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RETIRING

My Retirement Plan Is You

Americans without retirement savings are increasingly moving in with their millennial children.

By Charlotte Cowles

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Sian-Pierre Regis, 35, is used to living with roommates. For the past 10 years, he has split the rent on his apartment in the Chelsea neighborhood of Manhattan with two (in some cases, three) friends. But in June, he's getting a co-tenant of a different sort: his 78-year-old mother, Rebecca Danigelis.

"I don't think either of us expected to be in this situation," said Mr. Regis, a freelance filmmaker. His mother worked for over 40 years as a hotel housekeeper, rising to a management position, until her job was abruptly eliminated three years ago.

Since then, she has lived off her slim retirement savings (she liquidated most of her 401(k) to pay Mr. Regis's college tuition in 2002) and whatever part-time cleaning jobs she could find. When the coronavirus pandemic hit, she again was out of work, and at the end of May, the lease on her subsidized housing in Boston will expire. She can't afford the rent.

"I don't know what she could have done better, or how she could have prevented this," Mr. Regis said. "She worked long hours, never called in sick and cleaned houses to make extra money when she wasn't at her hotel job. She had no vices."

Still, as a single parent raising two children, she struggled to save. "When she lost her job, she had \$600 in her savings account," he said. "She had nothing to fall back on."

Nothing except her son, that is. Which makes Mr. Regis one of the growing number of millennials who are supporting their parents financially and, in some cases, giving them a place to live. Known as the reverse-boomerang effect, the phenomenon of parents moving in with their adult children, often for financial reasons, is on the rise. According to a [Pew Research Center analysis of population data](#), 14 percent of adults living in someone else's home in 2017 were a parent of the head of household, up from just 7 percent in 1995. And this trend is expected to balloon in the coming decades as baby boomers leave the work force but can't afford to support themselves.

Expressed in starker terms, the Center for Retirement Research at Boston College has [predicted that half of today's workers](#) will not have enough savings to sustain their standard of living when they retire. According to the AARP Public Policy Institute, [one in five Americans will be over the age of 65 by 2030](#) (compared with [one in seven in 2017](#)), "and our nation will face a severe shortage in accessible and affordable housing to meet their needs."

Enter the resurgence of multigenerational housing, when adults from at least two generations share the same home. After declining to its lowest point in 1980, multigenerational housing is now close to its 1950 peak, representing 20 percent of the total American population in 2016, [according to another Pew analysis](#).

While that trend is largely driven by 20-somethings living with their middle-aged parents, [Pew researchers found](#) that older adults were also significantly more likely to be living with their grown children in recent years than they were in the 1990s.

Younger Americans should take this pattern seriously, says Georgia Lee Hussey, a financial planner in Portland, Ore., who has clients across the country. “Most of my clients have at least one parent that needs to be factored into their financial plan,” she said. “What’s tricky is that for some families, it can be unexpected. Especially in white American culture, people over 60 are often uncomfortable talking about their finances, and ashamed to ask their children for help.”

And don’t underestimate the power of denial. Ms. Hussey noted that many baby boomers watched their own parents enjoy an era of heartier pension plans and lower health care costs. Now, many Americans work hard all their lives but still don’t have enough savings to retire. “Then, suddenly their child realizes, ‘Oh, I’m going to have to take care of dad,’” she said. “It can lead to some incredibly difficult conversations.”



Browsing a Salvation Army store. Ms. Danigelis worked in hotel housekeeping for decades and used most of her 401(k) to pay Mr. Regis’s college costs. Winnie Au for The New York Times

For Dulcinea Myers-Newcomb, 45, that realization happened when her 80-year-old father came to visit her and her two children, ages 8 and 14, in Portland — and then never left. “He said, ‘So, I’m not really visiting. I live here now,’” she said. “I knew that my father did not ever plan for this phase in his life, but my husband and I were not prepared for him to move in as soon as he did.”

To make room for their new housemate, Ms. Myers-Newcomb, a real-estate agent, arranged to install what is known as an accessory dwelling unit — a secondary apartment built on a single-family residential lot — in their small backyard. But the price — about \$110,000 — put the family in a tight spot. Like many Americans, she and her husband were already sandwiched between lingering student debt and trying to save for their own retirement. They took out a home equity line of credit to cover the costs, and her father contributes just under \$1,000 a month to help with the bills.

“I hope my kids don’t have to do this for me someday, but I think it’s beautiful that our children see that we’re taking care of our elders,” Ms. Myers-Newcomb said. “I’m seeing it more and more in my work, too: people my age and younger taking in their parents.”

For other families, the topic was never taboo.

“My parents were pretty explicit that my siblings and I were their retirement plan,” said Ka Po Lam, a 28-year-old treasury analyst who works for a bank in New York City. His family moved to the United States when he was a young boy, and he started giving half his take-home pay to his father at age 15, when he got his first job at McDonald’s.

“Being from Hong Kong, it’s part of our culture to help the family,” he said. “As immigrants, both my parents worked manual labor jobs. They don’t get Social Security. The traditional ways to afford retirement aren’t really available to them.”

Mr. Lam now sends about \$800 a month to his parents, who live with his older sister in Boston. “I’m basically paying double rent — mine and my parents’ — so I manage money pretty carefully,” he said. For a while, he had a second job at a coffee shop to earn extra cash on weekends — a different lifestyle from most of his banker colleagues, but he’s not complaining. “It’s not something I hide,” he said. “As much of a burden as that can be, I find validation in the fact that I can provide for my family.”

Still, financial responsibility for aging parents can be daunting no matter how much planning you do, said Athena Valentine Lent, 34, a program manager for a nonprofit in Phoenix, Ariz. “I’m Latina, and multigenerational households are normal in our culture,” she said. “I always knew my dad would come to live with me someday, and I’ve worked hard to prepare, but it’s still not easy.”

Although her father is only 53, she expects that a combination of his health and financial issues will put him on her doorstep within the next five years. “I have a ‘dad fund,’ and I put a couple hundred dollars a month in it,” she said. “It affects a lot of my life decisions. If my partner and I decide to buy a house, it will have to be big enough for my dad to live there with us. It’s a lot to think about, especially since I’d like to have children of my own in the next couple of years.”

To make matters more complicated, her father takes care of his mother, Ms. Lent’s grandmother. “So I wouldn’t just be taking care of him. I would also take in my grandma, and possibly my aunt too, because she also lives with them,” she said. “Sometimes we don’t just inherit our parents — we inherit entire families.”

These early reverse-boomerang pioneers are laying important groundwork, said Rodney Harrell, the vice president of family, home, and community at the AARP. “As it becomes more normalized for older adults to live with their grown children, I think it will get easier for everybody,” he said. “If your neighbor builds an accessory dwelling unit, or has their parents living with them, you might realize it’s a viable option for you and your family, too.”

That’s certainly been the case for Mr. Regis. “At first, I felt really lost. My situation was foreign to my closest friends, the people I’d gone to college with,” he said. But when he made a documentary film about his mother’s experience, “Duty Free,” the response was huge. “When we released the trailer for the film, I heard from so many people, my own age and younger, who said, ‘Thank you for making this. My mom just moved in with me, too, and I would do anything for her.’”

He also sees a silver lining. “In our country, the elderly become invisible. We don’t see them, and we don’t feel like we need to help them,” he said. “But they have so much to give, and maybe, if they live in our homes with us, people will realize that more.”