

The DAILY PLAN-ITTM

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For money or culture, generations living together

Grandpa's teeth in a cup on the vanity. Suzie's soccer cleats on the back porch. Mom and Dad cooking dinner for six.

For reasons both cultural and financial, Americans are living in multigenerational households in numbers not seen since the 1930s, [The New York Times](#) recently reported, and it shows no signs of changing soon.

This trend offers advisors a unique opportunity to reach out to clients who are supporting and living with both minor children and senior parents. Some of your Generation-X and Baby Boomer clients may be struggling to balance their family's current finances, their own impending future retirement needs, and an estate plan that supports everyone's needs.

All in the family

Shared households saw an 11 percent spike between 2007 and 2010, the *Times* reported. Much of that came from college students or graduates moving back in with their parents, but multigenerational numbers also rose.

For many students, unemployment or underemployment made living on their own a perilous prospect. The same held true for grandparents, who also face the prospect of declining health and high medical costs.

The American Association of Retired Persons says one survey showed the annual cost of a private nursing home to be more than \$90,000, with a semiprivate room at \$81,000 and an assisted living facility at more than \$42,000. In many cases, multigenerational living is today's assisted living plan.

For many families, it just makes financial sense to live together. Instead of two or three homes with their associated utilities and upkeep, one larger home can meet the needs of all three generations - especially if everyone chips in on the bills.

Roosevelt's legacy

Until 1940, *The NYT* reports, most elderly widows lived with one of their children. After 1940, the numbers saw a steady decline from about 60 percent to 20 percent by 1990. Credit the New Deal and Social Security, which allowed those widows to have the financial means

to live on their own.

When the Great Recession hit in 2008, demographers noticed an increase in multigenerational living driven by the soured economy.

Despite the many benefits of living together, it comes with its own set of challenges. Grandparents, parents and children can be used to their routines and resistant to change. *Wheel of Fortune* or *PBS*? Meat and potatoes or Asian stir-fry? *Fox News* or *MSNBC*?

But, the rewards are more than just financial. Aging parents in need of medical care might be more comfortable around their own family. Middle parents dreading an empty nest now have a full household again. And the youngest generation can learn from the wisdom of the generations that came before them.

Many of your clients are carrying the load of supporting younger and older generations simultaneously. They'll need a solid planning strategy to ensure that everyone, including themselves, is taken care of financially. Our office can help your clients find the right planning strategy for their unique family dynamic.

We hope this information is useful to you and helps your client and their families. If you have a specific case or question, please don't hesitate to call our office.

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