

# The Bank of Mum and Dad: How it *really* works

Report for Family Building Society

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with Annie Edge and Christine Whitehead

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We are very grateful to those who responded to our survey, attended our focus group, or agreed to be interviewed.

To enable research participants to express their views frankly we have not named individual contributors. Much of this document was informed by our interviews and discussions, but the final report is the work of the research team and may not reflect the views of all participants.


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## Foreword

Over the years I've worked in the staff canteen at London zoo, given out leaflets outside Chancery Lane Tube Station, spent hours on the phone in the name of market research, been a lawyer, taught people to ski in Scotland, helped get my school up and running again after it burnt down, and done a variety of roles in a number of banks and other financial services companies. In all those jobs, I turned up and kind of learnt as I went along.

Then a head-hunter introduced me to Polly.

She was Chair of what is now the Family Building Society and she thought it would be a good idea if I came and ran it. Now, despite working in banks, I had never actually done what banks do at their heart – I'd never lent anyone any money. This involves getting the money to lend out (deposits) and managing the situation until the borrower eventually, hopefully, gives you the money back (the bank's balance sheet). The bank's relationship with its borrowers, and with its depositors, is always covered by pages and pages of legal agreements, which have evolved over many years, and are also all highly regulated. Along the way, the borrowers sometimes have issues, which may be no fault of their own, and usually the depositors want their money back at some point.

You are not allowed to run a building society unless the Prudential Regulatory Authority, which is part of the Bank of England, approves you. To be approved and if they think you may be an appropriate person, you are "invited" for an interview. Last time I'd done this much prep was for my finals at University. The interview involved lots of them and one of me. After a while they rang up Polly and told her I had passed but would have to go on some courses (e.g. on "Treasury Management") to help me learn how to do the job and be mentored for a time by someone who knew how it all worked.

After about a year in the job, I had lunch with one of my old bosses, who had been the finance director at one of the banks I'd worked for. "It's much more complicated than I thought it would be....!" I said. Nick just smiled knowingly.

My point is that running a bank or a building society is tricky, complicated, regulated; the borrowers and the depositors have different interests. And no one likes bankers.

Now the Bank of Mum and Dad has become the sixth biggest bank in Britain, but until now no-one has ever really looked into how it works and how the management and the customers feel. This is their story.

*Mark Bogard*

Mark Bogard  
CEO  
Family Building Society

## Key findings

In recent years there have been various estimates of the overall contribution of the 'Bank of Mum and Dad' to young people's capacity to buy a home. This report brings a new dimension by examining parental help from the perspective of the families involved.

Our research involved an online survey of almost 800 customers of Family Building Society, plus interviews and a focus group. Compared to the population at large, Family Building Society customers are a good fit with the stylised profile of typical Bank of Mum and Dad donors – they are older, have higher levels of savings, more likely to own their own homes and more likely to live in southern England.

Most of the transactions we studied involved parents giving or lending money to their adult children; about half of the transactions were for deposits on house purchases, with the remainder used for mortgage payments, stamp duty, legal costs and so on. We found that:

- The 'Bank of Mum and Dad' is something of a misnomer, because most parents (and indeed grandparents) don't behave like banks and few take legal or financial advice. There is usually no written record of transactions. Families often do not discuss arrangements for repayment (indeed, it may not be clear even to the parties concerned whether the money is a loan or a gift), or set out what would happen if a relationship broke down.
- Many people are uncomfortable talking about money within the family—several people told us it was 'a difficult conversation.'
- Parents with more than one child are usually concerned to treat all of them fairly, but the definition of fairness varies: some provide the same amount to each regardless of the children's circumstances; others feel it is fair to give more help to those with less earning power; some leave it to their wills to even up support.
- Most parents said they were pleased to be able to help their children, although about half thought it unfair that they should have to do so.
- Some 68% of assisted transactions were first-time buys, but 27% were second or subsequent purchases.
- Parental donors are not necessarily characterised by high incomes (many of our survey respondents were pensioners), but rather by their level of wealth. Much of this wealth came from their own homes but most also had savings, investments and sometimes inheritances, and this was the money they used to help their children. In some cases the beneficiaries had higher incomes than their parents.
- Parents can face a difficult choice between helping children and setting money aside for their own care in later life. Raiding pension pots and/or using savings can endanger parents' own future financial stability. Some had already done this

without thinking it through; others said the prospect of poverty in old age made them reluctant to offer help.

- Those now aged 50+ may be almost the last generation of parents that can afford to give generous help. Future generations are less likely to accumulate housing wealth or indeed pay off their own mortgages at the same rate, and few will have final salary pensions.
- Understanding how parents use their resources has wider implications for public policy. In particular, which should take priority – helping the children or ensuring that the parents can pay their own way with respect to health and social care? Some parents are already thinking tactically, designing transfers in a way that reduces their savings (so they are less likely to have to pay for future social care) and/or their estates (to avoid eventual inheritance tax).
- The two main policy concerns raised by our interviewees from the market, the regulators and government were (i) that the Bank of Mum and Dad was further reinforcing wealth and housing inequality and (ii) that government expected older people to prioritise paying for their own health and social care and supplementing their pensions over supporting the next generation.

### **Recommendations**

- Given the proportion of transactions that now rely on parental help, we suggest that a set of guidelines or a checklist be developed to help ensure parents and children have discussed exactly what they are doing and what everyone's responsibilities are.
- The checklist should cover whether the transfer is a loan or a gift; repayment arrangements and charges if relevant; and particularly what happens if circumstances change – e.g., if a child's relationship breaks down, or a parent dies or his or her finances worsen or health deteriorates.
- We see no case for further regulation and people must have freedom to do what they like with their own money. Government policies need to be more joined up and incentives around household spending decision more aligned. At the moment various departments expect to cover some of their costs by calling on the assets of older people, but these funds can only be spent once!

## Introduction

There is strong evidence, both statistical and anecdotal, that young and not so young people are increasingly relying on assistance from relatives (usually parents) to secure a mortgage. This phenomenon is most pronounced amongst relatively affluent people and in the areas of southern England where homes are most expensive, but it can be observed across the UK. It is a response to continued rises in house prices relative to incomes, to reduced availability of high-LTV mortgages in the years after the global financial crisis (GFC) and to the growing value of parental home equity.

In recent years there have been various estimates of the overall contribution of the 'Bank of Mum and Dad' to children's housing acquisitions and much discussion of its implications for the younger generation. However, the phenomenon has been little explored at anything other than the most general level.

This report examines parental help from the perspective of the families involved. It casts light on how families make these often difficult decisions, on the mechanisms used for providing assistance and the issues that arise before and during the transaction. We spoke to specialist lenders, government and brokers about how they see this market and its implications. And we heard from hundreds of individuals, both donors (generally older people) and beneficiaries (generally younger); because of their thoughtfulness and honesty this report adds to our understanding of the perceptions and attitudes towards family help.

Our findings add nuance to current debates about intergenerational fairness, concentration of wealth (Piketty 2017) and the falling rate of home ownership among young people (Cribb et al 2018).

## What we know already

There are few official statistics about the extent of parental help with house purchase; most of the figures are based on limited surveys, or on inferences and modelling. The best official source of information about the extent of parental help is the English Housing Survey.

Analysis of the 2014/15 survey found that:

Between 1994-95 and 2014-15, there was an increase in the proportion of first time buyers that had help from friends and family (from 21% to 27%) and those that used inherited money (from 3% to 10%) for their deposit. (DCLG 2016)

The proportion of first-time buyers receiving help had risen to 29% in the 2015/16 survey (DCLG 2017). A 2017 report for the Social Mobility Commission gave even higher figures, reporting that 34.1% of first-time buyers in England benefited from a gift or loan from parents, and a further 9.6% drew on inherited money. The researchers found that significant numbers of existing owners also received family help when purchasing another

property: 12.3% benefitted from gifts or loans while 5.2% used an inheritance (Udagawa and Sanderson 2017).

Research in 2017 by the Centre for Economics and Business Research for Legal & General found that in 2016 parents, family and friends put up £6.5 billion to support the purchase of 300,000 properties -- or an average of about £22,000 per property (Legal & General 2017). Based on a survey of 1000 adults, the figures indicated that 62% of under-35s had received some help and most said they could not have afforded to buy without it. Another piece of research, this one carried out in early 2018 for the Post Office, included a survey of 1,643 homeowners and their parents. It found that the average amount lent to millennial buyers by their parents for house purchase was £24,347 (Post Office 2018).

Modelling by the Council of Mortgage Lenders, based on data from the English Housing Survey and HMRC, suggested that the proportion of first-time buyers able to purchase without parental help had fallen steadily from 70% in 2005 to below 40% in 2011 (Clarke 2011). These figures are based on purchaser incomes, with assumptions about how much they would be able to save on their own - they are not based on direct collection of data. Unsurprisingly the proportions requiring help were highest in London and the South East (71% and 68% respectively). The North was the region where the smallest proportion of buyers needed help, but even there more than half of FTBs probably had to rely on outside assistance. A 2015 update found a similar regional pattern, though the proportions requiring assistance had fallen somewhat in the intervening four years as high-LTV mortgages again became available (Clarke 2015).

In the last few years, policy and research communities in the UK and elsewhere have begun to look at the implications of the Bank of Mum and Dad (or BOMAD). Some research has focused on the inequalities: a Resolution Foundation report published in December 2018 demonstrated that children of parents who owned their own home were more likely to become home owners themselves, and that this relationship was clear even when controlling for the children's marital status, education and salary (Wood and Clarke, 2018). Researchers in Czech Republic have reported similar findings (Lux et al 2018). Research for the Social Mobility Commission found that first-time buyers in receipt of family help were on average 2.6 years younger than those who did not get help, and that the difference was even greater in London at 4.6 years (Udagawa and Sanderson 2017).

Other researchers have looked at ways of supporting or channelling assistance from parents. The authors of a recent report for the Building Societies Association said that parental assistance should be recognised as an established and growing element of the housing-finance framework (Pannell and Jenkins, 2018). Statistical work done for the Social Mobility Commission supports this expectation; researchers there projected the incidence of parental help over the next 25 years and found that the proportion of first-time buyers receiving such help was likely to increase under all three economic scenarios examined (Udagawa and Sanderson 2017). Pannell and Jenkins recommended that building societies step up innovation to allow parents to use their savings to help children bridge the down-payment gap, and provide clearer information about products that are, for many, confusing



and unfamiliar. They supported greater use of guarantees and family collateral and, controversially, made a case for a return to 100% LTV mortgages.

Some interesting qualitative studies of parental assistance have appeared in the academic literature. For example, Heath (2018) looked at how potential recipients of help expected to be treated vis-à-vis their siblings, finding that most anticipated that parents would give or lend an equal amount to each child.

The 'Bank of Mum and Dad' is usually shorthand for providing funds to help with house purchase, but in fact financial transfers to relatives happen for a range of reasons including helping to cover wider costs of living, or to pay bills or rent. According to a 2018 survey, only 7% of all financial transfers to relatives were intended for house purchase (Post Office 2018).

## Research questions and methods

Our broad research questions were:

- What mechanisms do families use when providing financial help with house purchase?
- How do donors and beneficiaries feel about giving/receiving financial assistance?
- What are the longer-term implications for policy of increased reliance on family help?

We used a mixed-methods approach with an online survey, a focus group discussion with parents who helped their children financially, a set of telephone interviews with both donors and beneficiaries, and a programme of stakeholder interviews.

