

Tom Mullooly:

In episode 249, we talk about why working with a financial planner should give you more options.

Tom Mullooly:

Welcome to the Mullooly Asset Show. I'm your host, Tom Mullooly and this is episode number 249. Thanks for tuning in. A phrase that I learned early on in my career, we use it a lot here around the office, "Options give you options." That originally grew out of studying how options can help enhance your investment returns, but it works very well with when you're talking about financial planning topics with your clients. Options give you more options.

Tom Mullooly:

There was a recent article in Barron's suggesting, hey, if you took in your adult kids during the pandemic, that's really nice, but you're probably wrecking your own retirement, your own finances by doing that. Barron's cited a study done by Pew Research that showed that 52% of young adults, these are people ages 18 to 29, 52% of them are living with their parents. Doesn't that sound terrible? That seems like a really high number, doesn't it? Ha ha. The lifetime average, according to Pew, is something around 47%. It's not that out of whack. I think a pandemic, people losing their jobs and a lot of stuff happening, I don't think that's really all that terrible. So it's not that huge a distortion.

Tom Mullooly:

But the article then went on to say that now that the job market is in an upswing, some of these young adults may be staying at home, sitting on the couch, playing video games. First of all, that's really disrespectful. It then went on to say that some of the planners that they quoted in the article says now is the time to kick these kids out. It seems a little harsh. Doesn't it?

Tom Mullooly:

They went on to say the 500 to \$800 a month that you're spending to support Junior sitting on your couch, that could actually fund an IRA contribution for the year. The message from other planners in the very same post was basically saying, if you're a parent, you're enabling your young adults to stay at home. There's too many kids, they said, living at home. Too many kids living at home.

Tom Mullooly:

I heard the very same thing 25, 30 years ago, that there's still boomers living at home with their parents. Understand that every single generation goes through this. They talked about also, not in this article but in other articles, how kids are waiting later to get married, start families, buy homes. This happens all the time.

Tom Mullooly:

The point being that you should engage a financial planner to understand what options you have, then you can clearly decide the best course of action, the best course of action for you, not some textbook. We tell people all the time, "Hey, it's your money. We're just going to lay out all the choices that you have." The planner shouldn't be the bad guy telling you, "You got to kick your kids out of the house." That doesn't work.

Tom Mullooly:

A planner should help you formulate multiple paths towards getting on track with a secure future. That's really the best job that a planner can do, giving you options so you have options.

Tom Mullooly:

Thanks for tuning in to episode 249 and we'll catch up with you on the next video.