**Stuck in the Middle: Financial Tips for the Sandwich Generation**

Are you part of the “sandwich generation”? This group, generally between ages 40 and 59, is made up of people juggling the responsibilities of raising children, the needs of aging parents or other relatives, plus their own concerns, including worries about [funding a secure retirement](http://www.360financialliteracy.org/Topics/Retirement-Planning). In fact, about half of them have a parent 65 or older and are either raising a young child or financially supporting an adult child, with 15% providing financial support to both a parent and a child, according to the [Pew Research](http://www.pewsocialtrends.org/2013/01/30/the-sandwich-generation/) Center—and those numbers are growing. But there are ways to minimize the financial demands of being pulled in two directions, according to the \_\_\_\_\_\_\_ Society of CPAs.

**One Big Family Home**

Housing costs can be some of the largest items in a household budget. If your adult child or parent is struggling to cover expenses, consider combining your households. This can give a child the chance to save for the future or lower the budget burden for an aging parent. This step could also reduce other monthly expenses, including transportation, child care, home maintenance or insurance.

**Count Up Your Dependents**

Depending on the level of support you provide for a relative and your relationship to them, you may be able to claim them as a dependent on your tax return and take advantage of the dependent exemption worth up to [$4,000](https://turbotax.intuit.com/tax-tools/tax-tips/Family/The-Dirty-Dozen--12-Tricky-Tax-Dependent-Dilemmas/INF12074.html). A qualifying child must be under 19 ([or under 24 if a full-time student](http://money.usnews.com/money/blogs/my-money/articles/2016-03-08/who-can-i-claim-as-a-dependent-when-i-file-my-taxes)) and you must provide at least half of his or her financial support and be the only person claiming him or her as a dependent. You might also be able to claim an older child or another family member as a qualifying relative, as long as he or she does not provide more than half of his or her own support and does not have gross income of over $4,000 a year. A friend or other person not related to you may also qualify, but generally, in addition to the other requirements for qualifying relatives, they must have also lived with you all year. Consult your CPA if you have questions on claiming dependents.

**Keep Your Own Needs in Mind**

No matter how satisfying it may be to help relatives financially—or how responsible you feel for doing so—don’t forget your own financial priorities. Retirement may seem a long way off when you’re in your 40s, but it’s important to begin saving early so that you benefit from the interest and dividends you can receive over time. If you’re already into your 50s, retirement should definitely be a top priority. Saying no to a request for financial assistance may be difficult, but instead consider helping the relative brainstorm other ways to cut costs and improve their budgeting so they don’t need your financial help.

**Be Ready for What Comes Next**

Not sure what kind of financial support your family may need from you, now or in the future? When you put aside spare cash in an [emergency savings account](http://www.360financialliteracy.org/Topics/Budgeting-Spending/Budgeting-and-Saving/Getting-started-establishing-a-financial-safety-net), you’ll be prepared for whatever comes next. Be sure, as well, to start saving early for foreseeable expenses.

**Your CPA Can Help**

When you need personalized, expert advice on the best paths to take, be sure to turn to your local CPA. He or she can offer the information you need to make the best financial decisions when you feel that you’re being pulled in many directions.