In July 2018, LSE London researchers carried out an online survey of Family Building Society customers. An email link to the survey was sent by Family Building Society to approximately 29,000 recipients representing a wide cross-section of depositor and mortgage members. Some 1,066 responses were received. This survey sample was not random; compared to the UK population at large, Family Building Society customers are older and more likely to own their own homes and more likely to live in southern England - and therefore be wealthier. In general, then, they fit in the stylised profile of 'typical' Bank of Mum and Dad donors. (A fuller description of the survey respondents appears in Annex A.) Respondents were asked whether they had ever helped a relative to buy a home; whether the assistance was in the form of a loan or a gift, and whether it was formally documented; and about the decision-making process and attitudes to providing help. The full text of the survey questionnaire appears in Annex D. Not all respondents answered every question; about 795 responses were complete enough to analyse. A focus group was held at LSE on 5 October 2018 with the participation of five parents who had given help to their children.

In the period October – December we carried out two sets of in-person and telephone interviews. The first was with individual donors and beneficiaries. All of these interviewees were Family Building Society customers who had taken out a Family Mortgage – a mortgage product specifically designed for first time buyers to enable family assets (including savings and housing equity) to be used as additional mortgage security. The second set of interviews covered stakeholders including mortgage-industry professionals, government officials, advocacy groups and fellow policy researchers.

## Findings

### Who receives help, and what they use it for

*Aren't we lucky that we were able to help our children like this? And aren't they?*  
Survey respondent, 75

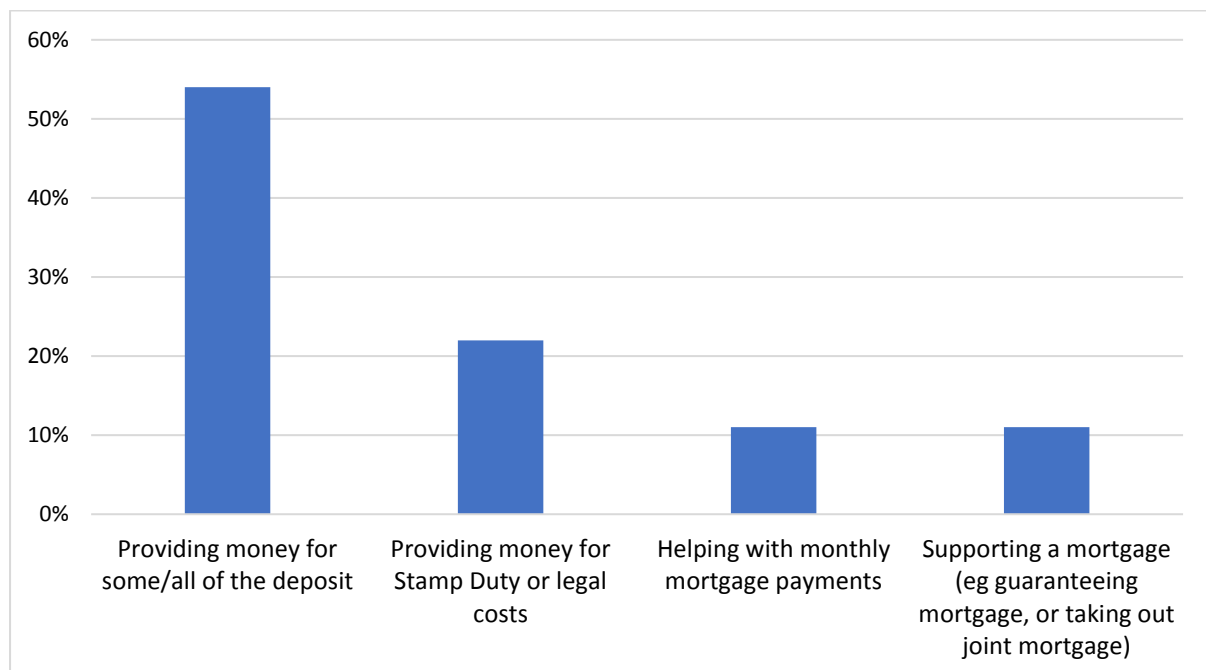
Our survey confirmed that most home-buying assistance goes from parents to children; some 92% of respondents said the beneficiaries were their children, followed at some distance by grandchildren and parents (about 3% each), and a smattering of other relatives including nieces, nephews and siblings.

The survey identified four possible ways of providing assistance to family members to buy a home. Most of the current policy discussion centres around help with the deposit and indeed this was the most frequent type of help, with about half of those surveyed saying they had helped a family member in this way (Chart 1). A further one-fifth gave lump sums that were used to cover stamp duty or legal costs.

Other types of support, including acting as guarantor for a mortgage or taking out a joint mortgage, were less often reported, even though respondents were all customers of Family Building Society, which offers specialist mortgages of this type. The low reported usage probably reflects the relatively recent introduction of these types of mortgage.

Chart 1: Breakdown of types of assistance given

N=795



Source: July 2018 survey of Family Building Society customers

*There should be more guarantor/family products secured against parent savings or equity.*  
Survey respondent, 57

Of the 11% that said they had supported a family member’s mortgage, the most common form of support was acting as mortgage guarantor, cited by 3%. A further 2% said they had taken out some kind of family-assistance mortgage (e.g., where a proportion of the mortgage loan is secured on the parents’ house, or where the parents deposit a sum of money with the lender) and 1% mentioned a joint mortgage. About two-thirds of the transactions that involved assistance had taken place since 2010, but some help was given as far back as the 1980s.

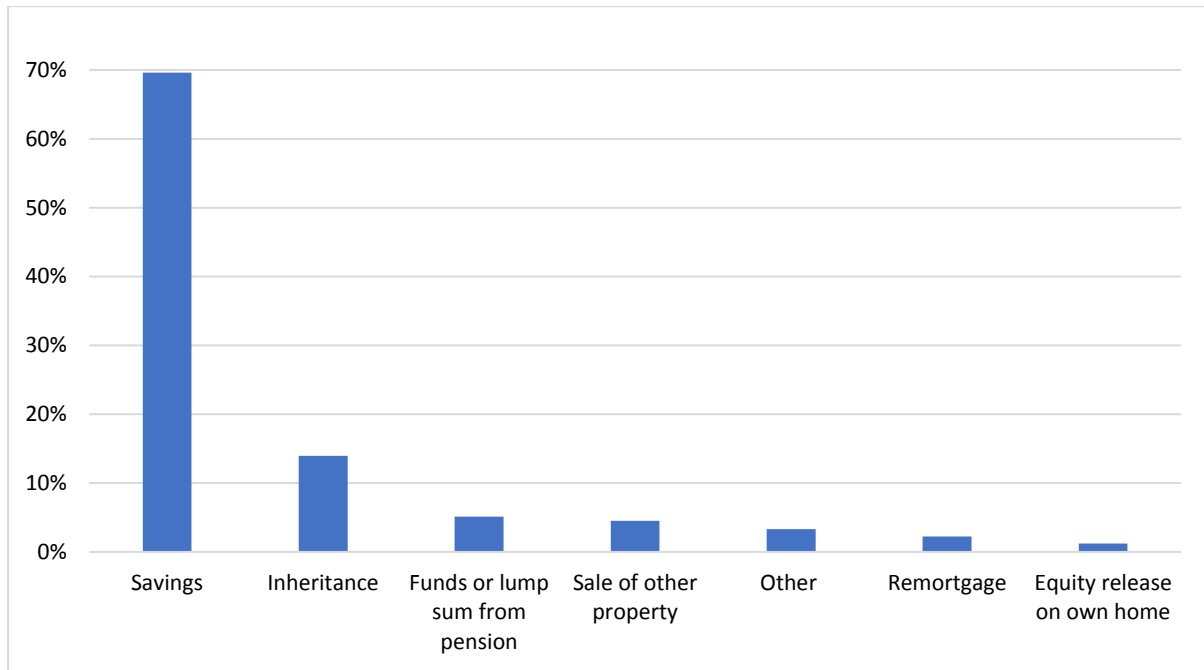
Several customer interviewees said they favoured this type of mortgage, which let them avoid giving or lending cash directly, as they were concerned that if their child’s relationship broke down the former partner might have a claim on that money. *‘We are only slightly worried about the long term future, as couples seem to separate very easily and we would not want our contribution to go to a third party,’* said one respondent (aged 79).

The most important source of funds for family assistance was savings, with 70% of respondents citing this. Inheritance was next, chosen by 14% (Chart 2). Some commentators have expressed concern that providers of family help could endanger their own future financial security by dipping into their pension pots or remortgaging their own homes. The evidence from our survey suggests that this particular sample - made up disproportionately of wealthier households - used these methods relatively infrequently.

Even so, some 8% did say they had used funds from a pension, equity release or remortgaging their own home, all of which could potentially be detrimental to donors' long-term financial position.

*Chart 2: Source of funds for help*

*N=487*



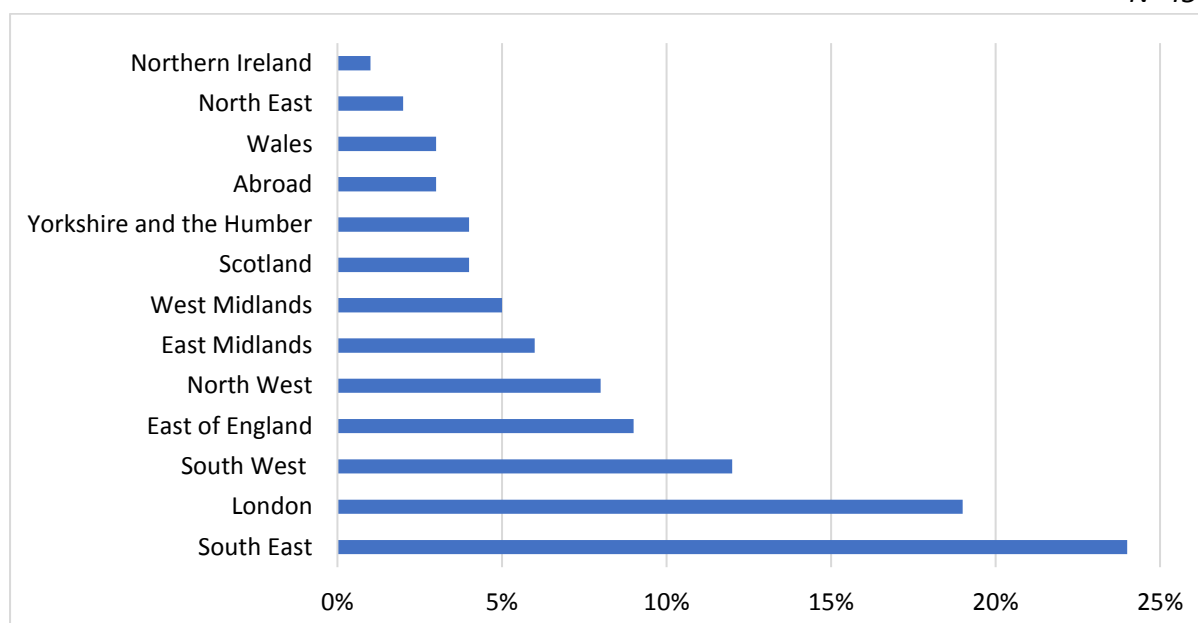
### Where help is given and how much

*In the south east where property prices are overinflated it is difficult for youngsters to afford to buy property without help.*  
 Survey respondent, 60

In our survey, the properties purchased with parental help were located disproportionately in more expensive areas of the country. Some 19% of the properties acquired with help were in London (by comparison, 13% of the UK population live in London) and 24% in the south east (where 14% of the UK population live). This reflects the London/southern England bias of the sample and suggests that the beneficiaries of these households also tend to buy in higher-priced areas. There were proportionally fewer instances of help with house purchase in regions with lower property prices including Yorkshire, Scotland and the Midlands.

Chart 3: Region where property located

N=451



Across the survey the median parental contribution was £30,000, while the mean was much higher at £59,200 because of the effect of some very generous parental contributions in the higher-cost areas of London and the South East (Table 1). Mean contributions have more than doubled in the last two decades, from the £31,300 reported by respondents who provided help in the 1990s to £68,700 for contributions since 2010.

