

18 October 2012

Easing the squeeze on the sandwich generation

Australia's 4.7 million¹ Generation Xers² sandwiched between the responsibilities of looking after school-aged children and helping aging parents could be spending upwards of \$25,000 per annum in unbudgeted health and aged care costs.

Suncorp Bank Executive Manager Craig Fenwick said the trend was expected to continue, with rising health costs and waiting lists for some aged care facilities in some capital cities stretching beyond two years.

"Many Generation Xers are in a unique position, representing the first 'dual-role' generation," said Mr Fenwick.

"After school, the main focus for those in Generation X was career and further education, with many putting off getting married and starting families until later in life. So it is not uncommon to see 40+ year-old Generation Xers settling into the role of being parents while also supporting their own parents financially," he said.

Suncorp Bank's 'Sandwich Generation Tips' reveal what Australia's Generation Xers can do to ease the financial squeeze.

"While many have budgeted for living expenses including childcare and education for their children, some may not have considered the costs involved in looking after and supporting aging parents, placing a massive strain on the average Australian family income of \$1,320 a week³," said Mr Fenwick.

Some examples of these expenses include mobility aids, wheelchairs, beds, chairs, meals on wheels, and residential aged care, which could all add up to \$25,000 a year (see Appendix 1 for breakdown).

"Making ends meet is already a challenge for most Australian families and the added financial pressures of looking after an elderly parent may create an unsustainable lifestyle and impact on future wealth creation," said Mr Fenwick.

¹ <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3235.02011?OpenDocument>

² Defined as those born between the years of 1965 and 1981

³

<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/1301.0~2012~Main%20Features~Household%20income,%20expenditure%20and%20wealth~193>



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For Generation Xers who are caught up in this predicament, Suncorp Bank provides three helpful tips aimed at easing the squeeze:

- 1. Plan to work more flexibly and for longer.** The ABS forecasts that between now and 2050, Australians aged 65+ will more than double. This means more Generation X and Yers will be responsible for looking after their parents, which may require them to take more time off work, and more unpaid holidays may lead to their own retirement being delayed.
- 2. Proactively manage your financial goals.** If your budget or savings plan is based on certain assumptions about your income, and things have changed, rework the figures immediately. If you are earning less, and/or taking time off to look after your elderly parents, be realistic and identify where you may need to make trade-offs to meet financial obligations. It is also important to keep saving for your own future, even if it's in smaller increments.
- 3. Take advantage of any additional assistance you may be entitled to.** Finding out about various government programs, allowances and services will likely take some time and effort, but it's well worth it. Your parent/s may also qualify for benefits that can provide you some relief. Visit <http://www.health.gov.au/> to find out more.

“While Generation Xers may be the first of the dual role generation, they certainly won't be the last, as future generations will face similar issues. The key is to be prepared for miscellaneous expenses and to have a contingency savings account in place to ensure you won't be caught out completely.

“No amount of money can replace time spent with an ill or aging parent or loved one, but being thoughtful about maintaining your career and adjusting your finances can make all the difference in keeping a sense of normalcy and peace of mind for you and your family,” Mr Fenwick said.

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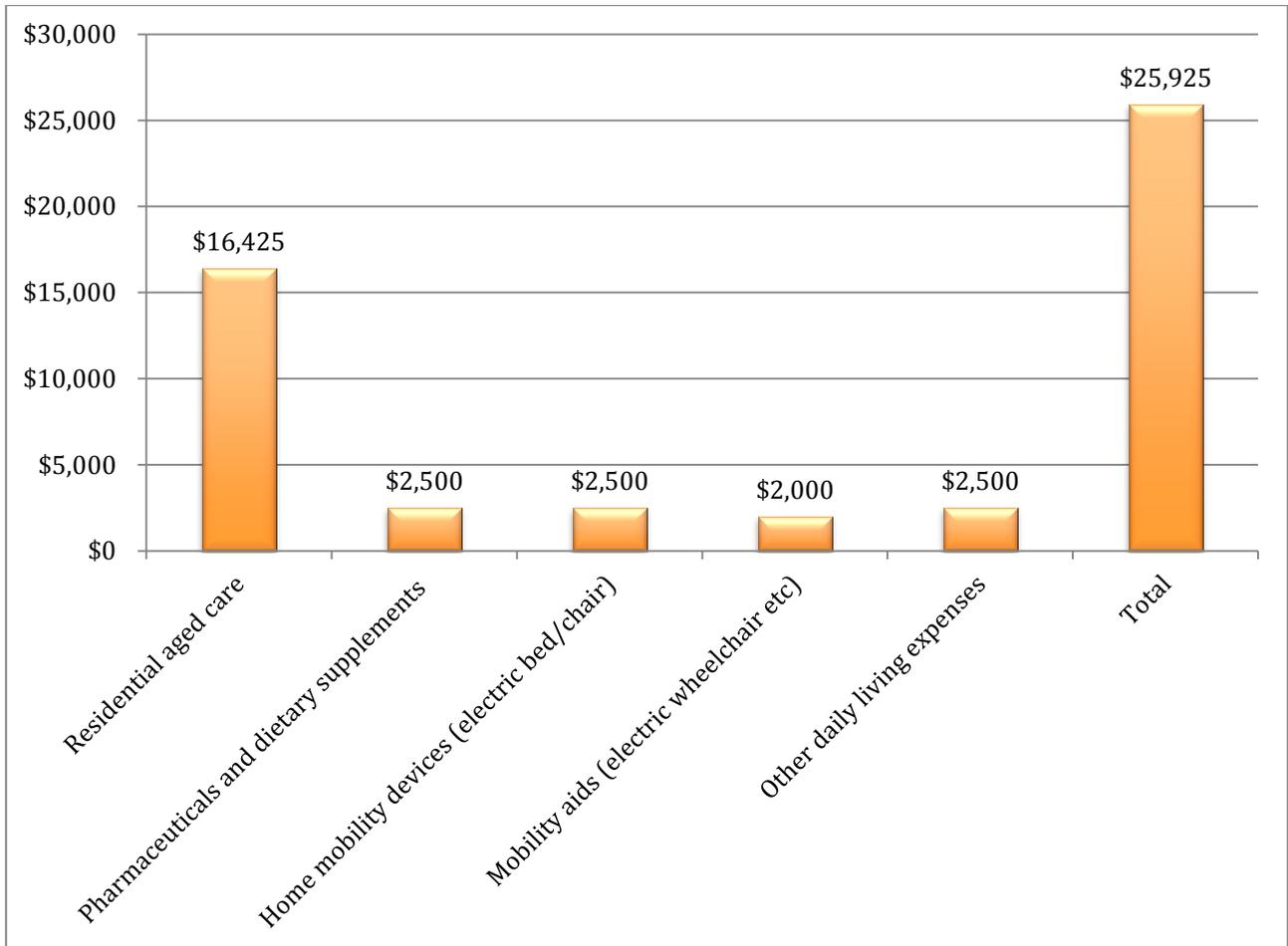
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Appendix 1 – Costs involved in supporting elderly parents (annual)



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