

ASK THE EXPERTS

Family finances: Supporting your
children beyond school years



LLOYDS BANK

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This guide covers:

Work experience, apprenticeships and first jobs

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Work experience, apprenticeships and first jobs

Apprenticeships

Apply for an apprenticeship

Anyone in England can apply for an apprenticeship if they're:

- 16 or over
- eligible to work in England
- not in full-time education

First search for a vacancy on the Apprenticeships website, then register on the site and apply. Apprenticeships take between 1 and 4 years to complete depending on their level.

Work and study

Apprenticeships combine practical training in a job with study

An apprentice:

- works alongside experienced staff
- gains job-specific skills
- earns a wage
- studies towards a related qualification (usually 1 day a week)

Levels of apprenticeship

There are 3 levels in England:

- Intermediate – equivalent to 5 GCSE passes
- Advanced – equivalent to 2 A level passes
- Higher – lead to NVQ Level 4 and above or a Foundation Degree

Read more information on the levels of apprenticeships on the Apprenticeships website.

Qualifications

Apprenticeships can lead to:

- National Vocational Qualifications (NVQs) at Level 2,3,4 or 5
- Functional Skills qualifications, eg in maths, English or ICT
- a technical certificate, such as a BTEC or City & Guilds Progression Award
- knowledge-based qualifications, such as a Higher National Certificate (HNC), a Higher National Diploma (HND) or a Foundation degree

Find out about apprenticeships in Scotland and Wales.

<https://www.gov.uk/apprenticeships-guide>

Source: <http://www.gov.uk> 07/04/14

Creating a Budget

Creating a budget isn't just about managing your money in order to tackle debt and reign in your spending, it can also help you find a way to spend cash on the things that you enjoy. Make a list of things that make you happy; it could be going to the cinema, buying the latest PS3 game the day it comes out, owning the complete works of Franz Kafka, or just a Friday night take-away with the family. Now have a go at creating a budget that allows you to achieve these things.

Budgeting is basically making sure that you are spending less than you're bringing in. Simple! Many people think of 'budgeting' as depriving themselves, but that certainly doesn't have to be the case. It merely allows you to know how much money you have coming in each week or month, how much you have to cover all the essentials (rent or mortgage, existing debts, bills, groceries etc.) and therefore how much you have left to spend on the things you love. The good news is that sticking to a budget will give you the peace of mind that comes with knowing you have the essentials covered, whilst allowing you to free up money to spend on those little treats, guilt free.

Top 10 budgeting tips

If you follow our video tutorial it shouldn't be too difficult to create a budget, but sticking to one always proves trickier! That is why we have come up with our Top 10 Tips to remember when living on a budget.

With these handy hints... you can do it!

1. Be honest. Don't try to skip certain items or underestimate your spending.
2. Be consistent. Keep track of your daily spending. The little things that you buy can soon add up, which means you are probably spending more than you think. Keep track of all your spending.
3. Keep motivated. Regularly remind yourself of the things the budget enables you to do.
4. Plan for occasional expenses. Make sure you budget for expenses that only happen a few times a year like gifts, car insurance and trips to the dentist.
5. Plan for both fixed and variable expenses. Fixed expenses are things like rent and council tax, and variable expenses are things like utilities, groceries and travel.
6. Assess the 'extra spending' in your budget. If your budget still doesn't balance, it's time to cut back on non-essential spending. Could you have one less coffee shop coffee a day? Or take sandwiches in to work?
7. Don't beat yourself up. Everyone will go off their budget occasionally, no matter how much money is available to you. If you end up going out for dinner with your mates, instead of a quick drink after work, don't get disheartened, simply revise your budget and see where you can recoup the money moving forward.
8. Don't try to deprive yourself too much. Just like a diet, if you do, you will find it much harder to stick to in the long term! Find a balance between saving and the occasional treat such as that bottle of wine or those new flowers for the house.
9. Review your budget every month. This will help you keep on track.
10. Have fun! Enjoy spending your hard earned money as long as you've made provision in your budget!

