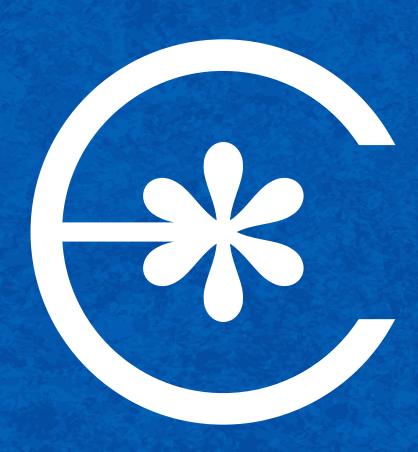
THE SANDWICH GENERATION





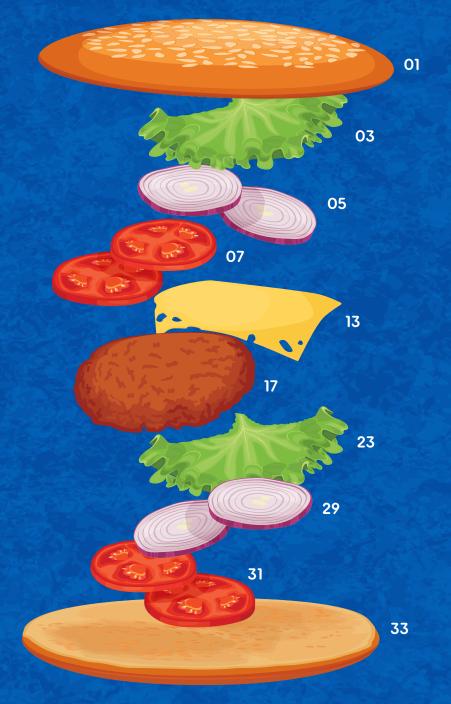
A study on India's Sandwich Generation by





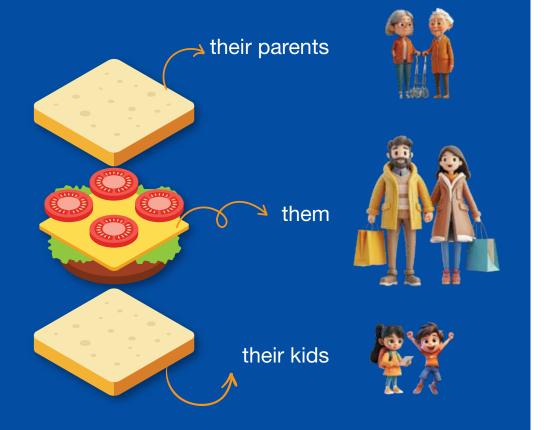
contents

let's get cooking a word from our ch(i)ef meet the sandwich generation all the fillings the melt of the moment cheddar today, crumbs tomorrow on thin slice the last bite the making of the report a peak into the kitchen





sandwich generation defined



A term coined in 1981 by social worker and professor **Dorothy Miller**

refers to individuals,



aged between 35 and 54 years,



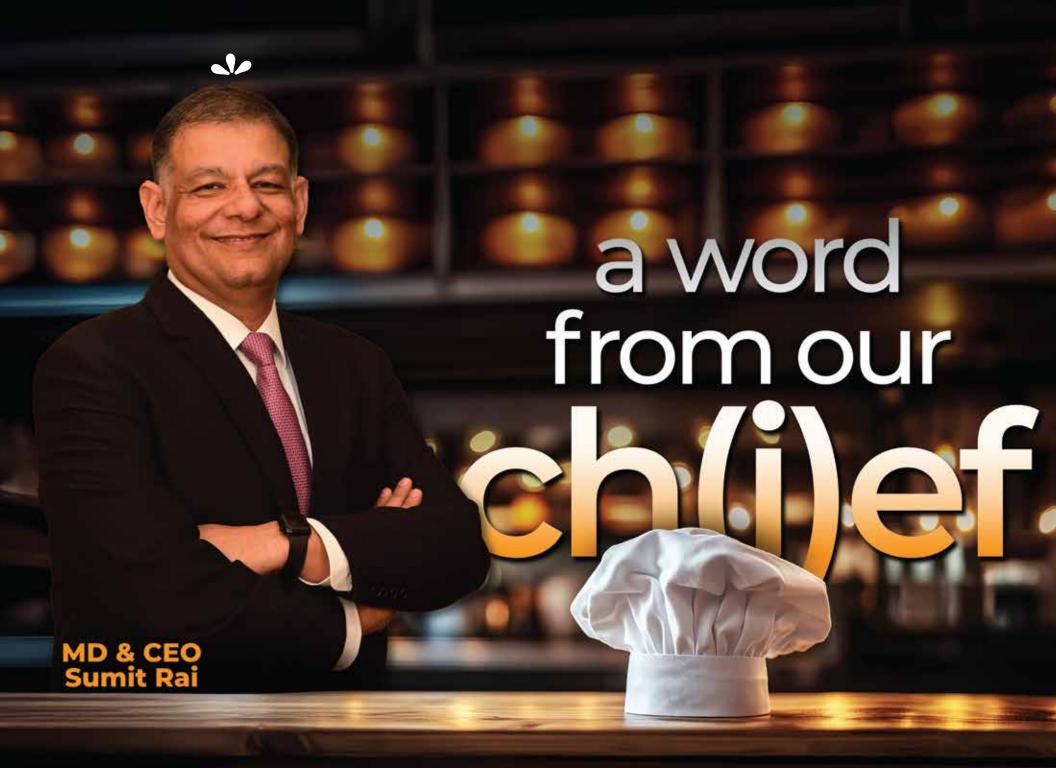
who act as financial providers,



caregivers and emotional anchors to



two sets of dependents – their ageing parents, and children.



caught in the middle

Mom's routine check-up on Saturday...grocery shopping (and maybe some rest) on Sunday...daughter's PTA meeting on Monday...Dad's physiotherapy on Wednesday...son's annual sports function on Thursday...those 2 critical projects at work to be presented to senior management by Friday...The list of chores is endless! But their unparalleled commitment is driven by one simple desire – to make their family's zindagi unlimited!

