



LIFE TRANSITIONS: **Preparing for Child to Leave Home**



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Children leaving home can be a very emotional and challenging time for parents as they navigate the transition from a full and busy home to one that's less so. This time of life can also lead to a feeling of lacking purpose with an emptiness that coincides with the empty nest. Aside from the basic advice of realizing this transition for what it is -- that parent and child relationships change over time -- and to look to the relationship that you can have now despite these changes, I realize I'm no psychologist.

What I can offer is a few ideas to make sure that we are preparing them for life and for the financial future we want them to have, along with a few guard rails to plan for the unexpected.

- 1 Set up your teenager as an authorized user on your credit card.** By setting up your minor child as an authorized user, they can begin to build credit and develop the credit history most lenders require when obtaining a loan. Ideally you would do this on an account you've held for a long time with good payment history.



- 2 Get them an estate plan.** When your child turns 18 and before they head out of the house to school or full-time work, consider an estate plan for them (and for you.) I am continuously surprised by the amount of US adults that do not have an estate plan that includes a basic will.

The key point here is that once your child becomes an adult at age 18, you no longer can make legal or healthcare based decisions for them if something were to happen. Instead, you may be dragged through a lengthy court guardianship appointment process that could have been avoided if there had been the basic documents in place.

Contact a local estate planning attorney to get this done for them, and if you don't have one for yourself, it might be time to update your plan as well.

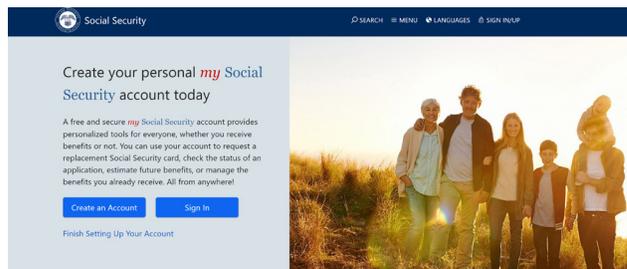


Note that this also includes a health care proxy so you, if appointed as your child's agent, can make medical decisions for them if they become incapacitated. Another important thing to point out is that without having proper plans in place, and should something happen to your college-aged (18+) son or daughter while away at school, for example, you would not even have access to any information surrounding them if they were to have an accident and end up in the hospital.

3 Set up a bank account for your child with a debit card if you haven't done so already. You may prefer to set this up as a joint account with a parent to allow for monitoring balances and transferring money between accounts if needed.

4 Another great idea is to go online at 18 and create a My Social Security account. This will allow your teen to monitor their employment history and earnings records, as well as ensure no one else is able to compromise their social security number.

5 There are other ideas I could share for parents, but the last is somewhat all encompassing, and that is to instill in them the mindset that a "penny saved is a penny earned."



Teach them to be counter cultural to the "instant gratification/live beyond our means" mentality... that you really don't have forever to catch up on saving for the future. Don't be afraid to share with them any financial blunders you've made to demonstrate that you've learned from those mistakes and that you only want what's best for them.

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