



## **When the Kids Come Home**

By Robyn M. Young

You are enjoying life as empty nesters. You have raised your kids and supported their education. They are on their own and you look forward to visits from your grandchildren. Then the economy changed. Your daughter and her husband lost their jobs. They move in with their three kids in tow. Your nest is full once again.

The number of intergenerational households in the United States is increasing. According to the US Census Bureau, 38 percent of Americans ages 24 to 34 were living in their parent's home in 2008, a 20 percent increase from ten years ago. A January 2009 AARP survey found that 11 percent of adults ages 35 to 44 were living with their parents.

The reasons for this growing trend are many. Adult children move home after losing their job or house. A number of people, especially recent college graduates, cannot find a job or one that covers their living expenses or debts. Others are recovering from a personal setback such as divorce or illness.

While you want to help your family through this transition time, you and your grown children may have different expectations. Tension, stress and conflicts may arise. My advice is have an honest conversation, before your son or daughter moves in, to lay the ground rules about childcare for grandchildren, schedules, visitors, privacy, household chores, and a host of other lifestyle issues. One topic not to overlook is money.

Talk with your adult children about their financial situation. As the helping parent, do not hesitate to ask for honest answers about their expenses and debts. You can better help them if you know their situation. (This does not need to be reciprocated; you do not need to share your personal information with your children.) Discuss their goals for moving home. It could be to pay off debt, save for an apartment, or find a job.

Work with your children to establish a plan to reach their goals. Set a date by which they need to have a paying job to contribute to the household expenses. And, once earning money, a specified amount or percentage from every paycheck needs to go into a savings account to work towards their monetary goals.

If your grown children are struggling with debt, help them restructure their debt payments. If you want to help financially, consider making matching payments to retire the debt. Simply paying it off will not help them in the long-term. Now is an opportunity to teach how to avoid debt – including over use of credit cards - and to live within one's means.

Having extra people in the house will increase your expenses. Jointly determine how your son or daughter and their families will contribute to the household.

One of the biggest questions is whether or not to charge rent. Adult children should not expect to live for free. They can contribute in a number of ways. If they are working, they can pay a certain percentage of their wages. Or, rent can be a fixed dollar amount. Your children can pay a percentage of the utilities or cover the entire cost of designated expenses. They can contribute to groceries.

If you do not need money from your grown children to pay the household expenses, you can put the money aside in a savings account for them. It is up to you whether to tell them you are doing so. This can become their emergency fund, or help them move into a place of their own.

If your son or daughter has not yet found a job and has no income, he or she can help with chores and home repairs for which you would otherwise pay.

Once the ground rules and financial terms are determined, put all of them in writing. Create a contract that you, your adult child and his or her spouse sign. Include a predetermined date that they will move out.

While you are helping your adult children, you should not compromise your own financial security. You may be tempted to stop contributing to or to dip into your retirement funds to help your offspring. Financial planning experts agree, however, that parents, especially when they may need to be maximizing their own retirement contributions, should not do this. To do so would reduce your

savings when you need the money most. And, you could become dependent on your adult children for financial help later in life.

With clearly stated expectations, responsibilities and ground rules, you can help your children regain their financial independence without sacrificing yours. And, you can enjoy your empty nest once again.