

When the meat in the sandwich is you



Are you a member of one of the fastest growing demographic groups: the Sandwich Generation?

Well you're not alone. And the sandwich is growing! One notable authority¹ on the subject has categorised three demographic groups affected by this issue:



Traditional Sandwich

(usually 30s-40s)
caring for/helping ageing parents and raising their own children



Club Sandwich

(usually 50s-60s)
those sandwiched between the needs of elderly parents, adult children and caring for/helping with grandchildren



Open Faced Sandwich

anyone else involved in elderly care

So it's an issue that can potentially affect anyone from 30 years+. The ramifications can be far-reaching as caring for others may not only affect your lifestyle but also your finances.

For some people, it can affect their working life - and therefore income - at crucial pre-retirement years of life. A Canadian study found one in seven affected workers had to reduce working hours or even give up work altogether².

In the US the total cost to employers (in absenteeism, interruptions and lost productivity) for all full time, employed caregivers is an astounding \$33.6 billion pa³. Such figures indicate this is NOT an isolated problem.

It is also important to note this isn't a temporary trend as the factors fuelling it ARE NOT going away. They include:

- an ageing population
- increasing life expectancy
- growth of 'two income' families that require childcare options (now 67% of families with children under 18⁴)
- high cost of care for the elderly
- adult children living at home longer - some into their 30s
- couples having children later

Generation Y has significantly delayed marriage - the median age of first marriage is now 29.9 for a male and 28.3 for a female. Childbirth for Gen Y has also been delayed with the median age of parents now 33 (male) and 30.8 (female)⁵.

How do you protect yourself from the side effects of this trend?

Planning ahead and having agreed contingency plans is an important first step. Talking together as a family is essential so every family member is aware of the needs and expectations of others - both now and in the future. Here are some key points for consideration by each generation:



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1) Are you thinking about having children in the future?

Plan ahead now for a period of reduced household income:

- Pay off your credit cards
- Create a household budget
- Practise living on one income
- Investigate your leave and/or government assistance entitlements

If you have a home loan explore your options for alleviating any future mortgage pressure - **talk to us BEFORE the birth**. Investigate childcare options and costs - register your name at centres nearby to home or work. Make sure you discuss potential childcare assistance with grandparents NOW so everyone can start planning for the future.

2) Are you a Baby Boomer with adult children still living at home?

Gen Y kids living at home into their 20s (and beyond) can be a great way for THEM to get ahead financially. However, the knock on effect for mum and dad may be that retirement is delayed or retirement savings are depleted. How do you make it work for everyone? **See the box below and call us for our article.**

3) Will you have to support your elderly parent(s) if their money runs out?

- Become familiar with finances and care preferences of your parents. If you know the situation you can plan ahead.
- Ensure necessary legal documents are in place, such as a health care directive and power of attorney.
- Research entitlements, benefits and programs available through government agencies or non profit organisations. **It helps if you know where to go for assistance BEFORE you need it.**

This trend may become the 'new normal' for many families.

What does this mean for future generations?

PLANNING IS THE KEY. But even with careful planning there may be life events that affect your financial situation. As your finance specialist we're here to help you explore your options for managing unforeseen events. **Call us TODAY for a confidential chat.**

1. www.sandwichgeneration.com
2. www.statcan.gc.ca
3. www.americanexpress.com
4. ABS census 2011
5. www.mccrindle.com.au



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Call today!

Do you have Gen Y kids who are VERY comfortable at home?

Call us for a copy of our article 'Parents -DON'T help your kids'.