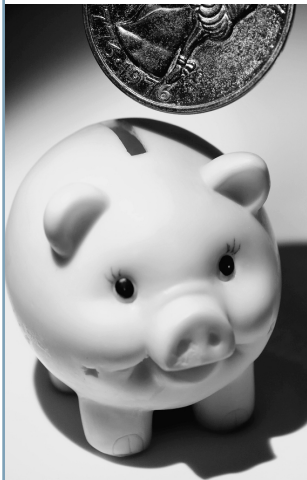




# NEWSLETTER

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+Protesters Speak Out On FinAid  
+Aid And Diversity



## Law School Loans

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## DON'T LET MONEY MANGLE YOUR RELATIONSHIP - DAYANA YOCHIM

There's no more emotionally charged topic than money. Except, maybe, sofas and sectionals. When it comes to matters of taste and finances, everyone wants his or her own way.

Country vs. contemporary. Cash vs. credit. It's not that big of a stretch to see how couples come to blows over sofa styles, saving, and spending. Home magazine offered some sound relationship advice about keeping the decorating peace in the household. These four decorating tips for two can also be easily applied to money management. Grab a throw pillow and settle in:

**Listen up:** Instead of talking in the abstract, go shopping and point out things that you like and dislike — and be specific. ("Love the Lucite table legs, hate the cheetah-print runner.") Same goes for money issues. List out your short-, medium-, and long-term goals. Chances are a few will require some money needs to meet them. Also, write down what expenses (your own, not your partner's) get your goat. Now exchange lists and read without judgment, please. Compare,

### SAVING FOR LAW SCHOOL

Preparing for law school takes a significant amount of financial planning. Only one year at a top U.S. law school may cost over \$50,000, and the cost of college educations continues to rise at a rapid pace. With the current low interest rates on traditional saving products, such as bonds and CDs, you may need to explore other options to help make the most of your money and cover your law school expenses.

As a student, it is never too soon to begin saving for college. If you have a part-time job, start saving some of your earnings from each paycheck, even if it is only a small amount. The more money you can save, the less you will need to borrow. Start out with a small percentage of each paycheck, and then increase the amount you put into savings as your pay increases. Open an interest-bearing savings account at your local banking institution and begin watching your money grow. You may

combine, and compromise. Which leads us to...

**Give a little, get a little:** Compromising is much more palatable if you know you'll get your way in a few areas. He likes chrome, she likes oak. How about an oak sideboard with a chrome Deco lamp? Same goes for budgeting. Come up with an amount each partner can spend every month without question. As for medium- and long-term expenses, come up with a plan that you can both live with and look forward to achieving.

**Try a third party:** When emotions run high in budgeting and widescreen TV placement, get a neutral third opinion. Plug your plan into a personal finance program like Motley Fool Inside Value pick Intuit 's (Nasdaq: INTU) Quicken, fellow Inside Value pick Microsoft 's (Nasdaq: MSFT) Money, or the planning tool included with TMF Money Advisor. There's no arguing with the black-and-white numbers. And if there is, consider taking your budget talk public with a fee-only financial advisor. Nothing inspires civility like someone sitting behind a desk in a suit.

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also want to consider investing your money. Contact a professional financial advisor to find out if this is an option for you.

For parents, setting aside money for your children's college educations is the best way to help them handle the financial burden of law school. You should also get in the habit of saving a specific percentage from each paycheck to place in a savings account, or invest to obtain the greatest return with the least amount of risk. A common investment for parents is a Coverdell Education Savings Account (CESA), formerly called an Education IRA. This type of savings account is designed to assist families with saving for education expenses. An important aspect of a Coverdell account is that these funds can be used to pay for education expenses from kindergarten through law school. Deposits in Coverdell accounts are made with after-tax dollars, and the funds

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Although the market for student loan services is extremely broad, our company has chosen to focus on one elite niche: We cater to the particular needs of law students and graduates. On average, a juris doctorate student will have around \$100,000 in student loans by the time he or she graduates - a much larger amount than many other kinds of graduate students. A J.D. will also often have questions that only someone with a legal background would think to ask. Established and run by attorneys, Law School Loans is prepared to fulfill the needs of law school graduates at every level. We invite you to visit us at [www.LawSchoolLoans.com](http://www.LawSchoolLoans.com).



