



## Episode 92: Top Questions from Incoming 1Ls about Law School – Money!

Alison: Welcome to the Law School Toolbox Podcast. Today we're answering some questions we got recently from 1Ls about all the different financial aspects of going to law school so stay tuned! Your Law School Toolbox hosts are Alison Monahan, that's me, and Lee Burgess. We're here to demystify the law school and your early legal career experience so that you'll be the best law student and lawyer you could possibly be. We're the co-creators of [The Law School Toolbox](#), [The Bar Exam Toolbox](#), and The Catapult Career Conference. I also run [The Girl's Guide to Law School](#). If you enjoy this show, please leave a review or rating [on iTunes](#) or your favorite podcast app. If you have any questions, don't hesitate to reach out to us. You can always reach us via the [contact form on lawschooltoolbox.com](#), and we would love to hear from you. With that, let's get started.

Lee: Before we get started, if you're listening to this and will be starting law school this fall, we encourage you to check out our Start Law School Right course. This course walks you through what we think you need to know to be successful in your 1L year. Wanna learn more? Check out the course page at [lawschooltoolbox.com/start-law-school-right](#). Feel free to reach out to us if you have any questions or wondering if this program is a good fit for you.

Welcome back. Today, we're answering some questions we've recently gotten from 1Ls about all the financial aspects of going to law schools. If you have a question, feel free to send it in using the [contact form on lawschooltoolbox.com](#). All right, let's jump right in. People are currently in the midst of deciding which law school to attend which brings up one big question, [when should you take the money?](#) And here, presumably, we're talking about taking the money at a lower ranked school and turning down a more prestigious option. So, Alison, what are your thoughts on this?

Alison: Well, I think obviously, this is a really tough question and a very personal question. I mean, to be honest, I often advise people to take the money. I mean, it depends a lot on where you want work, what type of job you think you're going to want do, the delta -- You know, the difference between what you're being offered at one place versus another place, the difference in prestige. Sometimes you get questions like, "Well, I've got a full ride at Columbia, but I may have to pay full price at Harvard. I should go to Harvard, right?" And I'm like, "Are you out of your mind? Really?" I personally don't think that that would be a totally reasonable financial choice. You're welcome to make that choice but, if you're looking at the difference in Harvard and a school that's tier two,

that's a different story. There, arguably, maybe it is worth it to pay depending on what you want to do.

Lee: Right. I think that's a lot of it. You really have to look into the future. If your goal is to be a public interest immigration lawyer, and being saddled with a \$100,000 plus of debt is going to be a huge impact for anyone, but with your professional goals, it's not going to be easy to pay that down, and you're getting the gift of \$100,000 from a school, that's probably something you need to at least really sit with and see could you be happy with that choice or is it still going to get you towards your goals. You know, is there \$100,000 worth of a benefit of this other opportunity. Because that much debt can really change your post-law school life reality.

Alison: The flip side of that is, oftentimes, higher ranked schools are more generous with loan payment and things like that. Although there you really have to dig into the details and make sure you understand what job would qualify, what happens if you get married and suddenly they're taking into account your spouse's income, is that going to kick you out of the program? So, suddenly you're going to have \$200,000 ... Sorry. You're going to have \$2000 extra you're supposed to pay every month and, maybe that's feasible or not feasible. I just think, you know, people really have to think seriously about what it is that they're getting into.

And there are student loan calculators online where you can type in a certain amount and a certain interest rate. Interest rates are pretty high on graduate loans. So, that's going to make a big difference. And you can actually see, "Oh gosh, if I borrow \$150,000 at 6% interest, this is what my payment is going to look like for 10 years." And I think a lot of people would be very surprised about that.

Lee: It can be very sobering.

Alison: Yeah, for that you really going to back out. "Okay, well, I'm spending, you know, \$2000 a month on my loan payments for 10 years. How much money do I need to make to be able to afford that?"

Lee: Because you probably need a house and stuff too.

