

Pearls of Wisdom[®] ... The Sandwich Generation

By: Gwendolyn A. Faulkner

In 2006, the first baby boomer turned 60 years old! Any one with parents between the ages of 45-61 should be paying special attention to this article as it outlines the issues relevant to your generation. The sandwich generation refers to the situation that many middle aged people are working through: parenting your parents while raising children of your own. Fifty nine percent of the adult population classifies themselves as either a caregiver or an expected caregiver. (National Family Caregivers Association, Random Sample Survey of 1,000 Adults Sponsored by Aleve, October 2003)

With baby boomers living longer and women waiting to have children later in life, the over lap is larger between raising our own children and taking care of aging parents. One recent report estimates that Baby Boomers will end up spending 17 years caring for a child and 18 years caring for an aging parent. The average lifetime loss in total wealth for caregivers who are forced to leave their jobs, reduce working hours, or refuse promotions is more than \$650,000. That includes wages, benefits, pensions, and Social Security. (American Business Cares, www.mycompanycares.net, October 2003)

The best way to prepare for the future is talking to your parents while they are still healthy and able to make decisions about estate planning with a financial planner and a lawyer. Waiting till a crisis only limits the opportunities. For example looking into long term care insurance can help protect their estate and provide relief to your family. Long term care insurance will help pay for home and nursing home care while providing a care coordinator. The average annual cost of home care in 2006 for Cherry Hill, NJ was \$58,400 (*Source: MetLife Mature Market Institute, The MetLife Market Survey of Nursing Home & Home Care Costs, September 2006) Waiting to long to purchase long term care insurance will only increase the premium cost or worse case scenario you can't get it any more due to health issues.

While doing estate planning you need to estimate future cost of health care. When budgeting medical expenses, baby boomers should expect increased health-care spending as they age; for instance, those age 55 to 64 spent \$3,262 and those 65 and over, \$3,899. (Source: Bureau of Labor Statistics at <http://www.bls.gov/cex/2004/Standard/age.pdf>) Also reviewing wills, trust, powers of attorney, and health care directives while also reviewing assets will help to put a plan together.

Planning can reduce the stress that families have to deal with when parents need them. Don't wait till your family is in a crisis, call a professional today to find out more about what you can do to make the transition through this rough time easier to handle.

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