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The 'Bank of Family'

A £38 billion lifeline for modern parents

In the challenging realm of parenting, an unexpected yet invaluable source of support has emerged – our parents and grandparents. Over the past 12 months, almost 42% of these seasoned family members, affectionately termed the 'Bank of Family', have assisted younger relatives with childcare.

Their dedication is significant, investing nearly a full working day (almost nine hours) each week in caring for their grandchildren. What is this aid's estimated value? A hefty £38 billion annually, as unveiled by recent research^[1].

BALANCING WORK AND FAMILY, THE ROLE OF ELDERS

The latest statistics from the Office for National Statistics reveal that in 50% of working families, both parents are occupied full-time^[2]. Striking a balance between professional commitments and parental duties is no mean feat, compelling many to seek help from their extended family.

Approximately 42% of parents and grandparents aged 55 and above have risen to this call, offering unpaid childcare over the past year. This help translates to roughly nine hours each week spent caring for children or grandchildren – a contribution valued at around £5,400 annually.

BEYOND FINANCIAL AID IS THE GIFT OF TIME

However, the 'Bank of Family' offers more than just childcare; it provides various forms of 'soft support' beyond financial gifts. The study found that over a third (31.1%) of parents and grandparents invited adult children back home to assist them in saving a deposit for their own place, circumventing an estimated £24,900 in outgoings.

Contrary to common belief, the 'Bank of Family' is about more than just financial support. As the research identified, people rely on their parents and sometimes wider family for many things – including the priceless gift of time.

RETIREMENT AND FAMILY OBLIGATIONS ARE A DELICATE BALANCE

The recent childcare reforms introduced to assist families are a commendable initiative. These changes aim to ease the financial and logistical burdens associated with raising children, particularly for working parents. However, many individuals continue to rely on their parents to bridge the childcare gap, enabling them to maintain their employment commitments.

This reliance on grandparents can create a complex dynamic as these individuals often navigate their own challenges associated with retirement. Retirement is a period that requires careful financial planning and adjustments to a new lifestyle. When the added responsibility of providing childcare support is thrust upon them, managing these dual responsibilities effectively can be an uphill task. Moreover, the current cost of living crisis has amplified financial pressures on all fronts. ■

WANT TO DISCUSS PRIORITISING YOUR NEEDS AND WELLBEING?

For those parents and grandparents who find themselves providing supplementary support, it's essential to navigate this role with care to ensure that it remains manageable in the long term. It's important to remember that while supporting their loved ones is admirable, they must also prioritise their needs and wellbeing. Please get in touch with us if you would like to discuss your financial situation or requirements.

Source data:

[1] Unless otherwise specified, all figures in the release are drawn from Legal & General's 2023 'Bank of Family' research.

[2] Office for National Statistics – Families and the labour market, UK: 2021.

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