

Sandwich Generation Part 2: Navigating the Squeeze of Children and Aging Parents

Managing Your Money

LYNN MacNEIL



Navigating the responsibilities of caring for aging parents while managing your own family and career has become a defining challenge for many people today. If you're in your 30s to 60s, you might find yourself part of the "sandwich generation," juggling the needs of elderly parents alongside raising kids or running your household. With people living longer than ever, more adults are stepping into unexpected roles—becoming caregivers, financial planners, and advocates for their parents. It's a lot to handle and can bring emotional and financial challenges you didn't see coming.

As if managing aging parents wasn't enough, many members of the sandwich generation are also grappling with the financial struggles of their adult children. Young adults today face a perfect storm of student loan debt, high housing costs, and an uncertain job market. According to a 2023 Pew Research Center report, nearly 60% of young adults (ages 18–29) live with their parents – up from 48% in 1990. Rising rent prices and stagnant wages make achieving financial independence a challenge, and this reliance often places extra financial strain on parents. It's a balancing act that can impact retirement savings, delay personal financial goals, and add stress to an already full plate.

“Unexpected life events – like illness, job loss, or the death of a spouse – can change your financial landscape in an instant.”

It's essential to keep your own financial future in focus. Unexpected life events – like illness, job loss, or the death of a spouse – can change your financial landscape in an instant. That's why having a financial plan with room for "what if" scenarios is crucial. If you don't have one yet, now is the time to start! For example, I worked with clients who supported their older two children through weddings and home purchases while they were still working and had extra cash flow. However, when their younger kids reached similar milestones,

the situation had changed – and the financial strain was palpable. An unexpected illness led to early retirement and a tighter financial situation. The stress of trying to balance their own financial needs while maintaining support for their adult children was difficult. Planning for different scenarios ensures you're ready for anything.

When it comes to helping your adult children become financially self-sufficient, clear boundaries and expectations are key. While it's normal to provide some temporary support, encouraging responsibility is just as important. For instance, I had a client whose ex-husband paid off their 20-year-old daughter's credit card debt after she racked up thousands in frivolous spending. My client was furious because they had agreed their daughter should work to pay down the balance herself. It's critical that parents stay aligned and consistent with these expectations to teach their kids accountability.

“When it comes to helping your adult children become financially self-sufficient, clear boundaries and expectations are key.”

Having open conversations about finances is an excellent way to prepare your kids for independence. Share your own financial successes and mistakes – it's a great way to teach them valuable lessons. Set expectations early on about when they'll start covering their own expenses, like phone bills, car costs, or entertainment. Make it clear that this isn't about withholding support but about helping them gain confidence and learning the skills they'll need to thrive on their own.

For adult children who are no longer in school, a job is a must. Charging rent – even just a modest amount – teaches them the value of money and gives them a taste of the "real world" while still offering the safety net of living at home. If you're in a position to save this rent money for them, it could serve as a future down payment on a house. Be sure to set clear terms around financial contributions and household responsibilities and establish an end date for their stay to help them plan for their next steps. These habits not only build independence but also lighten the load on parents.



At the same time, supporting aging parents with their finances and estate planning is another key responsibility. Many seniors value their independence and may resist the idea of needing help. Start by understanding their perspective and framing conversations around how planning can ease stress during emergencies and ensure their wishes are honored. If they're hesitant, involving neutral professionals like financial advisors, notaries, or lawyers can provide the reassurance and objectivity they need to feel comfortable.

Sharing examples – without scare tactics – can also help illustrate the importance of preparation. Whether it's organizing key documents, simply knowing where they are, creating a will, or helping to manage finances and/or investments, these discussions can lead to collaboration and shared responsibilities among siblings. Regular check-ins and open communication help build trust and ensure a smoother process for everyone involved.

“Finding balance as part of the sandwich generation is no easy feat, but it's possible.”

Finding balance as part of the sandwich generation is no easy feat, but it's possible. By setting boundaries with your kids, creating a financial plan with flexibility, and collaborating with your parents, you can reduce stress and build stronger family connections. While the challenges are real, so are the rewards – helping both generations thrive while safeguarding your own financial health and peace of mind.

Best wishes for a Joyous Holiday Season and Happy New Year!

f Note: For more tips and insights on managing your wealth, follow me on my Facebook page **Richardson Wealth - Ephtimios MacNeil Wealth Management**.

Lynn MacNeil, F.P.L., CIM®, is a Portfolio Manager and Investment Advisor with Richardson Wealth Limited in Montreal, with over 28 years of experience working with retirees and pre-retirees. For a second opinion, private financial consultation, or more information on this topic or on any other investment or financial matter, please contact Lynn MacNeil at 514.981.5796 or Lynn.MacNeil@RichardsonWealth.com. Or visit our website at www.EphtimiosMacNeil.com.

The opinions expressed in this report are the opinions of the author and readers should not assume they reflect the opinions or recommendations of Richardson Wealth Limited or its affiliates. Assumptions, opinions and estimates constitute the author's judgment as of the date of this material and are subject to change without notice. We do not warrant the completeness or accuracy of this material, and it should not be relied upon as such. Before acting on any recommendation, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice. Past performance is not indicative of future results. Richardson Wealth Limited is a member of Canadian Investor Protection Fund. Richardson Wealth is a trademark of James Richardson & Sons, Limited used under license.