Alison: Well, yeah. But that's just your loans. You know, you're like, "Yeah, exactly." You have to calculate a place to live or something to drive or the transit you're going to have to take. I mean, you've got to really think seriously about how taking on all this debt is going impact your life because it definitely does.

Lee: It absolutely does. And I think it was even surprising to me out of law school, when I was looking at my loans, there was a point where like any other loan that I might've had, be it a mortgage, a car loan ... there were many of these different options that all had a lower interest rate than some of my school

loans. It's really crazy that some credit card deals were better than my school loans were. You have to really think about what you're taking on at these different interest rate levels.

Alison: Yeah. And if you do decide that you're going to take the money, you also have to be aware of what you're getting into there, because the reality is certain schools, you know, they give a lot of 1L scholarships. But a lot of people don't keep those scholarships. So, you know, you've got to think seriously about, "Well, what if I can't maintain the GPA requirement?" And in some cases, it's unfortunately structured ... The system is structured so that a lot of people cannot, just mathematically, maintain those GPA levels and keep the money. So, would you pay full price at the school? You know, for your second and third years that's what happens to some people. What are you going to do? Are you going to drop out? You know ... I mean, what are you going to do if you don't keep this money?

Lee: I think that's a really, really good point. You've to run all those scenarios. You know, lawyers are trained to be worst-case scenario people. That can make us difficult to love and build lives with sometimes. But in this case, you do want to run all the worst-case scenarios. What if you lose the scholarship? What if you don't get the big law job that you want? We talk to a lot of students that say, "Well, I'm a 1L and I want big law to be my future." Well, that's great to have that goal, and we can help you try and get to that goal. But that's not a guaranteed ticket anymore. Maybe it used to be, but there aren't as many jobs as there used to be. It can be a little harder to make sure, depending on what school you go to, that that is the career path you're on. And even if you are on that career path, you can graduate in challenging economic times.

I graduated in 2008. I came in, I started on time. The class after me, they pulled offers. People were losing big law jobs, who were getting laid off, start dates were getting delayed. Like all these things are happening and people are like, "Whoa, what happened to my cash cow job?"

Alison: Yeah. Like, "Wait a second. I've got \$150,000 in debt. You promised me this job. What am I supposed to do?" And they're like, "Sorry. Maybe you'd like to go intern for a year. We'll pay for like \$50,000 for that."

Lee: Right. It's really challenging. So, it's not ... Not saying that you shouldn't take any risks, you just need to really understand the risks. And if you've got two scenarios and one is a much lower risk from a financial stand point, you should seriously look at it.

Alison: Yeah, again, it really depends on your personal scenario. It depends on your personal goals. It depends on your personal risk tolerance. It depends on how much financial family backing you have. If your parents can save you if they have to, that's really different from someone who's a first-generation college student. You know, who really doesn't have any sort of safety net. So, you know,

you've got to do what you're comfortable with. But I think the key is just you really have to understand what you're getting into, and be realistic about what that's going to do essentially for the rest of your life.

And also, things to think through, you know, there are limits to how much 1Ls can work and a lot of people would argue that 1Ls shouldn't work at all. But, you know, maybe you're someone who in college always had a part-time job to supplement income. Well, that can be challenging to have a part-time job. Oftentimes you work for free your first summer after law school. If that's the case, then you need to also realize that you may not really be making money that summer either. How does that play in? You know, you kind of have to think through how it's going to look year-to-year to make sure that you are planning out and you know what you're getting into for a long haul.

Lee: Yeah, and just being realistic. I mean, everybody, of course, thinks that they're going to be at the top of the class but the mathematic reality is that not everyone could be at the top of the class. So, whatever you decide to accept, I think you should really not accept with an idea that you're going to be anything other than the average student at that school.

Alison: Right.

Lee: And if you are greatly above average? Fantastic. But you can't really predict that right now.

