

Examining the determination, consistency, and variation of law school cost of living estimates

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Law school cost is an increasingly important part of conversations within the legal education community. Since 1985, inflation-adjusted tuition and fees at private American Bar Association (ABA) approved law schools have increased 175%. At public ABA-approved law schools, tuition and fees have increased 490% (Law School Transparency, 2020). Traditionally, labor market returns to a law degree were sufficiently high so that most people did not question the cost of legal education. However, changes to the legal services market regarding job opportunities and salaries have led to increased scrutiny of law school costs (AccessLex Institute, 2020; Matasar, 2010; Tamanaha, 2013).

Discussion of law school costs often focuses on tuition and fees. However, to know the true cost of law school, we must also consider a law school's estimated living expenses. Living expenses is defined as the general living expenses associated with attending an institution of higher education. These include costs for items such as books, supplies, housing, utilities, food, groceries, clothing, and miscellaneous personal expenses (*2018-2019 Federal Student Aid Handbook*, 2019). As part of a law school's yearly ABA Required Disclosures, it must provide students with an estimate of living expenses associated with attending that institution. According to 2019 ABA data, the average estimated total cost of attendance for full-time in-state law school students living off-campus was around \$43,500. About 54% of that total cost of attendance was attributable to living expenses.

The estimation of law school living expenses is not standardized. Each law school utilizes a different process for determining estimated living expenses. While it seems

reasonable that law schools would seek to precisely estimate living expenses for students, there are several reasons why this might not be the case. Law schools might lack access to important information about regional costs for housing, transportation, food, etc. Like financial aid offices for the larger university (Goldrick-Rab, 2016), law school financial aid offices might be burdened with limited staff, heavy caseloads, and an increasing amount of data reporting responsibilities. Therefore, they might have limited time to obtain the information necessary to develop valid living expense estimates.

Law schools might also use estimated living expenses to position themselves within the legal education marketplace. While tuition and fees might be difficult to adjust (Kelchen, Goldrick-Rab, & Hosch, 2017), estimated living expenses are in theory less regulated and more amendable to change without creating a significant administrative burden on a law school. Law schools looking to present themselves as an affordable option within a particular tier might artificially lower its estimated living expenses to appear less expensive. On the other hand, some law schools may look to artificially increase their estimated living expenses out of a desire to appear more expensive. This higher 'sticker price' might help a law school attract more and higher quality students (Li, 2018).

Inaccurate living expense estimates from law schools can have a detrimental impact on students. A law school's estimated living expenses determine the maximum financial aid and loans available for students. If law schools systematically underestimate actual living expenses for an area, students may receive less financial aid than needed to cover their expenses. This could lead to difficulties in paying for law school that could be a detriment to student success (Edwards, 1996). On the other hand, if law schools are systematically overestimating living

expenses, students can take out larger amounts of loans than they actually need and find themselves in greater debt than necessary. Despite warnings from law schools that individual living expenses vary depending on personal choices and circumstances, Ryan (2020) notes that many law students borrow at or near the law school sticker price. There is also evidence that 'sticker price' is an important determinate of student perceived ability to pay for higher education (McDonough & Calderone, 2006; Seltzer, 2017). Students, especially underrepresented students, receiving misinformation about living expenses might self-select out of certain schools despite the generous amount of tuition discounting provided by many law schools

So while tuition and fees are an important aspect of law school cost and affordability, so too are estimated living expenses. Unfortunately, the higher education community knows very little about estimated living expenses at law schools. Little empirical work has systematically investigated how law schools determine estimated living expenses and whether those estimates are consistent with local costs data. This study used the work of Kelchen et al. (2017) as a framework for better understanding the determination, consistency, and variability of law school estimated living expenses. Three research questions guided this analysis:

1. To what extent are published law school estimated living expenses consistent with cost of living estimates derived from local data?
2. If published law school estimated living expenses differ from cost of living estimates derived from local data, how much of this variation is attributable to law school characteristics such as enrollment size, location, control, etc.?