They are perhaps India's greatest generation – the Sandwich Generation. They have a vital contribution in the country's familial structure and the broader economy. They shoulder the responsibilities of two generations with contrasting needs, always prioritizing their family above themselves, often relegating their own dreams and aspirations to the background. They are time-poor, constantly tending to the needs of others, and while they may be confident about their financially preparedness, they often feel as though they are falling short.

Sandwich Generation and family

The Indian culture places a strong emphasis on family. The breadwinner of the family has carried these ingrained values of duty for generations now, a natural consequence of which is prioritizing the needs of those under their care. And it is this deep sentimental factor which is driving Sandwich generation's financial decisions.

The parents of sandwich generation have lived in an India, where means and opportunities were limited. They prioritized surviving and luxury was never a consideration. In contrast, as parents themselves, they want to create a life of abundance for their children, providing them all the opportunities they never had.

Now that the Sandwich generation has the privilege of caring for their ageing parents and their children, they want to do it all. They want to afford critical things like healthcare and education but also offer a good standard of living for both the generations. They don't want to forego 'wants' like vacation and home renovation due to their 'needs.'

Drivers of economy

This generation plays a crucial role in driving India's economy through their contributions to the workforce, consumer spending, and key sectors like healthcare and education. As the primary earners in their families, they represent a significant portion of India's labour force. Their participation in various sectors—whether as professionals, entrepreneurs, or self-employed individuals—directly impacts the country's economic growth.

Additionally, they also fuel the country's consumer spending. They are major contributors to education, often investing in private schooling and higher education, helping India's \$117-billion* (estimated) education market grow. Their financial support of healthcare, especially for aging parents, contributes to the growth of the \$372-billion** healthcare sector. The Sandwich Generation also drives demand in several other sectors like real estate, retail, and technology.

Despite their significant financial and emotional investments in both their children and ageing parents, the Sandwich Generation feels the weight of never having enough, no matter how much they earn or save. This study, based on a survey of 4,005 individuals from the sandwich generation, explores the key factors driving their decision making. It sheds light on their ongoing financial insecurity, where a deep commitment to family often overshadows their own well-being and future planning. We hope this sparks a conversation around more effective financial planning for their future.

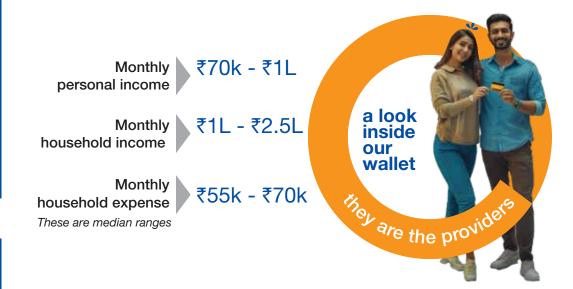
- Sumit

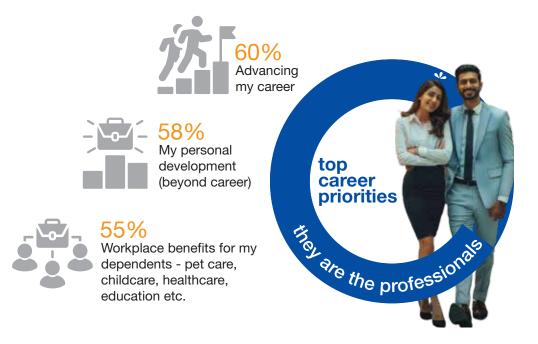
this is the sandwich generation

family over self

they are time poor







58%

Women have either resigned or have been unemployed for caregiving duties at some point in their lives

