

Sandwich generation squeezed

MONEY WISE

An ongoing series on ways to help you spend and save better.

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For working Keswick widow and mother of two Kathi Larkin, 41, it means careful budgeting and limited leisure.

Thornhill's Rila Levine, 48, a married mother of two, anticipates a bump in expenses and a drop in her beloved travel.

As members of York Region's middle-age demographic, colloquially known as the sandwich generation, the women are among the growing cohort caught between a financial rock and parental hard place.

Also known as baby boomers, the 40 to 65 contingent increasingly give care giving and financial support to adult children and elderly parents, Investors Group's 2010 Boomers on Call survey stated.



STAFF PHOTO/NICK IWANYSHYN

Kathi Larkin and her son Kyle at the family's Keswick home. Providing support to her two sons requires she budget very wisely, she says.

Being wedged between generations exacts significant costs, the study states, including personal stress, abandoned vacation plans and personal goals and reduced retirement savings.

"Definitely," said Ms Larkin, an insurance manager in Newmarket whose adult son, Kyle, attends university and lives at home weekends and summers. "It's a struggle. Just meeting deadlines, making school deposits and organizing adds to the stress of doing it on your own."

With 16-year old high schooler Brennan at home, Ms Larkin appreciates her boys' help. Kyle secured

a Tim Hortons Foundation scholarship and works part time. Still, there are student loans she anticipates will require her assistance in the future.

While both she and Ms Levine dutifully and happily support their grown kids, the thought of being an empty nester is on hold.

"I have to budget very wisely," Ms Larkin said. "There's debt every year and I've refinanced a line of credit. That takes away from entertainment. I don't have as much as I'd like at this stage of my life."

Boomers feel the pinch in different ways.

Those truly sandwiched between

their kids and elderly parents have options.

Many seniors have the means to pay for extended or home care. Community Care Access Centres offer evaluation and help. Care eligibility, however, must meet strict criteria. While costs at private retirement facilities vary based on levels of care and amenities, average monthly costs hover in the \$3,000 range.

'Juggling care for children and the elderly, working, planning activities and taking care of medical appointments puts them under tremendous stress.'

An early, preemptive strategy, involving both loved ones and children, goes a long way to avoiding surprises or disappointment, Mr. Bazin said.

With a grown son, Adam, in university and 17-year old Nicole in Grade 11, she is beginning to feel degrees of stress, despite the fact both Ms Levine and her husband work.

"Sure, there's strain," she said. "But I don't view it that way. I look at it as a normal course of life. I expect to support them until they're self-sufficient."

That includes help with future mortgages for her kids, she said.

"We're prepared, absolutely," she said. "Most of my peer group is beginning that journey. We accept that fact."

With a shift in generational values and the recent economic doldrums, Ms Levine believes most boomers will be working longer.

"How much of a financial burden it'll be is unknown," she said. "Without sounding terribly overindulgent, travel destinations are limited due to

our parental duties."

The duo aren't alone, the national Investors Group Harris/Decima survey revealed.

One quarter of the paying parents said they were bothered by the need to provide financial assistance to grown kids. Sixty per cent of boomer parents provide financial support averaging \$3,675 per year to their adult children.

A slight majority of respondents said they expect their children to be financially self-sufficient by age 25, while more than half of the parents said they became financially self-supporting before age 21.

Two in 10 boomer parents said they have an adult child living at home. Of this group, 58 per cent said that their grown kid makes no financial contribution to the household.

Boomers caring for both parents and children are placing eggs in too many baskets, the study said.

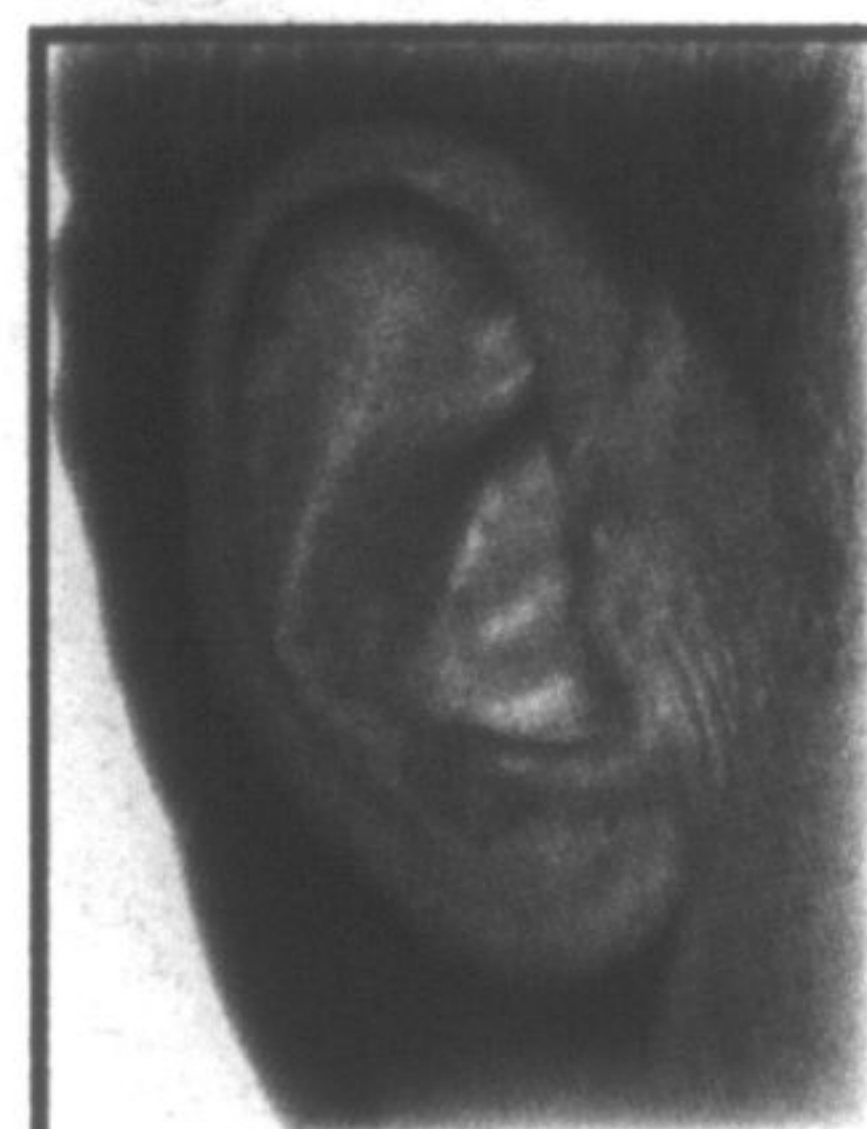
Due to the time spent helping both parents and children, 34 per cent of these sandwich boomers say they've postponed or cancelled travel plans and a third said they're unable to focus on their own hobbies and interests.

That segment is under major duress, Community Home Assistance to Seniors caregiver education counsellor Lori Canlas said.

"Juggling care for children and the elderly, working, planning activities and taking care of medical appointments puts them under tremendous stress," she said. "That manifests itself financially, physically and emotionally."

The sandwich generation is definitely real and will become even more apparent as the years pass.

Becoming a parent is a lifelong gift, but the payments are sometimes longer than anticipated, Investors Group Barrie York Simcoe division director Dan Bazin said. Boomers could face a cash crunch as they prepare for retirement.



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