Law schools may have to become more candid about how well their scholarship students survive in legal academia.

The committee reviewing the American Bar Association's law school accreditation standards is considering requiring schools to disclose the percentage of students who lose merit scholarships following their first year. David Yellen, dean of the Loyola University Chicago School of Law and a member of the ABA's Standards Review Committee, said panel members agree that students need better information about their odds of retaining scholarships.

"It's a pretty easy case to make," he said. "I think that schools ought to be disclosing how many students keep their scholarships, so they can make informed decisions."

The committee likely will take up the matter during a meeting scheduled in July, he said. The panel has already proposed that law schools be made to release more detailed graduate employment data.

A lengthy article in The New York Times on April 30 highlighted the plight of law students who were lured to schools by sizable merit scholarships — only to lose those scholarships during their second or third years because they did not meet minimum grade point average requirements. While schools are generally up-front about the GPA requirements and terms of scholarship offers, the Times reported, they rarely publicize the percentage of students who later lose those scholarships.

Law schools benefit from enrolling students with high GPA and LSAT scores because U.S. News & World Report weighs those factors heavily in its law school rankings. However, students who lose their scholarships end up with far more loan debt than they anticipated.

Yellen said the lack of scholarship transparency is a real problem. For instance, when students who are offered a merit-based scholarship to Loyola receive a higher offer at another law school, Yellen encourages them to find out the scholarship retention rates at the competitor school. Students rarely manage to uncover that figure, he said.

At Loyola, students maintain their merit scholarships if they keep GPAs of 3.0 or higher. If they drop below 3.0, they get half of their scholarship, but can restore the full amount if they move their average back to 3.0 or above. The school is candid about the fact that 5% of merit-based scholarship recipients wind up with half-scholarships, but that degree of transparency is unusual, Yellen said. (Beginning with the fall term, the school will pay full scholarships as long as the recipients remain enrolled at the school.)
Part of the problem is that law students are accustomed to performing well in school. A 3.0 average may sound easy to maintain, but the academic competition in law school is more rigorous than many students are accustomed to. Grading curves can make it difficult for students to accurately gauge how they will perform, the Times reported.

Law School Transparency — a nonprofit organization started in 2010 by two Vanderbilt University Law School students — recently proposed that the ABA require schools to report both the number of students who receive scholarships and who lose them.

"Anytime someone doesn't have the information they need to make a good decision, it's a problem," said the organization's executive director, Kyle McEntee. "Frankly, this is not a controversial issue, in my estimation."

Yellen said that the ABA’s draft accreditation standard likely would look much like Law School Transparency's proposal — schools would be required to post scholarship retention information on their Web sites or in scholarship offer letters. The committee does not intend to address how merit scholarships are offered or allocated.

"I think this is a significant problem, in terms of maintaining an ethical system," Yellen said. "Schools get people to come with these scholarship, knowing that a percentage of them will lose that financial support. It's a funny way to do business."