

# Nagel on Finances: Invest in child's education in pandemic

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BY ROGER NAGEL

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RIO RANCHO, N.M. — Quite honestly, I hadn't paid much attention to the changing policies of Rio Rancho Public Schools, Albuquerque Public Schools or the New Mexico Public Education Department. I have no school-age children at home.

That changed recently and will continue to change as the school year approaches.

Like most small employers, I have employees with school-age children. They, my adult children and my grandkids face a tumultuous fall with rotating school schedules, mandatory face masks and online learning expectations. Like it or not, that affects nearly everyone.

The consequences of our pending decisions on educating elementary students will likely have lingering effects, not unlike the lingering health effects on COVID-19 patients. We all know the importance of learning to read and developing math skills in grades 2-4.

Last month, I talked about planning for the future with excess cash that some small businesses are likely to realize. This month, it is time to talk about a similar issue surfacing in households across America.

It has been reported that 20 percent of our economy has been directly affected by the pandemic. Those households that kept their jobs and worked through the past four months (the 80 percent) likely have experienced a windfall beyond the EIP (stimulus) checks.

Unemployment benefits have been increased and expanded to include the self-employed unable to work, so many of these directly affected workers have seen similar windfalls. Financial institutions are starting to confirm less debt and more cash among many households.



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Why is that? We have limited ways to spend our discretionary funds on our favorite things.

With malls and retail stores closed and no dining, no night life, no entertainment, no casinos and no air travel, collectively we are, or should be, accumulating cash.

Dave Ramsey might say, build your reserves up, pay off debt and invest the rest. But, here's the COVID 19 dilemma: How will we educate our young people and who will pay?

Not every parent is equipped to teach online. Even fewer can teach their own children.

Besides a lack of training and skills, few households own classroom fixtures or teaching aids, not to mention sufficient internet access and computer equipment to do the job. And not all children will accept Mom and Dad as teachers.

Now is the time to start planning for investing your windfall in a child's education.

Here's one example of how new opportunities are surfacing.

In one case, households with two working parents have partnered with similar households that have children of the same grades. They have searched for, and recruited, part-time contract teachers to run a small classroom of online learners during that part of the week school is not in session.

A contract is written with rules all parties agree to with respect to facilities, educational tools, timing and costs. This partnership or co-op is especially meaningful for single-parent households.

These temporary contingency plans require an investment of time and money. Before COVID, they were never an issue.

Today, these solutions may be the best investment, with the highest return, that households can make.

(Roger Nagel, CPA/PFS, CMA, CGMA, is the managing director of Nagel CPAs, LLC – Accountants and Advisors, serving the middle Rio Grande Valley and beyond. Learn more at [nagelcpa.us](http://nagelcpa.us).)