

## Optimizing Financial Well-Being Through Financial Management Behavior: A Phenomenological Study on the Sandwich Generation in Kotamobagu

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Article Info	ABSTRACT
<b>Keywords:</b> Sandwich Generation, Financial Well-being, Financial Management Behavior, Phenomenology, Kotamobagu.	This phenomenological study explores the financial management behaviors of the sandwich generation in Kotamobagu, North Sulawesi, Indonesia. The sandwich generation faces the unique challenge of simultaneously supporting their children and aging parents, leading to significant financial pressures. With a high population dependency ratio in Kotamobagu (43.15%), this study investigates how individuals in this generation perceive and manage their finances to achieve financial well-being. Using in-depth interviews with five individuals from diverse occupational backgrounds (trader, stall owner, service worker), the research identifies key strategies employed to navigate financial constraints. Data analysis, guided by a transcendental phenomenological approach, reveals that prioritizing spending on basic needs (food, education, healthcare) is a primary strategy. Informants also utilize simple income and expense tracking to monitor and control finances. The ability to save is a main strategy to dealing with financial uncertainty. Financial decisions are made collectively to maintain economic stability and achieve long-term financial well-being. These findings contribute to the Behavioral Finance Theory and offer practical insights for the sandwich generation, financial institutions, and policymakers in developing targeted financial literacy programs. This study provides a clearer understanding of the dynamics of financial management carried out by the sandwich generation and help them develop more effective strategies to achieve financial well-being in the midst of various challenges they face.
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## INTRODUCTION

Financial well-being is a condition in which a person is able to meet their current and future financial needs without experiencing excessive financial stress. In modern society, financial well-being is a major concern, especially for individuals who belong to the sandwich generation. This generation has a dual responsibility, which is to finance the lives of their children while taking care of their parents

who are no longer economically productive. The phenomenon of the sandwich generation is growing in various countries, including in Indonesia, where cultural and economic factors put individuals in a position where they have to allocate their income to two generations at once.

The ability to manage finances is a crucial factor in improving the financial welfare of the sandwich generation. Good financial management includes budgeting, expenditure control, and long-term financial planning. However, the challenges faced by this generation are not only economic, but also psychological. The dual responsibilities they carry often have an impact on mental stress, stress, and a decrease in quality of life. Several studies show that financial literacy, social support, and effective financial management strategies play a role in helping the sandwich generation achieve optimal financial well-being. In other words, those who have a better understanding and financial strategy tend to be able to overcome the economic pressures they face.

The phenomenon of the sandwich generation can also be found in Kotamobagu, North Sulawesi, which has a fairly high population dependency ratio. Based on the latest data, around 43.15% of every 100 people of productive age have to bear the financial burden of unproductive family members. With the economic conditions that continue to develop, people in this area face various challenges in managing their finances. Therefore, this study aims to explore how the sandwich generation in Kotamobagu interprets and manages their finances in an effort to achieve financial well-being.

Based on this background, this research focuses on how the sandwich generation in Kotamobagu understands and interprets their financial management in achieving financial well-being. The study also aims to identify strategies that the sandwich generation applies in managing finances to meet the needs of their children and parents without sacrificing personal economic stability. Using a qualitative phenomenological approach, this study reveals the experiences and financial management strategies carried out by the sandwich generation in facing their financial challenges. The phenomenological method was chosen to gain a deeper understanding of how individuals in this generation feel, understand, and interpret their daily financial experiences.

This research is expected to contribute in two main aspects, namely theoretical and practical. From a theoretical perspective, this study enriches the literature on Behavioral Finance Theory, especially in the context of the sandwich generation. This research can also be a reference for further studies that examine aspects of financial behavior of individuals who have dual responsibility. From a practical point of view, this research is expected to provide insight for the sandwich generation in managing their finances better. In addition, this research can also be the basis for the government or financial institutions in designing more relevant financial education programs for this group.

Thus, this research has the urgency to dig deeper into the phenomenon of the sandwich generation in the local context, especially in Kotamobagu. It is hoped that the results of this study can provide a clearer picture of the dynamics of financial management carried out by the sandwich generation and help them develop more effective strategies to achieve financial well-being in the midst of various challenges they face.