Alison: Right. Yup. So, what about if you get your scholarship package, if you get your financial aid package, and you've got a couple offers? Do you just have to sit there quietly at your desk and pick one? [Or do you get to use your pre-lawyer skills and negotiate something else?](#)

Lee: Oh, I think you should definitely, definitely negotiate in this scenario. I think sometimes people either don't realize that's acceptable or they don't feel comfortable with it. It literally could just be a single email to the school that you're most interested in attending saying, "Look, you guys are my top choice. I'd really love to attend. However, I have a scholarship offer from a similar school, and here's the number. This is making it very challenging for me. It's really hard for me to turn this down because I just got out of the Peace Corps. Is

there anything you could possibly do to re-examine my file and maybe increase my scholarship?"

This will take you ten minutes maybe to like craft this email to your personal specifications. It could get you thousands or tens of thousands more dollars. Send that email!

Alison: Yeah. There's no downside. They're not going to say, "No, we're pulling your admission letter." They're not going to say that.

Lee: No, exactly. It's like, "Just send the email!" And the worst thing they can do is say no. But yeah, you should definitely, definitely try to leverage any other offers you have. I mean, sometimes you'll be like, "Well, it's not exactly comparable school." I mean, I can tell you from personal experience, I got Columbia to give me more money for school that was really not comparable. You know, and basically sometimes they just do it and sometimes they don't. But it never hurts to ask. You know, the way that all this money is handed out at schools is, I think, a bit of a dark art. I mean, there's no way for you to know what's available to prospective students.

Alison: Right, and there's just no harm in asking. You'd want to be polite about it. But it just doesn't require that much effort to ask for it.

Lee: Yeah. All right, so let's just assume that you've now got all the money that you need to start your semester and now you're going to go, right? I mean, you just get your check and you're fine.

Alison: Well, we've been getting a lot of questions around student loans because, I think, for a lot of people they haven't necessarily had to take out student loans before so, how does it work? Do they just like send you a check? Does the school take the money? You know, things like that. So, let's just talk about kind of the basics. So, first of all, how do you even get this money?

Lee: I think it's a great question.

Alison: Is it just going to rain like dollar bills? Like you're in Vegas?

Lee: Yes! Well, you do get the money sent to you. Usually by a check or I think some people get a direct deposit now. I think you can set it up so that it's electronically transferred, but it's usually transferred on a semester basis. That's my understanding for most students. Don't you agree?

Alison: Yeah. So, I remember, basically at the beginning of the semester, you'd get a notice, "Okay, your loan has been dispersed for this semester." I mean, obviously, you have to sign everything beforehand saying, "Okay, I'm going to pay this back." You probably have to go to like an entry counseling session where they tell you, "Oh, you know, don't spend too much money in school

because you're taking a bunch of loans out." But you've signed off. You're like, "Yes, I want the money." At least at Columbia, they sent most of it straight to the school to pay tuition. So, you don't see that money necessarily in your bank account. So, if you have a scholarship or a grant, typically that's going to go in around the same time. So, all that kind of goes to pay your tuition. And then you get essentially what's leftover.

Lee: Yeah. And that date that you get that money, we hear from different students it can really vary. So, if you can, have a teeny-tiny bit of cushion, because sometimes those checks or that funding, that extra money is a little late and you don't want to, for instance, not be able to pay your rent.

Alison: Yeah, exactly. I mean, I think if you could have some sort of emergency fund that enables you to fund yourself for at least a few weeks. Because, yeah, oftentimes the check—something happens or they're just a bit delayed. I mean, you can't really rely on them coming in exactly when they're ... You know, oftentimes they don't really tell you anyway. It's like, "Oh, it'll be around the second week of January."

Lee: Right.

Alison: And you're like, "Okay, great. I kind of need to pay, you know ..."

Lee: For books.

Alison: "I need to not be evicted. I need to pay for books." So, I mean, you know, you can float some of that on a credit card and stuff. But there again, you know, like you want to know like when's the money coming so you're not stuck paying a bunch of interest charges on the credit cards that you had to use to pay for books.

