



Making Legal Choices

Grandparents raising grandchildren often begins as an informal arrangement. The original intention may be that the child or children will stay only for a short time. Legally, the parent is still in charge. The grandparents have no legal rights and cannot make decisions for the child.

After taking care of the grandchildren for a significant length of time, grandparents may find that it's hard to do so without some kind of legal rights. They may have trouble enrolling their grandchildren in school, or they may not be able to give a doctor permission to treat their grandchild. They may find they have trouble getting financial help to raise their grandchildren. To increase the possibility of obtaining the necessary legal rights, grandparents may consider changing their legal relationship with their grandchildren by applying for legal custody or guardianship. Some even consider adopting their grandchildren. Changing your legal relationship is a

big decision. If the grandchildren's parents are not willing to give you legal custody, you would have to hire an attorney and file a lawsuit against your grandchildren's parents in court, claiming that the parents are not fit to raise their children. You would also have to prove that your new legal relationship with your grandchild is the best thing for the child.

These kinds of lawsuits can tear families apart so before you make any decisions of this kind, be sure to find out all of the legal options available in your state for help. You may be surprised at how many options you have. You may qualify as a foster parent or a legal guardian to your grandchildren. In some states, all it takes is filling out a simple form to qualify for services like medical care or school enrollment for your grandchild. In California, for example, completing a "caregiver's authorization affidavit" form allows a grandparent raising

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When Grandparents Raise Grandchildren

Most grandparents treasure time spent with their children and often jokingly remark about the enjoyment of having fun then sending the children home at the end of the day. But for 2.5 million grandparents*, responsibility doesn't end at bedtime. This is the number of grandparents in America who provide food, shelter, and clothing for their grandchildren. Of these grandparents, 1.5 million are also employed. Of those employed, 482,000 have an income that is below the poverty level.

Many generous grandparents step in at a moment's notice when their families need their help, putting their own plans on hold to care for their grandchildren. Many are experiencing problems and don't know where to get the help they need, or they don't know that help is available. You may be one of these grandparents or you may know someone who is. This newsletter contains information and resources about legal issues, finances, housing, education, and health that will help you or other grandparents you know find support in what can be a challenging situation. As always, if you have questions, you can ask your Family Financial Education Foundation Counselor for help. ■

*US Census Bureau

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grandchildren to enroll the grandchildren in school and/or get medical care for them. Each state is different, and your legal options will depend on where you live. Make sure you understand the differences between your options and find out how each option will affect your family.

Options that may be available include:

Legal Guardianship: This is, in some ways, a compromise solution. You make some decisions for the children, but parents also still have some rights. Thirty-five states and the District of Columbia give financial help to legal guardians through a state guardianship subsidy program. Each program is different so be sure you understand what your state offers.

Legal custody: This is similar to a guardianship, but it has different

rules. In some states, a guardian has more rights than someone who has legal custody. Again, make sure you find out the difference between how your state defines these two options.

Formal Kinship Care (Foster Care):

In some states, this option will give your grandchildren the most financial help. BUT, the state gets legal custody of your grandchildren, and therefore makes all decisions for them. To find out more about this option, talk to your state child welfare agency.

Adoption: This is a big step. You become the parent of your grandchildren and the children's parent(s) can no longer make decisions for the children. Adoption means you will lose some types of financial assistance, e.g., TANF grants, but it also means you may get others, e.g., Social Security.

To find out about the options available and what is the best option for you, try some of the ideas listed below:

- Attend a legal workshop at your Area Agency on Aging (AAA), grandparent resource center, senior center, child welfare agency, court system, or bar association.
- Ask for help at a local law library or university to find the laws that affect you.
- Ask a family law attorney to be a guest speaker at a meeting of your support group.
- Find out if the court system has any services or programs that will let you apply for legal relationships without an attorney.
- If you need to use an attorney, and can't afford to hire one, you can find out if a law firm in your area offers "pro bono" or free services. You may also be able to get low-cost or free legal services through your Area Agency on Aging, legal aid clinic, or a university law clinic. ■

Take Care of Yourself

You love your grandchildren. You're happy to have them in your home. You have no doubt that you're doing the right thing, but sometimes you might find yourself feeling tired and stressed, even depressed. These are all normal feelings. They are also a sign that it's time to start taking care of yourself. Raising grandchildren is a lot of work. You'll feel better—and do better as a caregiver—if you pay attention to your own health by getting regular check-ups and taking your medications as directed. Tell your doctor if you are feeling depressed or too stressed.