Table 1: Average family contribution by region

N=452

Region	Average contribution	Number of recipients
London	£76,290	88
Northern Ireland*	£65,200	5
OVERALL	£59,248	452
South East	£56,355	110
South West	£48,547	53
North East*	£44,375	8
North West	£42,014	37
East of England	£38,923	39
West Midlands*	£35,552	23
East Midlands*	£35,235	26
Yorkshire and the Humber*	£34,059	17
Wales*	£31,154	13
Scotland*	£22,647	17

\*Averages for regions with fewer than 30 responses should be treated with caution

The average amount of help provided varied significantly across regions. Buyers purchasing in the areas of the country with the highest house prices - London and the South East - received the highest average contributions. Those purchasing in the Midlands, Yorkshire, Wales and Scotland received relatively low average contributions, though the sample size was small in many of these areas so the figures must be treated with caution.

Some 68% of transactions were first-time buys, but 27% were second or subsequent purchases – suggesting a continuing wish among parents to help children into ‘the right home’. A few respondents reported helping with holiday homes, buy-to-let investments or retirement properties.

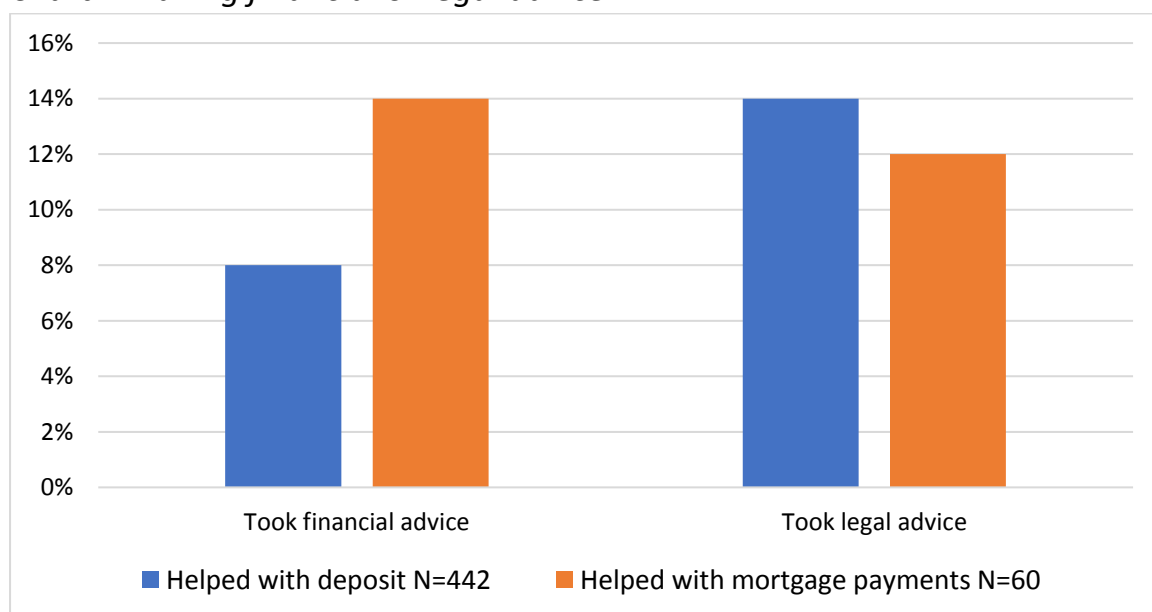
### Legal and financial arrangements

*Helped my youngest daughter and her boyfriend to buy a flat in London, relationship has broken down, but the loan was done with legal advice so I will get my loan back (eventually!)*  
 Survey respondent, 63

Few respondents took legal or financial advice before providing help; of the two, somewhat more took legal advice (Chart 4). Less than a quarter had drawn up a formal deed of gift or loan contract, a finding in line with other recent research on this subject (Post Office 2018).

The qualitative research confirmed our survey findings that few donors took financial or legal advice before giving/lending money to their children, or drew up loan contracts or deeds of gift - ‘I trust my children’, several said. Whilst some transactions were specifically structured to achieve certain tax or inheritance-planning objectives, the general lack of advice suggests that these aspects are not always fully taken into consideration.

**Chart 4: Taking financial or legal advice**



More than three-quarters of survey respondents said the assistance was given as a gift, with 23% saying it was a loan. Our interviews suggested that while there may have been a general expectation within a family that parents would provide some help, the details of how financial assistance would take place (loan vs gift, repayment schedule, what would happen if a couple split up) had rarely been worked out in advance.

Of those who provided loans, most (82%) were not charging interest and about two-thirds said they expected repayment as and when the beneficiary could afford it, rather than agreeing a fixed repayment schedule. About half of those who had a definite repayment schedule expected the loans to be repaid within the next year or so (Table 2). Those who help with mortgage payments, by contrast, often had been helping for much longer periods; some 58% had been helping for more than two years, and 43% for more than three.

*Table 2: When respondents expect loan to be repaid*

*N=50*

Year	Count	%
2018-2019	27	54%
2020-2029	19	38%
2030-2040	4	8%

Agreeing the terms of loans or gifts requires discussion and sometimes negotiation and these conversations are not always easy. Several interviewees made a point of saying their families were very open in talking about money, about who would get help and in what circumstances etc. However, this was by no means universal - several people used the same phrase ('a difficult conversation') to describe the challenge of talking about financial arrangements. This echoes the finding of other academic researchers, who report that in many cases the arrangements are confidential between individual children and parents, with siblings often unaware of the details (Heath 2018).

On the evidence of our survey and interviews, the other great taboo - death - appears rarely to be discussed except in the abstract in terms of inheritance planning. Neither donors nor beneficiaries said they had considered what might happen if one or both parents died. Would the arrangement continue? Would funds dry up suddenly? Would a former donor turn into a potential beneficiary? Would there be pressure on the surviving parent to downsize to release money? It is not surprising that families avoid bringing up these unpleasant scenarios.

Given longer life expectancies, it would seem to make sense in many cases for grandparents to give financial help during their lifetimes to their adult grandchildren, rather than leaving inherited wealth for well-housed middle-aged children. Some 8% of our survey respondents had adult grandchildren, and 3% said they had given them some help to buy a home (that is, 11% of those with adult grandchildren). We heard from interviewees that some lenders

have become more cautious about accepting grandparents as guarantors or lenders because of concerns about their capacity to make well-founded financial decisions.

### What parental help enables

*Shouldn't be necessary. My daughter has a good job but rent is so high it is hard to get a deposit. Her mortgage for a better house will be less than her rent is now.*

Survey respondent, 53

In housing terms, interviewees were clear that assembling the required deposit was the main barrier to purchase; the ongoing mortgage payments were seen as unproblematic, and indeed often cheaper than paying rent. Several of the beneficiaries had *higher* incomes than the donors, who were often retired but as home owners had more wealth.

While the headlines about the Bank of Mum and Dad often focus on money for a down payment on a first home, in fact we heard about a much wider range of types of help. For instance, one parent said they had provided money to pay off a child's mortgage well before the end of its term, thus freeing up money from the household's monthly budget to spend on the grandchildren. An interviewee said that the help he gave his daughter allowed her to take out a 16-year mortgage rather than a conventional 25- or 30-year loan. Help was also given to enable children to move from a first property to a bigger one, or to buy a larger home than they would otherwise be able to afford - one focus-group participant said, referring to her lawyer son and his wife, *'We advised them that rather than buying a cheaper house now, find what you want and we will help you.'*

Several survey respondents volunteered that giving financial help was part of a deliberate strategy to transfer assets to the next generation. For the purposes of inheritance tax it can make sense to gift assets to reduce the size of the eventual estate, as after seven years a gift will be excluded from the estate. On the other hand, our focus-group participants (mostly in their early 60s and apparently healthy) were aware that they might eventually need funds for their own care. One rather extreme strategy (mentioned by a participant who is an accountant) was for parents to give away enough to reduce their savings to below the threshold for local authority payment (currently £23,250 in England). *'You want to separate yourself from your assets,'* he said, *'to defeat the ability of the local authority to collect'* in the case of needing care.

### Arrangements within families

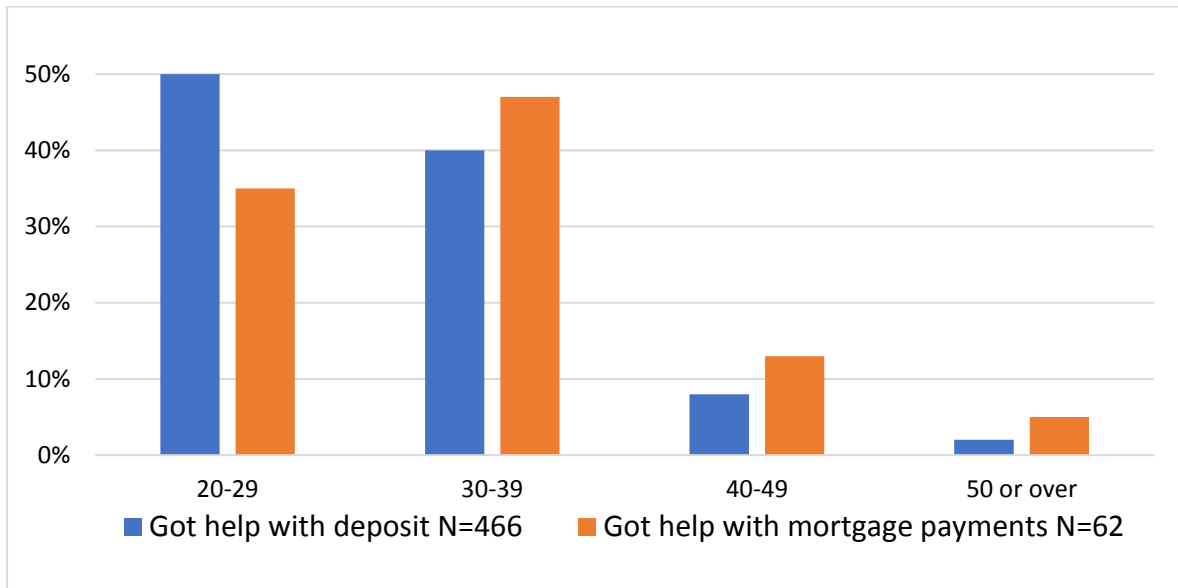
*A one off help is generous enough....daughter must finance any further upgrades!*

Survey respondent, no age given

The survey results indicated that help is targeted at a relatively young age group; about half of those who received help with the down payment were under 30 (Chart 5).

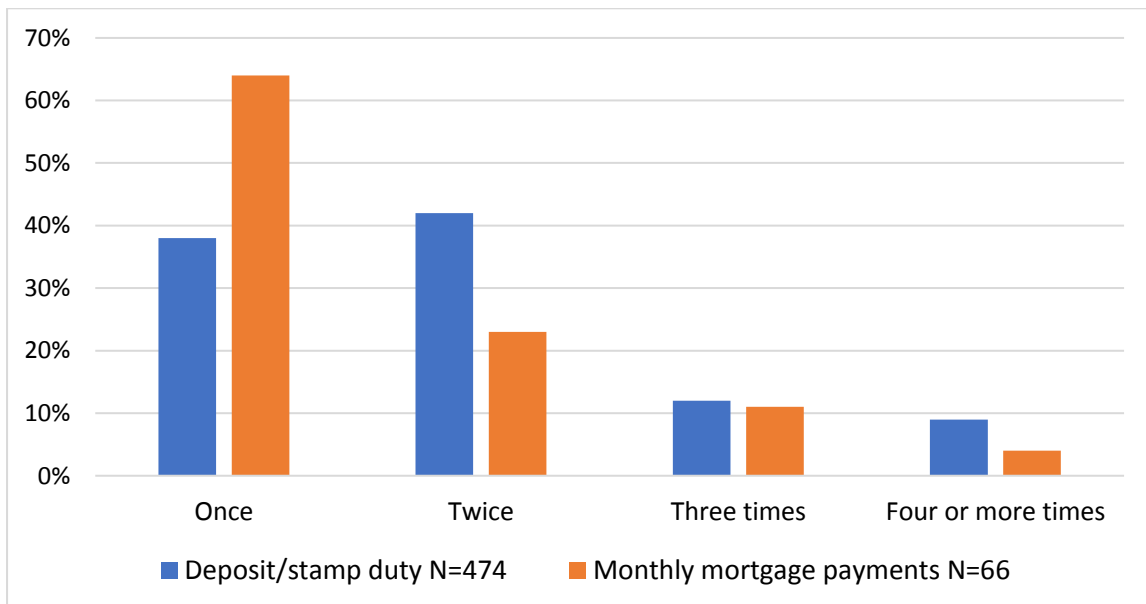


*Chart 5: Age of beneficiary when help received*



Most respondents had given help more than once (Chart 6) - either to the same relative twice or, more commonly, to more than one relative/child. Of those respondents who had given assistance more than once, most (about 88%) had helped more than one beneficiary, while 12% had helped the same child twice.