Lee: Yup. Exactly. And if you're really unsure about how you're supposed to get your money or how this all works, you should go become best buddies with your financial aid office at school. There are people who should be able to explain this to you.

Alison: Yeah, I mean, if you have problems or you're just not sure what's happening, you want to have someone that you can talk with. So, ideally, you want to have some sort of relationship with that person before you go in in tears.

Lee: Yeah.

Alison: But, I mean, inevitably there are going to be some issues. Like stuff isn't really going to show up on time or it's not going to be the exact right amount since

you thought were getting. So, learn who it is that's responsible for helping you and make those people your allies.

Lee: Yeah, exactly. And make sure you understand how much you can borrow. And be strategic and know if that's going to be enough. You know, there are all these different types of loans. I mean, like federal loans, private loans, and, you know, what are the limits, and again, what does that mean for repayment? Five grand may not sound like a lot more between one year to the next now. But you know, you do that at an interest rate, what is that five grand really costing you? So, you know, ask a lot of questions before you just say yes to all the available money.

Alison: Yeah, you want to be sure you understand, you know, which are the least costly loans. Are they federal? Are they private? I mean, typically the government ones I think are better. I don't know if that's still true. But, you know, you want to understand this. And if you have circumstances that are not just "I'm a single person who's going to law school and living with three roommates," but, say you have a family or supporting kids. You're a single mother. You may need to do some investigating to figure out how you can possibly cover all of your expenses that are not necessarily included in that typical student budget.

Lee: Yeah. So, you need to early and often talk to financial aid so that you have all the information possible. Because money stressors during the semester can be a huge distraction from getting your work done and being successful academically, which is your primary goal really in school. And so, the more that you can get this figured out in the earlier ends to prevent drama, the better.

Alison: Right. Because, you know, you don't want to be in a situation where, for example, your car needs a repair and that's the only way that you have to get to class, and you don't have the money for that.

Lee: Right.

Alison: I mean, anything you can do to kind of build up a little bit of financial cushion over the summer or however. Maybe you ask everybody to give you like birthday gifts of cash this year, because you need to put it into your school fund, basically. But trying to have some sort of cushion to cover like the basic emergency situations you're likely to encounter: someone gets sick, your dog has to go to the vet, your car breaks down, whatever it is—it's just going to reduce your stress and allow you to focus on school.

Lee: Yeah. You know, I think it's so interesting now with the GoFundMe campaigns or I had a friend that I grew up with who was just raising money to do an album. She's a singer, songwriter, and you know people are donating to her GoFundMe campaign to launch this album. I think it really is an interesting time where if that's what you need from your village, if that's the support you need, just like people are getting married and doing, you know, honeymoon funds or you

know home down payment funds as wedding gifts, ask for support, you know? Say, "Thank you for wanting to buy me this \$30 scarf but I could really use \$30 in my emergency fund more."

Alison: Yeah. I'm from the South so I'm like, "Oh, that sounds so rude. I couldn't possibly do that." But you know, I think giving people the option to help you, you can have a law school shower. Why not?

Lee: Yeah. Exactly. You can have an Amazon wish list of like books that you need for your first semester. Whatever it might. You can get creative to help your village, you know, cut down some of these costs or create this rainy-day funds.

Alison: Yeah, I mean, it's quite possible your spinster aunt who has plenty of money might just be perfectly happy to spend several hundred dollars buying you law school books on your Amazon wish list. You never know

Lee: Yeah. You never know. Okay, so you get all these loans, when do you have to start paying them back?

Alison: Well, typically you're not going to have to start paying them back until you graduate. The problem is, at least on some of them, interest is going to start accruing immediately. So, you know it's a totally open financial question and individual circumstances vary, but you're probably not going to have to repay them until you graduate. But you're going to have to start repaying them pretty quickly after you graduate. And I don't even think they let you wait until you've taken the bar.

Lee: If I remember correctly, but I think the loans, at least, when I graduated kicked in in November or something like that.

Alison: I think it was like six months.