top 3 short-term aspirations

Taking my parents/grandparents on a vacation or trip

Improve current standard of living

Provide for my child's education







Provide for my child's marriage



Having enough for retirement



Explore the world/travel

The the caregivers

top 3 factors that give them money delight



67% Taking family vacation



66% Shopping/buying things for my family



60% Seeing my invested money grow

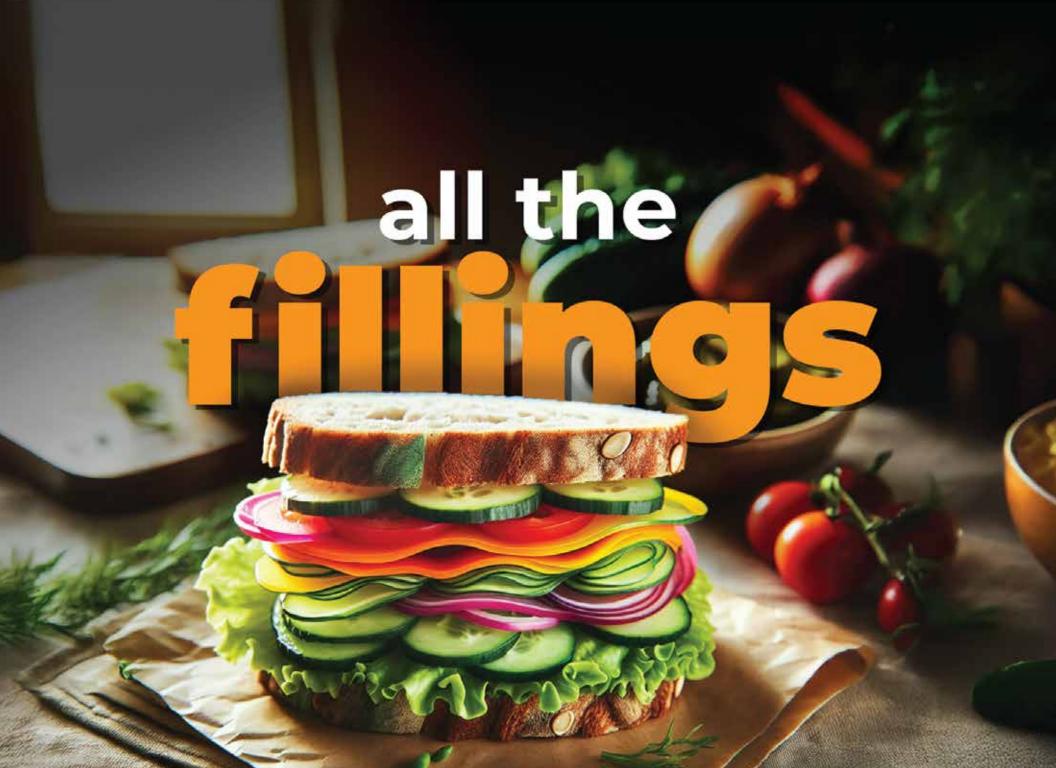
what worries them

Future cost of kid's 46% education

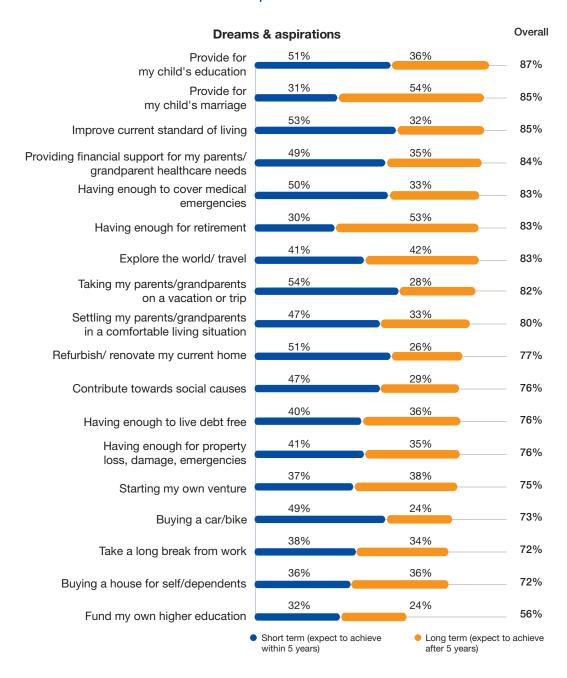
Future Healthcare costs 43% in the family

Lack of 39% work-life balance

Declining health of 39% parents



their dreams & aspirations



Top 3 dreams & aspirations

Short-term

- ★ Taking my parents/grandparents on a vacation or trip
- Improve current standard of living
- Provide for my child's education

Long-term

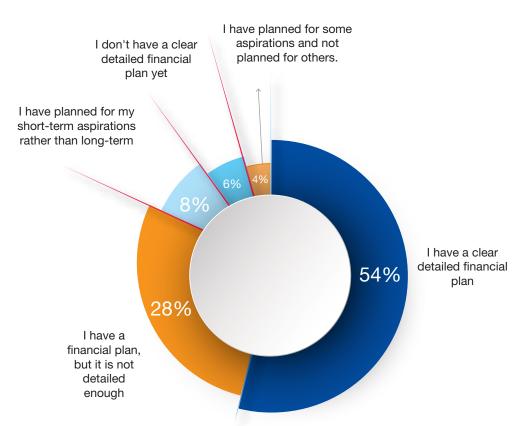
- provide for my child's marriage
- Having enough for retirement
- Explore the world/travel

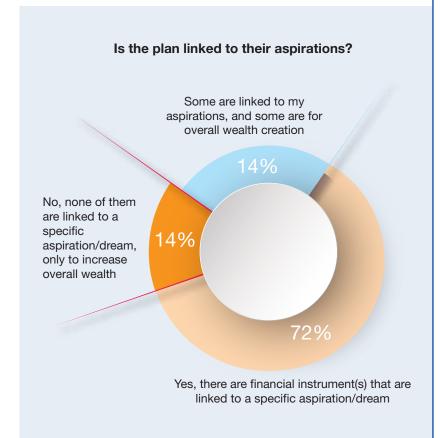
The Sandwich Generation's love and duty towards their family is reflected in their dreams and aspirations. Be it funding a family vacation, securing their child's education or ensuring parents' comfort, these factors are high on their list of priority. Their short-term priorities are focused on education for their kids, providing adequately for the healthcare for their parents and improving the standard of the living for their entire family unit.

