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## “My kids treat me like a bank”



When an adult child asks for money, it's hard to say no. You want to respond to a need. But perhaps your child perceives that you don't need all you have, or that they're simply requesting some of their inheritance, "just a bit early."

Before you answer, ask for time to think. Try to make a decision based on wisdom, not emotion. You also need time to discuss this with your spouse, if you have one.

### Here are some factors to consider:

- **Can you afford to give?** Check with your financial planner to see what you can realistically provide without jeopardizing your own security. Recognize that your likely biggest expenses in aging are yet to come: Home care or assisted living, neither of which is covered by Medicare. Perhaps some home remodeling, if you plan to age in place. You also may live longer than you planned. Unforeseen events, such as inflation or a down market, could have unfortunate consequences for your portfolio.
- **What is your motivation for giving?** Beyond an understandable desire to help, do you feel guilty? Would you feel like a bad or unloving parent if you said no? Are you embarrassed to admit you don't have "extra?" Dig deep for your inner thoughts about what you will "get" or avoid if you give. It's important to evaluate your deeper motivation.
- **Is this a pattern?** Does this child routinely have money problems? Giving them another infusion of cash may be enabling their poor planning rather than truly helping. Of course, you don't want to lecture them on spending habits. At the same time, as with any funder, you have a right to require a picture of some solvency. Consider requiring that they work with a credit counselor as part of the arrangement.
- **Is this a gift or a loan?** Loans between family members can be fraught with emotional baggage. Financial professionals say you need to treat the loan objectively, signing paperwork with an agreed-upon repayment schedule. But enforcing repayment can jeopardize the relationship. That's why many suggest you be prepared for it to become a gift, or just frame it as a gift from the outset. But do this only if you can truly afford to not be paid back. (Also check with your attorney. Gifts to family may compromise your eligibility for VA benefits or Medicaid in the future.)
- **An advance against inheritance.** Even if you can afford to make it a gift, your other children may resent it. Talk to your attorney about an "advance against inheritance" arrangement so it is well documented that these funds are to come out of that child's share of the inheritance down the line.

**Concerned about money and your relationship with your kids?**

**Let us help you sort through the issues. Give us a call at 206-456-5155.**



Aging Wisdom —  
Your Experts in  
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**206-456-5155**

Aging Wisdom supports individuals and families in King and south Snohomish Counties as they plan for aging.

Give us a call at 206-456-5155 to find out how we can support you.