

## Running the Bank of Mom and Dad

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By Jennie Phipps

The bank of mom and dad is busy -- even when mom and dad are retired, according to a study Bank of America Merrill Lynch released today.

The study pointed out that 52 percent of boomers expect to provide some kind of support to their adult children and other family members.

- Forty-three percent say they'll write a check or make a loan.
- Thirty-eight percent expect to provide a family member with a place to live or help pay for it.
- Thirty percent expect that they'll help pay for education expenses for children or grandchildren.
- Twenty-five percent expect to pay for a family member's health care or long-term care needs.

Wealthier parents are much more likely to be called upon to help, with 58 percent of people with household incomes of \$200,000 or greater being asked to assist their adult children, and 41 percent of higher earners asked to help out their grandchildren.

Ken Dychtwald, CEO of Age Wave, a [retirement](#) consultancy, pointed out that [retirement planning](#) is increasingly a family affair, with younger generations having a bigger and more personal stake in the quality and stability of their parents' financial planning.

Financial advisers are already dealing with the sensitive issues that come with this, says Andy Sieg, managing director of global wealth and retirement solutions for Bank of America Merrill Lynch. "The dynamics among family members are much more complicated than they were in the past," he says. "People are struggling with the trade-off between helping grandchildren or helping a sibling in need."

The fact that there are more blended than original families complicates these issues, Dychtwald says. "Couples really need to talk about this. And they need to put a lock box around their own financial security."

Source: <http://www.bankrate.com/financing/retirement/running-the-bank-of-mom-and-dad/>