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PECK FINANCIAL ADVISORS

Valerie L. Peck, MBA, CFP® Presents:

Preparing for College, Financially and Legally

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If you have a child heading off (or back) to college, summer is a great opportunity to get them financially and legally prepared to go. Having certain legal documents in place now will make the separation easier for both you and your child.

We recommend you establish a bank account with your child which you can access and monitor. Many college age adults do not pay adequate attention to accounts and can overdraw them, incurring unnecessary fees.

Your child will need a credit card too, to simplify payment of expenses. Credit cards can be established either jointly (not recommended) or in the student's name only. Obtaining a card in the child's name alone can help him or her to establish a credit history. Some companies allow you to put a prepaid amount on the card, thus limiting spending. We recommend you be added as an additional person who can view and pay the card as necessary to avoid later problems with your child's credit.

It is also recommended that your child sign a general power of attorney for financial purposes, allowing you to deal with any unforeseen financial issues while he or she is away at school.

Finally, we recommend your child sign both an Advance Health Care Directive (i.e., a health care power of attorney) and a HIPAA waiver to allow the college or university medical staff to contact you and discuss with you any medical emergencies your child may experience while away at school. In the event your child is injured or too ill to make medical decisions for himself/herself, such documents will allow you to act on your child's behalf.

Young adults walk a fine line of newly acquired independence and continuing dependence on their parents to assist in a crisis. Obtaining the financial and legal documents set forth above will allow your child to continue to develop his or her independence while allowing you to quickly help in the event of a crisis.

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Questions?

We'd love to
hear from you
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