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5 Financial Pitfalls to Avoid to Protect Your Homeschool Family's Way of Life

Homeschool families are a unique type of family. They choose to be in charge of their children's education, and to them, this is of utmost importance. For many, it is a spiritual issue. For others, it's because of some types of special needs. And for still others, it is just the desire to do everything in their power to give their children the best life they can.

More often than not, Homeschool families have sacrificed careers, personal success, vacations, bigger homes, fancy cars, and many of the things that two-income families often take for granted. Homeschool families have given everything to take control of their children's educational needs.

This is why you need to know **how to protect your cherished way of life**. All it takes is one major financial stumble, and both of you have to go to work, and the kids have to go to school. But knowing my Homeschool clients, this is an outcome that will happen only with a fight.

There are financial dangers lurking everywhere, but with the right professionals looking out for you, there's a better chance of seeing your Homeschool goals being achieved. That's why I've put together this **list of pitfalls to prepare for**.

Homeschooling is a Way of Life...
...Is Yours Protected?

1. Underestimating the Monetary Value of the Stay-At-Home Spouse

When we think of single-income families, our thoughts often shift to the importance of the family member that is making the money. After all, how would a Homeschool family survive without the breadwinner's income?

But, wait... what about the spouse that has decided to stay-at-home and not earn an income? There could be a huge financial impact to your Homeschool lifestyle if something happened to the stay-at-home spouse. Few families stop and consider the value of services the stay-at-home spouse provides 24/7/365.

Let's take a look at what the costs could be if you had to "hire out" the services and skills of a stay-at-home spouse. Things that would have to be hired out would include, but not be limited to:

1. Child Care
2. Teaching & Tutoring
3. Grocery Shopping
4. Meal Preparation
5. Housekeeping
6. Laundry
7. Transportation

And more! This indispensable person is priceless of course, but for discussion's sake, there's little research to quantify their equivalent salary value. But to be on the safe side, we'll translate all these duties to \$50,000 base salary. (2016 Mom Salary Survey, Salary.com)

The full-time tutor cost could be \$50,000 or more. And even this amount isn't taking into consideration the endless hours of soccer coaching, being the Tooth Fairy, and helping engineer Legos.

Could your Homeschool family maintain the same lifestyle if the stay-at-home spouse died? Sadly, most couldn't because the great expense of maintaining the Homeschool lifestyle would exceed most families' incomes.



2. Catastrophic Medical Costs from Injury or Illness

Let's face it: most medical insurance plans cost a lot. Then, you end up paying for benefits you don't use, and high deductibles and co-pays make it difficult for your plan to pay any benefits. Most medical plans tend to have deductible and out-of-pocket costs you need to satisfy before they'll even start paying any benefits. And that's the last thing you need when something unexpected happens.

Unfortunately, most Homeschool families don't have large amounts of cash to cover the costs for high deductibles and large out-of-pocket maximums.

Could your Homeschool family financially cover a family maximum out-of-pocket limit of \$14,300? What about a \$7,150 individual maximum out-of-pocket medical expense? This is real money, and when you're already on a tight budget, these types of expenses could sink a Homeschool family.

A sore throat that turns in to a tonsillectomy, a fall outside on the jungle gym that results in a broken leg with surgery, an upset stomach that turns out to be cancer. These are unpleasant things to ponder, but they are real possibilities, and protecting your Homeschool way of life will depend on how you guard yourself from these huge financial possibilities.

3. Inadequate Car Insurance Liability Limits

One of the best things about Homeschooling is the opportunity to meet other like-minded Homeschool families. Friendships are often made through your networking groups, churches, and events. These friends are important in Homeschooling because they give you help and additional resources to live out your unique lifestyle.

As your friendships grow, you may find yourself as their chauffeur for field trips. This sounds like fun, but at what risk are you putting your Homeschool lifestyle? The fun, the laughing, the distractions could turn tragic in a split second.



Picture this event for a moment. It's not a wild exaggeration. It's not an unbelievable event that could never happen. This could happen to any of us. It could happen today:

You've gladly accepted to drive a few of your Homeschool friend's children to the history museum. For just a brief moment, you look down to check the radio and run right through a red light.

Your van with your two children and three of your friend's children t-bones a brand new 2018 Chevy Yukon with a family of three inside. The Yukon is wrecked, and the family is hurt. Ambulances and firetrucks are on the scene. It's bad.... really bad. Now what?

I know this is a hard picture to see. It's not something that we ever like to think about, but the reality is, these things happen all the time, and no one is immune to them. As a Homeschool family, you have a unique lifestyle to protect. Is your way of life financially covered if an accident like this happens?

4. Gaps in Homeowners/Renters Insurance

Say you're hosting a meeting with other Homeschool parents in your home, or a fun time for the kids to have their friends over. But when you open your home up to others, are you exposing yourself to a liability issue? The more guests in your home, the increased likelihood of liability event.

Liability claims against homeowners are common. If someone gets hurt and files a lawsuit, the standard North Carolina homeowners or renters policy will cover legal fees and any judgment against you, but only up to your policy's limit. However, some hazards may be totally excluded for coverage, and this could be disastrous for your Homeschool family. Let's take a look at some claims that can occur when you least expect them.

Dog Bites - Almost everyone loves dogs, but like my dad always said, when someone would ask if our friendly family dog would bite, "Well he does have teeth, so I suppose he would if he wanted to." When we think of dog bites, breeds like Pit Bulls, Akitas and Chows often come to mind. Most homeowners and renters insurance policies have liability coverage for pets but many exclude some dog breeds from their policy because of the higher risk.