*Chart 6: Number of times donor households provided help, by type of assistance*



## Attitudes to giving and receiving help

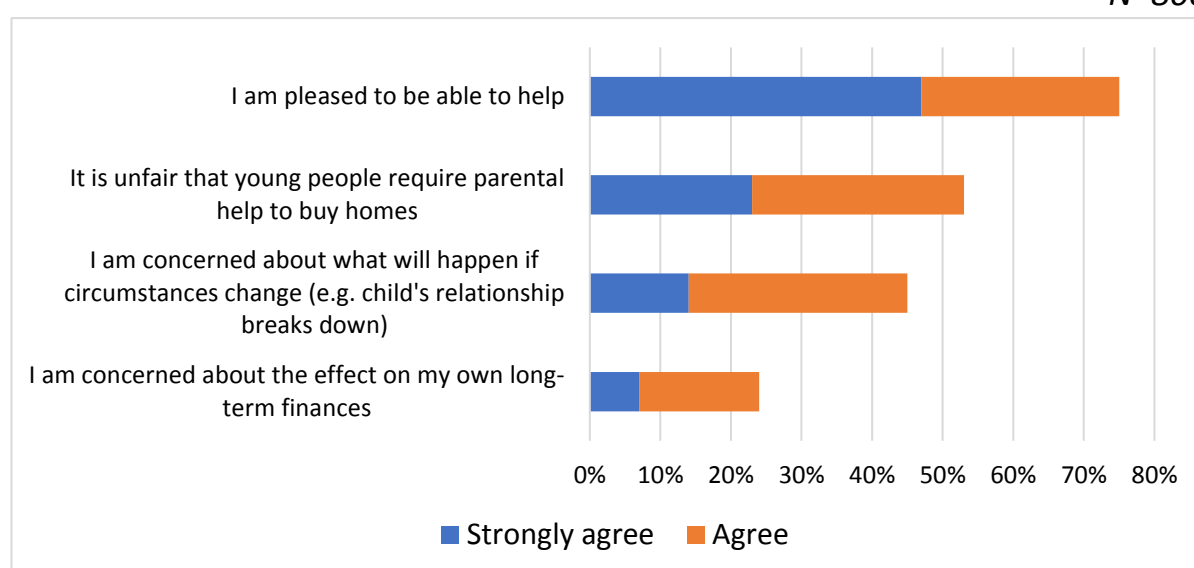
*I think that young people today have it far tougher than my husband and I did. Our son and daughter-in-law have the triple whammy of student debt, horrendously high rents and rocketing house prices. I am just so pleased that we are able to help.*

Survey respondent, 67

Survey responses indicated clearly that most respondents were pleased to be able to help (Chart 7), although about half thought it unfair that they should have to.

Chart 7: Respondents' feelings about providing financial help

N=800



Our qualitative research suggested that many regarded the need for parental help as a break in the implicit social contract - although equally, many of the donors we spoke to had themselves received help from relatives when they themselves first bought a home. And there was a small, distinct group who felt that today's young people were basically spoiled: one respondent aged 79 said, *'They should buy their first house before spending money on new furniture, cars and holidays. This is how we bought our first house.'*

On the whole, respondents to our survey were not greatly worried about how a loan or gift would impact their own circumstances. Some 7% strongly agreed that they were 'concerned about the future effect on their finances' and a further 17% agreed. Even so, many parents were concerned to ensure that they maintained control over the resources to pay for care for themselves if necessary in later life. The balance between helping offspring and preserving capital for future care needs (for example) was easiest for parents with only one child.

Some of the interviews revealed an asymmetry of attitudes between the beneficiaries and donors. Some potential beneficiaries had a (perhaps unspoken) expectation of receiving

help, while the respective donors, once they realised the reality of what they had promised or the expectations of all their children, might wonder how and indeed whether they could provide the help they expected. This could cause serious concern for donors, while the beneficiaries generally seemed less worried - perhaps because parents did not necessarily share these doubts with their children.

Some of the donors interviewed expressed concern that the circumstances that allowed them to buy homes were not there for their children - as baby boomers, they said, they were 'lucky'. And some of the recipients said their generation had been hard done by; one said she felt she and her contemporaries were *'like hamsters on a wheel, paying off student loans, paying rent, receiving stagnant wages following the financial crash and now hit by the impact of Brexit.'* She felt resentment towards people of her father's generation, who by comparison had it easy. His contemporaries were *'now buying their second or third properties, renting them out and pushing up prices.'*

We asked respondents to tell us more about how they felt about helping their relatives to buy a home. Responses ranged from pride and pleasure at being able to help, to resentment and anger at the system that made help necessary.

### What is 'fair'?

*Positive family agreement. Same rules for each child, as they require help to move up the property ladder.*

Survey respondent, 68

Much of the discussion in our focus group centred, at least implicitly, around the concept of fairness. All the participants had more than one child and had thought about how to treat them all fairly.

There seemed to be two basic conceptions of what is 'fair'. One could be called the equal-shares rule; each child should receive the same amount (usually in real, inflation-adjusted terms). Participants described setting aside a mental 'pot' of money for each child, to be given as appropriate during the life course. There was recognition that not every child would need or want to use that help for the same thing - it might be spent on a deposit on a home, furniture, moving costs, university or indeed other things entirely. One respondent, who has four daughters, said paying for his daughters' weddings came out of the same pot. This was a significant expense, rivalling that of a deposit on a new home: the last wedding had cost £45,000.

The second conception of fairness gave more weight to how much each child *needed* parental help. One participant said two of his children had married the offspring of very wealthy parents, and that those in-laws were offering generous financial support. Under the circumstances, he said, those children could get by just fine without help from him whereas their sister, who was in a low-paid job, could not. One of the beneficiaries we

interviewed said she and her two siblings had been brought up on the 'mantra' that their parents believed in treating them all fairly but not necessarily equally.

In the interviews, families with more than one child described a range of approaches, from strictly needs-based to giving each child the same amount (as with benefits in general - means tested vs universal). Those who intended to give each child the same amount sometimes saw this over the whole life cycle, saying that any difference in treatment during the parents' lifetimes would be adjusted through inheritance. Those with several children can face difficult decisions about the division of finite resources (see Heath 2018 for a discussion of how these decisions play out within families). *'Treating them equally is a problem when one or more needs to live in London and others don't,'* said one respondent (aged 86). *'In the interest of fairness, although we have only helped one of our children to buy a home we have given our other two children the same amount of money, so in effect we have given £39,000 as gifts not just the £13,000,'* said another (aged 70).

Several participants and interviewees remarked that when they were young they had received help from their own parents, and recognised that this had probably shaped their attitudes. Said one, *'My parents helped me - I suppose it was never something we decided on, it was kind of in the blood.'* He noted though that *'my parents' help was rather less - we bought a fully furnished house for £1,200.'*

## Looking ahead: plans and attitudes

*Parental support may be more limited in the future, as the cost of personal care for elderly relatives may put additional financial stress on families*  
Survey respondent, 40

Looking to the future, about half of the survey respondents said it was 'quite likely' or 'very likely' that they would help a relative buy a home in future. Most expected that help would be in the form of assistance with the down payment.

Some 11% said they were *not* likely to help in coming years. Most of these - about two-thirds - said it was because no more help was needed, but 20% were worried about their own finances. Some said they had no more relatives to help (or no relatives at all). Some replies expressed concern about fostering a negative cycle of dependency and/or feeding house-price rises.

We asked respondents with more than one potential beneficiary (i.e., more than one child or grandchild who might in future need help) how they would determine the amount to give to each. About 44% said they would give or lend the same amount to each, and 40% said the amount they gave would be determined by what they could afford at the time. Interestingly, a much lower proportion - just 12% - said they would give more to the children or grandchildren who needed it most. One commented that,

*We'd want to treat the 3 of them the same but one needs a lot more help than the others. We may re-balance the difference in our wills.*

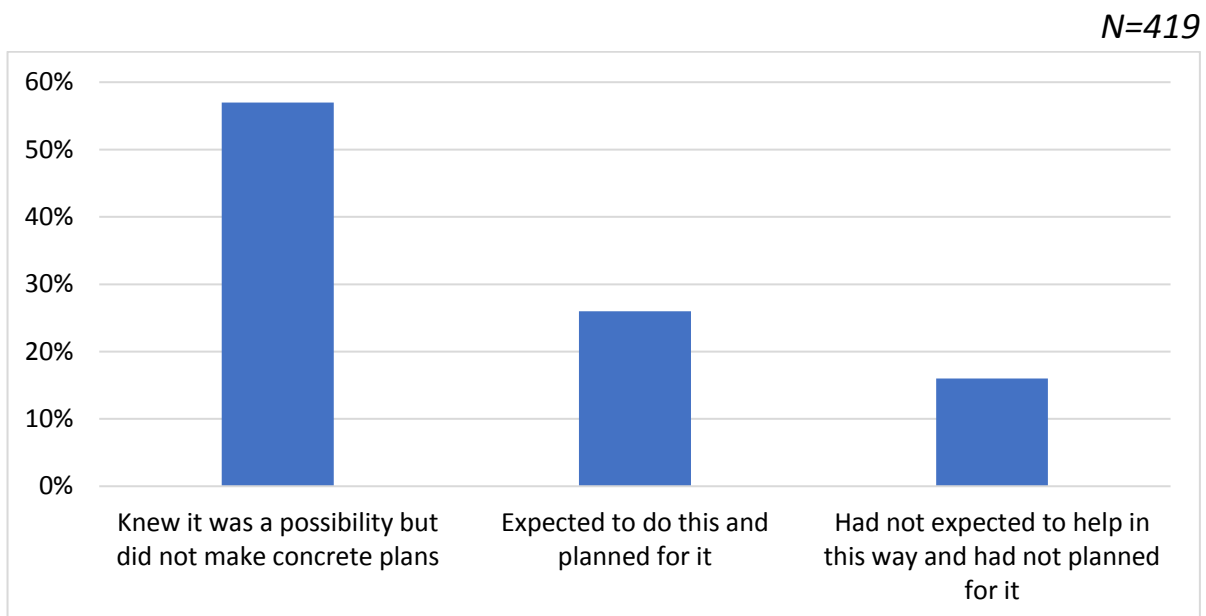
Those in 'blended' families (of which there are an increasing number) may face extra challenges when trying to achieve fairness, as the resources and attitudes of parents and step-parents may differ. One participant said,

*It also depends what their partners' parents can afford. We'd look for a deal where we all put in the same. With various divorced parents, there can be several parties involved.*

Similarly, some donors described situations in which a couple received help from one set of parents but not the other, even though both sets of parents seemed equally able to afford the money. Privately this could give rise to resentment, though this was not necessarily communicated to the beneficiaries or the other set of parents.

