

# The Children's Mutual Reports £25 Billion Cost For 2009 University Starters



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The Children's Mutual has reported the cost of university for this year's recent A-level graduates could be as high as £25 billion - almost £3 billion more than last year. The Children's Mutual warns that thousands of young adults celebrating their A-Level results and their parents may remain unaware of this rising cost.

## Child Trust Funds

Ensure your child gets a great start to adult life



According to the leading [Child Trust Fund provider](#), the average student needs to find about £42,000 to fund three years at university, but this doesn't take into account the costs of any further training they might want to do after their degree. Currently 87% of young people in the UK are receiving financial help from their parents and help towards university costs is something many students expect and parents expect to give\*. Increases in year-on-year university costs also mean this bill will rise in future years.

One way parents of future scholars can help mitigate the rising costs is by saving regularly from when their children are very small. [The Child Trust Fund](#) (CTF) was created by the Government to provide every eligible child with a nest egg when they turn 18, with parents, friends and family all encouraged to help save. Launched in 2002, more than 4.4 million children now have a CTF account. Topping up a child's CTF on a monthly basis could result in a significant lump sum when the child turns 18, perfect for helping with university costs.

David White, Chief Executive of The Children's Mutual, said: "University can be as much of a millstone as it is a milestone. While parents will be pleased about their children's successes as they receive their A-level results and many look forward to university, the high costs involved can be a real financial strain to a huge number of students and their parents. For families planning to support their children through university, finding a lump sum to cover the costs can be very difficult. Often, parents

are left with no other option but to dip into their savings or remortgage their house. This can have a serious impact on their own financial future.

"From 2020 all 18 year-olds will have access to their maturing [Child Trust Funds](#) as they enter adulthood and the money saved in these could make a real difference to both future university students and their parents."

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 £250 (£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

Student figures based on The Children's Mutual calculations of the National Union of Students (NUS) stats, workings available on request.

\* Based on The Children's Mutual Financial Independence Report, February 2009.

#### **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 that 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 675,000 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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