

THE SANDWICH GENERATION

More than 25 percent of American families are involved in some way with elder or parent care. For many, the responsibility of caring for aging parents hits at a time when they also are raising children and anticipating sending them to college. These people have come to be known as the Sandwich Generation because they find themselves “sandwiched” between two generations of family members that simultaneously need their attention and care.

By planning ahead, you can help make this often bumpy road, a little smoother. Here are some ways to prepare:

- **Start saving for the cost of college** as soon as possible.
 - **Control your debt.** “Installment debts” (e.g., car payments, credit cards) should equal no more than 20 percent of your take-home pay.
 - **Set financial goals and review them regularly.**
 - **Invest as much as you can into your retirement.**
 - **Talk to your children about how much financial help they can expect for college, weddings and other expenses as they grow into adulthood.**
 - **Talk to your parents about their plans and provisions for the future** (e.g., long-term care insurance, retirement income)
- **Reduce High Credit Card Debt**—Evaluate each credit card. If you are paying high interest rates you should look into consolidating into one low-interest credit card. For several months, only purchase items that you do not have to charge.
 - **Make Saving a Priority**—One of the most dependable saving strategies is to set aside money at the beginning of each pay period. Establish a savings account, start an IRA, participate in your company’s 401(k) plan, use a flexible spending account and explore other investment opportunities that will help your money grow.
 - **Organize Your Financial Records**—Keeping financial records organized can save you time and money. Set up a filing system for all your documents. You may end up being responsible for your parents’ finances as well, so be sure to set up separate files for their accounts.
 - **Develop an Online Estate Plan**—Many people access their bank accounts, receive credit card statements and pay their bills online. They also may have social media accounts, such as Facebook and Twitter, and may even have a personal website or a blog. Such online activities usually involve password protection and, perhaps, other security features. But should an individual become incapacitated or die, it is difficult for their loved ones to access such online accounts unless they know the passwords. So ask your family members to give a list of online accounts with passwords to a trusted relative or their lawyer or CPA. While you are at it, be sure you’ve drawn up such a list for yourself. 📄

BE PENNY-WISE AND DOLLAR SMART

Managing your money can be a hard habit to start, but your future—and that of those you care for—depends on it. Here are some tips that will make the process easier and more profitable.

- **Establish Clear Goals**—Jot down a list of your financial goals and prioritize them. Then describe your objectives for achieving them.
- **Resolve to Spend Less**—Maintain a budget and carefully track where your money is being spent. Look for ways to cut back.

