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TO: Members of the Committee on Academic Policy and Programs

SPONSOR: Shirley Neuman, Vice-President and Provost

DATE: February 14, 2003

AGENDA ITEM: 1

ITEM IDENTIFICATION

Provost's Study of Accessibility and Career Choice in the Faculty of Law

JURISDICTIONAL INFORMATION:

This item is presented for information. The Committee is responsible for monitoring academic matters as may be required by general policy, including student financial support and accessibility.

HIGHLIGHTS:

This study has been completed at the request of Governing Council. Through the fall of 2002, an extensive consultation process was conducted, prior to development of the methodology for the study. The study protocol, submitted to this Committee at its meeting of November 27, 2002 (included as Appendix 1 of the study), listed the groups that I met with formally. Based on the excellent discussion at the committee meeting the methodology was further revised. Subsequent to the meeting there have been several submissions from organizations regarding the study, I will address these at the meeting of the Committee.

As noted in the presentation to the Committee, some changes were required to the methods as we became more familiar with the data, particularly those coming from the Law Society of Upper Canada. Unfortunately, several of the variables that the Law Society had proposed to provide, proved not to be available or were not usable in the analysis, primarily because of the manner in which the Society's questionnaire was structured.

The report includes three major components: a literature review, the results on accessibility including financial aid, and the results on career choice.

The literature review reveals that there has been very little previously published on the impact of tuition increases and law school attendance. There is a literature on accessibility to higher education in general, which shows that tuition does not play a major role in access to higher education. Rather, other factors, such as parental education, are far more important predictors of attendance. Several well-designed studies have been completed on the impact of debt load on career choice. This literature does not suggest that debt load plays a role in career choice. Other factors, such as salaries in different settings, play a far more significant role.

The accessibility results demonstrate that increases in tuition in recent years have not led to a decline in attendance for those from lower income groups, women and visible minorities. Indeed, attendance has increased for women and visible minorities. Furthermore, the Faculty of Law has doubled the proportion of Black students and maintained the level of Aboriginal students, which is about twice the average for Canadian law schools.

While it may appear to be counter-intuitive that accessibility is maintained or improved in the face of increased tuition, the explanation is obvious when the financial aid data are examined. The Faculty of Law has increased total financial aid nineteen fold in 7 years. In 1999, 39% of all law students received some financial aid, while 51% received aid in 2002. Bursary assistance reduced tuition completely to zero for 4% of students in 1999, rising to 7% in 2002. For first year students, complete tuition relief has increased from 3% to 13%.

The data on career choice show that patterns of articling and employment for University of Toronto graduates have been different from those of other Ontario law school graduates and remain so. University of Toronto graduates have been more likely to article at large firms and eventually to work at such firms. This is not unreasonable since there are more such firms in Toronto, and many students tend to article and then work in the area where they trained. Of note, there is no change over time in the relative proportion of University of Toronto graduates, as compared with graduates from the rest of the province, who article or work in large firms. Furthermore, the proportion of University of Toronto graduates who article in non-firms, which includes government, agencies and clerkships has increased, while this has decreased for the rest of the province. There are no differences in trends for the current setting of practice as compared between Toronto and other institutions.

These results demonstrate that accessibility has been maintained and likely improved, in the face of increased tuition, and that career choice has not been affected by previous tuition increases.

There is no doubt that the observed patterns are in large part due to the substantial financial aid that the Faculty of Law has put into place. I am pleased that the Faculty is continuing its efforts to improve the quality of its financial aid programs. The Faculty remains committed to increasing financial aid. It is reviewing the delivery of its programs to ensure that students can get an estimate of their aid package well in advance

of the start of the school year so they can plan effectively. It is proposed that deadlines for application will be moved to the spring so that a provisional financial aid award could be made. The Faculty is also reviewing the ScotiaBank processes and creating a new position of Director of Admissions and Financial Aid to better meet student needs.

The Faculty is planning to enhance the back-end debt relief program component of its financial aid program. This provides debt remission for graduates engaged in careers that result in lower salaries. Among the items being considered are changes in the way in which loan forgiveness data are presented to allow students to better assess the benefits, a raise in the income threshold for the back-end debt relief program, and the possible attachment of a public interest requirement.

It is important that the Committee is also aware of the tremendous improvements in the quality of legal education at the University of Toronto over the time period of this study. During this time, the full-time faculty complement has increased from 33 Full Time Equivalents (FTE) to 50 FTE, and the Faculty of Law now has a student-faculty ratio of 1:10 – one of the best student-faculty ratios of any law school in North America. The ratio will improve further over the next couple of years as the Faculty's complement increases to 57 FTE. Student programs and services have been strengthened in a number of ways, including the creation of a pro bono placement program, the recruitment of a full-time Director of International Human Rights Programs, the expansion of the student legal aid clinic, the addition of a career counselor specializing in public interest careers, the introduction of a Distinguished Visiting Faculty Program (which each year brings more than 20 of the world's leading law professors and jurists to the Faculty for intensive courses), and the creation of academic centres in Innovation Law and Policy and Health Law and Policy.

PROVOST'S STUDY OF
ACCESSIBILITY AND CAREER CHOICE
IN THE FACULTY OF LAW

Shirley Neuman
Vice-President and Provost
University of Toronto

Presented to the
Committee on Academic Policy and Programs
of the
Governing Council of the University of Toronto

February 24, 2003

Introduction

At its May 2, 2002 meeting, the Governing Council approved the following motion:

That there be no further substantial increase in tuition fees for the JD program in the Faculty of Law until the Governing Council is satisfied that there has been no reduction in accessibility due to the 2002-03 tuition increase and no career distortion due to previous substantial increases based upon a comprehensive Accessibility and Career Choice Review to be conducted by the Provost's Office.

The study requested by Governing Council represented an elaboration of the annual report of the Vice-Provost, Students, on financial accessibility, which is submitted to governance through the Committee on Academic Policy and Programs. The methodology was presented to the Committee on Academic Policy and Programs at its November 27, 2002 meeting. There was extensive discussion of the methodology at that meeting and many excellent comments were received. The Committee endorsed the proposed methodology. Following the meeting the methodology was revised to reflect the comments of the Committee and a final version of the methods was circulated to the Committee in a memorandum dated December 15, 2002 (Appendix 1). In developing the methodology for this study, there was broad consultation with the community, which is described in detail in the methodology memorandum. The Provost held an information session for all interested governors. She also consulted with several groups internal and external to the University community. Through out this process the Provost's Office has been prepared to entertain requests for input from any group that so desired.

As was noted to the Committee, the proposal outlined the general methodology, since our Office did not yet have all of the data available at that time. We have been able to follow the methodology closely, but there are some amendments that had to be made after our staff started working with the data. These changes are discussed in the relevant section. Nevertheless, we are confident that the study has achieved the stated objectives.

The results are presented in three main sections. The first section presents the results of a literature review on accessibility and career choice. The second section presents data reflecting accessibility, based primarily on admission statistics from the Faculty of Law. This section also presents data on financial aid provided by the Faculty of Law. The third section deals with career choice patterns of University of Toronto law graduates as compared to those from other Ontario law schools, based on data from the Law Society of Upper Canada.

Appendix 2 presents the statistical methods and provides definitions for key terms. The messages of this study are presented graphically in charts, and we try and avoid the use of statistical terminology. Where appropriate, we do note if trends are statistically significant. The exact probability values are noted on the charts.

Section 1: Literature review

A review of the literature on accessibility and career choice was conducted by Professor Emeritus David Stager of the Department of Economics and completed in October, 2002. Dr. Stager is a noted expert on labour economics, with a particular interest in issues related to the economics of education, and he has previously done work on the economics of the legal profession. An addendum, reflecting two additional studies was added in January, 2003. This review is included as Appendix 3.

Very little has been published on the question of the effect of tuition fee increases on accessibility to law school. General reviews of the literature on accessibility and fees report that the important factors related to post-secondary education are parental education and students' academic ability, that tuition increases have been offset by increased financial aid, and that educational costs other than tuition can impose greater need on specific groups of students.

There have been several studies on the effect of debt load on career choice in area of practice. This literature does not support the hypothesis that debt burden significantly determines career choice. While educational debt may be related to job choices, other factors are more likely to influence where students will ultimately practice. For example, the literature suggests that salary gaps between settings are an important factor independent of educational debt. The research does suggest that loan forgiveness programs can play a role, particularly for those from underrepresented groups, and that knowing, when one enters Law School, that a student debt forgiveness program is in place for graduates who earn low incomes is helpful.

There has been considerable public attention given to a report released on November 18, 2002 entitled *From Paper Chase to Money Chase: Law School Debt Diverts Road to Public Service*.¹ This report presents statistics to support the contention that debt load has an impact on career choice decisions. Unlike most of the studies cited in the review by Professor Stager, and the approach taken in this report, *Paper Chase* is based on a survey of third year law students; thus it describes career intentions, and perceived impact of debt load, rather than actual career choice (this is also an issue with the medical student study published in the *Canadian Medical Association Journal* which has been frequently cited in governance). Such studies, unfortunately suffer from several forms of bias well known in the social sciences. Self-reported data does not necessarily reflect actual or intended behaviour. Bias can occur when respondents give the response that they think will be useful to them or others, rather than what they themselves actually believe to be true. Finally, as with all surveys, the respondents may not necessarily represent the full population. A low response rate can lead to a very different sample in the survey, as compared to the full population. Of note, the response rate on the *Paper Chase* survey was only 4.3% (1,622 out of 37,900 students), and obviously is not a representative sample of all law students. The conclusions must therefore be interpreted with extreme caution. It is of interest, however, to note that the key recommendations in the survey focussed on enhancing Loan Repayment Assistance Programs, or back-end debt relief, and scholarship programs.

¹ This report is available on the Equal Justice Works website [<http://www.napil.org/>]. This report was presented by Equal Justice Works, the Partnership for Public Service, the National Association for Law Placement, and the National Legal Aid and Defender Association in the United States.

Section 2: Financial Accessibility

Admission Statistics

Admission statistics from the Faculty of Law for each year since the 1995/96 academic year are presented in Table 1. This includes the total number of applications, the number of offers made, the number accepted and number deferred i.e. those applicants who received offers of admission but who deferred their enrolment until the next year or year after. As the number of deferrals has increased, the yield rate (accepted divided by offers) is presented with deferrals included in the denominator. Deferrals are those applicants who received offers of admission but were deferring their enrolment until the next year or year after. Typically, they are undertaking graduate study or working. The table also presents the tuition for the incoming class in each year.

Some of the key results from the admission and enrolment statistics are presented graphically in charts. Figure 1 demonstrates the total number of applications per year, which has increased over this period. Of note, based on the number of students sitting the LSATs, the University of Toronto Faculty of Law's share of the proportion of students who apply has increased from 11.0% in 1992 to 21.3% in 2001. A greater proportion of potential applicants are applying to the University of Toronto's Faculty of Law. Furthermore, the proportion of the very best applicants, as reflected in LSAT scores is increasing. Because of confidentiality reasons, the actual distributions of LSAT scores for the applicants to the Faculty of Law at the University of Toronto compared to other applicants cannot be presented. However, regardless of the LSAT threshold chosen, the proportion of the 'best' students, that is those with a score above that threshold, has increased for the University of Toronto. For example, for one threshold point, this has gone from 26.2% to 42.2%, a finding that is statistically significant ($p < 0.001$). This does not support a conclusion that the best students are turning away from the University of Toronto. If tuition increases, coupled with strong financial aid programs, were disproportionately affecting those from under-represented groups, and those groups are uniformly distributed above and below the LSAT threshold, then one would expect to see a decline in the students above the threshold, that is the effect referred to as "sticker shock". This effect is not supported by the data. Table 1 also presents the entering class grade-point average (GPA) and mean LSAT score, these characteristics have remained stable.

The yield rate, or proportion of students accepting offers, has remained steady over the period of the study, as demonstrated in Figure 2. There is no statistically significant change in yield rate during this time. Yield rate is a statistic used to reflect the attractiveness of the institution to potential students. A high yield rate shows that the University is getting a high proportion of the applicants it is making offers to. If tuition relative to other law faculties were affecting choice of law school it would be expected that yield rates would decline over time. This is not observed.

Accessibility to different population groups is an important objective of the University of Toronto. The admission statistics are presented for the proportion of women applicants and registrants in Figure 3. Both the proportion of women applicants and registrants has increased during this period. The increase in applicants is statistically significant and has gone from 49.1% to 55.1%. The proportion of registrants has gone from 45.7% to 49.2%, and is not statistically

significant. However, of note, in 1998 the proportion of women registrants was 58.9%, which affects the trend statistics.

Offers to and registrations by Black students are presented in Figure 4. This data is only available from 1999. The numbers are quite small, and thus not statistically significant. However, the proportion of offers has increased from 1.8% to 3.2% while the proportion of registrants has almost doubled from 2.2% to 3.9%. Based on current self-reported statistics from the LSAT pool of applicants, the national average of Black LSAT takers is 3.5%. The Faculty of Law is reflecting the pool of available candidates. Efforts to increase the proportion of Black registrants in law faculties have to focus on increasing the pool.

Figure 5 presents the same type of data for Aboriginal students. Again, the numbers are small and there is considerable fluctuation from year to year, so it is difficult to reach conclusions. However, there is no pattern that accessibility is declining for this group of students. The Faculty of Law does have comparative data for all Canadian Law schools. Of note is that the proportion of Aboriginal students at the University of Toronto has consistently been about twice the national average.

The proportion of visible minorities in the Faculty of Law has increased over this period, from 21% to 29%, a trend which is statistically significant (Figure 6). If changes in tuition were disadvantaging students from these populations one would expect a decline in this proportion.

We now turn to the data on parental income which is available for registrants who were required to report this from 1999 onwards². Table 2 presents this data in \$10,000 increments as requested by the Committee. However, given the small numbers it is difficult to draw interpretations from this table; thus the data are also presented in Table 3, in three income groups plus the Not Reported group. This last group represents more than a third of students, although this proportion has declined slightly during this period. Figure 7 presents the income distributions over the last four years. There is no statistically significant change. The proportion of students in the <\$60,000 parental income group has stayed steady at about 17%, while the proportion in the \$60,000-\$89,999 group has fluctuated around 16%. There is a slight increase in the proportion of students with parental income \geq \$90,000, but this is not statistically significant. This increase appears to be drawn in part from the not reported group. It is also important to note that these values are not inflation-adjusted, and that household incomes have increased over time. Figure 8 presents last year's data compared to the average for the three previous years; this reflects the same pattern of little change in the parental income below \$90,000. Accessibility is being maintained for those from lower- and middle-income households.

² The current Faculty of Law financial aid policy requires parental income data for applicants who are 7 years or less out of high school. Those applicants who are more than 7 years out of high school are not required to report parental income. Some students who are expected to report parental income do not report it and the Faculty cannot require them to do so.

To summarize the accessibility data, we review the research questions in the methodology endorsed by the Committee.

- *Has the proportion of students from lower-income backgrounds declined as tuition fees have increased in the Faculty of Law?*

There is no decline in the proportion of students from lower-income backgrounds.

- *Has the proportion of students who are women or members of visible minority groups declined as tuition fees have increased?*

There is no decline in the proportion of women or members of visible minority groups, and indeed these proportions have increased.

- *Has the U of T share of the pool of Canadian students applying to law schools declined as tuition fees have increased?*

The U of T share of the pool of Canadian students applying to law schools has not declined, and indeed has increased.