If despite all this, you're still struggling to balance your budget after cutting back on spending and are concerned about the amount of money you owe, it's important to seek help as soon as possible. Spending more than you earn each month isn't sustainable in the long-term, and will push you further and further into debt. For free debt advice, speak to StepChange Debt Charity.

<http://themoneycharity.org.uk/advice-information/living-budget/>

Source: <http://www.themoneycharity.org.uk> 07/04/14

Managing money after graduation

Staying on in education

- Pay off your final bills as a student

- Get your deposit back from your landlord
- Remember that any agreement in your name is your responsibility
- Make sure your phone provider and bank know you've moved address
- If you find that debt is playing on your mind, get advice straight away
- If you really need to borrow money, think carefully about your options before doing this
- If you drive, think about whether you really need to run a car while you sort out your money
- Check with your employer that you are on the correct tax code
- Take advantage of any careers advice available to you
- Make sure you shop around for the cheapest energy supplier

Going travelling

- Pay off your final bills as a student
- Get your deposit back from your landlord
- Remember that any agreement in your name is your responsibility
- Make sure your phone provider and bank know you've moved address
- If you find that debt is playing on your mind, get advice straight away
- If you really need to borrow money, think carefully about your options before doing this
- Make sure you understand the terms of your new graduate bank account
- Make sure sure you take out travel insurance and check the terms carefully to ensure that it covers all the things you want to do while away
- Tell the Student Loans Company if you're going overseas for a long period of time
- Plan costs such as visas and vaccinations
- If you drive, think about whether you really need to run a car while you sort out your money

Getting a job

- Take advantage of any careers advice available to you
- Pay off your final bills as a student
- Get your deposit back from your landlord
- Remember that any agreement in your name is your responsibility
- Make sure you understand the terms of your new graduate bank account
- If you drive, think about whether you really need to run a car while you sort out your money
- Stay opted in or sign up to a pension even though retirement seems a long way off
- Check with your employer that you are on the correct tax code
- Make sure you're being paid at least the minimum wage
- How long you have to pay back your loan is based your income. But remember: the amount you owe will be a combination of your tuition fees and maintenance loan.
- Be prepared for the culture shock of the working world. At first a lot of students feel worse off financially than they did at university
- If you find that debt is playing on your mind, get advice straight away
- If setting up on your own, be sure to set aside enough money to pay your tax

Internships

- Take advantage of any careers advice available to you
- Understand your rights when working as an intern

- Pay off your final bills as a student
- Get your deposit back from your landlord
- Remember that any agreement in your name is your responsibility
- If you really need to borrow money, think carefully about your options before doing this
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- If you drive, think about whether you really need to run a car while you sort out your money
- Check with your employer that you are on the correct tax code
- Make sure you're being paid at least the minimum wage
- How long you have to pay back your loan is based your income. But remember: the amount you owe will be a combination of your tuition fees and maintenance loan.
- Be prepared for the culture shock of the working world. At first a lot of students feel worse off financially than they did at university
- Your intern role might not be what you want to do in the long run, but the experience could help you get that dream job. So stick with it

Moving back home

- Pay off your final bills as a student
- Get your deposit back from your landlord
- Save up for a deposit for your first home whether rented or bought
- Contact your local authority with your new address so you're put on their electoral register
- Make sure your phone provider and bank know you've moved address
- Remember that any agreement in your name is your responsibility
- If you find that debt is playing on your mind, get advice straight away
- Make sure you understand the terms of your new graduate bank account
- If you're out of work, on a low income or staying on in education check what benefits you're entitled to
- If you drive, think about whether you really need to run a car while you sort out your money
- How long you have to pay back your loan is based your income. But remember: the amount you owe will be a combination of your tuition fees and maintenance loan.
- Be prepared for the culture shock of the working world. At first a lot of students feel worse off financially than they did at university