## METHOD

This study uses a qualitative phenomenological approach to explore the experience of the sandwich generation in managing their finances. This approach was chosen because it aims to understand how individuals in the sandwich generation interpret their financial management in achieving financial well-being. The phenomenological method is used to uncover the deep subjective experiences of individuals facing financial stress due to dual responsibility.

### Location and Subject of Research

This research was conducted in Kotamobagu, North Sulawesi, taking into account the fairly high population dependency ratio, which is 43.15% in 2023. This means that for every 100 people of productive age bear around 43 people who belong to non-productive groups, such as children and the elderly. This phenomenon makes Kotamobagu a relevant location to research the sandwich generation.

The research subjects consisted of individuals who belonged to the category of the sandwich generation, namely those who are of productive age and have financial responsibility towards their children and parents. The determination of subjects is carried out using the purposive sampling technique, where informants are selected based on certain criteria, namely:

1. Be in the productive age range (25-50 years).
2. Have financial responsibility towards more than one generation (children and parents).
3. Fixed or irregular income.
4. Domiciled in Kotamobagu.

The number of informants interviewed in this study was five people, with different work backgrounds, such as traders, stall owners, and service workers. This aims to gain a variety of experience in managing finances.

### Data Collection Techniques

The data in this study was collected through in-depth interviews with informants. The interview was conducted face-to-face using a guide to questions that had been prepared based on financial management and financial well-being theories. The questions in the interview are semi-structured so that the informant can provide more flexible answers according to their experience.

In addition to interviews, this study also uses **observation** to understand the financial management patterns of informants in daily life. Observations were made by recording their habits in recording expenses, making budgets, and strategies used in managing household finances.

Secondary data in this study were obtained from supporting documents, such as informants' financial records and related literature regarding the sandwich generation and financial well-being. The use of secondary data aims to complement the findings from interviews and observations.

### Data Analysis Techniques

This study uses a transcendental phenomenological approach in analyzing data. This analysis technique is carried out in several stages, namely:

1. Noema (Identification of Research Objects)

At this stage, the researcher identified the subjective experiences of the informants regarding how they managed their finances to meet the needs of the family.

2. Noesis (Interpretation of Meaning)

After identifying the research object, the researcher analyzed the meaning contained in the financial experience of the informants. This interpretation is carried out based on the perspective of the informant without bias from the researcher.

3. Epoche (Bracketing)

At this stage, the researcher tries to remove personal assumptions and prejudices against the phenomenon being studied. This is done so that the analysis remains objective and focuses on the informant's experience.

4. Intentional Analysis

This stage aims to understand the relationship between **noema** and **noesis**, that is, how an individual's interpretation of their financial management affects their daily financial behavior.

5. Eidetic Reduction (Reduksi Esensial)

In the final stage, researchers reduce the findings of the study to find the essence of the sandwich generation's experience in managing their finances. This reduction aims to get a deeper conclusion about the phenomenon being studied.

### **Data Validity**

To ensure the validity of the data, this study uses several validation techniques, namely:

- **Source Triangulation:** Data obtained from interviews are compared with observation results and supporting documents to ensure consistency of information.
- **Member Checking:** The results of the interview and interpretation are reconfirmed to the informant to ensure that the results of the analysis are in accordance with their experience.
- **Audit Trail:** The entire research process, from data collection to analysis, is well documented so that it can be traced back to others.

### **Research Ethics**

This research was carried out while still paying attention to the principles of research ethics. Informants are provided with information about the purpose of the research, their right to refuse or stop participation at any time, and protection of their identity. Each informant is also given written consent before the interview is conducted.

Using a phenomenological approach, this study seeks to understand how the sandwich generation in Kotamobagu interprets their financial management in achieving financial well-being. Through in-depth interviews, observations, and transcendental phenomenological analysis, this study provides insight into the financial strategies used by the sandwich generation in dealing with the financial pressures they experience. The results of this research are expected to contribute to the development of financial behavior theory and become the basis for the formulation of policies that support the financial well-being of the sandwich generation.

