

Is Downsizing Or Moving Closer To Family The Right Move For Me?

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One of the first questions clients grapple with as they find themselves on the path toward divorce or soon after hearing the devastating news that their spouse has a terminal illness is, “How is life going to change?” With insurance proceeds or a meaningful divorce settlement, day-to-day life from a financial perspective may not need to change dramatically. Without the benefit of spousal income, many women may unfortunately find that reducing expenses becomes necessary. Oftentimes the first asset to consider downsizing is the family residence and the question becomes – where would I go; and should I move closer to my parents/children/grandchildren? These decisions are deeply personal and involve both emotional and practical considerations.

Emotional Considerations

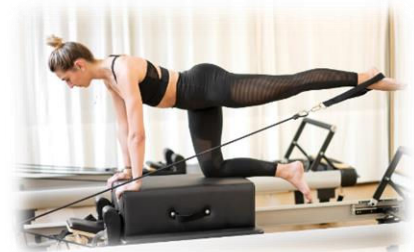
- 1. Family Proximity and Support:** Moving closer to your parents, children or grandchildren can provide emotional comfort and a support system during this transitional phase. Many clients have reported that being active in their grandchildren’s lives has strengthened family bonds and offered them a sense of purpose and joy. They have enjoyed creating lasting memories and being present for milestone birthdays and events.
- 2. Maintaining Independence:** While being close to family may be comforting, it is also crucial to maintain a sense of independence. Consider whether you will feel comfortable relying on family for support (do you want to move in with others?) or if you prefer to establish a life that balances family time with personal space. This will impact the proximity of your next residence – do you look to move down the street from family members or a neighboring town?



- 3. Community Connections:** Reflect on your current social connections. Moving might mean leaving behind friends, familiar places, and routines that provide stability and comfort. Weigh the importance of these connections against the benefits of being closer to family. How easily will you be able to establish new networks and community groups?

Practical Considerations

- 1. Financial Implications:** Downsizing can be a financially sound decision. A smaller home with fewer vehicles can reduce maintenance costs, utility bills, and property taxes. Consider the current real estate markets both for your area and where you are considering – are houses selling quickly? Do you currently have a low-interest-rate mortgage? How will your monthly payment change when you finance the next residence? Is there a significant difference in the cost of living? If you have young children, how are the schools? Would you need to consider a private school?
- 2. Accessibility and Convenience:** Consider the logistics of your daily life. How accessible are essential services like healthcare, grocery stores, and recreational activities for your current location versus the potential new one? Proximity to such services can significantly impact your quality of life. Are you moving far enough away that you may need to find new doctors or a new place of worship?
- 3. Transportation Needs:** If you are considering downsizing your vehicles to reduce expenses (e.g., insurance, maintenance, etc.), assess your transportation needs. In urban areas with good public transportation, you might not need a car at all. However, in suburban or rural areas, having a reliable vehicle may still be necessary. Evaluate the cost of maintaining multiple vehicles versus the practicality of having just one or relying on public transportation.



Steps to Make an Informed Decision

- 1. Consult with Professionals:** At HB, we often help our clients understand the financial implications of downsizing and moving. We can help you create a budget, understand the tax implications, and plan for future expenses. Other advisors, including an experienced real estate agent, can provide insights into the housing market trends in both your current and prospective locations.

2. Visit and Explore: Spend time visiting the area where your family lives. Explore neighborhoods, meet potential new neighbors, and gauge the community feel. This firsthand experience can help you envision your life in this new setting.



3. Long-Term Planning: Think about your long-term needs. Will the children soon be out of the house? For retired clients, a single-story accessible home or one with fewer stairs might be more suitable and manageable in the long run.

4. Engage in Honest Conversations: Discuss your thoughts and plans with your family. Understand their perspective and express your desires and concerns. A supportive family can provide valuable insights and help you make a balanced and well-informed decision.

Conclusion

Deciding whether to downsize and move closer to your parents, children, and grandchildren involves a blend of emotional reflection and practical planning. By carefully weighing the pros and cons, consulting with professionals, and having open conversations with your family, you can make a decision that best suits your needs and enhances your quality of life. Embrace this new chapter with confidence, knowing that you are making a choice that aligns with your personal and financial goals.

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