

THE TOUGH QUESTIONS.

Our research shows it could cost £30,000 a year to pay someone to replace a Mum's domestic work and £21,000 for a dad. By asking your clients how they'd cope if a parent died, you have an opportunity to discuss the importance of personal protection. These are tough questions, but every adviser should be prepared for the conversation.

This is not a consumer advertisement. It is intended for professional financial advisers only and should not be relied upon by private investors or any other persons.



CONTENTS.

INTRODUCTION	3
VALUE OF A PARENT	5
PARENT LIFESTYLE	9
THE COST OF RAISING CHILDREN	13
GRANDPARENTS	15
RECESSION	19
STATE BENEFITS	21
ARE PARENTS PROTECTED?	25
CONTACT US	30

▶ INTRODUCTION.

We've been researching the unpaid work carried out in the home for over 30 years. This can be general housework duties or childcare.

Our research survey was designed to put a monetary value on the day-to-day duties of Mum and Dad in the home. Should something happen to your client or their partner and they had to hire a replacement to help with domestic duties and childcare, we want to highlight the typical costs.

There's also a direct link with protection needs, especially given that the Swiss Re 2010 report puts the **protection gap at £2.4 trillion**. To put this into context, that's around half the UK adult population with insufficient or no protection cover in place.

We believe this research will help you, the intermediary, to address the gap and start protection discussions with your clients.

OPPORTUNITIES.

As well as putting a value on the unpaid domestic work that parents do, we've also identified some other areas of opportunity to help your discussions with clients.

These include:

- Parents' lifestyle.
- The cost of raising children.
- Grandparents and the role they have in the modern day family. This has focussed on the help they give to parents and trying to put a monetary value on this.
- The recession and its affect on family lifestyle.
- State benefits and the perceptions that parents have on their role in financially supporting the family should the worst happen.
- The current levels of protection that parents already have in place.

HIGHLIGHTS

- The value of a Mum is **£30,032**.
- The value of a Dad is **£21,306**.
- **27%** of parents rely on regular help from their children's grandparents. In the North, this figure is even higher at **33%**.
- **64%** of parents can only afford to work because of grandparents' help.
- Fewer Mums have life cover than Dads (**49%** of Mums and **64%** of Dads surveyed).
- Only **36%** of parents surveyed regularly review their personal insurance levels.
- More parents are making wills (**29%** in 2009 and **34%** in 2011).
- Less than a quarter of parents have any critical illness cover (**24%**), income protection (**17%**) or family protection (**14%**).
- **63%** of parents say the government should pay if they become critically or terminally ill.
- The average day-to-day cost of raising a child each week is **£143**. Over 18 years, this equates to **£133,848**.
- **67%** of children value the work their parents do.
- Full time working parents carry out the equivalent of **£20,997** of unpaid work around the home in addition to earning their salaries.
- Over half of parents think the government should financially support families where a parent has died or become critically ill, yet **57%** of parents don't know what state benefits they're entitled if this happened.

▶ VALUE OF A PARENT.

	MUM	DAD
Hours per week	71 hours	50 hours
Cost per week	£578	£410
Cost per year	£30,032	£21,306

These figures are calculated using the number of hours spent on household chores and childcare multiplied by Office of National Statistics (ONS) data on average hourly pay rates for equivalent job roles. Then multiplied up by 52 weeks for the annual value.

Our findings show that Mums spend **71 hours** a week on domestic chores, which is **42%** more than Dads, who do an average of **50 hours** worth of chores a week.

The perception of what Mums should be paid for their domestic work is **£275** per week. This is less than half of their actual worth in the home, which is **£578** per week. The gap between a Dad's perceived and actual worth is narrower, and are perceived to be worth **£273** per week, compared with their actual value of **£410** per week.

VALUE OF PARENTS BY WORK STATUS

WORKING STATUS	COST PER YEAR
Full time	£20,997
Part time	£28,664
Not working	£31,523

As expected, the value of a non-working parent's work around the house is the highest at **£31,523**. Interestingly, parents in full and part time employment still carry out in excess of **£20,000** worth of work around the home.

OPPORTUNITY

A parent that works full time carries out nearly **£21,000** worth of work around the house in addition to the wages from their job. The value of the domestic work a client does needs to be taken into account when deciding on a level of cover to help ensure that it's sufficient to help meet their expenses should the worst happen.

