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**Investing in Statistics or Investing in People – Reflections on Law School  
Scholarship Programs**

COMMON YIELD ASSUMPTIONS FOR LAW SCHOOL A and B

LSAT	# Apps.	# Admits	Yield % Full Sch.	Yield % ½ Sch.	Yield % ¼ Sch.	Yield % No Sch.
≥160	150	150	40	30	NA	10%
158-159	250	220	NA	40	30	15%
156-157	300	240	NA	NA	40	20%
≤155	800	TBD	30%	NA	NA	NA
<b>TOTAL</b>	1500					

**LAW SCHOOL A – UNCONDITIONAL RENEWAL  
\$1,200,000 IN SCHOLARSHIP ASSISTANCE FOR FIRST YEAR STUDENTS**

LSAT	Admits	Yield	Matrics	Cost	
≥160	50 Full Sch	40%	20	\$600,000	
	67 Half Sch	30%	20	\$300,000	
	33 None	10%	3	0	
<b>Total</b>			<b>43</b>	<b>\$900,000</b>	
158-159	133 Qtrs	30%	40	\$300,000	
	87 None	15%	13	0	
<b>Total</b>			<b>53</b>	<b>\$300,000</b>	<b>96</b>
156-157	240	20%	<b>48</b>	0	<b>144</b>
≤155	187	30%	<b>56</b>	0	<b>200</b>
<b>TOTAL</b>	<b>797</b>			<b>\$1,200,000</b>	

For Law School A – 80 of the 200 students receive scholarship assistance and are anticipated to keep it for their second and third years because Law School A has an unconditional renewal policy. That means that the 20% Discount Rate -- a total of \$3.6 million – is divided evenly between first second and third years, with \$1.2 million per year and a total of 240 students (out of 600) on scholarship. Law School A also is admitting 797 out of 1500 applicants – a selectivity rate of 53.1%

This distribution results in a likely LSAT profile of 159/157/155 for Law School A.

**LAW SCHOOL B – CONDITIONAL RENEWAL – TOP THIRD  
\$1,620,000 IN SCHOLARSHIP ASSISTANCE FOR FIRST YEAR STUDENTS**

LSAT	Admits	Yield	Matrics	Cost	
≥160	70 Full Sch	40%	28	\$840,000	
	73 Half Sch	30%	22	\$330,000	
	7 None	10%	1		
<b>Total</b>			<b>51</b>	<b>\$1,170,000</b>	
158-159	35 Half Sch	40%	14	\$210,000	
	107 Qtr.	30%	32	\$240,000	
	78 None	15%	12	0	
<b>Total</b>			<b>58</b>	<b>\$450,000</b>	<b>109</b>
156-157	240	20%	<b>48</b>	0	<b>157</b>
<155	143	30%	<b>43</b>	0	<b>200</b>
<b>TOTAL</b>	<b>753</b>			<b>\$1,620,000</b>	

For Law School B – 96 of the 200 students receive scholarship assistance, but only 53 of the students are anticipated to keep their scholarships if we assume that nearly 80% of the students in the top third are scholarship recipients (53 of 67) such that they keep their scholarships. If we assume that 21 of the 53 have full scholarships while 16 have half scholarships and 16 have quarter scholarships, then the “renewed” scholarship total would be \$990,000 (and the second and third year totals would be \$1,980,000, leaving \$1,620,000 for first year scholarships. Notably, this means 43 of the initial scholarship recipients no longer have scholarships as second and third year students. That means that the 20% Discount Rate -- a total of \$3.6 million – is divided with \$1,620,000 for the first year students and \$990,000 for the second year and third year students. All total, 202 students (out of 600) would be on scholarship – 96 first years and 53 second years students and 53 third year students. Law School B also is admitting only 753 students out of 1500, a selectivity rate of 50.2%.

This distribution results in a likely LSAT profile of 160/158/156 for Law School B – one point better at each quartile than the results for Law School A.

