SUCCESSFULWOMEN

TIMELY INVESTMENT AND FINANCIAL PLANNING TOPICS

WHEN THE ROAD TO SUCCESS LEADS BACK HOME

What does welcoming your son or daughter back into your home mean for all of you?

The day our children move out of the house, graduate from college or land their first job isn't always – or even often – the day they achieve independence. Life is full of twists and turns, and even young adults with the best laid plans can veer off course.

There are many reasons why a young adult may want or need to return home. And, of course, you'll want to help. But what happens when your kid begins playing video games instead of searching for an apartment? There is a fine line between helping and enabling, so it's important to set boundaries with your child before he or she crosses the threshold lugging suitcases.

BE REALISTIC

If your child should return home, your first inclination may be to help as much as you can. But many parents overestimate their ability to give and don't think about how long they'll be paying to feed another mouth. Worse, many don't think through what it could mean for their own financial futures. They raid their own savings and retirement accounts, often using up more than they intended to, and ignoring the fact that they may not have as much time to make up for the losses.

Remember, too, that having less than you've planned for can greatly affect your quality of life in retirement.

To address these issues, meet as a family and discuss whether you can (or will) fund your child's expenses; make a point to address nonessentials, such as trips, cellphone, entertainment and clothing. Perhaps ask them to pay rent, help with bills or split the chores to ease the financial and physical burdens. Creating a financial plan with them also could help keep disagreements in check later on.

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RAYMOND JAMES®

KID-FRIENDLY FINANCE **Establish smart money habits early**

Everyone – even young children – needs to learn the value of a dollar, how to make money work toward their goals and how to protect a financial legacy. And the sooner you start the better. Actively share your advice, and follow it as well. After all, you're the best role model for the younger generation. As your children or grandchildren get older, you'll have the comfort of knowing they understand and appreciate the role money plays in their lives. Here are some milestones marking the path to financial literacy and, hopefully, wisdom. ■

The early years 5 to 9

LESSONS

It's a great time to start with the basics, like learning the value of different coins and bills and the idea that you must work to earn money in order to pay for items and services. By age 7, your child should be able to do some chores and earn enough allowance to buy small items. Discuss the difference between needs and wants, and try to make learning fun.

ACTIVITIES

Get to work. Brainstorm different ways to earn money, like a lemonade stand or selling used toys and books.

Play games. Role-play using money-based games (e.g., restaurant owner and customer).

Start saving. Explain savings accounts and the concept of earning interest. Open up an account in your child's name.

TIP Start saving habits early by stashing a percentage of any money received in each of four collection jars: one for saving, growing, spending and giving.

The teen years 10 to 15

LESSONS

Talk about the value of work, money and living within your means. Encourage your preteen or teen to earn money by doing chores, errands and other household duties. Explain how interest can compound over time, as well as how lending works and the importance of paying back what you borrow. Kids within this age range should be able to conduct simple financial transactions, like writing a check, making a deposit, using an ATM and paying a bill.

ACTIVITIES

Check out checking. Consider adding checking to your children's accounts and teaching them how to balance a checkbook.

Divide and conquer. Allocate a percentage of allowance or gift money toward saving, spending, investing and sharing buckets.

Chip in. Offer to "match" your child's savings with a contribution of your own, say a quarter for every dollar saved.

Get defensive. Explain how to safeguard personal and financial information online and how to spot scams aimed at stealing financial information.

TIP Discuss credit and debt, as well as when to use credit cards and how quickly interest adds up.

Young adulthood 16 to 21

LESSONS

Kids this age should start thinking about college, how to live independently and even planning for retirement. Start simply by asking them to participate in household budgeting and talk about paying bills on time. Discuss the costs of items like insurance and utilities, as well as the importance of automatically saving for long-term goals. Cover the basics of putting money to work through investing, smart borrowing and the after-tax effect on take-home pay and investment income.

ACTIVITIES

Add it up. Utilize special calculators to estimate college costs and benefits. Also discuss how much you're willing to contribute.

Give credit. Explain how credit history can affect your ability to obtain credit or get a job. Check free credit reports at annualcreditreport.com.

Work it out. Emphasize the value of contributing through a part-time job, household chores or an internship.

Invest in the future. Help your adult children set up their 401(k)s or start a brokerage account or Roth IRA (if they're working).

TIP Introduce your child or grandchild to your accountant and financial advisor. Both can help fill in any gaps in their financial education.

When the road to success leads back home

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Try turning to your advisor for help determining how you can balance assisting your children with making progress toward your own goals. Their objective guidance, along with your support, might be the push your loved one needs to rejoin the real world.

ESTABLISH BOUNDARIES

Welcoming your loved one back into your home doesn't have to mean sacrificing the things you enjoy. Feel free to set rules for communal living spaces, like laying claim to the TV on Thursday nights or assigning everyone a day of the week to cook dinner. It might also make sense to set a time limit for their stay. Without these parameters, it can be easy for your child to get a little too cozy at home – and for you to feel a little smothered.

CHECK IN

During your child's stay, be sure to discuss your thoughts and feelings occasionally to make sure everyone is feeling heard. After all, your children are your greatest investment.

In the end, all you want is to help steer your loved one toward their fullest potential. By staying flexible, having honest and open conversations, and involving objective outsiders when things get tough, you and your family will be able to take life's twists and turns with ease, the way you always have. Together. ■

SHARE YOUR THOUGHTS

Some questions to consider when discussing whether sharing a roof is the best way to manage the life events coming your way:

- How do you plan to balance privacy with shared spaces and activities?
- What home modifications should be made to accommodate each family member?
- Are all family members in agreement over the situation?
- Have you discussed how you'll handle financial matters and household budgets

Sources: Coldwell Banker; cnbc.com; pewsocialtrends.org; aplus.arizona.edu

CONSIDERING A CHANGE?

Things to think about before seeking a new career

For some of us, change is exciting. For others, terrifying. Considering something like a job change, whether positive or less so, can create stress in our lives. Perhaps more so when embarking on a different career path altogether. If you find yourself at a career crossroads, consider the possible emotional and financial repercussions of making a move, and talk to your advisor to assess how a career change could impact your financial plan.

WHY DO YOU WANT TO LEAVE?

Are you burned out, bored or simply looking for more? You may not need to abandon your career entirely. Maybe a new job in the same industry could brighten your future.

Want to be your own boss? There's a lot to think about before starting a small business.

Seeking to learn something new? Perhaps going back to school is in order.

Are you letting your emotions take control? Making hasty decisions when upset could backfire.

BE STRATEGIC.

Clarify what you want from your new career. Is a higher salary most important? Or maybe work/life balance? Would you prefer less travel or the option to work from home?

Calculate what you'd give up if you left your current employer. Know the value of all your benefits – including insurances, retirement plans and profit sharing – and when you'll be vested. This could help you evaluate job offers and determine timing of a move.

Assess your skills and interests in a chosen field. Consider further education to develop the required skills.

Explore options and network within the new industry. Volunteering or part-time work may help gauge your interest.

Update your resume and pursue job openings.

Create a financial buffer to cover any transition costs not paid by a new employer.

TALK MONEY.

How will a new career affect your short- and long-term financial goals? Be sure to discuss potential ramifications with your family and financial advisor.

What are the ramifications if you leave? Will they be worth it? Consider everything from the value of your benefits to contract stipulations. You don't want to leave money on the table if you don't have to.

Have you compared the total compensation package? Compare both the salary and benefits (including your out-of-pocket costs), as well as the intangibles, like a shorter commute, that come along with the new job.

Have you done your research on the new company? Investigate the company's culture, stability, future outlook and opportunities for growth before committing to the new job.