

LV reports parents fork out £233 billion to support their adult kids



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Press Release Author: **LV=**

Industry: [Financial](#)

Press Release Summary: New research from LV= reveals that parents spend a staggering £233 billion supporting their adult children

Press Release Body: New research from insurance, pensions and investments group **LV=** reveals that parents spend a staggering £233 billion* on supporting their adult children (children aged 18 years or over), and are foregoing their own financial freedom to support their children.

The **LV** study, which was carried out amongst adults aged 40+ years who have children 18+ years, found that 94% of parents continue to contribute financially towards education and other major purchases such as houses and cars, plus living expenses, once their children have reached 'adulthood'.

Over half of all parents surveyed (55%) admitted to helping their adult children with general living costs, indicating that the 'credit crunch' and rising living costs are impacting on the finances of adult children.

Nigel Snell, Communications Director at LV=, said: *"Parents certainly like to financially contribute, if they can, towards large purchases for their adult children, such as weddings and deposits for first homes. However, it seems that the current economic climate is impacting on day-to-day finances. Parents are the hardest hit, with a*

large proportion admitting that they are helping to cover their children's living expenses, as well as meeting their own financial commitments."

One quarter (23%) of parents aged between 40 and 49 years still have children aged over 25 years old living with them, indicating that despite falling house prices, adult children are not in a hurry to leave the nest, and may not be able to afford to either.

According to the research, it is not just their own children that parents are paying for either. Of those parents with grandchildren, 79% reported supporting both their children and grandchildren.

Almost half of all parents aged 70 years or older (45%) are still helping their children financially. Despite generally being retired and living on a reduced income, 55% of these parents state that they help their children because they feel it is their responsibility as a parent, and 42% stated that they support their children 'because they can afford to'.

In contrast, less than one third (29%) of the parents questioned said that they had received financial help from their own parents after they had left school. Now, 62% of parents say they help their adult children because 'they need the assistance' and 17% of parents say that their adult child actually asks them for financial support.

Nigel Snell concluded: *"Our study shows that parents can no longer expect their children to pay their own way once they have flown the nest. More than ever it's true to say that having children means signing up to a lifetime financial commitment."*

"Many parents will have had to put some plans on hold to manage the costs associated with raising a family, and once their children are old enough, parents should begin to encourage their own children to make small provisions, so that the financial burden can be reduced and parents can enjoy more financial freedom in retirement."

Notes to editors:

Further details can be found in the [LV Media Centre](#)

All figures, unless otherwise stated, are from YouGov Research. Sample size = 1,184 adults 40+ years old with at least one child aged 18+ years. Fieldwork undertaken 5th-6th June 2008.

* Estimation by **LV=**, based on BMRB and Government Actuary's Department data.

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