On the other hand, their own aspirations or wants like retirement, travel/exploring world, and living a debt free life may be deferred as long-term expectations. However, it must be noted that a significant focus remains on their children, with funding their child's marriage taking a high priority among other long term aspirations.

they are fairly confident in their planning

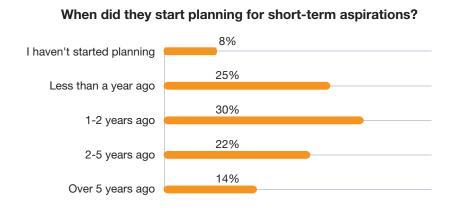
Do they have a financial plan?

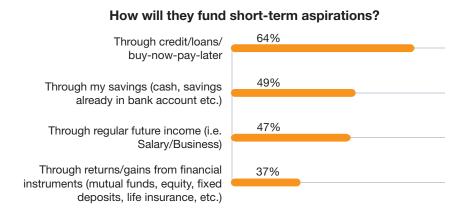




This generation displays high level of confidence in their financial planning, with 94% respondents saying they have either created a detailed plan or have done some degree of planning. Additionally, a majority believes that the financial instruments they have purchased as a part of their financial plan are linked to a specific aspiration.

highly reliant on credit/cash in short term...





How do they feel about their short-term financial readiness?



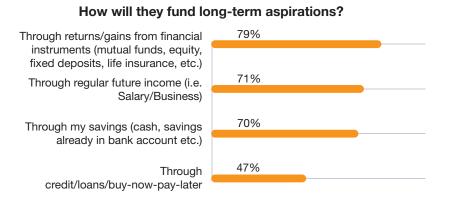
As seen earlier, this generation cited their top short-term aspirations to be: taking their parents on a vacation, improving standard of living, funding child's education, renovating house, and having enough to cover medical emergencies in the family. They also display a reasonable confidence in their financial planning.

Reality, however, paints a different picture. While majority respondents said that they started planning anywhere between less than a year ago and 5 years ago, most reported feeling they aren't doing enough or wished they had started planning earlier towards their short-term aspirations. This feeling is made abundantly clear through their high reliance on credit, savings and income to fund these aspirations.

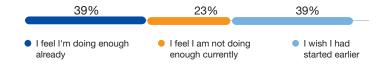
... δ expect to rely on investment returns in long term



Over 5 years ago



How do they feel about their long-term financial readiness?



This generation cited their top long-term aspirations to be: providing for their child's marriage, having enough for retirement, explore the world/travel, and live debt free. As many as 62% respondents said they felt that they are not doing enough to meet their long-term aspirations or wished they had started earlier.

Their approach towards fulfilling long-term goals also seems to be opposite to that of short-term aspirations. They expect the returns on their financial investments to help them fulfil their long-term goals, followed by their future regular income (salary or business). It is interesting to note that retirement was quoted as their key long-term aspiration, a period wherein one stops receiving regular income.

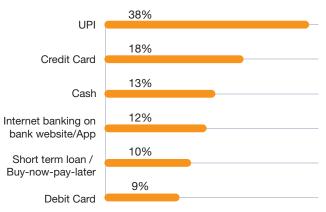


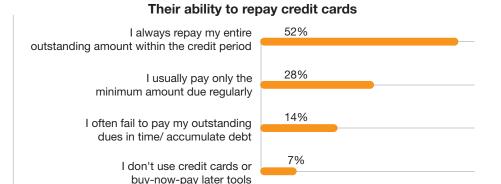
- They are time poor
- * Heavily focused on family over self
- Show reasonably high level of confidence in their planning
- Yet, display high reliance on credit and cash/income for short-term
- Expect to rely on returns on investments and future income for long-term
- Associate with the feeling that they are either not doing enough or wish they started earlier on planning for both their short- and long-term aspirations



short-term needs are fuelling credit reliance...





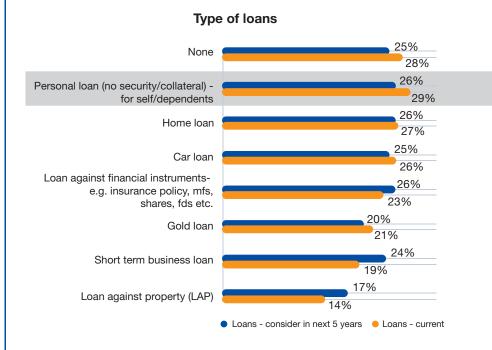


Over the years, credit access in India has become relatively easier, steered by the changing consumer behaviour and growing demand for credit. In the era of instant gratification especially, a big driver of this change has been credit cards. As per RBI data*, as of December 2024, there were more than 108 million credit cards in circulation, having recorded transactions worth Rs. 1.88 trillion (for the month of Dec 2024).

For our Sandwich Generation also, credit is a darling. Two prominent modes of transactions were cash and credit. As many as 51% said they prefer use of cash (assuming UPI and cash together), while 28% said they rely most on credit (assuming credit card and short-term loan/BNPL together).

Within credit cards, 35% respondents said they have multiple credit cards because it allows them a high credit limit. About 35% said they either often fail to pay their outstanding dues on credit cards or can pay only the minimum amount due regularly. When we look at this data in context of the rising credit card defaults in India, it draws an alarming picture. A PTI report** in August 2023 cited a written reply by Minister of State for Finance to Rajya Sabha saying credit card defaults in India had risen to Rs. 4,072 crore as of March 2023.

