

The Variable Affordability of Law School – How Geography and LSAT Profile Impact Tuition Costs

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Changes in Ratio of Average Tuition to Average Income of Full-Time Employed Graduates – 1985-2011

	1985 Avg. Tuition ¹	1985 Avg. Tuition/Avg. Income ² (\$29,255)	2011 Avg. Tuition ¹	2011 Avg. Tuition/Avg. Income ² (\$78,653)
Public Law Schools (resident)	\$2006	.07	\$22116	.28
Public Law Schools (non-resident)	\$4724	.16	\$34865	.44
Private Law Schools	\$7526	.26	\$39184	.50

1. http://www.americanbar.org/content/dam/aba/administrative/legal_education_and_admissions_to_the_bar/statistics/ls_tuition.authcheckdam.pdf
2. Chart of Average Income Over Time, prepared by Judy Collins, Research Director for the National Association of Legal Professionals (NALP)

Ratio of Average Tuition to Average Income of Full-Time Employed Graduates from 1985-2011



Variable Affordability

“Macro” discussion fails to highlight the extent to which differences exist at a “micro” level.

- 1) across states and regions, with different tuition rates; and
- 2) across different LSAT profiles.

The balance of this presentation will highlight this “variable affordability” – looking at the class that entered law school in the fall of 2012 -- focused first on geography and then on LSAT profile.

Expensive States

- There are 8 states that could be described as “expensive” states to go to law school, in which the vast majority of law schools in 2012 had base tuition of \$38,500 or more.
 - In the Northeast – VT, NH, MA, CT, RI, NY had 28 law schools among them, with 7,288 entering law students, but only three law schools (Connecticut (\$22K), Buffalo (\$22.6K) and CUNY (\$13.8K)) with 477 students among them cost less than \$38,500.
 - Illinois had 9 law schools with 2,163 entering law students, but only two schools (N. Illinois (\$19.8K) and S. Illinois (\$17K) with 229 students between them cost less than \$38,500.
 - California had 18 law schools with 4,699 entering law students all of which cost at least \$39,600.

Affordable States

- There are 15 states in which no law school in 2012 charged more than \$30,000.
- These 15 included 10 states (AR, HA, ID, KS, KY, MT, ND, NM, WV, WY) with 14 public law schools and 1,808 entering students at which resident tuition was less than \$20K. (At 8 of these, resident tuition was less than \$16K.)
- These 15 included 5 states (MD, ME, MS, NV, UT) with 8 law schools and 1401 entering students at which tuition was less than \$30K. (At 2 of these tuition was less than \$11.3K.)

Tuition in Other States

The other 27 states and the District of Columbia, representing the remaining 128 law schools and roughly 28,000 entering students, had law schools that either –

- All had tuition in the \$30K to \$40K range OR
- Had a range of tuitions covering \$20K plus to over \$40K (or in the case of North Carolina and Pennsylvania, from less than \$20K to more than \$50K).

Different Net Tuition for Students in Different Categories of LSATs

	\$0-\$10,000	\$10,000-\$20,000	\$20,000-\$30,000	\$30,000-\$40,000	\$40,000-\$50,000
165+					
160-164					
155-159					
150-154					
<150					

Different Net Tuition for Different LSAT Ranges

- With the help of a phenomenal research assistant, I have developed a spreadsheet in which I calculate net tuition for all entering law students at the 195 fully-accredited ABA law schools outside Puerto Rico in fall 2012 after accounting for scholarships.
- This calculation process begins with each law school's base tuition as indicated in the 2012 Standard 509 report.
 - For public law schools, the resident tuition was used as base tuition because there is no consistent delineation of the percentage of students who were non-residents.
 - This arguably may understate the cost, but this is less about “actual” net cost than it is about “relative” net cost, so it seems reasonable.

The Calculations Continued

- Then we took the percentage of students receiving scholarships (full or more, half to full, and less than half) from each law school's 2013 Standard 509 Report (which reports the prior year's -- 2012-13 -- scholarships and grants) and multiplied that by the first-year enrollment to identify the number of students paying less than full tuition, in three categories -- no tuition, half tuition and three-quarters tuition.
 - In this calculation, we assumed half to full tuition was “one-half” and that less than half tuition was “one-quarter,” arguably understating scholarship **amounts**.
 - Moreover, because the reported percentage of scholarships is based on the whole student body, and there is reason to believe law schools increased scholarships in 2011 and 2012 as enrollment declined, this approach is probably conservative in accounting for the **number** of scholarships.
 - Even though this process is about relative net cost, as opposed to “actual” net costs, this approach to scholarships may overstate net cost and counterbalance the resident tuition assumption noted above which may understate net cost.

