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"Full Nest" Finances: Considerations When Supporting Adult Children

As more and more adult children opt to stay at home longer, parents can face new challenges in making ends meet.

Social Media Message:

Adult children returning home can play havoc on their parents' finances. How can you stay on course?

Say so-long to the days of "empty nesters," when parents would make life changes once their children had moved out and moved on. It is more likely that parents today are dealing with a "full nest."

It is estimated that 85% of this year's college graduates are planning to head back to live with mom and dad.¹ And a study in 2010 by researchers at Columbia University using the U.S. Current Population Survey found that 52.8% of 18- to 24-year-olds were living at home, up from 47.3% in 1970. The study also showed that one-in-seven young adults is emerging from their teenage years with no pathway to financial and economic independence.²

For parents it can be trying. While it's important to respect the independence of full-grown children, it's not that easy when they are exercising that independence under your roof. What's more, it can also be a drain financially. Food, heating, gas, electricity, and many other daily expenses can be a lot higher when they include another mouth or two.

If you find yourself with a full nest, here are a few tips to help make ends meet:

- **Make a budget.** Tracking what you spend and comparing it with a monthly plan will help you to identify where the money is going, and where you can cut back. It can also show what costs are truly shared and what ones relate to specific family members.
- **Share the common costs.** Most live-at-home adult children are there for a reason, often due to lack of a job or inability to afford a place of their own. But that does not mean they should not shoulder a portion of household expenses. Work out a realistic rent or cost-sharing arrangement and stick with it.

- **Separate the individual costs.** Is your live-at-home son or daughter a finicky eater? Do they demand certain foods or sundries that you would not buy otherwise? Then let them pay for them. They'll learn to appreciate what their tastes are actually costing, and avoid resentments on your part.
- **Share the chores.** Assigning chores and responsibilities may seem obvious, but often it's overlooked, leaving mom and dad to do all the work. Garbage, lawn, housework -- make it clear to all who is responsible for what task.
- **Don't make it too comfortable.** If your goal is to eventually nudge your fledglings out of the nest, you need to provide incentive. That means not treating them as permanent guests, but as temporary live-at-home adult children, with obligations and responsibilities of their own. In the end, they will appreciate it as much as you.

Source/Disclaimer:

¹ Source: *Harper's Magazine*, August 2011.

² Source: *Columbia University, National Center for Children in Poverty, "A Profile of Disconnected Young Adults in 2010," December 2010.*

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