Sandwich Generation: Caught in the Middle

Your Children  You  Your Parents
What is the Sandwich Generation?

Sandwich Generation (noun), also known as “SandGEN”: Adults responsible for the care and support of both their children and elderly family members.
TYPES OF SANDWICHES
Where Do You Fit In?

- Are you planning for your own retirement?
- Are you responsible for the care of children?
- Are you responsible for the care of elderly family members?
Considerations for Yourself

• 35 - 49% of SandGEN may not have adequate retirement assets.

• Do you plan to retire early, or seek part-time employment?

• Do you plan on leaving a legacy to children or charities?

• Are you aware of the possible pitfalls which could affect your retirement savings?
• 66% of people consider paying for their children’s college tuition a parental responsibility

• More than 1 in 8 adults, ages 65 and older, live with one of their children

• An estimated 16 million Americans are members of the Sandwich Generation
Your Considerations

Checklist

✓ Organize your financial records

✓ Plan early – review investments in relation to your goals and risk tolerance

✓ Inquire if your financial adviser is registered to sell investments or provide advice

✓ Create a realistic budget and control your debt
Considerations for your Children

- Expense of raising child from birth to age eighteen: 127K – 254K
- Rising cost of educational expenses
- Potential for children to return home
BOOMERANG KIDS

- About 1/3rd of 18 to 34 year olds live at home

- 1 in 4 neither work nor attend school

- For the first time since 1880, 18 to 34 year olds more likely to live with a parent than any other arrangement

- Factors: high cost of housing and education; limited job prospects during recession
Considerations for your Children

Checklist

✓ Teach children about finances and model responsible money management

✓ Consider impact of using retirement assets for educational expenses

✓ Decide if willing / able to pay for your children’s education - are there alternate financing options?

✓ Set financial ground rules for adult "boomerang " children moving back home
Considerations for Elderly Family Members

- Rising healthcare costs
- Longer life expectancy
- Heavy cost of funeral expenses
- Consider potential disagreements among family members
Considerations for Elderly Family Members

Checklist

- Initiate dialogue about financial matters with parents
- Have copies of estate documents and ensure they are current
- Know about their assets and ensure you can access if required
- Identify their advisers and other sources of information
Financial Fraud Spectrum

Family and Caregivers

Financial Professionals

Unknown Scammers

Inappropriate use of POA
Theft
Improvident Transfers

Bernie Madoff
Jordan Belfort

Jamaican Lottery
Profitable Sunrise
Be Aware and Prepare!

- You can do it
- Be realistic and plan ahead
- Ask for help, identify and utilize resources
Help is Available

Contact The Maine Office of Securities:
Phone: (207) 624-8551
Fax: (207) 624-8590
www.investors.maine.gov
Questions?