Lee: Yeah. And then you could defer again, if you weren't working, to try and push them off a little bit longer. But again, you're incurring interest so it's not totally free money. I mean, you need to start paying them down. But if you aren't working, you can oftentimes get a hardship allowance to push them out a little bit longer.

Alison: Right. And then if you'll ask, "Well, are there other ways that somebody else can pay these loans for me?" And the answer is yes. I mean, in theory your school might have a loan repayment assistance program or an LRAP. And also, there are certain government programs for public service and things like that. Or if you really have a hardship situation, they're not obviously going to pay them back for you, but you might end up getting them forgiven. But it's going to be 20 or 30 years down the road. And not generally going to be a great situation. So, I

think your primary operating assumption should be that you were going to have to pay these yourself.

Lee: I think the other thing to remember is if you aren't performing well by paying your student loans, it's going to show up in your credit report. It's going to make it harder for you to do everything else that you want to do, get a car, get a house, get a credit card. You name it. So, this stuff does show up on your credit report and you don't want to mess with it, because it can be really problematic.

Alison: Yeah, it's something to take seriously. In fact, we have an episode coming out shortly with the guy who created this website called Financial Panther. He is an attorney and actually paid off, I think it was around \$80,000 of loans. So, he actually took the money at his school and still had \$80,000 of loans. But he paid those off in two and a half years when he started working in a law firm. Yeah, so that's a great episode if anyone's interested in this topic about how he actually did that.

Lee: Yeah. And it's something you really want to take seriously and look down the road to. If, like you said, you've got \$2000 a month, every money and you're looking to try and buy a house, it's going to be maybe hard to save and do \$2000 a month of loans and pay your rent and get a dog walker and get takeout because you're never home to cook and ...

Alison: Yeah. Well, also, they look at your total debt load when you're looking for houses. People who're giving your mortgage do not really love to see \$200,000 of student loans.

Lee: Right. That might be more than the mortgage depending on the house.

Alison: No, like, actually that was your house right there.

Lee: Yeah. Exactly. Okay, so now you're in school. I mean what suggestions you have for minimizing the debt load while you're in school? Maybe you don't have to take out so much, or you're just not straining yourself so much so you have enough money.

Alison: Right. Well, I think you got two sides of the equation, I mean you want to minimize your expenses and you want to maximize your income. So, in terms of minimizing expenses, I mean it's the old story. If you live like a lawyer when you're a student, you're going to live like a student when you're a lawyer. So, you know, the student years are the time to be living with roommates, minimizing your transportation costs. You know, taking stock of your entertainment expenses, like are you traveling the world? Maybe that's not what you really need to be doing right now, you know? Are you spending tons of money on going out to fancy dinners or really expensive drinking? You know, you can spend your money on whatever you want, but I think you just have to

realize if you're spending loan money taking a vacation to, say, Bali. You know, you're going to have to pay that back later.

Lee: Right. It might be a really, really expensive trip to Bali.

Alison: Yeah. Not to say you shouldn't do it, it's a great memory, but think about it.

Lee: And there are some ways that you can think about making money even while you're either in school or over the summers. So, we like to call it the "side hustle", but I was an SAT tutor while I was in law school in my first year, to make some money on the side, because it was really flexible work and I liked doing that. And now, there's this whole slew of stuff, especially if you live in an urban area, when you've got TaskRabbit and delivery apps like InstaCards. You know, dog walkers, Ubers, Lyfts, I mean, you name it. There are tons and tons of side hustles that even on your breaks, you can just work for couple weeks to try and make some extra money. You know, even in a metropolitan area like babysitting can make you pretty good money by the hour, actually. You know, so, there's a lot of stuff that you can do to supplement your income without really jeopardizing your academics.

Alison: Right, I think sometimes people think of side hustle type things as actually being something enjoyable that they just happened to get paid for. You know ... So, for example if you're doing some sort of bicycle delivery service food, well, that's exercise. So, you're basically getting exercise and you're getting paid. You know, or if you really love dogs, and you're sad that you can't have a dog because you're in school? Well, you can join a dog walking app and then you can get paid to walk other people's dogs.