Table 1
University of Toronto - Faculty of Law
Admission Statistics 1995 - 2002

Year	Number of Applications			Number of Offers Made	Number of Deferrals	Number of Registrations			Yield Rates (incl. Deferrals)	Yield Rates (excl. Deferrals)
	Female	Male	Total			Female	Male	Total		
95/96	703	728	1,431	304		85	101	186	0.61	0.61
96/97	787	716	1,503	299		78	94	172	0.58	0.58
97/98	898	774	1,672	281	14	84	93	177	0.63	0.66
98/99	902	822	1,724	272	24	103	72	175	0.64	0.71
99/00	875	744	1,619	273	24	92	88	180	0.66	0.72
00/01	937	703	1,640	278	30	94	79	173	0.62	0.70
01/02	926	757	1,683	287	32	94	87	181	0.63	0.71
02/03	1,004	818	1,822	283	26	88	91	179	0.63	0.70

Year	Tuition Fees Domestic Students			Median LSAT Registrations	Median GPA Registrations
	Year 1	Year 2	Year 3		
95/96	2,451	2,451	2,451	164	83.5%
96/97	3,173	3,173	3,173	164	83.7%
97/98	3,808	3,808	3,808	164	83.3%
98/99	5,904	4,570	4,570	165	84.4%
99/00	8,000	7,085	5,484	165	84.5%
00/01	10,000	8,400	8,000	165	84.1%
01/02	12,000	10,500	8,820	165	84.0%
02/03	14,000	12,600	11,025	165	84.9%

Figure 1
University of Toronto - Faculty of Law
Total Applications, 1995/96 to 2002/03

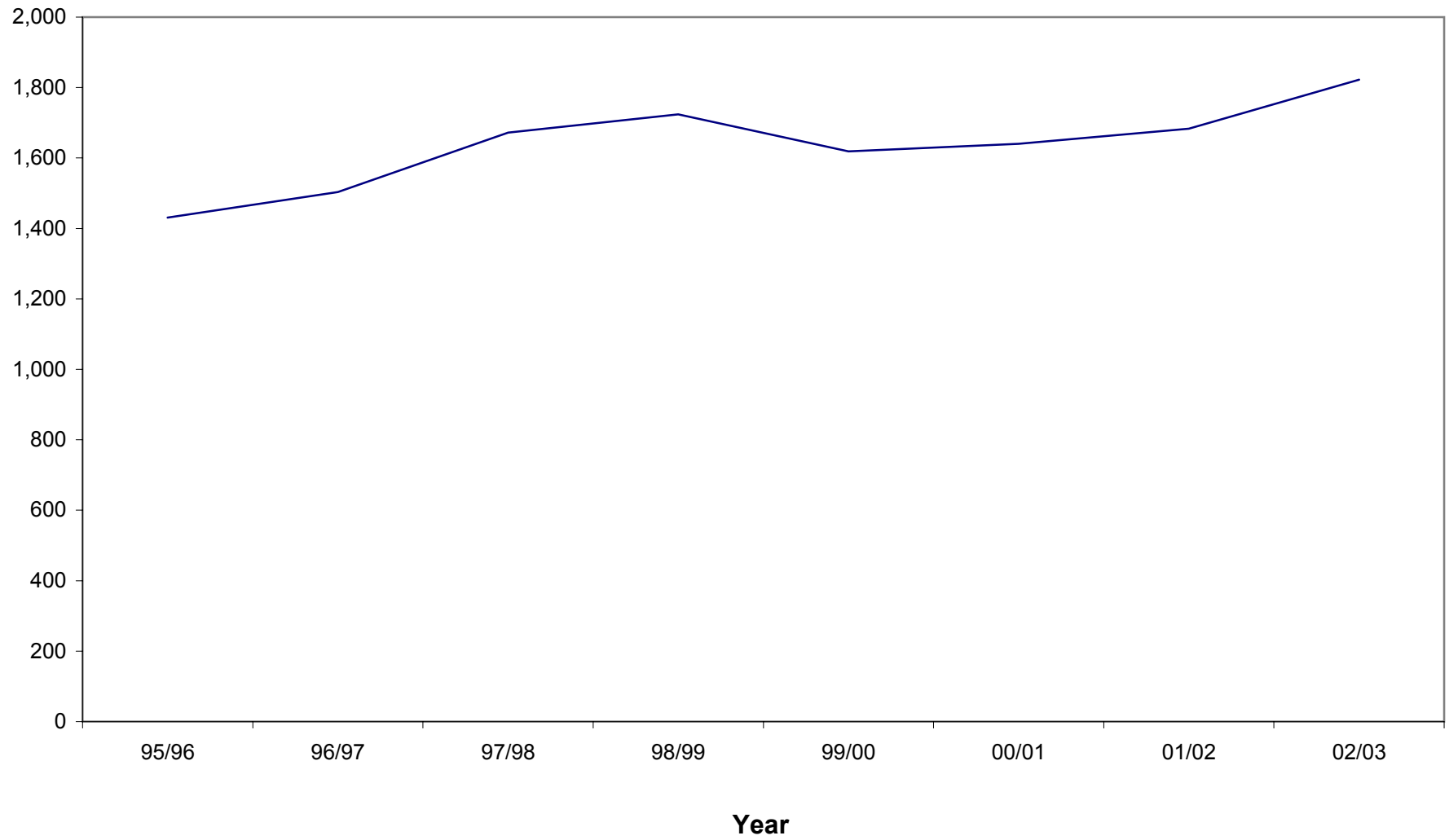


Figure 2
University of Toronto - Faculty of Law
Registrations vs Offers Made, 1995/96 - 2002/03

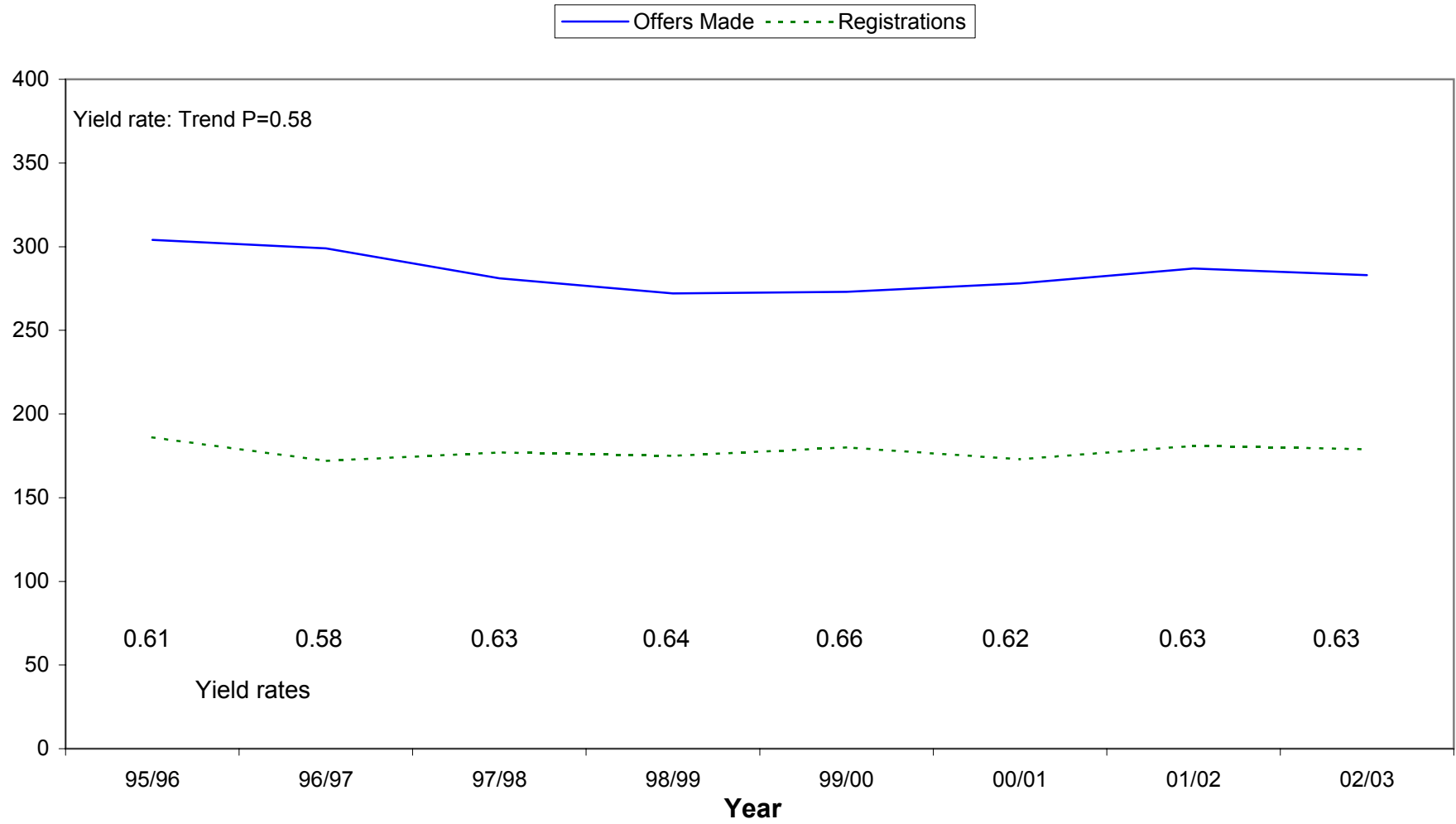


Figure 3
University of Toronto - Faculty of Law
Applications and Registrations
Percentage of Women, 1995/96 - 2002/03

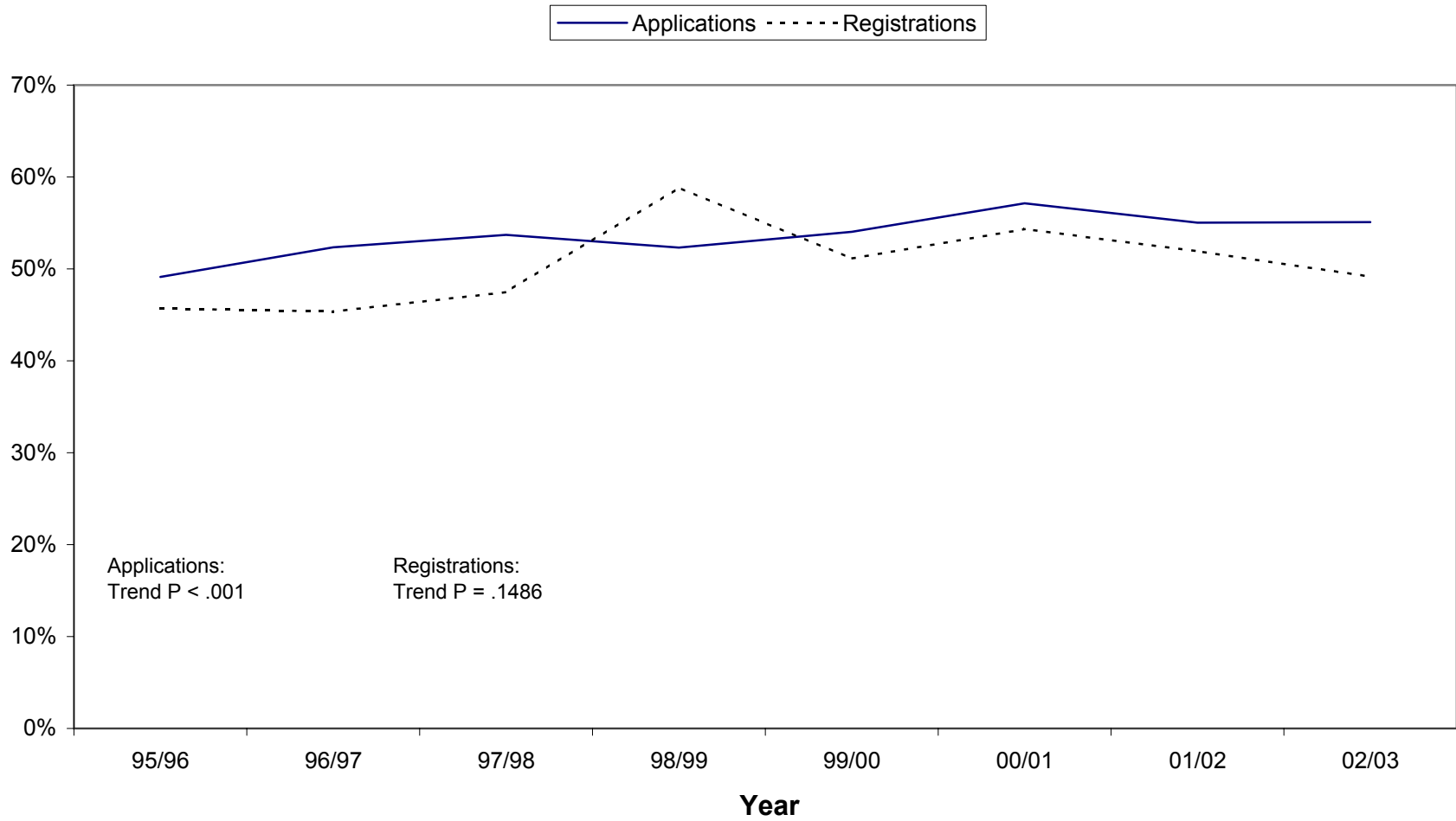


Figure 4
University of Toronto - Faculty of Law
Offers and Registrations
Percentage of Black Students, 1999/00 - 2002/03

