

Supporting family's intergenerational needs

The pandemic is disrupting the education, savings and day-to-day finances of many young adults, so it's no surprise that nearly half of those aged 18-34 say their finances are worse than they were three months ago. Naturally, in the past year, people have become more careful with their money as their interests are shifting and helping out family and friends during these difficult times becomes their main priority. However, the additional outgoings to support the needs of loved ones may be detrimental to their own savings and retirement goals.

It's striking to see that our LV= Wealth and Wellbeing Monitor* reports 59% of UK adults are not retirement confident and are worried about their future plans, while 32% had to access their savings or pension pot earlier than expected. The report also reveals that 50% of parents with children aged 18+ have spent on average nearly £1,300 over three months supporting family members.

It's important to make clients approaching or in retirement, aware of their options - they don't necessarily have to compromise on their later life goals to focus on their immediate priorities. Their property wealth can work even harder for them if they choose to explore a lifetime mortgage option. Our lifetime mortgages have been designed with the client in mind, and from our internal data we know that supporting family and friends is the second most popular reason that people use Lifetime Mortgage Drawdown+. Now, with our newly introduced ERC-free repayment option from day one, our lifetime mortgage products offer an even more flexible approach to financial planning.

We estimate that nearly
£14 billion
was spent by UK parents
supporting grown-up children
(aged 18+) in the last 3 months.

How customers are using the Lifetime Mortgage Drawdown+

To help friends and family

24% vs **22%**
2020 vs 2021

To top up income

5% vs **4%**
2020 vs 2021

Home improvements

11% vs **8%**
2020 vs 2021

To provide care at home

3% vs **4%**
2020 vs 2021

*Aug - Dec 2020 vs Jan 2021
(Internal LV= data report)

Day to day support

Our Lifetime Mortgage Drawdown+ can offer security and stability with the ease of the further withdrawals process, so clients can access cash when they need it the most.

1 in 50 parents spent over £10,000

supporting their grown up children over a **three month** period during the pandemic



1 in 10 mass affluent parents spent over

£2,000

Helping their children financially by...

Paying day-to-day expenses (**19%**)

Paying into their children's savings account, ISAs or pensions (**8%**)

Paying rent (**8%**)

Support for first deposit/savings

The LV= monitor also revealed that 1 in 5 parents are worried that their 18-30 year old children will struggle to get on the property ladder. Our lifetime mortgage products are designed with great flexibility, offering features that match the needs of clients looking to use our products to support their children and family for a variety of reasons.

“Older children (aged 30+) were less likely to receive support than those aged 18-30, but those older children that did receive help received a higher amount (as they are likely to need support for bigger commitments such as house deposits and rent).”



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