Caregiving and COVID-19

How the pandemic is expanding the sandwich generation.
Executive Summary

The coronavirus pandemic has had far-reaching consequences for the economy as well as the physical and mental health and financial security of millions of Americans. The pandemic has also spurred changes to family living situations – combining households in new and potentially permanent ways.

One group acutely affected by COVID-19 is the “Sandwich Generation,” a growing group of individuals responsible for providing financial, physical and emotional support for both their children and an aging relative – an experience that can certainly be rewarding. Even in the best of times, however, members of the Sandwich Generation face enormous pressures. In an effort to better understand how COVID-19 has added to these pressures, New York Life conducted a series of surveys to ascertain how COVID-19 has impacted Americans’ financial outlook, in addition to an extensive survey focused on the Sandwich Generation’s caregiving responsibilities, finances and how they are preparing for the future.

In Caregiving and COVID-19: How the Pandemic is Expanding the Sandwich Generation, we present our findings on the evolving state of the Sandwich Generation as a result of COVID-19, including how the demographics of those who make up this generation have changed. We also detail how the pandemic has affected their financial, emotional and physical health, and their expectations for the future.

Our research indicates that the pandemic has shifted the demographics of the Sandwich Generation, causing it to become increasingly younger, more female and more diverse, which has differing implications for those who are younger and in need of a long-term solution versus those who are closer to or in retirement.

Finally, and with these different audiences in mind, we explore the steps the members of the Sandwich Generation can take to protect their families’ futures and move forward with confidence.
Americans have experienced drastic changes as a result of COVID-19. We tracked shifts in sentiment and behaviors from March through July to reveal several important insights about the impact of this pandemic and what it means for the Sandwich Generation as well as for Americans overall.

Americans are feeling less prepared, more concerned, and less financially confident...

1/3+

More than one-third of Americans felt their financial strategy did not prepare them for the COVID-19 economic environment. Twenty-eight percent of Americans overall.

28%

are thinking more about their aging family members than they did before the pandemic began.
...And this is especially true for women

Recent news and the state of the economy has had a disproportionate impact on women’s confidence about their finances:

How much more or less confident do the following considerations make you feel about the status of your savings? (Showing % who feel LESS confident)

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recent news (such as, but not limited to, economic, health, technology, political, and world news)</td>
<td>47% (+4 pts vs men)</td>
<td>43%</td>
</tr>
<tr>
<td>Your economic outlook for the next year</td>
<td>42% (+7 pts vs men)</td>
<td>35%</td>
</tr>
<tr>
<td>Your economic outlook for the next 10 years</td>
<td>42% (+7 pts vs men)</td>
<td>24%</td>
</tr>
</tbody>
</table>

Despite lower retirement confidence, women are less likely than men to:

<table>
<thead>
<tr>
<th>Action</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set aside more money for investments</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>Save more money for their own long-term care needs</td>
<td>12%</td>
<td>20%</td>
</tr>
<tr>
<td>Purchase a life insurance policy</td>
<td>13%</td>
<td>9%</td>
</tr>
</tbody>
</table>

38% of women surveyed feel confident that their retirement savings will last their entire lifetime, compared with 53% of men.

54% of women surveyed feel confident that their retirement savings will last their entire lifetime, compared with 41% of men.

Women are thinking more about their children (54% vs. 41% of men who say the same) and their aging relatives (66% vs. 61% of men) during the pandemic—but they feel less confident about their ability to:

- Care for aging family members 29% (36% of men feel confident)
- Pay for a personal financial emergency 38% (50% of men feel confident)
- Pay the bills month-to-month 54% (61% of men feel confident)
Latinx (41%) and Black (44%) respondents are more likely to feel that their financial strategies did not prepare them for the current economic environment, compared to all adults (36%).

In contrast, Asian American respondents (30%) are less likely to feel that their financial strategies did not adequately prepare them.

Latinx (68%) and Black (61%), and Asian American (64%) respondents are thinking of their aging family members more during the pandemic.