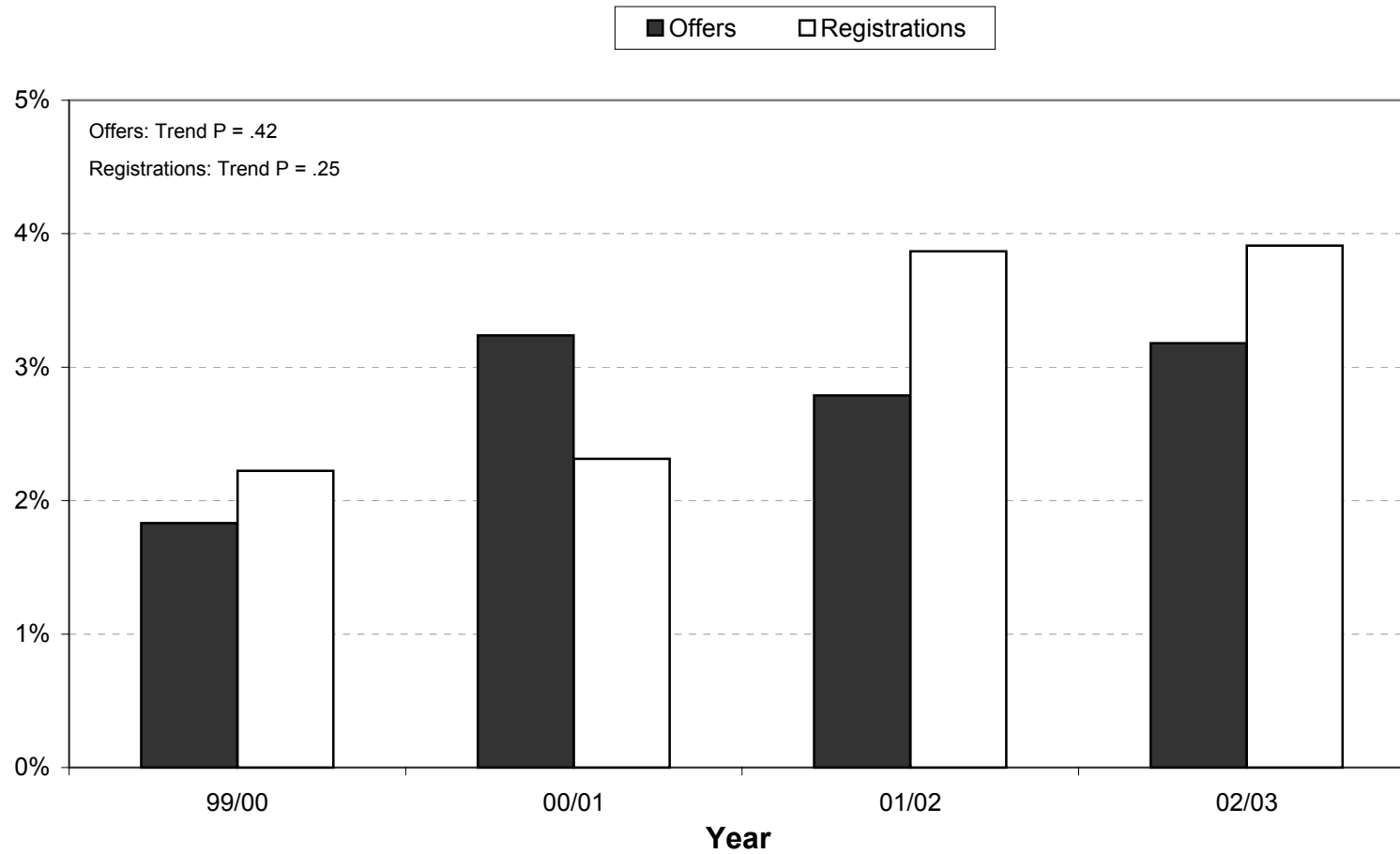


Figure 5
University of Toronto - Faculty of Law
Offers and Registrations
Percentage of Aboriginal Students, 1995/96 - 2002/03

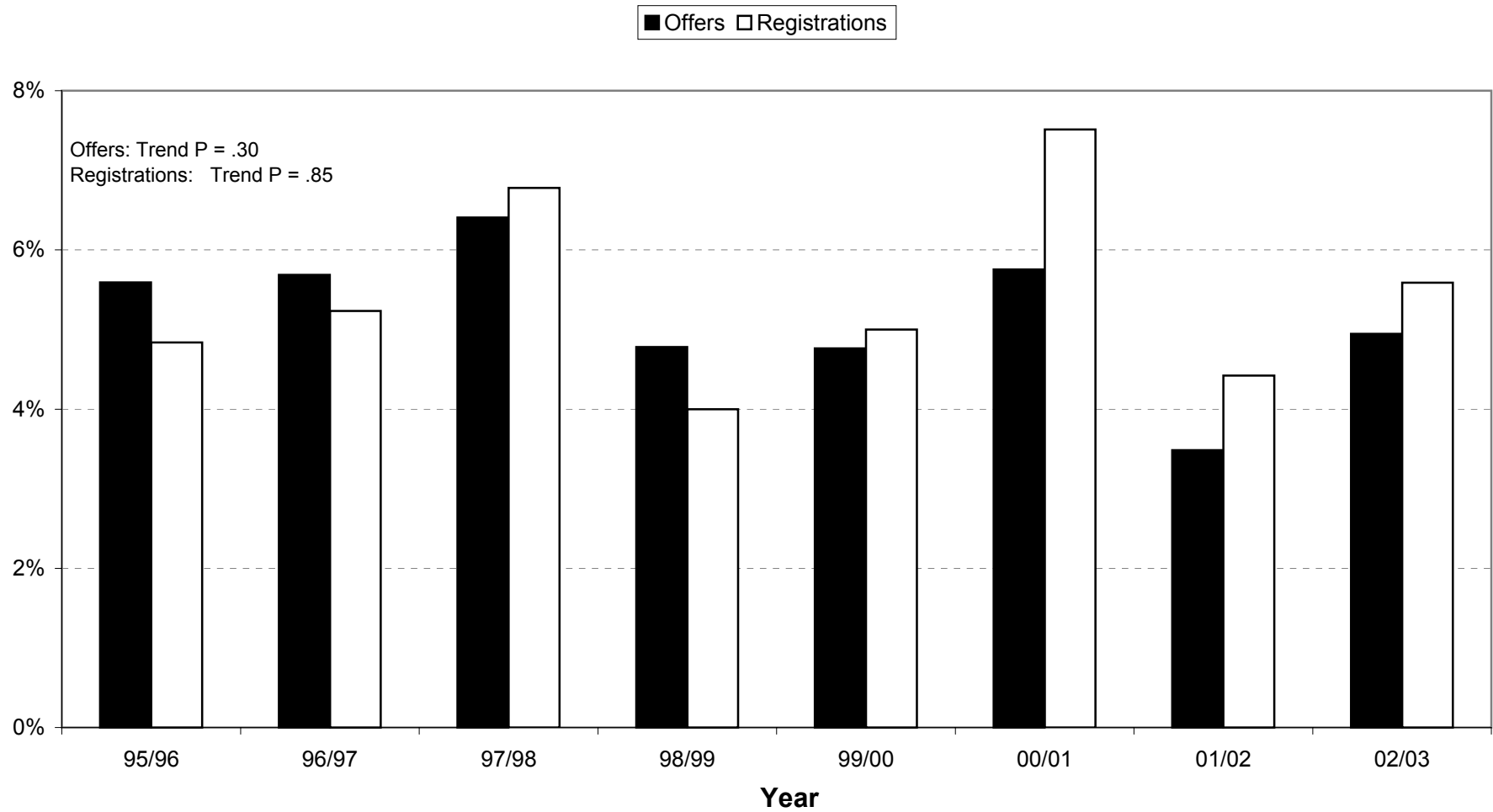


Figure 6
University of Toronto - Faculty of Law
Percentage of Visible Minorities Registered, 1995/96 - 2002/03

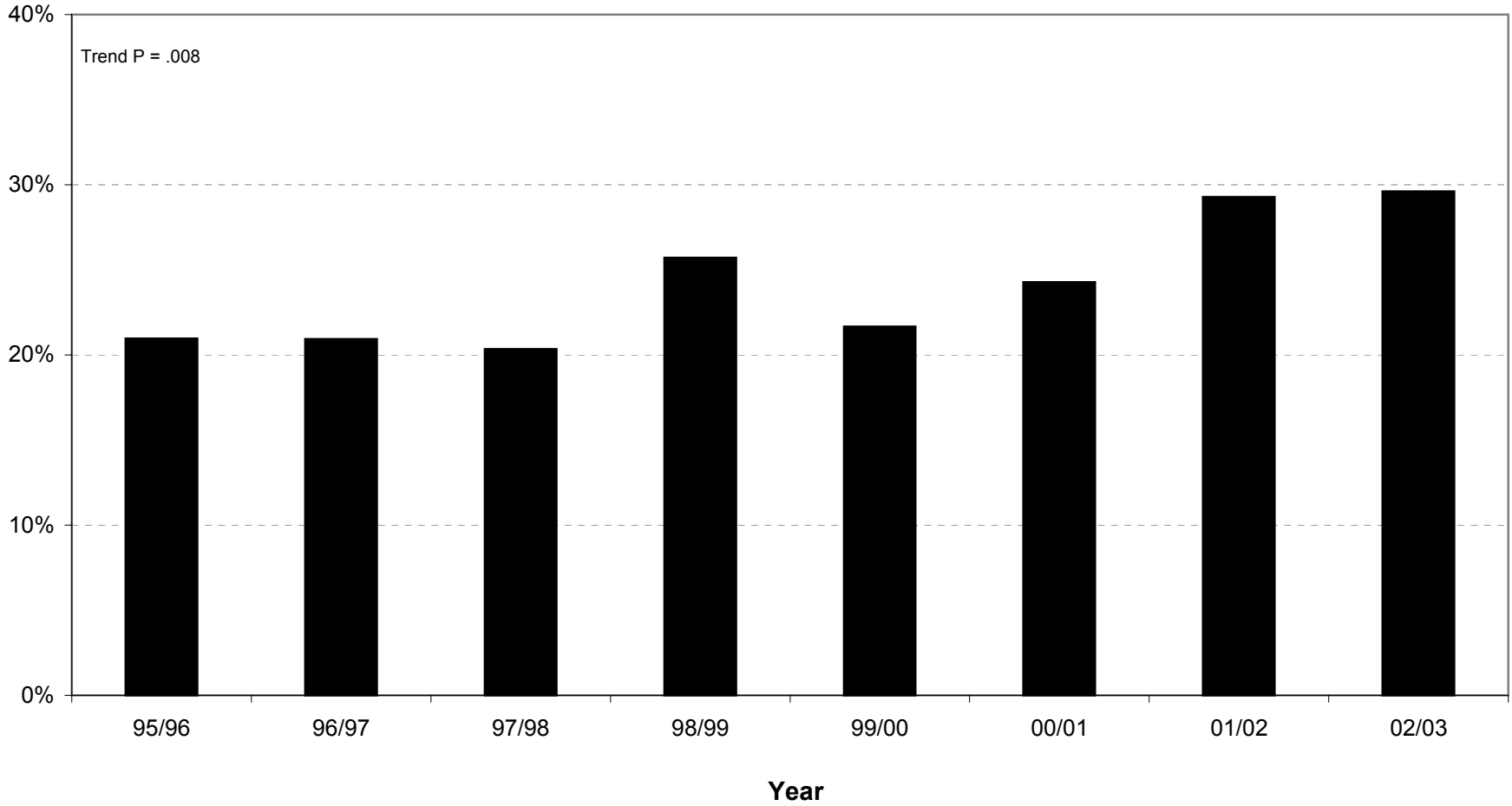


Table 2
University of Toronto - Faculty of Law
Parental Income Data
First Year Class (excl deferrals)

(in thousands of dollars)	<u>1999-2000</u>		<u>2000-2001</u>		<u>2001-2002</u>		<u>2002-2003</u>	
	N	%	N	%	N	%	N	%
0 - 9,999	5	2.8%	3	1.7%	1	0.6%	3	1.7%
10,000 - 19,999	3	1.7%	2	1.2%	2	1.1%	3	1.7%
20,000 - 29,999	2	1.1%	5	2.9%	9	5.0%	6	3.4%
30,000 - 39,999	5	2.8%	5	2.9%	7	3.9%	8	4.5%
40,000 - 49,999	7	3.9%	8	4.6%	11	6.1%	4	2.2%
50,000 - 59,999	10	5.6%	7	4.0%	9	5.0%	7	3.9%
60,000 - 69,999	9	5.0%	7	4.0%	12	6.6%	14	7.8%
70,000 - 79,999	6	3.3%	13	7.5%	11	6.1%	8	4.5%
80,000 - 89,999	10	5.6%	8	4.6%	11	6.1%	7	3.9%
90,000 - 99,999	12	6.7%	4	2.3%	6	3.3%	6	3.4%
100,000 - 109,999	5	2.8%	9	5.2%	7	3.9%	13	7.3%
110,000 - 119,999	13	7.2%	5	2.9%	4	2.2%	6	3.4%
120,000 - 129,999	8	4.4%	7	4.0%	3	1.7%	4	2.2%
130,000 - 139,999	6	3.3%	3	1.7%	5	2.8%	4	2.2%
140,000 - 149,999	3	1.7%	7	4.0%	2	1.1%	3	1.7%
150,000 - 159,999	2	1.1%	1	0.6%	4	2.2%	4	2.2%
160,000 - 169,999	0	0.0%	1	0.6%	2	1.1%	4	2.2%
170,000 - 179,999	0	0.0%	0	0.0%	0	0.0%	1	0.6%
180,000 - 189,999	0	0.0%	2	1.2%	0	0.0%	0	0.0%
190,000 - 199,999	1	0.6%	2	1.2%	2	1.1%	0	0.0%
200,000 - 209,999	1	0.6%	0	0.0%	3	1.7%	1	0.6%
210,000 - 219,999	0	0.0%	1	0.6%	0	0.0%	0	0.0%
220,000 - 229,999	0	0.0%	0	0.0%	5	2.8%	3	1.7%
230,000 - 239,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%
240,000 - 249,999	0	0.0%	2	1.2%	3	1.7%	1	0.6%
>=250,000	4	2.2%	9	5.2%	3	1.7%	9	5.0%
Not reported	68	37.8%	62	35.8%	59	32.6%	60	33.5%
Total	180		173		181		179	

Table 3

**University of Toronto - Faculty of Law
Parental Income Data
First Year Class - Excluding Deferrals**

Parental Income Ranges	99/00		00/01		01/02		02/03	
	N	%	N	%	N	%	N	%
<\$60,000	32	17.8%	30	17.3%	39	21.5%	31	17.3%
\$60,000 - \$89,999	25	13.9%	28	16.2%	34	18.8%	29	16.2%
>=\$90,000	55	30.6%	53	30.6%	49	27.1%	59	33.0%
Not Reported	68	37.8%	62	35.8%	59	32.6%	60	33.5%
Total	180	100.0%	173	100.0%	181	100.0%	179	100.0%

Figure 7
University of Toronto - Faculty of Law
Parental Income of First Year Class, 1999/00 - 2002/03