**HOW MIGHT THESE DIFFERENCES IN THE MODELS SHAPE THE CULTURE OF LAW SCHOOL A AND LAW SCHOOL B DIFFERENTLY?**

**REFLECTIONS ON LAW SCHOOL A**

Financial Certainty Reduces Stress and Competitiveness at Law School A–

-With respect to the unconditional renewal model Law School A uses, the financial aspect of the decision to attend law school operates as a one-time decision that coincides with the decision to attend Law School A.

-Each student who decides to attend Law School A knows from the time he or she decides to attend Law School A what he or she can expect to spend on tuition over the three years of law school.

-There are no “surprises” with the unconditional renewal model. Indeed, there is not much reason for students at Law School A to think much about their scholarship situation (whether they have a scholarship or not).

-Those who received a scholarship will not have much need to think about retaining their scholarship throughout law school (given the premise that maintaining good academic standing is not a difficult threshold). Similarly, those who did not receive a scholarship, but chose to attend Law School A anyway, have no expectation that circumstances will change such that they would be entitled to receive a scholarship.

-There is no additional competitive pressure focused on the financial consequences of not maintaining a certain GPA or class rank.

-There is no signal to students that they are valued only for their academic performance in law school. Rather, the initial scholarship decision signals to them that they are valued as a person – for their academic background as well as their life experience and their leadership/service – and their retention of their scholarship, even in the face of less than stellar performance in law school, suggests that the law school does value their presence for who they are as a person.

While students at Law School A might be competitive by nature and create an environment in which they engage in heated competition with their classmates for the highest grades and the opportunities that come with those grades, the unconditional renewal model does not exacerbate the inherent competitive nature of the students who choose to attend Law School A.

## REFLECTIONS ON LAW SCHOOL B

### ADDED FINANCIAL UNCERTAINTY EXACERBATES COMPETITIVENESS AND STRESS AT LAW SCHOOL B

With respect to the conditional renewal or competitive model Law School B uses, based on the scholarship distribution profile reflected above, only the 104 first-year students who did not receive scholarship assistance will incur the full \$90,000 in tuition over the three years of law school.

Of the other 96 students who did receive scholarship assistance as first-year students, however, 43 students (nearly one-quarter of the first-year class) will have to confront a changed financial circumstance at the end of their first-year of law school.

And because none of the first-year scholarship recipients can be sure of how they will end the first-year in class rank, the reality is that all 96 scholarship recipients (nearly 50% of the first-year class) will need to be worried about the possibility of confronting a changed financial circumstance at the end of the first year.

Given that the continued availability of scholarship assistance is tied directly to first-year law school performance under the competitive model, scholarship recipients at Law School B have an “extra” reason to be competing with their classmates for the highest possible grades.

This program thus signals to students that their “value” is tied much more to their academic performance as law students than to who they are as people. While they might have received their scholarships because of their academic background, their life experience and their leadership/service, once they are enrolled, they basically are informed that their academic background, life experience, and leadership/service no longer matter – the only thing that matters is their academic performance in law school.

#### THEORY AND REALITY

While the data may not be compelling from a statistical standpoint, it is worth noting that there does appear to be some correlation between the competitive scholarship model and the competitive environment of the law school.

In the Princeton Review’s Ranking of Most Competitive Law Schools published in October 2006, nine of the top ten schools appear to utilize some type of competitive model for scholarship assistance.

Conversely, there also appears to be some correlation between the non-competitive scholarship model and the quality of life experienced by law students.

Among the ten schools listed in the Princeton Review’s Ranking of Best Quality of Life for Law Students, scholarship model information exists for six of the schools. Five of the six schools for which scholarship information is available reflected a non-competitive or unconditional renewal model of scholarship assistance.

#### THOUGHTS ON THE FUTURE

1. Encouraging use of unconditional renewal scholarship programs
2. Developing a system of disclosure to prospective students.