Moving out of a student house

- Pay off your final bills as a student
- Get your deposit back from your landlord
- Remember that any agreement in your name is your responsibility
- Contact your local authority with your new address so you're put on their electoral register
- Make sure your phone provider and bank know you've moved address
- If you find that debt is playing on your mind, get advice straight away
- Make sure you understand the terms of your new graduate bank account
- If you're out of work, on a low income or staying on in education check what benefits you're entitled to
- If you drive, think about whether you really need to run a car while you sort out your money

Finding a new place to live

- Pay off your final bills as a student

- Get your deposit back from your landlord
- Remember that any agreement in your name is your responsibility
- Contact your local authority with your new address so you're put on their electoral register
- Make sure your phone provider and bank know you've moved address
- If you find that debt is playing on your mind, get advice straight away
- If you really need to borrow money, think carefully about your options before doing this
- Plan how you'll set aside money to pay for Council Tax or rates, and which payment method you'll use
- Make sure you shop around for the cheapest energy supplier
- If you're out of work, on a low income or staying on in education check what benefits you're entitled to
- Make sure you understand the terms of your new graduate bank account
- If you drive, think about whether you really need to run a car while you sort out your money
- Be prepared for the culture shock of the working world. At first a lot of students feel worse off financially than they did at university

Don't know

- Even if you don't know what you want to do, take control of your money
- Pay off your final bills as a student
- Get your deposit back from your landlord
- Remember that any agreement in your name is your responsibility
- If you find that debt is playing on your mind, get advice straight away
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<https://www.moneyadvice.service.org.uk/en/tools/money-tips-for-graduates>

Source: <http://www.moneyadvice.service.org.uk> 07/04/14

Household costs

How to cut the cost of your energy bills

Save energy, save money

If you want to save on your energy bills, switching suppliers can only take you so far. To really make a difference you need to use less energy – and you'll find that tiny changes can have a huge effect. Plus, there are lots of grants available for energy efficient home improvements.

Top tips – that don't cost anything

Start saving right away – we've picked out five of the Energy Saving Trust's top ten tips to help you on your way. They all have a big impact, so even if you just do one of them, you'll still be better off.

1. Turn down your thermostat. Just reducing it by 1°C could cut 10% off your heating bill – it usually saves around £55 per year.

2. Turn off the lights when you leave a room.
3. Fill up your washing machine, tumble dryer and dishwasher. One full load uses less energy than two half loads. Wash your clothes at 30°C and don't use the tumble dryer if you can avoid it.
4. Don't boil more water than you need but remember to cover the elements if you're using an electric kettle.
5. Use energy saving light bulbs if you haven't already switched. They last up to 10 times longer than ordinary bulbs, and don't cost much more. Using one can save you around £55 over the lifetime of the bulb.

Get a free home energy check and save money

Find out what home improvements you need with a Home Energy Check from the Energy Saving Trust. It's free, it's easy, it takes under 10 minutes and it could save you up to £250 per year. You'll get a personalised report about your home, telling you what could save you the most in the long term.

Get a Home Energy Check on the Energy Saving Trust website

Advice on making your home more energy efficient from the Energy Saving Trust

Grants to make your home more energy efficient

Spending a little to save a lot is a good investment – especially if you get to spend someone else's money. There are lots of grants available to help with things like:

- improving your insulation
- upgrading your boiler and appliances
- installing solar panels or other renewable technologies

Even without a grant, some of these investments will pay back what you've spent quite quickly, and then start saving you money.

What grants are you eligible for?

To see what energy saving grants you could get, see the Energy Saving Trust website.

Available grants

The Green Deal

A Government-backed scheme to help you make cost-effective energy saving improvements to your home. Instead of paying for the full cost of the improvements up front, you pay over time through a charge added to your electricity bill.

The Energy Company Obligation

You might be able to get help for energy-saving improvements to your home if you're on certain benefits and own or privately rent your home.

You may get all or part of the cost of loft or cavity wall insulation and boiler repairs or replacements.

England – Warm Front Scheme

Although the Warm Front Scheme ended on 19 January 2013 you can check an existing application made before this date. You can also find out who to contact if you have had any problems with Warm Front equipment.

