



## CHAPTER 1

# THE BIRTH OF AN IDEA

CARROLL STEVENS  
YALE LAW SCHOOL

**T**he LRAP story began over 30 years ago, out of stark necessity.

In the late 1980s, Yale University, located in New Haven, Connecticut, was facing several challenges due to financial decisions made in the previous decade. In fact, every Ivy League college had fallen into that same fiscal trap, overspending on their endowments rather than saving some of those funds as a hedge against future downturns. Inflation rose and investment values plateaued, plus operating budgets took a big hit. Campus infrastructure began deteriorating, and funds for programs and people stagnated. As a result, tuition and fees had to rise, and they did.

Along with its competitors, the Yale Law School found that as such costs rose, loans became an obstacle for prospective law students. The Juris Doctor degree is a seven-year commitment counting the prerequisite bachelor's degree, and aggregate costs over that length of time became daunting for all but a few. An ever-

---

**ABOUT THE AUTHOR:** Carroll Stevens is the former Associate Dean at Yale Law School where he co-founded the Career Options Assistance Program (COAP), a predecessor of Ardeo's LRAPs. Since then, he has been involved in numerous entrepreneurial ventures and has held governance and leadership appointments at six colleges and universities. He currently serves as an honorary Fellow at Regent's Park College at Oxford University.

increasing reliance on student loans became evident.

Law schools traditionally had made financial aid a low priority, but that needed to change. Interest in law was approaching an all-time high, and in response, more merit and need-based scholarships began to be forthcoming—to the limited extent that resources allowed.

**The Law School was, at the same time, facing another dilemma. It was at risk of becoming less of a truly national institution.**

The Yale Law School had a comparatively small enrollment and a correspondingly low-tuition base, so net-tuition revenue was insufficient to support a big increase in scholarships, as was the endowment. The School was thus boxed in and forced to think innovatively.

For a good reason, the faculty was dead set against increasing enrollment, especially if it was primarily to improve the School's capability to increase student aid through redistribution. Raiding the endowment was, likewise, out of the question. So, what could be done? We needed a plan; otherwise, the School's relative position would deteriorate.

The Law School was, at the same time, facing another dilemma. It was at risk of becoming less of a truly national institution. Given their growing loan burdens, fewer Yale law graduates could afford to go to smaller cities and states around the country, where starting salaries were considerably lower. More applicants from outside the northeast were receiving full-ride offers from schools closer to home.

The Yale Law School had earned its distinctive reputation by producing US Supreme Court Justices, Presidents, Senators, Law Firm Founders and many other leaders from small town/small state America. And we were proud of the Yale Law graduates who went on to become leaders in regional cities such as Birmingham, Cleveland, Louisville, Sacramento and Nashville. Indianapolis was a prime example. In recent years Indiana's Attorney General, the state's Chief Justice and the President of Indiana's largest urban University were all Yale Law School graduates. Such a tradition deserved to be defended. As further evidence of this tradition,

## THE BIRTH OF AN IDEA

Associate Justice of the Supreme Court, Clarence Thomas, came to the Yale Law School from Pin Point, Georgia, and began his career in Jefferson City, Missouri. President Bill Clinton hailed from Hope, Arkansas, and started his career in Little Rock.

Guido Calabresi, a law and economics scholar of international repute, became Dean in 1985. High on his agenda was the idea that if student debt could be sheltered in some manner, the School would have a first-mover advantage against competitors and provide greater peace of mind to its students than would be the case if we simply increased grant aid. He set a group to work on a solution, thereby creating a balanced approach: scholarship aid plus loan protection that would be sustainable over time.

**He set a group to work on a solution, thereby creating a balanced approach: scholarship aid plus loan protection that would be sustainable over time.**

What would such an innovation cost, and how might that cost be borne? Could such a program be self-funding through internal savings? Dean Calabresi felt that donors would be inspired to support such a program after demonstrated success, just as they had supported scholarship aid. But that wouldn't happen overnight; first, we had to design and implement the program, prove its beneficial impact for students and the institution, and then engage with prospective donors.

And we had to act fast. We had a mission to secure and a legacy to protect. The School had always prided itself on a well-balanced student body in terms of demographics, personal circumstances and characteristics. Things were changing, though, and our future was approaching very quickly.

The state of Connecticut is known as the land of steady habits. Change comes slowly in such an environment. That culture infuses many of its institutions, and Yale, at the time, was no exception. Given this backdrop, we knew when we made our case for approval; it had better be airtight.

