

## The Bank of Grandma and Grandpa: Grandparents are Dipping into Savings to Support Their Families

*New Australian Seniors report reveals 7 in 10 feel unsupported by government policies despite providing critical care and financial aid*

**Sydney, February 2026** – Australia’s grandparents are increasingly becoming the financial and caregiving backbone of their families. According to the [Grandparents Report 2025](#), commissioned by Australian Seniors, just over half of grandparents (51%) provide financial support to their grandchildren or adult children. Of those, more than half (55%) have dipped into their personal savings or retirement funds to help their family.

This immense contribution often comes at a significant personal cost, with just over one in three (34%) feeling torn between supporting their family and protecting their own retirement nest egg.

The report reveals the sheer scale of this support, with around 7 in 10 (71%) grandparents actively providing regular care, financial help, or both. This generosity is substantial, with grandparents who provide financial assistance spending an estimated average of \$3,066 per year on their grandchildren, covering everything from gifts and clothing to emergency expenses.

The motivation behind this support is overwhelmingly driven by love (79%) and a desire to ease the financial burden on adult children (54%). However, the strain is real. Over one in five (22%) have delayed or adjusted their retirement plans, while many have made personal trade-offs, including cutting back on travel (55%) or hobbies (49%). Among those using their savings, funds are most commonly spent on emergency support such as unexpected bills (41%) and gifts for special occasions (40%).

According to clinical psychologist Dr Lyn Worsley, this generosity stems from a deep-seated need for connection and purpose.

“Grandparents are the living link between the past and the future, passing on not just help, but a sense of belonging and family values,” Dr Worsley explains. “This is often driven by a strong desire to feel significant and stay connected as families grow. However, generosity can become complicated. It’s vital that giving comes with no strings attached, because support given from fear of being left out can strain relationships. Clear boundaries allow support to strengthen, rather than weaken, family bonds.”

### The changing role of the modern grandparent

Beyond financial contributions, over half (52%) of grandparents provide regular care for their grandchildren, including overnight stays (63%), emergency help (56%), and school-related activities (55%). While this hands-on involvement has strengthened relationships with adult children for many (52%), it also highlights a generational shift in parenting styles.

Nearly 3 in 5 (57%) grandparents say their approach to parenting differs from their adult children’s, particularly around discipline and boundaries (56%), expectations for manners (47%), and screen time (46%). Half (50%) believe their adult children are more lenient and more

likely to rely on negotiation or reasoning than they were as parents, reflecting evolving family dynamics.

Dr Worsley offers advice for navigating these generational differences with resilience.

“Today’s grandparents can find the ‘just Google it’ approach to parenting frustrating,” she says. “The key is maintaining a strong relationship. Establishing the pecking order – parents are the parents – and asking, ‘What would you like me to do in this situation?’ instead of offering unsolicited advice helps preserve trust. Supporting family works best when grandparents also protect their own wellbeing.”

### **A call for greater recognition and support**

Despite their critical role, the report exposes a significant support gap. Nearly 7 in 10 (69%) grandparents feel there is little to no meaningful government support for the care they provide, with 70% believing grandparents who provide regular childcare should receive some form of government payment.

When asked what support would be most valuable, direct childcare subsidies (57%), tax relief for caregiving expenses (42%), discounted or free healthcare (40%), and access to affordable holiday care programs (44%) ranked highest. At a community level, grandparents also value free or subsidised activities to enjoy with their grandchildren (67%) and access to local grandparenting support groups (29%).

Dr Worsley says this need for support goes beyond finances and reflects the foundational role grandparents play in family life.

“Grandparents want recognition and resources that help them continue supporting their families,” she says. “As community connectors, initiatives like council-run activities or grandparent playgroups can make a real difference. But their role runs deeper – sharing stories and linking generations helps children develop identity, belonging, and resilience.”

The [Grandparents Report 2025](#) paints a clear picture of a generation that is more involved, more generous, and more essential to family life than ever before. While the emotional rewards remain profound – with nearly three-quarters feeling happy and proud of their role – the growing strain highlights the need for greater recognition and structural support to ensure grandparents’ wellbeing is not overlooked.

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### **For media enquiries, please contact:**

Heba Khan

0404 842 165

[heba.khan@bursonglobal.com](mailto:heba.khan@bursonglobal.com)

### **About Australian Seniors**

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We strive to be different through the diverse offering of our life, funeral, car, home & contents, landlords, pet, health and travel insurance products by carefully selecting underwriters that share our vision of providing insurance that's simple, easy to understand, and cost-effective. That's why our policies have helped everyone from hard-working over 50s to self-funded retirees take control of the things that matter most.