



Tips for the Fast Growing Sandwich Generation

Finances are dicey for those simultaneously caring for their parents and kids

Over the last 20 years, the median-age for Americans (the median age is the point where exactly half the population is older and the other half is younger) has increased by about 3 ½ years. Today, the median age is 38.8 years. But just last year, the national median increased the most, as we saw the largest single year gain of 0.3 years in 2021. Our population is getting older overall.

And this is growing the Sandwich Generation – those adults that are simultaneously caring for their children and their parents.

Whether they want the role or not, adult children often find themselves in the position of primary caregiver for their parents. Unfortunately, many of us are not prepared for that role.

We often find ourselves so engrossed in how fast our children are growing up that it's easy to sometimes forget that our own parents are also aging. Finances can be very dicey for members of the Sandwich Generation.

If you haven't yet, you should start to address elder care with your parents to make sure that they are comfortable in their late years. It's never too early to start preparing for the responsibility of caring for parents in the future.

Discuss Finances

First, arrange your parents' finances before illness or death makes it difficult or impossible to discuss it with them. Collect information about your parents' assets,

account numbers of bank accounts and other investment vehicles and passwords for online banking. If they have one, ask for a key to the safety deposit box and where they store their important documents.

Make sure that they don't accidentally neglect bills. Assign a family member to your parents' day-to-day finances or consider hiring a daily money manager to assist with bill paying, budgeting and balancing the checkbook.

Run credit reports with the major bureaus and analyze all outstanding mortgage, loans and credit card debt. If possible, help them get their balances to zero. They might be eligible for government aid.

Get Documents in Order

It is also crucial that you create a durable power of attorney to name a person to control your parents' finances when they no longer can. Without this, you might face significant delays getting the legal power to make decisions on their behalf. Guide your parents to execute a living will as well to designate someone to make medical decisions while they are incapacitated.

Also review your parent's current insurance coverage including Medicare benefits. Don't overestimate how much the government program covers. The Employee Benefit Research Institute finds that Medicare only covers 51% of retirees' health costs. You might need to look into a Medigap policy to shore up mom and dad's coverage.

Health Matters

Talk to your parent's physician and accompany them on visits to get a full understanding of their medical needs and future prognosis. Reach out to their pharmacist to guard against negative medication interactions resulting from prescriptions from multiple doctors.

While your folks are well, it's a good time to record their wishes for which type of elder care facility they want. You should think about whether you should have them to live with you or another relative since assisted living is expensive and many seniors prefer to be with family. The annual price of a private room in a nursing home will top well over \$100,000 in most states.

Think about these costs now as you develop a future timetable. Even if your parents live with you, be prepared for additional out-of-pocket expenses, such as home health aides, adult day care, an electric stair climber, heart and blood pressure monitoring systems, visiting nurse services and physical therapy.

Food preparation and delivery services might be necessary when your parents are unable to take care of their own meals.

Transportation is also an issue for seniors. It may be difficult for your parents to give up the independence of car ownership despite declining eyesight and slower physical reaction. Even if your parents are not at this point yet, it still makes sense to have a conversation with them now to agree when it's time to take away the car as their primary mode of transportation.

Find other methods, such as car services and public transport, for your parents to get out. Your local community or county might also have special transportation for seniors.

There's also the option of moving your parents to an area where there is more adequate public transportation. There's a growing number of people who retire to ultra-expensive New York City for the ease of getting around without a car, the many fine hospitals and growing retirement communities.

As a son or daughter, you should do whatever you can to make your parents comfortable.