The Calculations Continued (Again)

- Next, we took the number of entering first-year students from each law school's 2012 Standard 509 Report.
- Then, using the LSAT profile for each school we allocated percentages of students into five LSAT categories – 165 or higher, 160-164, 155-159, 150-154, and less than 150 – trying to be as consistent as possible among law schools with similar profiles.
- To make sure our distribution made sense, we cross-checked the numbers in each LSAT category with the numbers of matriculants in each category from the LSAC's National Decision Profile for the 2011-2012 admissions cycle and were within 10 students in all five LSAT categories.

The Calculations Continued (Again)

- Having identified the number of students receiving scholarships, and the distribution of students across the five LSAT categories, we then “distributed” the scholarships to identify the different net tuition costs across each law school’s entering class.
- We did this by assuming that scholarships would be awarded based on LSAT scores, with the largest scholarships awarded to the highest LSATs and gradually working our way down through categories of LSATs until scholarships were exhausted.
 - I recognize that this assumption is not entirely accurate, as some schools provide some scholarships based on GPA as well as LSAT or on diversity or leadership, but I think most people will agree that with the emphasis on entering class profiles for USNEWS there is a significant “investment” in LSATs that makes this assumption largely reasonable.

The Calculations Conclusion (Finally!)

- Having distributed the scholarships by descending LSAT of the entering class to generate net tuition for each student in each entering class, we then allocated students into cells on a five-by-five grid, featuring the five LSAT categories referenced above along with five “cost categories” –
 - 0-\$10K,
 - \$10K-\$20K,
 - \$20K-\$30K,
 - \$30K-\$40K and
 - more than \$40K.

