

## Why Parents Need to Stop Paying Their Millennial Kids' Cellphone Bills

Those monthly bills can add up over time.

Oct 13<sup>th</sup> 2016

By Beth Pinsker / Reuters

The stereotype of millennials living in their parents' basements is well worn by now, but what about the 30-year-old still on a family cellphone plan? Or the 35-year-old piggybacking mom and dad's Netflix?

Parental support of adult "kids" ranges from full dependency to steady drips of cash infusions, with all of it degrading retirement savings.

Almost half of U.S. millennials have received some form of monetary assistance, even if they are living on their own, according to a study released Thursday by the financial firm Fidelity.

The top budget item millennials get help with, according to Fidelity: cellphone bills, followed by clothing.

The budgetary impact is not chump change. A recent survey from consulting firm Age Wave and Merrill Lynch found that 60 percent of Americans over 50 have provided financial help to other family members in the past five years, with 68 percent of that support going to adult children. The average amount given over that time period: \$14,900.

Deciding when enough is enough is a hard task for everyone involved.

"There are so many of us that have enabled our children. It's hard to start saying no," says Mary Ballin, 53, a financial adviser for Mosaic Financial Partners in Walnut Creek, California.

Ballin not only advises clients who are trying to get their "kids" off the balance sheet, but she also knows from experience. Her 21-year-old son is currently living at home, taking a break from college. Her strategy is to enforce a payment schedule.

"We said: 'When you quit school, by October 1 the phone is on you, and by January 1, the car is on you,'" Ballin says.

By the time her son is 24, Ballin hopes he will be out on his own. At age 25, he needs to be fully self-sufficient, she says. That is because Ballin and her husband have retirement plans, and they want to shift their focus.

"As that next stage of life is coming sooner and sooner, I want to travel more. I can't keep paying for these kids," Ballin says

## **Wake-up calls**

One way to facilitate the wake-up call is to participate in a financial literacy program together. Wendy Lawrence got her husband and three stepchildren (ages 17, 19, and 29) involved in one through her employer, SunTrust Bank.

“We had a frank discussion of how much we spend on them. It was eye-opening,” says Lawrence, 45.

The 29-year-old, who lives at home, now pays rent. Lawrence and her husband put some aside to help him save for a down payment. He also is maxing out his 401(k).

While Lawrence says her stepson would rather be out on his own, he is glad to be saving. And she gets something in return.

URL: <http://time.com/money/4529711/parent-paying-kids-cellphone-bills/>