Swing Set/Trampoline/Pool Accidents - You know the smiles that these items bring on the faces of your kids. But do they create a whole new risk to your Homeschool lifestyle? Sure, kids will be kids, but if it's not your kids but visiting family's children that get hurt, all the fun and games are over now. I'm not saying don't have fun, but weigh out your liability exposures and keep an eye on the goal. Your goal is a Homeschool lifestyle.



5. Not Considering the Home-Based Business

I've found that many of our Homeschool clients supplement their family's income by having a home-based business. Whether you're running a part-time, seasonal, or full-time business from your home, you'll want to carefully consider your risks. A home-based business has the potential to put your family's Homeschool lifestyle at risk.

Your insurance choices should, in part, be based on the type of business you operate. For instance, if you're a sole practitioner home-based accountant, you'll have very different liability needs than your neighbor who runs a childcare business. When considering the liability for your business, here are some questions to ask yourself:

1. Does my business have employees?
2. Do customers or contractors visit my business at my home?
3. Do I use my car or other vehicles in the course of my business operations?
4. Does my business store customers' financial and personal information on a computer or through a cloud computing service?

The answers to these questions will guide you in the direction to properly evaluate your liability exposures.

I had to add a bonus tip to help protect your Homeschool way of life. Here it is, and it's the most important...



Bonus: Protecting the Main Earner's Income

You've put in safeguards to protect your home, cars, health, life, and all the other protections you can think of. But what about "protecting the bread?"

I've been in the insurance business for a LONG TIME, and I've seen a lot of things happen. But one of the saddest things to see is a family lose everything due to a disability of the main income earner. These folks often times had insurance for everything; home, auto, life, health, boat, camper, and more, but once they couldn't work and the money ran out, their world crumbled around them.

As a Homeschool family, your main income is the shield that protects your unique way of life. Without protecting that main income, you're putting your goals and dreams at risk.

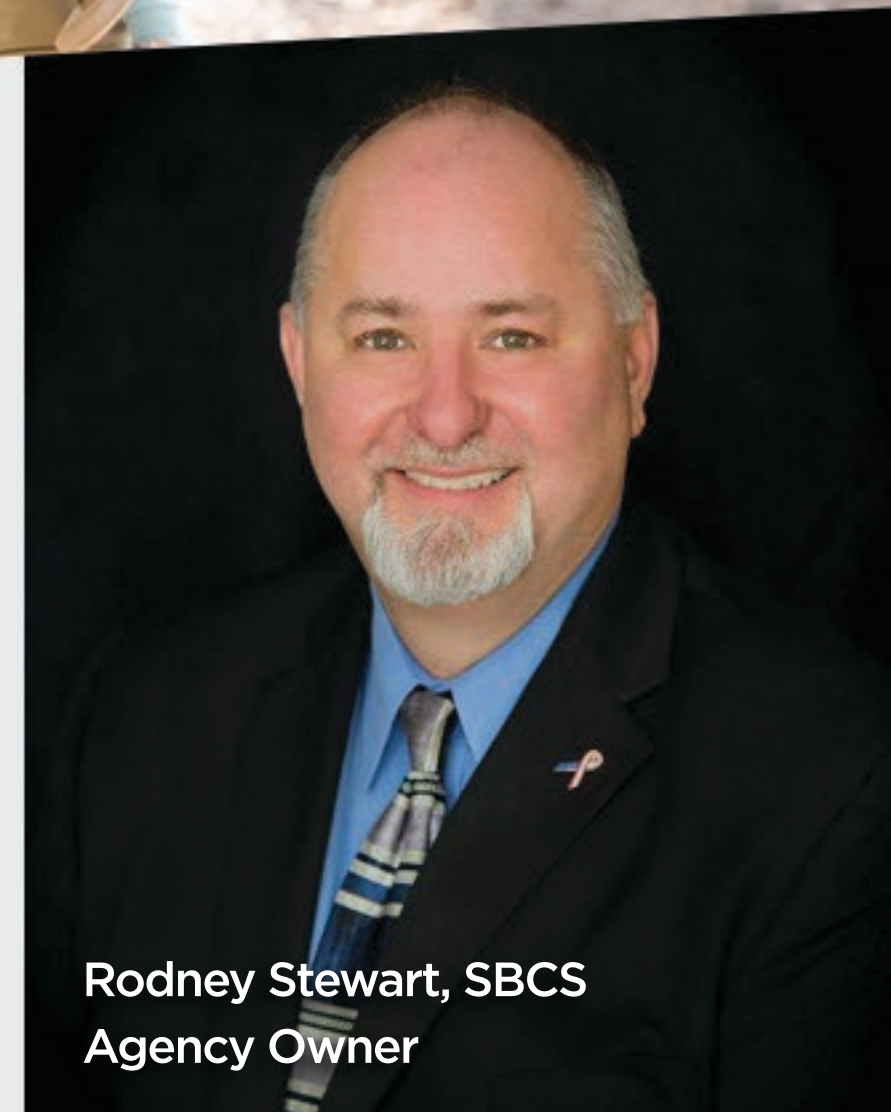
There's nothing better than having the assurance that your finances will be covered, no matter what happens to you. Protecting your income gives you this guarantee: if you suffer a serious illness or injury, you will have financial protection that will keep you afloat until you can get back to work. Protecting your income will protect your Homeschool way of life.



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