## **RESULTS AND DISCUSSION**

### **Phenomenology of Sandwich Generation Financial Management Behavior**

Financial well-being is an important aspect of life, especially for the *sandwich* generation who have to take care of their parents and children at the same time. Managing finances properly is the key to dealing with financial pressure. The inability of *the sandwich* generation to manage finances well can lead to various problems, such as financial stress, family conflicts, and the inability to meet the living

needs of dependent families. In Kotamobagu, the phenomenon of *the sandwich* generation is also increasingly felt due to the increasing cost of living and financial responsibility. Therefore, a deep understanding of how to optimize financial well-being through effective financial management is needed to create a more prosperous life for the *sandwich generation*.

Good financial management can be the key to optimizing financial well-being for the *sandwich* generation. The implementation of effective financial management involves several important aspects such as budget planning (managing cash inflows and outflows), strategic financial decision-making (both short-term and long-term), and careful financial planning (including emergency funds and pension funds). This can provide a clear picture of financial capacity and help the *sandwich* generation in Kotamobagu in balancing their financial responsibilities, both to meet the needs of their parents, children, and themselves, so as to achieve optimal financial well-being in the long run.

In examining the phenomenology of the financial management behavior of the *sandwich* generation, this study involved five informants who had met the set criteria. Data collection was conducted through a series of in-depth interviews with informants with different work backgrounds. The first informant was Mrs. Nita (pseudonym), a housewife who works as a vegetable trader, interviewed on November 17, 2024 at her residence. Mr. Agus (pseudonym), the second informant, is a family head who runs a stall with his wife, interviewed on November 18, 2024 at his business location. On the same day, an interview was also conducted with Ibu Suci (pseudonym), a housewife who also runs a stall business.

The next two informants represent the younger and unmarried generation. Rudi (pseudonym), 27 years old, a trader, was interviewed on November 20, 2024 at his business location. Meanwhile, Adam (pseudonym), 26 years old, who works as a barber, was interviewed on November 21, 2024 at his place of business. Interestingly, the five informants have implemented a financial management system that is tailored to the specific conditions and challenges in their families. Despite the dual responsibilities they carry as the *sandwich* generation, the informants show an adequate understanding in managing family finances.

## Discussion

The sandwich generation faces unique challenges in managing their finances as they have dual responsibilities towards their children and parents. Based on the results of interviews with five informants from different work backgrounds, it was found that their financial management has a distinctive pattern in facing economic limitations. Transcendental phenomenology was used in this study to explore the meaning behind their financial experiences, so that the main strategies used in achieving financial well-being can be identified.

The results of the interviews showed that all informants applied the principle of priority in

spending as the main strategy in managing their finances. The majority of informants stated that they divide their income based on basic needs first, such as food costs, children's education, and medical treatment for elderly parents. As revealed by Mrs. Nita, a vegetable trader who has five dependents, she always divides her money as soon as she receives her income so that her basic needs are met before allocating it for other needs.

One of the strategies used in setting priorities is to record income and expenses, albeit in a simple form. Pak Agus, the owner of the stall, explained that he uses manual records to monitor his household finances so that uncontrolled expenses do not occur. These notes help him understand financial patterns and avoid mistakes in allocating funds.

The results of these findings are in line with previous research that shows that financial literacy and good financial planning contribute to a person's financial well-being (Cahyani & Saraswati, 2024). The sandwich generation that is able to budget and control their spending is more likely to achieve financial stability despite facing great financial pressure.

Saving is one of the main ways that informants do it in dealing with financial uncertainty. However, due to irregular income, the saving pattern applied is more flexible. Rudi, a trader, stated that he sets aside money irregularly, depending on his financial condition every month. If the month sales are better, he will save more, but if he has difficulties, the amount saved is reduced or even not done at all.

In addition, the informant also mentioned the importance of having an emergency fund to deal with sudden expenses, such as health expenses or other urgent needs. Ibu Suci, a housewife who owns a stall business, revealed that she sets aside a small part of her income for an emergency fund, although the amount is not always fixed. This emergency fund is often used for the medical expenses of elderly parents.

