

# ARE YOU PART OF THE SANDWICH GENERATION?

*Caught in the emotional and financial middle?*

There is no doubt that Australia's population is ageing. And more of us are choosing to remain in our own homes longer. For many, this places added pressure on families to help care for their older loved ones.

## The Sandwich Generation

1.5 million Australians aged in their 40s and 50s<sup>1</sup> are increasingly finding themselves sandwiched in the middle of caring for older ageing parents AND raising their own family. This can have major implications (emotionally and financially).

One journalist and commentator on the topic suggests there are three types<sup>2</sup> of the 'sandwich'.



### 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 when caring for others may not only affect your lifestyle but also your finances.

Carers Australia<sup>3</sup> states that:

- there are 2.7 million unpaid carers in Australia
- the weekly median income of primary carers aged 15 - 64 was 42% LOWER than that of non-carers
- more than two thirds of primary carers are female
- the average age of a primary carer is 55.

There are other factors adding to this growing trend:

- Increasing life expectancy
- High cost of care for the elderly
- Waiting times for aged-care home
- Growth of two income families that require childcare options
- Adult children living at home longer
- Couples having children later
- High cost of living in Australia
- Almost half of older working Australians expect to retire with debt<sup>4</sup>

For a family with young children, getting through the busy days and early years is enough of a challenge without the added head and heart decisions to be had about the care of their older loved ones.

The financial challenges for those in the sandwich generation can derail future retirement plans and the emotional fallout can take a toll.

## So how can YOU look after YOU?

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.

Ensure your own finances are in order. Have realistic debt consolidation, mortgage reduction, investment and super strategies in place.

It's also important to look after your own well-being and that means good nutrition, rest and relaxation.

**Here are some key points for consideration by each type of 'sandwich'.**

### 1. Traditional Sandwich

If you 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 by talking with us well BEFORE the birth.

### 2. Club Sandwich

Children 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.

Remember to look after your own finances FIRST before helping your adult children.

### 3. Open Faced Sandwich

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

Become familiar with finances and care preferences of your parents.

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.

Family relationships can be challenging under the best of circumstances. It is vital that money matters are taken care of in a responsible manner for all generations.

As your finance specialist we are here to help you explore your options for managing unforeseen events

1 [www.apia.com.au](http://www.apia.com.au)

2 [www.sandwichgeneration.com](http://www.sandwichgeneration.com)

3 Carers Australia Statistics

4 REST, Intergenerational Dependency

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