

To investors who want to retire comfortably.

If you have a \$500,000 portfolio, download the guide by *Forbes* columnist and money manager Ken Fisher's firm. It's called "The 15-Minute Retirement Plan." Even if you have something else in place right now, it *still* makes sense to request your guide! [Click Here to Download Your Guide!](#)

FISHER INVESTMENTS*

THE WALL STREET JOURNAL

WSJ.com

November 18, 2013, 1:13 PM ET

Parents Serving as Emergency Support for Adult Kids

By Neil Shah

Older Americans can be a burden on the economy — but for cash-strapped families, they're a lifeline.



Getty Images

Roughly one in four adults 25 years old and over got \$100 or more from parents in 2011, according to **Judith Seltzer**, a sociology professor at **UCLA** who analyzed **Census** data and the June 2012 Survey of Consumers. The average gift was \$6,500. Better-educated parents were more likely to give: Nearly 37% of adults with college-educated parents received assistance.

Grandparents also provide child care. About 28% of grandparents provided at least 50 hours of care per year for grandchildren they didn't live with, and nearly one-third of grandmothers who live with a grandchild have primary responsibility for them. More affluent grandparents, meanwhile, tend to help adult children with mortgage costs, house down-payments and education, greasing the wheels of economic mobility for their grandchildren, research shows.

The upshot: Older people are quietly serving as an emergency-support system for adult children struggling with a weak economy and high joblessness — and indeed, with years of slow wage growth and declining economic mobility.

Marjorie Price, of Boise, Idaho, is among those helping out. The 80-year-old widow and mother of five, known as "the Jelly Lady" locally, wanted to shutter her business of selling jams and jellies at farmers' markets a few years ago. Instead, she's continuing to produce 5,000 jars a year to earn extra income and help her daughter Ann, who has two twenty-something daughters of her own.

[More In Demographics](#)

[Millennials Flock to Washington After Abandoning City in Recession](#)

[Aging Population Isn't the Timebomb Many Make It Out to Be](#)

[Fewest Graduating Seniors in 20 Years Spell Trouble for Colleges](#)

[Number of the Week: The Benefits of Gentrification](#)

[Richer Americans Like Living With Poorer People Until They Have Kids](#)

While Ann has a teaching job at a nearby university, her pay isn't high enough to get by, especially after a divorce a few years ago. College-tuition for Ann's now 22-year-old daughter made things tougher. Ann has been instrumental in keeping the jam business alive, but there are downsides, Ms. Price said. Ann doesn't like having to rely on Ms. Price's help, she said, and keeping the jam business rolling is taking a physical toll. "It's reaching the point where I'm not up for it," she said.

Opportunities for such exchanges between older and younger generations are growing as America's population ages and life expectancy rises.

One in five Americans is expected to be at least 65 by 2050, compared with around 14% now. And for the past three decades, the economic well-being of older people has improved at a pace that outstrips that for younger people, creating a widening gap in wealth.

Between 1984 and 2009, the median net worth of households headed by an adult younger than age 35 decreased by 68%, while the same for households headed by someone 65 and older increased by 42%, according to **Pew Research Center's Richard Fry**. That is from the 2007-2009 recession, of course, which hit young homeowners hard — but also because of economic trends like fewer manufacturing jobs and young people starting their professional lives later.

This increased wealth among older Americans means more resources for children to tap in hard times.

"The older generation today helps the younger generation by giving them the scarce resources of time and money," Ms. Seltzer wrote in a recent paper. "Parents also give children major gifts or financial help to achieve important milestones."

Such "intergenerational transfers," common during the Great Depression, may be increasing in the U.S. — and not just because of the uneven economic recovery.

Since 1980, a growing share of unmarried adults have been living in their parents' homes, Census data show. Indeed, even married couples are increasingly living in parental homes, said **Johns Hopkins University** sociologist **Andrew Cherlin**. After falling between 1940 and 1980, a gauge of young married couples living with parents rose from below 2% to above 5% in 2010 — a level last seen in 1900.

"Older parents are playing a much greater role than was the case a few decades ago," said Mr. Cherlin, who calls grandparents a "family national guard." "In recent years, more [grandparents] have been called up for active duty. They are glad to help, but some are looking forward to the day when they can go back into the reserves."

Supporting adult children can mean physical, emotional, and financial strains, especially for older Americans who've stepped in involuntarily and taken over parental duties for an absentee adult.

Susanne Lee and her husband are caring for their unmarried 30-year-old son — and his young daughter. A salesperson at an electronics store, Ms. Lee's son often can't get enough hours at work. To keep costs down, he's living in his parents' basement in Richmond, Virginia.

"At first I was overwhelmed and a little frustrated having to give up some of the free time that I had gotten

back,” Ms. Lee said. Seven years ago Ms. Lee’s older daughter and family had moved in briefly. “When it’s family, what can you do? How can you say no?” she said.

Ms. Lee, 57, and her husband, 59, now plan to delay their retirements. Ms. Lee is taking extra work as a house cleaner. While she hopes things will improve for her son, she’s not sure. “Because of how the economy is, it could just be a long-term thing.”

Copyright 2013 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law . For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com