



News Release

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DRI White Paper: Judicial Funding Cuts Inflict Widespread Economic Harm in Communities

“Economics of Justice” Cites Impacts of Unemployment, Loss of Tax Revenue, and Business Uncertainty

CHICAGO – (July 17, 2014)—In a report released today entitled “The Economics of Justice,” DRI-The Voice of the Defense Bar details the adverse economic impacts on communities when courts are denied an adequate level of funding to execute their functions.

Framing the issue, the report states, “While Jefferson and the other Framers provided for an independent federal judiciary in the Constitution, no effective way has been found to address the occasional “choke hold” that the executive and legislative branches exert on the federal and state judiciaries through control of the purse-strings. The reality is that the third and co-equal branch has been reduced to a supplicant in search of funding from the two other branches of government.”

Typically judicial budgets, state and federal, are a minute percentage of overall budgets, sometimes less than 1%. On the federal level, Chief Justice John Roberts has explained that “for each citizen’s tax dollar, only two-tenths of one penny of a tax dollar funds the entire third branch of government.” So, while cuts to the judiciary have minimal effects on overall budgets, they can have draconian effects on the courts and the communities in which they are located. That’s because courts have no optional programs that they can cut in tight times. Up to 96% of their budget is attributed to personnel salaries. Therefore, cuts to the judicial branch often result disproportionately in job losses, diminished tax revenues to local government, and increased expense of unemployment benefits. The effect of job losses and limited hours can lengthen the wait, sometimes for months, to have cases resolved.

Delayed resolution through lack of judicial funding inflicts widespread economic harm. “When justice is put on hold, lives are put on hold,” says Eric Magnuson, co-author of the report. “Criminals have a constitutional right to a speedy trial. Not so for those involved in civil trials that can languish for months. Because of uncertainty in the outcome of a pending trial or even a trial date, for that matter, businesses are reluctant to expand product lines, invest in capital equipment, or add employees, all of which affects the vitality of the local economy.”

“The Economics of Justice” examined numerous studies on court funding that, in total, lead to the inescapable conclusion that underfunding of state court systems results in the loss of hundreds of millions annually to state economies.

One study in Florida by the Washington Economics Group found that the backlog of real property/mortgage foreclosure cases caused by underfunded courts resulted in a total of more than \$17 billion direct and indirect costs to the state’s economy.

“If we are serious about jobs, justice, and the jeopardy of local economies,” says DRI president Mike Weston, “we need to insulate court funding from debilitating political debate. Timely justice is an American entitlement, not a discretionary expenditure.”

“The Economics of Justice” can be viewed in full [here](#).

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About DRI – The Voice of the Defense Bar

For more than fifty years, DRI has been the voice of the defense bar, advocating for 22,000 defense attorneys, commercial trial attorneys, and corporate counsel and defending the integrity of the civil judiciary. A thought leader, DRI provides world-class legal education, deep expertise for policy-makers, legal resources, and networking opportunities to facilitate career and law firm growth. For more information, log on to www.dri.org