3. What process do law school financial aid officers use in determining their institution's estimated living expenses?

Literature Review

Determining living expenses

Law schools have considerable flexibility in how estimated living expenses are determined. According to the *2018-2019 Federal Student Aid Handbook*, financial aid officers can use a variety of methods to arrive at average student living expenses including “periodic surveys of your student population, assessing local housing costs or other pertinent data, or other reasonable methods you may devise which generate accurate average costs for various student cohorts” (U.S. Department of Education, 2019, pp. 3-33). Further guidance on estimating student living expenses is provided by the National Association of Student Financial Aid Administrators’ (NASFAA) handbook *Developing the Cost of Attendance*. In this handbook, financial aid officers are given significant guidance on how to establish a living expense budget which ensures students have an adequate standard of living while also taking regional costs differences into account. Specific advice is given for establishing how much the average student spends on off-campus housing, transportation, insurance, and miscellaneous costs such as clothing and personal hygiene. To compile data on these costs for students on a particular campus, NASFAA recommends financial aid officers utilize local living costs surveys, data from the U.S. Bureau of Labor Statistics, student surveys/interviews, and conversations with off-campus partners such as landlords.

Estimated living expenses accuracy

Given the discretion provided to law schools and regional differences in costs of living, it is not surprising that published estimated living expenses vary significantly from institution to institution. Whether these published estimated living expenses are accurate, however, is an open empirical question. The work of Kelchen et al. (2017) offers some insight into this question. Kelchen et al. were curious about the fact that often colleges even within less than a few miles of each other often have very different published estimated living expenses. They wondered whether colleges' published estimated living expenses were consistent with local costs of living data. Using data from nearly 6,000 colleges in the U.S., they first collected each college's published estimated living expenses for students living off-campus away from family. Estimated living expenses excluded tuition/fees and books/supplies. Kelchen et al. then collected data from the Department of Housing and Urban Development, Department of Agriculture, Consumer Expenditure Survey, and the Council for Community and Economic Research to create their own estimate of student living expenses for each college. Their estimate of student living expenses in the area where a college is located was based on the Massachusetts Institute of Technology Living Wage Calculator. Kelchen et al. then compared each college's published estimated living expenses to their own estimates of the college's living expenses.

Kelchen et al. (2017) found that across multiple specifications, nearly half of all colleges published living expenses that were at least 20% above or below the researchers' estimated living expenses for the area. Regression analysis was then run to determine what college and county-level variables were associated with differences between the published and researcher created estimated living expenses. Smaller colleges, colleges with higher percentages of Pell

grant recipients, and private nonprofit colleges tended to have higher amounts of variability in estimated living expenses.

Kelchen et al. (2017) motivated this study in several ways. Kelchen et al. provide evidence that the estimated living expenses published by many colleges are not consistent with local costs data. If this inconsistency is happening with undergraduate price setting, it could also happen in legal education price setting. As noted earlier, if law school estimated living expenses are not consistent with local costs data, it could create barriers to student success, increased debt, and limit students' perceived range of law school choices. Therefore a rigorous investigation of law school estimated living expenses is vital to individuals that view law school access, affordability, and value as key priorities.

Kelchen et al's (2017) work also creates curiosity as to how colleges go about determining estimated living expenses. What data points are colleges using and what processes are being followed to determine student living expenses? Hearing the voices of financial aid administrators responsible for making these estimates at law schools would be a welcomed addition to the knowledge created by Kelchen et al.

Theoretical Framework

This study is grounded in competition-based pricing theory. Economists have identified three common strategies used by firms to price the goods/services they sell; cost-based, competition-based, and value-based (Amir, Auzair, Maelah, & Ahmad, 2016). Within higher education, the competition-based strategy is dominant (Maelah, Amir, Ahmad, & Auzair, 2012). Competition-based pricing strategy argues that colleges price their services based on how they want to position themselves in the market relative to competitors. Production costs and

perceived value of services are deemed less critical in pricing than benchmark prices set by competitors.

Law schools, like all U.S. colleges and universities, compete in a highly differentiated hierarchical market (Winston, 1999). Competition among private Tier 1 law schools looks different than competition among regional public law schools. Within each of these hierarchical markets, however, law schools can use price to differentiate themselves. In some law school market segments, having a higher published price may be desired as a signal of excellence and prestige. In other segments of the market, lower prices might be desirable as a signal of value. One strategy law schools can use to modify their overall published price is to over or under-estimate student living expenses.

This project is grounded in the idea that because law school prices are competition-based, law schools use price to differentiate themselves within a market. Given administrative oversight and regulation, law schools often have little autonomy in manipulating tuition and fees. Law schools have much more autonomy to manipulate estimated living expenses. Therefore, law schools might systematically over or under-estimate student living expenses out of a desire to position themselves more effectively in the market. Based on this framework and previous research from Kelchen et al. (2017), I hypothesized that a substantial number of law schools would have published estimated living expenses that are significantly different from what might be suggested using local costs data.

