.[13] Affected borrowers have reported inaccurate payment counts, processing delays and unreliable technological upgrades, leading to confusion and frustration with the program. Legislative and executive fixes such as improved communication from the U.S. Department of Education about program eligibility, greater efficiencies in the application process, and reduced administrative and procedural burdens would go a long way in ensuring that public servants that dedicated at least ten years to a career in public service get the forgiveness they earned.

In addition to these administrative hurdles, there are concerns that the PSLF program could be narrowed or eliminated when the Higher Education Act is reauthorized. Therefore, proponents of PSLF must remain vocal and visible in advocating for the program. As this report indicates, those in public service careers, as well as academia and education, are more likely than those in private practice and business settings to expect their loans will be discharged. As with the 2021 report, we again find that most early career lawyers pursuing loan forgiveness through PSLF intend to continue working in public service after their loans are discharged. Considering the role of the PSLF program in facilitating and encouraging graduates to enter public service, communities with a high need for public interest lawyers should also continue to join efforts to preserve and strengthen the program.

Ensure that income-driven repayment plans remain available for borrowers to affordably repay their student loans.

In recent years, the Biden Administration has made positive changes to IDR plans that are aimed at making repayment more affordable for most borrowers. For example, the SAVE plan offers more favorable terms for low- and middle-income borrowers, such as cancelling unpaid monthly interest and protecting a greater percentage of income from the monthly payment

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[11] *U.S. Department of Education Announces $42 Billion in Approved Public Service Loan Forgiveness for More Than 615,000 Borrowers Since October 2021*, U.S. DEPT. OF EDUC. (May 8, 2023), https://www.ed.gov/news/press-releases/us-department-education-announces-42-billion-approved-public-service-loan-forgiveness-more-615000-borrowers-october-2021.

[12] *Biden-Harris Administration Announces Additional $7.7 Billion in Approved Student Debt Relief for 160,000 Borrowers*, U.S. DEPT. OF EDUC. (May 21, 2024), https://www.ed.gov/news/press-releases/biden-harris-administration-announces-additional-77-billion-approved-student-debt-relief-160000-borrowers.

[13] U.S. DEPT. OF EDUC., COMBINED PUBLIC SERVICE LOAN FORGIVENESS (PSLF) FORM REPORT (June 2023), https://studentaid.gov/data-center/student/loan-forgiveness/pslf-data.

calculation. The interest cancellation element of SAVE would directly address our finding that 27% of respondents were experiencing debt inflation, much of it due to enrollment in an IDR plan.

However, at the time of this publication, all aspects of the SAVE plan have been halted pending litigation that challenges the authority of the executive branch to create and implement the plan. Given the threats that SAVE is under, it is vitally important to advocate for the preservation of IDR plans that make repayment more manageable for struggling borrowers and make it less likely they will default on their student loans.

Ease the ability to discharge student loans in bankruptcy.

On average, student loan balances for law graduates total more than $100,000. This sum, coupled with other debts, can be crippling for some borrowers, sending them into financial distress leading to bankruptcy. However, the current Bankruptcy Code makes it extremely difficult to discharge student loans, further burdening borrowers with the uphill challenge of demonstrating that repayment of their student loans would cause "undue hardship."[14] The Bankruptcy Code should be reformed to work better for student loan borrowers facing financial distress, and those advocating for measures to improve affordability for graduate and professional students should petition members of Congress to enact thoughtful bankruptcy relief that provides student borrowers the "fresh start" the Bankruptcy Code envisioned.

Support law students and alumni in developing and prioritizing wellness routines they can sustain as striving, high-achieving legal professionals.

For any professional, balancing work and life is a critical aspect of overall health and wellbeing. However, our results suggest that many young lawyers sacrifice exercise and self-care because they believe that spending more time on these activities will limit their opportunities for a promotion or raise. This was especially true for high earners. On the other hand, respondents with the highest debt loads as well as those with the lowest salaries were more likely to indicate that lack of financial means precludes them from engaging in exercise, self-care, vacations, and other leisure activities.

