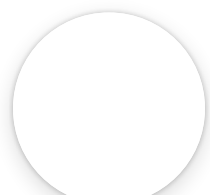


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A lot of young adults aren't financially independent. Here's what parents can do





Over half of Gen Z & millennials are financially dependent o...

According to a new survey by Experian and Atomic Research, more than half of Gen Z and mi...



Dylan Croll

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In theory, parents teach their children the skills to become self-reliant adults, but a new study suggests that's not happening in practice.

In a recent Experian survey of 2,008 adults between 18 and 42, more than half said they were still financially dependent on their parents—and two-thirds of those surveyed "felt ashamed of having to ask for financial help."

The report reveals the extent to which young people are struggling to come into their own these days.

"It's really important because we want to gain an understanding of how we can best serve Gen Z and millennials. So knowing where they're faring with their finances, and how they are currently managing their finances is crucial," said Christina Roman, manager of consumer education and advocacy at Experian.

According to the study, 61% of zoomers and 47% of millennials still felt financially dependent on their parents. And, the study participants said they struggled with

"impulse spending." Some 57% said they had "a hard time saying no to themselves...for something they want but don't need."

THE TAKEAWAY

Y! A recent survey by Experian found that many Americans ages 18-42 are still financially dependent on their parents.

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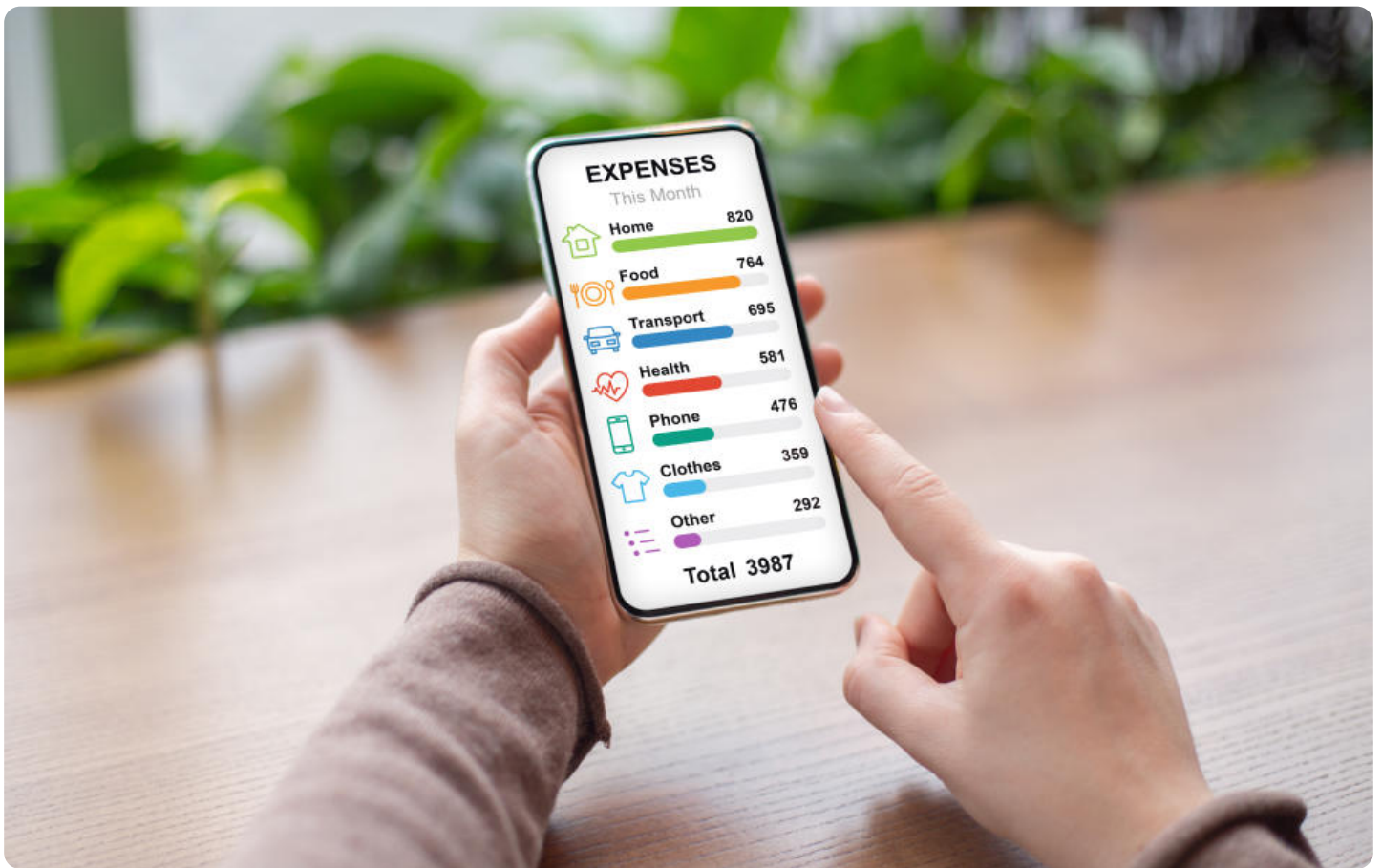
Fortunately, the experts say parents can take several steps to help their adult children become more financially independent.

Proceed slowly

Teresa Arrigo, a GenWealth financial adviser, said "parents should slowly wean adult children off financial support gradually, not cut them off all at once." That's because adult children tend to lack experience in budgeting or operating without outside funds to supplement their income.

For example, she said, a parent could ask their young adult child to pay a percentage of their phone bill and increase that figure over months until they're paying the full amount.

"It's really important to create a plan together to step down their support over a period of time so that they can prepare for it little by little instead of saying all right, 'you're on your own, get out.' I think it's healthier for your relationship," she said.



Financial planning apps can help with creating and sticking to a budget.

Seek outside help, if necessary

Arrigo said parents should also have their adult kids consult a financial planner before sending them off on their own. Financial planners, she said, can teach them how to save and budget effectively. She also said they could get their child a budgeting app to help them get on their own two feet.

"If they're not in the habit of budgeting, they've got to learn to do that and if you're not equipped to teach them, connect them with somebody," Arrigo said. "Or, give them a subscription to one of the budgeting tools that they're going to need to get started down that road."

Why are young adults at such loose ends? According to the Experian survey, 37% of participants reported that their parents didn't teach them about money matters, and 44% said their parents had bad spending habits.

"It could be that maybe their parents were avoiding it because they don't want to sound like they're bragging or they didn't want to share their mistakes," Arrigo said on Yahoo Finance Live. "But there are so many great opportunities for your kids to learn if you're honest about that."

In one instance, Tarriga said one of her clients, a father struggling with debt, revealed his financial mistakes to his 19 year old son. The son, now 25, changed his behavior and will buy his first home with cash, she added.

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children responsibility.

For instance, she recommended parents consider making children who live at home to be responsible for grocery shopping and meal prepping several nights of the week. She also said they ought to consider even asking for rent.

That doesn't mean parents have to be callous or ignorant of their children's needs, however, Valega added. They should consider the reality of their finances when setting expectations, to help give their children a "sense of pride that they're not just freeloading, which I don't think is a good feeling when you're a young adult."

She added: "What you don't want is an enabling relationship where the adult child is not building life skills or their own confidence for managing their affairs. Parents will not *always* be there."

Dylan Croll is a Yahoo Finance reporter.

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