Methodology

The research questions guiding this study were:

1. To what extent are published law school estimated living expenses consistent with costs of living estimates derived from local data?
2. If published law school estimated living expenses differ from costs of living estimates derived from local data, how much of this variation is attributable to law school characteristics such as enrollment size, location, control, etc.?
3. What process do law school financial aid officers use in determining their institution's estimated living expenses?

To answer research questions 1 and 2, I collected law school estimated living expense data from Standard 509 ABA required disclosure forms. As noted earlier, cost of living estimates are defined as the costs for items such as books, supplies, housing, utilities, food, groceries, clothing, and miscellaneous personal expenses associated with attending a particular law school. Each year, ABA-approved law schools must report their estimated living expenses for single students attending law school while living on campus, living off-campus, and living at home. I collected published cost of living estimates for 196 ABA-approved law schools in the continental United States for the 2018-2019 academic year.

After collecting law school published cost of living estimates, I used a modified version of the strategy Kelchen et al. (2017) employed to create estimates of the amount of money needed to cover basic personal expenses in the county where each law school is located. NASFAA's *Developing the Cost of Attendance* monograph describes the various costs components that law schools should use in their overall estimation of cost of living. I used local costs data to create a county-level estimate of each of these components. I describe each component and data source used below.

Room

The NASFAA (2018) monograph notes that room is a core component of an institution's cost of living estimate. Housing allowances should be a reasonable estimate of student housing costs while attending an institution. These housing costs can include rent, insurance, internet access, and utilities (NASFAA, 2018, p. 7).

For my local estimate of student room expenses, I used several data sources. To estimate student rent, I used data from the U.S. Department of Housing and Urban Development. This dataset contains county-level median rent prices for fiscal year 2018. For this study, I used two scenarios with different assumptions about student housing arrangements. First, I assumed a law student lived alone in a studio apartment and paid all of the rent alone. Second, I assumed a law student shared a two-bedroom apartment with a roommate and split rent costs evenly.

I used the U.S. Bureau of Labor Statistics Consumer Expenditure (C.E.) survey to estimate student utility costs. The C.E. provides data on average annual expenditures of persons under the age of 25 for a wide variety of items. I used two housing-related utility costs in this study; electricity and water/public services. To account for county-level differences in utility costs, I used information from the County Cost of Living Index (CCLI, published by the Council for Community and Economic Research) to adjust my utility cost estimates for each institution.

A third component of my student room costs estimate was rental insurance. I obtained data from the Insurance Information Institute on the average cost of renters insurance by state. For estimates of utilities and rental insurance, I made separate calculations assuming a student

lived alone and assuming a student had a roommate (and therefore evenly split the costs of utilities and insurance). I added together these three local estimates of student room costs (rent, utilities, and rental insurance) to represent the room component of a law school's published cost of living estimate. See Table 1 for an overview of components and data sources used.

Board

Board is an estimate of food expenses students might incur while in law school. As part of its standard cost of living estimate, NASFAA (2018) states that the board allowance "should provide for reasonable costs essential to provide a nutritionally adequate diet for the student" (p. 7). For my local estimate of student board costs, I used data from the United States Department of Agriculture (USDA) Food Plan Monthly Reports from August 2018-June 2019. The USDA food plan provides an estimate of costs for a healthy diet at four price levels. I used average monthly food costs for individuals aged 19-50 on a low-cost plan for this study. I again used the CCLI to adjust these prices for local cost of living differences.

Transportation

The transportation component of the estimated living expenses, according to NASFAA (2018), should include the cost of travel between a student's residence and the institution as well as travel necessary to complete activities such as internships, student teaching, etc. The standard transportation allowance may include gas, oil, license, insurance, and repairs. Payments for the purchase or lease of a car may not be included in a school's standard transportation allowances. For my estimate of student travel costs, I used three variables from the 2018-2019 C.E. Survey; cost for gasoline, fuel, and motor oil, costs for vehicle maintenance

and repairs, and costs for vehicle insurance. I used the CCLI to adjust these transportation costs for local cost of living differences.

Health Insurance

A university's standard cost of living allowance can include a health insurance fee if that school requires that all students have health insurance (NASFAA, 2018). To estimate student health insurance costs in my calculations of student living costs, I used data collected by the Kaiser Family Foundation on average marketplace premiums in 2018. This dataset provides state-level monthly premium averages for individuals on a Bronze premium plan.