The survey asked about the degree to which families anticipated and planned for giving financial help to relatives. Of those who had already provided help, a strong majority said they'd recognised the possibility that help might be required, but most had not made concrete plans for it (Chart 8). About a quarter had made specific plans, while 16% said they had not expected to help in this way and had not planned for it.

*Chart 8: Whether giving financial assistance was anticipated*



Sometimes a sudden change in circumstances triggered the decision to offer help. Several survey respondents said that receipt of an inheritance had enabled them to help their children. Two of the focus-group participants said the deaths of their partners had been a catalyst for thinking about helping their children. For one, the unexpected death of his wife had caused him to rethink his priorities and to put all his efforts into helping his four children and their families. Another discovered when her husband died aged 61 that she

was entitled to a very generous death-in-service benefit and widow's pension; with these unanticipated resources she could help her son buy his own home. Similarly, life events for beneficiaries could trigger help; several survey respondents said they had offered financial support in the aftermath of a child's divorce.

## Parental influence on what is bought

*I just want to see my kids settled into a nice home.*  
Survey respondent, 57

Commonly, parents who provided financial help also had some influence on the decision about what to buy or even whether to buy. Some told us they had encouraged their children to buy at a particular time, or to consider or reject specific properties. Most of the participants agreed that through giving help they were able to steer the decision about whether and what to purchase. For some this was entirely conscious; one interviewee said that after his daughter had been renting for a while, 'as a family we decided it was better to buy.' Another said, '*I pushed my daughter into buying a seventh-floor flat in a high-rise block in Manchester after Grenfell - I chose the place and persuaded her that it was a good idea. She got it redone and it is now a great place.*' Another said she had accompanied her son to viewings of flats and asked questions that he would not have thought of. There was a sense that the parents wanted to approve of the homes purchased using their money.

## The experience of family help

The three cameos that follow are drawn from our individual interviews with recent donors and beneficiaries and illustrate some of the issues discussed in this report. Names and other identifying details have been changed.

### **1 Janet (donor), Ben and Marianne (beneficiaries)**

Marianne and Ben are first-time buyers in their early thirties. In spring 2018 they acquired a one-bed flat in a small town in London's commuter belt, the town where Ben grew up and his parents still live. Both Marianne and Ben have good jobs and had been saving hard for a deposit but found it difficult to accumulate the amount necessary for this relatively expensive part of the UK. Ben's younger brother and his wife had already bought a house using an inheritance from her grandmother.

Marianne and Ben bought the flat they had been renting because the landlord, a friend of Ben's father, gave them first refusal when he decided to sell. According to Marianne this catapulted them into buying a little earlier than they might have otherwise. Marianne had a poor credit rating from her time as a student which meant that many of the major high street lenders would not consider them, so the couple talked to a mortgage broker about options.

Ben's mother Janet realised the couple might need help, and together with her husband provided a lump sum to top up their deposit and agreed to help with various costs. However, the mortgage

broker suggested that because of Marianne's credit history they would get a more favourable loan if Ben's parents were also prepared to accept a charge on their property.

At a family meeting between Ben's parents and the younger couple, Janet and her husband stressed the need for absolute honesty and for Marianne and Ben to fully consider their responsibilities. The ensuing conversation was 'difficult'; Ben's father had perhaps the greatest concerns. Ben's parents told the younger couple that if the going got tough they should come to them first for help with repayments to minimise the risk to both properties--but also made it clear that Ben and Marianne were 'under pain of death' to make the payments.

There were other tensions which appear to have gone unspoken. Janet felt uncomfortable that Marianne's parents, whom she judged to be in a similar financial position to her own, made no offer of financial help to their daughter. Janet's husband was particularly concerned that Ben and Marianne were not married and worried about the financial consequences should the relationship break down. He was at pains to make sure that he and Janet took this into consideration at every step and that everything was split 50/50.

## **2 Nina (beneficiary)**

Nina and her boyfriend are both 25 and in December 2017 bought their first property, a two-bed house in a small town on the Surrey/Hampshire border. Both the location and the type of property were important to the couple: this is the town where Nina's boyfriend works while she commutes daily to her job in London. Nina's father also lives in a small town close by.

According to Nina, she and her partner had previously spent some time travelling and doing 'all the young stuff'. When they moved back to the UK they lived with her partner's parents, saved hard and didn't go out, in order to get a deposit together. It was a conscious decision not to rent but to buy something as soon as they possibly could.

Nina didn't feel there had been any long-term plan or expectation that her family would help her, rather it was a response to the situation. Her father knew a mortgage broker, who broached the subject of the FBS Family Mortgage. The option of a charge on her father's property was explored but rejected; instead, he decided to deposit an agreed sum with the lender in an interest-bearing account. Nina suggested that her father felt more comfortable with this option as his money is kept in a separate location and returned, with the interest earned, after ten years. This also suits her; she feels more independent than if her father had given them the money directly.

Nina and her partner had explored the Help to Buy scheme but did not pursue it, preferring to buy with the family support provided. The government removed stamp duty land tax for first-time purchases just as they were about to buy - an additional and unexpected bonus.

Nina believes that the kind of parental support she and her partner received is essential today and doesn't know anyone who has been able to buy without financial help from a family member. Even allowing for this, she has many friends in London who would find it impossible to contemplate buying.

### 3 Peter (donor)

Peter and his wife are both 60. They live in a large house they bought in the 1980s and have done up over the 30 years they have lived there. Peter works in an admin role in financial services and his wife runs a property management and rental company from an office at their home. They have two children, a daughter who lives close to them and a son who currently lives and works overseas. Both Peter's mother and his wife's live on their own and remain financially independent.

When his daughter took a job close to her parent's home, Peter assumed that she and her partner would move into part of his property, perhaps doing up one of the outbuildings to make their own home. However, his daughter had other ideas; she and her partner wanted a place of their own. They rented for three years before they found a property they liked, deciding on a mid-terrace one-and-a-half bed property with a parking space and small garden. Having found the property, they then started to think about finance.

Peter had always known that he would have to provide financial help in some form or another for his daughter and eventually for his son when he returns from abroad. As he works in the financial industry, he did his own research into the best options for his daughter and himself but did not take any other legal or financial advice. In the end he chose to have a bond on his own property, having decided that a lump sum deposit was not for him. Peter is of the view that he and his wife are not at a stage in their lives when they might need to take out loans for themselves which could be impacted by the bond.

Peter's daughter and her partner moved into their new home in summer 2017. She has a good education and is in a secure job; her partner is also doing very well in his job and the couple could now afford to buy something bigger, so the bond may not be necessary for much longer.

Of greater concern to Peter was that the relationship between his daughter and her partner might not last. He sat them down and asked them to prepare a financial plan and explore whether either of them could afford the property on their own. They realised they couldn't and he stressed the importance of them staying together.

Peter says he doesn't mind helping someone who is trying to help themselves but doesn't approve of things being handed to anyone on a plate. Both his daughter and her partner are grateful for his support.

## The wider policy and market framework

*(I am) angry and disappointed in the Government to have allowed this to happen particularly when pension incomes are also under pressure.*

Survey respondent, 64

Given the wider social and economic impacts of parental help, should the practice be simply tolerated or actively encouraged? From the point of view of their own families, interviewees and focus-group participants were clear that the ability to help was a good thing. Their children and grandchildren could live in better homes and broadly enjoy better



lives because of it. One focus-group participant said family help should be encouraged by tax incentives, as it helped young households access appropriate accommodation and partly offset the post-GFC tightening of mortgage conditions.

Some interviewees, including both customers and professional stakeholders, were concerned that family parental help could be fuelling house-price inflation - although financial intermediaries saw the effect as small. A number of donors said, in survey responses, the focus group and interviews, that parental help perpetuated inequality at a systemic level. This observation did not preclude them helping their own families, but several expressed a deep sense of unfairness that not all families were in such a fortunate position. Some saw the need for parental help as a symptom of broader-based problems in the housing market. They identified shortage of housing supply as a fundamental problem, and what one focus-group participant called the irrational English obsession with home ownership.

Asked about government policies to support home ownership, only about 20% of our survey respondents said relief from stamp duty land tax had made it easier for them to help family members, but nearly 70% agreed that more houses should be built specifically for first-time buyers. Those who mentioned Help to Buy mostly said that it was something they had considered but rejected, either because it did not apply to the kind of property they wanted to buy or because they weren't sure how it worked and were wary of getting involved with a government lender. However, the customer interviews focused on those who had Family Building Society family mortgages, which are in one sense a substitute for Help to Buy (although that is available only on new-builds); we have no evidence about how widespread this feeling is in the overall market.

Both stakeholders and customers said there was a need for more, and more detailed, financial education for young people as part of the standard secondary-education curriculum. Stakeholders and customers agreed that the policy and tax context was confusing and contradictory, and felt the government should do more to integrate policies around taxation, pensions, home ownership and inheritance.

### The views of lenders and government

Lenders recognise that parental help is a market opportunity. Relatively few of the parents/family members who offer help will channel it through a specialist financial product such as a family or guarantor mortgage, or a joint borrower/sole proprietor mortgage, even though such products can be advantageous for both parties. There is a challenge for the industry in marketing these products to the households who would benefit from them. They seem to be marketed mainly at parents (who often hear about them through financial advisers, mortgage brokers or estate agents) rather than at children - which would seem to be more sensible. However one reason for this is, as one expert said, that *'parents have soft knowledge so are in the best position to assess risk'*.

Some of the new products involve guarantees in one form or another, allowing parents to act as a backstop rather than transferring cash. They are not (yet) part of the mortgage-market mainstream; these are complex arrangements that are mostly sold through brokers. They require time and effort to set up and to explain to the consumer, but these costs cannot necessarily be passed on. Equity-release mortgages are a more familiar way of releasing capital and can indeed be used to free up funds to help children, but they are extremely expensive and, if they involve deferred interest, can eat away at people's inheritance. Suspicion of equity release has arguably coloured the consumer view of the newer specialist products. In fact, the newer products seem to be relatively low-risk for both consumers and lenders; the FCA has imposed strict regulatory controls and the parents who sign up to them understand more about their children's behaviour and priorities than any lender could hope to.

Several of the mortgage providers and brokers we interviewed said that young employed households in stable employment who were paying rent could usually afford to service a mortgage. In the past, there were products that could help overcome the down-payment constraint. Now, however, it was almost impossible to provide products such as 100% mortgages, or initial interest-only loans to this market. The Mortgage Market Review, undertaken to curb pre-GFC excesses, placed strong restrictions on such lending when it came into effect in 2014 and the stress tests limit what households can borrow.

The financial authorities that we interviewed were generally only concerned about parents who borrowed money to help their children or became party to loans that put their own assets at risk, which is a relatively small minority of donors. In this context they agreed that some of the products were complex but felt that the intermediaries who were normally involved were well aware of their attributes. At present the products were being provided by highly reputable lenders to those who could readily afford them, and the regulators considered them to be an important and valuable development. Were the products to move more towards distress lending, the regulators would be concerned. They were also aware that some parents or grandparents were (or could become) vulnerable and therefore open to family pressure— as indeed could any customer in certain circumstances. At a more general level most of the professionals we spoke to were concerned that parents were underestimating their own financial needs. In the view of one expert, some parents were *'increasingly over-generous in the light of people living longer, and poorer than expected pensions'*. This concern was also reflected in comments that older households should be encouraged to run down their assets to pay for their own increasing needs and should avoid putting their financial security in jeopardy.

The interviewees welcomed the idea of a toolkit or checklist of points that every family should address. And which identified where additional advice might be required. Working through such a checklist would help ensure that clients had fully understood what they were taking on.

More generally, providers, regulators and policy makers alike said that, as people lived longer, the traditional aspiration of the older generation to die with their pension intact and

full equity in housing looked increasingly unrealistic. Specialist family-assistance mortgage products were therefore a useful addition to the mechanisms for enabling equity to be released.

