

It's A Little Disappointing To Report But...

By Mark Charnet



school age children will be age 67. At 46, I'm worried that Congress will continue to tax me with higher rates and limits to fund a Social Security bailout, yet, when it's my turn to collect, they will find some sort of criteria not to pay me like: too many assets, too high an annual income, or too young, as they continue to raise the eligibility age and the ultimate reason not to pay, there just ain't no more money left!

Schools are continuing to produce lower quality graduates, with limited thinking and reasoning skills overall. How many of us have witnessed the teenager unable to calculate the correct change unless the computerized cash register tells them exactly what to give back. Gone are the days of penmanship and memorization. New math and "No child left behind" didn't produce the desired effects and more and more colleges are being forced to teach basic skills and remedial programs to supplement where the high schools fell short. In last Sunday's "Record" newspaper, it was reported that Paterson will receive over \$480,000,000 in State aid for its schools, by comparison, Pompton Lakes will receive just over \$4,000,000. The huge State increase in allocation to inner city schools failed to demonstrate a higher output of educated and well prepared students ready to become capable, inspired and productive citizens. A Paterson teacher I am acquainted with shared a story

with me that one of her students told her that learning math was unimportant as she was going to be a prostitute when she was a little older and didn't need to waste her time in math class. This teacher, brilliantly responded, "well that might be, but how will you know to give the correct change to your customers if they don't pay the exact amount for your services?" The young girl thought for a moment and realized that she better learn the math, as not to be cheated.

Since a portion of the tax dollars you and I pay to NJ are being sent to Paterson and other inner cities for education and other good reasons, we're told, I felt compelled to share this teacher's story. Kudos to this brave teacher that didn't react to the child's career choice, but, instead spoke to her on her own wave length letting the child come to her own conclusion that it was in her best interest to stay in and be self motivated during mathematics class.

There is a way that we can help our kids and their kids to have the best chance at succeeding and let me tell you what I think it is. We all know that an abundance of money gives the people who possess it great options and choices unavailable otherwise. Therefore, we need to help them accumulate large sums of money for when they need it most: college, first home purchase, when our children become parents and for their own retirement. The first way

to guarantee a large tax-free pot of money is to purchase a life insurance policy on our own lives for our children's benefit or our own! Whether you are age 1 or 89 or something in-between, given slightly below average health or better, you are a candidate for life insurance. Premiums are never wasted with a properly designed life insurance policy since life insurance is the only insurance policy one can buy that is guaranteed to pay a claim! Someone wins and that can be the insured also! A life insurance purchase can be described as an absolute statement of love for ones beneficiaries. Beyond that though are the living benefits associated with life insurance policies.

A grandparent can purchase a policy on the life of a grandchild where all of the cash value growth will be tax-deferred and the majority of the cash can be accessible for any reason at any time. Premiums may be paid for as little as 5 years and when applied based on an elementary school age child's life, has the potential to grow to produce millions of dollars of tax-advantaged retirement income for the grandchild in his/her retirement years. This is a fascinating concept and everyone should see how it works especially when compared to mutual funds as the commonly used example. Historically, cash accumulation life insurance policies cash values and tax-deferred annuities are exempt from the financial aid calculation when kids are

applying for college. Most life insurance policies sold today credit interest based on some form of investment or investment type formula and offer rewarding deals. If you've been out of the life insurance buying circuit for awhile, it's time for a second look.

Another winning concept is to invest small sums of money over large amounts of time, preferably in a tax-deferred environment with equity exposure. Historically, this concept has proven successful in accumulating wealth. My favorite concept in accumulating wealth, something neither the local, state nor federal government is interested in doing is, STOP SPENDING FRIVOLOUSLY! Finally, in order to accumulate more wealth we need to earn more money. This can be accomplished by asking for a raise, getting a second job or getting a better one. Some people go into business for themselves utilizing all of their entrepreneurial spirit. And others find getting married or having a life partner brings in a second paycheck that should be invested rather than increasing your standard of living.

We have an obligation to provide for our families as written in our genetic code, the Bible code and our moral code. In addition, we are encouraged to give money to charity to help those less fortunate. I wish my grandfather left me \$1,000,000 as it would make my life a bit easier right now and if your granddaddy had done that for

you, you would be far better off too. Well, it probably wasn't done for you, but, you have the ability to elicit change in your family tree forever by creating a Legacy or Dynasty Trust funded by either your assets or that of a life insurance policy or both!

The bottom line is this: one cannot expect to accumulate wealth practicing financial behavior and techniques that only produce mediocrity. First, parents must lead by example, saving and investing 15% or more of their income. Next, they must teach their children the same lesson. Third, they must never miss a payment made into their own portfolio and fourth, eliminate all debts and debt creation with the exception of appreciating assets like real estate. This is not an easy, simple or a fun thing to do, but it works! I know because it is what I did to become a millionaire. Want to learn more, write or call me and visit our jam-packed financial education website, www.IAPG.com you'll be glad you did!

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Job opportunities are not as plentiful as they once were with manufacturing jobs leaving our nation in hoards and droves. Lower paying jobs have been filled largely by illegal immigrants and the Federal Government has told us that Social Security will be bankrupt before elementary