

The Sandwich Generation

Many Americans in their 40s and 50s are grappling with being “sandwiched” between caring for children who are still at home and caring for their own aging parents or older relatives. With advances in medicine continuing to stretch life expectancies and many women choosing to postpone starting a family until their 30’s or 40’s, experts predict that in the future, caring for both your children and your parents simultaneously will be more the norm than the exception.

Caring for your parents is neither easy nor free, and adjusting your lives around your loved one’s needs is often a necessary labor of love. For families struggling to make ends meet, the added burden of caring for elders may seem insurmountable; yet, as with any personal finance challenge, planning, forethought and a pre-determined spending plan will help ease the stressors associated with this social situation.

The key to making any care-arrangement successful is communication. First, sit down with your parents and learn all that you can about their financial situation. Discussions such as this can be difficult to initiate, but until you know the scope of their retirement and medical resources, no equitable decision can be made. Involve the entire family in this process (other siblings and your children) and make any resulting decisions together. Also, determine if you will be responsible for paying your parent’s bills or if you will pay them jointly.

After all resources have been uncovered, create a spending plan that will ensure that all your household expenditures can be met and still allow you to continue saving for your own retirement, your children’s college tuition, savings, etc. It is imperative that you continue to save, even if the amount is less than you had put aside in the past. If after a budget has been created there is still not enough left to make ends meet, enlist financial assistance from other family members.

If your parent resides with you, check with your medical insurance carrier to see if they can be covered on your insurance policy, which might help offset some financial burdens. Additionally, investigate your company’s leave policy to determine if you will be paid for any time off taken for eldercare. Short-term disability, supplemental insurance policies and flex-time can help bridge the financial gap created when you need to be away from work.

The stressors involved with eldercare are not just financial. Ask for help from other relatives when you need it and be sure to set some personal time aside for yourself so that you can better care for the others in your life. If the burden seems too heavy, consider all the positive benefits to having an older relative involved in your children’s lives. It is likely that your children will see having their grandparents around full-time as a plus rather than a minus.

We all want our parents and children to be healthy and happy well into a ripe old age, but planning in advance will help should our hopes not come true. Sit down before it is necessary and discuss wills, power of attorney and retirement plans, and then seek out a reputable estate planner to help guide the process.