

RAISING A FAMILY - AGAIN

Grandparents caring for grandkids is a growing trend, and some struggle to make ends meet

BY ANN KERR

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At a time of life when most people are planning their retirement, Paul and Darlene Pellman are raising a family. Again. Eight years ago, the Pellmans took over care of their two young grandchildren. Their daughter has mental health problems and can't look after them. The children's father sees them fairly regularly but believes the Pellmans are better able to raise them.

"This isn't something we had planned on, but we wouldn't want it any other way. Most grandparents in our situation step in and do whatever it takes to care for their grandchildren," says Mr. Pellman, a family lawyer in Toronto.

In fact, many grandparents in Canada are helping provide for their grandchildren. A Statistics Canada study in December using 2001 census statistics found that nearly 475,000 grandparents lived with their grandchildren. Many contributed financially, especially in single-parent families.

The Pellmans are an extreme example of pitching in. They're what's known as a "skip-generation" family - grandparents living with grandchildren, without the middle generation. And it's a trend that's growing fast.

According to the 2001 census, nearly 57,000 grandparents in Canada were raising their grandchildren on their own. Between 1991 and 2001, the number of children under 18 living only with their grandparents jumped 20 per cent, says Esme Fuller-Thompson, an associate professor of social work at the University of Toronto who has conducted several studies about skip-generation families. "To see a 20-per-cent increase in 10 years is demographically a huge trend," Ms. Fuller-Thompson says.

In the United States, the increase has been even more rapid. The figure rose 44 per cent during the 1980s, Ms. Fuller-Thompson says.

The rise is mostly due to better reporting of child abuse and neglect, says Ms. Fuller-Thompson, as well as increased drug abuse by parents and more women being sent to prison. Grandparents take over to try to keep their families intact, she adds.

Many skip-generation families are middle class, she says, but there's also a substantial number who are struggling to make ends meet.

Even those who start out financially secure can find it tough to cover the cost of children's education, camps and living expenses, Ms. Fuller-Thompson says.

"I know of one grandmother who substantially depleted her savings in litigation costs to get full custody of her grandchildren, to make sure they were safe," she adds.

Sheila and Herman Volchert of Fonthill, Ont., have been caring for their two young granddaughters for five years. Mrs. Volchert had to quit her part-time job because the cost of daycare was too high.

Although Mr. Volchert is an engineer, he works for a small local firm that doesn't provide a pension. The registered retirement savings plans the couple have set aside for their golden years will likely be cashed in to pay for the children's post-secondary education, says Mrs. Volchert, who is president of Grand-PARENTING AGAIN Canada, one of several support groups for grandparents raising grandchildren.

The Volcherts can afford to put away only about \$30 a month for each child into registered education savings plans. About 85 per cent of the group's members are under severe financial strain, Mrs. Volchert says, living on government pensions or earning little. Many have to use food banks.

"Nobody really expects to be raising another family at this point in life. It's a big shock to your system, especially financially. There aren't many supports out there," she says.

"As a lawyer, making a good income, I'm one of the lucky ones," says Mr. Pellman, who is also professionally involved in grandparent issues. About 15 to 25 per cent of his clients are grandparents involved in legal battles over access to or legal custody of grandchildren. The Pellmans are able to send their grandchildren to private schools. Their dental and medical expenses are covered under Mr. Pellman's insurance. He and his wife have life insurance to provide for the children and they've made substantial investments in RESPs.

Even still, starting over with a family extracts a financial price. The Pellmans have spent thousands of dollars on assessments and therapy for their grandchildren's learning problems and emotional issues. They had to move from a condo to a house to accommodate the children.

"I had been planning to retire at 60 or so," says Mr. Pellman, who is in his early 50s. "Now, it'll be more like 70, with the kids' university educations to pay for. It's a good thing I enjoy my work."

The Pellmans receive a small amount of support from the children's father. The only other financial help they get is from income tax deductions, the same ones parents are entitled to.

"I think many grandparents raising children are unaware they can claim deductions for them, as long as no one else is claiming them on their return," says Steve Roth, a tax partner at Zeifman & Co. LLP in Toronto.

If you support a dependant under age 19 in your home, you can claim the eligible dependant, or equivalent to spouse, credit on your income tax return, worth about \$6,500, Mr. Roth says.

You can also claim child-care expenses such as daycare, babysitting, camps and some educational programs, Mr. Roth says. The child-care tax break is available for children under 17, to a maximum of \$7,000 up to age seven, and \$4,000 to age 16.

As well, grandparents can claim medical expenses that aren't reimbursed through government programs or insurance, for costs such as dental care and prescriptions, says Mr. Roth. "You don't need to be the actual legal guardian to claim the deductions."

But there are restrictions on those deductions that make many grandparents ineligible, says Scott Gibson, vice president of E.E.S. Financial Services Ltd. in Markham.

The eligible dependant, or equivalent to spouse, credit only applies in situations where there's only one parent or guardian, he says, because it's awarded in lieu of a spouse. To claim child-care expenses, the grandparents must be working, he adds. Under the Income Tax Act, the tax credit is available to the lower-income spouse.

"If the lower-income spouse doesn't have any income, it's lost. Overall, the tax system doesn't offer much in cases where grandparents are raising children."

There are provincial government programs across the country that supply some financial aid. In Ontario, for instance, the Ontario Works program provides \$214 a month for the first child, and up to \$174 for each additional child, as well as benefits for drugs, dental and vision care, back-to-school expenses and winter clothing, says Anne Machowski, a spokesperson for the Ontario Ministry of Community and Social Services.

The support is awarded based on the child's income, not the grandparents'. If your grandchild has little or no income, he or she can get the supplement, regardless of what you earn, says Mrs. Volchert.

But grandparent support groups argue the funding isn't adequate or well-publicized.

"Most of the grandparents who start with our group aren't even aware of all the programs. We're lobbying to get better recognition for grandparents and better rates," Mrs. Volchert says.

Another complaint is that the provincial supplement can be clawed back if the grandparents receive the federal child benefit supplement for low-income families. "The family not only loses out on the money, they can lose the benefits as well," Mrs. Volchert says.

Grandparent support groups believe all grandparents who need help to raise their grandchildren should receive the same support that foster parents get.

The regular daily rate for foster parents in Ontario, for instance, is \$26.76, says Melanie Persaud, spokesperson for the Children's Aid Society of Toronto.

Some grandparents do become designated as foster parents but many balk at the restrictions, says Joan Brooks, head of Grandparents Raising Grandchildren in Toronto.

Foster care is only provided in cases with "a verified child protection issue, where abuse or neglect has been reported. We must do a risk assessment and determine it's unsafe for the child to be left with the parents," Ms. Persaud says. It's the Children's Aid that has ultimate authority over a child under its program, not the grandparent, something many grandparents oppose, Ms. Brooks says.

There are moves under way to change that restriction in Ontario. A new Kinship Care program was launched in June in a couple of locations to give grandparents more autonomy. Legislative change is required, though, for grandparents in the program to be official guardians, who can operate more at arms' length from the agency, Ms. Persaud says.

Many of those who work with skip-generation families agree that more government support and tax incentives are needed. "There have always been cases of grandparents having to raise the grandchildren but the numbers weren't as large. They've been invisible up till now and that's why there isn't enough in place to help them," Ms. Fuller-Thompson says.

If there was more financial help, fewer children would end up in foster care, or with parents who do an inadequate job, Mr. Pellman contends. "There are many grandparents who step in but there are a lot who are living on a fixed income and they don't have the extra."

"It breaks their hearts that they just can't afford to provide the care their grandchildren need."