

PRESS RELEASE

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BOMADs BANKING ON MUM AND DAD

Parents looking forward to financial freedom after their children graduate could be in for a nasty shock, according to new research from **engage** Mutual Assurance.

With 18 year olds across the country busy planning their independence after receiving their A Level results on Thursday [17th August], the latest 3GB research from **engage**¹ reveals that millions of parents are still supporting their offspring well into adulthood – whether they remain in the family home or not.

Almost half of parents with kids over the age of 25 are helping their children to cover basic living costs. 46 percent of parents with children over 25 living away from home and 42 percent with over 25s living at home have bankrolled their grown up kids in the last six months.

In order to reveal the shifts in financial pressures facing each generation of the modern British family, **engage** Mutual Assurance asked a representative GB sample of over 2,200 people which types of financial commitments led them to financially support other family members.

The results highlight the emergence of a dependent generation of over 25s who are **BOMADs** or 'Banking on Mum and Dad' to cover a range of living costs, from day-to-day expenses, such as servicing debts and childcare, through to achieving key milestones in life e.g. first home purchase.

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Parents With Children Over 25 Supporting BOMADs:

- During the last six months, almost a quarter (24%) of parents with children over 25 helped finance the running costs of their grown up child's home, financing deposits, mortgages or home improvements
- More than one in five (22%) provided money to help pay off their child's debts in the last six months
- Many older children are starting families of their own and more than one in ten (11%) look to their parents to help foot the bill for childcare
- One in twenty (5%) parents of over 25s is still funding their child's further education
- 27 percent of parents with children over the age of 25 live with them in the family home
- Parents in London are most likely to be supporting over 25s with 47 percent still shelling out for grown up children

Karl Elliott, **3GB** spokesperson for **engage** Mutual Assurance said: *'With recent reports showing that parents are paying an average of £18,000⁰ to help their children buy their first home, these results reveal a huge shift in responsibilities across the generations.*

In modern Britain, grown up children are not only turning to parents for one off handouts, but support for everyday expenses well into adulthood. This news should send clear messages to parents of younger children about the importance of saving little and often in the early years, to spread the impact on the family budget and to ensure that their child's needs don't affect their future independence."

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1 '3GB' is the **engage** Three Generation Britain research index. Research was conducted by YouGov across a GB representative of 2,200 adults (including 731 parents with children over the age of 25, and 1,269 people with living parents) in July 2006. The research explores the financial relationships of care between the generations and investigates shifts in traditional financial provision.

2 The Daily Telegraph, 3rd August 2006

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engage Mutual Assurance can be contacted on 0800 169 4321 or by visiting www.engagemutual.com

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5. **engage** is proud to partner a charity which shares our consideration for balancing risk and reward - Smart Risk Foundation UK. It helps youngsters across the UK to identify the risks in their everyday lives in the smartest way, so that they can enjoy life to the fullest. Smart Risk Foundation's registered charity number is 1096081, www.smartrisk.org.uk.
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