

THE RISING IMPACT OF ELDER CARE ON GEN X AND MILLENNIALS

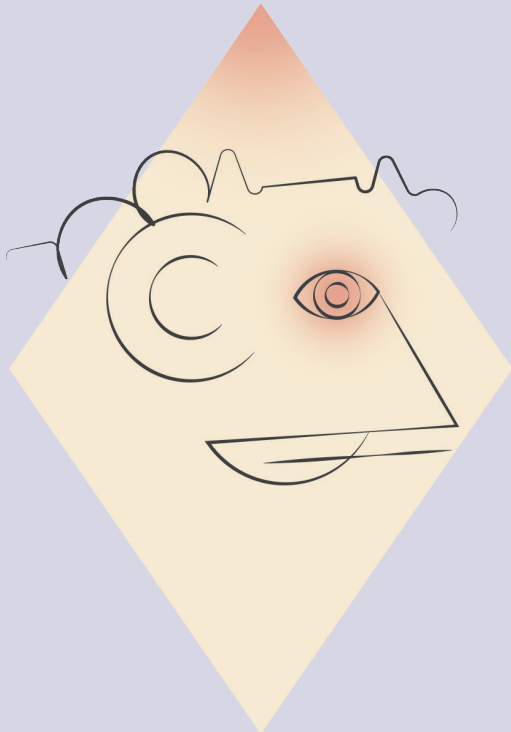


Millennials and gen x are being forced to take care of their aging parents. The sense of obligation is very strong among both groups, regardless whether such support creates personal financial complications.

- Nearly 40 million americans offer unpaid care to an adult friend or relative, and of those caregivers, millennials make up nearly a quarter. (National Alliance For Caregiving, 2015)
- 48% of millennials and 41% gen xers who said they currently provide or expect to provide financial support to family members said it was for they parents or stepparents. 10% and 14% said it was for their parents in law. (Iconoculture Elder Care Study, 2016)
- 76% of u.s. consumers say it's a responsibility for adult children to provide financial assistance to an elderly parent in need. (Pew, July 2015)
- About a third millennials and gen xers said providing financial support to parents made them have trouble paying their own bills. (Iconoculture Elder Care Study, 2016)

Many struggle to have meaningful conversations about the situation, and thus are unprepared to handle the situation emotionally and financially.

- About 1 in 2 financial supporters have discussed the financial support with the family member whom they support. (TD Ameritrade, Sept 2015)
- The main reason of not having such conversations are guilt (21%), poor health of parent (17%), and feeling uncomfortable (17%). (Td Ameritrade, Sept 2015)
- Only about 1 in 3 consumers agree "I actively try to engage my family in conversations about aging and retirement because it's an important topic that is likely to impact everyone in the family." (Iconoculture Elder Care Study, 2016)



IMPLICATIONS & OPPORTUNITIES



FINANCIAL SERVICES

Retirees who are fully prepared for retirement already had these conversations with their children. it's the unprepared, and those whose plans fell through, who need help, and they are unlikely to talk until their situation is dire. the more feasible route is the kids: as gen x and millennials prepare for their own retirement, make sure they have considered whether or not their parents may need their help.



INSURANCE

This scenario creates a need that could easily be met by long term investment products. whether "parental assistance" becomes a rider on the retirement investments of adult children, or parents are allowed to purchase policies against calamities in retirement, this scenario could be a persuasive selling point.



HEALTH CARE

With parents becoming more dependent on their adult children, the ability to add parents to their health insurance could be a life-changing benefit for all involved. even as a costly add-on, it could provide valuable peace of mind in stressful times.