

# The Prosperity Press

A quarterly publication providing you with invaluable information in financial planning, wealth management, taxes and so much more!

## Bring Financial Literacy Programs to Our Schools



### What your children don't know about money will literally cost them in their future.

When I was in school, I remember taking classes like Algebra, Chemistry, Art, Cooking, Physical Education, and English. No teachers taught me how to create a budget and stick to it. I didn't learn what debt is and I didn't know how a college loan would impact my bottom line once I graduated. No one at school taught me what a credit card was or what a credit score was. I didn't know about car loans or mortgages. Do you think I made my fair share of financial mistakes? You bet I did.

Unfortunately, my story is not unique. According to the Council for Economic Education's Survey of the States, most parents experience at least some reluctance talking to their kids about finance. Schools are not making up for it. Only seventeen states require students to take a course in personal finance. This lack of financial literacy shows in our society with 40 percent of millennials overwhelmed by debt and 50 percent living paycheck to paycheck.

#### **Financial literacy is vital to a school curriculum.**

Managing money is perhaps one of the most vital skills that everyone should have. As a parent, you can make a huge impact on your child's education and influence the education system.

#### **Check to see if there is an existing program**

Do you know if there's a financial literacy program at your child's school? To find out, call your children's school, or go to [Checkyourschool.org](http://Checkyourschool.org), to see if they have a financial literacy program. Check Your School also has great resources such as talking points and sample letters to help you start a conversation with your children's school on starting a program. It even has resources that teachers and administrators can use to implement a financial literacy program for your school.

#### **Resources**

Econedlink, from the Council for Economic Education, is a great resource for economics and personal finance content for grades 5-12. They have free short videos that can be used by teachers and parents as well as lessons and activities you can do with your child or implement in a classroom.

Some fun topics include:

- "Where does the price of pizza come from?"
- "Wealth not cash"
- "Should LeBron James mow his own lawn?"

#### **Start a conversation**

There is power in numbers. Talk to other parents, the PTA, and create a group to amplify your message. Make sure you reach out to your child's teachers and school administrators to gather their support.

At the Prosperity Consulting Group, we are advocates for financial freedom and financial literacy. The Prosperity team has given many seminars on a range of financial topics. If you're interested in having us speak at your child's school, please don't hesitate to reach out so we can discuss the best course of action.



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## Prosperity in the News & Community



April 2019 - Prosperity sponsors The Family Tree's Great Chef's Dinner to prevent child abuse.



April 2019 - Prosperity's Marketing Manager, Maggie, pictured with baseball legend, Brooks Robinson.



March 2019 - Prosperity President, Don Hoffman & Partner, Lauren Rebbel, pictured at the Casey Cares Foundation's Annual Gala supporting critically ill children.

# Business Planning and Life Insurance



Life insurance is a powerful tool used to protect your business.

Life insurance isn't just needed to protect your family and loved ones, it's also a powerful tool that business owners can use to protect their most valuable asset – their business. Below are ways in which business planning and life insurance can help ensure that your business stays intact in case of loss of a key employee or owner, or by using life insurance as an employee benefit.

### Key Man Insurance

Most companies, especially smaller companies, have key employees that are crucial to the operation and success of a business. Key man insurance is a policy that a business purchases on the life of one of its key employees. The policy should cover the length of time that the employee would be an essential asset to the company; ideally until their retirement. If the employee were to pass away during their employment, the business would receive the death benefit. This would help them stay afloat during the transition of finding and training a replacement. It can also strengthen the relationship with your employee by affirming their value to the company.

### Buy-Sell Insurance

A buy-sell agreement is when the co-owners of a company have a written agreement on what happens to the business should one of them pass away or leave. The buy-sell agreement is funded by a life insurance policy, whereby the owners have life insurance on each other. If one owner was to pass away, the second owner would receive the death benefit and vice versa. The death benefit is then used to "buy-out" the surviving spouse or family.

### Executive Benefits

A good way to attract and retain employees is with decent employee benefits. With an executive benefit life insurance policy, an employer would be the owner of a life insurance policy on an employee and the employee would select their own beneficiaries. Typically, employers would get life insurance policies that accumulate cash as an added benefit to the employee. There is usually a separate agreement that outlines the terms including the date in which the employee can access the cash; the date could be a vesting schedule or at a specific retirement age. It should also include terms if the employee were to leave before the agreed upon date. The employee also benefits from these policies. When employees access the cash, they pay little tax, since the premiums were already taxed. Also, they get to select their beneficiaries so the death benefit would go to who they named.

If you would like to incorporate one of these life insurance business planning tools in your company or would like us to review what policies you currently have in place, please do not hesitate to reach out!



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