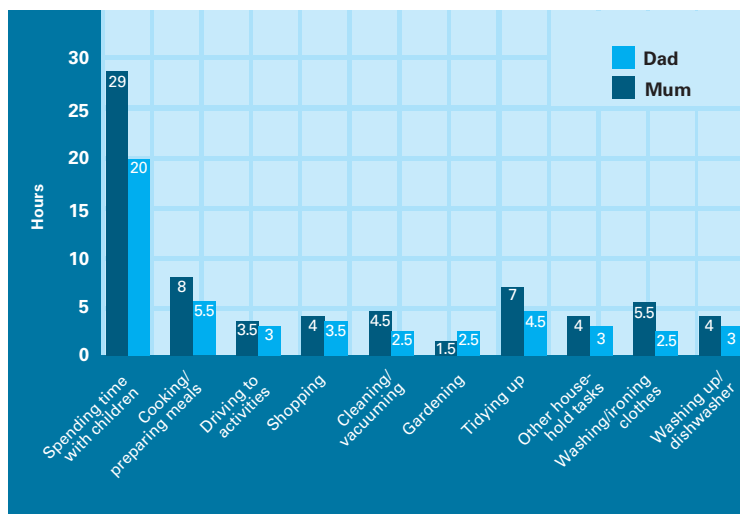
PARTNERS' PERCEPTION VS. ACTUAL TIME SPENT ON CHORES AND CHILDCARE

	PARTNERS' PERCEPTION	ACTUAL HOURS	DIFFERENCE
Mums	18 hours	71 hours	53 hours
Dads	15 hours	50 hours	35 hours
All parents	16.5 hours	65 hours	48.5 hours

We found that both a Mum's perception of what a Dad does around the house and vice versa are significantly different from reality.

A Mum is perceived, on average, to do **18 hours** worth of work around the home a week. This is **53 hours** less than the **71 hours** worth of work they actually do. On average, Dad's are perceived to do **15 hours** worth of domestic work a week, which is **35 hours** less than the **50 hours** they actually do.

BREAK DOWN OF TIME SPENT ON DOMESTIC CHORES



These results are similar to our findings from 2009, with Mums spending more time on all areas except for gardening.

Childcare is again the activity that parents spend the most time doing. The value of the childcare a Mum carries out is **£249**, and the value for Dads is **£172**.

OPPORTUNITY

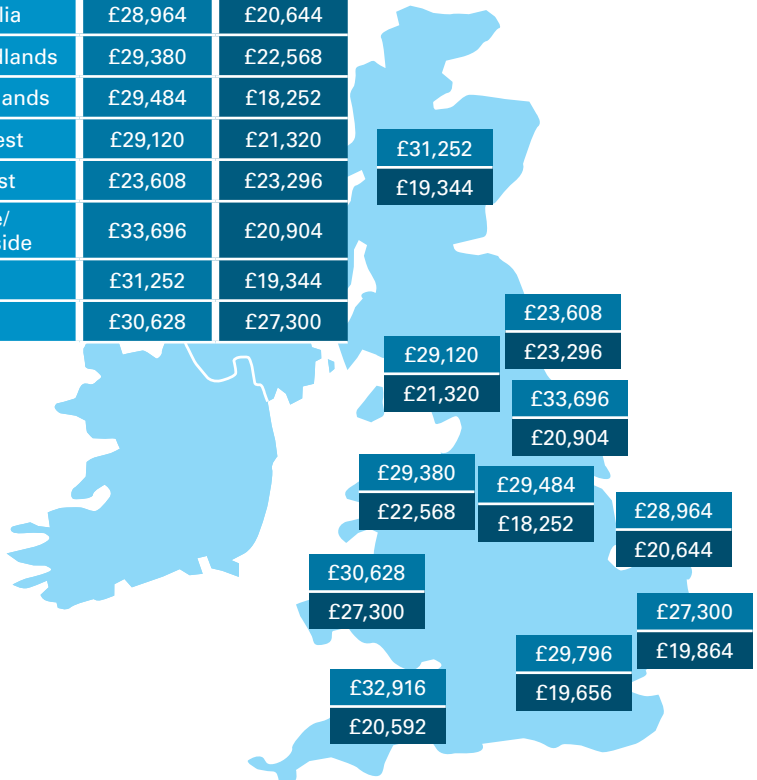
Mums carry out **£249** of childcare per week and Dads **£172**. Could either parent afford to give up work or pay for childcare if their partner was no longer around?

VALUE OF A PARENT BY REGION

REGION	MUM	DAD
UK	£30,032	£21,306
London	£29,796	£19,656
South East	£27,300	£19,864
South West	£32,916	£20,592
East Anglia	£28,964	£20,644
West Midlands	£29,380	£22,568
East Midlands	£29,484	£18,252
North West	£29,120	£21,320
North East	£23,608	£23,296
Yorkshire/ Humberside	£33,696	£20,904
Scotland	£31,252	£19,344
Wales	£30,628	£27,300

KEY

MUM
DAD



The highest regional value for Mums in the UK was in Yorkshire and Humberside, with an average worth of **£33,696**, which is **12%** higher than the national average. For Dads, the highest regional value was in Wales where the average Dad's domestic work is worth **£27,300**. This is **28%** more than the national average value for Dads.

▶ PARENT LIFESTYLE.

The time we spend with our families is incredibly important. Having protection cover in place also helps to ensure that, should the worst happen, your client's family have the finances in place to help ensure that they can maintain their lifestyle.