Overall, many Americans did not feel financially prepared for the COVID-19 pandemic, which hit female, Latinx and Black respondents hardest, and have less confidence in their future finances.
Stuck in the Middle: The Sandwich Generation & COVID-19

The Sandwich Generation has been especially affected by the COVID-19 pandemic due to their unique responsibilities. This distinctive demographic cohort is comprised of individuals with wide-ranging income, ethnic backgrounds, gender, and age profiles.

Within the Sandwich Generation, the component represented by Millennials (those aged 22-39) tends to differ considerably from older age groups.

According to the AARP Public Policy Institute, the group considered Millennials is more diverse in its overall makeup. Greater than one-in-four (27%) Millennial family caregivers are Latinx, and nearly one-in-five (18%) are Black.

They also tend to spend more time in their caregiving role; on average, Millennials devote 21 hours per week to caregiving, with about one-in-five (19%) Millennial family caregivers providing support of 40 hours per week or more. Latinx caregivers (34%) are most likely to spend higher-than-average time providing care, followed by Black caregivers (29%), and white Millennial family caregivers (20%).

According to the Pew Research Center, people with a child younger than 18 at home who are multigenerational caregivers are:

<table>
<thead>
<tr>
<th>Gender</th>
<th>Women (60%)</th>
<th>Men (40%)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>18-29 (15%)</th>
<th>30-44 (53%)</th>
<th>45-59 (23%)</th>
</tr>
</thead>
</table>

Note: 3 percent of respondents fell outside of these age ranges.
Based on our respondents’ experiences, the research indicates that the demographics of the Sandwich Generation have become increasingly younger, more female, and more diverse.

We found that women now represent a greater proportion of caregivers – *increasing by four percentage points in just the last two years (64%)* – and Millennials grew ahead of Baby Boomers and Gen Xers, now comprising more than one-third of all multigenerational caregivers.

While most Sandwich Generation caregivers tend to be women, this increase over a relatively short period of time indicates a change in caregiving as some women may have taken on even more responsibilities as a result of the pandemic.

The increase in Millennials as part of the Sandwich Generation is also notable, given that the latter has historically been comprised of Baby Boomers and Gen Xers. Over time, Millennials are expected to make up an even greater percentage of this demographic as caregiving responsibilities continue to shift and the population ages.

Illustrative of this demographic shift, our survey found that 40% of Millennials were currently more likely to be caring for an aging parent during COVID-19 than pre-COVID, versus 34% for Gen Xers and 13% of Baby Boomers. When considering the other long-term financial needs of Millennial families, like buying a house or saving for a child’s education expenses, this younger population may be more greatly affected by being part of the Sandwich Generation.

Additionally, Millennial members of the Sandwich Generation are experiencing the financial ‘crunch’ in a different way than the Gen Xers and Baby Boomer members as a result of timing – many Millennials came into financial independence during or closely following the 2008–2009 economic recession, impacting their financial foundation. Now, they are navigating student loan payments and record levels of medical debt, while wages have remained generally stagnant, before having to embrace the economic impact of caring for their loved ones during COVID-19.

As a result of this set of circumstances, many new Millennial caregivers will likely need to take steps to secure their long-term financial well-being, which may include meeting with a financial professional to discuss current income and expenses, existing savings and retirement assets as well as other steps to take to prepare for a secure retirement. For many, the question is how to balance “right now” without failing to think about “down the road.”

![64%](image)

We found that women now represent a greater proportion of caregivers – *increasing by four percentage points in just the last two years (64%)*.
Caregivers’ finances are stretched, but to varying degrees

As might be expected, the financial stability of the Sandwich Generation population varies widely, with nearly half of the Sandwich Generation (46%) having $50,000+ invested (e.g., stocks, mutual funds, IRAs, 401(k) accounts) and nearly one-quarter (23%) owning zero financial investments. The difference in financial stability shows a wide gap between those who may be prepared to be caregivers for several years and those who may need to adjust their financial strategy sooner, which may in part be due to the differences in finances and preparedness between older and younger members of the Sandwich Generation.