Make sure you get some exercise. A pleasant walk, a game of tennis, or a fitness class can do a lot to relieve stress. It helps you let off steam and improves your mood. You can even feel more energetic.

Give yourself a break sometimes. Call a friend or relative and ask them to babysit for a few hours. If you can't afford a babysitter, arrange a babysitting trade. Watch the grandchildren of another grandparent caregiver then ask that grandparent to watch your grandchildren. You can both have a break without having to pay a babysitter.

Make an effort to put some fun back in your life. You'll feel happier and healthier, and your grandchildren will enjoy being around you. Try calling your county department of recreation. They often offer classes, sports leagues, and trips at very low cost. Check your newspaper for notices about free events that you would enjoy. Farmer's markets, art exhibits, and library events are great ways to stay in touch with your community and enjoy some time to yourself. Even just reading a good book after the kids have gone to bed, planting a garden, or taking up a hobby will give you a reason to smile. ■

Managing Your Finances during Times of Change

You had big plans for the summer—maybe a trip to Yellowstone in a new RV, or maybe a condominium where you could winter away from the cold. Then, unexpectedly, you find yourself raising your grandchild. You do so because you care for and love that grandchild. Your selflessness, however, should not mean that you lose your financial stability or your quality of life and nor should your grandchild. If your spending plan is for one or two people and you suddenly have extra people to care and provide for, you will undoubtedly need to rethink your budget, but there is help available.

Did you know that many of the programs available to parents are also available to grandparents? Don't use your retirement savings to pay your new bills. See if you qualify for assistance from government programs instead. They are there to help you when unexpected circumstances arise. Your grandchildren may be able to get Social Security or money from your state's Temporary Assistance for Needy Families (TANF) program. You might qualify for food stamps. All of the government programs listed below can help grandparents raising grandchildren if you meet the requirements. Be sure to contact them for help. If you are turned down by a state or federal benefit program, you have the right to reapply. You should reapply anytime you have a life change that may cause you to be eligible.

1. Temporary Assistance to Needy Families (TANF): TANF provides assistance and work opportunities to needy families. Children may be eligible to receive funds through a TANF "child-only grant." A grandparent's income is not considered when deciding a child's eligibility for this grant, and work requirements are waived. Visit your local Department of Human Services or Office of Family Assistance for more information.

2. Medicaid: Medicaid is a health insurance program for people who have limited incomes. You can apply for Medicaid benefits for yourself or for a child who lives with you. Eligibility requirements vary from state to state. Apply for Medicaid at your local Medicaid office.

3. Children's Health Insurance Program (CHIP): CHIP offers medical and dental health care to children under 18 whose families who earn too much money to qualify for Medicaid but not enough to pay for private insurance. Most states will make you apply for Medicaid first. You can apply for CHIP if you don't qualify for Medicaid. Some states have one form to apply for both programs. They will tell you which program your grandchild qualifies for. CHIP pays for checkups, eyeglasses, shots, medicine and hospital stays. Most states cover children until they are 19 years old. Each state has different requirements and benefits and may call the program something other than CHIP.

For information about how to contact your state's CHIP program, visit www.insurekidsnow.gov

Children who have health insurance usually stay in better health. They get the shots that prevent disease. They get other "preventive" care that makes sure they don't get sick as much. However, many grandparents do not have any way to pay for this kind of health care. Private insurance costs too much. And the insurance that grandparents get on the job usually doesn't cover their grandchildren. Luckily, the two programs described above can help you get health coverage for a grandchild.

Keep in mind that the application pa-

pers you get from the state may refer to a "parent" applying for help. Don't be confused by this. A grandparent can apply to Medicaid or CHIP for a child. Every state allows this. Also most states take into account the child's income rather than the grandparent's income when considering the application. Since most children don't have an income, this improves their chances of receiving help. Visit the link listed here to find out what your state's qualifications are.