TIME TO THEMSELVES

	HOURS SPENT (WEEK)
Mum	6.5 hours
Dad	8 hours
All parents	7 hours

On average parents spend **7 hours** a week with quality time to themselves. This amount is even less in families with 3 or more children, where the average parents have just **5 hours** a week to themselves.

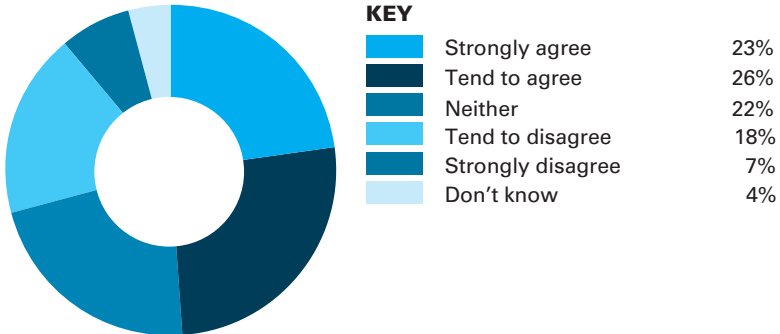
QUALITY TIME SPENT WITH PARTNER

	HOURS SPENT (DAY)
Mum	3 hours
Dad	3.5 hours
All parents	3 hours

OPPORTUNITY – LOOKING AT QUALITY TIME

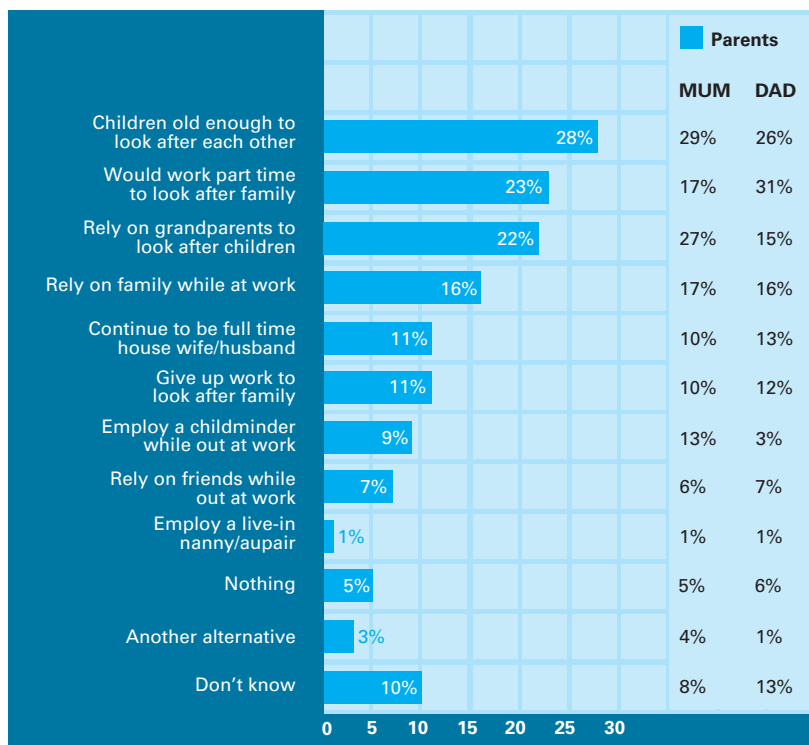
Parents only spend, on average, **7 hours** a week to themselves and **3 hours** of quality time a day with their partner. Should the worst happen, would quality time disappear in favour of having to work?

PREFERENCE OF SPENDING TIME WITH KIDS THAN WORKING



49% of parents said that they would rather spend time with children than work. The percentage for parents with children between the age of 0 and five was slightly higher at **58%**. If a client was forced to work if their partner became critically ill or died, then would they still have enough time to spend with the children?

MAINTAINING LIFESTYLE IF A PARENT DIED



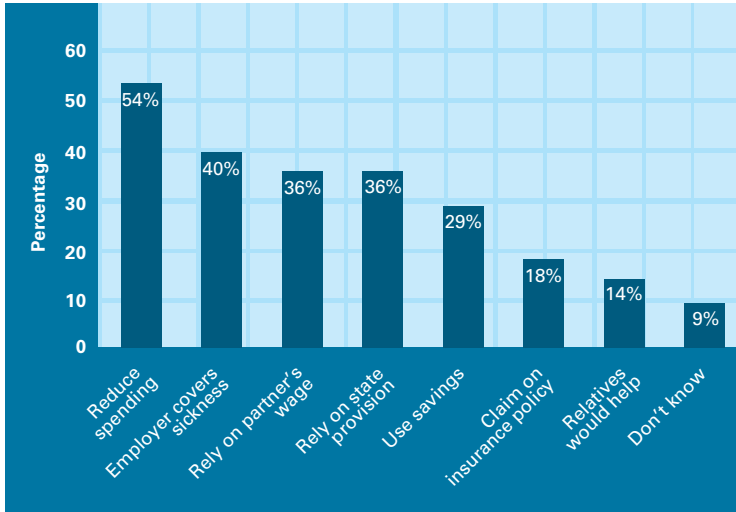
22% of parents said that they would rely on their children's grandparents to look after the family should their partner die, and this figure was even higher for Mums (**27%**).

