

# WILL MY KIDS EVER BE ABLE TO MOVE OUT!

Susan Ralston, Virtue Money



Virtue Money

According to recent research from the BBC, people in their 20's who are looking to rent are having to fork out a large percentage of their monthly wage – from 30% to 60% depending on where they'd like to live.

Using the “locator map” on the BBC website it is estimated that rental for a one-bedroom apartment in the Linlithgow area will be in the region of £556 per month. That means that if you earn £20,000 then your rent payment is 33% of your monthly wage.

The August 2018 “Living Home Standards Report” based on from Shelter Scotland tells us that:

- > 1 in 5 renters can't meet rent without regularly missing out on social activities
- > 1 in 4 renters struggle to meet their payments and save
- > 1 in 4 renters worry about rising housing payments

**What can we do as parents to help our child fly the nest and start the next chapter of their lives?**

If your child is under 18 then you can open a Junior Investment Savings Account (ISA) for them. You can put £4,260 (Allowance for 2018/19) into it for them and can choose from either a Cash ISA or a Stocks & Shares ISA.

The money belongs to your child and although they can take control of the account from age 16 they cannot access the money until they are 18.



It would be a good way to give them a helping hand and when they turn 18 and it becomes a normal ISA they can continue saving.

Alternatively, if your child is older and earning a wage they can start either a Help to Buy ISA or a Lifetime ISA.

If they are 16 or older, they can open a Help to Buy Cash ISA. They save monthly, the 1st month's payment can be a maximum of £1,200 and future monthly payments a maximum of £200. The government will give them a bonus of 25% of the amount of deposits they have made (up to a max of £3,000) when they purchase their first home.

If they save at the max rate for 4 years 7 months they will have saved £12,000 and be eligible for a maximum bonus of £3,000 when they purchase their first home.

If they are 18 or over, they can open either a cash or Stocks & Shares Lifetime ISA. They don't have to make monthly contributions to this

and can make lump sum payments up to a maximum yearly contribution of £4,000.00. The 25% bonus is paid monthly based on the level of payments made.

They can save from 18 to 49 and the monies can either be used to purchase their first home or alternatively if they leave the money invested until age 60 they can withdraw it and not pay a penalty.

It should be noted for both the Help to Buy and the Lifetime ISAs that if the monies are withdrawn (before 60 for Lifetime ISA) and are not used to buy their first home they will not be eligible to receive the 25% bonus from the government.

*More details of both types of ISA can be found on the Money Advice Service website.*

## FREE CONSULTATION

*If you would like to make an appointment to speak with one of our advisers regarding life assurance, retirement, critical illness, income protection or any other aspect of your finances then please give me a call on 0345 034 3424 or drop me an email at [susan@virtuemoney.com](mailto:susan@virtuemoney.com) and I will be happy to arrange this.*

*The first consultation is completely free of charge and no obligation.*



© 2016 Virtue Money | Virtue Money is a trading style of Policy Services Limited. Registered Office – Priorsford, 75 Grahamsdyke Road, Bo'ness, EH51 9DZ. Registered in Scotland No. 230167. Policy Services Limited is authorised and regulated by the Financial Conduct Authority. FCA No. 214036.

This article is intended to provide a general review and opinion of certain topics and its purpose is to inform but not to recommend or support any specific investment or course of action.

[www.virtuemoney.com](http://www.virtuemoney.com) e: [info@virtuemoney.com](mailto:info@virtuemoney.com) t: 0345 034 3424