With 22 years of industry experience, Rebecca Rothstein and her skilled team focus on advising high net worth investors on their current and long-term needs. A Managing Director in the Morgan Stanley Smith Barney Beverly Hills branch, Ms. Rothstein focuses on Estate, Tax, and Financial planning. She also works with corporate officers/directors regarding liquidity and diversification strategies for concentrated positions.

Frequently named to Barron's list of America's Top 100 Wealth Advisors* (#29 in 2009 and #44 in 2008), Ms. Rothstein was also named the #1 Woman Advisor in America by Barron's in 2005, 2007 and 2009. Barron's Top 100 Financial Advisors, as identified by The Winner's Circle®, LLC, bases its rankings on qualitative criteria: professionals with a minimum of seven years financial services experience, acceptable compliance records, client retention reports, and customer satisfaction. Advisors are ranked based on types of revenues and assets advised by the financial professional, in-depth interviews and more.

Ms. Rothstein resides in Hidden Hills, CA with her husband and four sons.

Teaching College Kids The Basics About Money

BY REBECCA ROTHSTEIN

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College years are a great time to teach kids how to be responsible with money. This is when students begin to figure out what things cost and how much money they need to live. They learn lessons in budgeting, cost cutting, debt management and identity theft. If all goes well, children should graduate with tools to manage resources responsibly when they are on their own.

WHAT THEY NEED

Equipping a college dorm room can be a big job; meeting the banking needs of the average college student is not. Students need a checking account with a debit card that won't incur ATM fees. If the college is in a small town, that may mean opening a local account. In a big city, be sure the bank has a branch near campus. Whatever the arrangement, children should know which ATM machines to use. If you have an account on which ATM fees are waived, you might be able to set up a linked account. If the account is with a different bank, you can generally still link your children's accounts to yours so you can transfer money electronically. Much has been written about whether or not to have a credit card at college. The House Financial Services Committee on Financial Institutions and Consumer Credit held hearings last summer to address the aggressive marketing of credit cards to students. A survey published by student-loan provider Nellie Mae in 2005 (the most recent data available) showed that the average outstanding balance on undergraduate credit cards was $2,169.

The same study reported that 56% of students carry four or more cards by the time they graduate. Since many students leave school with student loans to pay off, parents should think carefully about arming a student with a credit card and what it could add to the debt load in the long term. It's best to start with common sense: Unless a student is earning income, paying a monthly credit card bill is an impossibility. Remind children that they don't get a good credit rating just by having a credit card—they have to pay the bills on time. Consider waiting a year until your student has built a good track record of managing cash and learning to put money aside in savings before signing up for a credit card.

WHAT THEY SPEND

Many colleges have estimates of annual expenses on their Web sites. These tend to fall in the $1,500 to $2,000 range and may be useful depending on how typical your children's spending habits are, so do a little tinkering to get to the right number. The goal is to arrive at a fixed monthly amount you will put in their accounts. Leave children the responsibility of managing finances so they don't run out of money before the end of the month. Arriving at a realistic estimate of expenses is worthwhile and the decision hinges on your own finances: What monthly amount is appropriate and affordable for you? If you don't start here, you're off on the wrong foot. Teaching children the logic of financial planning starts with a number—a salary and figure on how much to spend on rent, food and necessities.

By the time they graduate, you want them to have a sense of what the key components of living expenses really are. Once you have your number, encourage children to draft a personal budget. Some students begin to figure out what things cost and how much money they need to live. For the first few months, get them to keep track of the money they spend on going out with friends, things for their room, clothing and so on. As they gain experience with the process, give them more money so they can take more responsibility for their finances. Let them pay the monthly bills such as those for student loans, rent, utilities, meal plans and even travel expenses. There are many budgeting tools available online. You may use one yourself that you want to recommend. Since most kids' finances are simple, using a program is more for practice at this stage.

COST CONTROL

Encourage children to take advantage of ways to save money at college. Student discounts are available on everything from travel to clothing. There is usually a place on campus to buy and resell used books. Children should understand the costs associated with having a car if this is something they are planning on.

IDENTITY THEFT

Kids communicate via the Web and it may be hard for them to anticipate how this free flow of information could be detrimental. Educate them about identity theft and how they can protect themselves against it. Here is a short list of information from Nellie Mae that we should only share when we know exactly what it is being used for and by whom:

- Social Security number (do not carry your Social Security card in your wallet)
- Passwords and PINs for debit cards, phone cards, computers
- Credit card numbers
- Current and former addresses
- Birth date
- Mother's maiden name and birth date

Conversations about finance with teenagers are not always easy. Learning how much things cost can be quite an eye-opener—many kids just haven't thought much about money matters. But investing time in getting them on the right track will pay significant dividends down the road. You never know: One day they may even thank you for the lessons learned.