23% of parents said that they would work part time to help look after the family. For Dads, this figure was the most popular response at **31%**.

OPPORTUNITY

11% of parents said that if their partner were to die, they would give up work to look after the family. Without having personal protection in place, this would mean these parents may have to rely on state benefits.

COPING FINANCIALLY IF A PARENT BECAME ILL OR DISABLED



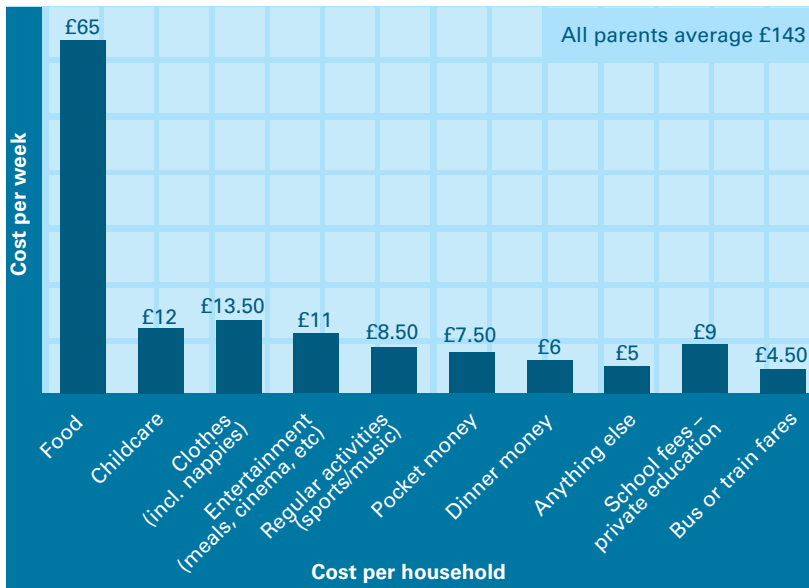
OPPORTUNITY

36% of the parents we surveyed stated that they would have to rely on state benefits or their partner's wage. Would your clients be able to live comfortably on state benefits should the worst happen?

▶ THE COST OF RAISING CHILDREN.

Raising a family is an expensive business. With inflation levels rising, this cost is only set to increase. This section looks at the day-to-day costs associated with looking after a family.

AVERAGE COST OF RAISING CHILDREN EACH WEEK



The average day-to-day cost of raising a child each week is **£143**. Over 18 years, this equates to **£133,848**, which is an **8%** increase on 2009's findings. The biggest rise in cost was food. The average spend on a child's food per week is **£65**, an **11%** increase on 2009.

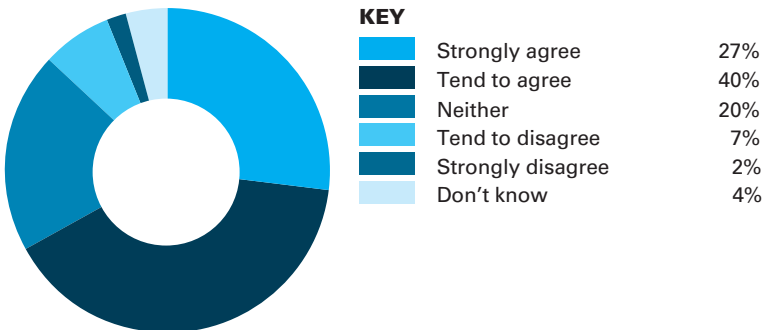
CHANGES IN SPENDING

	SPEND PER WEEK	SPEND PER YEAR
2011	£143	£7,436
2009	£132	£6,864
2005	£114	£5,928
2004	£104	£5,408

OPPORTUNITY

Our research found that the average day-to-day cost of raising a child each week is **£143**. If your client has no cover in place, could they afford these day-to-day costs should the worst happen? Having a personal protection policy in place could help your client to meet the financial costs of raising a family.

CHILDREN'S APPRECIATION OF TIME SPENT WITH PARENTS



67% of parents stated that they thought their children valued the time they spend together. Our research also shows that:

- Mums (**69%**) felt more appreciated by their children than Dads did (**64%**).
- Single parents (**75%**) felt more appreciated than married parents (**63%**).