Our interviews suggested that civil servants largely viewed parental help as a private matter: it was entirely legitimate, several said, for individuals and families to decide how to allocate their own wealth. The attitude is reflected in a comment from one regulator, who said there was *'no real benefit in government intervention except to iron out a few technical issues as they arise with respect to new products.'*

However, the growing importance of parental assistance has implications that go beyond the finances and relationships of the family members involved, and there are implicit public-policy assumptions about how the wealth of older people will be used. For example, current arrangements for social care are based on the expectation that care recipients will pay for services themselves until their own resources are depleted - but what if these care recipients already used the bulk of their funds to help their children buy homes? The value of owner-occupied homes is now specifically protected within inheritance tax, and specialist products allow parents to lever this value to help their children - and to remain as empty nesters rather than downsizing (especially given the stamp duty implications of downsizing). There seems to be a lack of joined-up thinking at government level about the wider implications of family help.

A final comment made by many of our interviewees was a broad based concern that the Bank of Mum and Dad, while a matter for private decision could have longer term negative implications by reinforcing the relative capacities of those with relatively well-off parents to enter the housing market earlier and with lower costs than those without such security. They saw this as part of a much wider concern about increasing inequality being 'baked into' our social system.

## Discussion and conclusions

Parents helping their children to buy a home has become an established part of the housing-finance system. Normally these arrangements are informal (even secret), but there are an increasing number of specialist products that allow for family assistance without handing over cash. This formalisation is in many ways a good thing; the new tools offer more choice to families, enable young and not so young households to access owner occupation earlier than they otherwise would, and help older people retain control of their assets.

These arrangements are possible now because many of those in the cohort covered by our survey (88% of whom were aged between 50 and 79) have enjoyed a long period of low interest rates (capitalised into large house-price increases) and have benefitted from generous final-salary pension schemes. In this context, a system of intergenerational wealth transfer to share out the benefits seems like a positive thing. If we accept that many or even most young households will need help to get on the property ladder, then a system

that allows families to provide this help where possible could free up public resources to help those who do not have access to such funds. At the moment, however, policy instruments such as Help to Buy and shared ownership make no distinction between households with access to family money and those without. The government should examine the distributional effects of the policy and consider whether there is a case for greater targeting.

The conditions that now favour family wealth transfers are unlikely to hold past the next generation of parents. People now in their 40s, say, are less likely to work for a single employer throughout their career and are much less likely to have final-salary pensions. Many will still be paying off their own mortgages when their children start thinking about buying and, indeed, maybe until they die themselves. There is therefore no certainty that the flow of resources down the generations will continue at the same rate in future generations.

The giving and accepting of help can be an awkward subject; many families are not comfortable talking about money (one recent report calls it 'a taboo subject' [Post Office 2018]). While the principle may be accepted by all concerned, the details are often very fuzzy.

Given that most families do not take legal or financial advice from professionals, an agreed checklist of issues to explore would open the door to better and more timely discussions, and perhaps forestall future problems. This checklist should cover issues such as whether the assistance is a loan or a gift; repayment arrangements if it is a loan; whether the donor has a say in what happens to the property or the right to use it themselves; what happens if the beneficiary's relationship breaks down or if a parent dies; and whether parents will benefit from uplift in the property value.

Two more general policy concerns raised across our interviewees were (i) that the Bank of Mum and Dad might be further worsening wealth and housing inequality into future generations and (ii) that helping younger people with housing costs might leave some parents financially vulnerable. The first can only be addressed by wider government policy initiatives; the second suggests the need for better signposted, more readily available and more holistic financial advice, especially for older people.

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## Annex A: Methods

Our broad research questions were:

- What mechanisms do families use when providing financial help with house purchase?
- How do donors and beneficiaries feel about giving/receiving financial assistance?
- What are the longer-term implications for policy of increased reliance on family help?

We conducted the research in five stages:

- (i) Literature review and data audit
- (ii) Empirical work: Interviews and customer survey
- (iii) Analysis
- (iv) Development of conclusions and recommendations
- (v) Short report and launch

**Literature review and data audit:** We carried out a desk-based policy, literature and data review to identify what is known about the amount of assistance provided by family members to help with house purchase, and the terms under which this help is provided. We looked at academic as well as professional and ‘grey’ literature, and did a brief survey of relevant international publications

**Empirical work:** We carried out a short web-based *survey* for FBS savers and borrowers to ask about their experience of family assistance, focusing on those aspects that have been little explored by other researchers. These include

- How families determine the amount required and the amount that can be provided, and whether advice is taken
- Whether assistance is provided in the form of a gift or a loan, or through another avenue (eg guaranteeing a loan)
- Parental use of equity release
- Whether and how the transactions are documented
- Attitudes to family assistance

The text of the survey questionnaire can be found at Annex D. At the end of the survey we invited interested respondents to take part in a focus group to discuss the issues in more depth.

We conducted a 90-minute **focus group** at LSE; participants were recruited from survey respondents and were all parents who had provided help to children.

We intended to conduct a parallel exercise with children who had received help but it proved difficult to find a time and date that suited enough participants; we therefore carried out **telephone interviews** with some of the recipients of help who volunteered to take part in a focus group. We conducted similar interviews with a number of customers of the Family Building Society ‘Family Mortgage’, including both donors and beneficiaries. FBS provided contact details for these individuals.

The family mortgage is marketed to family members as a means of putting their assets to work for the buyer as security for the mortgage, as well as helping the next generation to own their own

home without giving the money as a gift. It provides three ways in which family members can help buyers:

- Depositing money (a fixed amount at the beginning of the process, min £5,000) into an account which provides some interest.
- Offering their own property as security
- Depositing money (again a fixed amount at the beginning of the process, min £5,000) into an account which offers no interest

These three options are not mutually exclusive and family members can provide help using one, two or all three options in combination.

The customer interviews and focus groups allowed us to discuss the most interesting survey findings on both formal and informal means of providing assistance, and to explore attitudes and particular family narratives in more depth. Anonymised quotes from the focus groups and interviews appear in the research report.

Finally, we conducted a number of semi-structured *interviews* with informed individuals mainly involved in the formal mechanisms for providing such assistance, including

1. Lenders and mortgage brokers (to explore their experience with family assistance in the markets they are familiar with)
2. HM Treasury, Bank of England, HMRC and MHCLG (to understand how government monitors this phenomenon, whether and why it arouses concern, and what policy could do to address it)
3. Representatives of the main categories of market actors



## Annex B: Profile of survey respondents

The profile of the respondents suggests that they are largely empty-nesters. Some 69% of respondents live in two-person households, and about the same proportion are married or in civil partnerships.

Some three quarters of respondents had children over the age of 21 and 8% also or instead have younger children. Some 58% of those with adult children had two children, with 18% having a single child or three children.

More than a third of respondents have grandchildren. Most of these grandchildren are under 21 so too young to be in the housing market, but 8% of our respondents had grandchildren of house-buying age.

### Whether respondents have children and/or grandchildren

**N=795**

	Count	%
adult children (over the age of 21)	585	74%
grandchildren aged 20 or younger	285	36%
children aged 20 or younger	67	8%
adult grandchildren (over the age of 21)	61	8%

Nearly three-quarters of respondents were in their 60s and 70s. Some 68% were retired, and a quarter were employed.

### Age of respondent

**N=740**

Age	Count	%
20-29	6	1%
30-39	17	2%
40-49	32	4%
50-59	112	15%
60-69	318	43%
70-79	221	30%
80-89	31	4%
90-99	3	0%
Grand Total	740	100%

Reported annual incomes were relatively high for a group is dominated by retired people. Fewer than one-fifth reported incomes under £25,000 per annum, with 38% earning over £50,000.

## Respondents' annual household incomes

n=593

Annual income before tax	Count	%
Under £25,000	113	19%
£25,000 - £49,999	253	43%
£50,000 - £99,999	163	27%
£100,000 -£124,999	29	5%
£125,000 - £150,000	14	2%
Over £150,000	21	4%

## Annex C: Pro formas for customer and stakeholder interviews

### Questions for donors

1. When and why did the interviewee first start to think about helping a family member to buy their own property? Prompt: was this a long-term plan or response to particular circumstances?
2. Was the impetus to help a family member initiated by the interviewee or at the request of the person seeking to buy?
3. Who was the family member they planned to help and why did they need it?
4. Are other family members likely to need, or have already had some kind of help from the interviewee in order to buy a property?
5. Why was the decision, in this particular case, taken when it was?
6. How did you decide how much to give/offer? If other family members need help in future, would you offer the same amount to each or not necessarily?
7. When did the purchase (and start of the family mortgage) take place?
8. Where is the property? Could you tell me something about it, please?
9. What was the process that led the interviewee to contributing to a family mortgage? How did they become aware of it? Did they consider other options? If so what, and why did they decide not to pursue it/them?
10. Did they seek financial or legal advice in addition to advice (if any?) given by the building society?
11. Of the three ways in which its possible to contribute to the family mortgage (list if necessary) could you tell me which one(s) you chose and why?
12. How much (roughly) did you contribute? How does the decision to contribute to a family mortgage impact on your own financial position? Do you have concerns about it?
13. Overall, how do you feel about parents (or other relatives) helping other family members to buy property? Prompt: what families are for, an imposition, encouraging a dependency culture, something the government should be tackling etc
14. Could you tell me something about yourself, please?
  - Age (self and spouse, if appropriate)
  - Single, married, widowed, divorced
  - Number of children (including adult children). Any adult grandchildren?
  - Any other dependents (e.g. elderly relatives)
  - Working (employed, self employed) or retired (self and spouse etc)
  - If working what do you do (self and spouse etc)
  - If retired, when did you stop working (self and spouse etc)
  - Do you own your own home? If so, do you have a mortgage on it or is it mortgage free
  - Do you own any other properties in the UK or abroad?
  - Could you give an indication of the current total household income (use bands used in questionnaire?)

### Questions for beneficiaries

1. Could you start by telling me who it was who helped you to buy your property? E.g. Parents, one parent, grandparents, In-laws?
2. Was this the first property you bought? What did you buy, when was this and where is it? How much did it cost and how much was the family contribution? Why did you buy in this location, at this time, and why this particular type of property? If there is a previous history of property owning could you tell me the sequence?
3. Have you always expected/ known for some time that when you wanted to buy a property you might receive some financial help?
4. Did you initiate the conversation with the relative(s) named in Q1, or was it their suggestion to help you when they did?
5. And why at this particular time?
6. Have other members of your family previously received help in buying or are likely to in the future? If so, do you expect the same relative(s) named in Q1 will be able to help them too?
7. What was the process that led the relative(s) to contributing to a *family mortgage*? How did you/they become aware of it? Did they consider other options? If so what? And why did they decide not to pursue it/them?
8. Did you discuss with them the implications of different forms of finance for you and for them, or when considering the family mortgage specifically, the different ways people can contribute (list if necessary)? If not was this something they preferred to explore on their own?
9. How do you feel about this particular form of financial support?
10. Overall, how do you feel about parents (or other relatives) helping other family members to buy property? Prompt: what families are for, a necessity given the high price of property today, something the government should be tackling etc
11. Could you tell me something about yourself, please?
  - Age (self and spouse, if appropriate)
  - Single, married, widowed, divorced
  - Number of children, ages
  - Working (employed, self-employed, self and spouse etc)
  - If working what do you do (self and spouse etc)
  - If unemployed, unable to work could you tell me a bit more about this.
  - Do you own any other properties in the UK or abroad?
  - Could you give an indication of the current total household income (use bands used in questionnaire?)

### Questions for lenders and mortgage brokers

1. The proportion of buyers getting financial help from their parents has been steadily rising over the last 15 years. Do you monitor this in your own business? How?
2. Is it a cause for concern, or is it seen as something positive? Why is that?
3. Can we expect this trend to continue? Why or why not? (eg house prices may fall so less necessary; change to pensions means older people have less secure incomes)
4. Given that this is now such an important part of the housing-finance package, should it be recognised in some way in policy? Should it be encouraged or discouraged? Why?

