

STUDY OF ACCESSIBILITY TO ONTARIO LAW SCHOOLS

EXECUTIVE SUMMARY *of the* REPORT

submitted to

Deans of Law

at

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Introduction: The *Study of Accessibility to Ontario Law Schools* was commissioned by the Law Deans from five Ontario universities, and funded by the Law Society of Upper Canada and the Law Foundation of Ontario. The five law schools engaged in the study were Osgoode Hall at York University and the faculties of law at: the University of Ottawa (both the English and French Common Law Programs), Queen's University, the University of Western Ontario and the University of Windsor. The Social Program Evaluation Group at Queen's University conducted the study. The Faculty of Law at the University of Toronto did not participate in this research study because the university had recently completed its own internal study (Neuman, 2003).

Purpose of the Study: The overall purpose of this study was fourfold: (1) to describe the demographic characteristics of law school students in the five Ontario law schools; (2) to determine whether the demographic characteristics of law students have changed since tuition deregulation; (3) to determine whether there have been changes in the types and amounts of student financial support since tuition deregulation; and (4) to examine the amount of debt incurred by students in law school and the impact of debt on their lives.

The study was not intended to evaluate individual law programs or to identify barriers to entry for prospective applicants to Ontario Bachelor of Laws programs. Neither was the study intended to assess the appropriateness of tuition increases.

Information Sources:

- financial assistance programs, including the Ontario Student Assistance Program (OSAP), Canada Millennium Scholarship Foundation Bursary Program, university and law school financial aid programs;
- Ontario Law School Application Service (OLSAS) data files and yearly reports;
- Statistics Canada;
- a survey of students from Years 1, 2 and 3 in five law schools by means of questionnaires – 2,260 respondents;
- an online or mailed survey of law graduates (years 2000 to 2003) – 966 respondents;
- student focus group sessions held in each of the five law schools;
- interviews with key informants from each law school about admissions and financial aid programs; and,
- an extensive literature review.

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Findings:

1. *Who goes to law school?*

- Ontario law schools have a diverse student population in relation to ethnocultural background, mature student status, disability status and geographic region of origin, in keeping with their admissions goals related to diversity.
- There are some differences in the characteristics between students at the five Ontario law schools and their approximate age group in the Ontario population; that is, law schools enrol proportionally:
 - more women than men, as is the case with university programs in general;
 - more students from affluent homes headed by parents with a university education (two-thirds of law students come from the top 40 percent of the family income distribution and about 10 percent from the bottom 40 percent of the distribution);
 - more students of Arab, Chinese, Korean and South Asian descent;
 - fewer Aboriginal students; and,
 - more students from the Greater Toronto Area and fewer from Northern Ontario.

2. *Have there been changes in the characteristics of law students since tuition deregulation?*

- There have been some slight but notable changes in the characteristics of law school enrollees over the past seven years that may be attributed to tuition deregulation. They include:
 - an increase of 4.7 percent in the proportion of law students' parents who earn incomes in the top 40 percent of the average family income distribution for Canada and a decrease in the proportion of students whose parents earn incomes in the middle 20 percent of the distribution;
 - an increase in the proportion of 24 and 25 year old Year 1 registrants; and a decline in the proportion of registrants 23 and younger, indicating that a higher proportion of Year 1 registrants are entering law school later than did their pre-tuition deregulation counterparts;
 - an increase in the proportion of visible-minority students, particularly those individuals of South Asian and Chinese descent;
 - a decrease in the proportion of students whose first language is French; and,
 - a decrease in the already small proportion of students from Northern Ontario.

3. *What are the major sources of financial support for law school students, and have they changed since tuition deregulation?*

Since the deregulation of tuition for professional programs at the end of 1997, tuition fees at four of the five Ontario law schools have more than doubled, and tuition at the other has more than tripled. Over this same period, the cost of law school excluding tuition—i.e., ancillary fees, living expenses and law program expenses (e.g., books, duplicating and other supplies)—has

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increased by 14 percent based on changes in the Consumer Price Index (between 1998 and 2003).

a. University/Law School Bursaries and Scholarships

- The primary sources of financial aid distributed by the law schools are needs-based bursaries and merit scholarships.
- Over the past five years, there has been a dramatic increase in the total amount of bursary money awarded to students in financial need at the five law schools. This increase parallels the Ontario government's legal requirement of universities to redirect a minimum of 30 percent of all deregulated tuition to needs-based student financial aid.
- One-fifth of current law students cited university/law school bursaries and scholarships as a major source of financial support, and over two-fifths of current students reported that they were at least a moderate source.
- In 2003-04, the average bursary amount granted per student at the five law schools ranged from \$2,059 to \$4,752 and the percentage of students receiving bursaries ranged from 46.8 percent to 68.5 percent.
- For most students receiving the maximum bursaries, these awards cover the cost of their tuition. However, for over one-half of current students tuition increases have added to the cost of their legal education.
- Scholarships/awards/prizes are typically awarded based on assessments of a student's academic performance; however, at least two of the five law schools have a number of 'needs-based' scholarships that assess a student's financial need in combination with academic achievement.
- There are more entrance scholarships than upper year scholarships, meaning that a disproportionate amount of scholarship money is awarded to Year 1 students.
- Between 11.2 and 18 percent of students across the five law schools received scholarships, awards and prizes in 2003-04 and the average scholarship/award/prize amount granted per student ranged from \$1,313 to \$3,736.
- While the total monies allocated to scholarships/awards/prizes have increased in recent years, the number of students receiving this type of funding has not changed substantially.