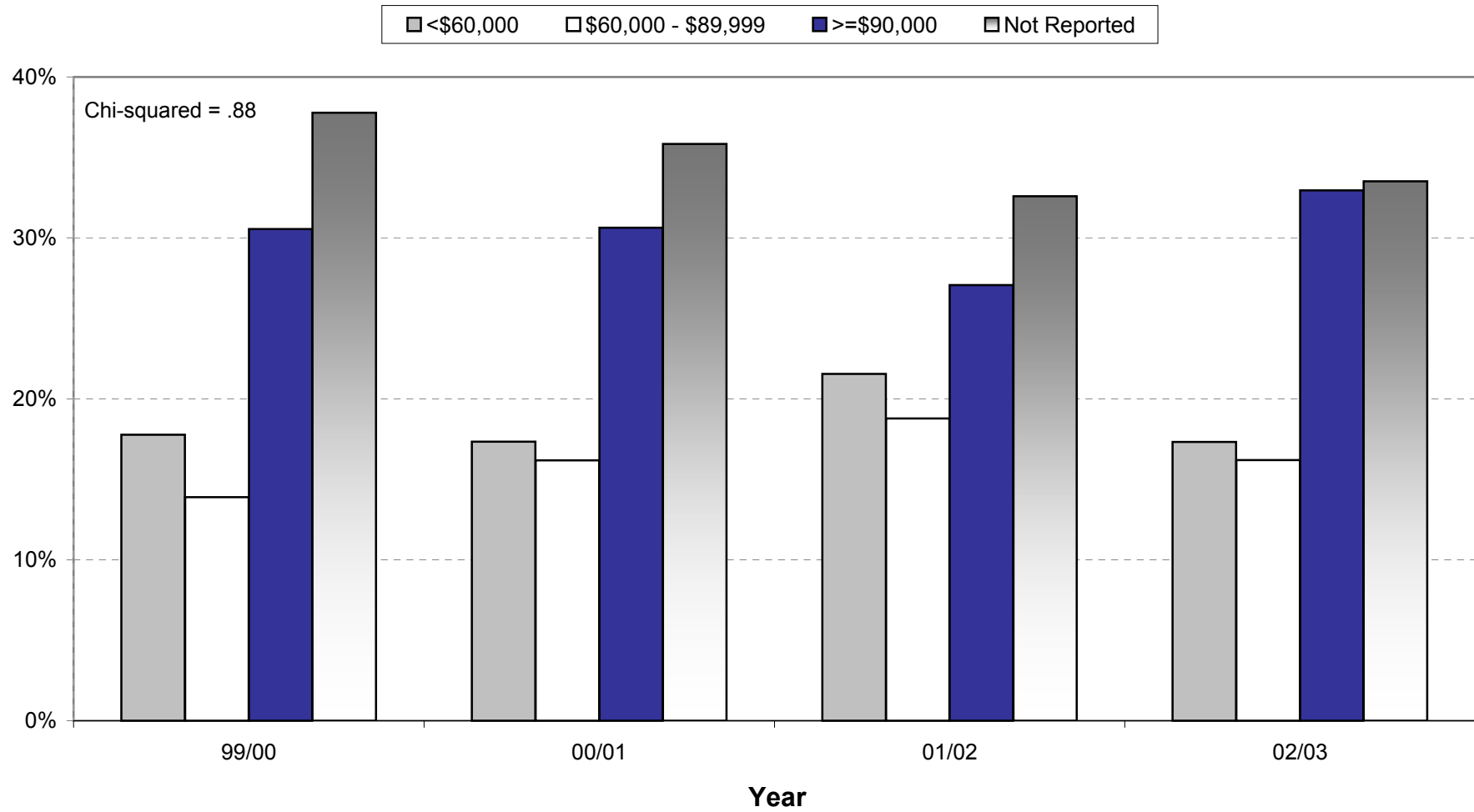
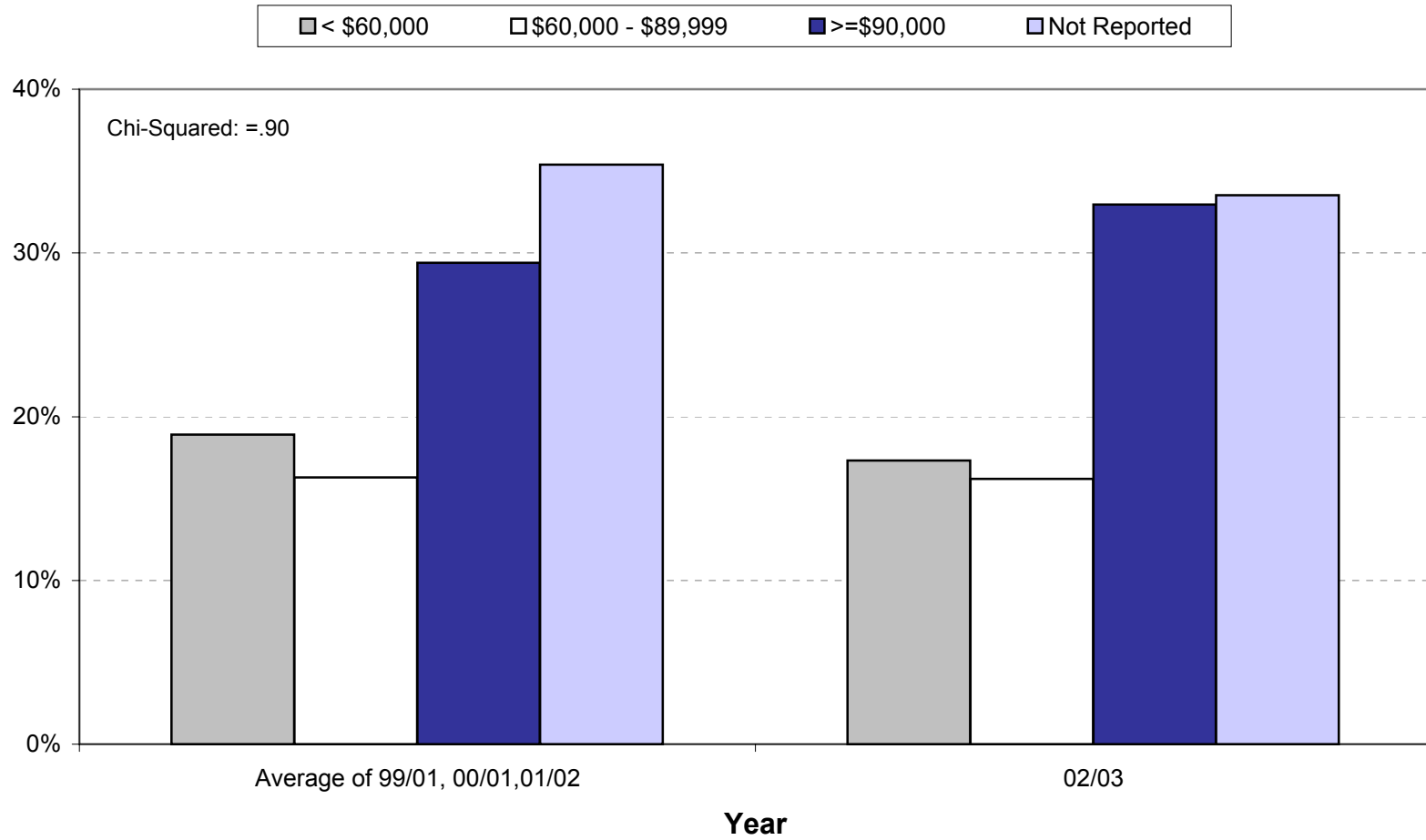


Figure 8
University of Toronto - Faculty of Law
Parental Income
Average of 1999/00, 2000/01 & 2001/02 vs 2002/03



Financial aid

We would expect that tuition increases would have an impact on accessibility. The results observed above appear to be counterintuitive, until we examine how the Faculty of Law has closely linked financial aid with tuition. The results on accessibility are better appreciated when we take into account the dramatic increases in financial aid at the Faculty over the past five years. Faculty financial aid has increased almost nineteen-fold, from \$102,000 in 1995 to \$1.9 million in 2002. Financial aid from all sources (for example, non-repayable grant money, including Canadian Millennium bursary, Ontario Graduate Scholarship, and First Nations House bursaries and excluding loans) was approximately \$2.6 million in 2002. During this period there has been a six-fold increase in tuition. Financial aid from the faculty has increased three times faster than tuition. Note that the amounts of external support underestimate total financial aid, since the faculty is not necessarily aware of all sources (e.g., support from out of province sources).

The faculty provides substantial financial aid to individual students in the form of bursaries and interest free loans. Financial need is calculated by assessing basic expenses (tuition and fees, books and supplies, room and board, and personal expenses) with adjustment for marital status, number of dependents and parental support, moving expenses for first year students, uninsured medical expenses and a one-time computer equipment allowance. Allowance is made for non-routine requests for special needs. A student's total need is assessed against all sources of income and assistance. Interest free loans are provided to cover the unmet financial need, with bursary assistance provided on top. Students with more financial need receive proportionately more bursary assistance. The effect of this bursary assistance is to lower the net tuition that the student bears.

The proportion of students that the Faculty is able to provide assistance to has increased dramatically (Figures 9a to 9d). In 1999, 39% of all law students received some financial aid, while 51% received aid in 2002. For first year students, the proportions have gone from 53% receiving aid in 1999, to 64% receiving aid in 2002. Bursary assistance reduced tuition completely to zero, for 4% of students in 1999, rising to 7% in 2002. For first year students, complete tuition relief has increased from 3% to 13%. Note that the data for 2002 are provisional, further aid will become available to students during the course of the year.

To conclude this section, financial aid has increased dramatically in total amount, proportion of students covered, and tuition relief granted per student.

Figure 9a
University of Toronto - Faculty of Law
Proportion of Students Provided Aid, All Years

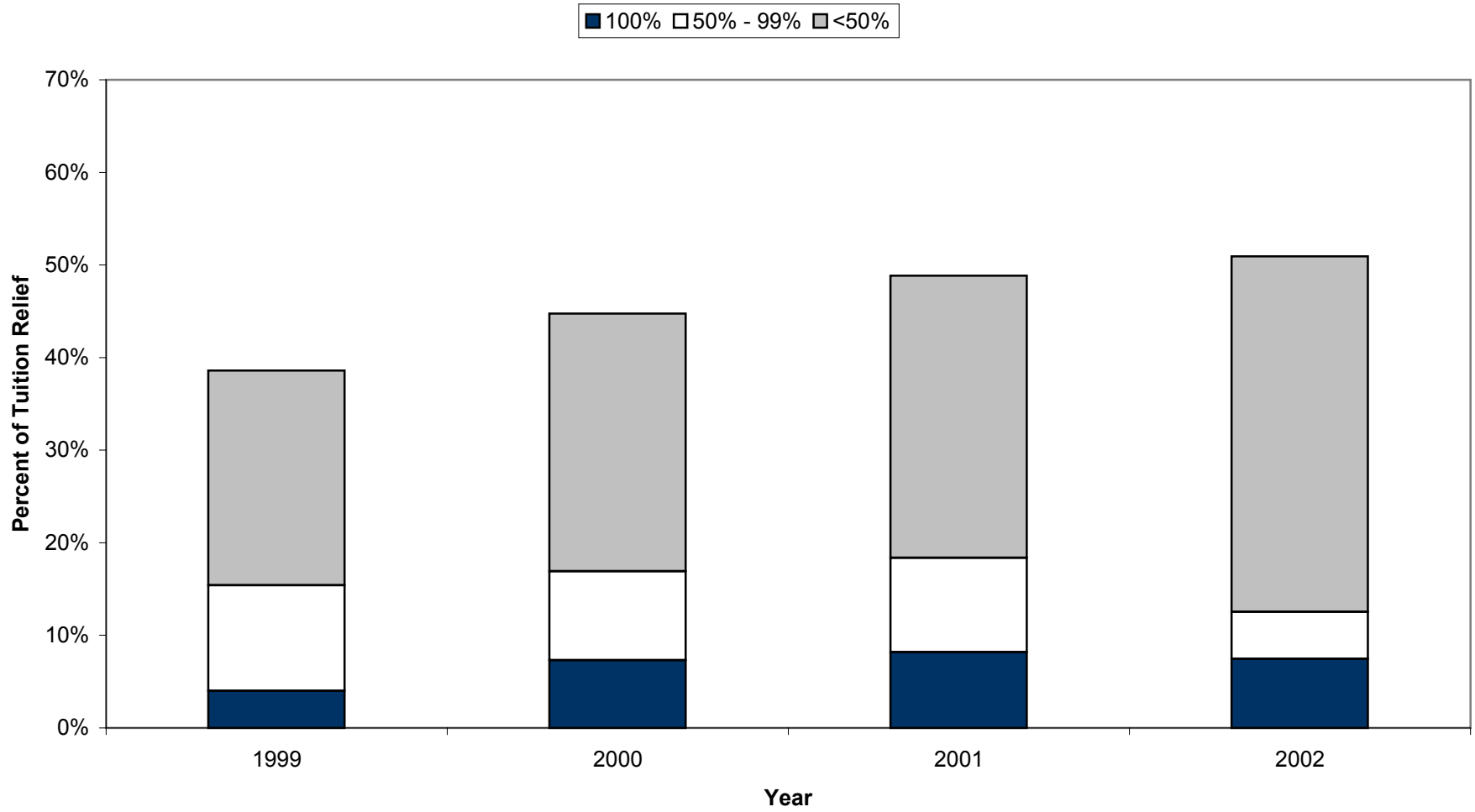


Figure 9b
University of Toronto - Faculty of Law
Proportion of Students Provided Aid, 1st Year Students

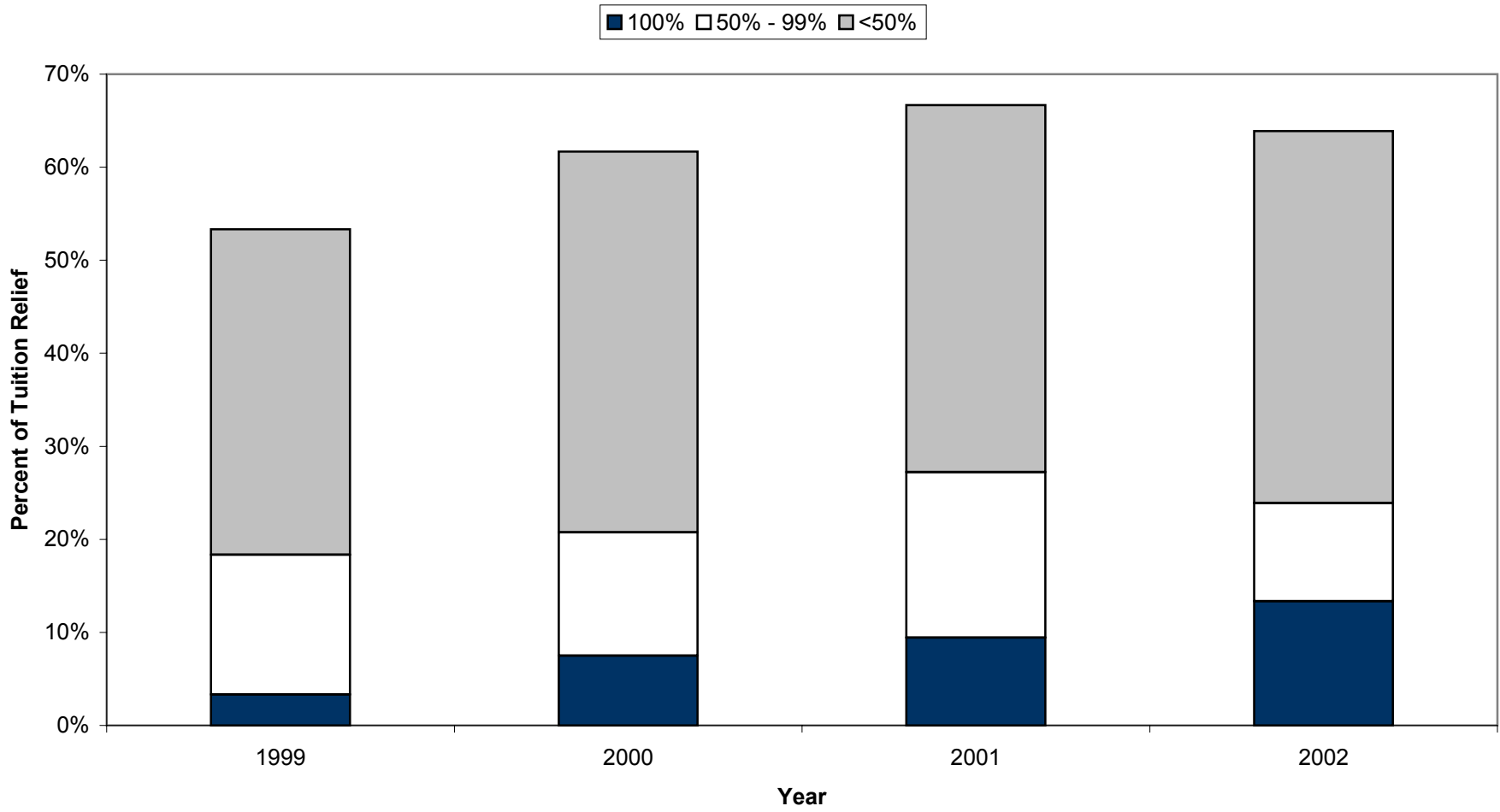


Figure 9c
University of Toronto - Faculty of Law
Proportion of Students Provided Aid, 2nd Year Students

