

THE NEXT GENERATION AND THEIR FINANCIAL QUESTIONS

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My middle child has recently been offered her first job and with the offer came a mountain of paperwork for her to complete and that's where mother generally comes in.

"What's Death in Service" she asked, "do I want to join the pension scheme" (she's only 18) "and if I do what should I contribute?"

Things are so much more complicated now, when I joined the bank after leaving school, I was automatically enrolled in the Defined Benefit Pension Scheme which had the Death in Service element within it. To be honest I had no idea what a pension even was, but it was all taken care of for me.

Private sector Defined Benefit Pension Schemes are now a thing of the past and the age at which our children will be eligible for State Pension is being pushed up. Realistically they will probably be over 70 before they qualify, if it even still exists then.

Making sure our children save for their retirement and understand why they need to is paramount if we want them to be able to retire when the time comes.

How do they prioritise their money however, they have maybe passed



their driving test and would like a car? As much as we love them, we need them to have an eye on their future and start saving up for a deposit for a house. They're young though and want to enjoy their free time (can we blame them) they want to go to festivals and concerts and if your "young person" is anything like mine buy trainers!

I'm fortunate in as much as my child has opened a "Help to Buy" ISA and makes monthly contributions into it. Her plan being that by the time she's 23 she should have saved enough (along with the 25% bonus from the government) to look to purchase her first home.

We freely speak about money and my idea is to encourage all of my children to start saving right from the off, that way they don't need to think about it, it just makes sense to them.

There is a lot of information on the Money Advice Service website – Beginners Guide to managing your money and Managing your money using the jam-jar approach are just a few of the many articles available to view.

Your children may be considering university, speaking to parents in that situation, it can be an expensive business, have you thought about how you can either fund or help your child in that situation?



If you would like advise on your investments, pensions or protection needs then please contact me either by email at susan@virtuemoney.com or call me on 0345 04 3424 and I can arrange a free, no obligation, consultation with one of our advisers.

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