b. Government Loans, Bursaries and Grants

- The provincial and federal governments fund post-secondary educational loans jointly through the **Canada-Ontario Integrated Student Loan Program** (administered by **OSAP**). Students who wish to receive government loans must apply to the Ontario Student Assistance Program (OSAP) and submit evidence of their financial need. Ontario law students are eligible to receive a maximum of \$9,350 in government loans per academic year. When surveyed, over one-half of Year 2 and 3 respondents held OSAP-administered student loans. A greater proportion of students than graduates considered OSAP-administered loans to be 'little or no source of financial support'. This result is not surprising given that the maximum amount of OSAP funding has not increased in nine years and has, therefore, decreased in real terms as a proportion of law school costs.

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- A **Canada Millennium Bursary** is a federal government bursary that pays \$3,000 per academic year to students in financial need who have already completed some post-secondary education. In Ontario, OSAP assesses students' financial need and overall eligibility for the Canada Millennium Bursary. If a student qualifies for the Millennium Bursary in Ontario, he/she receives an OSAP loan amount that is reduced by the bursary amount. One-quarter of Years 2 and 3 law students and one-fifth of Year 1 law students consider the Canada Millennium Bursary to be a major source of financial support. The Canada Millennium Bursary was first awarded in 2000 and has not increased in amount since then.
- The provincial government provides funding for part-time student employment through the **Ontario Work Study Plan** administered by OSAP (up to a maximum of \$1,000 per term); nevertheless, very few students appear to take advantage of this program.
- While over 17 percent of law students at the five Ontario law schools are originally from other provinces, less than 3 percent of current students report that out-of-province government loans represent a major funding source. Twice as many graduates as students relied on government loans from other provinces as a major source of financial support.
- Approximately one percent of law students rely on **First Nation Education Authority Grant** funding as a major source of financial support, a number consistent with the representation of grant-eligible Aboriginal students within the law student population. More current students than graduates report that First Nation Education Authority Grant funding is a major source of financial support.

c. Family Support

- Parents represent a major source of financial support for just over one-quarter of current law students. The proportion of students indicating that their parents are a major source of financial support was similar to that of graduates.
- Students who identify parents as a major source of financial support are far less likely to incur substantial debt while at law school.
- The proportion of students indicating personal loans (typically from parents) as a major source of financial support has increased slightly since tuition deregulation. Personal loans are preferable to other types of loans because they involve minimal or no interest payments and tend to have flexible repayment schedules. Approximately 13 percent of Year 2 and 3 students had personal loans.

d. Paid Part-Time/School-Year Jobs

- About one-fifth of Year 1 and about two-fifths of Years 2 and 3 students held part-time jobs at the time of the survey, and one-fifth of the students who worked did so for over 16 hours a week.
- Surprisingly, fewer current law students worked part time than did law graduates.
- The majority of current law students who worked during the school year did so in order to defray program-related costs.
- Although those students who take on paid employment while at school may reduce their debt, some believe that their academic performance is negatively affected due to the time that they are required to spend doing paid work.

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- More than half of Year 2 and 3 students who had paid employment worked in law-related positions.

e. Bank Loans, Lines of Credit and Credit Cards

- Of all the sources of financial support available to law students, banks represent one of the few resources providing loans amounts that surpass tuition fees at the Ontario law schools. Some Ontario law schools have recognized the importance of bank funding for students by making special arrangements for their students with a particular bank(s) although most major banks already offer special rates to individuals in professional programs.
- Few students entered a law program holding bank loans; however, when in Years 2 and 3, approximately one-half of students cited bank loans as a major source of financial support.
- Current law students were more likely than graduates to use bank funding to manage their debt.

4. What is the impact of debt on students?

a. What is the extent of law student debt?

- There has been a slight increase in the median debt at program entry reported by students entering the law program at the five Ontario law schools since the deregulation of tuition for professional programs. During this time, nearly one-half of students entered law school with no debt.
- One-fifth of all current law students expected to graduate from law school with no debt, but 27 percent expected to have debt of \$40,000 to \$70,000 and 13 percent expected to graduate with over \$70,000 of debt.
- Current students projected more debt at graduation than the actual debt reported by graduates.

b. What are the characteristics of students with more or less debt?