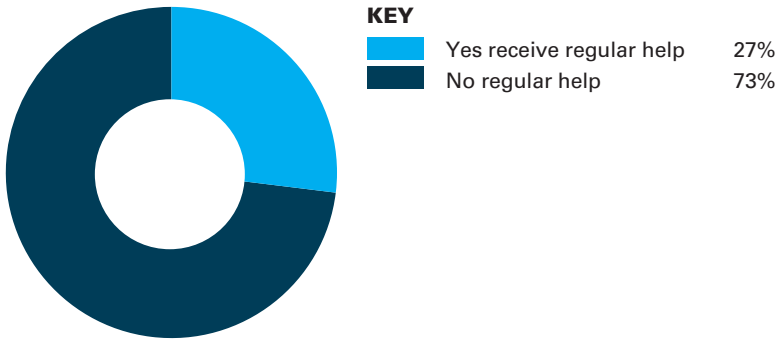
▶ GRANDPARENTS.

With the increased cost of living in recent years, some parents are finding themselves having to return to work to meet their family's financial needs.

Grandparents are playing an increasingly important role in the family, from providing financial support to helping with childcare and looking after the home. Quite often, without their help, families would struggle.

In this section, we're focusing on the role grandparents play in the modern day family.

REGULAR HELP FROM YOUR CHILDREN'S GRANDPARENTS



Over a quarter of parents surveyed (**27%**) stated that they regularly receive help from their children's grandparents. Our findings also show that:

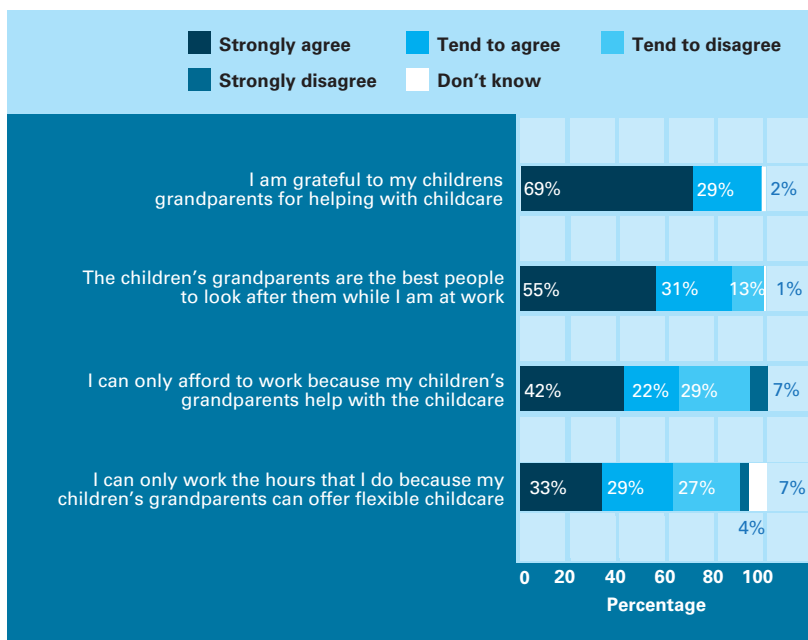
- Single parents rely on help from grandparents the most, with **36%** stating that they get regular help.
- A third of parents (**33%**) from the North of England regularly rely on help from grandparents.
- Mums (**29%**) rely on help more than Dads (**23%**).
- Parents with younger children have more help from grandparents. **34%** of parents with children aged 0 to 5 regularly rely on help, compared to **19%** of parents with children aged between 12 and 18.

VALUE OF GRANDPARENTS

	FULL TIME WORKING PARENTS	PART TIME WORKING PARENTS
% who have help with childcare while at work	14%	15%
Average hours per week grandparents help	7 hours	7 hours
% that pay grandparents for this help	24%	12%

Although grandparents help on average seven hours per week, less than a quarter of full and part time working parents surveyed pay for this help. If these parents were to pay a childminder for the same amount of time, then they would be spending **£60 per week** on average for this help.

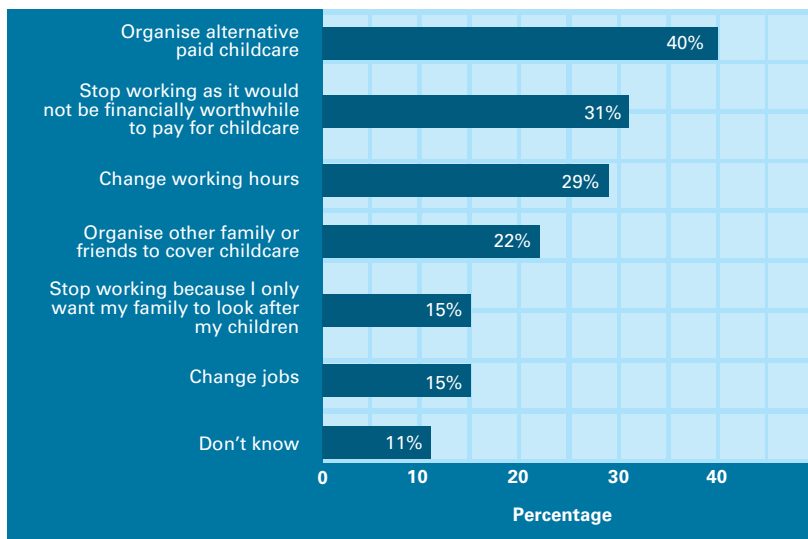
IMPORTANCE OF GRANDPARENTS



Overall, the findings suggest that the help from grandparents is appreciated, with **98%** stating that they were grateful for grandparents helping with childcare. **86%** of parents surveyed agreed that whilst they were at work, the children's grandparents were the best people to look after them.