Books and Supplies

Books and supplies are the cost of educational materials related to a student's course of study (NASFAA, 2018). To obtain school-level estimates of book costs, I used data obtained by the AccessLex Student Loan Calculator. This AccessLex tool, like the Standard 509 ABA Disclosures, collects and publishes law school cost of living estimates. However, unlike the Standard 509 ABA Disclosures, the AccessLex tool provides these data broken down into distinct components such as books, food, loan fees, etc. I used the AccessLex tool to look up the books and supplies cost estimates for each of the 196 law schools in my dataset. For instances where specific books and supplies costs for a law school were not provided in the AccessLex tool, I assigned that school the mean value of books and supplies for all other schools in the dataset.

Miscellaneous Personal Expenses

The cost of living allowance for miscellaneous personal expenses "includes clothing; personal items (e.g., toiletries, laundry and cleaning, personal hygiene and grooming); mobile

phone plan; recreation/entertainment; and uninsured health care costs (copays, prescriptions, OTC medicines, contact lenses, eyeglasses” (NASFAA, 2018, p. 6). Average expenditures for many of these items is available in the C.E. 2018-2019 survey. Therefore, for my miscellaneous personal costs estimate, I used C.E. data on expenditures for apparel (the average for men and women 16 and over), footwear, other apparel products and services, laundry and cleaning supplies, personal care products and services, cellular phone service, entertainment fees and admissions, and other miscellaneous expenditures. Each of these expenditures was adjusted using the CCLI. The combination of all these expenditure categories served as my estimate of the miscellaneous personal expense portion of law school living costs.

After compiling the five components (room, board, transportation, health insurance, books and supplies, and miscellaneous personal expenses) of my locally derived living costs estimate, I compared my estimate with each law school’s published cost of living estimate. Because law schools report living expense figures for the 9-month academic year, I converted my living cost calculation into 9-month estimates. I examined the percent difference between each law school’s reported living expense estimate and my estimate of living expenses using local data. I used these differences to answer research question 1.

To answer research question 2, I ran regression models to explore whether differences between law school reported living expense estimates and my derived estimates of living expenses correlated with observable law school characteristics. I used seven characteristics as covariates in these regression models. Control was a categorical variable identifying whether a law school was public, private-non-profit, or private-for-profit. Region was a categorical variable identifying what region of the United States (New England, Mideast, Great Lakes,

Plains, Southeast, Southwest, Rocky Mountains, Far West) a law school was located. Size was a measure of the total J.D. enrollment of a law school in 2018-2019. Selectivity measured the percentage of completed student applications accepted by a law school in 2018-2019. Tuition measured the tuition and mandatory fees for full-time resident students attending a law school for 2018-2019. Racial minority enrollment was the percentage of students attending a law school who were non-white in 2018-2019. Costs of living was the 2018 costs of living index for the county where a law school was located (schools with higher index scores were located in more expensive counties). All but two of these law school characteristics (region and costs of living) were obtained from ABA Standard 509 Information Reports. I obtain school region data from the Integrated Postsecondary Education Data System (IPEDS) and costs of living data from the Council for Community and Economic Research. Table 2 provides summary statistics for the variables used in regression models.

To answer research question 3, I created and distributed a survey designed to identify the information used by law schools to determine their institution's estimated living expenses. The survey was developed in consultation with financial aid officers and other professionals with expertise in university costs of living estimations. The survey asked specifically about the data used by law schools to estimate student living costs and the challenges law schools face in determining these estimates. The goal of the survey was to see how closely law schools followed the guidelines and principles for cost of living estimations proposed by the *Federal Student Aid Handbook* (U.S. Department of Education, 2019) and the *Developing the Cost of Attendance* monograph (NASFAA, 2018)

Limitations

The approach I used for estimating law student costs of living estimates using local data has some important limitations that must be considered. First, the components included in my calculation of student costs might not be exhaustive. For example, some law schools might provide allowances for student loan interest or bar exam costs. However, these costs are not part of guidance from the federal government or NASFAA. If law schools are systematically adding additional components to their cost of living allowances that are outside the components recommended by the federal government or NSFAA, it might explain any lack of consistency between my estimates and published estimates of law student living costs.

