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| **Know What You are Getting in to When You Give an Adult Child Financial Help****Most parents want to do right by their children, but supporting an adult child is a complicated affair. It’s crucial for you to set expectations for how much you’ll help, for how long, and whether you expect to be repaid.**Adult children sometimes need help and it’s natural for them to turn to you. It’s important for parents to examine the need for money and how helping might affect a child’s long-term ability to work, live, and thrive. The last thing you want is to rob adult children of their motivation to succeed.**Understand the nature of the request.** The rules are different when a sudden need arises, such as emergency surgery, job loss, divorce, or foreclosure. That’s very different from a chronic need for money based on weak excuses. Make sure you understand whether the need is real or just an excuse to take advantage of your emotional ties.**Set the terms and then follow up.** If your adult child asks for money, it’s in your best interest to find out the true reason why. In other words, what are the exact challenges preventing your child from supporting themselves? Your willingness to help should hinge on the child’s plan to overcome whatever is preventing self-sufficiency. The plan should have achievable and measurable goals, along with a timetable. You should be able to gauge how well your child is succeeding in following through on the plan, otherwise it’s too easy for things to fall apart.**Agree on payback.** Unless there is some overriding reason, you should insist on some sort of payback when you give your child non-emergency money. You can structure a straight up loan, even if it’s interest free. Make sure your child understands that it’s a serious commitment. If circumstances don’t allow for a loan, insist upon some other sort of repayment. For example, if the child lives with you, make sure they take on important chores and responsibilities that help you in your own life.**Be fair to your other children.**Consider how your other children will feel if you help only one of their siblings. Tough feelings could develop among the siblings and could change the family dynamics. Emotional turmoil might be compounded if you simply forgive the money you give one child. This is why it’s important to demand some sort of payback and to impose a cut-off date when the money stops. Make clear that you mean to treat each child equally and listen to what your other children have to say.**Know when to draw the line.**It’s extremely important to not dip into your retirement savings to help out a child, short of a life-and-death situation. Before handing out money to a child, please contact me to see how to adjust your financial plans to minimize the impact on your own future.

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