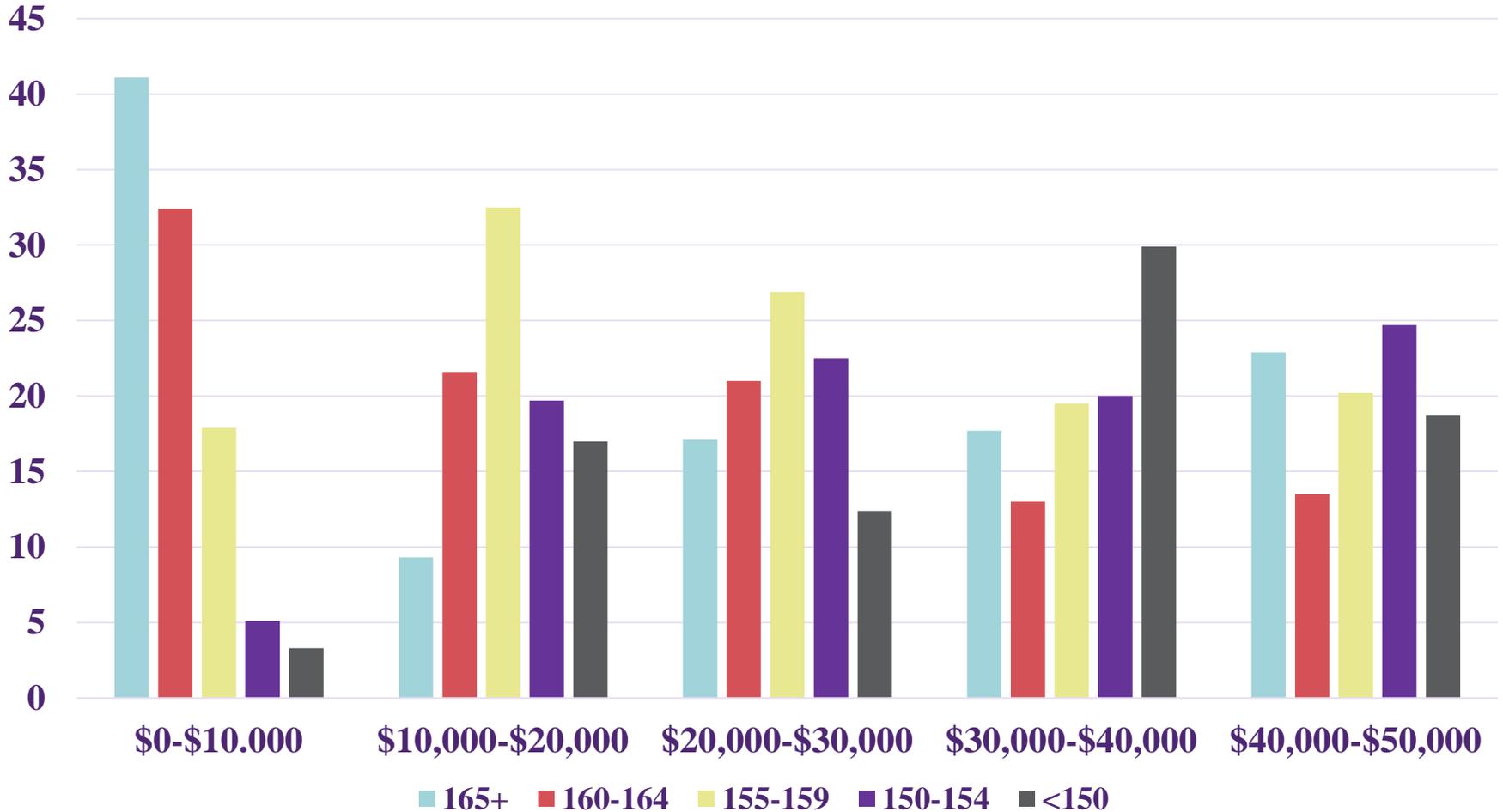
Summary of the Data - % of Cost

	Number and Percentage of Students Paying...					
	\$0 - \$10,000	\$10,000 - \$20,000	\$20,000 - \$30,000	\$30,000 - \$40,000	\$40,000+	TOTAL
165+	1,032	720	1,735	2,244	2,073	7804
% of Cost	41.1%	9.3%	17.1%	17.7%	22.9%	
160-164	814	1,669	2,135	1,652	1,226	7496
% of Cost	32.4%	21.6%	21%	13%	13.5%	
155-159	450	2,512	2,723	2,477	1,832	9994
% of Cost	17.9%	32.5%	26.9%	19.5%	20.2%	
150-154	129	1,523	2,275	2,540	2,244	8711
% of Cost	5.1%	19.7%	22.5%	20%	24.7%	
<150	83	1,317	1,254	3,798	1,697	8149
% of Cost	3.3%	17%	12.4%	29.9%	18.7%	
TOTAL	2508	7741	10122	12711	9072	42154

