



Financial Tips for the Sandwich Generation

More than 25 percent of American families are involved in some way with elder or parent care. For many, the responsibility of caring for aging parents hits at a time when they are also raising children and anticipating sending them to college.

These people have come to be known as the Sandwich Generation because they find themselves “sandwiched” between two generations of family members that simultaneously need their attention and care.

By planning ahead, you can help make this often bumpy road a little smoother. Here are some ways to prepare:

- Start saving for the cost of college as soon as possible. For more information, see “Making College a Reality.”
- Control your debt. “Installment debts” (i.e., car payments, credit cards, etc.) should equal no more than 20 percent of your take-home pay.
- Set financial goals and review them regularly.
- Invest as much as you can into your retirement.
- Talk to your children about how much financial help they can expect (i.e., college, weddings, etc.).
- Talk to your parents about their plans and provisions for the future (i.e., long-term care insurance, retirement income, etc.).

BE PENNY WISE AND DOLLAR SMART

Managing your money can be a hard habit to start, but your future and that of those you care for depends on it. Here are some tips that will make the process easier and more profitable.

Establish Clear Goals

Jot down a list of your financial goals and prioritize them. Then describe your objectives for achieving them. For more information, see “Achieving Your Financial Goals.”

Resolve to Spend Less

Maintain a budget and carefully track where your money is being spent. Look for ways to cut back. For more information, see “Creating a Budget.”

Reduce High Credit Card Debt

Evaluate each credit card. If you are paying high interest rates you should look into consolidating into one low-interest credit card. For several months, only purchase items that you do not have to charge. For more, see “Credit Cards: What You Don’t Know Can Hurt You.”

Make Saving a Priority

One of the most dependable saving strategies is to set aside money at the beginning of each pay period. Establish a savings account, start an IRA, participate in your company’s 401(k) plan, use a flexible spending account and explore other investment opportunities that will help your money grow. For more tips, see “Saving and Investing—10 Simple Strategies.”

Organize Your Financial Records

Keeping financial records organized can save you time and money. Set up a filing system for all of your documents. You may end up being responsible for your parents’ finances as well, so be sure to set up separate files for their accounts as well.

