

## Multi-Generational Households Are More Common

While the U.S. Census indicates that the average family household consists of 3.14 people, a more recent trend is turning that number on its ear. In the last couple of years, multi-generational households have been on the increase, not only expanding family sizes, but also altering the lifestyles across the country.

A multi-generational household is made up of adults, their children and their older parents. This means, long after adults have moved out of their parents' home and settled into one of their own, mom and dad are reversing the trend and moving in with the kids. Each year, this trend is gaining popularity. According to the National Center for Marriage Research at Bowling Green State University, the percentage of those aged 75 and over moving into their adult children's homes is 6.5% today, up from 4.1% in 1990.

While the current economic downturn has played a role, multi-generational homes were already on the increase over the past few years. Part of that is due to people living longer. Despite increasing life spans, many elderly adults don't have an increasing economic wherewithal to maintain their own homes or cover the monthly expense of a continuing care community.

A number of factors play into this shift, not the least of which is due to finances. The cost of owning a home is too high, as is that of a retirement community. In order to be more frugal, adults are making arrangements for their parents to move into their homes.

In some cases, the move is medically motivated, where an older parent can no longer live alone but cannot afford a nursing home. In this instance, the adult child takes on the role of caregiver to mom or dad while also being a parent to his or her own children.

Whatever the motivation, the multi-generational household is becoming increasingly more common. Before moving forward and taking the steps to living in a multi-generational family, there are a few factors that should be taken into consideration.

Think about your financial situation and that of your family members. How will the bills be paid? Are expenses divided up or shared equally? How much can everyone afford? If the change is part of a cost-saving move, make sure that the steps you are taking are actually saving money. Though finances can be touchy subjects, honesty and openness make the transition smoother.

Regardless of who moves in with whom, it is best to look into the legal matters involved with home ownership. While joint ownership on the house may give everyone peace of mind in case of a divorce or custody dispute, adding an aging parent to the deed can cause more problems down the road. If mom or dad later goes to a nursing home under Medicaid, the house can be used as a lien to collect medical expenses after he or she dies. Such a scenario is not uncommon and results in both emotional and financial hardships for the surviving family members.

In some situations, families agree to make structural changes to the house to allow more privacy, whether through an added private entrance or creating a second living area. Don't make a move without first consulting local zoning laws. A two-family unit may not be allowed in a single-family zone, even cases where an apartment is added over the garage or a guesthouse is built in the back.

For children who are serving as care providers for their parents, there is the additional concern of managing their affairs. If mom or dad is unable to pay their bills or manage their bank accounts, who is going to handle things to make sure everything is balanced and up-to-date. If the parents are content to share their financial information, then they may turn things over to their children. Otherwise, a daily money manager could be consulted for assistance.

One other important change to think about is the expectations of all parties involved. The older generation may be planning on maintaining independence in most matters while the younger adults are expecting help with the kids and added assistance around the house. It is important for each party to understand what the other wants and reach an understanding before the move is made. Parameters are necessary for a happy and peaceful coexistence.

If a multi-generational household is a situation that might work for you, make sure that you and your family discuss things fully before moving forward.