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| *Content type* | **Publication** | |
| *Date* | 16 October 2013 | |
| *Title* | **Grandparental Generosity** | |
| *Excerpt* | Financial transfers from grandparents to grandchildren. | |
| *Body copy* | England’s ageing population has resulted in grandparents playing an increasingly important role in the lives of their grandchildren. Exploring the dynamics of these relationships is crucial in order to create a complete understanding of various behaviours across the life course.  This report explores new research on the levels and patterns of financial support from grandparents found in the 2010 wave of the English Longitudinal Study on Ageing (ELSA).  The new research carried out by the International Longevity Centre-UK (ILC-UK), and kindly supported by Key Retirement Solutions and Partnership, highlights how grandparents are playing a vital role in supporting the financial wellbeing of future generations.  Headline findings of the research include:   * One-fifth of grandparents in England aged 50+ gave money to grandchildren – totalling over £647 million in 2010 * Across England, grandparents gave a cumulative total of almost £333.8 million to their grandchildren in 2010. Contributions to Child Trust Funds were of a similar amount, at £313.8 million in total.   The report also investigates the factors affecting the likelihood of grandparents giving financially to their grandchildren, finding that grandparental givers are typically well-off relative to non-givers, reporting higher levels of income and financial wealth. Other determining factors included:   * A higher proportion of grandparents aged 75-79 gave than from any other age group and 80-84 year olds gave the highest amount on average. * Grandparents who have lower or no mortgage debt are more likely to give. * Caring for grandchildren increases the likelihood of giving money to them. * Grandmothers and married grandparents (rather than separated or divorced) are also more likely to give.   **Brian Beach, Research Fellow at ILC-UK said**: “*This research reveals that millions of grandparents are providing financial support to younger generations. For grandchildren, these transfers are likely arriving at a crucial transition point, impacting educational and housing opportunities. As people live longer and society ages, grandparental giving may have an increasingly important impact on the social mobility of grandchildren.*”  **Ged Hosty, Managing Director of Equity Release at Partnership, said**: “*As families become increasingly financially stretched and time-poor, grandparents are stepping in more and more to provide support. However, while this trend is to be welcomed as it helps to draw families closer together, it can put a strain on the grandparents finances that they may struggle to recover from.*  “*Therefore, it is vitally important that people consider all their assets – including their homes – ahead of retirement and take steps to ensure that they can provide as much help as needed without detriment to their own retirement aspirations.*”  **Dean Mirfin, Group Director, Key Retirement Solutions said**: "*It is evident that with extended generations increasingly amongst today's population that grandparents are opting to help with their grandchildren, not just in terms of time but also financially.*  "*Grandparents in many cases are taking a pragmatic view with regard to this financial support seeing it as inheritance at a time when money is needed most or has the potential to most influence the financial well-being of the rest of their families. For many being there to witness the impact of their support is a key driver to gift at the right times, and to direct how that support is used, and this is a trend we expect to see continue.*" | |
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