**When Kids Come Back Home**

**By** [**JESSICA SILVER-GREENBERG**](http://online.wsj.com/search/term.html?KEYWORDS=JESSICA+SILVER-GREENBERG&bylinesearch=true)

Home builder [Lennar](http://online.wsj.com/public/quotes/main.html?type=djn&symbol=LEN), based in Miami, is pitching multigenerational "homes within a home" designed to accommodate both children and aging parents. The "Next Gen" dwellings include a private living area, bathroom and bedroom, as well as a separate entrance. On its website, Lennar says the homes, which it began marketing in September, can "comfortably accommodate…kids who've returned home." Other builders such as [PulteGroup](http://online.wsj.com/public/quotes/main.html?type=djn&symbol=PHM) and [KB Home](http://online.wsj.com/public/quotes/main.html?type=djn&symbol=KBH) also are marketing houses geared to multiple generations.

Ms. Maez advises her clients not to uproot their lives to make room for a returning child. For one thing, multigenerational homes might be tough to resell down the line. Also, the arrangements threaten to make the adult children too dependent by lending a sense of permanence to the arrangement.

So what should you do if you are thinking about letting your children move back in?

Map out a financial plan with your kids, says Thom Fox, community outreach director at Cambridge Credit Counseling in Agawam, Mass. In it, clearly outline how much the adult child is expected to contribute either in cash or chores.

The financial plans should be codified in contracts signed by the child and both parents, says Christina Newberry, president of the website [AdultChildrenLiving](http://www.adultchildrenlivingathome.com/) [atHome.com](http://www.adultchildrenlivingathome.com/). The duration of these contracts is up to the parents, but financial advisers say they shouldn't extend for more than six months.

"It's important to check in every couple of months with your kids and determine their progress in working to move out," Ms. Newberry says.

Charge rent, both to offset additional costs and to help your kids develop financial discipline, says Craig Lemoine, a financial planner in Bryn Mawr, Pa. Determine the additional costs of hosting an adult child to figure out how much to charge. If your child can't pay the full amount, charge a percentage of the total—and make sure to put it in the contract, he says.

Once adult children move back home, parents are often conflicted about whether to help them pay off credit-card debt. If you do decide to help, set up a contract with your child that outlines what you expect in return. For example, Mr. Lemoine says, you could waive rent for a couple of months in exchange for your child directing the bulk of any savings toward eliminating the debt.