5. Our survey indicated that fewer than 15% of donors took financial or legal advice before giving/lending money to their children, and that less than a quarter drew up a loan contract or deed of gift. Does this raise concerns about the tax efficiency or any unintended consequences of these transactions? What in particular?
6. Tell me about your understanding of the market for specialist family-mortgage products (eg guarantor mortgages, joint mortgages etc). Have the number of products increased in recent years?
7. Has demand increased? Why? Is it driven only by house prices or are there other factors?
8. What is the demand profile for this type of product—is it mainly parents helping their children, or are there other important relationships?
9. Apart from demand, are there factors that have helped the development of this market (eg regulatory changes)? Any factors that have hindered it?
10. Do you track arrears and possessions on these vs standard mortgages? What do you find?
11. Is there anyone else we should talk to? Anything we should have asked but didn't?

#### Questions for public-sector interviewees

1. The proportion of buyers getting financial help from their parents has been steadily rising over the last 15 years. How do you monitor this phenomenon? Do you have adequate tools to track this, or do you think there is a lot going on under the radar?
2. Is it a cause for concern, or is it seen as something positive? Why is that?
3. Our survey indicated that fewer than 15% of donors took financial or legal advice before giving/lending money to their children, and that less than a quarter drew up a loan contract or deed of gift. Does this raise concerns about the tax efficiency or any unintended consequences of these transactions? What in particular?
4. What are the implications for inheritance tax revenue? Are there implications for other taxes?
5. Can we expect this trend to continue? Why or why not? (eg house prices may fall so less necessary; change to pensions means older people have less secure incomes)
6. Given that this is now such an important part of the housing-finance package, should it be recognised in some way in policy? Should it be encouraged or discouraged? What policy levers would be available?
7. Do you have concerns that the rise of parental help leads to increasing social inequality?
8. Is there anyone else we should talk to? Anything we should have asked but didn't?

#### Questions for groups representing older people (likely donors) or younger people (likely beneficiaries)

- The proportion of buyers getting financial help from their parents has been steadily rising over the last 15 years. Looked at from the point of view of OLDER PEOPLE/YOUNGER PEOPLE, is this a cause for concern, or is it something positive? Why is that?
- Can we expect this trend to continue? Why or why not? (eg house prices may fall so less necessary; change to pensions means older people have less secure incomes)
- Our survey indicated that fewer than 15% of donors took financial or legal advice before giving/lending money to their children, and that less than a quarter drew up a loan contract or deed of gift. What issues does this raise for OLDER PEOPLE/YOUNGER PEOPLE?
- Do you have concerns that the rise of parental help leads to increasing social inequality?
- Given that this is now such an important part of the housing-finance package, should it be recognised in some way in policy? Should it be encouraged or discouraged? Why?
- Is there anyone else we should talk to? Anything we should have asked but didn't?

## Annex D: Online survey questionnaire

# Parental Help (for Family Building Society)

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### Start of Block: Introduction

Q1 Thank you for agreeing to answer this survey, which should take no more than 10 minutes. It is part of a research project on how people help family members to purchase a home. The research is being carried out by the London School of Economics for the Family Building Society. We understand that these are personal questions; your responses are confidential and anonymous, and will be used for analytical purposes only. **The survey will be open until 5pm 24th July.** Your time is valuable, so to thank you, we will enter each respondent into a prize draw for the chance to win £350 for a charity of their choice. There is a link at the end of the survey.

### End of Block: Introduction

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### Start of Block: ABOUT HELP ALREADY GIVEN

Q2 The following are some ways that people can help family members to buy a home. Have you ever helped a child, grandchild, or other relative (parent, nephew etc) in any of these ways?


	Yes, I/we have done this (1)	No, I/we have never done this (2)
Providing money for some/all of the deposit (1)	<input type="radio"/>	<input type="radio"/>
Providing money for Stamp Duty or legal costs (4)	<input type="radio"/>	<input type="radio"/>
Helping with monthly mortgage payments (2)	<input type="radio"/>	<input type="radio"/>
Supporting a mortgage (eg guaranteeing mortgage, or taking out joint mortgage) (3)	<input type="radio"/>	<input type="radio"/>

#### Display This Question:

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for some/all of the deposit [ Yes, I/we have done this ]*

*Or The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for Stamp Duty or legal costs [ Yes, I/we have done this ]*

Q3 You said you had helped relatives out with money for a deposit or Stamp Duty. How many times have you done this?

	1	2	3	4	5	6	7	8	9	10
Number of times ()										

*Display This Question:*

*If You said you had helped relatives out with money for a deposit or Stamp Duty. How many times have... [ Number of times ] > 1*

Q4 How many individual relatives have you helped with a deposit or Stamp Duty?

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

Number of relatives helped ( )



*Display This Question:*

*If You said you had helped relatives out with money for a deposit or Stamp Duty. How many times have... [ Number of times ] > 1*

Q5 Thinking about the **most recent** transaction where you helped with the deposit or Stamp Duty, who was the buyer of the property?

- child (1)
- grandchild (2)
- parent (3)
- Other (please specify) (4) \_\_\_\_\_

*Display This Question:*

*If You said you had helped relatives out with money for a deposit or Stamp Duty. How many times have... [ Number of times ] = 1*

Q6 Who was the buyer of the property?

- child (1)
- grandchild (2)
- parent (3)
- Other (please specify) (4) \_\_\_\_\_

*Display This Question:*


*If The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for some/all of the deposit [ Yes, I/we have done this ]*

*Or The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for Stamp Duty or legal costs [ Yes, I/we have done this ]*

Q7 How old was the buyer when the transaction took place?

20 30 40 50 60 70 80 90 100




years old ()	
--------------	------------------------------------------------------------------------------------

Display This Question:

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for some/all of the deposit [ Yes, I/we have done this ]*

*Or The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for Stamp Duty or legal costs [ Yes, I/we have done this ]*

Q8 What year did they buy the home?

	1980	2018
Year ()		

Display This Question:

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for some/all of the deposit [ Yes, I/we have done this ]*

*Or The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for Stamp Duty or legal costs [ Yes, I/we have done this ]*

Q9 Where was the dwelling located (city or postcode)?

---

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for some/all of the deposit [ Yes, I/we have done this ]*

*Or The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for Stamp Duty or legal costs [ Yes, I/we have done this ]*

**Q10 What kind of purchase was it?**

- First-time purchase (1)
- Moving up the ladder (2)
- Holiday home (3)
- Buy to let investment (4)
- Retirement home (5)
- Other (please specify) (6) \_\_\_\_\_

*Display This Question:*

*If What kind of purchase was it? = First-time purchase*

*Or What kind of purchase was it? = Moving up the ladder*

*And If*

*The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for some/all of the deposit [ Yes, I/we have done this ]*

*Or The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for Stamp Duty or legal costs [ Yes, I/we have done this ]*

**Q11 Was the property purchased on a shared ownership basis?**

- Yes (1)
- No (2)
- Not sure (4)

*Display This Question:*

*If What kind of purchase was it? = First-time purchase*

*And Was the property purchased on a shared ownership basis? = No*

*And If*

*The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for some/all of the deposit [ Yes, I/we have done this ]*

*Or The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for Stamp Duty or legal costs [ Yes, I/we have done this ]*

Q12 Was the property purchased using Help to Buy?

- Yes (1)
- No (2)
- Not sure (3)

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Providing money for some/all of the deposit [ Yes, I/we have done this ]*

*Or The following are some ways that people can help family members to buy a home. Have you ever help...  
= Providing money for Stamp Duty or legal costs [ Yes, I/we have done this ]*

Q13 How much did the dwelling cost (approximately)?

---

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Providing money for some/all of the deposit [ Yes, I/we have done this ]*

*Or The following are some ways that people can help family members to buy a home. Have you ever help...  
= Providing money for Stamp Duty or legal costs [ Yes, I/we have done this ]*

Q14 How much was your contribution?

---

Display This Question:

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for some/all of the deposit [ Yes, I/we have done this ]*

*Or The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for Stamp Duty or legal costs [ Yes, I/we have done this ]*

Q15 Did you take any financial advice (consult a financial advisor) beforehand?

Yes (1)

No (2)

Display This Question:

*If Did you take any financial advice (consult a financial advisor) beforehand? = Yes*

Q83 How did that advice affect your decision?

1 (1) \_\_\_\_\_

Display This Question:

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for some/all of the deposit [ Yes, I/we have done this ]*

*Or The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for Stamp Duty or legal costs [ Yes, I/we have done this ]*

Q16 Did you take any legal advice beforehand?

Yes (1)

No (2)

Display This Question:

*If Did you take any legal advice beforehand? = Yes*

Q82 How did that advice affect your decision?

1 (1) \_\_\_\_\_

Display This Question:

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for some/all of the deposit [ Yes, I/we have done this ]*

*Or The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for Stamp Duty or legal costs [ Yes, I/we have done this ]*

Q17 Was the help in the form of a loan or a gift?

Loan (1)

Gift (2)

*Display This Question:*

*If Was the help in the form of a loan or a gift? = Gift*

Q18 Did you draw up a formal deed of gift?

Yes (1)

No (2)

*Display This Question:*

*If Was the help in the form of a loan or a gift? = Loan*

Q19 Did you use a formal loan contract?

Yes (1)

No (2)

*Display This Question:*

*If Was the help in the form of a loan or a gift? = Loan*

Q20 Are you charging interest?

Yes (1)

No (2)

*Display This Question:*

*If Was the help in the form of a loan or a gift? = Loan*

Q21 Is the recipient making regular payments or is the arrangement more informal?

Regular payments (1)

As and when possible (2)

*Display This Question:*

*If Was the help in the form of a loan or a gift? = Loan*

Q22 When do you expect the loan to be repaid?

Don't know/no specific date

20182021202420272030203320362039204220452048

year ()



Display This Question:

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for some/all of the deposit [ Yes, I/we have done this ]*

*Or The following are some ways that people can help family members to buy a home. Have you ever help... = Providing money for Stamp Duty or legal costs [ Yes, I/we have done this ]*

Q23 Where did the funds come from to provide this help? (choose as many as apply)

- Savings (1)
- Inheritance (2)
- Equity release on own home (3)
- Sale of other property (4)
- Funds released from pension, or pension lump sum (5)
- Remortgage (6)
- Other (please specify) (7) \_\_\_\_\_

Display This Question:

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Helping with monthly mortgage payments [ Yes, I/we have done this ]*

Q24 You said you had helped relatives out with monthly mortgage payments. How many different mortgage loans have you contributed to paying?

1 2 3 4 5 6 7 8 9 10

Number ()



Display This Question:

*If You said you had helped relatives out with monthly mortgage payments. How many different mortgage... [ Number ] > 1*

Q25 How many individual relatives have you helped in this way?

1 2 3 4 5 6 7 8 9 10

Number of relatives helped ()	
-------------------------------	--

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Helping with monthly mortgage payments [ Yes, I/we have done this ]*

Q26 Thinking about the **most recent** time you helped with a mortgage payment, when was this?

	2000	2018
Year ()		

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Helping with monthly mortgage payments [ Yes, I/we have done this ]*

Q27 Whose mortgage was it?

- child (1)
- grandchild (2)
- parent (3)
- Other (please specify) (4) \_\_\_\_\_

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Helping with monthly mortgage payments [ Yes, I/we have done this ]*

Q28 On the most recent occasion, how much did you contribute to the mortgage payment?


\_\_\_\_\_

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Helping with monthly mortgage payments [ Yes, I/we have done this ]*

Q29 For how long did you/have you been helping out with the mortgage payments?


0 1 2 3 4 5 6 7 8 9 10

Years ()	
----------	------------------------------------------------------------------------------------

Display This Question:

*If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Helping with monthly mortgage payments [ Yes, I/we have done this ]*


Q30 How old was the buyer when they bought the property?