If you want to check your application for the Warm Front scheme or report any equipment problems check the Gov.uk website

Scotland – Energy Assistance Package

Offers expert energy advice and energy-efficiency measures including draught proofing, cavity-wall insulation or even a new boiler, depending on your circumstances. You may be eligible if you get Pension Credit or other income or disability-

related benefits. Find out more and how to apply on the Energy Assistance Package website

Wales – Nest

Nest is the Welsh Government's aims to help reduce the number of households in fuel poverty and make Welsh homes warmer and more fuel-efficient places to live. If you're worried about the cost of heating your home, call Nest on 0800 512 012 (free from a landline) or 0300 456 2655 (free from a mobile phone). You can also fill in the Nest call back request form. See also the Energy Saving Trust Wales website.

Northern Ireland – Warm Homes and Warm Homes Plus Schemes

Help with insulation and (in the case of Warm Home Plus) central heating systems. Available if you own your own home or rent privately and you're receiving certain benefits.

<https://www.moneyadvice.service.org.uk/en/articles/save-energy-save-money>

Source: <http://www.moneyadvice.service.org.uk> 07/04/14

Managing on a reduced budget

Cut car finance, hire purchase and other finance costs

If you want to cut your car finance or hire purchase (HP) agreement costs, read on. This might involve paying off an agreement early or returning the item you're buying. Either way, there are some things you need to be aware of to make sure you don't end up out of pocket.

Ending or repaying car finance agreements early

If you bought your car using a car finance agreement (not HP or a loan), you need to know what type of agreement you have. There are two types:

- a personal contract purchase; where you make monthly payments for a fixed term and have the option to buy at the end of it, and
- a personal car leasing agreement, which is also called personal contract hire; where you pay a monthly payment, which includes maintenance costs, and hand the car back at the end of the term

You can read more on how these agreements work in:

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You can read more on how these agreements work in:

What's the best way to finance buying a car?

If you have a personal contract purchase agreement

Returning the car

If you are struggling to keep to your payments or simply want to cut costs and you have already made half of the payments or you make payments up to half the amount, you have the right under the Consumer Credit Act to return the

car to the finance provider. This is called 'voluntary termination'.

This might make sense, for example, if the car has already depreciated in value to the extent that your remaining payments would add up to more than its current value. If the car's value is greater than the value of your remaining payments then getting a settlement figure and selling the car might make more sense. See below.

Paying off the agreement early

If you want to pay off your personal contract purchase agreement early, the first step is to ask for a settlement figure. This is the amount of money you will need to pay to end the agreement. You then have two choices:

- pay off the agreement and keep the car – this will make sense if the settlement figure is lower than the cost of carrying on paying and you have enough funds to make the payment
- pay off the agreement by selling the car – this could be a good option if you know you can't meet the monthly repayments any longer – see the note below. However, you only own the car once you've made the final payment so you would have to 'buy' the car by settling the contract early and then decide whether to keep or sell the car

If paying off the agreement by selling the car, you need to be sure that the price you get for the car will cover the remaining monthly payments, including the final 'balloon' payment worked out by the finance company or in the settlement figure. Under a personal contract purchase agreement, although you have the right to drive the car you don't own it unless and until the balloon payment is made. Therefore you need to check with the lender that you can sell the car. Also, remember that you will be liable for any money outstanding.

In short, it only makes sense to sell the car if the money you'll get doesn't leave you significantly out of pocket.

If you have a personal car leasing agreement

With these sorts of agreements, if you return the car early you can be liable for paying off the lease in full. So you should think very carefully before cancelling the agreement and check exactly what the fees or charges will be.

If you are having problems paying the monthly leasing charge, talk to the finance provider. They may offer to extend the length of the lease, lowering your monthly payments, or come to some other arrangement to help you out.

If you're struggling with finance repayments

Top Tip

With Hire Purchase and conditional sale agreements, such as personal contract purchase, if you have repaid a third of the total amount, the lender cannot repossess the car without getting a court order first.

