

# Sandwich Generation

Financially squeezed between elderly parents and children

Faced with the task of caring for elderly parents alongside your children, being in the Sandwich Generation can be a testing time. Finding yourself squeezed between – and often by – these two generations can be very stressful.

As well as facing time pressures, chances are your finances will be stretched too. New research[1] warns that the UK's Sandwich Generation is feeling strained when it comes to their financial responsibilities. It has found this group of around 2.4million[2] people – typically between 40 and 60 years old – lacks financial confidence and preparedness and, as this age group grows older, the issue is set to intensify.

## CONSEQUENCES OF A SERIOUS ILLNESS

More than half (52%)[2] are worried about the consequences of a serious illness affecting themselves or their partner in the next 12 months (versus 35% national average). They are also nearly two times more likely to worry about the prospect of themselves or their partner dying and leaving the family without an income (30% compared to 17% national average)[3].

The research also reveals the Sandwich Generation are unprepared for the longer-term future. Nearly two in five (37%) have less than £125 disposable income each month[3], with nearly half (46%)[3] citing their children as a constant source of unexpected expenses. More than half (54%)[3] say they want to save but can't afford to do so – which also means they struggle to top up their pension pots. On average, this group has around £60,000 to retire on, while expecting their funds to last around 20 years, which would provide a monthly income of less than £260[3].

## BEING PULLED IN MANY DIRECTIONS

While your own financial security is important, many of the Sandwich Generation find that their parents' finances also become a pressing issue, especially if they become unwell. It is clear that this group feel they are being pulled in many directions, with pressures to care for older

relatives and ongoing responsibilities for their children.

Many people who fall into the Sandwich Generation may have significant financial obligations and, with the rising cost of living, are worrying more about what could be around the corner. Spreading finances too thinly and dwelling on their worries mean the impact of having little or no plans in place could expose them to a real income shock.

## UNDERSTANDING OF THE OPTIONS AVAILABLE

Getting a better understanding of the options available is essential to being prepared for a more secure financial future. This can provide peace of mind against income shocks, such as not being able to work due to illness, and can help them ensure they are putting away what they need for their retirement.

Nearly three in five (57%)[3] of people within the Sandwich Generation fall short of the Money Advice Service (MAS) recommended amount of savings to be financially resilient and more than a third (34%)[3] don't feel they could handle a personal financial crisis.

### Source data:

[1] Methodology for consumer survey: YouGov, on behalf of LV=, conducted online interviews with 8,529 UK adults between 20–26 June 2018. Data has been weighted to reflect a nationally representative audience.

[2] Estimate from CarersUK.

[3] Based on averages from YouGov from consumer survey. This is the average of 'Total amount in pensions' (question highlighted in cell B690 of the attached Excel doc) divided by 'Time retirement funds will last' (question highlighted in cell B800). So, £60,933 divided by 19.82 years.

## PREPARING FOR A MORE SECURE FINANCIAL FUTURE

As more baby boomers become both Sandwich Generationers and seniors, the need to understand ageing dynamics and family relationships, and how to financially plan for these, increases dramatically. To discuss any concerns you may have, please contact us. We look forward to hearing from you.