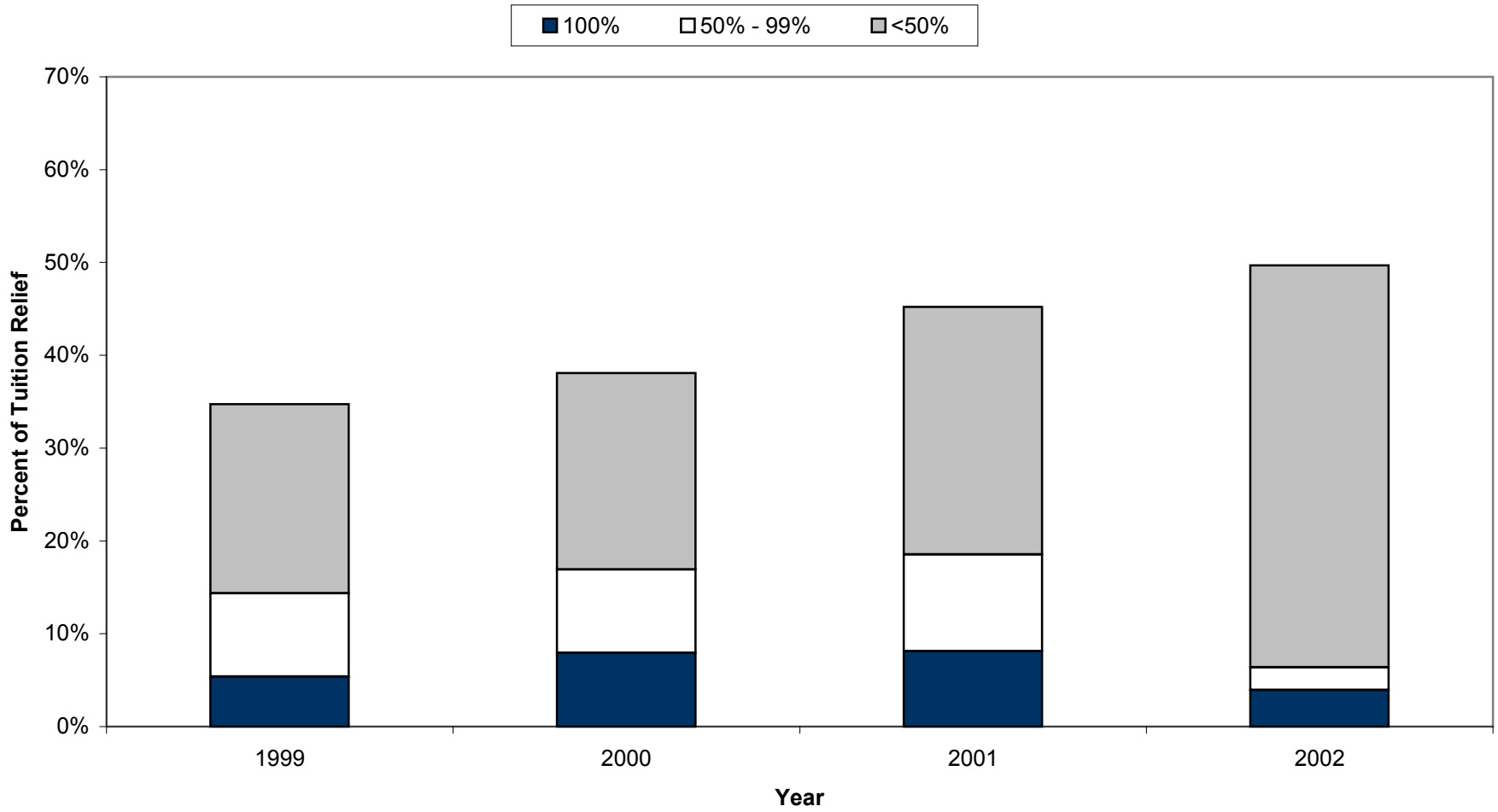
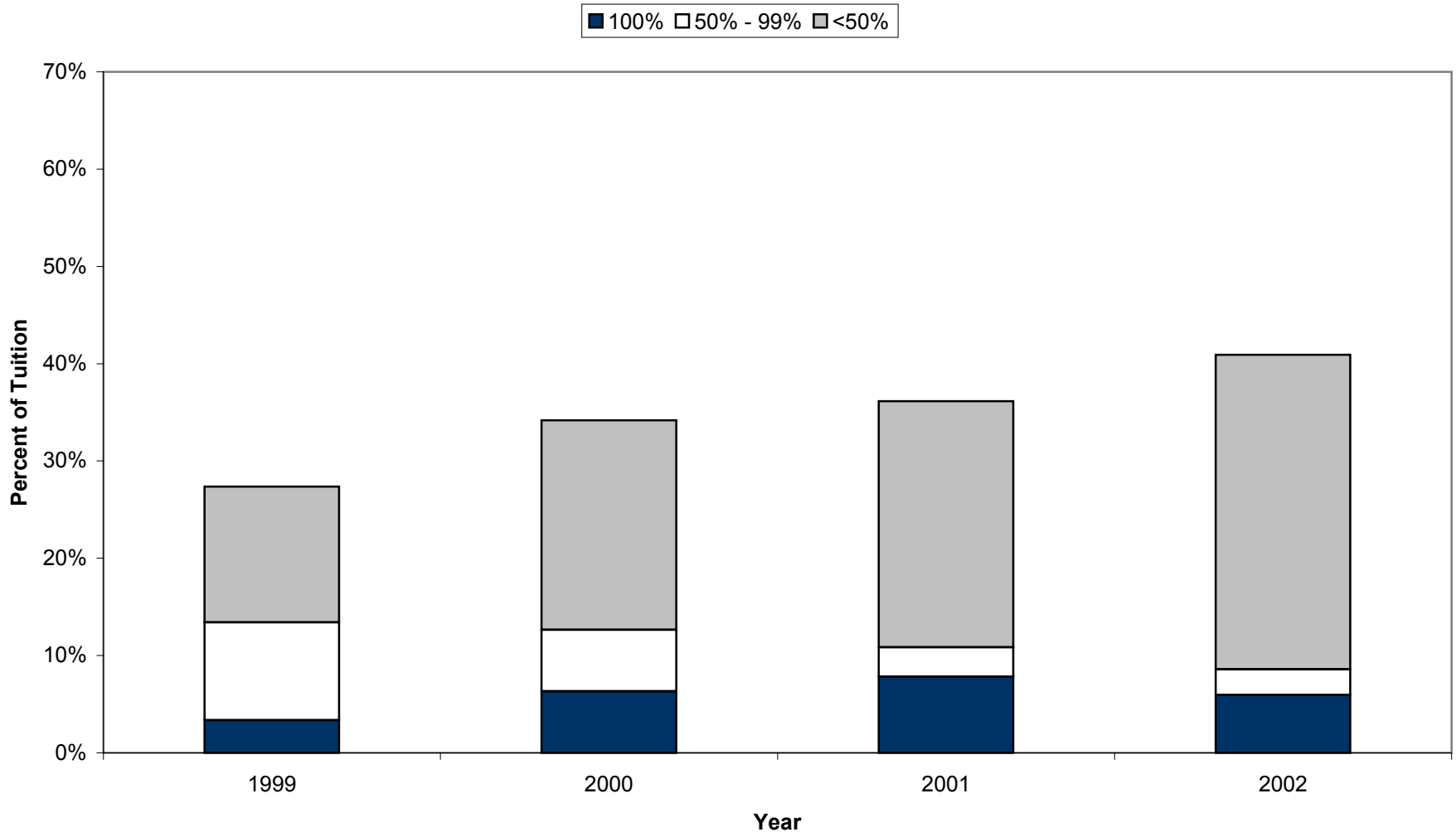


Figure 9d
University of Toronto - Faculty of Law
Proportion of Students Provided Aid, 3rd Year Students



Section 3: Career Choice

This analysis compares the articling and career choices of University of Toronto graduates with those from other Ontario law schools for the period from 1995 to 2000 for those who article or still work in Ontario.

Table 4 and Figures 10a and 10b show the patterns of articling choice for University of Toronto Faculty of Law graduates and for law graduates from other institutions. University of Toronto graduates have always been more likely to article at large firms (more than one hundred lawyers). This may be due to several factors, the most important simply being there are more large firms in the Toronto area, and students have a tendency to article in the area where they study. Furthermore, there are more articling positions in the larger firms. The number of positions available in such firms has increased over time, with one important reason being the consolidation of legal firms (that is, there are more large firms). Over the study period, graduates from all law schools in Ontario have become more likely to article in large firms. The change in this pattern is not statistically different for University of Toronto graduates as compared with the rest of the province. The proportion of students articling at non-firms (e.g., government, agencies and clerkships) has increased somewhat for University of Toronto from 20.9% to 22.7%, while it has decreased for other Ontario law faculty graduates, from 23.7% to 19.3%. The proportion of University of Toronto graduates working in small firms has declined, while those from the rest of the province have remained steady in this category. University of Toronto graduates have become more likely to article with employers that are in the public interest, and less likely to article in small firms, as compared with graduates from other Ontario law faculties. However, the difference in trends between Toronto and other institutions is not statistically significant in a regression model that takes account of year, school of graduation and gender.

Current place of practice in 2001, for University of Toronto Faculty of Law graduates and for law graduates from other institutions is shown in Table 5 and Figures 11a and 11b. Again, the proportion of graduates employed in large firms has increased for both University of Toronto and the rest of the province. The proportion of University of Toronto graduates in large firms has increased from 20.0% to 38.7%, while those from other institutions have increased from 11.6% to 22.4%. Thus the relative odds of a University of Toronto graduate working in a large firm relative to a small firm has stayed constant, with odds ratios of approximately 2. Interpretation of the data on likelihood of a graduate working in a non-firm (government, agency, education, etc.) is more difficult. There appears to be a decline in the proportion of graduates working in non-firm settings for the whole province. However, it is important to note that individuals who ultimately work in such settings, may first work in a firm to gain experience. The data suggest this is the case. The data do not show that there is any difference in this pattern for University of Toronto graduates as compared to those from other institutions and there is no statistically significant difference in the trends in a regression model that takes account of year, school of graduation and gender.

At the time the methodology was presented to the Committee the Law Society of Upper Canada had reported that we would be able to access data on whether a member practiced public interest

law and whether they accepted legal aid or not. We were unable to construct the variable for public interest law. The questionnaire was structured in such a way that a large proportion of respondents left this item blank; for the last two years this was the case for virtually all individuals in the database. Similarly, the Law Society of Upper Canada determined that the legal aid variable was not asked in a reliable manner and thus would not make this data available to us.

Members of the Committee had expressed concern with the examination of legal aid in any case. Many factors have influenced this career choice in the last decade in Ontario. The “flight from legal aid,” as it is termed, is directly related to the low legal aid tariff. A Legal Aid Ontario (LAO) report published in November 2001 and entitled *Legal Aid Tariff Reform: Business Case*³ states that “(h)ourly rates for legal aid work were last changed in 1987. Inflation has eroded the real-dollar value by 32% since then, while lawyers' overhead costs have continued to rise.” LAO has reported that the legal aid tariff rate had made it uneconomical and unaffordable for lawyers to perform enough legal aid to support the increasing demand for legal aid services. And although there has always been a disparity between private sector lawyer salaries and the salaries of those performing legal aid work, there is now an increased disparity between the salaries of lawyers performing legal aid work and other lawyers in the justice system, specifically Crown Attorneys, who have received significant salary increases since 2000. The tariff issue is at the heart of lawyers quitting legal aid or reducing legal aid case loads. As a result of the legal aid program not having kept pace with legal practice in Ontario, many attorneys have chosen not to accept legal aid clients; therefore, it would have been difficult to draw conclusions on this data.

To summarize the career choice data, we review the research questions in the methodology endorsed by the Committee.

*Are increases in tuition fees paid over the course of the LL.B/J.D. program **associated** with the choice of (1) articling position (2) subsequent career?*

Although tuitions have risen much more rapidly at the University of Toronto Faculty of Law than at other Ontario schools, the data show no statistically significant differences in trends in choices of articling positions or practice circumstances when comparing the University of Toronto to other schools.

³ Available at http://www.legalaid.on.ca/en/info/pdf/Tariff_Business_Case_full_document.pdf

Table 4

**Law Society of Upper Canada
Career Choice Data
Number and Percentage of Graduates by Site of Articling**

All Ontario Institutions

	1995	1996	1997	1998	1999	2000	1995	1996	1997	1998	1999	2000
Non-Firm	222	236	187	194	194	209	23.3%	24.5%	21.2%	20.3%	21.1%	19.7%
Small Firm	529	544	517	519	496	576	55.6%	56.5%	58.5%	54.3%	54.0%	54.2%
Large Firm	201	183	180	242	229	278	21.1%	19.0%	20.4%	25.3%	24.9%	26.2%
Total	952	963	884	955	919	1063	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

University of Toronto

	1995	1996	1997	1998	1999	2000	1995	1996	1997	1998	1999	2000
Non-Firm	24	31	16	22	23	27	20.9%	27.2%	19.8%	19.5%	23.7%	22.7%
Small Firm	48	48	40	45	34	36	41.7%	42.1%	49.4%	39.8%	35.1%	30.3%
Large Firm	43	35	25	46	40	56	37.4%	30.7%	30.9%	40.7%	41.2%	47.1%
Total	115	114	81	113	97	119	62.6%	69.3%	69.1%	59.3%	58.8%	52.9%

Other Ontario Institutions

	1995	1996	1997	1998	1999	2000	1995	1996	1997	1998	1999	2000
Non-Firm	198	205	171	172	171	182	23.7%	24.1%	21.3%	20.4%	20.8%	19.3%
Small Firm	481	496	477	474	462	540	57.5%	58.4%	59.4%	56.3%	56.2%	57.2%
Large Firm	158	148	155	196	189	222	18.9%	17.4%	19.3%	23.3%	23.0%	23.5%
Total	837	849	803	842	822	944	81.1%	82.6%	80.7%	76.7%	77.0%	76.5%

Adjusted Odds Ratios (AOR) and Confidence Intervals (CI)

	Large		Non-Law	
	AOR	CI	AOR	CI
1995	2.72	(1.74 , 4.30)	1.21	(0.72 , 2.03)
1996	2.46	(1.53 , 3.95)	1.54	(0.95 , 2.50)
1997	1.92	(1.13 , 3.26)	1.13	(0.62 , 2.07)
1998	2.46	(1.58 , 3.84)	1.35	(0.79 , 2.30)
1999	2.86	(1.75 , 4.65)	1.87	(1.07 , 3.29)
2000	3.77	(2.41 , 5.90)	2.25	(1.33 , 3.80)

Relative odds of choosing a large firm or non-law firm site of articling versus a small firm for UofT graduates as compared to other institutions. Regression model includes gender.

In another regression model that included a time-institution interaction term the interaction was not significant, $p=0.757$.