If you're really struggling with your repayments, you should get free, confidential and impartial advice and support from a debt advice organisation or charity.

<https://www.moneyadviceservice.org.uk/en/articles/cut-your-car-finance-hire-purchase-and-other-finance-costs>

Source: <http://www.moneyadviceservice.org.uk> 07/04/14

How to reduce the cost of your credit and store card debt

If you are struggling to pay card debt

If you're really struggling with your card bills, you should get free, confidential and impartial advice and support from a debt advice organisation or charity. By playing your cards right you can pay back your credit and store card debt faster and save a lot of money. Here's how to do it.

Ways to reduce your debt

There are several ways you can reduce the cost of your credit card and store card debt.

Don't just pay the minimum repayment

Paying the minimum amount each month makes it look like the debt is affordable. But, depending on when you took out your card, the debt could actually increase if you only pay the minimum amount (this is because the interest is constantly adding up) and it will take you much longer to pay it all back. Even if you only pay a small amount a month on top of your minimum payments it can make a huge difference.

Pay the most expensive card first

If you have store cards they will probably be your most expensive debts with the highest interest rates (unless you've taken out doorstep or payday loans). Credit cards also charge different rates of interest which will be shown on your credit card statement. Out of all your cards, pay the most on the one with the highest interest rate first.

Then you can move on to overpaying your next most expensive credit card or personal loan.

Get a balance transfer card

If you have a good credit rating you may be able to move your current credit card balance to another credit card offering a low or 0% deal. There is usually a fee to pay for this of between 1.5% and 3% of the balance but it can be worth it

Bear in mind that you need a good credit rating to qualify for the best balance transfer deals.

The risks of balance transfer cards

Top Tip

If switching to a 0% deal, make a diary note to pay off as much as you can before the deal ends.

- When you apply for credit, this is recorded on your credit report. Apply several times in a short period and other lenders might worry you have debt problems. Avoid applying too often.
- There is a risk that you could build up further debts when you move credit cards or consolidate your debts. Remember, your debt problem has not gone away. You've just given yourself some time to repay what you owe more cheaply. Close old card accounts and cut up cards to resist temptation.
- When going for a 0% deal it's vital to make a note of when the introductory offer deal ends and make sure that you repay as much as you can by this time.

Be careful how you use your cards

With all your credit cards, here are some general rules that will usually leave you far better off:

- make at least the minimum repayment every month, even if you have a 0% deal – you will pay penalties and lose your 0% deal otherwise – however, ideally make more than the minimum repayment. Your card provider will let you make a Direct Debit payment of however much you choose as long as it is more than the minimum payment
- read every statement for important changes, such as an increase in your interest rate, and to check that all the spending is definitely yours
- don't use your card for cash withdrawals or credit card cheques – you'll be charged fees and interest from the day you withdrew the cash or used the credit card cheque
- if you have a 0% balance transfer credit card, avoid spending on it because any purchases you make will not be included in the 0% deal offer so you will be paying interest on those purchases if you don't pay them off in full during the 'grace' period (which can be up to 56 days)
- don't be tempted to start using the old card again – it may be best to close the old account and destroy the credit card

Repay your cards with savings

Always repay your expensive card debts with your savings. You might stop receiving interest on your savings, but you will save much more in the long-term because you'll pay far less interest on your debt.

<https://www.moneyadvice.service.org.uk/en/articles/how-to-reduce-the-cost-of-your-credit-and-store-card-debt>

Source: <http://www.moneyadvice.service.org.uk> 07/04/14

How to reduce the cost of your personal loans

Repay loans with savings

It almost always makes sense to repay any outstanding loans using your savings, provided the early repayment charges are not too high. And if you have savings to use, always pay off your most expensive loan debts first.

Switching to another loan

If you don't have savings, you might be able to pay off your loan in full and more cheaply with another loan – for example where you can get a lower rate, a shorter deal, or both.

if you go for a shorter term your monthly repayment may go up, but you'll save even more in interest and pay back your loan early. Just be sure you can afford a higher repayment before you switch.