I was new to Yale but had been an Associate Dean at the

University of Kentucky College of Law for more than a decade and had served as President of the National Organization of Law Schools and Legal Employers. So, I knew my way around legal education, including program development and fundraising. But my experience had been at a public university, where tuition at the time was still nominal. The specter of large-denomination borrowing had not yet hit my radar. But not long after taking up my new post, I had an awakening.

The occasion was a hosted lunch for the Dean of a Chinese law school interested in learning about American JD programs.

**It was what we had to do if we were to remain competitive for the best talent while staying true to our egalitarian traditions.**

I arranged for us to meet at a proper New Haven restaurant and invited a second-year student to provide an added perspective. Our discussion was wide-ranging, and most of his questions covered topics very familiar to me. But as our conversation came to a close, our guest turned to the student and inquired if she'd gone into debt to meet her law school expenses. When she said, "Yes," he asked, "How much?" At this point, everyone in the restaurant leaned into the conversation. Then came the student's reply, "\$100,000." A collective gasp was expressed, my own being the most prominent.

I was instantly convinced we had work to do. The safety-net the School had created for student loans, for me, became imperative. It was what we had to do if we were to remain competitive for the best talent while staying true to our egalitarian traditions. From that moment forward, this budding initiative—a comprehensive loan repayment assistance program or LRAP would have my full attention as Chief Development Officer.

By no means was it certain that the University would approve Yale Law School's proposal for such a pioneering program. At the time, no such resource existed anywhere, let alone at Yale. Its financial durability could only be hypothesized—proof of concept having never been achieved.

My stablemates Associate Deans Stephen Yandle and Jamieenne Studley had been working on the plan for some time, and at his

previous institution, Steve had actually piloted a limited version. With the School's blessing and with the aid of a group of advisors, together they shaped the model that, in time, inspired the Ardeo program. Though it was entirely foreign to the University's thinking and directly contrary to the prevailing policies, approval was eventually given. (It's important to note that in the 1970s, Yale had launched a "tuition postponement option" similar to today's income-sharing agreements. It had gone badly awry, and the wind-down had cost the University a considerable sum financially and even more in the way of alumni goodwill.)

Our new LRAP, which we named COAP, for Career Options Assistance Program, was formally launched in 1989. Though its financial model was sophisticated, its core premise was straightforward and could be readily understood. The School would cover 100% of financial aid applicants' needs, partly through grants and the rest through loans. And after graduation, one of two things would happen. Recipients would either choose a high-paying profession, in which case they would have the means to repay their loans or choose a lower-paying career, and the Law School would help cover their educational debt based on their income.

**The effect on recruitment and placement was immediate and transformative.**

The effect on recruitment and placement was immediate and transformative. The School was once again able to live within its financial aid means. Its students were liberated to study what they desired, and as they graduated, they were free to pursue careers they felt passionate about rather than merely chasing the largest paycheck. Overnight our admissions yield turned entirely around, and we bested all of our competitors. Before COAP, two of three students admitted to the Yale Law School failed to enroll; after COAP, only one of seven did.

Most importantly, our traditions were assured, with students from smaller colleges, lower-income families and a more significant number of states once again vibrantly in the mix. Interestingly enough, one such example is that of Ardeo Education Solutions' Founder, Peter Samuelson.

COAP came to Peter's attention while visiting one of our competitors, and he was about to accept their very generous financial aid offer, which greatly surpassed Yale's. But in taking one final look at the Yale catalog, he found the section describing COAP and quickly realized its relevance to his desire to pursue human rights work. He instantly knew that COAP would be worth more to him than the grant he was offered, and he was free to turn it down and instead attend Yale—his first-choice institution.

**Over the past decades, COAP has remained an integral feature of Yale Law School's financial aid program, and it has become a keystone to the School's reputational distinctiveness.**

Peter later pursued his human rights work abroad and subsequently worked for major law and consulting firms. After becoming a board member at a college, he believed that a COAP-like safety-net should be available at other institutions. Through a supporting organization serving many institutions, the necessary financial and logistical backing could be provided, sparing individual colleges uncertainty and risk. With the financial support from a few other stalwart believers, Ardeo Education

Solutions was launched in 2008, originally under the eponymous name The LRAP Association.

Over the past decades, COAP has remained an integral feature of Yale Law School's financial aid program, and it has become a keystone to the School's reputational distinctiveness. Its gains in student yield helped make the School even more attractive to promising young faculty, which enhanced its already lustrous reputation. By the time the *U.S. News and World Report's* rankings were developed, and ever since, Yale has been awarded the number one position among law schools.