Lee: That's so true.

Alison: Yeah. You know, it doesn't have to be this like, "Oh, I'm like wasting so much time like getting paid nothing." It's like, "No, I'm getting paid \$20 an hour to go and walk someone else's dog which I'd do anyway for free."

Lee: Right. I have another friend, in a way to save money, that loves doing yoga and does a cleaning exchange at the yoga studio. For one hour or 90 minutes of cleaning, she gets like unlimited yoga classes for something like \$20 a month. I mean, it's like a really amazing trade. Totally worth an hour and half of the time. But I mean, that unlimited yoga for a month will be hundreds of dollars.

Alison: Yeah. Totally. I saw some law student had a blog where she was going around to different gyms in New York City and doing like a free week at each one. So, you know, you may even not have to pay for a lot of stuff.

Lee: No. People oftentimes have student discounts for things. Gyms and ... I have another friend who rents a gym in San Francisco and they have a student rates that you just need to ask about. You kind of have to ask a lot of questions, and I

think if you've been working it can be hard to get back into that zone. If you've had a job or if you've felt very comfortable financially, it can be like, "Oh, I don't want to be that person again who doesn't have any cash." But it's okay. You're in school. Everybody understands, you know? You can be that person for a while.

Alison: Yeah, and if it saves you a year on your student loan repayment because you decide to really minimize your expenses, you know, instead of buying 10 supplements, you're going to share some with your friends or you're going to rent them from Amazon and return them or buy them used. I mean, these are like pretty minor things you can do that actually kind of add up quite a bit in the end.

Lee: Yeah. I even have friend who to save money, they've done like cooking parties where they come together and they all bring stuff to make kind of these big salads that they put in these mason jars so they can all like pool their resources and then have food to stuff their fridges which is a lot cheaper than eating out. Which is kind brilliant. In my law school, the food on campus was so expensive that if you were trying to save money the first you needed to do is not buy coffee and food on campus. Like a salad was like \$10-\$12. Not worth \$10 or \$12.

Alison: Yeah. And it probably wasn't even very good.

Lee: No. It was terrible. Horrible. So ...

Alison: So, I think, thinking about, you know, ways to how like on a Sunday you can spend a few hours cooking and prepping a bunch of meals for the week so that you're ready to go. It's easy to take them with you, it's healthier. You know, stuff like this, I think you can minimize your expenses to the extent possible and end up in a better financial place. The other thing that we haven't really talked about is maybe there are outside scholarships you can look at. You know, like the ABA or your local Bar Association. Lots of different places.

Lee: Some alumni associations. I know at my law school, I think the Women's Law and I think the ... Maybe it's the Asian American Bar Association. A few of them do their own scholarship awards for students in law schools.

Alison: Lots of affinity groups. So, if you potentially are in any sort of affinity group of any type, that's a great place to look for someone who might be willing to give you more money for free.

Lee: Yeah. And ...

Alison: Always good.

Lee: You know, some ... As I mentioned, that first summer job can oftentimes be free, unfortunately. But some summer jobs are not. You can decide. Maybe you

have an offer for money and an offer for no money, and you decide to take the one for money. Or that second semester job has the ability to be a way to make money. Or you do it for free but you only work 30 hours a week so you can side hustle 15 extra hours a week to make ends meet. You just have to get creative to make it work.

Alison: Yeah, and oftentimes at school have funding to a certain extent for public interest work and things that. You know, you want to make sure that you're aware of what are deadlines for that funding? How do I apply for it? So, that you can put yourself in line to actually get the job that you want but not be literally like scraping ramen out of the bottom of a jar for the entire summer because you have no money for food.

Lee: Right. Yeah. Which is not a good place to be. You're not going to perform well if you're just eating ramen all the time. It's not going to go well. And you know, it can hard because maybe you get a "better" job opportunity that's not paid versus one that is paid. And this, just like these early decisions about where to go to law school, you really have to sit and think about your goals and realize what that means to not make money for that summer, and make sure that the opportunity cost of the lost income is worth it.