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*Don't let money mangle your* Continued from page 1

grow in the account tax free. Even when you withdraw funds from a Coverdell account, they are not taxable by the federal government, although you may need to pay state taxes on the amounts you withdraw.

There are limits to the amounts you may deposit in a Coverdell account. If you are a single tax filer with adjusted annual gross income up to \$95,000, or a joint tax filer with adjusted annual gross income up to \$190,000, the maximum contribution is \$2,000 per year. The maximum contribution decreases if your income is above these limits, and if you are an individual making more than \$110,000, or a joint taxpayer with income greater than \$220,000, you will not be able to contribute to a Coverdell account. However, as long as they meet the appropriate income levels, anyone may contribute to a Coverdell account, including the student, grandparents, etc. Contributions must be made in cash before the student turns 18. These funds are always controlled by the account owner and may be used for qualified education expenses of siblings if the intended beneficiary does not use the funds in the account.

Your state may also have a "Section 529" plan that helps families save for their children's college expenses. These plans are

*Saving for law school* Continued from page 1

**Bring on the memories:** Remember your first date? What did you do? How much did it cost? Who paid? And what was the rent on that first apartment that was such a dump? There you go, you're laughing and recalling the sweet nothings that drew you two kids together in the first place. Money doesn't have to be a sore spot in your relationship. Keep reminding yourselves of those strong bonds that attracted you to each other.

## **SAVINGS FOR TWO**

Now that you two are all lovey-dovey again, it's time to curl up in front of the filing cabinet. In addition to always having a date for New Year's Eve, there are many financial advantages to being a twosome.

No one is happier to see you married than your mother, but your insurance agent is pretty giddy, too. Car insurers see stability (and safer driving) in matrimony and reward those who tie the knot with lower premiums. Further discounts come to couples who combine auto policies with renters' or homeowners' coverage with a single company, because they're bigger (and better) customers.

Where else can officially hitched twosomes see savings?

**At work:** Closely compare benefit plans for duplication. For example, if your spouse can cover your health insurance, maybe you can go for some other options such as a cafeteria

authorized by Section 529 of the Internal Revenue Code. If your state has such a plan, the maximum contributions per child each year will be determined by your state. Section 529 contributions are generally not deductible on your federal income tax return, but taxes on the earnings within the plan are deferred until the student goes to college. When the student enters college, the earnings will be taxed at the student's tax rate.

State sponsored plans are low risk, and are generally beneficial. However, you should look into the attendance requirements related to the plan. Some states only allow these funds to be used at in-state schools, and some plans have provisions that allow a penalty to be assessed if the student attends an out-of-state institution.

Of course, using savings is not the only way to pay for your education. The majority of students have to rely on other financial aid options, such as loans, to fund their educations. It may be difficult to forecast how much money will be needed for law school, but if you think your savings may fall short, you should begin investigating other funding options, such as federal loans, private loans, and grants. There are programs available to you to ease the stress and financial burden of obtaining a legal education. You should plan ahead, and take advantage of all of your available resources.

plan, additional vacation time, supplemental life insurance, or dental coverage for the dog.

**At the bank:** No matter what banking setup you choose (a single combined account, two separate accounts, his, hers, and ours...), be sure that your bank knows you're legally bound. Accounts that are linked may qualify for lower fees or higher interest rates, which usually require a minimum deposit across accounts.

**In your bills:** Sharing dish-washing duty is only part of living under a single roof. Now you get to split the cable bill, the newspaper subscription, and lawn-care charges! What about food and clothes? Take advantage of being a bigger consumer by buying the half-gallon rather than the quart of milk, the case of wine, or the really big bag of Doritos. Motley Fool Stock Advisor pick Costco (Nasdaq: COST) was tailor-made for couples.

What to do with all that dough you two lovebirds are saving? How about using it for some friendly competition? Set up mock portfolios, pick stocks, and see who's the better investor.

Oh, and treat your mother-in-law to dinner out once in a while.

Intuit and Microsoft are Inside Value picks. Costco is a Stock Advisor pick. For a 30-day free trial to the newsletter(s) of your choice, click here.

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For more couples money therapy, check out The Motley Fool's Guide to Couples & Cash: How to Handle Money With Your Honey. Dayana Yochim owns none of the companies mentioned in this article, though she has enough bad bridesmaid dresses

to attend any of their future mergers.

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