This strategy is in line with research by Alpriansah et al. (2024) which emphasizes that the sandwich generation who have the habit of saving and have an emergency fund are more able to face financial pressure than those who have no reserves at all. Saving and having an emergency fund helps individuals in this generation reduce stress levels and increase their sense of financial security.

Financial decisions in sandwich generation households are generally made collectively. The majority of informants mentioned that before making important decisions related to finances, they first discuss with their spouses or other family members. Pak Agus, for example, stated that he always discusses with his wife before buying goods or allocating large amounts of funds. This is done to ensure that every financial decision is based on careful consideration and does not burden the family's finances.

Financial decisions made together also play a role in reducing conflicts in the family related to financial management. This is in line with Rurkinantia's (2024) research which shows that couples in the

sandwich generation who apply transparency in financial decision-making tend to have lower levels of stress than those who make individual financial decisions.

One of the interesting aspects found in this study is the awareness of the sandwich generation in avoiding consumptive debt. Almost all informants stated that they avoided consumptive debt as much as possible, such as loans for lifestyle or non-urgent items. Nita's mother, for example, said that if she doesn't have enough money to buy something, she would rather postpone or save first than go into debt.

However, productive debt such as business capital loans are still considered by some informants. Rudi, who works as a trader, mentioned that he once took a small loan to expand his business, but with careful calculations so that he could return it without experiencing financial difficulties.

This result is in line with research by Nuryasman MN & Elizabeth (2023) which found that the sandwich generation who have good control over debt management tend to be more able to achieve financial well-being than those who are trapped in consumptive debt.

From the results of interviews and phenomenological analysis, it was found that the financial management strategies applied by the sandwich generation contribute directly to their financial well-being. Informants who have the habit of recording finances, saving, and avoiding consumptive debt tend to have a more stable financial condition than those who do not do so.

In addition, financial well-being is not only related to the amount of income, but also to the way a person manages his money. Adam, a barber who is also included in the sandwich generation category, mentioned that even though his income is not too large, he can still meet his family's needs because of disciplined financial management. This shows that good financial management can improve financial well-being even in limited economic conditions.

Based on the findings of this study, it can be concluded that the sandwich generation in Kotamobagu applies various financial management strategies to achieve financial well-being, such as setting spending priorities, saving and forming an emergency fund, making financial decisions collectively, and avoiding consumptive debt. Although they face great financial pressure, their ability to manage their finances well allows them to stay afloat and achieve economic stability.

This research also emphasizes that financial literacy and careful planning play an important role in improving the financial well-being of the sandwich generation. Therefore, broader financial education is needed for this generation so that they can better face financial challenges and break the chain of economic dependence between generations.

## **CONCLUSION**

This research reveals that the sandwich generation in Kotamobagu faces significant financial challenges due to the dual responsibility of meeting the needs of their children and parents. Using a



transcendental phenomenological approach, this study successfully explored their subjective experiences in managing finances and how strategies were applied to achieve financial well-being.

The results of the study show that the sandwich generation implements various financial management strategies, including setting spending priorities, saving and forming an emergency fund, making financial decisions collectively, and avoiding consumptive debt. Simple financial recording is also found as one of the methods used to control cash flow and allocate funds better. Mature and transparent financial decisions in the family have been proven to help reduce financial conflicts and improve household economic stability.

In addition, this study confirms that financial literacy and good financial planning contribute to the financial well-being of the sandwich generation. Individuals who have a good understanding of financial management tend to be better able to deal with economic pressures and avoid financial crises. Success in managing finances depends not only on the amount of income, but also on spending patterns and financial planning strategies.

Thus, this research provides practical implications for the sandwich generation, governments, and financial institutions. Financial education and social support need to be improved to help the sandwich generation in managing their finances better. In addition, careful financial planning, such as long-term investments and pension funds, needs to be instilled early to reduce financial pressure and break the chain of economic dependence between generations.

As a recommendation, further research can be conducted with a wider scope, as well as considering psychological and social factors that affect the financial well-being of the sandwich generation. With a deeper understanding of the challenges and financial strategies of this generation, it is hoped that more effective solutions can be formulated to improve their financial well-being in the future.

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