... & they are stacking up smiles, one loan at a time



Home renovation loan Small personal loan for festivities, emergencies etc. Higher education loan Medical loan Wedding/marriage loan Reasons for personal loans 55% 54% 49% 44% 31%

Vacation or travel loans

Current outstanding of all loans Over Rs 1 Crore Rs 50,00,001- 1 Crore Rs 25,00,000-Rs 50,00,000 Rs. 10,00,001- Rs 25,00,000 Rs. 100,001- Rs. 10,00,000 Rs. 50,001 - Rs. 100,000 14%

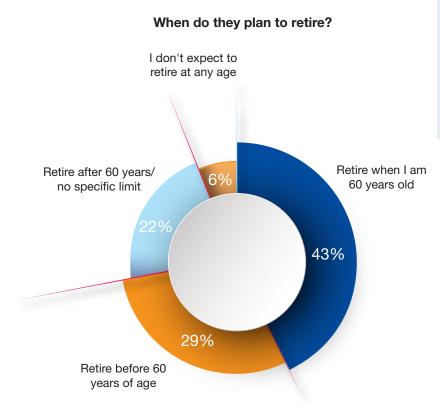
Our study shows that credit plays a significant role in not only meeting critical needs like healthcare for parents and education for children, it is also a big actor in enabling lifestyle-oriented wants for this generation. A majority either currently has a loan or is considering one in the next 5 years including a home loan, car loan, business loan, etc. It is important to note that Car, and Business loans are not aligned with their top 5 short-term aspirations.

Among those who said they either currently have a personal loan or are considering one in the next 5 years, majority cited lifestyle oriented factors like home renovation, festivities, wedding, and vacation are the reason behind opening these lines of credit.





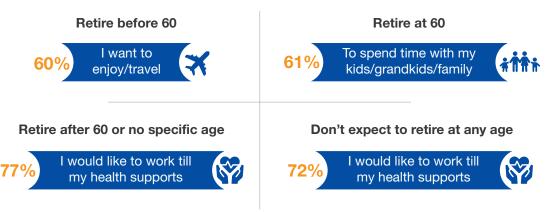
they aspire to retire comfortably



Having learnt how the sandwich generation is meeting its short-term aspirations, we wanted to understand how they are planning for their long term. We began by first looking a little deeper into their top long-term aspiration – Retirement. Retirement is a key milestone for each individual and an important life stage that one needs to plan for well in advance. However, considering this generation is providing for 2 generations for a significant portion of their working years, planning for retirement can be a daunting task. Which led us to one question – when does the Sandwich generation intend to retire?

However, irrespective of whether and when they want to retire, their plans for the golden years shine a light on their individual or personal aspirations.

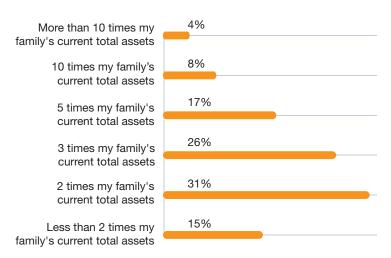
Here are the most common reasons behind if & when they retire:



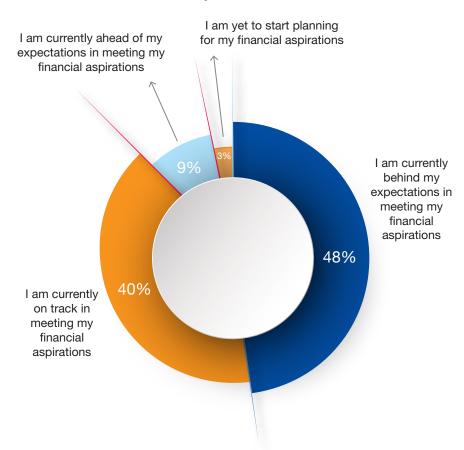
Wanting to enjoy or travel, caring for their spouse or other family member, wanting to be around people, social interactions were also among other key plans outlined by this generation during their golden years. It is also noteworthy that 57% of those who said they want to retire before 60 years of age said that they have planned their finances well for an early retirement.

most feel behind on financial aspirations...

How much wealth do they think they need?

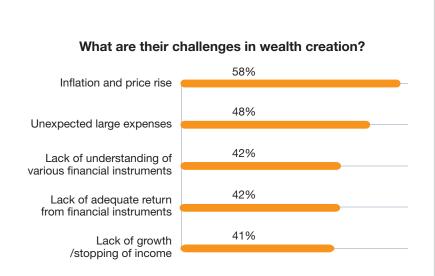


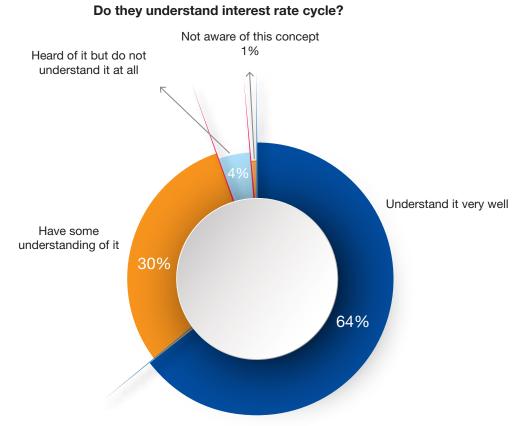
Where are they on wealth creation?



