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**Shrinking applicant pool has law schools competing to cut costs**

By Benjamin Wermund

Texans can now get a cheaper law degree in Arizona than in Houston. Or in Austin. Or at just about any law school in Texas, at least based on the sticker price.

Across the country, law schools, which have long enjoyed a wealth of students, are competing more fiercely than ever for a shrinking pool of applicants - just two-thirds the size it was four years ago and set to narrow another 8 percent this year.

The decline is driven by a bleak job market that has yet to fully recover from the recession. Schools across the country are scrambling to cut costs for students, slashing tuition or boosting scholarships to lure the best prospects.

Many schools, meanwhile, have reduced class sizes to make sure they're accepting and educating only the students most likely to get jobs and pay off the debt they piled on while earning their degrees.

"The number of applications are down, so the competition for students is up and schools are doing what they can to recruit the best students, to make law school as affordable as they can," said Richard Alderman, the interim dean at the University of Houston Law Center, which added more than $1 million in scholarships this year.

In one of the latest moves, the University of Arizona's law school cut tuition for the second time in two years. The school in April slashed out-of-state tuition by 25 percent to $29,000 - about $800 less than the UH Law Center's in-state price, and more than $4,000 less than Texas students would pay to attend the law school at the University of Texas in Austin, one of the state's biggest and most prestigious.

Pennsylvania State University recently launched a grant program that gives all Pennsylvania residents admitted $20,000 a year, effectively cutting tuition in half. Other schools, such as Roger Williams University in Rhode Island, have reduced tuition by more than 15 percent.

But that's just the sticker price. UH and UT have added scholarships to remain competitive. This year, UH's law school increased its scholarship budget by more than 30 percent, Alderman said. UT is also spending substantially more on scholarships, said UT Law Dean Ward Farnsworth, though he could not say by how much.
Bleak job market

This is all good for students, who face a legal job market that is bleaker than it has been in decades. Last year, the employment rate among law graduates hit its lowest point since 1994, according to the National Association for Law Placement. Just 84.7 percent of the class of 2012 got jobs within nine months of graduation. Many students can't afford to take on the debt they once could, and aren't willing to bank on getting a job to pay it off.

"For now and going forward, we don't need as many law school graduates," said Judith Areen, executive director of the Association of American Law Schools. "Everybody I talk to is spending a lot of time figuring out how to maintain quality in the education they provide. There's a lot of innovation going on born of necessity."

'New phenomenon'

The UH law center received about 2,100 applications last year, down from 3,652 in 2009.

"This is all a relatively new phenomenon," Alderman said. "We have always, until recently, had more than enough applications that we could accept the quality and size class we wanted without worrying very much about competing with other schools."

In March, UH announced a new grant program, "Law Center Scholars," targeting students most likely to succeed. Students - whose grades, LSAT scores, work experience and other factors qualify them - can obtain $10,000 a year over three years, covering about a third of tuition for in-state students. UH has picked seven students to receive the money so far, but the law school plans to expand the gifts.

The UH law school, like many others, partners with area law firms for apprentice programs that offer the chance at a job after graduation. UH will send 10 to 15 students to firms this year and about 30 next year.

Of the 258 graduates from the law center's class of 2013 who sought jobs after graduation, 225 of them - or about 87 percent - found one. UH does not yet have salary information for all of those graduates, but among the 125 the center knows about, the average salary is $109,210.

"I think students have a difficult decision to make," Alderman said. "These 23-, 24-year-olds trying to figure out what makes the most sense for me economically when it comes to going to law school. It's no longer just the quality of the school. The cost of the school enters into it. The likelihood of getting a job and a salary also enters into it."
In Austin, UT's law school is set to begin raising money this summer for a new endowment solely focused on scholarships. The school has not cut tuition, which has remained steady for the last few years. First-year, in-state students pay about $33,000 a year.

"I wish our tuition were less expensive, I worry about it, but I think we still offer a great value," said Farnsworth, who has no control over tuition - set by UT regents - but said he can raise money to put into scholarships.

Staying competitive

Farnsworth pointed to UT's success in recent U.S. News rankings - which said law students there get the biggest return on their investment of any law school in the country - as evidence that the school has remained competitive.

UT law students graduated with an average debt load of $86,312 in 2012 and earned a median starting private sector salary of $155,000 in 2011, according to the rankings. The average law school graduate in 2012 was $108,293 in debt, and the median starting private sector salary for all 2011 graduates was $76,125, according to U.S. News.

As the job market has contracted, so has UT's law school. The school admits between 310 and 320 students a year, down from more than 370 a few years ago, and much smaller than the classes of 500 students UT admitted more than a decade ago, Farnsworth said.

The law schools at Southern Methodist University and Baylor University - private universities that are pricier than UH or UT - have not cut tuition or increased scholarships, school representatives said. SMU has reduced class sizes and Baylor already has a large endowment for scholarships.

The University of Arizona's law school, which claims to have kicked off the tuition-slashing race last year, is looking abroad to make up any lost revenue from the deep cuts it announced this year.

The school offers an advanced juris doctorate, which will prepare students to pass the bar exam in any state in the country, that has become popular among international students. The school gets about 150 applications annually from outside the U.S., and the program that started with just five students has grown to 30.
The rush to cut costs is a healthy response to the shrinking market, said Marc Miller, the dean at the University of Arizona's law school. And with the smaller applicant pool, some schools just might need to look elsewhere for the best students, he said.

"I still think that being a lawyer is one of the great things that people can do. It's a service profession," Miller said. "I think the global demand for American legal education is untapped."