The Sandwich Generation has also spent considerable sums of their personal funds to provide care to their dependents. The coronavirus pandemic is exacerbating these costs.

For instance, we found that:

$1,000

Caring for an aging relative costs about $1,000 per month.

Members of the Sandwich Generation are spending a substantial amount of their own money caring for family members.

<table>
<thead>
<tr>
<th>Caregiving costs have increased during the pandemic:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal funds spent to meet medical or other financial needs:</td>
</tr>
<tr>
<td>Aging relative(s), such as a parent $973</td>
</tr>
<tr>
<td>Spouse or partner with a chronic condition $498</td>
</tr>
<tr>
<td>Child(ren) with a chronic condition $1,633</td>
</tr>
<tr>
<td>Child(ren) between the age of 18 and 24 $502</td>
</tr>
<tr>
<td>Child(ren) between the age of 25 and 35 $364</td>
</tr>
</tbody>
</table>

Average Amount Spent per Month

More than half (54%) of those surveyed report spending more each month since the start of the pandemic caring for others, with nearly one-quarter (23%) spending an extra $200 or more per month.
As a result of the COVID-19 pandemic and simultaneously caring for the aging relative(s) and child(ren) you mentioned, are you now spending more or less money per month doing each of the following? (among entire Sandwich Generation)

- **Caring for others**
  - $200+ more: 29%
  - $10-$199 more: 37%
  - About the same: 31%
  - Don't know/Not sure: 6%
  - $10-$199 less: 2%
  - $200+ less: 2%

- **Paying my bills**
  - $200+ more: 9%
  - $10-$199 more: 63%
  - About the same: 12%
  - Don't know/Not sure: 2%
  - $10-$199 less: 6%
  - $200+ less: 7%

- **Physical, emotional or mental wellbeing**
  - $200+ more: 6%
  - $10-$199 more: 13%
  - About the same: 51%
  - Don't know/Not sure: 4%
  - $10-$199 less: 16%
  - $200+ less: 10%

- **Savings**
  - $200+ more: 6%
  - $10-$199 more: 10%
  - About the same: 41%
  - Don't know/Not sure: 4%
  - $10-$199 less: 20%
  - $200+ less: 20%

- **Paying off debt**
  - $200+ more: 7%
  - $10-$199 more: 8%
  - About the same: 55%
  - Don't know/Not sure: 5%
  - $10-$199 less: 13%
  - $200+ less: 13%

- **Rent**
  - $200+ more: 6%
  - $10-$199 more: 7%
  - About the same: 73%
  - Don't know/Not sure: 8%

- **Retirement**
  - $200+ more: 4%
  - $10-$199 more: 6%
  - About the same: 50%
  - Don't know/Not sure: 9%
  - $10-$199 less: 13%
  - $200+ less: 18%

$200+ more
$10-$199 more
About the same
Don't know/Not sure
$10-$199 less
$200+ less
The ways the Sandwich Generation pays for caregiving costs varies:

- 69% are paying for this care out of their own daily budgets
- 40% are contributing less to their savings
- 30% are contributing less to their retirement
- 27% are working more hours
- 27% are drawing from their emergency savings
- 26% are paying off less debt
- 20% are sharing costs with a sibling
- 18% are delaying paying other bills
- 16% took on an additional job

Millennial finances have taken a hit

The pandemic has presented new challenges, new costs and new considerations for families that are part of the Sandwich Generation – and these responsibilities will shift as the demographics of the group evolve. Younger families will need to consider long-term goals while older individuals may need to take more immediate steps to prepare for their own potential caregiving needs in the future.

COVID-19 has undoubtedly hit the Sandwich Generation hard and the financial ramifications of the virus will likely be felt for years. Many parts of the economy are still effectively shut down as a result of social distancing measures, and the associated earnings shock for caregivers has made the value of financial resilience very clear.