With cash and credit funding their short-term aspirations, the sandwich generation is expecting to rely on the returns on their investments to facilitate their longer term goals. However, our study shows the generation is almost evenly split in terms of meetings their financial aspirations. As many as 48% say they are behind expectations in meeting their financial aspirations, while 49% either believe they are ahead or are on track to meet their goals. A majority thinks they would need 2 or 3 times their family's current assets to live comfortably in the longer term.

... & seem aware of their wealth creation challenges

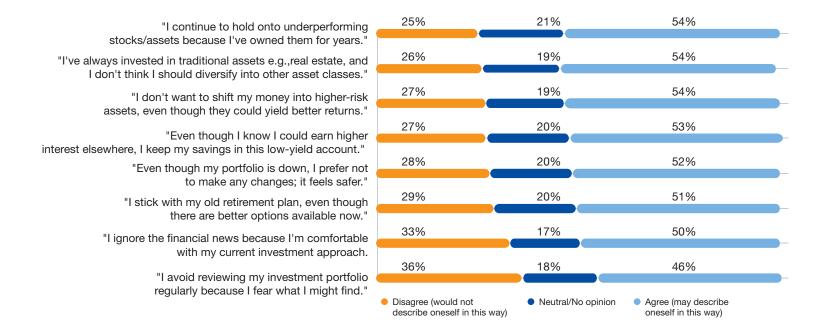




As mentioned before, this generation has reasonable confidence in their financial planning. This confidence stems from their belief that they know their aspirations, how adequately they have planned for them, and the challenges that could hinder their wealth creation journey. A majority of the respondents believe they either have a good or some degree of understanding regarding how the interest rate cycle affects their financial portfolio. Inflation, unforeseen expenses and a know-how of financial instruments are some of the top reasons they believe to be hampering their wealth creation process.

For women specifically, 50% respondents cite a lack of understanding of financial instruments as their biggest challenge in creating wealth, while 47% struggle with inadequate returns. Men, on the other hand, are primarily concerned with inflation and rising costs (59%) and unexpected large expenses (49%). These challenges illustrate the need to continuously calibrate their strategy to stay on track to meet their aspirations.

yet, they settle into the 'status quo (bias)'



Despite the Sandwich Generation's belief that they conceptually understand critical financial concepts like interest rate cycles, and other wealth creation challenges, they display an inertia in translating their thinking into action. A majority of them associated with feelings of a status-quo bias, wherein they agreed that they tend to hold onto underperforming assets, can display low risk appetite, aren't proactive in moving around their investment to generate higher returns, and more.

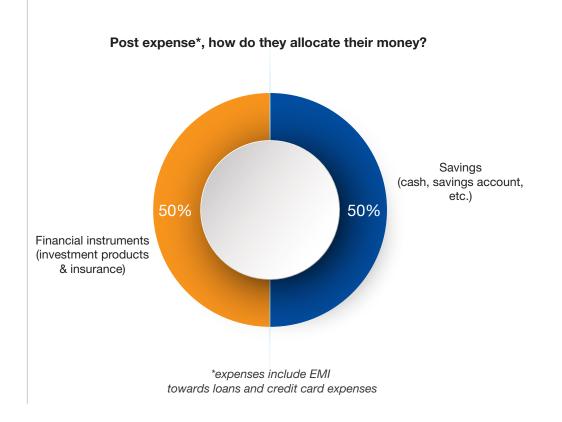
In contrast, these associations could also indicate that they do not have as thorough an understanding as they believe in financial planning and wealth creation. Either way, it highlights the need for a trustworthy advisor who can help them overcome the inertia, break through their fears and take informed risks, and improve their general understanding of financial instruments.





4 key factors shape their investment strategy...

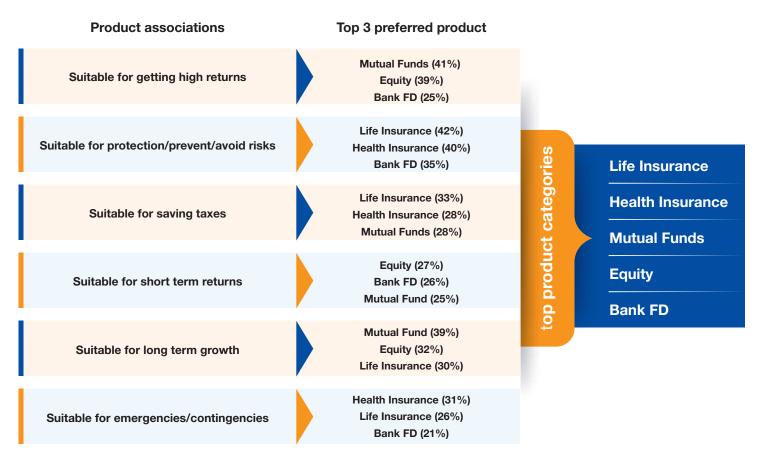
What are their investment priorities? (in order of importance) O1 Safety O2 Getting higher returns O3 Planning for emergencies Flexibility



The sandwich generation's financial behaviour reflects the dual pressures of caring for aging parents and providing for their children. They allocate their funds equally: 50% into savings (physical cash and savings accounts) and 50% into financial instruments (investment products and insurance). This division reveals a careful balancing act—ensuring stability today while attempting to plan for tomorrow.

Their investment strategy revolves around 4 major factors, which they believe will help them fulfil their aspirations – Safety, generating higher returns, planning for emergencies, and flexibility. Their focus on safety, and planning for emergencies reflects their commitment to supporting both, children and ageing parents, by providing financial stability in uncertain times. And the desire to generate higher returns and need for flexibility denote their desire to plan adequately for their aspirations, while maintaining the flexibility to provide for any exigencies like healthcare needs.