Alison: Yeah. Absolutely. I mean, you know, this something that plays out during the summer and also that plays out on that first job search after school, you know? Should you take the job you really want or do you take the job that pays more?

Lee: Hard.

Alison: It's really hard. And I think this is why a lot of people who have the opportunity at a higher ranked school to go into a big law job take that job even though if you'd have asked them before they started law school, "Is this something you're interested in?" And the answer would've said, "Absolutely not. Like there's nothing I'd like to do less." And that's kind of sad.

Lee: Yeah. Yeah, it really is. So, you know, these are not easy questions, and I guess the biggest takeaway is just really think through the scenarios, and weigh pros and cons. I think your goal is to not regret these decisions, or to just make the best decision that you can, given the information that you do have at the time.

Alison: Right. And the other thing you keep in mind is a lot of these are not necessarily permanent decisions. So, if you decide as a 1L like, "Okay, I'm going to take the full-ride scholarship at a lower ranked school, because I think I can do really well

there. And if I don't do well, at least I'm not, you know, spending tons of money." And then you end up doing really well, you can probably transfer.

Lee: Yup. Exactly.

Alison: And you might end up paying full price or, you know, close to full price or whatever, but you only pay it for two years. And in that way, you could leverage your first year performance into a higher ranked school without having to pay three years of full tuition.

Lee: Yup. Very, very good point. So, your path is not necessarily set, you know? You just have to keep looking for those opportunities. Because sometimes you might be doing really well and money or opportunities that can change your financial situations can come up at any time.

Alison: Yeah, you really just never know.

Lee: No. All right, so what about any other tips you might have, Alison, on managing your financial life while you're in law school?

Alison: Well, I think as much as people don't want to hear this, I think you probably need some type of budgeting program or system in place. Because the reality is if you are living essentially on your student loans, you don't have a lot to go over. You actually have a pool of money that has to last you a certain amount of time. One app that I've seen people talk about as being really popular is called [You Need a Budget](#). We can put that in the show notes, but that seems to be a popular one. Kind of integrates with a lot of stuff. But you know the reality is, you have to know where your money is going, so that you don't end up in a situation at the end of the semester where you can't pay your rent.

Lee: Yeah. I've also seen these, I guess you'd call them kind of like pre-paid debit cards where it's not like a debit card that's directly linked to your checking account but you set up a card and it functions like a Visa card, but you would just put money on to you on a regular basis. And a lot of folks are using that for budgeting. You know, I have \$300 a week for these expenses or I'm only going to use this card for groceries and money, or this is my entertainment fund and when it's out, it's out. And I'm sitting at home and watching Netflix. Whatever it has to be, it allows you to set up these kind of very strict guidelines for yourself. And depending on how you are with money you may want to look into different ways that are alternatives of the old idea of just taking out cash and only spending from cash, which can get kind of annoying at a certain point these days.

Alison: Yeah, exactly. And I think the other thing is just being open with your friends at law school about, you know ... I used to say like when I would notice my credit card bills had gotten too high and I was like, "Oh gosh, I really need to cut back," and I'd just announce, "Okay, I'm on an austerity program." And other people

were like, "Oh, oh, that's a good idea. I should be on an austerity program too." And so, then we'd all kind of go on this austerity program where we'd actually support each other. Instead of going out and spending a lot of money on food or drinks or partying or whatever, we would decide that we're going to have a potluck. And you still got to hang out with your friends, but everyone was kind of open and being all bored, and you know like, you kind of felt good about it. You're like, "Yeah, I'm being responsible. I'm on an austerity program."

Lee: Yeah. I mean a lot of fun could be had when making different decisions. Especially with bar nights and stuff like that, it's amazing how fast, you know, an evening could turn into \$75 or \$100 out of pocket when you're kind of wondering what you even did with all that money.

