

FAIRPORT WEALTH



Alleviating Stress as a Sandwiched Adult

Best practices for financial planning and beyond



A DAY IN THE LIFE

Wake up (or get woken up) at 6 a.m. to take care of kids and get them ready. Prepare breakfast, pack lunches, look through stack of paper for school form you signed. Break up fight between kids. Out the door by 7:30 a.m. to drop kids off at two different locations. Rush back. Log in (late) for work. Meeting after meeting. Impending deadlines. Call your parents to check on them. Bring them groceries and then feel guilty that you can't stay longer and help them fix their computer. Rush back for one last meeting. Rush out the door to pick up one kid. Stop home. Drive another kid to activity. Get home, prepare dinner, clean up, help with homework. Call your mom to see how her appointment with oncologist went. With guilt, cut her off early to nag kids to bed. Clean house after life-tornado that hit that day. Log in to work to write a couple messages you were unable to get to before 9:30 p.m. Turn computer off at 10:30. Try to go to sleep. Worry about your children – especially the one going to college next year. Finally fall asleep. Wake up (or get woken up) at 6 a.m. Another day. Countless demands on your time, emotions and wallet.

The Sandwich Generation Defined

If this day sounds at all familiar, you are likely part of the sandwich generation – a group of adults that the [Pew Research Center](#) defines as having a parent age 65 or older and raising at least one child younger than 18, or providing financial support to an adult child. About one quarter of U.S. adults are now part of this segment, due in large part to two trends: longer life spans and delayed financial independence among young adults.

If you are part of the sandwich generation, you likely face significant pressure – emotionally, financially, or both – to meet the plethora of day-to-day responsibilities that come with the territory. And you likely have little time to yourself to relax and recharge. We have experienced this firsthand in our own lives and as advisors to many clients who fall into the sandwich category. Fortunately, we also have seen certain practices go a long way toward helping sandwiched adults alleviate some of the stress, particularly as it relates to money. Here are the main practices we recommend:

01

Identify your goals

Reflect upon – and, if relevant, discuss with your spouse/partner – major accomplishments you would like to fund during your lifetime, including those related to your family. Start with your own needs. What would you like to be able to spend each year? What large purchases would you like to make over the years (e.g., a second home, a boat, cars, etc.). Then turn to your family's needs and determine what level of support you would like to provide – for example, for college tuition, assisted living expenses, lifestyle expenses the first years out of college, etc. This may seem like an overwhelming task, but it usually can be done relatively quickly upon reflection. And the uncertainty and even conflict that can be circumvented when these decisions are made with intentionality makes it well worth the time you invest.

02

Work with a financial advisor to reconcile your goals with your finances

Once you have identified your goals, work with a financial advisor to understand if you can afford them, and adjust your goals and investment plan accordingly. If you won't have sufficient assets, you will need to reprioritize and possibly reconsider your portfolio's risk profile. If you can afford them, you can consider new possibilities you didn't know existed – for example, making annual gifts to your children while you're still alive or making larger charitable donations. In either event, you will benefit from having a transparent understanding of what you can afford and what level of support you can reasonably offer your family.

03

Clearly communicate your plan to your family

Many families avoid talking about money because it feels uncomfortable, or in some cases, because parents or grandparents worry about the implications of possibly revealing their net worth. However, it is critical to have an open dialogue about your family's collective financial plan and to set expectations with any family members who may be counting on you for support. This means that once you have determined how you would like to support your family – and if you can afford to do so – you should share your plans as explicitly as possible to leave little room for disappointment or resentment down the road. These conversations can also go hand in hand with communicating estate plans and medical directives, which is also critically important to your family's long-term financial and emotional health.

The good news is that you don't have to facilitate these conversations on your own. A good financial advisor who knows you and your situation, and has experience helping families collaborate financially across generations, can take the lead.

04

Seek financial education for your children

As a parent, part of alleviating financial stress is raising financially responsible children. Unfortunately, however, many children do not receive adequate financial instruction as part of their regular education. For example, one report on the results of a financial literacy exam found that high school seniors scored on average 48% correct (60% was considered passing), showing a strong need for more comprehensive financial education.ⁱⁱ

The good news is that awareness around this issue has increased in recent years, and educating your children about finances has become easier, with many free online resources such as lessons offered through T. Rowe Price's [Money Confident Kids](#). Your financial advisor can help connect you with additional resources and also bring your children into financial planning conversations when appropriate, which often proves useful in terms of both education and improving family communication.

05

Invest in your physical and mental health

The deluge of financial and other responsibilities inherent to the sandwich generation can take a significant toll on your mental and physical well-being, decreasing your ability to be fully present and help the very people you are working hard to support. This is why the adage “To take care of others, start by taking care of yourself” rings particularly true for the sandwich generation – though it can be difficult to follow when time is already a major constraint. But on that point, another adage can help: Don't let perfect get in the way of good enough. A 20-minute walk each day can go a long way toward improving your health and decreasing your risk of disease.ⁱⁱⁱ Likewise, even small changes to your diet can improve your health and expand your lifestyle. In fact, one study found that eating a hot dog could cost you 36 minutes of healthy life, while choosing to eat a serving of nuts instead could help you gain 26 minutes of extra healthy life.^{iv} The point is that small, non-time-consuming changes in your habits can go a long way – so long as you prioritize them and decide to put your health and mental well-being first.

We Can Help

At our firm, we are well attuned to the challenges the sandwich generation faces – with time, money, emotional well-being and more. And we consider it our job to help alleviate these challenges to the best of our ability as advisors, recognizing that financial health is inextricably linked with other facets of health. Please reach out to us for help with the above planning and communication steps. The transparency and direction you can gain will go a long way toward helping both you and the generations between which you are sandwiched.

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ⁱ <https://www.pewresearch.org/fact-tank/2022/04/08/more-than-half-of-americans-in-their-40s-are-sandwiched-between-an-aging-parent-and-their-own-children/>

ⁱⁱ Youth.gov, "Facts About Youth Financial Knowledge & Capability," https://youth.gov/youth-topics/financial-capability-literacy/facts#_ftn4. Accessed July 11, 2022.

ⁱⁱⁱ For example, see: The American Cancer Society, "Study: Even a Little Walking May Help You Live Longer," October 19, 2017, <https://www.cancer.org/latest-news/study-even-a-little-walking-may-help-you-live-longer.html#:~:text=Participants%20who%20walked%20for%20less,particular%20importance%20for%20older%20Americans>. Accessed July 12, 2022.

^{iv} University of Michigan, "Small changes in diet could help you live healthier, more sustainably," ScienceDaily, <https://www.sciencedaily.com/releases/2021/08/210818135224.htm>. Accessed July 12, 2022.

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