



Preparing for Law School Financially

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The choice to enroll in law school is a decision to invest in your future: academically, professionally and financially.

Knowing your financing options and preparing yourself financially for law school will help you succeed as a law student and lawyer. Here are some tips to help you get started:

- **Understand your options:** There are 2 main financial aid options to help you pay for your legal education: scholarships and loans.
 - o *Institutional scholarships* do not have to be repaid and may be awarded based on financial need or academic merit, or both. Scholarships awarded purely on the basis of financial need are much rarer at the graduate level. While a number of schools do offer need-based aid, many make scholarship offers on the basis of academic merit (typically your GPA and LSAT). You have a greater probability of receiving merit funding at schools that are not your “reach” schools.
 - o *Other scholarships:* While scholarship funding primarily comes from law schools themselves, other organizations – such as local bar associations, community or social organizations, and ethnic or religious organizations – offer scholarships as well. These opportunities may not be widely advertised, so it may take some research to find scholarships you might be eligible for.
 - o *Loans* are funds that have to be repaid, usually after you finish school. A large number of law students rely on loans to finance their legal education. Educational loans are offered both by the Department of Education and by private banks. Of the two, federal student loans offer more flexible repayment options than those provided by private banks – including options that tie your monthly payments to your future income.
- **Know the relevant deadlines:** Check with the schools to which you are applying to find out if they have any deadlines and/or applications required for receiving financial aid. The Free Application for Federal Student Aid (FAFSA) is required if you’d like to borrow federal student loans. The FAFSA can be submitted online at www.fafsa.gov starting Jan. 1st of each year. Some schools require an additional application for scholarship funds and some automatically consider all applicants. Be sure to apply early for any institutional scholarships.
- **Consider all costs:** When looking at the Cost of Attendance (COA), be sure to consider both the direct costs charged by the school (tuition, fees, etc.) and indirect costs (costs not charged by the school – housing, food, transportation, etc.). A school with cheaper tuition may still be more expensive if the cost of living is high. Don’t forget to include the cost of moving. Financial aid cannot be used to cover your moving costs. So, you’ll need to find a way to cover those costs on your own.

- **Compare scholarship offers carefully:** Understand the terms of your scholarship offers. Are they tied to academic performance? Are they guaranteed for the whole time you are enrolled? Schools that offer conditional scholarships are required to post their scholarship retention data, so you can check how many past students have had scholarship offers reduced or cancelled. Don't just look at the dollar amount of the scholarship. A \$30,000 scholarship at a school with higher Cost of Attendance may cover less of your costs than a \$20,000 scholarship at a school with lower total costs.
- **Develop and live on a budget:** The COA at each school sets the maximum amount that you can receive through financial aid for any given year. The COA covers educational costs only and includes an allowance for modest living expenses. If you are relying purely on financial aid, you'll need to manage your money well to make sure that you are not overspending. To help yourself manage your costs, develop a monthly budget to determine which costs you'll need to cover and what expenses you can eliminate.
- **Eliminate consumer debt:** If you have credit card or other consumer debt, pay it off prior to entering law school. Your financial aid cannot be adjusted to include consumer debt payments and it may be difficult to pay outstanding credit card balances while in school.
- **Know your credit:** Certain loans require that you pass a credit check (or have a creditworthy co-signer). Check your credit prior to applying to law school so that you know where you stand. Improving your credit history takes time, as does correcting any inaccuracies. You can get one free credit report per year from each of the three national credit reporting agencies at www.annualcredit.com.



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