Getting Help from the IRS

It is important for tax purposes to save receipts and keep good financial records when your grandchildren live with you. To claim your grandchildren as dependents on your income tax returns, you will need receipts that show you covered the costs of more than 50 percent of their support. Keep all grocery receipts, rent or mortgage payments, utilities, clothes, and any other expenses you pay for your grandchildren. The following tax help may be available to you.

1. Earned Income Tax Credit (EIC): You must meet income requirements that depend on the number of children you are raising. You don't have to be the child's legal guardian or custodian, and the child doesn't have to be your dependent as defined by the IRS. The child must have a certain relationship to you or be a foster child. The child must have lived with you for more than 1/2 of the year and be under age 19, a full-time student under age 24, or totally disabled.

2. Child Tax Credit: This program offers a Child Tax Credit of up to \$1,000 per child. The maximum income allowable to receive this credit is fairly high, so many families are eligible. The qualifying child must be younger than 17. You don't have to be the child's legal guardian or custodian. However, the child must be your dependent, as defined by the IRS. Visit www.irs.gov and type "Child Tax Credit" into the search window for more information.

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Housing Challenges When Raising Grandchildren

Managing finances isn't the only problem grandparent caregivers face. Before raising grandchildren, grandparents may have felt their home was very comfortable. Now it seems quite crowded and maybe even inadequate. Grandparents who own their own homes have to deal with these housing problems when grandchildren arrive. Their homes may be too small, requiring them to move to a bigger house to make room for their grandchildren or to build an addition on their current house. Either option is disruptive and expensive. You may not have the kind of money such a change would require. You may not want to borrow the money and take on new loan payments. If you are at least 62 years old, you may be able to use a "reverse" mortgage to pay for the work you need. This is a loan that lets you turn some of the value of your home into cash, and you don't have to pay the loan back until you die, sell your home, or permanently move out of your home. A reverse mortgage isn't for everyone, but it could be just what you need while you're taking care of your grandchildren. Be sure you understand these mortgages before you make a decision.

Some grandparents live in senior housing, which doesn't allow children. If the grandparents live in public housing, this can also be a problem. Public housing limits the number of people who can live in one apartment. If there are too many children, the grandparent may have to move, which they may not be able to afford.

Fortunately, with the number of grandparent caregivers increasing, their housing problems are starting to get

noticed and efforts are being made to give help. In Boston, nonprofit groups opened a 26-apartment complex that provides affordable housing for grandparents and the children they are raising. The local housing authority helps with the rent payments and the building is equipped with features and staff that help with tenant's needs. Thirteen states are already working on similar housing projects. In 2003, the American Dream Downpayment Assistance Act was signed into law. Some of the things this new law allows the U.S. Department of Housing and Urban Development (HUD) to do include:

- Study the housing needs of grandparents raising grandchildren around the country
- Start a small pilot program to see if HUD could develop affordable housing for grandparents
- Train HUD workers so they have a better understanding of grandparent-headed families

You may be able to lower your rent by living in public housing. The U.S. Department of Housing and Urban Development can provide information about what's available and how you apply. ■

We have new business hours!

Mon.-Thurs.: 7:00 a.m.-8:00 p.m.
Friday: 7:00 a.m.-7:00 p.m.
Saturday: 8:00 a.m.-1:00 p.m.

Managing Your Finances

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3. Supplemental Security Income (SSI):

This Federal income supplement program is funded by general tax revenues (not Social Security taxes). It is designed to help aged, blind, and disabled people, who have little or no income, and it provides cash to meet basic needs for food, clothing, and shelter. To find out more, visit www.ssa.gov/ssi

Teaching Your Grandchildren about Money Management

An important part of managing your household income is teaching your grandchildren to be financially responsible. You might find it helpful to establish an allowance with them. It will be important that you maintain your part of the allowance agreement. It will go more smoothly if you set up a regular payment schedule. Decide if allowance will be paid weekly or monthly or at some other interval. Consider what interval works for you and what is reasonable for your grandchild. Make sure your grandchildren know what day they will receive their allowance. A month may be too long for small children trying to manage their allowance. However, if you're paid on a monthly basis, this may be a good way to introduce your grandchildren to managing money for a month. ■

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