Number and Percentage of First-Year Students in Each Net Cost Category



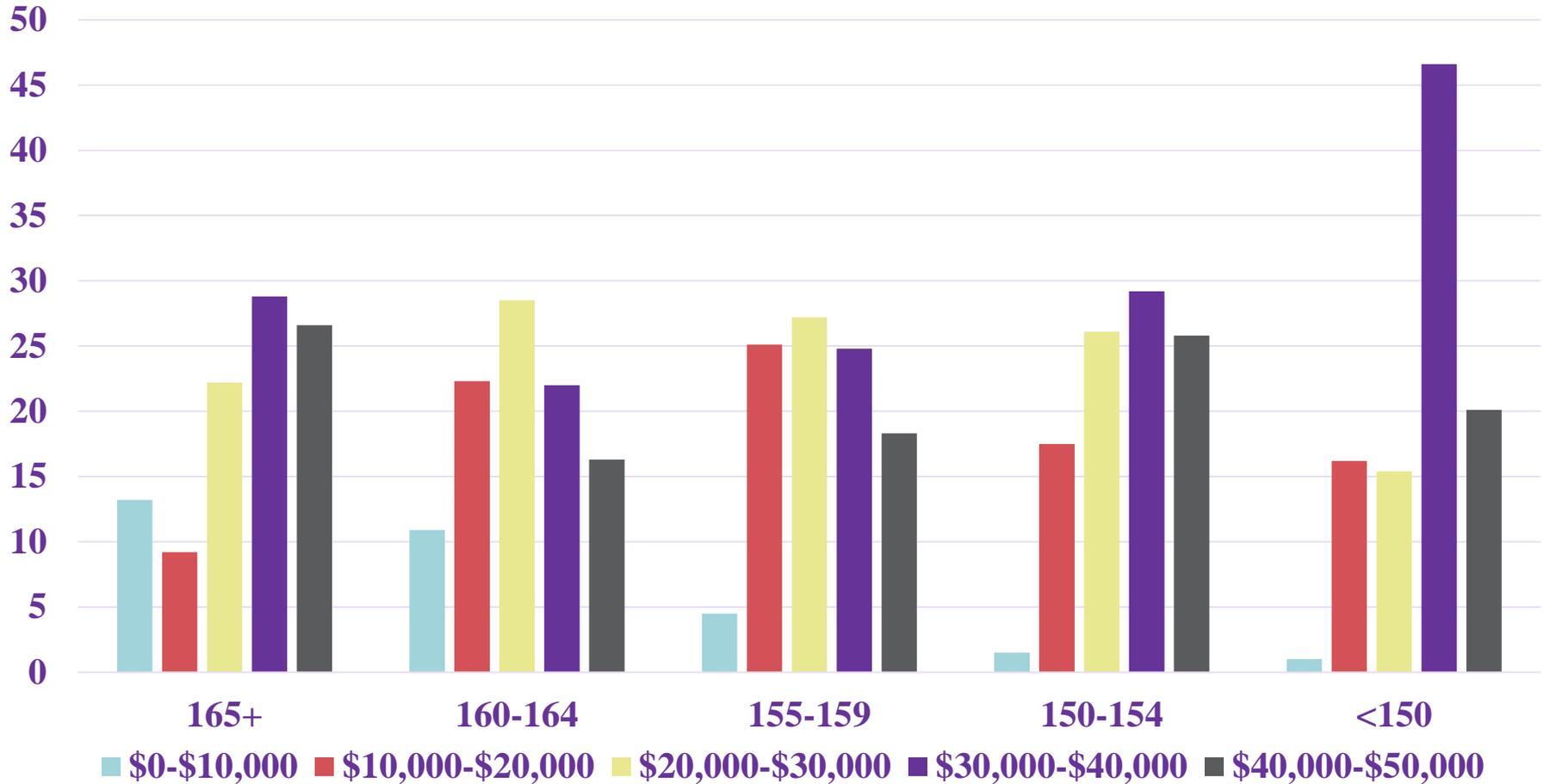
Percentage of First-Year Students in Each LSAT Category for Each Cost Category



Summary of the Data - % of LSAT

	Number and Percentage of Students Paying...					
	\$0 - \$10,000	\$10,000 - \$20,000	\$20,000 - \$30,000	\$30,000 - \$40,000	\$40,000+	TOTAL
165+	1,032	720	1,735	2,244	2,073	7804
% of LSAT	13.2%	9.2%	22.2%	28.8%	26.6%	100
160-164	814	1,669	2,135	1,652	1,226	7496
% of LSAT	10.9%	22.3%	28.5%	22%	16.3%	100
155-159	450	2,512	2,723	2,477	1,832	9994
% of LSAT	4.5%	25.1%	27.2%	24.8%	18.3%	99.9
150-154	129	1,523	2,275	2,540	2,244	8711
% of LSAT	1.5%	17.5%	26.1%	29.2%	25.8%	100.1
<150	83	1,317	1,254	3,798	1,697	8149
% of LSAT	1%	16.2%	15.4%	46.6%	20.8%	100
TOTAL	2508	7741	10122	12711	9072	42154

Percentage of First-Years in Each Cost Category for Each LSAT Category



Summary of the Data – Average Rank

(In calculating average rank, alphabetical schools were all assigned a rank of 170)

	Number of Students Paying...				
	\$0 - \$10,000	\$10,000 - \$20,000	\$20,000 - \$30,000	\$30,000 - \$40,000	\$40,000+
165+	1032	720	1735	2244	2073
Avg. Rank	52.4	44.7	27.6	15.5	7.4
160-164	814	1669	2135	1652	1226
Avg. Rank	111	73.4	61.5	56	23.5
155-159	450	2512	2723	2477	1832
Avg. Rank	141.8	107.2	105	99.4	58
150-154	129	1523	2275	2540	2244
Avg. Rank	162.5	121.6	127.3	135.2	97.8
<150	83	1317	1254	3798	1697
Avg. Rank	170	151.8	145.2	160.9	140.1

