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D1
SUNDAY
APRIL 29, 2012

Bankruptcy can't expel private student loans



Sarah and Devin Stang of Ohio filed for bankruptcy. But because of a 2005 law, they still must pay their private student loan debts. AP



GETTY IMAGES/COMSTOCK IMAGES

TECH BITS

Clips transfer data between USB ports

If cables tangle up your mind — not to mention your work space — you might be ready to try a new format. Consider Ready Clips by AViiQ. Designed to charge and transfer data between USB ports, the bendable clips are sold in pairs that work with Micro USB, Mini USB and Apple devices. Measuring about 5/2 inches long and 1/4-inch thick, the clips can be attached to your pocket, a strap or a notebook. Package prices vary from about \$20 for one micro USB clip and one mini USB clip to \$30 for a pair of Apple dock clips.

www.aviiq.com

Sound system targets mom-to-be plus baby

With the Ritmo Pregnancy Audio Belt, pregnant moms can share music with their babies while they're still in the womb. The system from Nuvo includes a prenatal audio belt with four mini speakers that fit around the mom's belly. It works with MP3 players and smartphones and costs about \$80. Another option, the Ritmo Advanced Pregnancy Audio System, also includes a sound controller that learns the patterns of the music and then regulates the volume. As for mom, she can listen in via her earbuds. The system costs about \$150

www.nuvo-group.com

Charging station keeps your gadgets going

You can streamline refueling of power-hungry gadgets with a one-stop charging station. Consider Targus' Plug-N-Power Charging Station with two USB charging ports and three AC outlets. One USB port can provide a rapid charge for a tablet or two USB ports can charge two gadgets at the same time. Plus, the three outlets provide extra plug-ins for your electronic gear. It costs about \$30.

www.targus.com/us

Case lets you get into water, phone in hand

If you're eager to hit the rapids but want to bring your iPhone along just in case, the ECO MarineCase promises to be up to the task. Designed to keep phones dry in water up to 20 feet deep, the case from Concord Keystone lets you enjoy kayaking, swimming or fishing without giving up your phone. Equipped with a clear protective cover that works with the iPhone screen, the case allows you to answer e-mail, text data and watch videos while in the water. Available in black or white, the ECO MarineCase comes with a neck strap that can also work as a tether. It costs about \$40.

www.concordkeystone.com

BLOG BYTES

A Government Accountability Office report released last week criticizes one aspect of Medicare Advantage — the main line of business for Louisville-based Humana.

MORE ONLINE

Read the rest from reporter Chris Otts on the Derby City Cents blog at courier-journal.com/derbycitycents

By Justin Pope
Associated Press

The misfortunes that brought schoolteachers Devin and Sarah Stang and their four young children to bankruptcy — and the loss of their house and a car in the process — were their own unique story.

They bought the house at just the wrong time. There were heavy medical expenses when, at five months pregnant, she delivered stillborn twins. And their money woes go back further.

When Sarah's college softball team pressured her to drop classes she wanted to take, she quit, lost her scholarship and had to make up the difference with loans. Devin, too, borrowed to get a master's degree.

Then they struggled amid school layoffs near their Sandusky, Ohio, home.

Now, the Stangs just want a truly clean slate, financially. But even the ordeal of bankruptcy won't give it to them, and the reason is a common one: Much of their debt comes from private student loans.

Virtually any other kind of debt — including medical bills, mortgage, credit cards and car loans, even gambling losses — can be discharged in bankruptcy, allowing the "honest but unlucky" a chance to restore their footing through an arduous re-

structuring overseen by a court. But under a 2005 law passed by Congress to protect lenders, private student loans fall under the same nearly-impossible-to-clear category as child-support payments and criminal fines.

"It's a huge part of why the younger generations are here now," said the Stangs' bankruptcy lawyer, Matthew Barrett, whose busy office in Amherst, west of Cleveland, belies stories about the improving economy. He estimates half his clients have problems with student debt.

To advocates for student borrowers, the law is infuriating, counter-productive and — if intended to ensure lenders would be willing to make loans to students — demonstrably unnecessary. They see changing it as

among the most effective, and least costly, ways to help those most seriously burdened by student debt, without giving a break to those for whom it's manageable.

Yet despite a voluble national conversation on student debt, the issue has gotten comparatively little attention.

At stops in three swing states this week, President Barack Obama is calling on Congress to head off a scheduled doubling in federal Stafford loan rates, from 3.4 percent to 6.8 percent.

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"We're asking for the same protections entitled to every other form of consumer debt."

RICH WILLIAMS,
higher education advocate

Investors can rein college plan fees

By Mark Jewell
Associated Press

BOSTON — Rising college costs have become an election campaign issue.

President Obama spoke at three campuses recently, vowing to keep student loans affordable. He's also threatened to cut federal aid for colleges that fail to keep tuition increases in check.

Obama is spotlighting the issue because he's aware how many voters fret about paying for a child's education without draining retirement savings. As a necessity, parents and their children should pay close attention to the costs they'll pay and the schools they select.

Yet many apparently are giving comparatively little thought to another piece of the equation, the cost of saving for college. How else to explain the large proportion of parents choosing college savings plans that charge steep investment fees, despite the widespread availability of affordable plans?

It's an important consideration, because those fees can significantly cut into investment returns and the accumulated savings.

Consider recent research on 529 college savings plans, named for the section num-

ber of the federal tax code from which they were created.

These state-sponsored investment accounts permit withdrawals for college expenses to be made free of federal taxes.

The Coalition of Mutual Fund Investors found that plans sold through financial advisers or brokers charge more than twice as much in annual fees than plans that parents choose directly through states and manage on their own. The public-policy advocacy organization examined plans in 30 states and Washington D.C. that offer both "adviser-sold" and "direct-sold" 529s.

On average, the adviser-sold plans were 2.15 times as expensive. That calculation factors in annual expenses for mutual funds offered in those plans' investment menus, as well as program management and certain other fees.

The difference was larger when the fund investor organization also included initial sales charges and account maintenance fees that an investor would pay over 10 years — the time span many parents spend building up a 529 account. That comparison

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Viable health insurance backup needed

WASHINGTON — We know most people get their health insurance coverage through their jobs or a family member's employer.

But a report by the nonpartisan Employee Benefit Research Institute found the percentage of the population with employment-based health benefits has been declining, most recently because of the recession.

Paul Fronstin, author of the report and director of the institute's Health Research and Education Program, said his research found fewer employers are offering

health coverage, fewer workers are eligible for it and fewer employees are taking advantage of the benefit because it's too costly.



Michelle Singletary

"What we are seeing is this steady and slow erosion in employment-based coverage," Fronstin said. "We've been seeing changes for the better part of a decade."

Consider these findings:
» Between 1997 and 2010, the percentage of workers offered health insurance by their employers decreased from 70.1 percent to 67.5 percent, and the percentage of workers covered by those plans decreased from 60.3 percent to 56.5 percent.

» Many people aren't qualifying for health coverage because they work part time. Two-thirds of workers not eligible for their employers' health plans reported that they worked part time in 2010, up from one-half of workers in 1997.

» Between 1997 and 2010, the percentage of workers who declined coverage because they said it was too expensive increased from 23.2 percent to 29.1 percent.

And workers whose employers do not offer health benefits are more likely to go without any insurance. In 2010, half of all workers whose employer did not offer health benefits were uninsured, up from 44.1 percent in 1997.

"While it is possible that these

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