
Protecting Your Child from Identity Theft

In September 2017, a massive Equifax security breach became public knowledge. If there was a silver lining to this infamous event, it likely spurred more consumers to take more measures to protect their identities. Perhaps you've frozen your lines of credit, or you're at least checking your credit reports more regularly these days.

All well and good. But what about your kids? As distasteful as the idea may be, child identity theft is a serious and growing concern, for several reasons:

- **It happens more often than you might think.** In a 2018 Child Identity Fraud report, Javelin Strategy & Research found more than a million children were identity fraud victims in 2017, costing families more than \$540 million in out-of-pocket expenses.
- **Your kid's identity is a tempting target.** Identity thieves especially love your child's Social Security Number, since it usually offers them a clean slate, devoid of credit history. If they can get ahold of it, they can create all sorts of havoc, such as racking up debt, filing bogus tax returns or applying for public aid – all under your child's identity.
- **It's easy pickings.** Kids may not be as careful with their identity, and new technologies expose them to added risks. Javelin's report also connected kids' susceptibility to being bullied with a higher likelihood they'll end up giving out personal information – online or to people they know.
- **The theft often goes undetected.** While we may be vigilant about monitoring our own credit reports, many parents don't realize they should be doing the same for their children. As described in the Wall Street Journal's "New on Parents' To-Do List: Checking Children's Credit History" article, lax oversight "often allows theft to go unnoticed for years, until the victims reach college age and start applying for credit cards and student loans."

Fortunately, a few basic steps can go a long way toward protecting your child from identity theft.

- **Know the early warning signs, and take them seriously.** Is your seven-year-old receiving credit card offers in the mail? Has a collection agency called and asked to speak to your toddler? Don't laugh it off. It could mean your child's identity has been compromised.
- **Check your child's credit history regularly.** Use AnnualCreditReport.com to check in with the three major credit agencies, to see if your child has a credit history. Unless **you've** opened a file in your child's name, they shouldn't have one; if they do, this is a big red flag.

- **Consider establishing and freezing your child’s credit file.** For added protection, you may choose to create credit files for your children, and then freeze them until needed. This makes it much harder for an identity thief to successfully use any stolen information to establish a fake line of credit. **Note:** Effective September 21, 2018, a new Federal law¹ makes it easier to freeze your own and your minor children’s credit files.
- **Educate your child.** As soon as your children are old enough to understand, recruit them to assist. The Federal Trade Commission offers handy information² on how to talk to your children about computer security. Also assure them, they should never be afraid to tell you if they feel they’re being bullied by anyone – under any circumstances.

Just as it is second nature to help your children apply sunscreen when the sun is shining or to bundle them up on a winter day, protecting them from identity theft should be part of your regular, all-weather routine these days. A few sensible and regularly applied defenses could ward off years of damage done from an “overexposure” to identity theft.

Notes:

- 1) <https://www.ftc.gov/news-events/press-releases/2018/09/starting-today-new-law-allows-consumers-place-free-credit-freezes>
- 2) <https://www.consumer.ftc.gov/articles/0017-kids-and-computer-security>