



Law school loan payback won't be brief

January 1, 2010

The average law student takes out \$60,000 to \$90,000 for school. And despite what you think, they're not all making big bucks right after graduation. Some can't even find a job. Sally Herships reports.



STEVE CHIOTAKIS: You know what else keeps going up? The cost of college. The average law student takes out \$60,000 to \$90,000 for school. And despite what you think, they're not all making big bucks right after graduation.

Sally Herships reports some can't even find a job.

ADRIENNE HILL: Eric Rakoczy just graduated from Loyola Law School in Chicago. He owes a lot in student loans and he can't find a job. So he's going back to school. That way he can defer his loans for a year. But more school also means more debt.

ERIC RAKOCZY: It's not a lot in the big picture. I mean, what's the difference between 150 grand and 170 grand, really? In the loan payments it's only a few more dollars a month.

Brian Hamilton is CEO of Sageworks. He analyzes data on law firms and other companies. He says it's not just Rakoczy, the entire law industry is suffering right now. Revenue is down 21 percent from last year.

BRIAN HAMILTON: Of our top 10 worst performing industries, the legal profession is number two.

That's worse than car dealerships or furniture stores. Hamilton says with the recession companies that have been traditional clients of lawyers are struggling to maintain profit margins by cutting costs. And for those companies legal fees can seem like big bucks. That means fewer jobs for recent grads like Racozy.

I'm Sally Herships for Marketplace.