

The Sandwich Generation

Is a generation of people who care for their ageing parents while supporting their own children



Dorothy Miller (1981)

The Sandwich Generation



- ▲ Who?
 - ▲ Working individuals, aged 40 – 60 years
- ▲ Why?
 - ▲ Increased life expectancy (with decreased medical benefits)
 - ▲ Starting families later
 - ▲ Children staying at home longer/Boomerang Generation

Sandwich Generation – Global Stats



Country	% SG in working pop.
China	37%
Hong Kong	27%
Singapore	26%
Taiwan	19%
USA/Canada	13 – 15%
UK	10%
Australia	6%
Japan	6%

Sandwich Generation – Global Stats



Country	% SG in working pop.
China	37%
Hong Kong	27%
Singapore	26%
South Africa*	23%
Taiwan	19%
USA/Canada	13 – 15%
UK	10%
Australia	6%
Japan	6%

* OMSA Sandwich Generation Indicator

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- ▲ At the start of the 20th Century, 4 – 7% of people in their 60's had at least one parent still living. Today, that figure is nearly 50%!
- ▲ In 1990, only 28% of young adults between 18 and 24 years lived with their parents. By 2000, the number had risen to 52%!



- ▲ SG save less
 - ▲ 58% of SG in US claim to have reduced savings or spent savings to cover living expenses
- ▲ SG are more financially risk averse
- ▲ SG find it difficult to service debt
 - ▲ 51% of SG in US have failed to make at least one rent, mortgage, credit card, car loan instalment or student loan instalment over the past year

Sandwich Generation – In SA



▲ Still living at home

18 – 24 year olds	69%
25 – 34 year olds	45%

▲ Highest % of SG are X Generation

X Gen (1965 – 1979)	29%
Baby Boomers (1946 – 1964)	21%
Y Generation (1980 +)	15%

Source: Old Mutual Savings Monitor

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Sandwich Generation – In SA



- ▲ SG are more financially stressed and make greater use of credit

	SG	Non SG
It is important to save, but I do not have enough money	83%	69%
Credit is part of my life. I cannot make ends meet without it	54%	40%
My finances are never properly organised	57%	50%
I always put plans to improve my life on hold	80%	69%
I want to learn more about how to save	90%	80%

Source: Old Mutual Savings Monitor

Sandwich Generation – In SA



▲ SG and debt repayment:

	SG	Non SG
Home Loans: Renegotiated terms of repayment due to financial pressure	7%	2%
Credit Cards: Pay irregularly/Only when I can	8%	0%
Store cards/accounts: Pay irregularly/when I can	7%	2%
Personal Loans: Incidence	24%	14%

Source: Old Mutual Savings Monitor

Organisers

19%



Procrastinators

36%

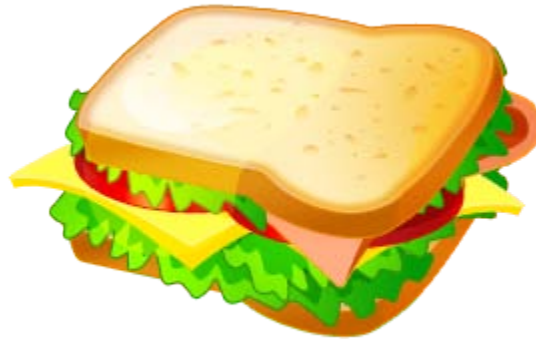


Source: Old Mutual Savings Monitor

The Club Sandwich Generation



- 50's + : Sandwiched between aging parents, adult children and grandchildren OR those in their 30's and 40's with aging parents and grandparents, and children.



Source: Old Mutual Savings Monitor

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- The Sandwich Generation is in dire need of assistance when it comes to organising their finances
- Financial planning will need to be done as a “family unit”
- Children and parents need to have realistic expectations in terms of future financial provisions
- AVOID (at all costs) dipping into retirement savings
- Seek expert advice!