

28 July 2011

**PARENTS MAKING SUPER MOVES TO HELP QUEENSLAND PETER PANS
TAKE FINANCIAL FLIGHT**

A Peter Pandemic is sweeping the nation with one in two adult children aged 18 to 24 years, hooking mum and dad into a financial Never Land by failing to leave home.

Suncorp Bank Executive General Manager David Marshall said while parents may be happy to shelter their kids from the exorbitant cost of living, few realise the impact it could be having on their children's financial future and their own plans for retirement.

"ABS figures* show that 49.7% of 18-24 year olds and 13.9% of 24-35 year olds are living at home and relying on the bank of mum and dad," Mr Marshall said.

"Parents are shelling out extra money on groceries, water and electricity bills, without any contribution from their working adult children.

"Without financial responsibilities, these young adults are living like the eternal child Peter Pan."

Mr Marshall suggested some tough financial love could prompt adult children to set up house and find their own financial feet, allowing parents the chance to turn an empty nest into a healthier nest egg.

"If the many parents who find themselves in this position asked their children to put aside what they would be paying in rent if they were living in share accommodation, they could afford to leave home many years sooner," he said.

"In Brisbane a room in a share house costs about \$190 per week**. If this was put away in a high interest account paying 6 per cent per annum it would be worth about \$32,450 at the end of three years – a significant contribution towards a deposit on a \$300,000 mortgage.

"This strategy not only gives children a leg-up in getting into the property market, it also eases the financial pressure on parents by helping their kids to leave home sooner.

"Parents with an empty nest will have more disposable income to pay-off their mortgage or downsize their house and put more into their superannuation."

Mr Marshall said even if it was only costing parents an additional \$100 in food and bills a week to have an adult child at home, in the course of a year that would equate to an additional \$5200 they could be saving towards retirement.

An extra \$5200 invested 20 years prior to retirement could boost a parents' superannuation pay-out by \$14,000***.

Mr Marshall said while trends like the Peter Pandemic result from economic pressures, applying simple financial strategies like an agreed savings plan could provide a win-win for the entire family.

Visit your Suncorp Bank branch for advice on the best options for your family's financial future.

Media Contact: Amy McDonald on 3335 5580 or 0403 058 462

*Australian Bureau of Statistics, Cat. No 4102.0 – Australian Social Trends, Dec 2010; Data Cube: LATEST- Family and Community – National and State Summary tables; Table 1 – Family and Community, National summary, 1998-2010. (<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4102.0Dec%202010?OpenDocument>)

**This figure is based on half the median weekly rent of a two bedroom apartment in Brisbane according to the Residential Tenancy Authority Median Weekly Rents for June 2011. (http://www.rta.qld.gov.au/zone_files/stats_june_qtr_2011/sa_2_bed_flats.htm)

***This figure has been calculated based on the following assumptions: the parents are 45 now and will retire at 65; the net rate of return is 5.1%; the contribution is made at the beginning of the year and the interest is calculated at the end of the year; the figures are in future dollars.