...steering their investments in 5 product categories



^{*}Respondents were given a multiple-choice option between these product categories: Life Insurance, Health Insurance, Mutual Fund, Equity, Bonds, Bank FD, Physical Gold, Digital Gold/ETF. This chart shows the top 3 options across all the parameters

Focusing on their previously stated investment priorities, we delved deeper to understand which product categories they deemed most aligned or suited with those priorities. We also explored their perceptions of product categories best suited for short-term returns and long-term growth. Five clear frontrunners emerged across the board: Life Insurance, Health Insurance, Mutual Funds, Equity, and Bank Fixed Deposits (FDs).

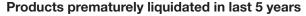
they show weak intent to remain invested in these categories...

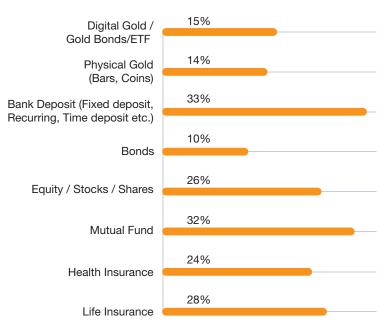
	Ever purchased / invested in	Currently have and active	Will continue to keep active in next 1-2 years	Consider buying a new product of this type in the next year	Current allocation % of post expense/loan money invested among these categories
Life insurance	65%	59%	53%	45%	16%
Health Insurance	60%	54%	50%	45%	13%
Mutual Funds	62%	55%	50%	54%	17%
Equity/ Stocks	51%	44%	40%	45%	13%
Bank Deposit (RD/FD etc.)	59%	54%	49%	42%	18%

Among the 5 categories that emerged, we further probed on the penetrations levels across this generation, their intent to persist with these products, and future consideration. It is concerning that barely 60% of people in this generation have ever owned products for each of these categories.

When these data points are examined in the context of this generation's confidence in their financial knowledge, a misalignment emerges in how they invest to achieve their goals.

...and have also accessed these investments ahead of time





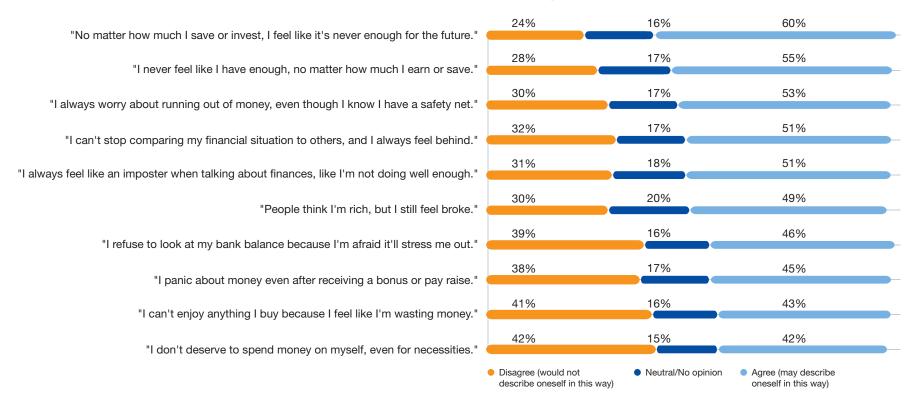
To recap, the sandwich generation identified 5 key product categories as essential for their investment priorities and aspirations. However, we saw that the reality of their investments within these categories shows a concerning picture. A significant factor contributing to this misalignment is the premature liquidation of assets, originally earmarked for long-term goals, often driven by critical expenses such as education and healthcare. At the same time, lifestyle choices—like buying a car or going on vacations—though not essential, reflect important wants that enhance their family's standard of living. This pattern highlights the tension between immediate family needs, personal aspirations, and long-term financial growth. Despite recognizing the potential of mutual funds, equities, and life insurance for wealth building, many in this generation struggle to balance supporting their family with securing their financial future.

Reasons for premature liquidation

38%	Medical expenses			
35%	Providing financial support for my parents' healthcare need			
32%	Provide for my child's education			
30%	Settling my parents in a comfortable living situation			
28%	Buying new car/bike			
27%	To help/provide a temporary loan within the family			
26%	To go on a self/family vacation			
26%	Buying new home			
25%	Spending during festival season			
25%	Starting my own venture			
24%	Refurbish/ renovate my current home			
24%	Buying a house for self/dependents			
23%	Clearing my home loan			
22%	Provide for my child's marriage			
21%	Fund my own higher education			

no wonder they feel unprepared, despite their efforts

Emotion vs reason = financial misalignment



The Sandwich generation is caught in a constant tussle between providing for short-term aspirations and planning for long-term ones. This generation, while understands the importance of longer-term aspirations, is also keen on providing a life of abundance to their children, and ensuring that their parents don't have to forego their desire or will to enjoy life through travel and a better standard of living. They also want to ensure that critical needs are met, and for that they are willing to access any form of financial assistance available, even at the risk of developing a high credit reliance. It has also led them to dip into their investments, that have been done with a pre-defined goal.

