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Now boomers are moving back with parents

Much has been written about “boomerang kids” who cannot manage financially on their own and move back in with Mom and Dad. However, just when you thought it was safe as your children were now in their fifties and sixties, a recent article in Money Watch talks about baby boomers who are increasingly turning to their parents for financial assistance, including housing (<http://www.cbsnews.com/news/now-even-boomers-are-moving-back-in-with-mom-and-dad>). Now instead of fighting parental authority, children of the 1960's are embracing the homestead that they could not wait to leave.

Many reasons are cited in the article to explain this trend. The recent economic downturn has resulted in older workers losing jobs, and they often have a harder time finding employment than younger workers, as documented by a U.S. Government Accountability Office (GAO) report in 2012. Adding to that is the poor state of many baby boomers' retirement savings. The median retirement household savings for members of the post-WWII generation is only a little more than \$100,000 which is hopelessly inadequate. The GAO indicates that long-term unemployment is rough on retirement savings also. For example, a 55 year old worker who withdraws 50 percent of his \$70,000 retirement account over two years will require at least another five years to recoup those losses. Even though boomers plan on working longer and retiring later, unexpected health issues or a job loss wreaks havoc with those plans.

The Economic Policy Institute reports that 40 percent of people in their peak savings years (55-64) had nothing saved and another 10 percent had saved \$12,000 or less. The Transamerica Center for Retirement Studies in their 14th annual Retirement Survey last year reported that 62 percent of boomers plan to work past age 65 or do not plan to retire at all. Another 58 percent are planning to work through “retirement” at least part time for health insurance coverage.

Many people still feel young and vital enough to continue working, and many truly do not want to retire, not just for the income benefits but because they enjoy working. Others know that their savings have been insufficient, and need the continued income. Where plans can go awry is when job loss or health issues intervene. Those without sufficient savings can find themselves in a financial bind that results in turning to elderly parents for help. The *Los Angeles Times* reports that 194,000 Californians aged 50 to 64 lived with their parents in 2012, which is a 67.9 percent increase over the preceding seven years. The Pew Research Center estimates a dramatic increase in multi-generational households, the highest rate since the 1950's.

None of the statistics cited even touch on the emotional aspects of older folks moving back in with now elderly parents. This is a lesson to be learned for generations to come on the importance of planning at a young age.