Within county variation in student housing costs is another essential factor to consider. In my estimates, I used median rental prices in the county where a law school is located to estimate student housing costs. However, housing prices near campus could be significantly different than housing prices in other places throughout the county. So, if law schools have more granular data on housing prices close to campus, it could lead to a higher level of inconsistency between published estimates of law school living costs and my estimates of student costs.

Findings from Costs Data

The mean of published living expense estimate for the 2018-2019 academic year among the 196 law schools in my dataset was \$22,872. The standard deviation was \$4,589 with a range from \$14,020 to \$39,177. The mean of my estimate of law student living expenses using local cost data assuming that a student lives alone was \$21,845. The standard deviation was \$5,429 with a minimum of \$15,461 and a max of \$41,047. My mean estimate for law student

living expenses assuming that a student lived with a roommate was \$18,847 with a standard deviation of \$4,219. The range for this variable was \$13,477 to \$33,791.

When comparing published institutional estimates of living costs to my estimate of law student living expenses, I found considerable variation in the consistency between published estimates and my estimates (Table 3). Under the assumption that a law student lived alone, I found that 41% of law schools published cost of living estimates 10% or more above my estimate of student living cost. Only 17% of law schools published cost of living estimated 10% or more below my estimate. The findings suggest that a large percentage of law schools provides costs of living allowances above what I estimated as the amount of money needed for a law school to live alone comfortably.

When we assume that a law student has a roommate, the aforementioned pattern becomes more apparent. In the second part of Table 3, I show the distribution of published law school living costs versus my estimates of student expenses when assuming that a student has a roommate. Around 52% of law schools published costs of living estimates 20% or more above my estimates of student costs. Only 2% of law schools published living estimates 20% or more below my estimates of student cost.

Table 4 reports the findings from regression models exploring whether institutional characteristics are associated with differences between published law school cost of living estimates and my estimates of student living costs. In column 1 the assumption was made that law students lived alone, and in column 2 students were assumed to live with a roommate. In both regression models, over 40% of the variance in differences could be explained by the

characteristics included in the model. This was a high r-squared value relative to the r-squared found in similar work at undergraduate institutions (Kelchen et al., 2017).

Findings from column 1 and column 2 of Table 4 are very similar. Private-not-for-profit law schools, relative to public law schools, published cost of living estimates that were significantly higher than my estimate of law school costs. Published cost of living estimates at the four private-for-profit law schools in this dataset were also significantly higher than my estimate of law student costs. Law school acceptance rates was statistically significant in column 2 and approaching significance in column 1. This suggest that more selective law schools published cost of living estimates below my estimate of law school costs. Cost of living also returned a negative and statistically significant coefficient. Law schools in more expensive counties were more likely to underestimate student living costs needs relative to my estimate of student costs.

The final statistically significant variable in regression models was related to law school student demographics. Law schools with a higher percentage of minority students had published living estimates that were significantly higher than my estimates of law student need.

Findings from Survey Data

The survey instrument created for this study was distributed to a financial aid administrator or associate dean of admissions at each of the 196 APA-approved law schools in the continental United States. Fifty-eight (29%) responded to the survey. These respondents provided a number of interesting insights into the process and challenges associated with setting cost of living estimates. Because the survey was fully anonymous, I could not link survey

responses to actual cost of living data or disaggregate survey findings by institutional type. Therefore, I present broad descriptive findings from the survey here.

When asked about the perceived accuracy of their cost of living estimates, 77% of respondents agreed or strongly agreed that their cost of living estimates were an accurate representation of student costs while attending law school. The majority (63%) also reported no pressure from administrators to set cost of living estimates higher or lower than actual student costs. Around 17% of respondents felt pressure to set cost of living estimates higher than actual student costs, while 8% felt pressure to set cost of living estimates lower (around 12% answered 'not sure'). The survey also found that most law schools reviewed their cost of living estimates frequently. Just over 76% of respondents reported reviewing each component of their cost of living estimate at least once every two years.

For each of the primary components of costs of living estimates (room, board, transportation, books & supplies, miscellaneous costs), the survey asked respondents what sources are typically consulted with making cost calculations. For each component, law schools typically used 3.2 sources to obtain costs data. Table 5 shows the three most common data sources used for each component category. The one commonality across each of these categories was the use of student surveys. Data for determining law school student living expenses most frequently came from institutional surveys of current law students.

The last question on the survey asks respondents "What are the biggest challenges faced by the law school where you currently work in accurately determining estimated living expenses"? Thirty-four respondents answered this open-ended question. Three themes emerged from these answers.

