

How much does it cost to raise an adult?

Research reveals British parents spend £32,667 on average supporting their kids after they've turned 18

Key findings:

- Average British parent spends **£32,667** per child after they've reached adulthood
- **44 per cent** of parents say they may have to retire later due to the costs of supporting adult offspring, while **71 per cent** say their lifestyle will be affected
- University and house deposits the biggest expenses, but allowances, weddings and cars also costing parents
- Adult daughters cost **£5,669** more than sons, and receive 27 per cent more in allowances
- Peer-to-peer lending service, Zopa, encourages parents to plan smarter for later in life, as **55 per cent** say they didn't consider the costs of supporting children beyond the age of 18

15th October 2014: With the costs of bringing up a child spiralling, British parents could be forgiven for hoping that their offspring will be off their hands (and wallets) by the time they reach adulthood. However, a new study released today by peer-to-peer lending service, Zopa, reveals that children continue to cost their parents an average of £32,664 through early adulthood (between the ages of 18 and 30).

Shockingly, almost half (44 per cent) of parents admit they may have to retire later than originally planned to help cover the costs of higher education, accommodation, travel, food, and cars.

The biggest expense is university or higher education fees, which parents contribute an average of £5,482 per child. This is closely followed by helping young adults with house deposits (£5,218) and funding wedding celebrations (£4,903 per child). Perhaps most surprisingly, 71 per cent of parents continue to provide their adult children with an allowance, topping up their incomes to an average sum of £3,115.

Daughters are £5,669 more costly to support through adulthood, with the average cost to parents between the ages of 18 and 30 being £35,920, compared to £30,251 for sons. The research showed that males were more likely to be asked to contribute to household costs than females, while adult daughters received 27 per cent more in allowances than sons of the same age. Suggesting girls get an easier ride at home than boys.

	TOTAL	Higher education	Accommodation	Property deposit	Allowance	Food	Car / petrol	Weddings	Gap year / travel
UK	£32,667	£5,482	£4,505	£5,218	£3,115	£3,335	£3,094	£4,903	£3,015
Male child	£30,251	£5,153	£4,217	£4,914	£2,789	£3,038	£2,902	£4,449	£2,789
Female child	£35,920	£5,917	£4,886	£5,620	£3,547	£3,728	£3,404	£5,505	£3,313
London	£67,996	£10,487	£8,862	£10,375	£7,080	£7,676	£6,548	£9,231	£7,737
S. East	£26,947	£4,782	£3,676	£5,120	£2,008	£2,357	£2,474	£4,316	£2,214
S. West	£24,059	£4,885	£3,712	£4,202	£2,096	£1,962	£1,615	£3,702	£1,885
East	£26,964	£6,036	£5,036	£3,768	£2,138	£2,536	£2,377	£3,203	£1,870
Midlands	£30,436	£5,436	£4,030	£4,894	£2,864	£2,915	£3,200	£4,397	£2,700
Wales	£20,052	£3,010	£3,041	£3,480	£1,724	£2,153	£1,786	£3,531	£1,327
N. West	£26,832	£4,567	£4,127	£4,168	£2,724	£2,619	£2,567	£3,989	£2,071
Yorkshire	£19,511	£2,742	£2,553	£3,732	£1,684	£2,168	£1,711	£3,600	£1,321
N. East	£31,366	£4,500	£3,198	£4,396	£3,479	£3,438	£3,594	£4,792	£3,969
Scotland	£26,263	£4,177	£3,427	£3,957	£2,573	£2,427	£2,299	£5,220	£2,183
N. Ireland	£14,616	£3,735	£2,882	£765	£1,559	£2,294	£705	£2,500	£176

More than half (53 per cent) of the respondents said their adult children had lived at home with them for a year or more, with younger adults (those aged 18-25) spending significantly more time at home, suggesting that the ‘Boomerang Generation’ trend is continuing. As a result of these costs, over two thirds of those parents (68 per cent) made their children pay rent or contribute to household costs, charging their offspring an average of only £129 per calendar month: well below UK market rental rates.

The rising cost of supporting adult children is causing financial headaches for those approaching their retirement years. Over half (55 per cent) of the parents surveyed said they had not considered these additional expenses when working out how much raising a child would cost them.

As a result of these extra costs, nearly two thirds (62 per cent) said they had dipped into their own savings to help support their grown-up child. With more than half (52 per cent) said they would have saved differently had they known the costs associated with bringing up an adult child. Additionally, over 70 per cent said they have had to adjust their lifestyles to accommodate the extra expenditure.

Giles Andrews, CEO and Co-founder of Zopa says:

“It’s fairly clear the cost of raising children does not stop at 18 and with current economic circumstances, British parents can end up supporting their adult children financially for much longer than initially anticipated. The cost of raising an adult is having a significant impact on the financial futures of many British parents. Young parents concerned can soften the blow of continuing to support their future adult children through smart financial planning and being savvy with their money. By lending £93 a month from birth to 18 through Zopa at 5.2% for example, parents could in theory end up with a pot of £32,650, the same amount to cover the costs of raising an adult.”

For more information on Zopa please visit www.zopa.com

Notes to editors:

Research was conducted by CensusWide between 26.09.2014 and 01.10.14. Sample: 1,000 parents aged 50+ with children aged 18-30.

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About Zopa

Zopa is the UK's largest peer-to-peer lending company - bypassing banks and their high charges to put more back into the pockets of the UK's lenders and borrowers. Zopa matches smart borrowers looking for lower-rate loans with lenders looking for higher interest. Since Zopa was founded in 2005, it has arranged more than £640 million in peer-to-peer loans and has been voted 'Most Trusted Personal Loan Provider' in the Moneywise Customer Service Awards for the past five years and Consumer Moneyfacts best overall customer service in 2014. Zopa has over 57,000 active savers lending between £10 and £1.7 million.