Twenty-six percent said that they are spending more on necessities due to the COVID-19 environment, while 31% indicated that they have cut back on their retirement savings.
Caring for children and an aging relative is both expensive and time consuming—and impacts more than just finances. The Sandwich Generation’s sacrifices often come at the expense of their own physical and emotional health.

For many in the Sandwich Generation, the outlook for how long they expect to be part of this caregiving demographic is measured in years—not months—and will likely outlast the COVID-19 pandemic.

Nearly half (48%) of all members of the Sandwich Generation expect to remain in a caregiving position in some capacity for at least the next six years. However in order to do so, nearly one-quarter (22%) will need to adjust their finances within the next 12 months and just over one-quarter (28%) are confident they will be able to afford care for the next six-plus years without changing their financial approach.

The need to adjust financial strategies to fund family caregiving in the wake of the pandemic is disproportionately weighted toward the Millennial generation, with 49% of Millennial respondents indicating that they are more likely to update their financial strategy versus 34% of Gen Xers and just 13% of Baby Boomers. Notably, the heightened need to change course among Millennials and Gen Xers compared to older Baby Boomers is likely a result of their own financial situations and speaks to the other financial pressures facing younger members of the Sandwich Generation.

"The COVID-19 environment has presented obstacles and challenges to both existing and new caregivers, requiring families to discuss their needs and finances to determine the best strategy moving forward. It’s important to ensure the caregiver has support along the way—financially, mentally, and physically."

– Jeff Beligotti, Vice President, Head of Long-Term Care Solutions, New York Life

Additionally, the research reveals that of those providing care or extended financial support for an adult child, nearly half expect to provide this support for the next 1–5 years

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>53%</td>
<td>of those with a child age 18-24</td>
</tr>
<tr>
<td>44%</td>
<td>of those with child age 25-45</td>
</tr>
</tbody>
</table>

Given the long-term expectations for many in the Sandwich Generation, the physical and emotional impact on their own health should also be kept in mind. As a result of the pandemic, nearly half reported having less time for rest and relaxation, sleeping, physical exercise, or caring for their own well-being.
As a result of the COVID-19 pandemic and simultaneously caring for the aging relative(s) and child(ren) you mentioned, are you now spending more or less time each week doing the following?

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest and relaxation</td>
<td>43%</td>
</tr>
<tr>
<td>Sleeping</td>
<td>39%</td>
</tr>
<tr>
<td>Physical exercise</td>
<td>37%</td>
</tr>
<tr>
<td>Caring for my physical, emotional, or mental well-being</td>
<td>36%</td>
</tr>
<tr>
<td>Quality time with my loved ones</td>
<td>19%</td>
</tr>
<tr>
<td>Preparing or eating healthy meals</td>
<td>13%</td>
</tr>
</tbody>
</table>

If you were to continue to care for the aging relative(s) and child(ren) you mentioned in the same way for the foreseeable future, about how long would you be able to afford providing that care before you needed to adjust your financial strategy?

<table>
<thead>
<tr>
<th>Financial Strategy Duration</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-6 months</td>
<td>10%</td>
</tr>
<tr>
<td>7-12 months</td>
<td>12%</td>
</tr>
<tr>
<td>1-2 years</td>
<td>16%</td>
</tr>
<tr>
<td>3-5 years</td>
<td>11%</td>
</tr>
<tr>
<td>6 or more years</td>
<td>28%</td>
</tr>
<tr>
<td>Don't know/Not sure</td>
<td>23%</td>
</tr>
</tbody>
</table>

The table below shows the distribution of responses by various categories:

- **Sandwich generation**: 10% 12% 16% 11% 28% 23%
- **Caring for Child with Chronic Condition**: 12% 11% 17% 12% 26% 23%
- **Helping an aged relative with ADL**: 12% 13% 19% 11% 25% 21%
- **Men**: 7% 12% 17% 11% 37% 16%
- **Women**: 12% 11% 15% 11% 24% 27%
- **Income under $50k**: 20% 15% 15% 6% 16% 28%
- **Income $50k - $100k**: 9% 11% 19% 11% 31% 19%
- **Income $100k+**: 4% 9% 12% 15% 37% 24%

As a result of the COVID-19 pandemic and simultaneously caring for the aging relative(s) and child(ren) you mentioned, are you now spending more or less time each week doing the following?