Student Response to Surveys

As noted earlier, surveys were frequently cited by law schools as an important source of data for cost of attendance estimations. However, seven survey respondents noted that convincing law students to complete costs surveys in a timely manner was very challenging. Without these datapoints, law students reported difficulty in accurately determining student costs. One respondent said their biggest challenge was “encouraging students to respond to the living expenses survey in a timely fashion” while another respondent said “feedback from the students when requested for living expenses” was a challenge.

Variation in Housing

The majority of ABA-approved law schools are located in and around metropolitan areas. Cities often have a wide variety of housing options at a wide variety of prices. Law schools noted that this variation in housing prices and student living circumstances made it difficult to create uniform estimates of student living expenses. One survey respondent said “The cost of living varies depending on the area and type of housing in which students reside”. Another respondent said “We do not have an on-campus living option, so finding the average cost of apartments that range from suburb to city is my biggest challenge when figuring out estimated living expenses”.

Autonomy in Setting Cost of Living Estimates

Four law schools noted that lack of autonomy was the biggest challenge they faced in setting cost of living estimates. These law schools pointed out that at their institution, the graduate school’s financial aid office set student cost of living allowances. Therefore, published cost of living estimates did not necessarily reflect the unique costs faced by law students. One

respondent said the biggest challenge was that “The law school where I work does not determine COA line items except for books/supplies. All other line items are determined by the University and its Financial Aid Office, and the law school has no input on their calculations or estimates”.

Discussion

There is growing concern about increasing law student debt. Around 74% of law students graduate in debt. An average student borrows around \$118,400 for law school (Byrne, 2021). This debt has been shown to influence law school graduates' marriage decisions, property purchases, and job choices (American Bar Association, 2020; Ryan Jr, 2021).

The amount of money law students can borrow is influenced by law school tuition/fees and estimated living expenses. These estimated living expenses, however, are understudied in higher education. This project explored the consistency, variation, and determination of law school published cost of living estimates. I examined the consistency and variation of estimates by using local cost data to create an estimate of how much law students with a modest standard of living would need to live over nine months in the community where a law school is located. I compared my estimate with each law school's published estimate of student living costs.

The findings showed that law schools tended to overestimate the amount of money needed by law students. Under the assumption that students lived alone, 41% of law schools published cost of living estimates at least 10% higher than my estimate of student costs. Under the assumption that a student has a roommate, over 70% of law schools provided living

allowances at least 10% higher than my estimate. By setting cost of living estimates higher than needed, law schools might be setting up students to overborrow.

The regression findings suggest that this overestimation of law student costs is particularly concentrated at private law schools and law schools with higher percentages of minority students. The findings related to minority students are particularly interesting. Black law school graduates' loan debt is 97% higher on average than white law school graduates. Hispanic students law school graduates' loan debt is 49% higher than their white peers (Hanson, 2021). The findings from this study suggest that these higher debt levels among minority students might be due to the fact that minority students attend law schools where they are allowed to borrow more money. This phenomenon deserves further exploration. Why do law schools with higher levels of minority students overestimate living costs? Is this an intentional or unintentional act by law school administrators? The answers to these questions would provide valuable context to the findings of this study related to minority student enrollment.

Law schools also appeared to systematically underestimate student costs when the law school is located in more expensive counties. While underestimation lowers the likelihood of students overborrowing, it might create other challenges. If law students are unable to borrow enough to cover their basic living expenses, they might not be able to fully engage in the law school experience. If law students need to work more hours, skip meals, or are unable to buy books due to the inability to sufficiently borrow, it could impact their performance in school and, subsequently, their job prospects. Law schools in more expensive counties should be aware of the potential to underestimate law student living costs and adjust accordingly. This

might be challenging because within-county variations in things like housing costs are likely greater in more expensive locales. Nevertheless, these law schools must carefully consider the real costs of living students have to ensure that students are able to financially cover their basic needs.

