



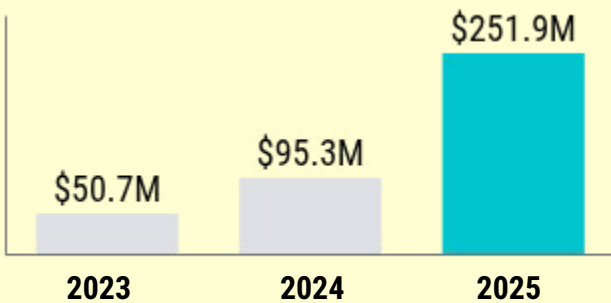
# INTEREST ON LAWYERS' TRUST ACCOUNTS

The Interest on Lawyers' Trust Accounts (IOLTA) program is the foundation of California's civil legal aid funding and the backbone of the State Bar's investment in access to justice. Established by the Legislature in 1981 and then adopted by California in 1984, IOLTA directs interest earned on nominal or short-term client funds to the State Bar, creating a dedicated revenue stream for legal aid. Organizations eligible for IOLTA funding also gain access to other State Bar grant opportunities, ensuring a stable base for innovation and expanded services across California's legal aid network. These dollars power the State Bar's largest and most enduring grant program, supporting free civil legal services for low-income individuals statewide.

Please contact Doan Nguyen, Program Director, at [doan.nguyen@calbar.ca.gov](mailto:doan.nguyen@calbar.ca.gov) for any questions.

**In 2025, the State Bar funded 114 legal aid organizations spanning 58 counties. As grantees grappled with major funding losses—driven by the end of pandemic-era support and reductions to key federal grants—their capacity to maintain staff and services was severely strained. Despite these obstacles, IOLTA funding helped legal aid organizations remain resilient and continue delivering critical assistance.**

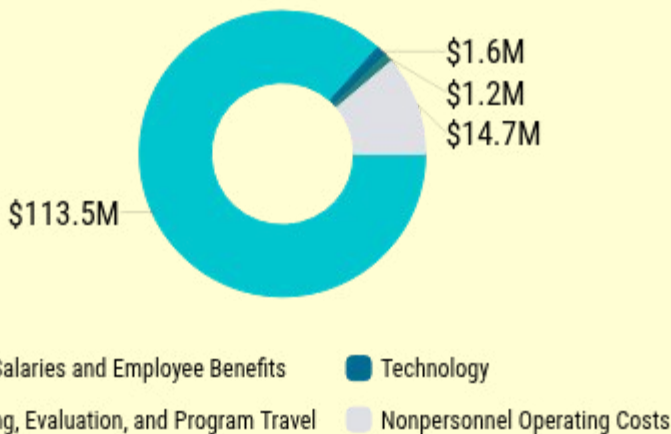
## IOLTA FUNDING ACROSS THE YEARS



Since 2023, IOLTA funding has increased by 397 percent. In 2025, IOLTA comprised approximately 82 percent of all State Bar grants.

## IOLTA RESOURCE ALLOCATION

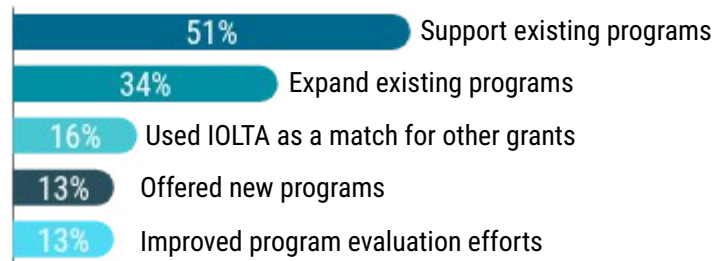
To maximize flexibility of the increased IOLTA funding and to allow grantees to plan ahead, grantees have the option to spend down IOLTA funds through 2029. In 2025, grantees reported \$131 million in IOLTA expenditures. Majority of expenditures (86 percent) was used towards staff salaries and employee benefits, followed by essential nonpersonnel operational costs at 11 percent.



Grantees leveraged IOLTA dollars to enhance their operations across three high-impact areas: program support, recruitment and retention, and major infrastructure improvements.

## PROGRAM SUPPORT

In 2025, majority of grantees (84 percent) relied heavily on IOLTA funds to sustain and improve critical services that would have not otherwise existed due to funding challenges.



## RECRUITMENT AND RETENTION

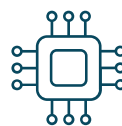
A large majority of grantees (82 percent) invested IOLTA funds in recruitment and retention, which helped them provide additional professional development, increased benefits, and staff bonuses.



- **51% of grantees significantly increased salaries**, helping them stay competitive in the market and retain experienced staff.
- **36% of grantees hired an average of 4 new staff**, including leadership, attorneys, and essential support positions.
- **21% of grantees promoted staff**, creating clearer pathways for advancement and deepening institutional knowledge.

## INFRASTRUCTURE IMPROVEMENTS

Almost half of grantees (43 percent) used IOLTA funds to advance essential infrastructure upgrades—from new technology and software to comprehensive strategic planning—enhancing their capacity to deliver services efficiently.



30% software purchase and upgrades



10% technology hardware upgrades



9% strategic planning