64% of parents stated that they could only afford to work due to the grandparents help with childcare, with **62%** stating that they could only work the hours they do due to grandparents being able to offer flexible childcare.

IF GRANDPARENTS COULD NO LONGER HELP WITH CHILDCARE WHILST A PARENT IS AT WORK



The findings from this question really do help to highlight just how important the grandparent's role in the family has become. Nearly a third (**31%**) of parents would stop working if grandparents were unable to help, as it would not be financially viable to pay for childcare. **15%** of parents would stop working, as they wouldn't want a non-family member to look after their children.

OPPORTUNITY

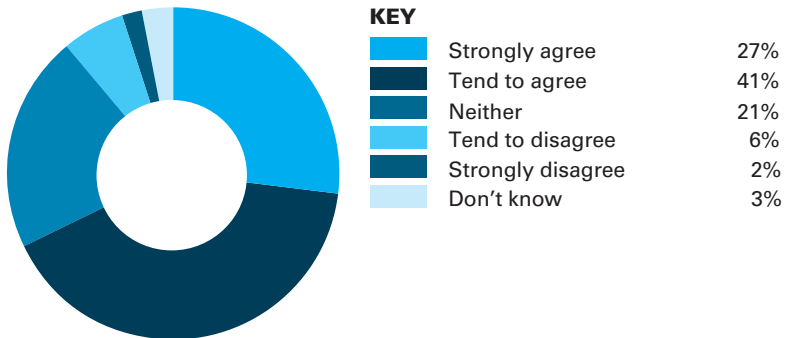
64% of parents surveyed said that they're only able to work due to the help they get from grandparents, and **31%** would stop working if the grandparent could no longer help with childcare whilst at work. This is a great opportunity to review the level of cover that grandparents have.

When dealing with clients who do regularly need help from grandparents, ask them how they would be able to manage financially if their children's grandparents could no longer help with childcare. Is paying more for alternative help an option? Could your client afford not to work?

▶ RECESSION.

Since the last research was carried out in 2009, the UK has been in one of the worst recessions in many years and this has made it an uncertain time for many people. We've looked into the recession to assess the effect this has had on parents.

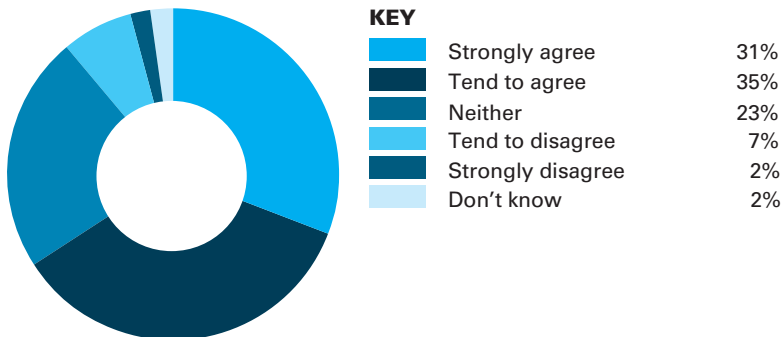
PARENTS HAVE CUT BACK ON SPENDING INCLUDING HOUSEHOLD SPENDING AND ON THE CHILDREN



68% of parents surveyed have cut back on spending during the recession. Three quarters (**75%**) of Mums and **55%** of Dads agreed that they had reduced their levels of spending.

Those with lower incomes have been affected the most by the recession. **80%** of households with an income under of under £20,000 admitted they'd cut back on spending, whereas in households with incomes of over £70,000, this figure was much lower at **51%**.

PRESSURE ON PARENTS TO WORK DURING RECESSION TO PAY FAMILY'S BILLS



OPPORTUNITY

66% of parents stated that they felt a pressure to work due to the recession. This is a great example to help clients understand the importance of having personal protection in place. Would their family be able to cope financially if one parent could no longer work?

▶ STATE BENEFITS.