Alison: Yeah, I mean, on any sort of university campus there'll be tons of free events and things like and free food. And you'll meet more pizza than you'll could imagine.

Lee: Oh, so much pizza.

Alison: But, you know, try to get on the board of one of those organizations and then you can decide to buy something else besides pizza.

Lee: I know.

Alison: One thing to be in the habit of, if you're going to graduate with a lot of debt, which is really inevitable for a lot of people, think about continuing to live like a student for a few years after you graduate, because it's going to be a lot easier at that point, and it's going to be when you have other responsibilities.

Lee: That's true.

Alison: Like I said, this other podcast we have coming up will be really interesting for people who are interested in that. But I think it's a good point. This guy was like, "Look, I lived with roommates and my now wife after law school for a couple of years in a three-bedroom house or whatever, because I figured it would be a lot easier than if we were married and had a kid and then we'd try to take on roommates. Like we're never going to do that."

Lee: Right. I think that's true, and a lot of folks, especially if you go a bigger law firm route, feel tied by the golden handcuffs of debt. And maybe you're unhappy and you want to leave, but if you have these high, you know, loan payments you feel like you can't because the further away you get from law school, the harder and harder it is to unwind yourself financially sometimes from these big firm jobs.

So, if you can get that debt load off of your back so you can make whatever choice that you want moving forward, it can be very freeing.

Alison: Yeah, exactly. Yeah, I mean, and then finally I think one thing that people may not have on their radar screen but I think you could think about now is bar expenses. So, as a 1L there's going to be a lot of pressure to just sort of blindly sign up for a bar course that's on your campus offering you a discount. There's really no reason to do that, to be honest. You don't know what sort of prep you're going to need. You don't know what sort of options are going to be available. So, don't make a huge financial commitment at this point because it's probably not really going to be necessary.

Lee: And people make it sound so easy. It's like, "Well, just pay, you know, \$3000 to \$5000 for your bar prep. So, lock it in now and then you'll just take out a bar loan," which is another amazing idea is that at the end of three years, you might have to take out another loan to get you through the summer after graduation.

Let's talk about needing to set up a fund and ask your village for help. I mean, you have to take out another five grand plus to just get you through the summer until you can sit for the test. The money issues don't end in May when you graduate. We really want you to be conservative, and not sign yourself up for a lot of financial responsibilities at the end of your 3L year when you just don't have enough information. Those opportunities to buy all that programming will still be there. It'll still be there. They're not going anywhere, and it's not going to be that much more expensive to be honest.

Alison: Yeah. It's just a big commitment you don't necessarily have to make as a 1L when you have idea what your personal circumstances are going to look like.

Lee: Yup. Exactly. All right. Well, unfortunately I think we're about out of time. If you enjoyed this episode of the Law School Toolbox Podcast please take a second to leave a review and rating [on iTunes](#). We'd really appreciate it. And be sure to subscribe so you don't miss anything. If you have any questions or comments, please don't hesitate to reach out to myself or Alison at [lee@lawschooltoolbox.com](mailto:lee@lawschooltoolbox.com) or [alison@lawschooltoolbox.com](mailto:alison@lawschooltoolbox.com), or you can always contact us via our [website contact form at lawschooltoolbox.com](#). Thanks for listening, good luck with your budgeting, and we'll see talk soon.

#### Resources:

- [Start Law School Right Course](#)
- [You Need a Budget](#)
- [How Are You Managing Your Household Finances? \(Article about You Need a Budget app\)](#)
- [Ahead of the Curve: Take the Money or Take a Gamble? Should a Scholarship Determine Which School You Attend?](#)

- [Ahead of the Curve: The Power of Negotiation: When Should I Negotiate My Law School Scholarship Offer?](#)
- [5 Money Saving Apps for Law Students](#)
- [Everything You Need to Know about Law School Scholarships](#)
- [Podcast Episode 87: Affordable Bar Prep & Social Entrepreneurship with Chris Henjum of Esqyr.com](#)
- [Podcast Episode 38: Can You Really Afford Law School?](#)