



投資者及理財教育委員會
Investor and Financial
Education Council

Money Matters of the Sandwich Generation

June 2019

Research Overview

The “sandwich generation” – people who are caring for both ageing parents and their own children – often faces higher pressure compared to other demographic segments. The IFEC conducted a study to look into their financial concerns and how they are managing their money matters.

Research objectives



To examine the financial stress faced by the sandwich generation in Hong Kong



To understand the dynamics of financial education within the family and the perceived influence of grandparents

Research methodology

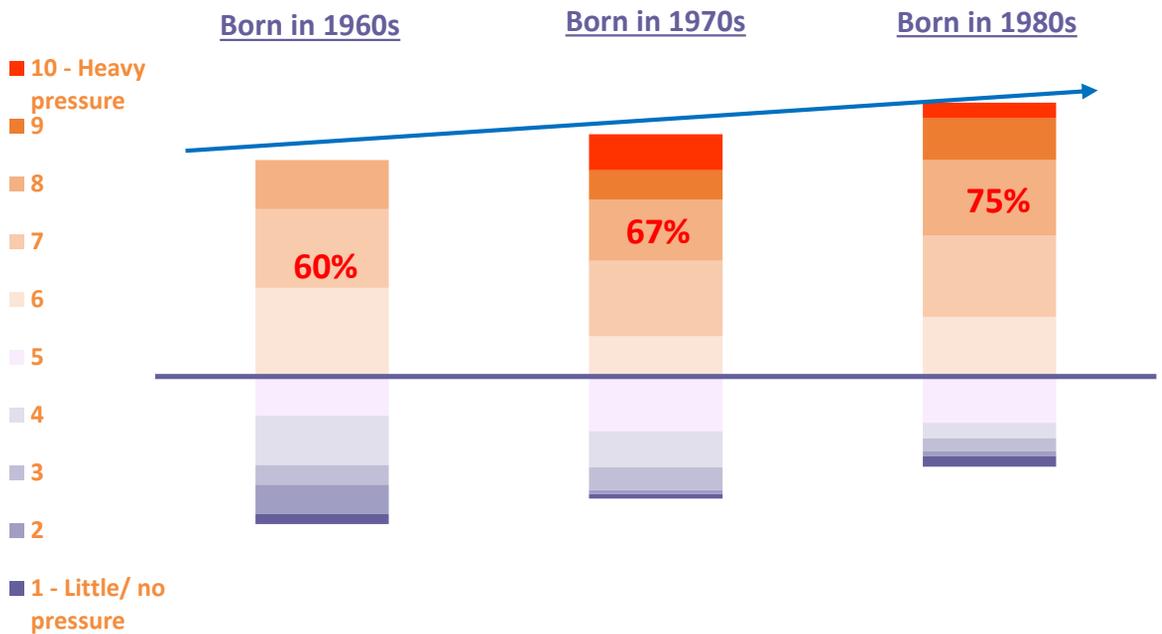
Target Respondents	Parents with children studying in primary schools
Interviewing Method	Online self-completion
Sample Size Achieved	n=400
Quota	Quota is set on gender, age, monthly household income, living district & school grade the children are studying by making reference to IFEC’s previous surveys as well as the latest Hong Kong Population Statistics from C&SD, HKSAR
Interviewing Period	15 June to 26 June, 2019

Key Findings

Hong Kong “sandwich generation” parents feel financially stressed, especially for the younger generation born in 1980s

Children’s education, household expenses, making provision for their retirement, mortgage loans and allowance for ageing parents are the key sources of stress cited.

Personal Financial Stress Level



Key sources of financial stress



55%
Children’s education expenses



48%
Daily family expenses



34%
Provision for retirement



29%
Mortgage loans



25%
Allowance for ageing parents

75% of the surveyed respondents said they felt more stressed with financial matters as compared with their parents' generation

It could be partly attributable to changing expectations related to child-raising – apart from preparing for children's education expenses, which top the list of parents' financial stress, non-study related expenses for children further add to their financial burdens.

Financial support for ageing parents also amounts to a significant sum.

Non-study related expenses for children

	Average
Monthly expenses on children's extra-curricular activities	HK\$ 3,210
Monthly Expenses on Children's Entertainment	HK\$ 1,060
<u>Annual</u> Expenses on Children's Travel	HK\$6,850/ \$570 per month
Total monthly expenses	HK\$ 4,840

Financial support for ageing parents



83% of the surveyed respondents felt they have a responsibility to provide financial support to their ageing parents.

Average monthly allowance to parents : **HK\$ 5,590***

Overall financial status



*This amount is the average for surveyed respondents' own parents and exclude allowances provided to spouses' parents.

