



Posted on Wed, May. 08, 2013

Planning for a boomerang child? Six keys to consider

By LUCAS BUCL

With a sluggish economy and a tight job market, more kids than ever moving back in with mom and dad. The intent is most often to help the young adult get on their feet, find a job, or save money so they can launch successfully.

A recent Pew Research Center survey found that 29% of 25-34 year olds have lived with one of their parents in recent years. Like executing a successful

financial plan, setting clear expectations and having good communication are critical to success.

Here are six keys to making these arrangements work.

1. Set Expectations, and Write Them Down – The most common reason these arrangements go badly is because the parents and the child do not have clear expectations about how things will go. Parents can fall into the trap of thinking things will be similar to high school.

Many young adults find that unreasonable given they have been living independently and making their own decisions for four or five years. It makes sense to talk about expectations in advance and negotiate the differences. Writing down a statement of understanding adds a sense of formality and gives each party a touch point to refer to if there is any sort of disagreement.

Here are some of the most common points of contention:

- Will the child be expected to contribute financially? (more below)
- What are the expectations for household chores?
- What if you have a disagreement, how should the situation be addressed?
- Are there any expectations about staying out late? Houseguests?

2. Set an End Date – Setting an end date clarifies that this is a temporary situation, and gives a clear date to revisit the arrangement. The date can always be renegotiated, but the end date sets a date in time to reset expectations.

3. Discuss Rent and Sharing Household Expenses – According to Pew, 48% of boomerang children report paying rent at some level, and 89% indicated that they helped with household expenses. Most of the time these arrangements are about helping the child save money, so having them pay for some things may feel like this is taking away from that objective.

However, having the child pay some level of rent and/or share in the household costs sends a message that they will not be allowed to freeload, and that they have at least some responsibility to support themselves. I suggest using the conversation about rent and expenses as a teaching moment. Sitting down and discussing the household budget can be an eye-opener and a preview of what life will be like once they are fully out on their own.

4. Encourage the Child to Set Goals – Once the expectations and a timeframe are set, help them establish a goal plan to meet these expectations. Most often this involves a job search.

The child should understand that until they have a full time job, finding one should be their primary focus. Help them outline an action plan with key steps and milestones.

5. Get on the Same Page with your Spouse – Making sure that you and your spouse have the same expectations is very important to being consistent and ensuring that the arrangement

will work for everyone.

6. Enjoy the Experience – One of the big positives of a child returning home is that the parents get to spend some additional quality time with them. Use the time as an opportunity to enhance your relationship and enjoy some time together and create memorable experiences.

The Money Matters column is written by members of the Financial Planning Association of Greater Kansas City. This week: Lucas Bucl (lbucl@makinglifecount.com), a Certified Financial Planner with KHC Wealth Management, Overland Park.

© 2013 Kansas City Star and wire service sources. All Rights Reserved. <http://www.kansascity.com>