- **Rest and relaxation**
- **Sleeping**
- **Physical exercise**
- **Caring for my physical, emotional, or mental well-being**
- **Quality time with my loved ones**
- **Preparing or eating healthy meals**

Showing % agree spending less time - Sandwich Generation
The Sandwich Generation: Looking Ahead

Based on our research, members of the Sandwich Generation who reported feeling prepared to provide six-plus years of care are more likely to have a long-term financial strategy. They are more likely to be working with a financial professional, boosting their own retirement, and protecting their emergency savings.

43% of those prepared to provide care for six-plus years with no adjustments to their financial strategies are working with a financial professional. Those prepared to care six-plus years are less than half as likely to expect to have to fund future caregiving by:

- withdrawing from emergency savings
- taking out a personal loan
- taking on an additional job
- delaying or avoiding paying a bill

“By establishing a financial strategy rooted in protection and supported by guarantees that will last into the future, those in the Sandwich Generation can feel confident that they can meet the needs of those depending on them, without sacrificing their own financial goals.”

– Dylan Huang, Head of Retail Annuities, Investment Solutions and Wealth Planning, New York Life
At New York Life, we believe more than ever, that working with an experienced financial professional and developing a financial strategy are essential in meeting the heightened financial challenges presented by the coronavirus pandemic.

The results from our research suggest that individuals who have established a financial strategy and work with a financial professional are the most confident about their financial futures, a confidence that goes a long way in reducing the stresses felt by the Sandwich Generation.

Having the foundation of a diversified financial portfolio that fits their unique needs can enable Americans experiencing this crunch to weather market volatility, economic downturns, and whatever may arise in the near and long-term.

Notably, the impact for women who work with financial professionals is even greater. Women who work with financial professionals are nearly twice as likely to agree they would be able to provide three or more years of care before adjusting their financial strategies.

50% of women working with financial professionals agree, compared with 30% of women not working with financial professionals

16% of women working with financial professionals are uncertain how long they would be able to provide the same level of care, compared with 30% of women not working with financial professionals

“The demands of caregiving and the volatility of the environment can be a lot for one person to navigate. The good news is, members of the Sandwich Generation don’t have to tackle these challenges alone. A trusted professional can help build a strategy to protect your current finances, and balance the costs of caregiving to come, helping you and those in your care achieve long-term financial goals.”

– Dylan Huang, Head of Retail Annuities, Investment Solutions and Wealth Planning, New York Life
A financial strategy can have an impact beyond finances...

A well thought-out financial strategy and working with a financial professional can provide a boost in confidence about the future, and be a benefit for overall health and wellbeing.

Those who stated that they felt adequately prepared for the demands of the Sandwich Generation indicated they were making better financial decisions and experiencing less stress.

Financially prepared respondents were less likely to have made a financial decision they regret

28% of those not prepared felt they made regrettable financial decisions, compared to 12% of financially prepared respondents

63% of those not prepared felt they sacrificed their own financial security in order to care for their aging relative(s) or child(ren), compared with 40% of financially prepared respondents

And as a result of caring for the aging relative(s) and child(ren) you mentioned, have you done any of the following?

<table>
<thead>
<tr>
<th>Not prepared to care 6+ years</th>
<th>Prepared to care 6+ years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bought life insurance for myself</td>
<td>22%</td>
</tr>
<tr>
<td>Put money towards my retirement fund(s)</td>
<td>22%</td>
</tr>
<tr>
<td>Worked/ing with a financial advisor</td>
<td>25%</td>
</tr>
<tr>
<td>Set aside money for my child(ren) to take care of me later if needed</td>
<td>30%</td>
</tr>
<tr>
<td>Purchased long-term care financial product(s) or insurance</td>
<td>18%</td>
</tr>
<tr>
<td>None of the above</td>
<td>38%</td>
</tr>
</tbody>
</table>

Despite the financial challenges of caring for multiple generations, many members of the Sandwich Generation are finding ways to prepare for their own futures, especially those who indicated that they are currently prepared to meet the cost of caring for the next six-plus years. (See table.)