Relief from the financial burdens is limited looking ahead – for many, providing for their children is a lifelong commitment

While majority expect their children to be financially independent when they grow up, many parents are willing to provide financial support to their children for home purchase, wedding expenses and even credit card debts should the need arises.

Expectations for grown-up children

70% Expect children to pay some of their living expenses by working part time at secondary/university level

79% Will not provide financial support after graduation

87% Expect their grown-up children to contribute to household expenses

Financial support for grown-up children

74% Parents will assist their children to purchase a home

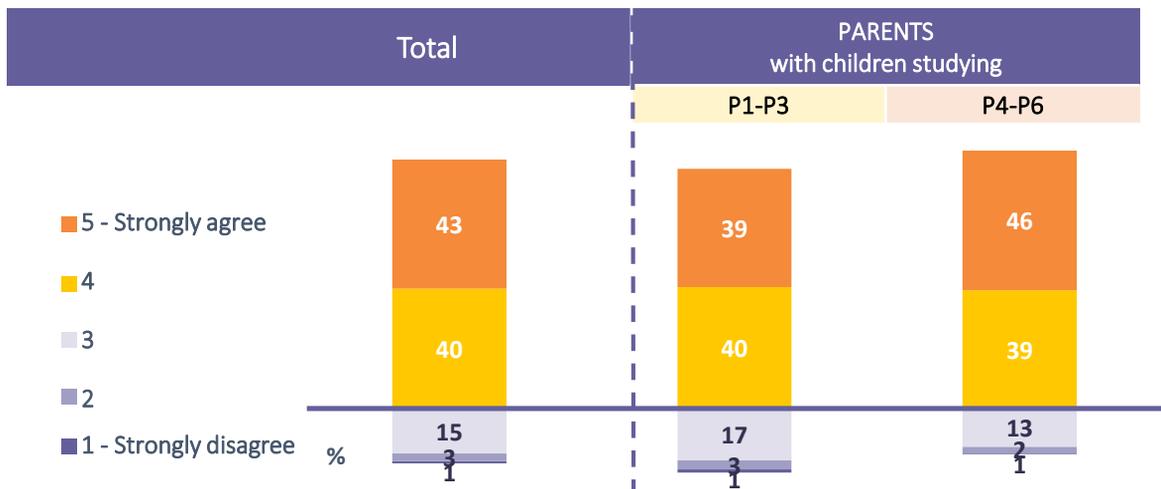
57% Parents will help with their children's wedding expenses

45% Parents will help with their children's credit card debts if necessary

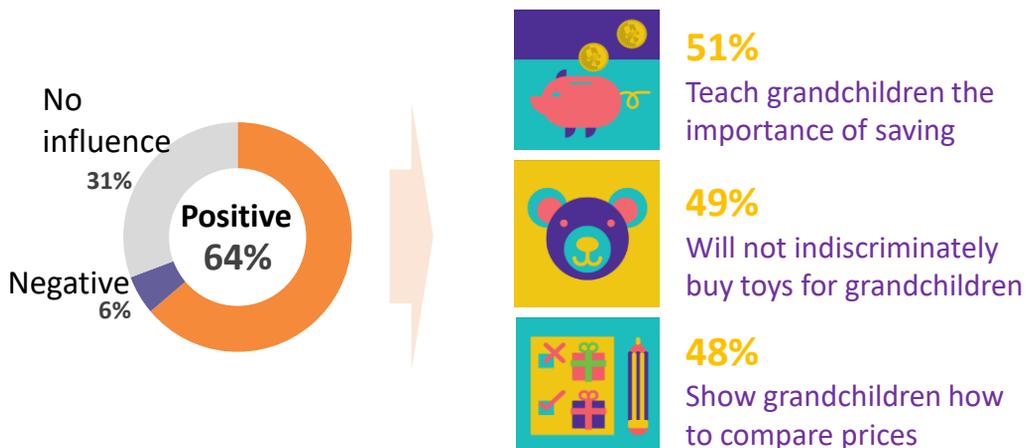
Many parents recognised the importance to guide the next generation to become better at making money-related decisions, and that grandparents can bring a positive influence in this regard

Majority (82%) of parents agreed that it is important for children to learn about money management starting at a young age, and 64% parents believe that grandparents have a positive impact on their children’s financial education.

Agreement Level towards “It’s important for children to learn money management”



Perceived influence of grandparents on children’s financial education



Key take-aways

1

Good financial planning is important for the sandwich generation that is facing financial stress having to financially care for their young children and ageing parents.

2

Whilst parents want the best for their children, and it may mean providing financial support to help their adult children, they should also make sure that it does not hurt their own retirement savings.

3

Leave a financial legacy for the future generation that includes financial knowledge, skills and values. Parents and grandparents can help their children/grandchildren work towards a better financial future by guiding and equipping them to make better financial decisions from a young age.



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