Addressing these mindsets should be a focus of wellness programming within law schools as well as course content relating to professional identity formation. Perhaps lawyers would be better able to maintain certain health and wellness habits if they adopted or sustained them in law school. Additionally, law schools and organizations that offer financial education and counseling can discuss free or low-cost options for fitness and wellness with law students and alumni so they can maintain these activities without breaking the bank. Law firms and legal employers can aim to combat these mindsets by offering incentives and resources that encourage attorneys to take time for wellness activities. For early career attorneys managing the stress of the job, finances, loan repayment, and life, such supports are critical for their long-term success and the ongoing impact of the legal profession.

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[14] *Policy Proposal: Bankruptcy Discharge and Education Loans*, ACCESSLEX INST., https://www.accesslex.org/tools-and-resources/policy-proposal-bankruptcy-discharge-and-education-loans (last visited July 19, 2024).

Appendix A: Additional Data Tables

Table A1
Employment Characteristics of 2024 Survey Respondents

	Survey Respondents
Employed Full-Time, Long-Term	
Represented in Legal Education	91%
Underrepresented in Legal Education	87%
Continuing Generation College Graduate	90%
First-Generation College Graduate	91%

Table A2
Private Practice Size of Survey Respondents Working in Private Practice Sector

	Survey Respondents in Private Practice
Solo Practice	6%
2-50 Attorneys	48%
51-100 Attorneys	8%
101-250 Attorneys	8%
251-500 Attorneys	8%
501+ Attorneys	21%
Unknown Size	1%
n	424

Table A3
Rate of Borrowing by Race/Ethnicity

	Borrowed for UG	Borrowed for J.D.	Borrowed for Bar Prep
Asian	30%	55%	13%
Black or African American	68%	92%	31%
Multiracial	50%	84%	21%
Hispanic or Latine	56%	87%	25%
White	44%	82%	19%
Remaining	50%	83%	25%

Table A4
Student Loan Borrowing Descriptives by Gender

	% Who Borrowed	Mean	Median
Undergraduate Loans (n = 378)			
Female/Woman	48%	$44,373	$30,000
Male/Man	42%	$37,743	$29,763
J.D. Loans (n = 666)			
Female/Woman	81%	$123,417	$120,000
Male/Man	81%	$114,892	$112,000
Bar Loans (n = 163)			
Female/Woman	20%	$12,387	$9,250
Male/Man	19%	$8,221	$6,000

Table A5
Rate of Borrowing by First-Generation College Graduate Status

	Borrowed for UG	Borrowed for J.D.	Borrowed for Bar Prep
First-Generation College Graduate (n = 172)	68%	94%	31%
Continuing-Generation College Graduate (n = 567)	39%	78%	17%

Table A6
Rate of Borrowing by Institutional Selectivity

	Borrowed for UG	Borrowed for J.D.	Borrowed for Bar Prep
0-25% acceptance rate	27%	75%	10%
26-50% acceptance rate	45%	82%	22%
51-100% acceptance rate	56%	88%	21%

Table A7
Debt Impact on Major Life Milestones by Gender

	Women	Men
I postponed or decided not to buy a car.	25%	35%
I postponed or decided not to get married.	54%	51%
I postponed or decided not to have children.	44%	35%
Total	408	185

Table A8

Respondents who Reported Debt Effects on Personal Financial Well-Being

	Respondents Agreed
I am unable to save for retirement to the degree I would like.	62%
I am unable to make non-retirement investments.	55%
I am unable to save for an emergency fund totaling at least three months of my living expenses.	53%
My credit score has been adversely affected.	32%
I am unable to contribute to a retirement account.	22%
I have not been able to qualify for a loan, mortgage, or apartment rental without a cosigner.	19%

Table A9

Financial Well-Being Debt Effects by Grad Year

	Before 2016	2016-2019	2020-2022	2023-2024
I am unable to contribute to a retirement account.	21%	17%	27%	23%
I am unable to save for retirement to the degree I would like.	60%	63%	63%	64%
I am unable to make non-retirement investments.	48%	57%	56%	64%
I am unable to provide sufficient healthcare or insurance coverage for myself and/or my family.	6%	9%	12%	11%
I am unable to save for an emergency fund totaling at least three months of my living expenses.	48%	57%	52%	57%
My parents'/guardians' finances have been adversely affected.	13%	12%	14%	16%
My credit score has been adversely affected.	29%	30%	37%	33%
I have filed or plan to file for bankruptcy.	3%	1%	0%	0%
I have not been able to qualify for a loan, mortgage, or apartment rental without a cosigner.	18%	23%	19%	15%
I am unable to save for my child(ren)'s future.	20%	19%	10%	10%
Other	8%	4%	4%	3%

