

Managing costs when children return home from college

Dave and Kristen welcomed their oldest son back home last year, after he failed at college.

“I guess he needed more time in the ‘cooker,’” Kristen says. “He wasn’t ‘done’ enough, or mature enough.”

Instead of focusing on Tom’s failure, Dave and Kristen wanted to find a way to make this experience a positive one that would lead to Tom’s eventual emancipation. Their key decision: “We clung to what we called a new ‘guiding principle’ in how we would structure Tom’s time with us,” Kristen says. ‘That principle simply is that Tom is now an adult and we are adults, so we’re going to relate to him as one adult to another. This was a huge mind-shift. We refused to go back to the parent-child role.”

They told Tom to come to a family meeting with a list of what he needed out of the arrangement and they would do the same. “We negotiated and wrote up a contract,” Dave said. “It can be amended, but we insisted everything needs to be in writing and signed by all parties.”

“Negotiations have to be a dialogue,” Kristen says. “Otherwise you’re back into the parent/child relationship.”

Dave and Kristen had this overriding rule: If Tom wanted to further his education, at a community college or trade school, they would pay tuition and he could continue to live at home. Tom would be expected to work part-time to cover some of his costs. However, if Tom felt he was finished with school, he needed to find a full-time job and figure out a way to live independently. If Tom was working and not going to school, Tom could live at home a couple months, and then would be expected to move out.

Contract decisions were made with this rule in mind (see box).

In addition to dealing with the day-to-day costs and responsibilities, Dave and Kristen are helping Tom address some larger financial issues. While at college, Tom had overdrawn his credit card. His checking account had “thousand’s of dollars in overdrafts.” They helped Tom set up a payment plan. The money comes from Tom’s part-time job. “Once those debts are paid, Tom will start paying us \$100 a month for rent,” Dave says. “We want to give him as many incentives to move out as we can, without punishing him.”

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Tom is expected to do chores, just like anyone else in the home. "He cooks the family dinner one night a week, does the dishes one night a week, takes out the garbage every day, does his own laundry, and cleans his personal space," Kristen says.

Dave and Kristen want to make Tom's living experience as similar as possible to what Tom would experience on his own. "We want to keep adding responsibility," Dave says. "We want it to be welcoming here, but not too comfortable. We want Tom to be clear that a comfortable life will be an independent life."

Tom's "Money Contract" For Living at Home

Dave and Kristen (parents) will:

- Pay for tuition
- Pay for medical insurance (available through the school)
- Pay for rent (use of their home)
- Pay for family meals and events

Tom will:

- Pay for car insurance
- Pay for special food he wants and times he eats outside the home
- Pay for his phone
- Pay for his bus pass
- Pay for his clothing
- Pay for his entertainment
- Pay for gas when he uses the family car

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