Just like at Ardeo client colleges, COAP was quickly understood and embraced by aspiring students and their families. To be sure, there were many memorable conversations at first, ones in which parents would refer to their child's multiple full-ride offers from other schools. Once they came to realize how COAP worked and what a Yale education would mean long-term, they would endorse

their child's decision in Yale's favor, almost without exception.

In time, a group of individuals stepped forward to give in the \$100,000 - \$500,000 range, and that provided the confidence that an endowment supporting COAP could be created. It all took a bit of donor education, of course. Many at the time simply were not aware of the student debt overhang and how it affected decisions and outcomes: where to enroll, what courses to take, whether to follow one's head or one's heart when choosing a career path, where to locate and when to start their family. But, like me, once they heard student testimonials about COAP's importance, they were all in.

The very first appeal we made ended up being one of the largest COAP-related gifts the Yale Law School would receive. A husband and wife, both highly accomplished professionals, planned to bequeath all their holdings substantially to the Law School but were uncertain how it should be used. Their minds ran to a scholarship endowment to ensure that exceptional students could attend Yale regardless of their means. The Law School's representatives introduced the then new COAP initiative into the conversation, but the presentation was greeted with polite acknowledgment. It seemed clear their original preference for scholarships would stand.

**Several members of the class, including civil rights lawyers, leaders in public interest organizations, small firm practitioners and people the class was incredibly proud of, spoke of being beneficiaries, a fact widely appreciated by one and all.**

The School would check in with the couple from time to time, giving updates on overall progress and reporting specifically on trends in student life. Hints about COAP, of course, would be dropped. Such information was always taken in stride, with little feedback other than nods of general approval. They were people of few words, decorum and discretion. There was never an indicated change in their thinking.

Ultimately the pair passed away in close succession, and when their affairs were settled, their magnanimous gift was revealed and

could be used for either scholarships or loan repayment assistance, as the School wished! Our request was fulfilled, and our dreams came true.

Others followed suit, with gifts made across the School's entire financial aid portfolio with no evidence that any facet gained at the expense of another. As for the Law School's overall fiscal health, there remains clear evidence that the financial commitment COAP represented was a wise one. The unrelenting pressure on grant funds

**The first graduating class to be eligible for COAP benefits set an all-time record for a 25th reunion gift.**

was relieved, and as they became graduates, our students embraced the contribution to the shared ethos that COAP represented.

The first graduating class to be eligible for COAP benefits set an all-time record for a 25th reunion gift. It was clear from conversations at their reunion dinner that COAP was something they liked best. Several members of the class, including civil rights lawyers, leaders in public interest organizations, small firm practitioners and people the class was incredibly proud of, spoke of being beneficiaries—a fact widely appreciated by one and all.

The discussion about means and methods of student support took an especially favorable turn, for the Class of 1954, in part to the benefit of COAP. The Class Chairman, an inductee into the Venture Capital Hall of Fame, asked that we compute the value of \$100 if invested in the Yale endowment in 1951—the year the class entered law school. When it turned out the figure was \$15,000, he parlayed that to the scholarship recipients in the class and pointed out that Yale would be far richer if Yale had invested in its own endowment instead of in them. Yet again, the School enjoyed a record result from the ensuing gift.

It isn't only students and graduates of the Yale Law School who salute COAP's impact on student well-being. One of the program's original advisors, Robert J. Shiller, Sterling Professor of Economics and Finance at Yale University and recipient of the 2013 Nobel Prize in Economic Sciences, stated in his celebratory address to the campus that COAP was a "particular source of pride for Yale."

## THE BIRTH OF AN IDEA

It was a very positive contribution to the student loan crisis.

Running a Loan Repayment Assistance Program independently is a formidable task for a single institution, even one with the resources of the Yale Law School. Successor Deans to Guido Calabresi have had to expend a lot of effort in keeping the program intact and viable. From time to time, adjustments are made. Like all innovations, a first adopter faces any number of challenges, some known and some unknown. The beauty of Ardeo Education Solutions, as a provider of LRAP, is its turnkey solution that spares partner colleges the work and worry of developing and maintaining a secure program. The program is almost infinitely customizable. The financial backing is ensured, high-quality client service comes without cost, student approval rates are above 95% and the claims process is entirely in Ardeo's capable hands.

**COAP was a  
"particular source  
of pride for Yale." It  
was a very positive  
contribution to the  
student loan crisis.**