

Saving and Investing for Children - UK - May 2017

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“Parents feel pressure to plan for their children’s future, but with limited investment and focus in the sector children’s saving and investment providers are doing little to support this. Low interest rates reduce incentives to save, but also leaves an opportunity for providers to improve the value they add, giving parents the flexibility and control they want.”

– Patrick Ross, Senior Financial Services Analyst

This report looks at the following areas:

- Providers should cede flexibility as parents seek supreme control
- Dual parent and child benefits could attract Millennials

Saving and investing for children can be very difficult for parents. Low interest rates mean that most products offer poor returns, limiting the incentive to save. Parents naturally have their children’s best interests at heart, but knowing how much to save without jeopardising day-to-day finances can be a tough ask. At present, providers have little incentive to invest in their children’s savings products to make things easier and support parents by offering the flexibility and control they are looking for.

Since Child Trust Funds (CTF) were withdrawn from the market, there is huge potential for other products, particularly Junior ISAs to fill the void, but they must offer strong enough incentives to keep parents engaged. The child savings market is threatened by the potential for better investment returns from adult products, and without the added value of appealing free gifts or flexible terms, it is becoming harder for parents to see the benefit of child-specific savings.

This Report reviews the market for children’s savings and investments, looking closely at the different products on offer and their popularity relative to one another. The Report analyses the drivers behind the children’s savings market and the competitive strategies currently in place. Mintel’s original consumer research gets to the heart of who saves for children, why they save, and what parents are looking for when they arrange a saving or investment product for their child.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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The facts

The implications

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