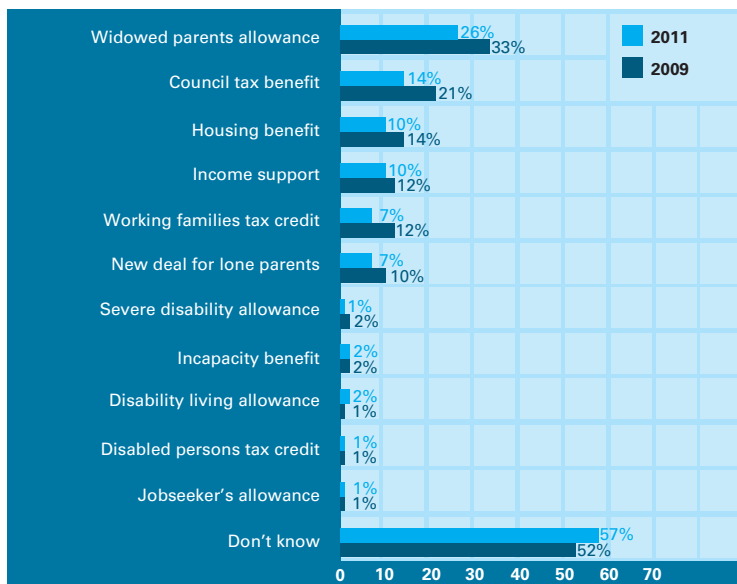
Many people think that if the worst were to happen to themselves or their partner, the help they would get from the state would be enough to look after themselves financially.

With the day-to-day costs of raising a child being £143 per week, parents without protection cover in place could find that the help they get from the state isn't enough to cover the costs associated with looking after a family.

i

The cost of raising a child is £143 per week.

STATE BENEFITS PARENTS BELIEVE THEY'D BE ENTITLED TO IF EITHER PARENT WERE TO DIE

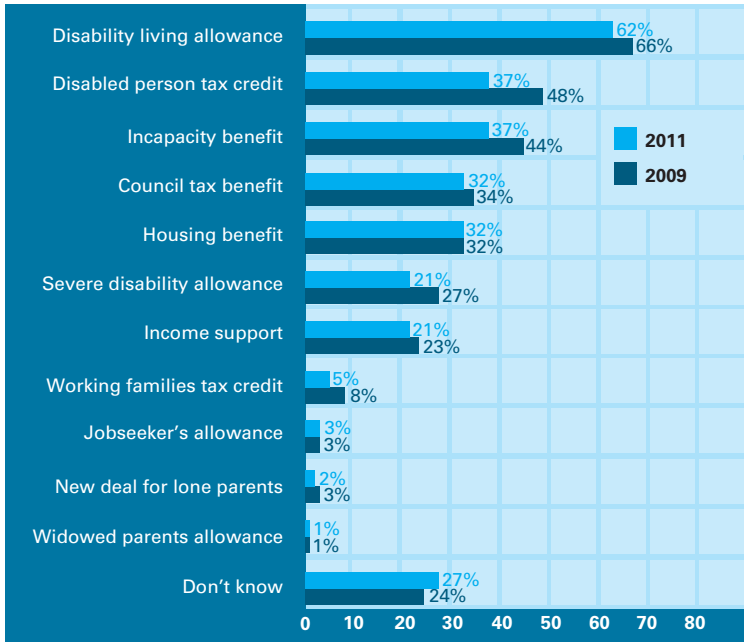


57% of parents stated that they didn't know what state benefits they would be entitled to should their partner die.

Our research into state benefits for the death or critical illness of a partner also shows that:

- **55%** of parents think the government should be responsible for helping people financially if affected by the death of a partner. The proportion of Mums who thought that state should help (**59%**) was higher than Dads (**46%**).
- **63%** of parents think the government should provide financial support to those parents affected by the critical illness of a partner. Again, more Mums (**65%**) thought the state should help than Dads (**58%**).

STATE BENEFITS PARENTS BELIEVE THEY'D BE ENTITLED TO IF EITHER PARENT WERE TO BECOME DISABLED



Over a quarter (**27%**) of parents did not know what state benefits they were entitled to in the event of a partner being unable to work due to disability.

Our research also shows that:

- Over three quarters (**77%**) of parents think that if a partner was unable to work due to disability, the government should be responsible for helping financially.

- Of the **77%** of parents that thought the government should help, more Mums (**81%**) thought that it was the state's responsibility than Dads (**69%**).
- Only **28%** of parents thought that it was their responsibility to have insurance cover in place to protect against long-term illness and disability.

OPPORTUNITY – INCOME PROTECTION

Only **28%** of parents thought it was their responsibility to have insurance cover in place to protect against long-term illness and disability. This, coupled with the fact that only **17%** of parents have any income protection in place, means that this is an excellent opportunity to discuss the need for income protection with your clients.

▶ ARE PARENTS PROTECTED?

INSURANCE PRODUCTS THAT PARENTS HAVE IN PLACE

	MUM	DAD	OVERALL
Life insurance	49%	64%	53%
Critical illness	22%	30%	24%
Income protection	15%	22%	17%
Family income protection	12%	19%	14%

For all types of cover, a higher proportion of Dads had cover in place than Mums. The difference is largest for life insurance, where **15%** more Dads had life cover in place.