Table A10

Salary and Emotional Well-Being Over Personal Finances

	Under $100,000	$100,000-$199,999	$200,000+
How stressed do you feel about your personal finances in general? (High/Overwhelming stress)	74%	65%	48%
How often do you worry about being able to meet normal monthly living expenses? (Sometimes/All the time)	66%	54%	26%

Table A11

How Borrowers Spent Their Extra Money During the Payment Pause by Salary

	Under $100,000	$100,000-$199,999	$200,000+
I applied it to the principal (non-interest) portion of my student loan(s).	17%	17%	32%
I used it to make payments on my private (non-federal) student loan(s).	13%	14%	14%
I used it to purchase a home or make home improvements or major renovations.	24%	22%	32%
I used it for my wedding/honeymoon.	8%	8%	11%
I used it for childcare expenses, or to start/grow my family.	12%	13%	11%
I used it for essential expenses.	83%	74%	63%
I used it for non-essential expenses.	19%	28%	25%
I paid down other debts.	54%	58%	47%
I saved or invested it.	24%	31%	42%
I used it to start a business.	4%	1%	3%
Other	6%	4%	4%

Table A12

Help-Seeking Items by Demographic Characteristics

	Racially Underrepresented	Racially Represented	FGCG	Non-FGCG	Women	Men
Meet with a financial advisor at least once per year to discuss and implement a comprehensive financial strategy.	19%	26%	24%	25%	25%	25%
Meet with a financial advisor every few years as my life circumstances change.	17%	28%	22%	27%	25%	30%
Access financial advice from a website, webinar, podcast, or newsletter.	54%	58%	56%	57%	57%	54%
Contact my loan servicer to consolidate my loans or change payment options.	44%	29%	43%	28%	33%	30%
Discuss my student loan debt with family members, friends, or mentors.	69%	68%	64%	69%	70%	63%
Use consumer tools to model repayment options or other financial plans.	47%	41%	45%	40%	41%	44%
Build a budget, or use a budgeting tool, that reflects my circumstances/goals.	66%	82%	61%	61%	59%	64%

Table A13

Looking Back on Law School and Law School Investment by FGCG Status

	FGCG	Non-FGCG
If I could go back and do it all over again, I would still get a J.D.	66%	77%
If I could go back, I would attend the same law school.	53%	69%
My law school (J.D.) education was worth the cost.	50%	64%
During each year of law school, I was aware of how much I had borrowed in student loans.	63%	74%
I was aware of the impact of compounding interest and other fees associated with deferring loan payments until after graduation.	33%	45%

Table A14

Looking Back on Law School and Law School Investment by J.D. Debt Balance

	Under 50k	50k-100k	100k-150k	150k-200k	200k-250k	Over 250k
If I could go back and do it all over again, I would still get a J.D.	79%	77%	68%	63%	63%	69%
If I could go back, I would attend the same law school.	76%	72%	57%	47%	51%	28%
My law school (J.D.) education was worth the cost.	75%	65%	47%	46%	42%	34%
During each year of law school, I was aware of how much I had borrowed in student loans.	26%	14%	16%	13%	23%	13%
I was aware of the impact of compounding interest and other fees associated with deferring loan payments until after graduation.	53%	48%	35%	31%	40%	34%

Table A15

Looking Back on Law School and Law School Investment by Institutional Selectivity

	0-25% acceptance rate	26-50% acceptance rate	51-100% acceptance rate
If I could go back and do it all over again, I would still get a J.D.	81%	71%	79%
If I could go back, I would attend the same law school.	73%	68%	61%
My law school (J.D.) education was worth the cost.	64%	63%	60%
During each year of law school, I was aware of how much I had borrowed in student loans.	27%	16%	16%
I was aware of the impact of compounding interest and other fees associated with deferring loan payments until after graduation.	45%	44%	41%