No wonder then that they end up associating with feelings of "not doing enough" despite doing their best to earn, save and invest for a secure future. This highlights a money dysmorphia within this generation, wherein they are constantly stuck between a struggle between their mind and heart, which eventually leaves them feeling broke, unprepared, stressed out about their finances despite meeting all the intended aspirations for their family.



in closing

- The sandwich generation in India is driven by an unwavering commitment to provide the best for their families—ensuring their children's future and their parents' comfort—even if it means compromising their own financial security and well-being.
- They are prioritizing family aspirations over their own goals, pouring their finances into critical needs like healthcare for aging parents and education for children. At the same time, they are enabling joyful moments, like taking family vacations and maintaining a good standard of living, even if it means stretching their resources.
- This relentless dedication is leading many in the sandwich generation to burn through their income/savings, rely heavily on credit, and, at times, dip into investments earmarked for pre-defined goals, putting their long-term financial stability at risk.
- This battle between the present and the future is, however, creating a sense of misalignment. Despite their hard work and best efforts to save, invest, and provide, the sandwich generation often feels as if they are falling short.
- This constant feeling of inadequacy gives rise to what can be described as 'money dysmorphia,' wherein despite resources, they feel financially unprepared, unable to breathe easy about their future.
- In light of these challenges, India's sandwich generation needs more than just financial products—they need accessible, empathetic financial advisory services that help them navigate this complex emotional and financial terrain.
- Without effective and easy access to advisory, they will continue to feel trapped in a cycle of meeting immediate needs while sacrificing their future aspirations.





research overview

Methodology

Online surveys conducted on YouGov's India panel

North-Central

Delhi	
Chandigarh	
Lucknow	
Jaipur	
Bhopal	

West

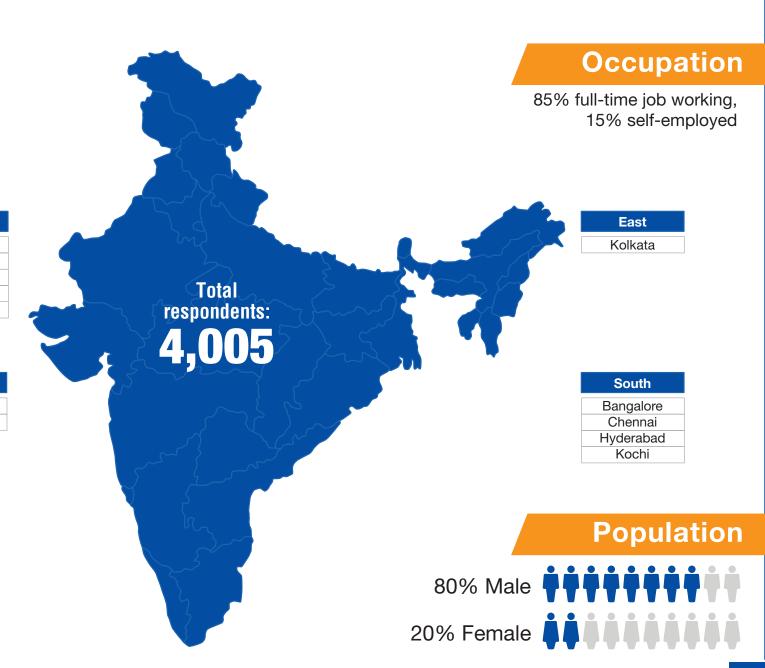
Mumbai Ahmedabad

Age Group



35-54 years

Must have a dependent parent and child





about edelweiss life insurance

Edelweiss Life Insurance established nationwide operations in July 2011 with an immovable focus on protecting people's dreams and aspirations. The company has been focussed on bringing innovation, simplicity, and a new-age approach to life insurance, aligned with the expectations of the customer today. It has been offering need-based and innovative life insurance solutions to help customers live their **#zindagiunlimited**. With a customer-centric approach, the company has been operating as a multi-channel distribution business to effectively serve its customers across the country. As of March 2024, the company has 109 branches in 88 major cities.

Awards:

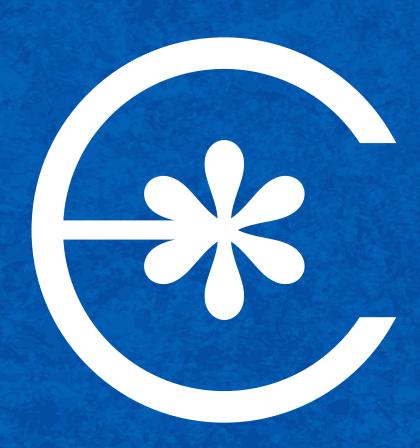
The company has earned recognition from several reputed industry forums over the years. Here are some noteworthy awards:



we

celebrate

the sandwich generation, which makes #zindagiunlimited for their families!



Edelweiss Life Insurance partnered with YouGov, a global research agency, to conduct this research.

Disclaimer: Edelweiss Life Insurance Company Limited (formerly known as 'Edelweiss Tokio Life Insurance Company Limited')
IRDAI Regn. No.: 147 | CIN: U66010MH2009PLC197336

Registered & Corporate Office: 6th Floor, Tower 3, Wing 'B', Kohinoor City, Kirol Road, Kurla (W), Mumbai 400070

Toll Free No.: 1800 212 1212 | www.edelweisslife.in

Flower & Edelweiss are trademarks of Edelweiss Financial Services Limited used by Edelweiss Life Insurance Company Limited under license.

BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS/FRAUDULENT OFFERS

IRDAI or its officials do not involve in activities like selling insurance policies, announcing bonus or investment of premiums. Public receiving such phone calls are requested to lodge a police complaint.