

Boom kids still at home

Jonathan Chevreau, Wealthy Boomer; Financial Post · Nov. 19, 2011

The so-called Boomerang generation is stressing out their Baby Boomer parents and delaying the retirement of almost one in five of them, says a poll by Forum Research Inc., commissioned by the Financial Post. Nearly half (49%) of the adult children still living at home are doing so for financial reasons, the poll says, even though this is creating a financial burden for the parents in a third of the cases.

While the single biggest group of adult children were aged 18 to 24 (62% of them), 19% were in their late 20s, 11% in their 30s and 8% were 40 or older. And the vast majority (two-thirds) of these grown kids are not paying rent or chipping in to defray household expenses. Only one in 10 contributed \$200 to \$500 per month, while 18% contributed \$200 or less, even though 70% of adult children living at home have a paying job. Of those, 86% earn less than \$40,000 a year.

If they had the option, a quarter of the parents would downsize their home or rent out part of it, were it not for the fact their adult kids were still living there. Roughly one in 10 parents anticipates postponing their retirement to accommodate their live-in children: 9% expect to delay retirement by two to five years and another 8% expect it to push off their retirement date by up to two years.

The arrangement is also adding to the stress of parents, in addition to the financial toll. Less than a third said having a grown child at home didn't stress them at all and only 2% thought it lowered their stress. Some 38% thought it raised their stress "somewhat" and another 29% felt it did so "a great deal."

None of this would surprise the producers of the CBC documentary, *Generation Boomerang*, which was aired last week. In a one-hour live online chat (at www.financialpost.com/wealthy-boomer), producer Maria LeRose said the number of Canadians aged 20 to 29 still living at home has doubled over the past 25 years.

The phenomenon is global, added producer Sharon Bartlett, and particularly pronounced in Europe. Nowhere more so than Italy, where 70% of young adults still live at home and are lovingly referred to as "Bamboccioni" or "big babies."

Some critics, like social psychologist Jane Adams, think this generation is unwilling to take an entry-level job or pay their dues, an attitude Ms. Bartlett says may have been inculcated by the Boomers raising their kids to have high expectations from life. "They don't want to start at the bottom," Ms. Bartlett told the Post. "A recent survey showed many university grads expect to start out in a job that pays \$90,000 a year."

Just how indulgent Canadian parents are can be judged by other data uncovered by Forum Research: 35% pay their children's bills or give them an allowance, and one in four (26%) go so far as to pay for their vacations.

Now you'd think that living virtually rent-free would be a golden opportunity to save money up to accumulate a down payment on a first home, easing the path to the eventual creation of their own families.

However, the majority are carrying debt: 23% are still paying off student loans, another 24% have credit card debt and 10% have both outstanding student loans and credit card debt.

Forum Research president Lorne Bozinoff blames the stagnant global economy and widespread unemployment for the phenomenon. "With a lack of jobs for new graduates ... we're only going to see this trend grow in the coming years."

While Boomer parents may dream of an empty nest, many of their kids "simply can't support themselves," Mr. Bozinoff says, which means "a large number of Baby Boomers are now delaying their retirement plans or other purchases."

The telephone-based poll of 609 randomly selected homeowners with adult children at home was conducted on Nov. 14 and 15.