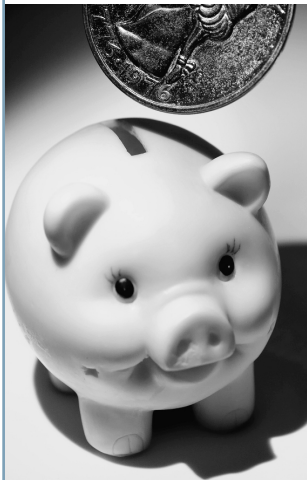




# NEWSLETTER

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+Protesters Speak Out On FinAid  
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## Law School Loans

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## MISTER ROGERS' MONEY TIPS

- DAYANA YOCHIM

For more than 30 years, Mister Rogers invited television neighbors into his two-bedroom bungalow in the neighborhood of Make-Believe. During that time — from 1967 to 2001 — the rest of the network TV neighborhood was going to pieces. Fast cuts, frenetic action, and product tie-ins became standard children's programming fare. Through it all, Mister Rogers stayed on message. His message. Even when the world beyond the cathode-ray tube got complicated (wars, gang violence, social shifts, school shootings), Fred Rogers kept his cool. His patient, soft-spoken way with children was such a strong influence that he achieved rock-star status for several generations of kids.

His wish, he once said, was that kids who watched Mister Rogers' Neighborhood would take its lessons of kindness, compassion, and level-headedness with them into adulthood.

Sometimes we have to wonder whether anyone on Wall Street bothered to watch Mister Rogers' Neighborhood. At the very least, did they learn the right lessons from it? (Note to Enron, WorldCom, and Krispy Kreme : The Land of Make-Believe does not apply to accounting standards.)

## FINANCIAL AID OPTIONS

Paying for law school can be a daunting task. Unless you are independently wealthy, you will probably need to explore your funding options e task. Let's face it. Law school is very expensive, and unless you are independently wealthy, you may need to fully explore your financial aid options. There really is help out there for you. Your financial aid office may be able to point you in the right direction, but the following is a brief description of the major resources available for funding your education.

A major source of education funding comes from the federal government. After all, it's in

Even if we ignore the sour side of the Street, it's hard to summon the Zen of Mister Rogers with our 24-hour stock quotes, money news, and raging cases of acute BlackBerry carpal tunnel syndrome. But as the market obsesses over the latest earnings news from Yahoo! (Nasdaq: YHOO), eBay (Nasdaq: eBay), and Apple (Nasdaq: AAPL) — if you must, click here, here, and here for the latest — it's the perfect time to call on our neighbor for some financial perspective.

It has been nearly three years since Fred Rogers died at age 74. We interviewed him in November of 2002. (Here's a [link](#) to the audio file.)

There was no separating the TV persona from the man — both were straightforward, reflective, and uninhibited about breaking into song. He had just published The Mister Rogers Parenting Book and talked easily about growing up with a Depression-era mindset, about his career (he approached his work as a ministry, not a business), about how to help kids have a good attitude about money, about Eddie Murphy, and even about Enron . What follows are a few excerpts from Mister Rogers' visit to our neighborhood of Fools.

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everyone's best interest if our country's citizens are well-educated and have good jobs. Each year, the government provides billions of dollars of financial aid to help millions of students finance their postsecondary education. The most common type of federal education loan is a Stafford Loan. Stafford Loans may be issued directly from the government to the student, or they may be issued by a private lender, such as a bank or credit union, belonging to the Federal Family Education Loan Program (FFELP). Either way, these loans are guaranteed against default by the federal government.

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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).



# NEWSLETTER

*Financial Aid Options continued from page 1*

requirements. Some of the requirements are that you must be a U.S. citizen or permanent resident, you must be enrolled at In order to receive a federal loan, you must fill out a FAFSA (Free Application for Federal Student Aid), which you may find online or through your school's financial aid department. You must also meet the federal government's eligibility least half-time and be pursuing a degree or certificate, and you must maintain satisfactory academic progress.

Another important benefit of Stafford loans is they may be subsidized, meaning that the government will pay the interest that accrues on the loan while you are in school. Subsidized Stafford Loans are generally given to students who can demonstrate financial need. If you receive an unsubsidized Stafford Loan, you will be responsible for paying all of the interest, although you may have the payments deferred until after graduation. To qualify for an unsubsidized Stafford Loan, you do not need to demonstrate financial need.

The amount of your Stafford Loan will vary depending on your year in school. However, graduate students may borrow up to \$18,500 each year (with \$8,500 being subsidized) with a combined limit for graduate and undergraduate federal loans of \$65,500 for dependent students.

Stafford Loans have variable interest rates, and this interest rate is adjusted each year on July 1st. Stafford Loans have an interest rate cap of 8.25%. All lenders offer the same base rate for Stafford loans because the interest rate is pre-determined by the government, although many lenders offer payment incentives and/or discounts to help you reduce your interest rate further.

Students who use Stafford Loans to finance their education will also enjoy a six-month grace period before they begin repaying their loans. The grace period starts upon graduation or any time the student's enrollment status drops to below half-time. During this grace period, no payments for interest or principal are required. Additionally, in times of financial difficulty, students may be able to defer their payments or apply for a period of forbearance until their situation improves. Federal loans generally qualify for up to two years of forbearance over the life of the loan.

Private student loans have many differences from federal student loans. However, if used properly, they may also be an effective tool for education funding. Private education loans are issued by lenders such as banks and credit unions. They are regulated by the federal government, but there are no guarantees against default.

The main difference between federal loans and private loans is that private loans are credit-based. This means that your eligibility is determined by your credit rating. Requirements do vary by lender, but most private lenders will allow you to use a cosigner, or co-borrower, to qualify for a private loan. Furthermore, private lenders may require proof of income from the student or a cosigner before the student is approved for a loan.

