

The Children's Mutual Reports Kids Unaffected By Recession This Christmas



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According to research by a leading Child Trust Fund (CTF) provider, The Children's Mutual, children in the UK are set for a bumper Christmas this year, receiving £5 billion of presents. With generous friends and family set to spend 20% more than last year on youngsters, it seems the recession is not impacting kids' stockings just yet.

Child Trust Funds

Ensure your child gets a great start to adult life



The average UK child will receive £380 worth of presents this year, compared to £316 in 2008. In total, UK kids will have over £4 billion worth of toys and other presents underneath their trees, along with £960 million in cash, with each child receiving an average of £73. More than a quarter of lucky UK children will get £100 or more.

The [Children's Mutual](#) is urging parents to take advantage of the generosity of friends and family this Christmas by asking them to invest in a present that could last a lifetime.

David White, Chief Executive of The Children's Mutual, said: "It's great news that the recession is not affecting kids' stockings this Christmas. However we are urging parents to think about their children's futures and ask friends and family to invest a portion of this money for the long-term."

The Children's Mutual also found that a lot of money is spent on presents that often don't last for more than a couple of months.

David White continued: "Around £200 is spent on presents that won't make it past Easter, but if this money was invested in a Child Trust Fund each year, it could be worth £6,100* by the time it matures when the child turns 18. This way friends and family can give a gift that could last well beyond the child's 18th birthday and providing them with a nest egg for the future."

According to figures from The Children's Mutual, top ups into [Child Trust Funds](#) get a timely boost at Christmas with an average increase in ad hoc payments of just under 25%** during the festive period.

Child Trust Funds are designed to provide a tax efficient, [long term savings](#) vehicle for all eligible children (born on or after 1 September 2002). Each newborn child 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
Commissioned by The Children's Mutual, The Parenting Matters Report questioned 2070 parents with children aged 5-15 in May 2009.

* Future projected values based on £200 being invested once a year (excluding the government's contributions) for 18 years in a stakeholder CTF account and assuming an investment return of 7% a year, and charges of 1.5% of the CTF account value each year.

** Based on ad hoc payments made into The Children's Mutual CTF accounts in Jan 09 compared to the rest of the previous year.

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 725,000 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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