

The Children's Mutual Reports Parents Persist In Saving



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The Children's Mutual, a leading Child Trust Fund provider, has reported that the latest figures from HM Revenue and Customs (HMRC) show that parents are persisting in saving for their children and engaging with the Child Trust Fund.

The new quarterly [Child Trust Fund](#) statistics released by the HMRC have revealed that nearly three quarters of all Child Trust Funds (CTFs) are proactively opened within a year of a child's birth. However, according to a new analysis from The Children's Mutual, this figure only tells part of the story of parents' engagement with saving for their children.

The award winning [Child Trust Fund provider](#) found that while the vast majority of parents open an account for their child rather than waiting for the Government to do so, many of those who don't are making a proactive decision not to while others are understandably busy with their new baby.

David White, Chief Executive of [The Children's Mutual](#), said: "Because the CTF is universal, every single eligible child receives an account, but what is impressive is that nearly 75% of parents choose to proactively open the account and around half of our customers start saving on a monthly basis immediately."

According to its research among parents of young children, over one in 10 parents actively choose not to open an account and to let the Government do so on their behalf, citing their lack of familiarity with financial matters. In addition, research among parents who haven't opened accounts found that 27% say it is because they haven't had time to think about it - not surprising considering a new baby has a profound effect on family life.

Mr White said: "Attention is often paid to the quarter of parents who do not open accounts, accusing them of not engaging with, or being interested in the CTF, but our research shows that parents are far more engaged than many would believe. We found that over one in 10 parents, with [CTF vouchers](#) to place, said they would choose to let the Government open their child's CTF and of those who haven't opened accounts, the number one reason is because they are understandably focusing on the here-and-now. The beauty of the CTF is that it allows for this, with the Government opening accounts on behalf of parents if they don't do it themselves, meaning that no child will miss out.

"Engaging 85% of the population to do anything is phenomenal when you consider that when it comes to matters financial just 40% of the adult population has a private pension and only 30% of those eligible have an ISA. The Child Trust Fund has done what no other savings product has done before - captured the imagination of the general population - and parents should be praised not chastised for acting in the interests of their children and recognising the importance of saving over the long term particularly at such a busy time in family life."

Child Trust Funds are designed to provide a tax efficient, long term savings vehicle for all eligible children. Each eligible newborn child (born on or after 1 September 2002) receives a £250 Child Trust Fund voucher (£500 for low income families) from the Government when their parents register for Child Benefit. The Government will make a second contribution of £250 (£500 for low income families) when the child reaches seven and is considering a third in the child's teenage years. Parents, family and friends can all then add to this account up to a maximum value of £1,200 each year.

- Ends -

Notes to editors

About The Children's Mutual - Home of the Child Trust Fund

The Children's Mutual's mission is to help parents, grandparents, family and friends fulfil their hopes for today's children. The Children's Mutual is the only UK company which specialises in long term savings for children and is now the choice of 1 in 4 parents for their child's Child Trust Fund, with more than 750,000 accounts. This expertise has led several financial institutions and family-focused high street retailers to choose The Children's Mutual as their stakeholder Child Trust Fund provider.

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