Standard Life Reveals Most Parents Feel Financially Supporting Their Grown Up Children Is 'Their Duty'

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May 31, 2012, 12:59 pm -- /EPR NETWORK/ -- According to Standard Life research, over half of parents feel it is "their duty as a parent" to financially support their grown up children.

A third of parents worry that without financial help their children would suffer and not achieve their full potential. 37% of parents recognise the impact that the current economy is having on their children's financial status while a third of parents expect to have to financially support not just their children but also any grandchildren.

Parents are expected to help pay for a variety of amenities; 38% expect to help foot the wedding bill, the most significant cost, with university fees second. More than one in three parents pay university fees or expect to do so, whilst a third of parents are paying towards university accommodation. 34% pay towards their child's car or expect to do so and a quarter will be likely to pay towards a deposit for a first home. Even a quarter are expected to help with mortgage and credit card debts.

Julie Russell, Head of Customer Relationships at Standard Life, commented: "The economic downturn and price increases have left many parents expecting to have to financially support their children into adulthood. The only way to achieve this is through careful financial planning, so that the financial sacrifices parents make for their grown up children are not to the significant detriment of their own long term plans. Parents need to make sure their money works as hard for them as they are working for their children. That means being efficient with their savings and making the most of tax breaks offered by products like ISAs and pensions."

Pensions are a tax efficient way for parents to save, with every £4 a person contributes, the government effectively contributes £1 as it rebates the income tax on contributions*. For those who are in a workplace scheme, their employer is likely to be topping up the contributions too.

ISAs help to build up a tax free cash lump sum which can be used to pay for a child's wedding or to fund university fees. Parents can invest up to half of the annual ISA allowance and earmark that to help themselves and their children with more immediate costs. They can also consider investing the remainder of their allowance in a stocks and shares ISA which has the potential of greater tax efficient growth over the longer term to help with larger future costs.

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Notes to Editors:
*For a basic rate tax payer
All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2058 adults, of which 1318 are parents. Fieldwork was undertaken between 28th - 31st October 2011. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+). Methodology: This survey has been conducted using an online interview administered by members of the YouGov Plc UK

panel of 350,000+ individuals who have agreed to take part in surveys.

About Standard Life
Established in 1825, Standard Life is a leading long term savings and investment company, with around six million customers worldwide. By understanding and offering innovative products to meet its customers' needs, Standard Life helps people with theirfinancial education and planning, so they can feel more confident about the future. Standard Life offers a range of individual and group pensions, SIPPs, ISAs, annuities, life assurance, offshore bonds, investment management, wealth management, tax planning and estate management services.

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