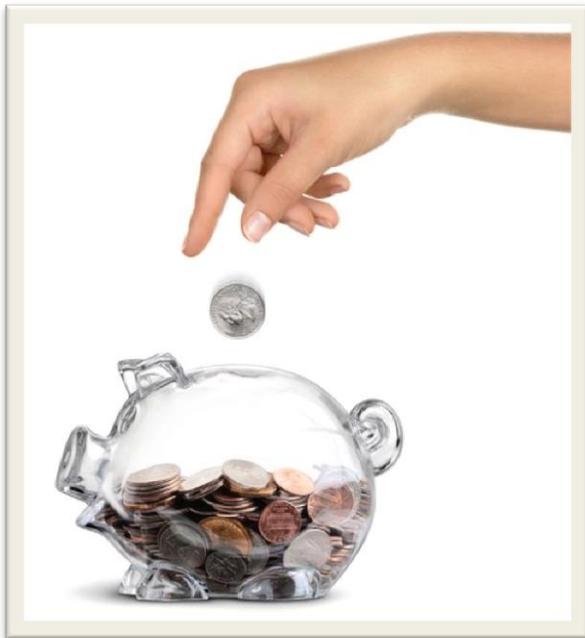


Do you give money to relatives? You may be the 'family bank'

By Walter Hamilton | November 18, 2013, 10:40 a.m



The reward for being financially responsible? You may become the 'family bank' (ryasick / Getty Images / April 17, 2013)

More than six in 10 older Americans have become the “family bank,” giving financial support to relatives even if it means delaying their own retirements, according to a new survey.

Among people age 50 and older, 62% gave monetary assistance to a family member in the last five years, either one-time help or ongoing support, according to the study by Merrill Lynch Global Wealth Management and research firm Age Wave.

The average amount of assistance is \$14,900.

The report, titled “Are You the Family Bank? Can You Afford to Be?,” underscores the myriad financial pressures facing the 50-plus crowd. Rather than stowing away money for their own

rapidly approaching and often underfunded retirements, many people are writing checks to adult children or aging parents.

“The role of the family bank is often assigned to those who saved and invested responsibly,” the study says. “In fact, the more financially responsible you are, the more likely other family members will consider you to be the family bank.”

The study shows Americans' generosity toward their families.

Among parents with adult children, 68% have given them assistance, according to the survey.

Six in 10 pre-retirees said they would push back retirement to help out family. Four in 10 said they would return to work after retirement, while nearly that many said they'd accept a less comfortable retirement.

The study, however, also underscores the friction in some families, as those who have been frugal resent the entreaties by their sometimes-profligate relatives.

Said one unnamed poll respondent: “I paid down my mortgage and didn't run up my credit cards, unlike my sisters. Now everyone in my family is turning to me for money.”

Said another: “I thought I would be supplementing my grandchildren's college funds. It turns out I was the college fund.”

Some people have stopped giving financial help. Among those who closed their checkbook, 57% said they felt the money was not being used wisely. More than one-third cited the dent in their own lifestyle.

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