If you do switch, just be aware of any fees and charges that come with the new loan – and of any exit fees if the loan you are repaying is above £8,000 or if you took it out before 1 February 2011. There are no fees on early repayments on variable rate loans.

Should you consolidate your debts?

Some loans are specifically advertised as debt consolidation loans – these allow you to merge your loans into one. Consolidation loans are now much harder to obtain and are very much a last resort as they are usually secured against your home. And while they can seem an attractive option because of lower interest rates and repayments, they can often cost you a lot more in the longer term than sticking with your current loans and you risk losing your home if you cannot keep up the repayments.

It's also all too easy to consolidate your debts and then go and build up more debt elsewhere. You have to know how you're going to repay before you consolidate – and then stick to your repayment plan. If you need help with your debts, contact a free debt advice charity.

Credit card 'super balance' transfers

If you're disciplined at repaying and have a good credit score, there are occasionally interest-free or low-interest balance transfer credit card deals which transfer money directly into your bank account. This can then be used to repay overdrafts and loans. However these deals – sometimes known as 'super balance transfers' – come with a fee, so you'll need to work out whether doing this would be cost effective for you to do this. Make sure you ask your personal loan provider how much it'll cost to pay off the debt in full and that you'll be able to pay off the debt before the zero or low interest rate runs out.

Reducing your loan with extra payments

If you can't repay an unsecured personal loan in full you should be allowed to make extra payments to help pay off the loan sooner and so reduce the overall cost. With unsecured loans taken out after 1 February 2011, you can make extra payments of up to £8,000 in a 12-month period without penalty in almost all situations. For extra payments of over £8,000 the maximum penalty is 1% of the extra amount paid above the limit. For example, if you paid back £9,000 – £1,000 over the limit – the most you could be charged would be £10.

Make sure you tell your lender first

However, unless the lender specifically allows it in the contract, you can't simply overpay without warning. You must give them notice that you're making an overpayment, and then you must make the overpayment within 28 days of that notice although you can send the payment with the notice if you prefer.

For unsecured loans taken out before 1 February 2011, and any other loans, you usually aren't allowed to make partial overpayments. You could check the small print, however, to see what exclusions apply to overpayments.

<https://www.moneyadvice.service.org.uk/en/articles/how-to-reduce-the-cost-of-personal-loans>

Source: <http://www.moneyadvice.service.org.uk> 07/04/14

Boomerang Children – adult children living back at home

Leaving home is a rite of passage for teenagers and their parents. You each adjust to your new lifestyles: they are enjoying the freedom - no more prying eyes of their parents, and you have a reprieve from the late night taxi service that dominated your weekends, not to mention the mountains of laundry.

But wait a moment; they want to come back. Here? The place they couldn't wait to leave? And back come the pots, pans, sports equipment, books, bedding, and clothes that they have collected over three years at university.

You are not alone. Almost 1 in 3 men and 1 in 6 women between the ages of twenty and thirty four live at home. The total figure is just short of three million. That's three million adults crammed into the average suburban home with their middle aged parents.

Can this possibly work?

It's not what they - or you - planned. The plan was that as a new graduate they would find a well-paid job, rent a flat and save a deposit to buy their own home.

But research by the Joseph Rowntree Foundation has found that by 2020, an extra 1.5m 18 to 30-year-olds will be forced into private renting. The number of young people unable to afford to leave their parents' home is expected to rise by half a million to 3.7m in the same period.

Rents are at a premium especially in London and the south east. Demand far outstrips supply. For every room in a shared house, there can be at least 10 applicants. Sharers can afford to be choosy - and they are.

John described finding a room: "It's like going for a job interview. You are judged on your occupation, hobbies, clothes and even your haircut."

And rents are out of reach of many graduates who are repaying their student loans, as well as high fuel or transport costs.

So what's it like if your adult son or daughter comes back home? How do you learn to live together again?

My boomerang son insisted on doing his own washing - something other parents may rejoice at. But not when that meant loading the machine at 11 pm. "Don't worry Mum, it's just a quick wash," didn't placate me when I was trying to sleep and ignore the drone of the tumble drier.

