

## IOLTA ON THE RISE

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In late December 2008 the Federal Reserve dropped its short term interest rate to .25%, the lowest rate in the history of the Federal Reserve. The rates remained at this rate for seven years. But in the last 2 years, rates have begun to rise, providing more grant funding for the public service programs IOLTA supports.

For practical purposes, here's what the drop in interest rates meant for Idaho's IOLTA programs: in 2008, IOLTA awarded a total of \$450,000. By 2015, that had dipped to a low of \$65,000. IOLTA funded programs struggled to provide legal aid to the poor, law related education, and law schools scholarships at levels they were able to previously provide. And some programs were eliminated completely.

IOLTA was no longer able to provide support for Idaho's Court Appointed Special Advocate (CASA) Program. The Idaho Law Foundation's Legal Resource Line shuttered. While IOLTA programs did an impressive job at either cutting back or finding other funding sources to fill the gap, the impact was real.

Fortunately, in the two years, interest rates have incrementally increased – rising to .5 in December 2015 and currently sitting at 1.75%, with an indication from the Federal Reserve that rates may increase two more times during 2018. The pool for grants awarded for 2017 increased for the first time since 2008 to \$95,000. For this year the grant pool was \$113,000.

For IOLTA programs and the people these programs serve, things are beginning to look up. More funding for programs like Idaho Volunteer Lawyers Program and Idaho Legal Aid means that the civil legal needs can be met for more Idahoans in need. It means that programs like Idaho Mock Trial and the YMCA's Youth in Government Program can serve more Idaho students.

While the fluctuation of interest rates can impact IOLTA giving, attorneys and law firms can still have a positive impact on the IOLTA program's ability to optimize funding by banking at financial institutions that provide higher interest rates and eliminate fees on IOLTA accounts. For questions about IOLTA, contact [Diane Minnich](#).