

Is it all for love?

Plenty of older Australians are now helping with the care of their grandchildren. But what toll does it take financially? Here is how to make it work for you and your family.

BY JESSICA ABELSOHN

On any given day, at any given time, chances are you'll see grandparents playing with their grandchildren in the park, walking them through shopping centres or strolling their prams down leafy suburban streets. According to the Australian Bureau of Statistics, in 2014, grandparents were the most popular childcare option, with 837,000 children being looked after by their grandparents each week.

While many grandparents love doting on their grandchildren, it may be impacting them financially.

Work, work, work

One of the main reasons parents are relying on grandparents to care for their children is financial. Either traditional childcare options are out of their reach, or they have been forced back to work earlier than planned to make ends meet.

"There's been an increase in the numbers of grandparents, especially grandmothers, helping with the care of young children, particularly babies and toddlers, over the past 20 years where both parents or sole parents are working or studying," Associate Professor Julie Green, Executive Director of raisingchildren.net.au says.

According to Myra Hamilton from the University of New South Wales Social Policy Research Centre,

overwhelmingly, the reason many grandparents are looking after their grandchildren is that parents wanted or needed to return to work, and the barriers in the formal childcare system mean they are unable to rely on traditional methods. Moreover, the flexibility that grandparent care offers is often appealing.

"Some parents need childcare to be much more flexible than it is in the formal system. They need [care] available at short notice or outside of working hours," Dr Hamilton says. It can also be difficult to actually find a suitable childcare facility.

A whole new lifestyle

Of course, looking after children comes with a range of financial responsibilities. Not only is there feeding and entertaining the kids, but often, grandparents are setting up their homes and cars to accommodate them.

"One in three of our survey respondents said their childcare duties were having a negative impact on their income or retirement income," Dr Hamilton notes. "Some said that their household income was lower because of the effect that the care has on their level of workforce participation [which has had an] impact on their retirement incomes."

For working grandparents, looking after their grandchildren has meant >>



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a reduction in their ability to log paid hours. In fact, 70 per cent of grandparents surveyed for research done for the National Seniors Productive Ageing Centre altered the days or shifts they worked. Fifty-five per cent reduced their working hours and 18 per cent changed jobs to help with the care for their grandkids.

Additionally, one third said their commitment to caring for their grandchildren impacted the expected timing of their retirement, and many, especially grandmothers, were planning annual leave around when they were needed to help provide more full-time care, such as school holidays, rather than using their days off to go on a holiday.

On top of the loss of income, grandparents are also spending more. While some grandparents make do with a port-a-cot and a pram, many are turning rooms into nurseries, purchasing cots, change tables and beds and some are buying new cars to fit a car seat and multiple children.

Additionally, grandparents often care for more than one child at a time and cater to multiple ages.

"A lot of grandparents said a pattern occurred where they cared for one grandchild, and then there's the expectation to care for the next and the one after that," Dr Hamilton says. "Some are providing care for grandchildren over a 10 to 15-year period. During that time, you can imagine what the outlays would be."

As the kids get older, some grandparents help with private school fees, which can create a large dent in their retirement savings.

Doing it for love

Of course, for the majority of grandparents, caring for their grandkids all comes down to love. Whether it's rocking an eight-month-old baby to sleep or picking up a six-year-old from



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school, the enjoyment they get from their time together is paramount.

"Looking after grandchildren can help build a bond between grandparent and grandchild," Associate Professor Green says. "It can be an opportunity to be part of a child's development and it's also a great way to deepen relationships with a grandchild's parents."

Many grandparents also feel it is a wonderful privilege to care for their grandchildren.

"Overwhelmingly, the grandparents in the study loved providing childcare for their grandchildren. They said they learnt a lot from their grandchildren and it kept them young," Dr Hamilton confirms.

At the same time, it has costs for their work participation and retirement income, and sometimes their health.

"Looking after grandchildren can be rewarding and enjoyable, as well as tiring. Grandparents are often juggling other responsibilities like housework, paid work, caring for their own elderly parents and time for themselves," Associate Professor Green explains.

Time to take a break

It's OK to say no, or to ask for help or a break. While there's nothing better in the world than helping out your children and spending time with grandkids, you need to be able to fund your retirement.

Looking after the kids should also never become something you resent because it's eating into your ability to live a happy retirement. Be honest about your ability to help out and always be open to changing the formula. It's all about balance. ••