Figure 10a
Law Society of Upper Canada
Proportion of UofT Graduates by
Size of Articling Firm

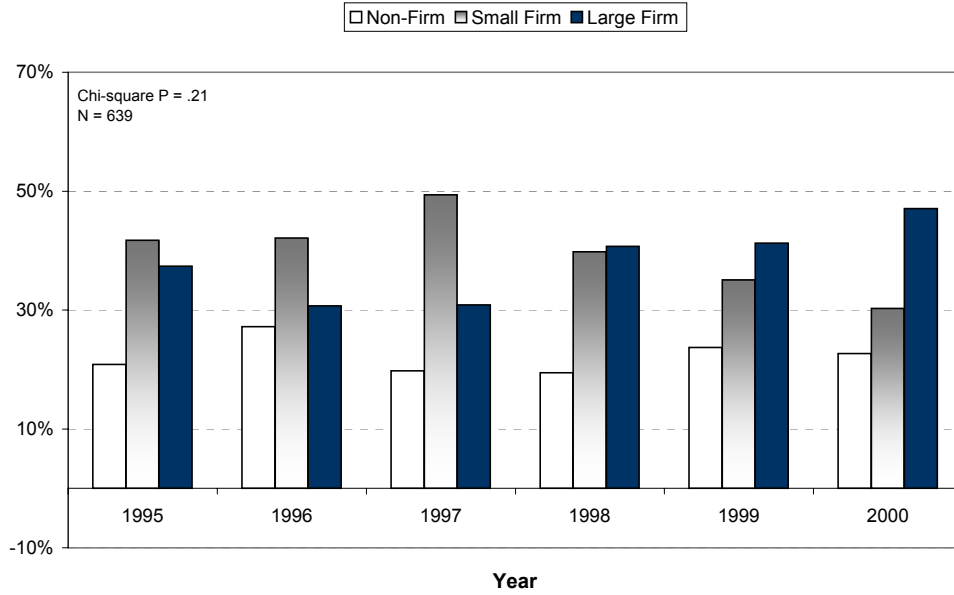


Figure 10b
Law Society of Upper Canada
Proportion of Graduates in Other Institutions by
Size of Articling Firm

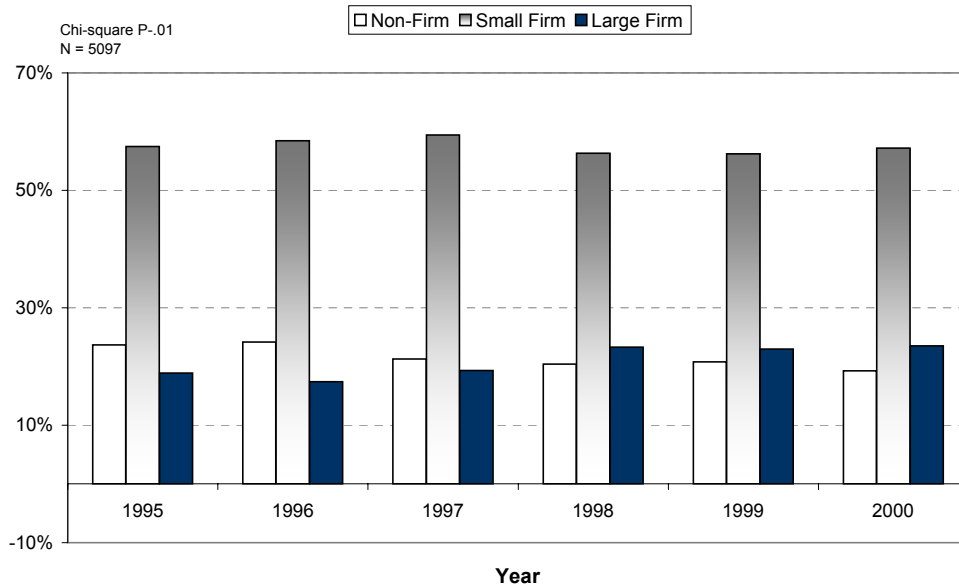


Table 5
Law Society of Upper Canada
Career Choice Data
Number and Percentage of Graduates by Site of Employment

All Ontario Institutions

	1995	1996	1997	1998	1999	2000	1995	1996	1997	1998	1999	2000
Non-Law Firm	599	578	476	424	359	401	62.9%	60.0%	53.8%	44.4%	39.1%	37.7%
Small Firm	233	238	277	327	359	405	24.5%	24.7%	31.3%	34.2%	39.1%	38.1%
Large Firm	120	147	131	204	201	257	12.6%	15.3%	14.8%	21.4%	21.9%	24.2%
Total	952	963	884	955	919	1063	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

University of Toronto

	1995	1996	1997	1998	1999	2000	1995	1996	1997	1998	1999	2000
Non-Law Firm	60	60	40	46	28	38	52.2%	52.6%	49.4%	40.7%	28.9%	31.9%
Small Firm	32	19	19	32	33	35	27.8%	16.7%	23.5%	28.3%	34.0%	29.4%
Large Firm	23	35	22	35	36	46	20.0%	30.7%	27.2%	31.0%	37.1%	38.7%
Total	115	114	81	113	97	119	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Other Ontario Institutions

	1995	1996	1997	1998	1999	2000	1995	1996	1997	1998	1999	2000
Non-Law Firm	539	518	436	378	331	363	64.4%	61.0%	54.3%	44.9%	40.3%	38.5%
Small Firm	201	219	258	295	326	370	24.0%	25.8%	32.1%	35.0%	39.7%	39.2%
Large Firm	97	112	109	169	165	211	11.6%	13.2%	13.6%	20.1%	20.1%	22.4%
Total	837	849	803	842	822	944	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Adjusted Odds Ratios (AOR) and Confidence Intervals (CI)

	Large		Small	
	AOR	CI	AOR	CI
1995	2.16	(1.27 , 3.66)	1.44	(0.91 , 2.28)
1996	2.73	(1.72 , 4.35)	0.77	(0.45 , 1.33)
1997	2.17	(1.24 , 3.81)	0.79	(0.45 , 1.40)
1998	1.67	(1.05 , 2.72)	0.88	(0.54 , 1.42)
1999	2.56	(1.51 , 4.34)	1.20	(0.71 , 2.02)
2000	2.06	(1.30 , 3.27)	0.90	(0.56 , 1.46)

Relative odds of choosing a large or small site of employment versus a non-law firm for UofT graduates as compared to other institutions. Regression model includes gender.

In another regression model that included a time-institution interaction term the interaction was not significant, $p=0.637$.

Figure 11a
Law Society of Upper Canada
Proportion of UofT Graduates by
Size and Type of Firm of Employment

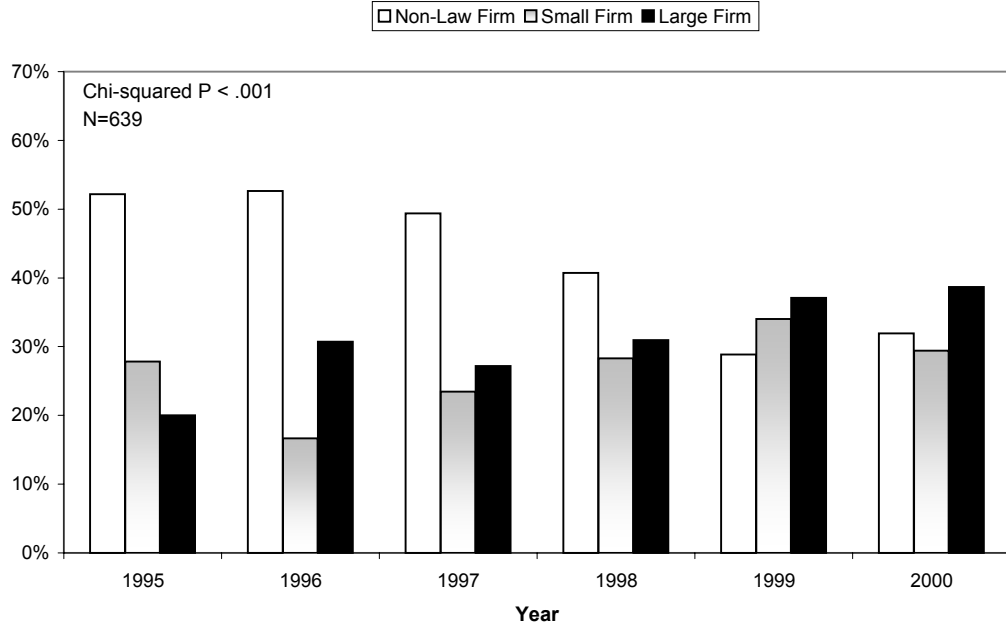
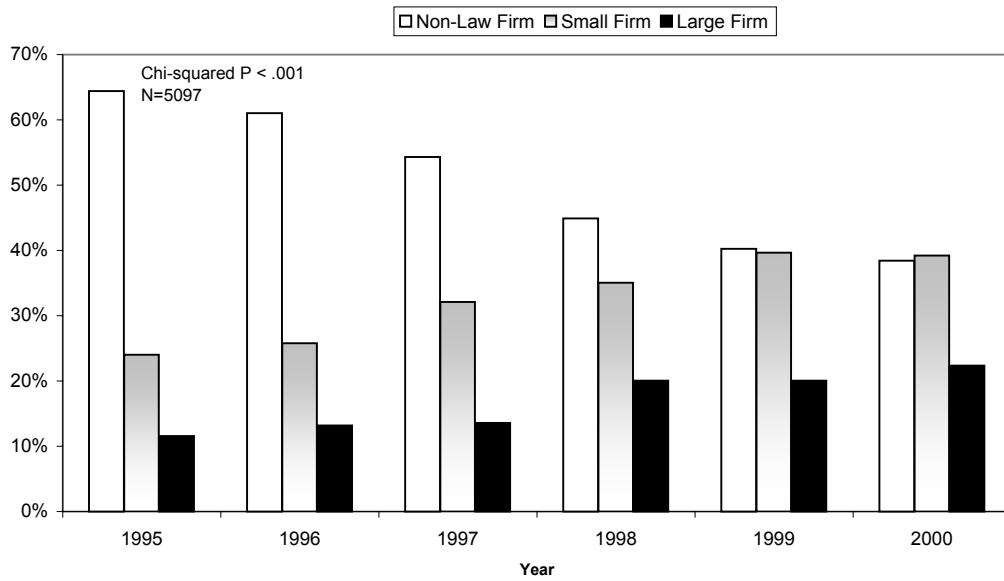


Figure 11b
Law Society of Upper Canada
Proportion of Graduates from Other Institutions by
Size and Type of Firm of Employment



Appendix 1 – Methodology Memorandum

Memorandum

To: Members of the Committee on Academic Policy and Programs

From: Shirley Neuman

Date: December 15, 2002

Re: Study of Accessibility and Career Choice in the Faculty of Law (Memo of November 25, 2002 amended in light of commitments made at the meeting of the Committee on Academic Policy and Programs at which the methodology for the Law School Tuition and Accessibility Studies was endorsed)

What follows is the November 25, 2002 memo discussed and endorsed at the Committee on Academic Policy and Programs, and endorsed at its meeting of November 27, 2002, as amended in light of commitments made by the Provost at that meeting. The changes resulting from the discussion at AP&P are highlighted in bold italic type in the text.

At its May 2, 2002 meeting, the Governing Council approved the following motion:

That there be no further substantial increase in tuition fees for the JD program in the Faculty of Law until the Governing Council is satisfied that there has been no reduction in accessibility due to the 2002-03 tuition increase and no career distortion due to previous substantial increases based upon a comprehensive Accessibility and Career Choice Review to be conducted by the Provost's Office.

The Governing Council also made clear its expectation that governors also wished to approve the methodology for the conduct of this study.

The study requested by Governing Council represents an elaboration of the annual report of the Vice-Provost, Students, on financial accessibility, which is submitted to governance through the Committee on Academic Policy and Programs. The Committee is therefore the appropriate governance venue for endorsement of the outline of the methodology proposed for this study. All governors have been informed that this methodology will be discussed at the November 27 meeting of the Committee and have been invited to attend. The Provost also held an information session for all interested governors. She has further consulted with the President of the Legal Aid Society and his assistant (at her request) and with four University of Toronto Law Alumni (at their request). And, at her request, she has held an information and consultation open meeting with law students and faculty and a meeting with the Faculty of Law Accessibility Committee.

What follows is a general outline of the methodology to be employed in the Accessibility and Career Choice study. It must be recognized that flexibility will be required to take account of what the data allow and what modifications are required as the analysis proceeds.

Financial Accessibility:

Research questions:

- *Has the proportion of students from lower-income backgrounds declined as tuition fees have increased in the Faculty of Law?*
- *Has the proportion of students who are women or members of visible minority groups declined as tuition fees have increased?*
- *Has the U of T share of the pool of Canadian students applying to law schools declined as tuition fees have increased?*

Source of data:

- Admissions Statistics, Faculty of Law. Data includes number of applications, offers made, deferrals (students admitted, but deferred taking up admission for one year), accepted/registered student numbers, and number of students turning down offers.
- “Other Admission Statistics, Faculty of Law.” Data includes Median LSAT, gender breakdown, number of visible minorities applying and admitted and number of aboriginals applying and admitted from 95/96 through 02/03; number of black students applying and admitted from 99/00 to 02/03
- Record of Application cycle, through mid-July of each of 4 years: 2001/02; 2000/01; 1995/96; 1992/93. Each record tallies individuals with a Canadian province as province of permanent residence or with a Canadian mailing address, who were eligible to apply to Law school, who had an LSAT score on file, and who applied to each of the following combinations of schools: U of Toronto + other Canadian schools + U.S. schools; other Canadian schools + U.S. schools; U of Toronto + U.S. schools; U of Toronto + other Canadian schools; U.S. schools only; other Canadian schools only; U of Toronto only; no Canadian or U.S. schools. Numbers in each category are broken down by LSAT score. The data allows comparison over a decade, of the share of the “pool” that is applying to the University of Toronto.
- Socio-economic data for First Year Class. Data is available for approximately two-thirds of the class in any given year; approximately one-third (who do not request financial aid) do not report income. Data is available for 1999-2000 through 2002-2003.

Mode of analysis:

- Observation of trends and test for statistical significance of differences in the proportion of students with parental income in the following categories: <**\$60,000**, 60,000 – 90,000, >90,000. ***In a second observation of trends, and at the request of the Committee on Academic Policy and Programs the data will be broken down by income increments of \$10,000, up to \$250,000. (The committee has been informed that “disaggregating the data into very discrete categories could yield numbers so small that statistically significant results would be unlikely to be found.”)*** Data for the entering class of 2002 will be compared with data for the entering class of each of the three previous years. Data for the entering class of 2002 will also be compared with blended data for the previous three years.

- Observation of trends and test for statistical significance of differences in the proportion of women in the 2002 entering class with the previous years.
- Observation of trends and test for statistical significance of differences in the proportion of visible minorities in the 2002 entering class with the previous years.
- Observation of trends and test for statistical differences in numbers of applications, offers, and acceptances of offers over the period 1995/96 to 2002/03.
- Observation of trends and test for statistical differences in numbers of applications as a proportion of the eligible pool within Canada using the two most recent years and two years from a decade ago.