Another difference between federal and private student loans is in interest rates. Generally, private loans will have a higher interest rate than federal loans, and the student's (or cosigner's) credit score may have an effect on the interest rate. Many private lenders start at a prime interest rate and then add a margin depending on the credit score. If the borrower does not have good credit, the interest rate will be higher.

Your school may also offer some type of institutional funds, such as scholarships, grants, Perkins loans, or work-study programs. You should discuss these options with your school's financial aid staff. To qualify for most institutional funds, however, you may need to demonstrate financial need. As a law student, you should also look into opportunities for paid internships to help with your finances and provide you with valuable experience.

Your parents may choose to help you finance your education by taking out a home equity loan. This type of loan is also credit-based and depends on the amount of equity you have in your home. An advantage to this type of loan is that the interest is typically tax-deductible.

Another financing option is through the use of personal assets, such as 401K plans, stock portfolios, savings accounts, and IRAs. Using assets offers a debt-free option for funding your education. Before you liquidate an asset, though, you should weigh the potential earnings against the fees, penalties, and interest associated with a student loan. You may find you are better off hanging onto your assets.

In a crisis, you may need to use your credit cards for some of your education financing needs. This is usually not the best option for parents or students, and should only be considered if you have no other less expensive ways to pay. Since the interest on credit card debt is generally much higher than on other types of debt, using your credit cards should only be a last resort.

Paying for law school does not have to be stressful. If you take the time to research your options, and effectively use your resources, paying for law school will not be as much of a burden. Through institutional, private, and federal funding, as well as using assets and other forms of credit, you can find manageable ways to finance your education.

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# NEWSLETTER

*Mister Rogers' Money Tips continued from page 1*

## ON HIS CHILDHOOD

Rogers was born in Latrobe, Pa., in 1928 — one year before the stock market crash and the beginning of the Great Depression.

“Most of us who grew up in the Depression are quite conscious of being careful with money and other things. Probably the roots of my recycling start in the Depression. I recycle everything I possibly can find. I’ll stop my car and pick up a plastic bottle on the street to take it home to recycle.

“When the tenor of the whole country is such that everything is limited, that sticks with you. I was only 2, 3, 4 years old at that time. And yet you get those attitudes from the people that you live with — those who are closest to you.”

## ON TEACHING KIDS ABOUT MONEY

“Feelings about money — saving and spending, holding back and letting go — start very early in our lives. Stingy people have often been forced to give when they were very, very young, when they weren’t ready. And generous people have often been really appreciated when they were very young.

“One of the best things we can do as parents is to remember what it was like to be a child: Get to know who they are. Ask them to help you. Introduce them to people of excellence. Tell them that you expect of them — that you expect their best, but not perfection.”

## ON WORK

“[My work] has always been a ministry for me. I felt that people really wanted was to be in touch with somebody who cares about them and appreciates them. And so through the Neighborhood we’ve been able to do that a lot. We have wonderful guests. Those people who come to offer their own talents — it’s a great thing to do.”

On the PBS website, Rogers offered parents this advice about helping kids make the connection between work and money:

“It can be helpful for children to know not only what their parents do, but also that working for money can be a part of caring for children. With the money they earn, parents can buy the things that children need. But parents can’t always buy everything that a child wants. None of us can have everything we want! We all have to learn to make choices about the way we spend our time, our money, and our other resources. ...

“One of the ways that children begin to learn about choices is by making decisions in their play — deciding how to use the blocks or what to do with the Play-Doh or finding the best way to make a mountain of sand. Play is so often the way children learn about the world around them.”

## ON LOSING HIS TEMPER

“I wrote a song. [He sings]: What do you do with the mad that you feel, when you feel so mad that you could bite?”

“A little child said that once.

“I get angry when I think that justice hasn’t been served. And to me, justice is taking care of those who aren’t able to take care of themselves. So that’s the kind of thing that can get up my ire.”

## ON EDDIE MURPHY’S SATURDAY NIGHT LIVE SPOOF, MR. ROBINSON’S NEIGHBORHOOD

“I met him one time out in the hall of NBC. He said to me, ‘The real Mister Rogers!’ and he threw his arms around me. I think that Eddie Murphy did that takeoff with real affection. He obviously wanted people to know that this was a neighborhood that included all of us. And, in fact, it has been.”

## ON WALL STREET SCANDAL

“What do you think it is that drives people to want far more than they could ever use or need? I frankly think it’s insecurity. How do we let the world know that the trappings of this life are not the things that are ultimately important for being accepted?”

“That’s what I’ve tried to do all these years with the Neighborhood.

[He sings:] “It’s you I like. It’s not the things you wear. It’s not the way you do your hair ... but it’s you I like. The way you are right now. The way down deep inside you. Not the things that hide you. Not your fancy toys. They’re just beside you. But it’s you I like. Every part of you. Your skin, your eyes, your feelings, whether old or new. I hope that you’ll remember even when you’re feeling blue. That it’s you I like. It’s you, yourself. It’s you. It’s you I like.”

More on kids about money:

[Mom's Money Tips](#) [First Stocks for Kids](#) [Tell Your Money Secrets](#) [Hannah Gets a Visa Card!](#) [Make "Mini-Me"](#) [Balance the Checkbook](#) [Baby's First Bill](#) [Money Memories](#) [Dude, Where's My Retirement?](#)

Dayana Yochim spent her formative years engrossed in Mister Rogers’ neighborhood and then went on to dreaming of becoming a “Zoom” kid. She holds no financial position in any of the companies mentioned in this article. eBay is a Motley Fool Stock Advisor pick. The Fool’s disclosure policy is downright neighborly.

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