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Aging and Broke, More Lean on Family

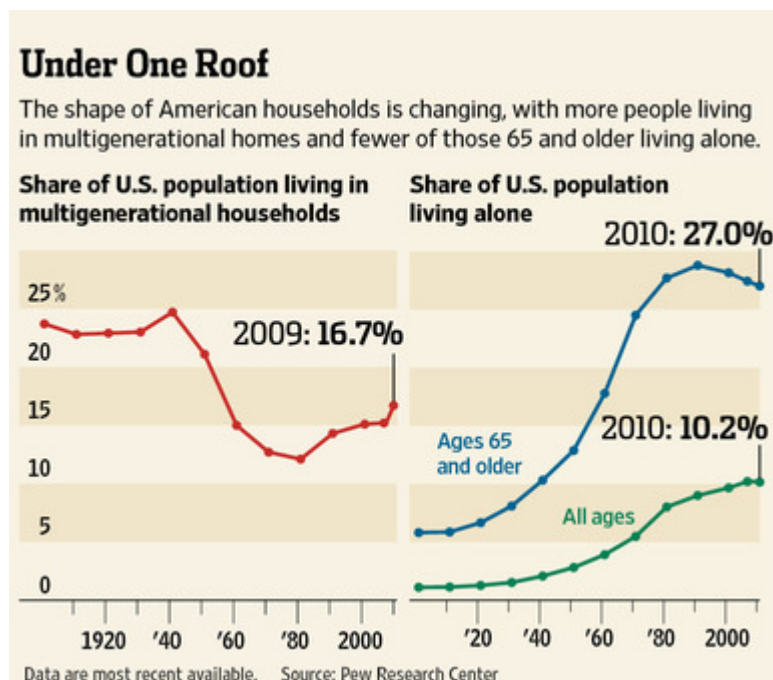
Money Crunch Reshapes Relationships; 'I Worry About Being a Burden on My Son'

By [E.S. BROWNING](#)

More aging Americans are doing something they never would have imagined: turning to family for financial aid. Some are even asking their children for a place to live.

The problem has been building as more Americans 55 and older have lost jobs or run through savings faster than expected.

Thirty-nine percent of adults with parents 65 and older reported giving parents financial aid in the past year, according to a September Pew Research Center survey. Some parents may have trouble acknowledging it: 10% of parents 65 and older reported receiving aid.



Eighteen percent of unemployed Americans 55 and older said they borrowed from family or friends other than adult children, while one in 25 reported moving in with family or friends to save money, according to a December 2010 survey by Rutgers University's Heldrich Center for Workforce Development. The researchers didn't measure the problem until recently; it wasn't considered widespread.

"I worry about being a burden on my son," says Mary Huss, 60 years old, who moved in with her son in Salinas, Calif., a year ago.

Ms. Huss lost her job in 2008 when her nonprofit employer lost funding. Unable to find a job and facing diabetes and rheumatoid arthritis, she used up her retirement savings and sold her home.

Robert Huss, a data-systems manager for Monterey County, says he expects she will remain permanently.

"I don't relish the thought of it, but I am not going to sit there and watch my family members live in a van or anything like that," Mr. Huss says.

Enlarge Image



Chip Litherland for The Wall Street Journal

Veta Millard recently took her mother, Juanita Munroe, into the Apollo Beach, Fla., house she shares with her husband and four children.

In 1900, 57% of adults 65 and older lived with relatives, according to Pew Research. Because of Social Security, Medicare and improving health and wealth, that rate declined to 17% by 1990, Pew says. Now it is up to 20%.

Older people still often are the ones taking in struggling children, not vice versa. But people working to assist the elderly are seeing more cases where the older person is the one in trouble.

The typical American household with a retirement savings account is reaching retirement age today with too little to maintain its standard of living even including Social Security, according to research conducted for The Wall Street Journal by Boston College's Center for Retirement Research and New York Life Insurance Co.

Medical bills blasted some people's savings, as did the financial collapses of 2000-02 and 2008-09. Sometimes money was mismanaged. The recent recession made things worse, leaving many seniors jobless and forcing others to take pay cuts. Unemployment is heavier for the young, but older people are much more likely to stay jobless for long periods and give up looking.

"What I am seeing is older people having to borrow money, take money, move in with their kids, take rooms, all kinds of things that just aren't quite normal or typical. It seems to be happening with increasing frequency," says Mark Guterman, a career coach in San Francisco at JVS, a community agency that teaches work skills. He says he knows an attorney, unable to find a job and diagnosed with breast cancer, living with a relative. "We are about to have a white-collar class of working poor," Mr. Guterman says.

"We have several people that have done that. It is definitely increasing," says Erin Carre, who helps run an apartment complex for seniors in Jacksonville, Fla., speaking of people who have left to live with relatives.

Craig Paul of Beverly Hills, Mich., was a contract computer programmer for Ford Motor Co. before losing his job about three years ago, he says. Now 65, he has given up looking for work.

Mr. Paul receives Social Security, a small pension from a former job and a monthly annuity check, but he sometimes has trouble paying property taxes, mortgage bills or unexpected home-repair costs. Credit-card and home-equity debt have risen. He has turned to his mother.

"My mother is still alive at 91. She will help me out if I have trouble paying the property taxes," Mr. Paul says. He also hopes to take over a car she no longer uses.

Willard Freeman of Portland, Ore., lost his job at a mortgage company in 2008. Despite part-time jobs, he used up his retirement savings. Community agencies helped with electric and heating bills, but he fell behind on rent and turned to his sister and mother-in-law for loans.

"Rightly or wrongly, you don't want to ask your younger sister for help," says Mr. Freeman, who is 58. "We borrowed enough to get through one month and we thought it would get better the following month, and it didn't."

Now he has a job with an insurance agency. He is catching up on bills and gradually repaying relatives but can save little.

"My income now is about half of what it was five or six years ago," Mr. Freeman says. "I don't know when I will retire."

Older people in financial trouble feel shame on top of financial fears. The situation also can stress adult children.

"Adult children are the squeeze folks. They are taking care of college-age kids who don't have jobs and at the same time they are taking care of older parents. They are the bologna in the sandwich," says Cathy Brown, executive director of the Council on Aging in St. Johns County, Fla.

Veta Millard, a 43-year-old occupational therapist in Tampa, Fla., recently took in her 76-year-old mother after her mother stopped working. A daughter gave her room to her grandmother, Juanita Munroe, and now shares a double bed with her sister.

At one point, Ms. Millard couldn't find day care for her mother. "I was just crying. I said, 'What am I going to do? I can't quit my job.'" Finally, an assisted-living facility made special arrangements to take in Ms. Munroe during the day.

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