	20 30 40 50 60 70 80 90 100
years old ()	

Display This Question:

*If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Helping with monthly mortgage payments [ Yes, I/we have done this ]*

Q31 What year did the purchase take place?

	1980 2018
Year ()	

Display This Question:

*If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Helping with monthly mortgage payments [ Yes, I/we have done this ]*

Q32 Where was the dwelling located (city or postcode)?

---



*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Helping with monthly mortgage payments [ Yes, I/we have done this ]*

Q33 What kind of purchase was it?

- First-time purchase (1)
- Moving up the ladder (2)
- Holiday home (3)
- Buy-to-let investment (4)
- Retirement home (5)
- Other (please specify) (6) \_\_\_\_\_

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Helping with monthly mortgage payments [ Yes, I/we have done this ]*

Q34 How much did the dwelling cost (approximately)?

\_\_\_\_\_

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Helping with monthly mortgage payments [ Yes, I/we have done this ]*

Q35 Did you take any financial advice (consult a financial advisor) beforehand?

- Yes (1)
- No (2)

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Helping with monthly mortgage payments [ Yes, I/we have done this ]*

Q36 Did you take any legal advice beforehand?

Yes (1)

No (2)

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Helping with monthly mortgage payments [ Yes, I/we have done this ]*

Q37 Was the help in the form of a loan or a gift?

Loan (1)

Gift (2)

*Display This Question:*

*If Was the help in the form of a loan or a gift? = Gift*

Q38 Did you draw up a formal deed of gift?

Yes (1)

No (2)

*Display This Question:*

*If Was the help in the form of a loan or a gift? = Loan*

Q39 Did you use a formal loan contract?

Yes (1)

No (2)

*Display This Question:*

*If Was the help in the form of a loan or a gift? = Loan*

Q40 Are you charging interest?

Yes (1)

No (2)

*Display This Question:*

*If Was the help in the form of a loan or a gift? = Loan*

Q41 Is the recipient making regular payments or is the arrangement more informal?

- Regular payments (1)
- As and when possible (2)

Display This Question:

*If Was the help in the form of a loan or a gift? = Loan*


Q42 When do you expect the loan to be repaid?

Don't know/no specific date

20182021202420272030203320362039204220452048

---

year ()



Display This Question:

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Helping with monthly mortgage payments [ Yes, I/we have done this ]*

Q43 Where did the funds come from to provide this help? (choose as many as apply)

- Savings (1)
- Inheritance (2)
- Equity release on own home (3)
- Sale of other property (4)
- Funds released from pension, or pension lump sum (5)
- Remortgage (6)
- Other (Please specify) (7)

Display This Question:

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Supporting a mortgage (eg guaranteeing mortgage, or taking out joint mortgage) [ Yes, I/we have done this ]*

Q44 You said you had helped out by supporting a mortgage. How many times have you done this?

1 2 3 4 5 6 6 7 8 9 10

Number of times ()	
--------------------	--

*Display This Question:*  
 If You said you had helped out by supporting a mortgage. How many times have you done this? [ Number of times ] > 1

Q45 How many individual relatives have you helped?

	1 2 3 4 5 6 6 7 8 9 10
Number of relatives helped ()	

*Display This Question:*  
 If You said you had helped out by supporting a mortgage. How many times have you done this? [ Number of times ] > 1

Q46 Thinking about the **most recent** transaction you supported, who was the buyer of the property?

- child (1)
- grandchild (2)
- parent (3)
- other (please specify) (4) \_\_\_\_\_

*Display This Question:*  
 If If How many individual relatives have you helped? Number of relatives helped Is Equal to 1

Q47 Who was the buyer of the property?

- child (1)
- grandchild (2)
- parent (3)
- other (please specify) (4) \_\_\_\_\_

*Display This Question:*  
 If The following are some ways that people can help family members to buy a home. Have you ever help... = Supporting a mortgage (eg guaranteeing mortgage, or taking out joint mortgage) [ Yes, I/we have done this ]


Q48 How old was the buyer when the transaction took place?

	20 30 40 50 60 70 80 90 100
years old ()	

Display This Question:

If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Supporting a mortgage (eg guaranteeing mortgage, or taking out joint mortgage) [ Yes, I/we have done this ]

Q49 What year did the purchase take place?

	1980 1985 1990 1994 1999 2004 2009 2013 2018
Year ( )	

Display This Question:

If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Supporting a mortgage (eg guaranteeing mortgage, or taking out joint mortgage) [ Yes, I/we have done this ]

Q50 Where was the dwelling located (city or postcode)?

Display This Question:

If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Supporting a mortgage (eg guaranteeing mortgage, or taking out joint mortgage) [ Yes, I/we have done this ]

Q51 What kind of purchase was it?

- First-time buy (1)
- Moving up the ladder (2)
- Holiday home (3)
- Buy-to-let investment (4)
- Retirement property (5)
- Other (please specify) (6) \_\_\_\_\_

Display This Question:

If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Supporting a mortgage (eg guaranteeing mortgage, or taking out joint mortgage) [ Yes, I/we have done this ]

Q52 How much did the dwelling cost (approximately)?

Display This Question:

If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Supporting a mortgage (eg guaranteeing mortgage, or taking out joint mortgage) [ Yes, I/we have done this ]

Q53 How did you support the mortgage?

- Took out joint mortgage (1)
- Acted as mortgage guarantor (2)
- Took out another kind of family-assistance mortgage (eg. Family Mortgage) (3)

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Supporting a mortgage (eg guaranteeing mortgage, or taking out joint mortgage) [ Yes, I/we have done this ]*

Q54 Did you take any financial advice (consult a financial advisor) beforehand?

- Yes (1)
- No (2)

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help...  
= Supporting a mortgage (eg guaranteeing mortgage, or taking out joint mortgage) [ Yes, I/we have done this ]*

Q55 Did you take any legal advice beforehand?

- Yes (1)
- No (2)

**End of Block: ABOUT HELP ALREADY GIVEN**

---

**Start of Block: ABOUT FUTURE WILLINGNESS TO HELP**

Q56 Looking ahead, how likely are you to offer to help a relative buy a home in future (e.g. by providing money for a deposit, helping with monthly payments or supporting a mortgage)?

- Very likely (1)
- Quite likely (2)
- Not likely (3)
- Would not consider/ not possible for me (4)

*Display This Question:*

*If Looking ahead, how likely are you to offer to help a relative buy a home in future (e.g. by provi... = Not likely*

*Or Looking ahead, how likely are you to offer to help a relative buy a home in future (e.g. by provi... = Would not consider/ not possible for me*

Q57 You said you were unlikely to help relative(s) buy a home in future. Why is that? (choose as many as apply)

- They already own homes (1)
- They don't need my/our financial help (2)
- I/we can't afford it (3)
- Concern about the long-term effect on my/our financial situation (4)
- Had a bad experience in the past (5)
- Other (please specify) (6) \_\_\_\_\_

*Display This Question:*

*If Looking ahead, how likely are you to offer to help a relative buy a home in future (e.g. by provi... = Very likely*

*Or Looking ahead, how likely are you to offer to help a relative buy a home in future (e.g. by provi... = Quite likely*

Q58 You said you might offer to help relative(s) buy a home in future. What sort of help would you consider giving? (choose as many as apply)

- Help with down payment (1)
- Help with Stamp Duty and other transactions costs (2)

- Help with mortgage payments (3)
- Taking out a joint mortgage or acting as guarantor (5)
- Other (please specify) (6) \_\_\_\_\_

*Display This Question:*

*If Looking ahead, how likely are you to offer to help a relative buy a home in future (e.g. by provi... = Very likely*

*Or Looking ahead, how likely are you to offer to help a relative buy a home in future (e.g. by provi... = Quite likely*

Q59 If in future you do help relatives buy a house, how will you determine how much to give?  
(choose those that apply)

- plan to give/lend the same amount to each child/grandchild (1)
- will give/lend what we can afford at the time (2)
- will give/lend more to those of my children/grandchildren who need it more (3)
- Other (please specify) (4) \_\_\_\_\_

**End of Block: ABOUT FUTURE WILLINGNESS TO HELP**

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**Start of Block: WHETHER HELP WAS ANTICIPATED OR NOT**

*Display This Question:*

*If The following are some ways that people can help family members to buy a home. Have you ever help... = Yes, I/we have done this*



Q60 You said you had helped relatives out with buying a home. Did you anticipate providing this kind of help? (choose one)

- Yes, I/we expected to do this and planned for it (1)
- I/we knew it was a possibility but did not make concrete plans (2)
- I/we had not expected to help in this way and had not planned for it (3)
- Other (please specify) (4) \_\_\_\_\_

End of Block: WHETHER HELP WAS ANTICIPATED OR NOT

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Start of Block: ATTITUDES TO HELPING FAMILY

Q61 How do you feel about giving children or grandchildren financial help to buy a home?

\_\_\_\_\_

End of Block: ATTITUDES TO HELPING FAMILY

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Start of Block: Attitudes to helping family (2)

Q62 To what extent do you agree or disagree with the following?

	Strongly agree (1)	Agree (2)	Neither agree nor disagree (3)	Disagree (4)	Strongly disagree (5)
I am pleased to be able to help (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is unfair that young people require parental help to buy homes (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am concerned about the effect on my own long-term finances (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am concerned about what will happen if circumstances change (eg child's relationship breaks down) (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The introduction of First Time Buyer Relief from stamp duty has made it easier to help my family (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
More houses need to be built specifically for first time buyers (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: Attitudes to helping family (2)

Start of Block: BASIC INFORMATION ABOUT RESPONDENTS

Q63 How many people live in your household?

	1	2	3	4	5	7	8	9	10	11	12
Number of people in household ()											

Q64 What is your marital status?

- Single (1)
- Domestic partnership (2)
- Married/ civil partner (3)
- Divorced/ civil partnership dissolved (4)
- Widowed/ surviving civil partner (5)
- Separated (6)
- Other (please specify) (7) \_\_\_\_\_

Q65 Do you have

- adult children (over the age of 21) (1)
- adult grandchildren (over the age of 21) (2)
- children aged 20 or younger (3)
- grandchildren aged 20 or younger (4)

*Display This Question:*

*If Do you have = adult children (over the age of 21)*

Q66 How many adult children do you have?

\_\_\_\_\_

*Display This Question:*

*If Do you have = adult grandchildren (over the age of 21)*

Q67 How many adult grandchildren do you have?

\_\_\_\_\_

Q68 Your age at your last birthday

0 10 20 30 40 50 60 70 80 90 100

years old ()



Q69 Full postcode of your main home (to be used only for analysis):

---

Q70 Employment Status:

- Employed/ self-employed (1)
- Unemployed (2)
- Student (3)
- Retired (4)
- Looking after the family home (5)
- Unable to work (6)
- Other (please specify) (7) \_\_\_\_\_

Q71 What is your household's annual income before tax?

- Under £25,000 (1)
- £25,000 - £49,999 (2)
- £50,000 - £99,999 (3)
- £100,000 - £124,999 (4)
- £125,000 - £150,000 (5)
- Over £150,000 (6)
- Don't know (7)
- Prefer not to say (8)

End of Block: BASIC INFORMATION ABOUT RESPONDENTS

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Start of Block: FURTHER RESEARCH

Q72 Is there anything more you would like to say about helping relatives to buy a home?

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**Q73 Are you interested in taking part in further research?**

To explore this subject in greater depth we will be hosting a series of in depth 90-minute discussion workshops at the London School of Economics (central London) and Epsom in August. Your views and experience are important and we would be very grateful if you would consider attending one of these events.

If you might be interested in taking part (no commitment) and are happy to be contacted , please enter your name and email and/or phone number below and a member of the Family Building Society team will be in touch.

THANK YOU FOR YOUR RESPONSE. PLEASE CLICK THE RIGHT ARROW TO FINISH THE SURVEY.



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