Career Choice:

Research question:

- *Are increases in tuition fees paid over the course of the LL.B/J.D. program associated with the choice of (1) articling position (2) subsequent career?*

Sources of Data:

- Literature review of studies addressing the question of the impact of tuition increases on career choice.
- Law Society of Upper Canada (LSUC): annual records of articling students (1995-2002) for all positions in Ontario;
- LSUC Member's Annual Report for 2002 for those who graduated between 1995 and 2001. (Note that this captures only lawyers licensed to practice in Ontario. About 70-80% of U of T Law grads practice in Ontario, according to Faculty of Law estimates.)
- *Databases in the Career Services Office of the Faculty of Law*

Mode of analysis:

- multiple regression: This mode of analysis allows us to look at the impact of tuition changes on choice of articling position and subsequent career choice, controlling for other factors that might also have an impact.
- Specifically, we will do regression analyses that include:
 1. *Association with place of articling* (large/small firm/non-law-firm i.e. government, NGO) of:
 - graduation from U of T (vs other Ontario law schools);
 - year of graduation (proxy for tuition);
 - other factors such as: number of articling positions available in each category; economic indicators.
 2. *Association with locus of ongoing employment* (large/small firm/non-law-firm i.e. government, NGO) of:
 - graduation from U of T (vs other Ontario law schools);

- year of graduation (proxy for tuition);
 - other factors such as: number of articling positions available in each category; economic indicators; place of articling.
3. **Association with likelihood of practicing in “public interest” law** (at least 20% of time in areas such as environmental law, refugee and immigration law, family law, labour law, workplace health and safety, criminal defense) of:
- graduation from U of T (vs other Ontario law schools);
 - year of graduation (proxy for tuition);
 - other factors such as: locus of on-going employment; economic indicators;
4. **Association with likelihood of accepting legal aid work** of:
- graduation from U of T (vs other Ontario law schools);
 - year of graduation (proxy for tuition);
 - other **environmental** factors such as: locus of on-going employment, economic indicators, **changes to legal aid funding policy**.

The Law Society has undertaken to confirm the feasibility of and time-frame for providing these data by the end of November. The Provost’s Office will also seek to obtain additional data, such as those regarding starting salaries in various of the above categories, from sources such as the Canadian Bar Association.

In developing this methodology, we have consulted with the following groups:

- The President and an accompanying member of the Legal Aid Society (at my request)
- Four faculty of Law alumni (at their request)
- The Law Society of Upper Canada (following their offer to help with the Study)
- The Faculty of Law Accessibility Committee (at my request)
- Faculty of law students and faculty in an open meeting (at my request)
- 19 members of Governing Council in an “off-line” information session

I seek the Committee’s approval of the following motion:

That the general methodological framework for the Provost’s study of Accessibility and Career Choice in the Faculty of Law, as described in the Provost’s memo of November 25, 2002, be endorsed.

Appendix 2

Statistical methods

Comparisons of proportions are made using the *chi-squared test*. This test compares proportions across categories to assess if they are different from what may have occurred by chance alone.

The *chi-squared test for trend* is used to compare proportions across several categories and to determine whether a trend that is observed is one that could have occurred by chance.

A *p-value* is the expression of the probability that a test result that is observed could have occurred by chance alone. For example a p-value of 0.10 means that the observed results could occur by chance 1 time out of 10. The lower the p-value, the less likely a result could have been observed by chance alone. Usually, a p-value of less than 0.05 is considered to be statistically significant.

The strength of an association can be expressed as an *odds ratio*. This represents how much more likely one group is to have an event as compared to another. For example, saying that the odds ratio of success for group A is 2 compared to group B, means that someone in group A is twice as likely to be successful as someone in group B. *Confidence intervals* represents the range of values which is likely to include the true odds ratio, usually in terms of 95% confidence. The width of the confidence interval gives a sense of how uncertain we are about the odds ratio.

The effect of several variables simultaneously is examined using *regression models*. We use *logistic regressions* where the dependent variables are categorical (e.g., site of articling).

In order to assess whether the time trends for the University of Toronto, versus other Ontario law faculty graduates are different, we include an *interaction term* between the time and University variable in the regression model. If this interaction term is statistically significant, then a difference in trends is not likely to have arisen by chance alone.

Appendix 3
Career Choice Literature Review

Accessibility and Career Choice Review

A Review of Related Literature

Prepared for the Office of the Vice-President and Provost
University of Toronto

October 2002

David Stager
Professor Emeritus of Economics
University of Toronto

Introduction

At the meeting of the Governing Council on May 2, 2002, a resolution was passed that requested the Provost's Office to review the possible effects of tuition fee increases in the Faculty of Law on accessibility and career choices.

This review of the literature is a component of that review, in an effort to benefit from research on these two questions:

- What effect does an increase in tuition fees for law degree programs have on the probability of a student enrolling in the program?
- What effect does a debt incurred to finance law studies have on a graduate's decision about the area of law in which to practise or other employment options?

In conducting the review of the research literature, an effort has been made to search (throughout the English-speaking world) the major scholarly journals in law, economics, education, and sociology that are known to have published articles on topics relating to these questions.

The period of search was limited to years since the mid-1980s. The search has proceeded by using search engines on the internet to look both for journal articles and for research reports that might not have appeared in journals; searches within the on-line journals at the University of Toronto libraries; direct review of hard-copy issues of journals that are not on-line; and enquiries to organizations that have a direct interest in these issues.

This search has made two major findings on the availability of relevant literature:

- Very little (in fact, apparently nothing) has been published on the question of the effect of tuition fee increases on accessibility to law school.
- There has been significant attention to the effect of debt load on the choice of area of practice, resulting in a few very good articles, and an exceptionally robust research project, on this issue.

Consequently, in this review, the logical order for presentation of the findings is reversed, with articles relating to the possible steering effects of law school debt being presented first, followed by indirectly-related materials on tuition fees and accessibility.

Before proceeding further, it should be acknowledged that the time for the literature search was constrained by the need to report promptly to the Governing Council. It is possible that a longer search would have found more material, with more time to make personal enquiries. But the search functions both on the internet and within the Library are so effective that it is unlikely that more useful material would be found. Nonetheless, if readers know of other references relevant to these questions, they are encouraged to pass this information to the author through the Provost's Office.

Potential Steering Effect of Law School Debt on Choice of Employment

NYU Law School Symposium, 1988

The most significant work on the potential steering effect of a law student's debt on choice of employment was stimulated by a conference held almost fifteen years ago. A symposium was held at the NYU School of Law on April 15, 1988, titled "Law Student Debt, the Salary 'Gap' and Their Impact on the Legal Profession."

The several papers presented at the symposium were published the following year in the *Journal of Legal Education*, 1989, vol 39. Since the impetus for the symposium was that there should be an assessment of loan forgiveness programs, the title for the journal issue (no. 5) was *Financing Legal Education: Loan Forgiveness Programs*.

The following list of the articles indicates the wide range of topics addressed by the authors:

- Chase, Oscar G., "Financing Legal Education: Loan Forgiveness Programs: Introduction."
 Ehrenberg, Ronald G., "An Economic Analysis of the Market for Law School Students."
 Kramer, John R., "Who Will Pay the Piper Or Leave the Check on the Table for the Other Guy."
 Yarborough, Marilyn V., "Minority Students and Debt: Limiting Limited Career Options."
 Chambers, David L., "Educational Debts and the Worsening Position of Small-Firm, Government, and Legal-Services Lawyers."
 White, James P., "The Impact of Law Student Debt upon the Legal Profession."
 Beriss, Michael, "New York University School of Law's Low Income Loan Assistance Program--LILAP."
 Vernon, David H., "Educational Debt Burden: Law School Assistance Programs--A Review of Existing Programs and a Proposed New Approach."

The main findings or comments to be derived from these articles are quoted or paraphrased below.

Chase (a professor of law at NYU) provides an overview of the other papers, noting that "All of the presenters supported loan forgiveness programs." But he then also identifies the issue that motivates all of the subsequent studies concerning debt and career choice, namely, that there is an "*absence of evidence that, because of student debt, public interest agencies cannot attract qualified employees.*"

Ehrenberg (a labour economist at Cornell, who subsequently wrote a book on university costs and financing following his term as vice-president at Cornell). Ehrenberg analyzed data based on all US accredited law schools, with respect to: graduates' starting salaries, tuition fees, faculty salaries, school rankings/ratings, etc. He concludes:

What emerges overall is a rather consistent pattern of results. There are financial benefits, in the form of higher starting salaries to attending higher rated law schools and, other things equal, private law schools. Because of this, higher rated [public] law schools and private law schools are able to charge higher tuitions. The higher tuitions allow them to

pay higher faculty salaries, which presumably are used to attract and retain higher-quality faculty. Given the rating of a law school, however, there is a limit to how high it can raise its tuition...

He therefore moves on to consider the design of financial aid policies, noting that such design "is not as simple as one might think." Using a detailed analytical model to examine aid alternatives, he concludes that "contingent loan forgiveness programs that are announced prior to students enrolling in law school appear to make more sense than does direct scholarship aid for these students."

Kramer (dean and professor of law at Tulane University) considers a wide range of data sets and concludes that "*There is no convincing evidence that debt burdens significantly affect job choice and careers paths*" But he does argue that the apparently decreasing proportion of law graduates entering public service jobs is not due to the graduates' preferences but to the relative lack of such jobs, and that the onus therefore is on the public sector to create the demand for law graduates.

With respect to the specific experience of minority groups, his conclusion is strongly stated: that all law schools should "devote the lion's share" of their scholarship monies "exclusively for grants to persons of color."

Yarborough (dean and professor of law at the University of Tennessee) also concludes that "*there are no hard data linking loan burden with job choice.*" But she also notes that even if such a link were found in the evidence, there would remain the question of causality: "Do students borrow more when they expect to enter high paying fields or do they enter high paying fields because they have large debts to repay?" Yarborough's specific focus, however, is on black students and their difficulty in finding jobs in private law firms. Consequently they are 2.5 times more likely to enter public service employment than are Caucasian law students.

Chambers (a professor of law at the University of Michigan) draws on evidence from the University of Michigan, to conclude that, as did the other presenters, "*students with high debts are not entering the large firms at any greater rate than students with low debts or no debts.*" He attributes the relative decline in the numbers entering public service to the widening gap between earnings in the large firms and in the public service. He remains skeptical, however, and suggests that larger debt relief programs may attract more persons into the public service. As it will be seen below, Chambers returned to the question in a 1992 article.

White (a professor of law at Indiana University), had [in the author's opinion] nothing further of substance to add to the discussion beyond what had been covered - using more empirical evidence - by the preceding presenters.

Vernon (a professor of law at the University of Iowa) presented several suggestions for modifications to the common LRAP programs and also offered proposals for other versions of loan/debt assistance programs. These are interesting, even novel, but do not bear directly on the central question of the debt/career choice linkage.

LRAP (Loan Repayment Assistance Program)

Since the NYU Symposium focused on loan assistance/forgiveness programs, it may be useful to summarize the key features of such programs (widely known as LRAPs) at this point. Much of the information is drawn from the websites of law schools which have LRAPs in place.

By 2001, about of 46 American law schools and four state governments had a Loan Repayment Assistance Program (LRAP). The purpose of this program is to enable an increased number of law graduates to pursue government or public service careers.

In 1974, Harvard Law School initiated the first program of this type. The programs vary widely in terms of eligibility, total amounts expended, number of recipients, and other programmatic details. The most recent readily available data are provided by the National Association for Public Interest Law (NAPIL) in its 2000 report, *Financing the Future*.

Among American law schools, for the class that graduated in 2001, 74 percent had law school loans with an average debt load of \$74,300.

Assistance schedules vary, but typically the school will pay up to 100 per cent loan forgiveness for adjusted gross income below \$25,000; 50 percent forgiveness at \$35,000; and 25 percent forgiveness at \$40,000, up to a maximum of \$45,000. Participants are eligible for LRAP payments for a maximum of ten years after graduation from law school.

LRAP funds usually are available only for loans secured during law school; eligible students must be engaged in full time federal, state, or local government employment or in full time public service that is law related.

Total amounts expended were extraordinarily varied among schools. This has led to widely varied participation rates in LRAP programs. At 13 of 42 reporting schools, the number of participants is less than 1 percent of its current student enrollment; at 20 schools, the number of participants is between 1 and 5 percent; at 9 schools, the participation percentage is above 5 percent. Seven of these nine programs provide LRAP funds for judicial clerkships. Law schools generally provide the LRAP funds from their budgets for student tuition remission and scholarship programs.

The LRAP program usually is a defined contribution plan with the school's liability in any given year not greater than a specified allocation of law school funds to the LRAP. If the school's defined contribution for a given year is less than total qualifying requests, the actual disbursements to participants is reduced on a pro rata basis.

Joint Task Force study, 1992

Chambers, David L. 1992. "The Burdens of Educational Loans: The Impacts of Debt on Job Choice and Standards of Living for Students at Nine American Law Schools," *Journal of Legal Education*, 42, 187-231.

Chambers was a professor of law at the University of Michigan and a member of the Law School Admission Council, which was a sponsor of the study, along with the Association of American Law Schools and the American Bar Association.

As a follow-up to the NYU 1988 symposium, Chambers proposed a questionnaire survey of the 1989 law graduates. Nine law schools were included; these are not identified in the article but Chambers describes them as "well-established, long-term" and selected to represent a wide range of tuition fees and social characteristics of students.

A key question for the study was again "whether students' concern about the burden of high debts affects the choices they are making about the kinds of jobs to seek upon graduation." But Chambers recognizes the same causality puzzle raised above by Yarborough: do students go to high-earning firms because of their debts, or do students undertake higher debts because they plan to go to the large firms? He states: "...high debts reflect high tuition and, within our sample, the high tuition schools are sending greater numbers of their graduates into large-firm private practice for reasons that may or may not have anything to do with debts."

Nonetheless, the results of analysis are that "...*educational debt does seem related to job choice, although mildly and weakly, much more weakly than some other factors*" such as grade level: the higher the grades, the more likely the student is to go into a large firm.

In the end, Chambers concludes that "the apparent impact of debt is so slight that it remains possible that some other factors we are not yet able to measure will account for the small relationship between debt and job choice," and that: "...*it may be that the effects of the salary gap among settings is so overwhelming that, even if everyone's educational debts were completely forgiven at the end of law school, almost all students would make the same job choices that they do today.*"

Kornhauser/Revesz study, 1995

Kornhauser, Lewis A, and Richard L Revesz. 1995. "Legal Education and Entry into the Legal Profession: The Role of Race, Gender, and Educational Debt," *New York University Law Review*, 70, 829-964.

Kornhauser and Revesz are both professors of law at New York University.

This is the 'block-buster' study on the issue of the steering effect of debt on job choice. At 139 pages in length, it presents a comprehensive report on a major study that was able to use sophisticated econometric tools to analyze a rich set of data.

The study was based on data drawn from two law schools, New York University and the University of Michigan, for which the authors could obtain detailed data on a wide range of variables, for about 1600 graduates from NYU and 1400 from Michigan. To explain the pattern of first employment among graduates, the authors used an econometric technique known as a conditional logit model.

The abstract for this article is so concise and comprehensive that it is worth quoting in its entirety:

Debt burden is routinely cited as the major force driving law school graduates to choose private practice over careers in government or other public-interest settings. In an effort to counter that force, and level the playing field with regard to career choice, many law schools have developed loan repayment assistance programs. In this Article, through sophisticated empirical analysis, Professors Kornhauser and Revesz reveal that educational debt lacks the force routinely ascribed to it, and is in fact eclipsed as a determinant of career choice by such other factors as income in different sectors of the legal profession, race, performance in law school, and career plans prior to and during law school. These results lead the authors to question the efficacy of loan repayment assistance programs, and to propose instead a system of scholarships for students with a strong commitment to a career in the public sector. On the strength of the authors' analysis and recommendations, New York University School of Law has inaugurated a \$10 million public-service scholarship plan which will both test the authors' conclusions and provide a basis for further study of how financial assistance to law students may best be structured.