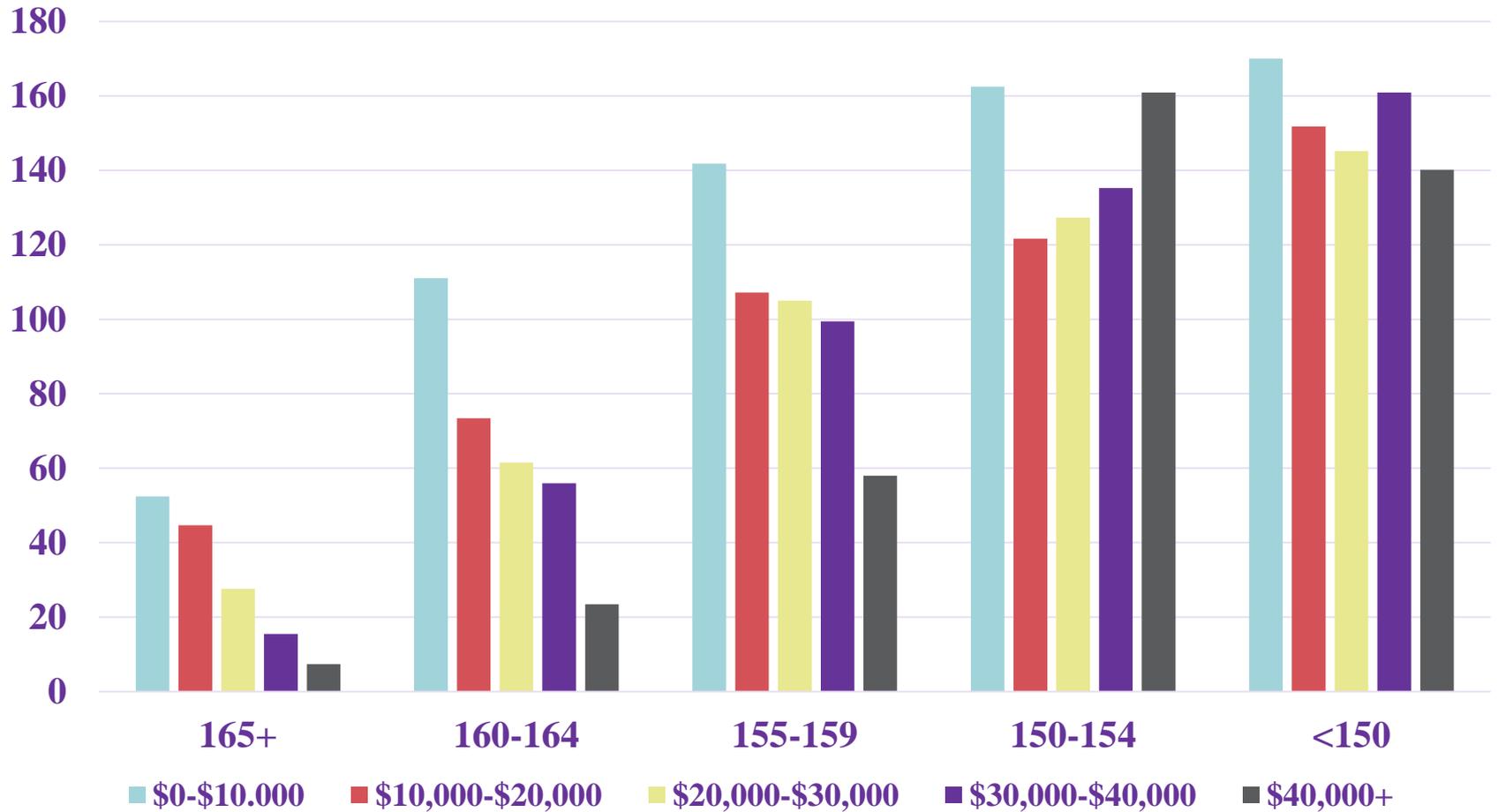
Average Cost and Rank for Each LSAT Category

LSAT RANGE	Average Cost	Average Law School Rank
165+	\$29,600	23
160-164	\$26,100	62
155-159	\$27,700	97
150-154	\$31,000	122
<150	\$32,000	153

Average Rank of Law School Attended for Each LSAT Category in Each Cost Category



Average Rank of Law School Attended for Each Cost Category in Each LSAT Category



Concluding Observations

- The reality of the cross-subsidy is felt across all LSAT categories, but in the top three LSAT categories there is a balance of winners and losers, while in the bottom two categories there are more losers than winners.
- If one overlays bar passage results and employment outcomes on this data, the plight of those with LSATs of less than 150 becomes more manifest. Roughly two-thirds of them are paying more than \$30,000 in tuition, with significant bar passage risk and with limited employment opportunities through which to recoup their investment in a legal education.