



Keith B. Norman



What Price Education?

In the July 1996 issue of *The Alabama Lawyer*, I reported about the high level of education debt facing recent law school graduates. In that issue's "Executive Director's Report," I wrote that 51 percent of the people sitting for the February bar exam that year had student loans that averaged \$35,000. A year later, we reported that 68 percent of those taking the July 1997 bar exam had student loans averaging \$44,528. Ten years later, 57 percent of bar applicants sitting for the 2007 bar exam had student loans that averaged a staggering \$79,000!¹

In ten years student loan debt has increased by 79 percent. By comparison, the consumer price index (CPI) has only increased by approximately 28 percent. This should not come as a big surprise because we are regularly reading about annual increases in college and graduate

school tuition. As distressing as these figures are for student loan debt, there appears to be little chance that the steady increase in higher education cost and, thus, student debt will abate anytime soon.

As significant as the *average* education debt load is, some law school graduates have amassed loan amounts that are astonishing. A number of the July examinees had student loans approaching \$200,000. One examinee had student loans totaling \$280,000! Of course this is not a problem that is confined to Alabama. The April 2007 issue of the *ABA Journal* featured a story entitled, "Redoing the Math," that discussed how paying back large student loans limits career and lifestyle choices of young lawyers. Although the article did not address it, there is a clear concern that the struggle to make large monthly student loan payments may affect a young

lawyer's judgment in prosecuting a client's case or handling a client's funds.

The ASB Committee on Quality of Life has recognized the student loan problem and has recommended a loan forgiveness program. The Alabama Law Foundation is currently considering this idea. The committee has also urged more debt and financial counseling at law schools to better inform students of the consequences of significant education debt. Alabama State Bar President Sam Crosby is addressing this issue as one of his presidential initiatives for this next year. He has arranged to speak to the entering class of every law school in the state about education debt and will work to implement a program of debt and financial counseling for newly admitted lawyers. This will be a big help to many young lawyers who are struggling to make ends meet and pay back their student loans.

This is an area of growing concern that cannot continue to be overlooked, especially when it affects over half of the lawyers who enter the profession each year. Although the legal profession can do little to control the rising cost of education, nevertheless we must take action to help ameliorate the problem. President Crosby's initiative, the work of the Committee on Quality of Life and the Alabama Law Foundation show the seriousness of this problem and that efforts are being made to address it. ■

Endnotes

1. The average student loan debt for *out-of-state law school graduates* was \$86,705; for *Alabama School of Law graduates* was \$62,113; for *Birmingham School of Law graduates* was \$17,467; for *Cumberland School of Law School graduates* was \$102,904; for *Jones School of Law School graduates* was \$80,510 and *Miles School of Law School graduates* was \$25,888.



The most difficult problems require the most innovative responses. When the shadows of title problems

loom, a unique approach makes all the difference. Mississippi Valley Title responds. With in-depth knowledge to serve your local needs instantly. Strength to offer national resources and reserves immediately.

Flexibility to change with your business readily. Call us today.

MISSISSIPPI VALLEY TITLE
INSURANCE COMPANY

1-800-843-1688 www.mvt.com