Survey findings from this study suggest that law school administrators would disagree with my assertions that most law schools over or under-estimate law student living costs. Around 77% of survey respondents felt their published law school cost of attendance estimates were accurate. This disconnect between administrator's beliefs and my calculations might be due to differences in the categories included in cost of attendance estimations. In my estimate using local data, I only included categories recommended by the U.S. Department of Education and NASFAA. As noted earlier in this paper, some law schools might have added additional allowances for costs such as loan interest, bar exam, child care, etc. Given the autonomy schools have when estimating student living costs, it is challenging to know precisely what is and what is not included in each school's estimates. Some law schools provide a detailed breakdown of their cost of living estimates on their website. However, my review of law school websites shows that most schools do not provide a detailed breakdown. Perhaps some uniformity in reporting procedures across law schools would help law students and the higher education community better identify the accuracy of living cost estimates. ABA disclosure forms currently only ask law schools for an aggregate cost of living estimate. These disclosure forms should consider requiring more detailed breakdowns of estimated costs for specific categories such as housing, transportation, loan interests, etc. By providing more transparency

in how living costs estimates are created, law students could budget more accurately for their time in law school.

Another interesting finding from the survey data relates to the sources used by law schools to obtain data for cost of living estimates. The most common way law schools obtained information was through student surveys. Given that many financial aid administrators have heavy workloads (Goldrick-Rab, 2016), it is not surprising that they would rely on the ease of student surveys to obtain cost data. Student surveys, however, can be problematic due to concerns about validity and response rates (Porter, 2011). Several survey respondents in this study noted that getting students to complete cost of living surveys is one of their biggest data collection challenges. Given this fact, law schools should consider using other sources of data in their cost of living estimates. Local costs data, such as the data used in this study, are free and publically available. Law school financial aid administrators almost certainly know of these resources but may not have the time to consult them. Upper-level law school administrators should work to ensure that law school financial aid administrators have the time to tap into multiple resources so they can create more accurate estimates of student costs.

An overarching assumption of this research is that the under or over-estimation of student cost of living estimates by law schools impact either student loan debt or the quality of students' law school experience. Future research should directly investigate each of these relationships. For example, do students typically borrow up to a law school's full estimated costs of attendance without critically reflecting on their unique living situation? When law students feel financially burdened by the inability to obtain loans, how is their learning

affected? Answers to these and similar questions would create a better understanding of the need for research on law school cost of living estimations.

Future research might also use qualitative methods to investigate the process used by law schools to create cost of living estimates. While the survey developed for this study offers a glimpse into the process, it fails to provide rich data on how administrators experience setting cost of living estimates. Continued research might uncover further challenges and circumstances faced by administrators in charge of setting law school cost of living estimates.

The goal of this study was to bring attention to an often overlooked and understudied aspect of law student costs. Cost of living estimates have the potential to influence the student experience before, during, and after law school. Therefore, law schools should make every effort to ensure that their estimates are as accurate as possible. Similar to work from Kelchen et al. (2017) that focused on undergraduate cost of living estimates, the findings of this study suggest that at many law schools, there is a disparity between published cost of living estimates and living estimates calculated using local costs data. Given the autonomy law schools have in setting their cost of living estimates, these disparities are not entirely surprising. The suggestion here is not that published law school cost of living estimates are wrong or purposely fabricated by administrators. Instead, the hope is that law schools will use this study to initiate a reexamination of the processes, strategies, and data used in the estimation process. Legal training is a significant financial investment. While the total costs of that investment will differ for each student, law schools should provide students with a thoroughly investigated starting point for planning how much they might spend on various expenses while in school.

Table 1: Cost of living allowance components from the National Association of Financial Aid Administrators (NASFAA) and data sources used for my estimation of student living costs.

NASFAA Cost of Living Component	Data used for my estimation of student living and sources
Room	Median rent for zero- and two-bedroom apartments. Source: United States Department of Housing and Urban Development (2018).
	Nine-Month Expenditures on electricity and water/public services for a person under age 25. Source: U.S. Bureau of Labor Statistics Consumer Expenditure Survey (2019).
	Average monthly rental insurance. Source: Insurance Information Institute (n.d.).
Board	Monthly costs of food at home for individuals age 19-50 on a low cost plan. Source: United States Department of Agriculture (2018).
Transportation	Nine-month expenditures on gasoline, other fuels, and motor oil, car maintenance and repairs, and vehicle insurance for a person under age 25. Source: U.S. Bureau of Labor Statistics Consumer Expenditure Survey (2019).
Health Insurance	Average monthly health insurance premium for individuals on bronze premium plan. Source: Kaiser Family Foundation (2021).
Books and Supplies	Estimated books and supplies costs published by each law school. Source AccessLex Institute (n.d.).
Miscellaneous Personal Expenses	Nine-Month Expenditures on apparel, footwear, laundry/cleaning supplies, personal care products and services, cellular phone service, entertainment fees/admissions, and other miscellaneous expenditures for a person under age 25. Source: U.S. Bureau of Labor Statistics Consumer Expenditure Survey (2019).