The words, "This is not a student house!" were uttered at least 10 times daily.

It was hard to share the space with another adult, who had developed a lifestyle different to mine: I like to go to bed early and get up early. My son liked to go to bed late and get up late. One of us was always grumpy because we'd either been kept awake or woken up.

Sarah described how she felt. "I moved back home a year after leaving university: I was made redundant. It was horrendous: my parents lived in the middle of nowhere and I felt trapped in my child's bedroom as I scoured for jobs every day.

We couldn't get out of the parent-child roles, and I felt stifled by my parents' routine of meals and bedtimes, and how it was expected that I'd go to bed at certain times.

"I did offer to help but this was turned down and my mum made it clear she resented my being there."

Joanna, whose step daughter returned home after university, said, "There was a total clash of lifestyles, especially as they're still prone to all the angst, and the drunken phone calls at 4am because they've got stuck somewhere and need a lift isn't great either."

But is it all bad?

Not according to Joanna. "The bonus of getting to spend some time with them as young adults, that insight into their lives, and getting to know their friends is more than worth it."

And what about money? If your boomerang child is earning, should they pay rent?

Nancy has lived at home for a couple of years and is now almost 27. "I pay rent, and it feels like three adults co-habiting. I clear up after dinner but probably don't do as much housework as I should.

I despair that soon I'll be 30 and although I love my career, I can't afford to move out.

We didn't take any rent from our son. It was a hard decision, because I felt he should contribute; but he was earning very little, saving for a deposit for a rental, and clearing his student debts.

When children return home as adults it can be difficult for everyone: “Two’s company, three’s a crowd” applies to many families.

Sometimes, rocky marriages are glued together by a child returning, others are torn apart as adult children push against the former parent-child relationship that’s sometimes recreated.

Sharing a home with an adult son or daughter works best if there are some rules and, based on what I’ve heard and experienced first hand, these would be my top tips:

- Agree finances as soon as possible. It’s harder to start charging rent after six months.
- Consider a contribution to chores, cooking, shopping, or gardening in place of rent.
- Discuss mealtimes and bedtimes if you have different lifestyles. Maybe a compromise on some nights of the week.
- Encourage your child to keep up the independence they had by suggesting they cook a meal now and then, and do their own laundry.

<http://www.parentdish.co.uk/teen/your-boomerang-child-is-back-survival-tips-for-parents/>

Source: <http://www.parentdish.co.uk> 07/04/14

Should I ask my grown-up children to pay rent?

Question: Like many older parents I find I am providing accommodation for “boomerang kids”.

I’ve now got three grown-up children under my roof who have, after university and working away, all returned to the family home. Luckily they have all got jobs, but they never seem to have much money to spend. The cost of renting, should they move out, would see their disposable income fall even further and they all have huge student debts. These are fortunately all from the Student Loans Company on a reasonable rate of interest rather than the bank, but it still takes a chunk out of their wages.

My husband and I have long since given up plans for a retirement “à deux” as long as the children are still on our hands. They each have a boyfriend/girlfriend and at weekends the house can be like Grand Central Station.

I suppose we must secretly like having them around as it keeps us young, or we would take measures to throw them out.

My question is: are we doing the right thing by giving them a home, or should we take a hard line and – metaphorically at least – change the locks? If we let them stay, should we charge them rent? We don’t need the money and they do, but I do wonder if there is some moral issue here about them living rent-free when they are working and my husband and I are pensioners, albeit not too badly off?

A friend once advised me “Never buy your child a double bed”. If the children have taken root and even introduced their respective partners because you’ve made them so comfortable, you’ve got problems!

Answer: All I can say is, I hope you are not still doing their washing!

But let’s be practical here. According to some recent figures, 4.4 million grown-up children in the UK are receiving financial support from their parents, each of them costing their parents £47,324 on average during their adult years.