- Black students and students of South Asian background were more likely than non-minority students to anticipate having debt at exit from their law program (greater than \$40,000) and were less likely to anticipate having no-debt at graduation. Students of Southeast Asian background were more likely than non-minority students to anticipate having debt at exit from their law program greater than \$60,000. Students of Chinese background were less likely to have high debt and were more likely to have no debt than non-minority students.
- Older students and those students and graduates with dependents tended to project or have had more debt at graduation from law school than did younger students and students and graduates without dependents. For graduates, slightly more women had high debt and more men had low debt.
- For students and graduates with low debt, personal savings and parents were the primary sources of support, while for students and graduates with high debt, bank and government loans provided the major portion of educational funding.

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- Graduates, especially those with low debt, relied more than students on their savings as a major source of funding their legal education. Students with low debt were far more likely than graduates to indicate that their parents were a major source of financial support. High-debt students were more likely than graduates to indicate that bank loans were a major source of funding and were less likely than graduates to indicate that OSAP was a major source of financial support.

c. What aspects of students' lives are affected by their debt load?

- Students with debt tended to view it as having a significant adverse impact on important aspects of their academic and personal life, including articling and practising decisions, satisfaction with the law school experience, basic needs and family/personal relationships. While some students felt that their rapidly accumulating debt was affecting every aspect of their lives, other students were untouched by concerns about debt, the need to work part time and how debt affected career planning.
- Approximately 30 percent of Year 2 students with debt (65.1% of Year 2 respondents) indicated that their debt had a substantial effect on their articling and practising decisions; for example, many felt obliged to seek out high-paying positions rather than those in public service or smaller communities. A greater proportion of students would have preferred to work in public-service settings than there are employment opportunities available.
- Law students' achievement is functionally linked to the articling process and, ultimately, their professional career from the moment that they begin the law program. Students believe that their financial circumstances limit their ability to achieve academically as well as their opportunities to article and practise in desired settings.
- For current students with high debt, the area of law in which they hoped to practise was the aspect of their academic and personal lives that they believed was most affected by their debt. In comparison, graduates with high debt claimed that their satisfaction with the law school experience was the aspect of their lives most adversely affected by their debt.
- Upper year students in the moderate to high debt categories were the most likely of all respondent groups to report that a particular aspect of their academic or personal lives was affected 'to a great extent' by their debt, while graduates were the least likely of all respondent groups to report that their lives were greatly impacted by their debt.
- It appears that, since tuition deregulation, more students have felt the impact of debt on all aspects of their lives than did graduates.
- The wide variability in student debt and in articling and employment prospects generates tension in an atmosphere where the vast majority of students view a fair and open competition for highly valued articling/practising positions as extremely important.

Future Directions: The following suggestions for change are general in nature and would require more detailed development prior to implementation.

1. Increase Maximum Assistance from OSAP

The Ontario Student Assistance Program currently has a cap of \$9,350 a year. This amount represents less than half of the total annual cost of law school; consequently, more and more law

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students are turning to banks in order to deal with their debt. OSAP offers better terms as well as standardized conditions of repayment and should, therefore, increase maximum amounts available to students in professional programs such as law.

2. Examine the Feasibility of a Debt-Relief Program

A number of debt-relief programs exist in other jurisdictions and are designed to serve law graduates who enter public service and other relatively low-paying careers. Programs incorporating components such as income-contingent tuition fees and loan forgiveness could be examined for their appropriateness in the management of law students' projected and real debt. If a province-wide debt-relief program were introduced, a standardized approach to administration could be undertaken by an existing agency such as OSAP. This approach would encourage fairness and consistency in program delivery.

3. Refine the Work Study Plan

The Work Study Plan financed through OSAP appears to need fine-tuning. The rate of pay available to students in the program should be consistent with other part-time work opportunities, and the nature of the work funded through the plan should clearly be relevant to the practice of law.

4. Align Bursary Allocations More Consistently with Student Financial Need

There has been a substantial increase in bursary money available to students from law schools over the past few years. Generally speaking, this money has been made available to students on the basis of financial need. More precise targeting of bursary funds to students with the greatest financial need would be beneficial.

5. Ensure Openness, Fairness and Support for Students in Search of Articling Positions

It is difficult to know how to relieve the pressure on students created by the intensely competitive environment in law school regarding academic achievement and the search for optimum articling settings. This tension is further exacerbated by some students' concerns about debt repayment and perceptions of how opportunities for success at school and in their careers are affected by their financial circumstances. Ensuring equal opportunity to participate in articling interviews and law program-related activities for all students is a laudable goal, but may be impossible to achieve. Nevertheless, maintaining and building on the student support system already in place in the law schools is worth the effort required.