



Fee-Only Financial and Investment Planning
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On Course

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Welcome! Researchers say there's a continuing trend to multi-generational families. As you can imagine, people have varied reactions when a grown child or their own parents move in with them. If you decide such a move makes sense for all of you, then you need a plan! This month we're giving some tips to make the transition smooth.

If you want help on how to plan your finances for a multi-generational family, remember we're here to help you stay *On Course*!

-Jennifer Lane, CFP

In This Issue

[The Kids Are Home](#)

[Question & Answer](#)

[Monthly Tip](#)



Jennifer's Hint

The kids are home - and so are your parents!

For the past several years, the rise in multi-generational households has continued on an upward trend. Whether it's your children moving home or your parents moving in (or both!), here are some guidelines for managing your money.

Your children

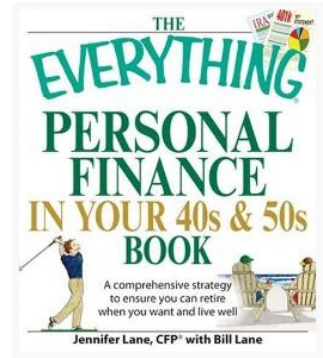
- Be specific about how your child will contribute financially to the household whether it's rent, utilities, groceries, or the cell phone.
- Make it clear how you expect them to contribute to the household chores, including their own needs. (You shouldn't have to do their laundry!)
- Discuss how long the arrangement will last and what has to happen so they can move out. Set meeting times to discuss progress. You can be flexible about the departure date assuming you know progress toward that goal is being made.
- Be clear about your own financial situation, especially if you're trying to save for retirement and things are tight for you.
- Remember that you are now providing the support system for your child. Your financial needs take precedence over your child's. Take care of yourself first so you will be able to help your child.

Your parents

Advice and education can go a lot further in helping your kids than simple cash handouts. Offer education and guidance before money. Pay the fee for them to meet with a financial planner. Offer to pay for financial planning classes or courses on money management. Buy them books on personal finance as gifts. Finally, share your own financial planning process with them.

Get more tips in Jennifer's book

- If your parents are going to move in, it's likely to be a permanent arrangement.
- If the move is in lieu of going to a nursing home, what's the reason? If it's a preference for living at home, then there may be resources to contribute to ongoing living expenses and care. If it's a lack of funds, then you will need to adjust your budget to meet the added expenses.
- Look to Social Security and pensions as well as home equity for help with costs. They might be able to sell their home to help pay for renovations to your house or home care.
- Try to find ways that they can participate as members of the family whether it's babysitting or helping with meals.
- Discuss all these pieces with your parents before they actually move in.
- Include your siblings so that you can all share in additional expenses if needed.



([click here for link](#))

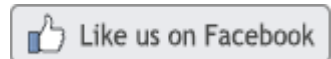
Helpful Websites

[AARP](#)

[Mint.com](#)

[NAELA.org](#)

[NOLO.org](#)



Q&A

Q: Our son moved home last summer when he could not find a job after graduation. Our house is paid off, so we didn't charge him rent. He recently found a part time job and is spending money like a sailor on leave...Do you have any suggestions on how to help him save money?

– **Judy, Canton**

A: Judy, it's frustrating when others don't behave as you expected. Use the new job as a jumping off point to introduce new rules. This may be an uncomfortable discussion, but it will be better for you both to set some money rules. Charge rent equal to 20 percent of whatever your son is earning. If you feel you don't need the money, keep it aside to use as a gift to help with a down payment or first and last rental deposit when he moves out.

What's New

- Financial Planning's recent article, *When to Use Stop-Loss Strategies*, includes comments from Jennifer. Click [here](#) to read the full article (registration required).
- Jennifer recently answered NECN viewer questions about **buying and selling cars**. Click [here](#) to watch the segment on her blog.
- Follow us on Facebook! Visit www.facebook.com/AskJennifer and like us!
- Jennifer appears on NECN every other Monday morning at 9:30 am in addition to her Tuesday 6:30 pm appearance.

Compass Planning Associates helps families, individuals, and small-business clients achieve financial security, knowledge, and control over their money. Our **fee-only, client-centered approach** provides education and guidance for achieving financial goals and dreams.

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