Table 2: Summary Statistics for Variables used in Regression Models

Variable	Mean	Standard Deviation	Range
Difference reported and my estimate for students living alone (%)	5.18	17.91	-51.99 - 48.86
Difference reported and my estimate for students with roommate (5)	19.30	16.93	-33.13 - 57.92
Enrollment Size	558	290.84	146 - 2013
Acceptance rate (%)	45.73	14.77	6.85 - 86.13
Tuition & Fees (\$)	44,133	9,530	24,030 - 67,564
Racial Minority (%)	35.64	15.46	6.52 – 98.79
Cost of living index	120.53	35.44	88.4 - 284.1

Variable	Frequency (%)
Control	Public: 43%
	Private Not for Profit: 55%
	Private for-Profit: 2%
Region	New England: 8%
	Mideast: 18%
	Great Lakes: 14%
	Plains: 8%
	Southeast: 27%
	Southwest: 8%

 Rocky Mountains: 4%

 Far West: 14%

Table 3: Comparison of published law school cost of living estimates with my estimates of student 9-month living costs

Assuming students live alone	
Percent (%) of law schools with published estimates 20% or more higher than my estimates	19.4
Percent (%) of law schools with published estimates between 10% & 20% higher than my estimates	21.9
Percent (%) of law schools with published estimates within 10% of my estimates	41.3
Percent (%) of law schools with published estimates 10% & 20% lower than my estimates	7.1
Percent (%) of law schools with published estimates 20% or more lower than my estimates	10.2

Assuming students live with roommate	
Percent (%) of law schools with published estimates 20% or more higher than my estimates	51.5
Percent (%) of law schools with published estimates between 10% & 20% higher than my estimates	23.4
Percent (%) of law schools with published estimates within 10% of my estimates	17.9
Percent (%) of law schools with published estimates 10% & 20% lower than my estimates	5.1

Percent (%) of law schools with published estimates **20% or more lower** than my estimates 2

Table 4: Regression results explaining how characteristics are associated with differences between published law school cost of living estimates and my estimates of student living costs

Variable	Assuming student lives alone	Assuming a student has a roommate
	Coefficient (Standard Error)	Coefficient (Standard Error)
Control-Private not for profit	7.80** (2.40)	8.11*** (2.33)
Control-Private for-profit	15.55*** (3.17)	16.10*** (3.22)
Region-Mideast	4.33 (5.16)	4.47 (5.05)
Region-Great Lakes	12.21* (5.58)	9.80 (5.31)
Region-Plains	2.54 (5.66)	-1.23 (5.57)
Region-Southeast	8.67 (5.54)	7.31 (5.37)
Region-Southwest	4.54 (7.25)	0.74 (7.06)
Region-Rocky Mountains	0.31 (6.46)	-1.00 (6.37)
Region-Far West	11.19 (5.99)	8.79 (5.69)
Enrollment Size	-0.0001 (0.00)	0.003 (0.00)

Acceptance Rate	-0.17 (0.09)	-0.21* (0.09)
Tuition & Fees	-0.00 (0.00)	-0.00 (0.00)
Racial Minority	0.23** (0.09)	0.26** (0.08)
Cost of Living Index	-0.33*** (0.05)	-0.31*** (0.04)
Constant	36.45** (13.23)	51.09*** (12.51)
Number of law schools	196	196
Number of counties	145	145
R-Squared	.469	.445

Table 5: Commonly used sources for obtaining information for law school cost of living estimates

Cost of living component	Most commonly consulted sources of information from survey respondents
Room	<ul style="list-style-type: none"> • Institutional survey of current law students • On-campus housing officials • Off-campus housing representatives (landlords, realtors, et.)
Board	<ul style="list-style-type: none"> • Institutional survey of current law students • On-campus meal plan costs • U.S. Bureau of Labor Statistics Consumer Expenditure Data
Transportation	<ul style="list-style-type: none"> • Institutional survey of current law students • Federal government set mileage allowances for travel • State or local public transportation cost data
Books & Supplies	<ul style="list-style-type: none"> • Institutional survey of current law students

Miscellaneous Costs

- Consultation with campus book store representatives
 - Reviews of law school course syllabi
 - Institutional survey of current law students
 - College board living expense budget data
 - U.S. Bureau of Labor Statistics Consumer Expenditure Data
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