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- *Nearly half (47%) of grandparents investing for their grandkids have boosted contributions over the past 12 months*
- *More than four in ten (45%) were able to invest more because of reduced spending opportunities and 41% wanted to create a larger savings buffer for their grandchildren*
- *Child SIPPs and Junior stocks & shares ISAs are the most popular forms of investment for grandparents*

Nearly half (47%) of all grandparents investing for their grandkids have increased their contributions over the last 12 months, new research from financial mutual Scottish Friendly reveals.

The increased levels of investment have been sparked by the onset of the COVID-19 pandemic and grandparents desire to help secure their grandkids long-term financial future.

More than four in ten (45%) grandparents said their decision to invest more was due to there being fewer opportunities to spend money over the last year.

Meanwhile, 41% of respondents wanted to create a savings cushion for their grandkids amid the growing economic uncertainty from the pandemic.

Less than one in ten (9%) grandparents reduced investment for their grandkids over the last year while 42% said it had remained about the same.

Overall, almost one in three (30%) grandparents in the UK invested money for their grandkids in the last 12 months compared to 54% who saved into cash accounts.

The findings reveal that Child SIPPs (11%) are the most popular form of investment for grandchildren's savings, closely followed by junior stocks and shares ISAs (10%).

The poor returns on offer on most cash savings accounts is helping contribute to some grandparents' increased level of investment.

One in six (17%) said low interest rates would motivate them to invest more for their grandkids over the coming year.

Reduced outgoings is also still a major factor with more than one in four (26%) grandparents expecting they will be able invest more in the next 12 months because of this.

Grandparents are even turning to cryptocurrencies as means of saving money for their grandchildren, despite its volatility.

Almost one in twelve (7%) invested in crypto during the past year and of those almost half (48%) plan to increase the amount over the next 12 months with just 14% intending to invest less.

Jill Mackay, savings and investment specialist at Scottish Friendly says: "The increased investment made by many grandparents over the past year is a sign of their determination to help secure their families' long-term financial future.

"It has been a difficult period for lots of households over the last 12 to 18 months and with any loss of income it is normal to stop any regular savings or to draw down money you have put away.

"Parents are more likely than grandparents to have suffered a loss of income and therefore saving, particularly for long-term goals become less of a priority.

"But there are grandparents who do have the discretionary income to put towards family savings and this can be a big support. It is clear over the last year or so that many have chosen to try and use the opportunity to spend less to save more for their grandkids' future.

"It's also encouraging to see grandparents deciding to invest more of their money rather than save it in cash. If it's money they're wanting to share with their grandchildren in the short term then cash is a sensible option, but if they don't plan to do so for five, ten or even fifteen years then the stock market may offer the greatest potential for higher returns."

ENDS

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Methodology:
The survey of 1,200 parents and grandparents was conducted by 3Gem Research and Insights and was carried out between Friday 7th May and Friday 14th May.

Editors notes:

Remember that the value of investments can go down as well as up and you could get back less than you paid in.

Past performance is not a reliable guide to future performance.

Tax treatment depends on individual circumstances which can change in the future.

About Scottish Friendly
Scottish Friendly is a leading UK mutual life and investments organisation. It provides investors and their families with a wide range of investment and protection solutions and provides life and investment products and services to other financial organisations.

Scottish Friendly has roots stretching back to 1862. Established as the City of Glasgow Friendly Society, its name changed in October 1992 when it took over Scottish Friendly Assurance.

In recent years Scottish Friendly has significantly restructured its business. The Group has flourished through a three-part growth strategy of organic growth, mergers and acquisitions, and business process outsourcing.

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