In order to ascertain the impact on job choice of a loan forgiveness program, the authors simulated the effect of a full (100 per cent) loan forgiveness. In the aggregate, the effects were small: *"Only about 3 % of the individuals who took for-profit jobs (either elite or non-elite) absent loan forgiveness would have, instead, taken a not-for-profit job as a result of a full loan-forgiveness program."* It is important to note, however, that for African-American and Latino women, loan forgiveness had an important impact: more than a third of those taking for-profit jobs would have selected the alternative as a result of the loan forgiveness.

The study uncovered several curious findings, such as that law school itself seems to have an effect on job choice: that is, women are more likely than men to enter law school with not-for-profit career plans, but law school disproportionately shifts their preferences towards for-profit jobs.

The results of the study led the authors to propose an innovative scholarship program. An anonymous donor agreed to provide \$10 million for a program that would be available to the graduating classes of 1998, 1999, and 2000 at NYU Law school:

Under this program, any individual who is employed for the first ten years following graduation, in a position that pays no more than the prevailing public-service salary for an attorney an equivalent number of years out of law school, will not bear any of the costs of her [*sic*, but to be interpreted as his/her] legal education.

The authors came to this proposal following the criticisms of the LRAP programs that are implicit in their findings: first, that debt burden is not an important determinant of career choice, except for African-American and Latino women; second, that career plans [i.e. career intentions prior to entering law school] play an important role in determining job choice; and third, that race is an important determinant of career choice. After adjusting for other factors, African-American and Latinos, both male and female, are more likely to take not-for-profit jobs.

Finally, the authors recognized that, while the study has yielded strong conclusions, "they ought to be reexamined in the coming years." Regrettably, this literature search has found no reference

to more recent studies of this kind. Perhaps there has been more widespread recognition and acceptance of the findings, and/or still more years must intervene before a similar study is deemed to be warranted, or there may simply be a lack of research funding.

Olivas survey, 1999

Olivas, Michael A. 1999. "Paying for a Law Degree: Trends in Student Borrowing and the Ability to Repay Debt," *Journal of Legal Education*, 49, (3) 333-341.

Olivas is a professor of law and director of the Institute for Higher Education Law and Governance at the University of Houston.

This paper takes a wide sweep across the horizon with respect to students' costs and financing for law school. Although Olivas cites many references and data sources, there is little here that contributes to the questions at hand. Although Olivas is concerned about increasing tuition fees and the associated debt loads, he concludes that "despite all the problems identified in this article and all the unknowns, this may be the golden age of financial aid."

Law Student 2000

The following item offers no research findings that are directly related to the questions at hand, but it is included here to show that studies of law undergraduates are underway on a large scale in other than the United States, and because it is a project that warrants watching over the next few years.

Law Student 2000 is a project of UKCLE (United Kingdom Centre for Legal Education). This is a study following a cohort of students through the three years of their law degree at English universities. The completion date is June 2004.

The study focuses on the issues of fees, debt, part-time work and aspirations to enter the legal profession. It includes over 40 law schools in England, covering a wide geographical area and both old and new universities. The project is based on a questionnaire issued to students in each year of their degree course, following a cohort of students through their three year degree. The aim is to give a clear picture of student expectations at the start of their course and to see how these change through experience, to act as a counterbalance to the many anecdotal views about law students. More information is available on-line at www.ukcla.ac.uk/research/cuthbert.html.

Related Literature: Medical Schools

Kwong, Jeff C., Irfan A. Dhalla, David L. Streiner, Ralph E. Baddour, Andrea E. Waddell and Ian L. Johnson. 2002. "Effects of rising tuition fees on medical school class composition and financial outlook," *Canadian Medical Association Journal*, 166(8), 1023-1028.

This study, based at the University of Toronto, drew on the data obtained from an internet survey of all students at Canadian medical schools.

Only one part of the study was concerned with the steering effects of student debt at graduation. The authors noted that "several US investigators have attempted to elucidate the effects of debt on medical students' career choice. Most have found that debt is a small but significant influence away from a career in primary care, but others have reported no such effect." By contrast the authors of this study found that, "among Canadian medical students, financial considerations were reported to be much more important, in terms of specialty choice and practice location, for those at schools with high tuition fees than for the control subjects."

It must be noted, however, that this study asked students about their possible future decisions rather than observing where students actually went after graduation. The patterns of intention and actual decision may not differ, but it should be examined further.

Woodworth, Philip A., Chang, Frederic C., Helmer, Stephen D. 2000. "Debt and other influences on career choices among surgical and primary care residents in a community-based hospital system," *American Journal of Surgery*, 180 (6) 570-576.

The purpose of the study was specifically to evaluate debt and other factors that influence medical graduate's choice between a career in a surgical specialty or in primary care. Residents in surgical specialties and primary care were surveyed regarding demographics, factors influencing choice of specialty, methods of financing education, debt characteristics, and outlooks regarding future earnings and practice characteristics.

The length of residency, desirable lifestyle, and working hours were all more important to primary care residents. Surgeons found intellectual challenge and procedure-based practice of greater importance. Although not highly regarded by either group, scholarship obligation and student loans had a significantly greater impact on specialty choice and practice plans for primary care residents.

Frank, Erica, and Shamiram Feinglass. 1999. "Student Loan Debt Does Not Predict Female Physicians' Choice of Primary Care Specialty," *Journal of General Internal Medicine*, 14(6), 347- 350.

The direct focus of this study was on the relation between ultimately choosing to be a primary care physician and one's amount of student loan debt at medical school graduation. Data were drawn from the Women Physicians Health Study, a large, nationally representative, questionnaire-based study of 4,501 U.S. women physicians.

While the youngest physicians were more than five times as likely as the oldest to have had some student loan debt and were also more likely to choose a primary care specialty, there nonetheless was no relation between being a primary care physician and amount of indebtedness; this was true even when the results were adjusted for the physician's decade of graduation and ethnicity.

The authors concluded therefore that "although there may be other reasons for reducing student loan debt, at least among U.S. women physicians, encouraging primary care as a specialty choice may not be a reason for doing so."

There are four or five other articles in the medical journals relating to these topics, but since the results are substantially similar it was decided not to extend the review in this related area.

Tuition Fees and Accessibility to Law School

Despite a diligent search of the literature, as described in the Introduction to this review, it was not possible to find any article reporting research on the impact of rising tuition fees on accessibility to law schools.

This discovery was rather surprising, given the enormous quantity and quality of research effort that has been devoted over the past fifty years to studying the factors explaining participation in post-secondary education, and especially the effect of tuition fees and other costs. The emphasis in that research has, however, been on the transition from school to college and university. Both the research and the student aid policies have addressed primarily the issue of accessibility for students from lower-income families. And it is only in the past decade or so that attention has also been paid to factors explaining retention or persistence of students in the programs past the first year.

As several researchers in the economics and sociology of education have commented, and as Baker and Velez in the article below state concisely, there " has been a shift in emphasis in financial aid policy away from ensuring access to higher education for lower-income students and toward ensuring affordability for middle-income students." It would appear that grant programs based on research in earlier decades have overcome much of the financial barrier to further education, and that the focus had shifted to various loan programs for the middle-income students who do not qualify for substantial, if any, grant aid.

This review could have entered into that large domaine that deals with the high school/university interface, but the issues differ substantially from the matter of entering a second-degree program. Since potential law school students have not only completed some or all of a university program, but also have historically come predominantly from families whose income was higher than the average for all university students, it is likely that the paucity of research in this area means that researchers and policy-makers have implicitly assumed that this is not an area of high-priority research.

Reviews of the Literature on Accessibility

Notwithstanding the above observations on the differences between entering first- and second-degree programs, the following two references have been included as sources for information and reference on the general topic of access to post-secondary education from high school.

Baker, Therese L. and William Vélez .1996. "Access To And Opportunity In Postsecondary Education In The United States: A Review," *Sociology Of Education*, 69 (extra issue) 82-101.

Baker and Velez present a splendid review of the issues and research, dividing their work into separate decades from the 1960s to the 1990s. This enables a reader to trace the shift in emphasis from financial factors to the host of other influences on the participation decision, and the shift from a broad-brush approach to a sharp focus on specific groups such as visible minorities, disabled students, and native students.

Looker, E. Dianne, and Graham S. Lowe. 2001. *Post-Secondary Access and Student Financial Aid in Canada: Current Knowledge and Research Gaps*, a background paper for a Canadian Policy Research Networks Workshop on Post-Secondary Access and Student Financial Aid, 1 February 2001, Ottawa. Sponsored by the Canadian Millennium Scholarship Foundation.

As is indicated in the reference above, Looker and Lowe prepared this report for a recent conference on post-secondary education. Not only does it include very recent work, but the discussion of research findings in each section very usefully list what is known and what is not known - obviously providing an agenda for further research.

Both of these reviews confirm the research results that have been reported over the past three or four decades, namely:

1. parental education has a strong influence on a student's educational plans and ultimate enrolment
2. students' academic ability and attitude to education also influence their decisions about further education
3. the financial needs of students differ among students of apparently similar circumstances and change over their educational career
4. rising tuition costs have generally been offset by increases in financial aid
5. rising educational costs (including costs other than tuition) impose greater financial need on small, specific groups of students, including those with disabilities, single parents, from remote areas, etc., and who need specific aid programs in response.

Summary

This literature review was directed to finding reports on research on two questions:

- What effect does an increase in tuition fees for law degree programs have on the probability of a student enrolling in the program?
- What effect does a debt incurred to finance law studies have on a graduate's decision about the area of law in which to practise or other employment options?

This search has made two major findings on the availability of relevant literature:

- Very little (apparently nothing) has been published on the effect of tuition fee increases on accessibility to law school.
- There has been significant attention to the effect of debt load on the choice of employment, resulting in a few very good articles, and a robust research project on this issue.

In this review, the logical order for presentation of the findings was reversed, with articles relating to the possible steering effects of law school debt being presented first, followed by indirectly-related materials on tuition fees and accessibility.

There have been three major studies on the effect of law student debt on career choice:

- a New York University School of Law Symposium, 1988
- a Joint Task Force study, sponsored by the Law School Admission, the Association of American Law Schools and the American Bar Association, 1992
- a study by Lewis A. Kornhauser and Richard L Revesz. both professors of law at New York University, 1995.

The basic conclusions of these three studies were that:

- "There is no convincing evidence that debt burdens significantly affect job choice and careers paths." Kramer, NYU symposium
- "...the relative decline in the numbers entering public service [is attributed] to the widening gap between earnings in the large firms and in the public service." Chambers, NYU symposium
- "...it may be that the effects of the salary gap among settings is so overwhelming that, even if everyone's educational debts were completely forgiven at the end of law school, almost all students would make the same job choices that they do today." Chambers, 1992

- "...educational debt lacks the force routinely ascribed to it, and is in fact eclipsed as a determinant of career choice by such other factors as income in different sectors of the legal profession, race, performance in law school, and career plans prior to and during law school." Kornhauser and Revesz
- "These results lead the authors to question the efficacy of loan repayment assistance programs, and to propose instead a system of scholarships for students with a strong commitment to a career in the public sector." Kornhauser and Revesz

The loan repayment assistance programs (LRAP) referred to above is in place at about of 46 American law schools and four state governments. The purpose of this program is to enable an increased number of law graduates to pursue government or public service careers.

With respect to the impact of rising tuition fees on accessibility to law schools, it was not possible to find any article reporting research on this topic.

Rather, the focus of a large body of research in this field has been on the transition from school to college and university. Both the research and the student aid policies have addressed primarily the issue of accessibility for students from lower-income families.

Two comprehensive surveys of the literature on fees and accessibility at the point of entry to colleges and universities are included in this review for possible use in other related policy decisions.

Both of these reviews confirm the research results that have been most commonly reported over the past three or four decades, namely:

- parental education and students' academic ability have a strong influence on a students' educational decisions
- rising educational costs impose greater financial need on small, specific groups of students, and who need specific aid programs in response.

ADDENDUM (January 13, 2003)

(prepared by the Office of the Vice-President, Government and Institutional Relations)

Subsequent to the initial review by Professor Stager, two additional studies were considered worthy of inclusion for their nuanced approach to the link between tuition and access. These studies make a notable contribution to the discussion by suggesting that socioeconomic status is a much more complex factor than hitherto considered in terms of responsiveness to tuition. These papers urge caution in oversimplifying the relationship between rising tuition and enrollment levels, and urge greater attention to the nuances of family background as a highly pertinent factor to consider when designing accessibility approaches.

Black, Sandra E., and Sufi, Amir. 2002. *Who Goes to College? Differential Enrollment by Race and Family Background*, National Bureau of Economic Research Working Paper, (<http://www.nber.org/papers/w9310>).

The significance of this paper is that it makes a case for recognizing that any analysis of the effect of rising tuition must acknowledge that it is not enough simply to correlate tuition levels with overall enrollment data. The paper moves beyond stating that “tuition appears to have a significant impact on college enrollment among low-SES individuals,” to arguing that more attention must be paid to the distinctions engendered by socioeconomic status (SES) in terms of responding to tuition increases. “Earlier work that suggested that college tuition has an important impact on college enrollment behavior did not consider different responses by individuals from diverse family backgrounds. However, empirical evidence suggests that there may be diverse responses. As a result, efforts targeted at improving college enrollment among disadvantaged individuals must consider the appropriate relationship when evaluating different policies.”

Junor, Sean, and Usher, Alexander. 2002. *The Price of Knowledge: Access and Student Finance in Canada*, Canada Millennium Scholarship Foundation Research Series.

This is a very comprehensive study which presents itself as a reference work designed “to provide as complete a picture as possible of the state of knowledge about access and student finance in Canada.” It might perhaps be expected to offer conclusive comments on the relationship between tuition and access but, consistent with the experience of others, certainty on these points continues elusive. “To the extent that we know anything,” the paper says on the first page of Chapter 1, “we know that non-financial factors, taken together, constitute the most common reason why some people choose not to pursue post-secondary education. Financial factors play a role in deterring people from attending post-secondary education, but it is not clear what role, if any, is played by tuition, which is, after all, only a part of the total cost of post-secondary studies.” Where the data permits, observations are made accordingly, for example in reviewing barriers to postsecondary education the report records that “Lack of money was the most commonly cited single reason for not pursuing postsecondary education.” At the same time, the report tests the hypothesis “the higher the cost of tuition, the lower enrolment levels should be” by plotting a graph showing tuition vs. participation rates in Canada from 1980-81 to 1998-99. The resulting data show that “rising tuition has been accompanied by rising enrolment rates” and the report concludes that “increases in tuition have not affected university participation rates in any appreciable way.”

That said, however, the report wrestles with an inescapable inequality of access that is best described in the paper's Introduction: "There are certainly barriers to education, and for the most part those barriers are income-related. These barriers are not, however, just a matter of insufficient finances. They also reflect serious deficiencies in social and cultural capital among young people from lower-income families. These are problems that cannot be solved simply by writing a cheque. Future gains in access to post-secondary education will therefore depend upon society's collective ability to deal with both problems simultaneously."

Taken together, these two papers make a strong case for delving further into socioeconomic status as a complex variable influencing the responses to tuition increases and attendant enrollment decisions.