



## Planning ahead for the “Sandwich Generation”

*Are you taking care of elderly parents? Do you still have adult children living at home? Do the words 'meat' and 'sandwich' strike any chords with you? You could be a member of the "Sandwich Generation" without realising it!*

Sandwich Generation refers to people who are 'sandwiched' between caring for elderly parents and adult children still living in the family home.

As a society we are living longer but unfortunately longevity comes at a cost.

It's not uncommon for older people to become the primary carer for elderly parents. Caring for someone is difficult emotionally, but can also affect the household finances as work hours are reduced or careers cut short to accommodate carer responsibilities.

At the other end of the spectrum, adult children pursuing higher education are continuing to live in the family home longer than previous generations as the costs associated with moving out prohibit them from achieving their independence.

### **Additional financial pressures**

People with elderly parents and adult children all living in the one home, often find themselves in unexpected financial trouble. At a life stage when most are planning to downsize their homes, the Sandwich Generation is forced to consider other options such as renovating to increase space or provide more privacy. No longer are "Granny flats" inhabited by older family members; now it's the kids who have taken over these coveted domains.

Of the three generations potentially living under these arrangements, only one is usually in the position to pay for expansions, yet the retirement strategies of these people hadn't anticipated issues such as late-life mortgages.

For those already in this situation, a range of government services is available. Contact My Aged Care on 1800 200 422 or visit [www.myagedcare.gov.au](http://www.myagedcare.gov.au)

## Looking ahead

Financial advisers are helping a growing number of clients create strategies for managing these future financial pressures. Already highlighted is a current lack of trauma and disability insurance. This will provide a lump sum to cover costs if a critical illness is brought on by the extra stress of these situations, placing the in-between generation in a better position to manage this phase financially and emotionally.

Other strategies to start considering now include:

- dollar cost averaging to grow savings,
- increasing superannuation contributions,
- nominating superannuation beneficiaries,
- establishing Powers of Attorney and maintaining Wills.

Your financial adviser can discuss these and other individual strategies with you to determine the most appropriate for your current situation and your future needs.

As housing costs increase and we continue to live longer, the pressures of multi-generational accommodation will affect today's younger generations, tomorrow.

The key to achieving financial security is planning. Speak to your financial adviser about the right strategy for you; it's never too early, and it's certainly never too late either.

## Sources:

[www.carersaustralia.com.au](http://www.carersaustralia.com.au) Carers caught in the 'sandwich generation'

[www.myagedcare.gov.au](http://www.myagedcare.gov.au) Home care packages

In this article we have not taken into account any particular person's objectives, financial situation or needs. You should, before acting on this information, consider the appropriateness of this information having regard to your personal objectives, financial situation or needs. We recommend you obtain financial advice specific to your situation before making any financial investment or insurance decision.

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