

Boomerang Children & College Debt Can Hit Families Hard

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Young people are moving back home in record numbers -- thanks to the bad economy and, for some college graduates, too much college debt.

And that's adding to pressures on the whole family. "Families may feel stressed to make ends meet on top of the ever looming student debt," said Melinda Hathaway, a licensed psychotherapist in Syracuse who specializes in family therapy.

The independent Population Reference Bureau has analyzed some statistics from the **Census** on what are called "boomerang children":

- Between 2005 and 2011, the percent of men ages 25 to 34 living at home with their parents rose from 14 percent to 19 percent.
- The percent of women in the same age range moved back home to live with their parents rose from 8 percent to 10 percent.
- This means the number of young people living at home rose from 4.7 million to 5.9 million.

It's not clear how many of those are college graduates. But experts on college debt suggest that many struggling to pay off their education loans are going home to mom and dad to save money while looking for an elusive job.

College students are struggling with \$1 trillion in debt for their education. Their plight has become part of the national debate on how to pay for college. President **Barack Obama** and **Congress** are considering proposals to help students repay their loans financed by tax money.

The debt and the economy, say experts, are helping to drive the young adults back to their parents. Some examples of what college graduates are facing in today's economy:

- The national unemployment rate is 8.3 percent.
- The national default rate on student loans is 8.8 percent, up from 7.0 percent in 2008.
- Nationally 2 million college graduates over the age of 25 are unemployed.

The strains of college graduates moving back home can affect the entire family, say therapists and financial advisors who work with families coping with the boomerang-effect of children returning home. The graduates can suffer from depression, feeling as if they are failures. Parents struggle with paying for their own expenses- and those of their adult children.

"College graduates who had expectations of finding work and supporting themselves independently may find themselves with a degree, but no work," said family therapist Hathaway. "Many of these graduates may feel that they have failed in some way versus the poor job market."

These new changes can cause more problems than emotional or psychological concerns. Families who were financially stable before now have to rethink their finances.

Parents may not want to plan for their children to return home after college graduation, said AJ Loedel, a financial planner with High Point Advisors, in Syracuse. “But,” he said, “the new reality is that more are being forced to plan for it.”

Parents who thought they had an empty nest are now having to rethink how and where they live, said Loedel. “Many clients plan to downsize their house or move out of state in retirement,” he said. Now, he said, “They may need to either keep the bigger house for the purpose of providing a cheap place to live to their children, or maybe just staying local.” That would help support their children with money and housing, said Loedel.

When the job market improves, Loedel predicted, “Kids should graduate and begin a career in their field and build their financial life, like their parents did.”

(Amanda Watkins is a graduate student in broadcast and digital journalism.)