These dependent children don’t, of course, all live under the same roof as their parents – although 1.6 million do – but, according to research published last year, subsidising their children’s basic living costs, including bills and rent, is costing parents an average £2,103 per year, or £175 per month for each child.

Of those living at home, more than half (58%) are in their twenties, a third (29%) are in their thirties and an astonishing one in ten (12%) are over 40.

You are clearly not alone with your problem.

If you thought that giving your child a home would save you money in the long run you’d be wrong. Supporting your child at home actually costs more over the years than helping them get a flat, or so the research maintains.

So, what is to be done?

It’s a blessing that you “secretly” like having your children around. I suggest it’s not a very well kept secret, as you’ve certainly let your children in on it. Pity those other parents who have grown-up children at home and hate it.

We know that in these difficult economic times children have never found it harder to get on the housing ladder. They are saddled with student debt and the cost of basics, such as running a car and travelling by public transport. Even lunches

at the office have gone stratospheric. That's before they've bought work clothes, had a bit of fun, like a Saturday night out, treated the girlfriend to a weekend away or actually taken a holiday.

Parents also quite like a bit of control: knowing what their children are up to, who they are dating, what they are eating and the hours they keep. That's probably a bad thing, but as well as enjoying your children's no doubt charming company, it probably contributes to the explanation about why you haven't actually changed the locks or moved out yourself.

Don't, however, beat yourself up about the fact that your children haven't flown the nest. Watching your children move out of the family home as soon as they've left school is a relatively new phenomenon, occasioned for our generation by the increase in university education (going away to study provided a natural moving out point of no return) and cheap mortgage lending, which has now dried up.

It became the norm for us baby-boomers but certainly isn't the norm everywhere.

Multi-generational families are quite usual in many, if not most, cultures, and indeed were in ours until about 50 years ago. There's no reason that they shouldn't become the norm – at least for some families – once again, so there's no need to feel self-conscious about your situation per se.

The mores of living together have, however, changed. You need to decide whose home it is and who calls the shots.

You can't be expecting your working children home at a certain time and get exercised if they don't turn up for supper because they've gone for an after-work drink with their friends. Nor should you be doing their darning and washing.

Perhaps an arrangement more like flatmates would work better, when you have to respect each other's comings and goings? How you work this out is going to be up to you – but work it out you should.

Forget cooking and shopping rotas. Offer them a meal if you've cooked one and there's some food to spare, but turn a deaf ear to the question "What's for dinner?" You are not offering hotel service. They should buy their own food and cook it – and indeed offer you some of their dinner on the same basis as you would offer yours to them.

Charge them a share of the bills and insist they keep common parts of the house clean and tidy. It's none of your business if their bedrooms are a tip – they are adults after all – but they should keep them clean, as dirt travels to other parts of the house. If they don't want to clean them themselves, on no account step in. Hire a cleaner and charge them a share of the cost.

The big question is: do you charge them rent when they are apparently so hard up. I'm afraid the answer has to be yes, even if it makes them skint and you don't need the money.

There are two reasons for this: the first is that paying your way is what adults do, and picking up the tab so your children can treat their wages as pocket money for spending is infantilising them.

The second reason, which is really part of the same thing, is that it's good practice for the day that will surely come when they DO have to pay rent or a mortgage. It is simply good discipline. You are doing your children no favours by letting them become accustomed to a high level of disposable income, and indeed are making a rod for your own back. They will never become independent if they think they can't afford their own place. If you charge them a market rent they will realise that they can afford it, because they just have to swap one rent (yours) for another.

Finally, what do you do with the money that you have accepted in rent?

Many retired people would welcome the extra income, and you will find articles on this website about people making money from their home by renting out rooms simply to make ends meet.

You are lucky that you don't seem to need the money.

In which case, open a savings account and put the money aside. It will soon mount up and you can give it right back to the children when you eventually decide to downsize to that little place in the country you've always dreamed of. It will make a great deposit on a flat for them.

<http://www.saga.co.uk/money/experts/should-i-ask-my-grown-up-children-to-pay-rent.aspx>

Source: <http://www.saga.co.uk> 07/04/14