For younger current and potential members of the Sandwich Generation, there are clear, long-term benefits for making a financial roadmap today – both for your own confidence in your finances as well as your overall emotional and physical wellbeing.

If you are older and approaching or in retirement, it’s worth considering what options are available to meet your own caregiving needs, so you can protect your financial future and wellbeing as well as that of your loved ones.

If you were to continue to care for the aging relative(s) and child(ren) you mentioned in the same way for the foreseeable future, about how long would you be able to afford providing that care before you needed to adjust your financial strategy?

Women working with financial advisors

<table>
<thead>
<tr>
<th>Women working with financial advisors</th>
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</thead>
<tbody>
<tr>
<td>45</td>
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</table>

Women not working with financial advisors

<table>
<thead>
<tr>
<th>Women not working with financial advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
</tr>
</tbody>
</table>

- 0-6 months
- 7-12 months
- 1-2 years
- 3-5 years
- 6 or more years
- Don’t know/not sure
Conclusion

For younger current and potential members of the Sandwich Generation, there are clear, long-term benefits for making a financial roadmap today – both for your own confidence in your finances as well as your overall emotional and physical wellbeing.

If you are older and approaching or in retirement, it’s worth considering what options are available to meet your own caregiving needs, so you can protect your financial future and wellbeing as well as that of your loved ones.

1. The first is that the face of the Sandwich Generation is rapidly changing – it is becoming increasingly younger, more female, and more ethnically diverse, in addition to having a different societal environment and influence on its financial foundation. Many may be new to this demographic as a result of the pandemic, and may not have the financial stability, knowledge or strategy like those in older age groups. For others who are closer to or are already in retirement, their financial circumstances may have changed due to the pandemic or they may have a greater need for caregiving in the future, so the time to evaluate and adjust financial solutions is now.

2. Second, the challenges the Sandwich Generation face are not limited to financial ones, but also include challenges to emotional and physical well-being. While the financial costs of being part of the Sandwich Generation are high and average $1,000 per month to care for an aging relative, the emotional and physical costs can also add up. This is especially true given the majority of those in the Sandwich Generation expect to be in a caregiving position and providing support for both their children and an aging relative for six-plus years.

3. Finally, it is clear that having a financial strategy and working with a financial professional is critical to your financial, physical and emotional health. By ensuring your own financial future – like having proper life insurance coverage, an adequate emergency fund, a fully diversified investment portfolio in line with risk tolerance, and participating in company-sponsored retirement solutions – you are able to better care for yourself and your loved ones and are incorporating all the vital elements of a protection-first financial strategy. The key is getting started.

References
2. 2018 Millennials: The Emerging Generation of Family Caregivers
3. Health Expenditures Per Capita, St Louis Fed
4. For most U.S. workers, real wages have barely budged in decades

To find out more about this study and the evolving needs of the Sandwich Generation, visit the Research page on the New York Life Newsroom.
Survey methodologies

Sandwich generation survey
The data shown here is from a poll conducted July 22 – August 5, 2020 among a national sample of 1,000 ‘Sandwich Generation’ adults (i.e., those caring for both a child(ren) and an aging relative(s)). The interviews were conducted online and results from the full survey have a margin of error of plus or minus 3 percentage points. Margin of error increases as sample size decreases.

COVID-19 confidence and sentiments pulse surveys
New York Life commissioned Morning Consult to conduct a series of recurring surveys among a national sample of 2,200 adults. This poll was conducted online between May 29-June 1, 2020, and the data were weighted to approximate a target sample of adults based on age, educational attainment, gender, race, and region. Results from the full survey have a margin of error of plus or minus 2 percentage points. Results are compared to those from previous polls conducted between March 23-24, April 9-10, and April 21-24, 2020.