Only half (**53%**) of all parents surveyed had any life insurance. For critical illness, income protection and family protection, this percentage was even lower. Less than a quarter of all parents surveyed didn't have these three types of cover in place.

OPPORTUNITY

The proportion of parents surveyed with any personal protection cover in place is very low. This highlights that there is still a large potential in the marketplace to increase personal protection sales.

OPPORTUNITY

In all cases, Mums had less protection in place than Dads. In the state benefits section, we also found that more Mums thought that the state would provide for them financially than Dads. This is a good opportunity for you to discuss our Value of a Mum findings with your clients to show that having protection cover in place for Mums is just as important as it is for Dads.

PARENTS THAT ARE PROTECTED 2009 VS. 2011

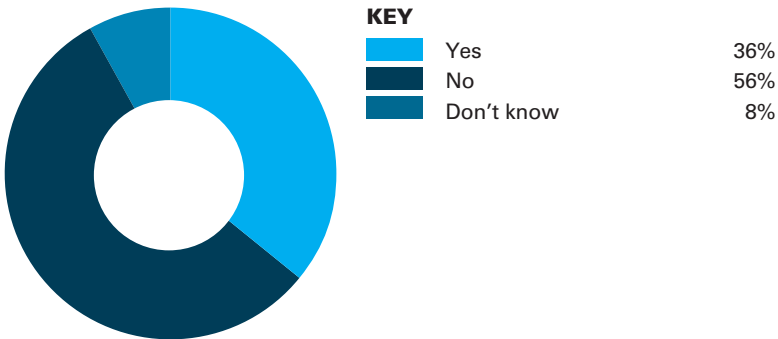
	2009	2011	CHANGE (%)
Life insurance	57%	53%	-4%
Critical illness	28%	24%	-4%
Income protection	22%	17%	-5%
Family income protection	20%	14%	-6%

From our 2009 survey, we can see that the number of parents that have protection cover in place has decreased for all four types of cover.

OPPORTUNITY

For all four types of cover, the percentage of people surveyed that had protection in place has decreased. Many families are making cutbacks on spending to cope with the effects of the recession. Clients need to be made aware of the impact that cutting back on their personal protection cover could have on their family's financial security should the worst happen.

PARENTS THAT REVIEW THEIR COVER

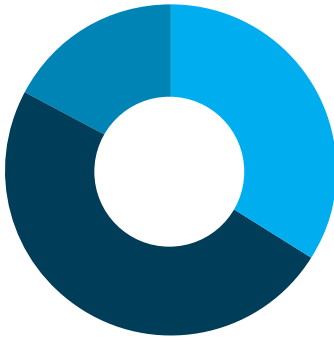


Of the parents surveyed, over half (**56%**) do not regularly review their levels of cover. This is a significant increase (**9%**) from our 2009 survey.




OPPORTUNITY

Only 36% of parents regularly review their levels of personal protection cover. By not regularly reviewing their cover, clients may find that the level of cover they have in place is no longer sufficient to help meet their family's financial needs.

MAKING A WILL



KEY

	Yes	34%
	No	49%
	Don't know	17%

Only **34%** of parents surveyed had taken the time to make a will. Our research into wills also showed that:

- Making a will was more common amongst respondents who owned their own home (**44%**) than those who rented (**18%**).
- The proportion of people who made wills was higher as household income increased. Amongst those earning under £20,000 a year, only **21%** had made a will compared to **71%** of those with household incomes of over £70,000.
- The likelihood that parents had made a will increased with age. Only 5% of 15-25 year olds had made a will, whereas over half (**52%**) of over 55's had done so.
- More Dads had made a will (**40%**) than Mums (**30%**).

OPPORTUNITY – CROSS-SELL OPPORTUNITY

Over half (**52%**) of over 55 year olds had made a will. Discussing wills with older clients also presents the perfect opportunity to discuss their protection needs and increase sales, particularly with over 50's products.

▶ CONTACT US.

YOUR PERSONAL PROTECTION CONTACTS.

IFAs/INTERMEDIARIES

Call our Protection Sales Team on
0845 273 0010

We may record and monitor calls. Call charges may vary.
Monday to Friday 9am to 5pm.

www.legalandgeneral.com/personalprotection

BUSINESS PARTNERS

Please speak to your usual Legal & General contact.

www.legalandgeneral.com/personalprotection/bp

BANKS AND BUILDING SOCIETIES

Please speak to your usual Legal & General contact.

▶ SALES SUPPORT.

We offer a range of adviser and client facing support material full of information about personal protection.

This suite of information is available online to download along with access to our personal protection calculator to assist you in the advice process.



Legal & General Assurance Society Limited.

Registered in England No. 166055

Legal & General Partnership Services Limited.

Registered in England No. 5045000

Registered office: One Coleman Street, London EC2R 5AA

We are authorised and regulated by the Financial Services Authority.
We are members of the Association of British Insurers.

W13408 05/11